

## **Lesson no. 1: Introduction of Tally**

### **Course Content-Tally ERP 9 (Basic Level Accounting)**

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**DOT-NET Institute**  
[ISO Certified Institute]

## **1. Introduction of Tally ERP 9**

A Path Breaking Technology

Tally.ERP 9 – It's Fast, Powerful, Scalable... And very Reliable!

Tally.ERP 9 is the world's fastest and most powerful concurrent multilingual business Accounting and Inventory Management software. Tally. ERP 9, designed exclusively to meet the needs of small and medium businesses, is a fully integrated, affordable and highly reliable software. Built on the proprietary technology of Tally Solutions – C:MuLATE (Concurrent Multi – lingual Accelerated Technology Engine) – Tally.ERP 98 is a perfect fusion between the path-breaking Concurrent Multi-ligual Platform and an Object Oriented Database Engine. Technology on which someday all business accounting solutions will be built.

Tally.ERP 9 is easy to buy, quick to install, and easy to learn and use. Tally.ERP 9 is designed to automate and integrate all your business operations, such as sales, finance, purchasing, inventory, and manufacturing. With Tally.ERP 9, accurate, up-to-date business information is literally at your fingertips anywhere. The powerful new features and blazing speed and power of Tally.ERP 9 combine with enhanced MIS, Multi0lingual, Data Synchronization and Remote capabilities help you simplify all your business processes easily and cost-effectively.

***Simply the Best***

The Tally.ERP 9 encompasses the following salient features:-

1. Simplicity: Tally.ERP 9 is simple, easy to setup and use. It also allows easy Keyboard operation. It requires basic knowledge of Accounts and English to use it.
2. Speed: Tally.ERP 9 provides the capability to generate instant and accurate reports, which assists the management to take timely and correct decisions for the overall productivity and growth of the company.
3. Power: Tally.ERP 9 allows the user to maintain multiple companies and with unlimited levels of classification & grouping capabilities. It also allows drill down facility from report level to transaction level.
4. Flexibility: Tally.ERP 9 provides flexibility to generate instant reports for any given period (month/year) or at any point of time besides providing the facility to toggle between Accounting & Inventory reports of the same company or between companies.
5. Scalability: Tally.ERP 9 suits tony style of business needs and eliminates the necessity for a business to change its style of operation, in order to adapt to the application.

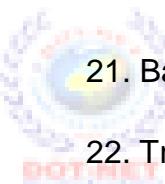
6. Concurrent multi-lingual capability : Tally.ERP 9 offers you the exclusive capability of maintaining your accounts in any Indian language, viewing them in another language and printing them in yet another Indian language.
7. Real time processing: Immediate posting & updating of books of accounts as soon as the transaction are entered, thereby facilitating instant statements & Reports. It also facilitates real-time multi-use environment.
8. Accounting without Codes: Tally.ERP 9 allows accounting with the regular names (the way you spell them or use in normal parlance) without any account codes.
9. Technical support: Timely support is available from our experts at the Tally Service Partners (TSPs).
10. Online Help: The Tally.ERP 9 online help (Alt+H) provides instant assistance on basic and advance features of any other relevant topics of Tally.ERP 9.
11. Tally.NET: is an enabling framework which establishes a connection through which the remote user can access the Client's data without copying / transferring the data.
12. Remote Access: Tally.ERP 9 provides remote capabilities to access the data from anywhere and anytime.
13. Control Center: works as an interface between the user and Tally.ERP 9 installed at different sites and enables the user to centrally configure and administer Site/User belonging to an account.
14. Support Center: allows a user can directly post his support queries on the functional and technical aspects of the Product.
15. Auditor's Edition: Tally.ERP 9 offer a special Auditors Edition of Tally.ERP 9 which provides auditing and compliance capabilities exclusively for Chartered Accountants.

