Ledger Book - Complete User Manual

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Introduction

Ledger Book is your personal finance companion that helps you track every rupee of your financial life. Whether you're a working professional, student, or business owner, this system helps you:

- Track all income and expenses
- Manage multiple accounts (cash, bank, wallets, credit cards)
- Keep track of money lent to or borrowed from friends
- Monitor split payments and shared expenses
- Set budgets and stay within limits
- Generate financial reports

Getting Started

Step 1: Create Your Account

1. Visit the Ledger Book website
2. Click **"Sign Up"**
3. Enter your details:
    - Name: Your full name
    - Email: Your email address
    - Password: Create a strong password
4. Click **"Create Account"**

Step 2: Set Up Your Accounts

After registration, you'll see default accounts created:

- **Cash** - For physical money in your wallet
- **Savings Account** - Your bank account
- **PayTM Wallet** - Digital wallet
- **Credit Card** - For credit card spending

To add more accounts:

1. Go to **Accounts** page
2. Click **"Add Account"**
3. Fill in details:
   - Name: e.g., "PhonePe Wallet"
   - Type: Asset (money you have) or Liability (money you owe)
   - Subtype: Choose from Cash, Bank Account, Digital Wallet, Credit Card, Loan
   - Initial Balance: Current amount in that account
4. Click **"Create Account"**

Daily Life Scenarios

Scenario 1: Morning Breakfast with Friend (Split Payments)

The Situation: You and your friend Rahul go for breakfast every morning. Sometimes you pay, sometimes he pays. You want to track who owes whom.

Day 1 - You Pay for Both (₹250)

Step-by-step:

1. **Add Rahul as a Contact** (One-time setup)

   - Go to **Contacts** → Click **"Add Contact"**
   - Name: Rahul Sharma
   - Phone: +91 98765 43210
   - Click **"Create Contact"**
2. **Record the Transaction**

   - Go to **Transactions** → Click **"Add Transaction"**
   - Type: **Expense** (for your share)
   - Amount: ₹125
   - Account: Cash
   - Category: Food & Dining → Breakfast
   - Title: "My breakfast share"
   - Date: Today
   - Click **"Create Transaction"**
3. **Record Money Lent to Rahul**

   - Click **"Add Transaction"** again
   - Type: **Lent Money**
   - Amount: ₹125
   - Account: Cash (you paid from cash)
   - Contact: Rahul Sharma
   - Title: "Rahul's breakfast share"
   - Date: Today
   - Click **"Create Transaction"**

Result:

- Your Cash decreases by ₹250 (total bill)
- Your expense recorded: ₹125
- Rahul owes you: ₹125 (shown in green)

Day 2 - Rahul Pays for Both (₹280)

Step-by-step:

1. **Record Your Expense**

   - Go to **Transactions → "Add Transaction"**
   - Type: **Expense**
   - Amount: ₹140
   - Account: Cash (even though Rahul paid, it's your expense)
   - Category: Food & Dining → Breakfast
   - Title: "My breakfast share"
   - Click **"Create Transaction"**

2. **Record Money Borrowed from Rahul**

   - Click **"Add Transaction"**
   - Type: **Borrowed Money**
   - Amount: ₹140
   - Account: Cash
   - Contact: Rahul Sharma
   - Title: "Rahul paid for me"
   - Click **"Create Transaction"**

Result:

- Your Cash stays the same (Rahul paid)
- Your expense recorded: ₹140
- Balance with Rahul: ₹125 (he owes you) - ₹140 (you owe him) = **You owe Rahul ₹15**

Day 3 - Settling Up with Rahul

When you check the **Contacts** page, you see:

- **Rahul Sharma: You owe ₹15** (shown in red)

To settle:

1. Go to **Transactions → "Add Transaction"**
2. Type: **Repayment Out** (you're paying him back)
3. Amount: ₹15
4. Account: Cash
5. Contact: Rahul Sharma
6. Title: "Settlement"
7. Click **"Create Transaction"**

Result:

- Cash decreases by ₹15
- Rahul's balance: ₹0 (Settled - shown in gray)

Scenario 2: Monthly Salary & Regular Expenses

The Situation: You're a working professional earning ₹50,000/month and need to track all expenses.

1st of Month - Salary Received

1. Go to **Transactions** → **"Add Transaction"**
2. Type: **Income**
3. Amount: ₹50,000
4. Account: Savings Account (salary credited to bank)
5. Category: Income → Salary
6. Title: "January Salary"
7. Date: 1st Jan
8. Click **"Create Transaction"**

Result: Savings Account increases to ₹50,000

Throughout the Month

Grocery Shopping (₹2,500)

- Type: **Expense**
- Amount: ₹2,500
- Account: Cash
- Category: Food & Dining → Groceries

Electricity Bill (₹1,200)

- Type: **Expense**
- Amount: ₹1,200
- Account: Savings Account
- Category: Bills & Utilities → Electricity

ATM Withdrawal (₹5,000)

- Type: **Transfer**
- Amount: ₹5,000
- From Account: Savings Account
- To Account: Cash
- Title: "ATM Withdrawal"

Result: Money moves from bank to cash, total wealth unchanged

Scenario 3: Credit Card Usage & Payment

The Situation: You buy a phone on credit card and later pay the bill.

Step 1: Buy Phone (₹20,000)

1. **Record the Purchase**
   - Type: **Expense**
   - Amount: ₹20,000
   - Account: **Credit Card - HDFC**
   - Category: Shopping → Electronics
   - Title: "New smartphone"
   - Click **"Create Transaction"**

Result:

- Credit Card balance: -₹20,000 (liability increased)
- Available credit reduced
- Cash/Bank: Unchanged

Step 2: Pay Credit Card Bill

1. **Record the Payment**
   - Type: **Transfer**
   - Amount: ₹20,000
   - From Account: Savings Account
   - To Account: Credit Card - HDFC
   - Title: "Credit card bill payment"
   - Click **"Create Transaction"**

Result:

- Savings Account: -₹20,000
- Credit Card balance: ₹0 (liability cleared)
- This is NOT an expense (expense was recorded when you bought the phone)

Scenario 4: Emergency Loan from Friend

The Situation: You need emergency cash and borrow ₹10,000 from your friend Priya.

Step 1: Borrow Money

1. **Add Priya as Contact** (if not added)
2. **Record the Loan**
   - Type: **Borrowed Money**
   - Amount: ₹10,000
   - Account: Cash (or Bank if transferred)
   - Contact: Priya Patel
   - Title: "Emergency loan"
   - Description: "Will repay by month end"
   - Click **"Create Transaction"**

Result:

- Cash increases by ₹10,000

- Contacts page shows: **You owe Priya ₹10,000** (red)

Step 2: Partial Repayment (₹5,000)

1. **Record Repayment**
   - Type: **Repayment Out**
   - Amount: ₹5,000
   - Account: Cash
   - Contact: Priya Patel
   - Title: "Partial repayment"
   - Click **"Create Transaction"**

Result:

- Cash decreases by ₹5,000
- Balance with Priya: **You owe ₹5,000** (reduced)

Step 3: Final Repayment (₹5,000)

- Repeat with remaining ₹5,000
- **Result:** Priya's balance shows **₹0 (Settled)**

Scenario 5: Paying Bills for Roommate

The Situation: You pay the ₹2,000 internet bill. Your roommate owes you half (₹1,000).

Recording the Transaction

Option 1: As Two Separate Transactions

1. **Your Share (Expense)**

   - Type: **Expense**
   - Amount: ₹1,000
   - Account: Bank
   - Category: Bills & Utilities → Internet

2. **Roommate's Share (Lent)**

   - Type: **Lent Money**
   - Amount: ₹1,000
   - Account: Bank
   - Contact: Roommate Name
   - Title: "Internet bill share"

Result:

- Bank: -₹2,000
- Expense recorded: ₹1,000
- Roommate owes: ₹1,000

Scenario 6: Freelance Income

The Situation: You received ₹15,000 for a freelance project.

1. **Record Income**
   - Type: **Income**
   - Amount: ₹15,000
   - Account: Bank Account
   - Category: Income → Freelance
   - Title: "Website design project"
   - Date: Payment received date
   - Click **"Create Transaction"**

Result:

- Bank increases by ₹15,000
- Dashboard shows increased income for the month

Scenario 7: Monthly Budget Management

The Situation: You want to limit food expenses to ₹8,000/month.

Step 1: Create Budget

1. Go to **Budgets** → Click **"Create Budget"**
2. Category: Food & Dining
3. Amount: ₹8,000
4. Period: Monthly
5. Start Date: 1st of month
6. Click **"Create Budget"**

Step 2: Track Throughout Month

As you add food expenses, the budget automatically updates:

- **Day 10:** Spent ₹2,500 (31% used) - Green
- **Day 20:** Spent ₹6,800 (85% used) - Yellow warning
- **Day 25:** Spent ₹8,200 (102% used) - Red alert!

Budget alerts:

- Green: Under 50%
- Yellow: 50-80% (on track)
- Orange: 80-100% (warning)
- Red: Over 100% (exceeded)

Feature Guide

Dashboard

What you see:

- **Net Worth:** Total assets - Total liabilities
- **Total Assets:** All money you have (cash + bank + wallets)
- **Total Liabilities:** All money you owe (credit cards + loans)
- **Quick Actions:** Fast access to common tasks

Use it for:

- Daily overview of finances
- Quick transaction entry
- Financial health snapshot

Accounts Management

Account Types:

1. **Asset Accounts** (Money you have)

   - Cash
   - Bank Accounts
   - Digital Wallets (PayTM, PhonePe, Google Pay)

2. **Liability Accounts** (Money you owe)

   - Credit Cards (with credit limit tracking)
   - Loans (home loan, car loan, personal loan)

Features:

- Multiple accounts of each type
- Real-time balance updates
- Color coding for visual identification
- Active/Inactive status
- Include/Exclude from net worth

When to use each:

- **Cash:** Daily small expenses
- **Bank:** Large purchases, bill payments, salary
- **Digital Wallet:** Online shopping, UPI payments
- **Credit Card:** Purchases with credit, EMI
- **Loan:** Track borrowed amount from banks

Transactions

7 Types of Transactions:

1. Income (Money Coming In)

Examples:

- Salary
- Freelance payment
- Sold old items
- Gift received
- Interest earned

Effect: Increases account balance

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2. Expense (Money Going Out)

Examples:

- Food & dining
- Shopping
- Bills
- Transportation
- Entertainment

Effect: Decreases account balance

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3. Transfer (Between Your Accounts)

Examples:

- ATM withdrawal (Bank → Cash)
- Wallet recharge (Bank → PayTM)
- Credit card payment (Bank → Credit Card)
- Moving savings (Savings → Fixed Deposit)

Effect: Decreases source, increases destination **Note:** NOT an expense, just moving money

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4. Lent Money (You Give to Someone)

Examples:

- Friend needs cash
- Paid for friend's share
- Advanced money to colleague

Effect:

- Your account decreases
- Contact balance increases (they owe you)
- Shows in green on Contacts page

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5. Borrowed Money (You Take from Someone)

Examples:

- Emergency loan from friend
- Advance salary from employer
- Borrowed for immediate need

Effect:

- Your account increases
- Contact balance decreases (you owe them)
- Shows in red on Contacts page

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6. Repayment In (Someone Pays You Back)

Examples:

- Friend returns money
- Colleague pays back lunch share
- Settling old debts

Effect:

- Your account increases
- Contact's debt to you decreases

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7. Repayment Out (You Pay Someone Back)

Examples:

- Returning borrowed money
- Settling friend's expenses
- Clearing outstanding balance

Effect:

- Your account decreases
- Your debt to contact decreases

Categories

Pre-loaded Categories:

Income:

- Salary
- Freelance
- Business Income
- Investment Returns
- Rental Income

- Other Income

Expense (13 Main Categories):

1. **Food & Dining**
    - Breakfast, Lunch, Dinner
    - Groceries, Restaurants, Fast Food
2. **Transportation**
    - Fuel, Public Transport
    - Auto/Cab, Parking
    - Vehicle Maintenance
3. **Shopping**
    - Clothing, Electronics
    - Home & Kitchen, Books, Gifts
4. **Entertainment**
    - Movies, Sports, Gaming
    - Music, Subscriptions
5. **Bills & Utilities**
    - Electricity, Water, Gas
    - Internet, Mobile, DTH/Cable
6. **Healthcare**
    - Doctor Visits, Medicines
    - Lab Tests, Health Insurance
7. **Education**
    - Courses, Books
    - Tuition Fees, Training
8. **Housing**
    - Rent, Home Maintenance
    - Property Tax, Home Insurance
9. **Personal Care**
    - Salon/Grooming
    - Cosmetics, Spa/Wellness
10. **Travel**
    - Flight Tickets, Hotels
    - Vacation, Travel Insurance
11. **Insurance**
    - Life, Health, Vehicle
12. **Investments**
    - Mutual Funds, Stocks
    - Fixed Deposits, Gold
13. **Miscellaneous**

- Donations, Fees & Charges
- Fines, Other

Custom Categories:

- Add your own categories
- Create subcategories
- Choose colors and icons
- Organize expenses your way

Contacts (Debt Tracking)

What it tracks:

- People you lend money to
- People you borrow from
- Current balance with each person

Balance Status:

1. **Owes You (Green/Positive)**

   - They borrowed from you
   - You paid for them
   - Balance: +₹500 means they owe you ₹500

2. **You Owe (Red/Negative)**

   - You borrowed from them
   - They paid for you
   - Balance: -₹500 means you owe them ₹500

3. **Settled (Gray/Zero)**

   - All clear, no pending dues
   - Balance: ₹0

Features:

- Quick repayment buttons
- View all transactions with contact
- Search and filter contacts
- Contact details (email, phone, notes)

Budgets

Purpose: Set spending limits to control expenses

How to use:

1. **Create Budget**

   - Choose expense category
   - Set amount limit

- Select period (daily/weekly/monthly/yearly)
  - Set start date
2. **Track Progress**

   - See spent amount vs budget
   - Visual progress bar
   - Percentage used
3. **Budget Alerts**

   - 🟢 Under 50%: Good
   - 🟡 50-80%: On track
   - 🟠 80-100%: Warning!
   - 🔴 Over 100%: Exceeded

Example Budgets:

- Food: ₹8,000/month
- Transportation: ₹3,000/month
- Entertainment: ₹2,000/month
- Shopping: ₹5,000/month

Benefits:

- Prevents overspending
- Financial discipline
- Better money management
- Achieve savings goals

Advanced Examples

Example 1: Complete Month Tracking

Profile: Working Professional, Salary ₹50,000/month

Week 1 (1st-7th)

Day 1 - Salary Day

```
Income: ₹50,000 → Bank Account (Salary)
```

Day 2 - Monthly Expenses

```
Expense: ₹12,000 → Bank (Rent)
Expense: ₹1,500 → Bank (Internet + Electricity advance)
Transfer: ₹10,000 → Bank to Cash (ATM)
```

Day 3 - Daily Expenses

```
Expense: ₹150 → Cash (Breakfast)
Expense: ₹300 → Cash (Lunch)
Expense: ₹100 → Cash (Auto)
```

Day 5 - Weekend Shopping

```
Expense: ₹2,500 → Credit Card (Groceries)
Expense: ₹1,200 → Credit Card (Clothes)
```

Week 2 (8th-14th)

Day 10 - Friend's Birthday

```
Expense: ₹1,500 → Cash (Gift)
Expense: ₹800 → PayTM (Dinner contribution)
Lent: ₹400 → Cash to Friend (Advance for gift)
```

Day 12 - Phone Recharge & Bills

```
Expense: ₹399 → PayTM (Mobile recharge)
Transfer: ₹1,000 → Bank to PayTM (Wallet recharge)
```

Week 3 (15th-21st)

Day 16 - Freelance Income

```
Income: ₹8,000 → Bank (Side project)
```

Day 18 - Credit Card Bill

```
Transfer: ₹3,700 → Bank to Credit Card (Bill payment)
```

Day 20 - Friend Repayment

```
Repayment In: ₹400 → Cash (Friend returned money)
```

Week 4 (22nd-30th)

Day 25 - Emergency

```
Borrowed: ₹2,000 → Cash from Friend (Medical emergency)
Expense: ₹1,800 → Cash (Medicine)
```

Day 28 - Partial Repayment

```
Repayment Out: ₹1,000 → Cash (Partial return to friend)
```

Day 30 - Month End

```
Transfer: ₹5,000 → Bank to Cash (ATM)
```

Month Summary (Dashboard Shows)

```
Total Income: ₹58,000 (Salary + Freelance)
Total Expense: ₹22,749
Net Savings: ₹35,251
Pending: Owe friend ₹1,000
```

Example 2: Vacation Planning & Tracking

Trip: Goa vacation with 3 friends

Before Trip

Create Budget:

- Category: Travel
- Amount: ₹15,000
- Period: One-time
- Dates: 15th-20th June

During Trip

Day 1 - Travel

```
Expense: ₹3,500 → Credit Card (Flight ticket)
Expense: ₹800 → Cash (Airport cab)
```

Day 2 - Hotel (Shared)

```
Expense: ₹1,500 → Credit Card (My share of hotel)
Lent: ₹4,500 → Credit Card (Paid for 3 friends)
```

Day 3 - Activities

```
Expense: ₹2,000 → Cash (Water sports)
Expense: ₹600 → Cash (Lunch my share)
Borrowed: ₹600 → Cash (Friend paid my dinner)
```

Day 4 - Shopping

```
Expense: ₹1,800 → Credit Card (Souvenirs)
```

Day 5 - Return

```
Expense: ₹500 → Cash (Breakfast)
Expense: ₹800 → Cash (Return cab)
```

After Trip - Settlements

Friends Settle:

```
Repayment In: ₹1,500 → Bank (Friend 1 paid hotel share)
Repayment In: ₹1,500 → Bank (Friend 2)
Repayment In: ₹1,500 → Bank (Friend 3)
Repayment Out: ₹600 → Cash (Settled dinner with friend)
```

Budget Result:

- Spent: ₹11,500
- Budget: ₹15,000
- Saved: ₹3,500 (Under budget! 🎉)

Example 3: Wedding Expenses Tracking

Event: Sister's wedding, managing gifts and expenses

Setup

Create Custom Category:

- Name: Wedding Expenses
- Type: Expense
- Parent: Miscellaneous

Create Contact:

- Name: Wedding Fund
- For tracking combined family contributions

Tracking

Receiving Contributions:

```
Borrowed: ₹20,000 → Bank (Mom's contribution)
Borrowed: ₹15,000 → Bank (Brother's share)
Income: ₹10,000 → Bank (Own contribution)
```

Wedding Expenses:

```
Expense: ₹8,000 → Bank (Venue booking)
Expense: ₹12,000 → Credit Card (Catering advance)
Expense: ₹5,000 → Cash (Decoration)
Expense: ₹3,000 → Cash (Gifts for relatives)
```

Post-Wedding:

```
Expense: ₹7,000 → Bank (Final catering payment)
Repayment Out: ₹20,000 → Bank (Return mom's money)
Repayment Out: ₹15,000 → Bank (Return brother's share)
```

Result: Clear tracking of all wedding finances, easy settlements

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Tips & Best Practices

Daily Habits

1. **Record Immediately**

   - Don't wait till evening
   - Enter transactions right after spending
   - Take 30 seconds per transaction

2. **Use Proper Categories**

   - Consistent categorization helps in reports
   - Use subcategories for detailed tracking

3. **Add Descriptions**

   - Future you will thank you
   - "Bought what?" vs "Bought new headphones"

4. **Check Dashboard Daily**

- Morning routine: Check net worth
- Evening: Verify all transactions recorded

Weekly Habits

1. **Review Budgets**

   - Are you on track?
   - Adjust spending if needed

2. **Settle Small Debts**

   - Don't let small amounts pile up
   - Keep contacts page clean

3. **Reconcile Accounts**

   - Match with bank statements
   - Verify wallet balances

Monthly Habits

1. **Generate Reports**

   - Where did money go?
   - Which category exceeded?

2. **Update Budgets**

   - Adjust for next month
   - Learn from current month

3. **Plan Ahead**

   - Upcoming expenses?
   - Set aside money

4. **Celebrate Savings**

   - Met savings goal?
   - Under budget? Treat yourself!

Common Mistakes to Avoid

❌ Wrong: Recording credit card payment as expense

```
Expense: ₹5,000 → Credit Card Bill
```

Why wrong: You already recorded expense when you bought items

✅ Correct: Recording as transfer

```
Transfer: ₹5,000 → Bank to Credit Card
```

❌ Wrong: Not tracking small expenses

"₹20 chai, ₹30 cigarette, won't matter"

Result after month: ₹1,500 unaccounted!

✅ Correct: Track everything

Every rupee counts!

❌ Wrong: Forgetting to settle contacts

Letting "You owe ₹50" remain for months

✅ Correct: Regular settlements

Clear small amounts immediately

❌ Wrong: One big "Miscellaneous" category

₹15,000 in misc = no insights

✅ Correct: Proper categorization

Know exactly where money goes

Troubleshooting

"My balance doesn't match bank statement"

Solution:

1. Go to Transactions
2. Filter by account
3. Compare with bank statement
4. Find missing transaction
5. Add it

"I recorded wrong transaction"

Solution:

1. Find transaction in list
2. Click menu (:)
3. Choose "Edit"
4. Correct details
5. Save

"Friend paid me back but balance still shows"

Solution:

- Check transaction type
- Should be "Repayment In" not "Income"
- Delete and re-record correctly

"Budget not updating"

Solution:

- Check transaction category matches budget
- Verify transaction is expense type
- Refresh page

Conclusion

Ledger Book is designed to make personal finance management effortless. By spending just 2-3 minutes daily, you gain complete control over your money.

Remember:

- Every transaction matters
- Consistency is key
- Use all features
- Review regularly
- Adjust and improve

Your financial journey starts here! 🚀

Need Help?

- Check Dashboard for quick actions
- Use search in transactions
- Filter and sort for better view
- Contact support if stuck

Happy Tracking! 💰