## Lesson no. 2: Terminology of Accounting

To understand the accounting terminology by these options like as:

- |                     |                      |
|---------------------|----------------------|
| 1. Trade            | : व्यापार            |
| 2. Profession       | : व्यवसाय            |
| 3. Business         | : व्यापार            |
| 4. Owner            | : मालिक              |
| 5. Capital          | : पूँजी              |
| 6. Drawing          | : आरेखण              |
| 7. Goods            | : माल                |
| 8. Purchase         | : खरीद फरोख्त        |
| 9. Sales            | : बिक्री             |
| 10. Purchase Return | : खरीद वापसी         |
| 11. Sales Return    | : बिक्री वापसी       |
| 12. Stocks          | : माल                |
| 13. Creditor        | : लेनदार             |
| 14. Debtor          | : देनदार             |
| 15. Liabilities     | : देनदारियों         |
| Fixed Liabilities   | : निश्चित देनदारियों |
| Current Liabilities | : वर्तमान देनदारियों |
| 16. Assets          | : संपत्ति            |
| Fixed Assets        | : निश्चित संपत्ति    |
| Current Assets      | : वर्तमान संपत्ति    |

17. Expenses : खर्चों  
    Direct Expenses : प्रत्यक्ष खर्चों  
    Indirect Expenses : अप्रत्यक्ष व्यय (खर्चों)
18. Revenue : राजस्व
19. Income : आय  
    Direct Income : प्रत्यक्ष आय  
    Indirect Income : अप्रत्यक्ष आय
20. Discount : छूट  
    Trade Discount : व्यापर छूट  
    Cash Discount : नकद छूट
21. Bad Debts : डूबते करण
22. Transaction : लेन-देन
23. Vouchers



## Lesson no. 3: Accounting Introductions

Accounting is a process of identifying, recording summarizing and reporting economic information to decision makes in the form of financial statements. Financial statements will be useful to the following parties:

- Suppliers
- Customers
- Employees
- Bank
- Suppliers of equipment, buildings and other assets
- Lenders
- Owners

### ***Meaning of Accounts***

We can understand accounts like as:

Debit (Dr) : Debit by receiver.  
Credit (Cr) : Credit by giver.

### ***Classification of Accounts***

There are basically three types of accounts maintained for transactions:

- Real Accounts
- Personal Accounts
- Nominal Accounts

### ***Real Accounts:***

Real accounts are accounts relating to properties and assets, which are owned by the business concern, Real accounts include tangible and intangible accounts.

*For example:*

- ❖ Cash Account
- ❖ Furniture Account
- ❖ Machinery Account
- ❖ Building Account
- ❖ Land Account

## **Personal Accounts:**

Personal accounts are accounts which relate to persons. Personal accounts include the following.

For example:

- ❖ Capital Account
- ❖ Drawing Accounts
- ❖ Ram (personal)
- ❖ Asha Traders (Company)
- ❖ Bank Accounts

## **Nominal Accounts:**

Nominal accounts are accounts which relate to incomes and expenses and gains and losses of a business concern.

For example:

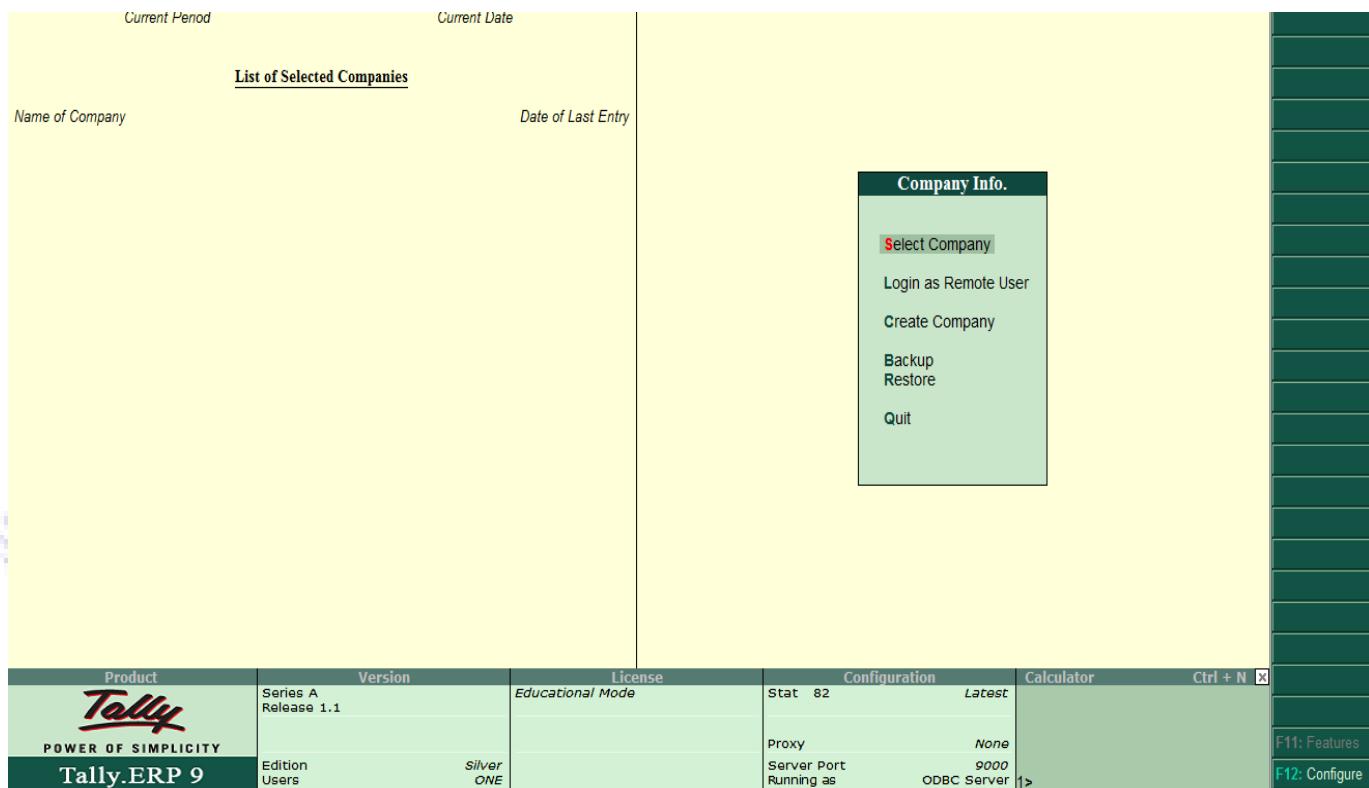
- ❖ Interest Account
- ❖ Discount Account
- ❖ Commissions Account
- ❖ Wages Account
- ❖ Purchase Account
- ❖ Sales Account

## **Golden Rules of Accounting**

Real Accounts		Personal Accounts	Nominal Accounts
Debit	What comes in	The Receiver	Expenses and Losses
Credit	What goes out	The Giver	Incomes and Gains

## Lesson no. 4: Company Information

The very first time you start Tally, you would require to ‘create’ a company. ‘Create Company’ simply means giving basic information about the company whose books of accounts Tally is to maintain for you. Tally is smart, but it does need an introduction to your company. The initial screen would appear like this:



The **Gateway of Tally** screen is separated into four sections, -Title Area, Main Area (Ctrl+M), Calculator Area (Ctrl+N) and the Button Bar.

The screen elements of the Gateway of Tally screen is explained below:

### Top Area

Top Area contains version number, Release details (every time a new release of Tally is made, it is identified with a different release name like Release 3.14) and **Current Date** (the date configure in the computer). The name of the day, date, month and year is displayed in **DD, MM, YYYY** format on the left-hand side.

## Minimize Button

The Minimize button performs the standard Windows Operating Systems function (Windows 95 onwards), allowing you to minimize Tally and work on other applications. To restore Tally, click on the Tally icon on the taskbar.

## Main Area (Gateway of Tally)

Main Area is separated into two areas:

1. Left-hand side area
2. Right-hand side area

The left-hand side area in Main Area provides information of **Current Period**, **Current Date** and **List of Selected Companies** (Name of the company and the date of last entry details).

The right-hand side area in the Main Area screen displays the **Company Information** menu (to select your instructions to Tally) > Select a Company, Create a Company, Backup a Company or Restore a Company.

## Calculator Area

Press **[Ctrl + N]** to active the calculator functionality. Calculator Area is used for calculator functions. Any type of independent calculator can be done using calculator to get quick answers.

## Button Bar

The buttons are designed to make the work easier and faster. These buttons vary from one screen to another based on the screen functionality. The buttons appear on the right hand side of the Tally screen. Only buttons relevant to the current screen will be active and the inactive buttons are greyed. These buttons are enabled with the short cut keys On this screen, Tally displays the following buttons (keys):

**F1:** Select Cmp – to access data from other data directories either on the local system or through the network.

**F12:** Configure - to access the configuration settings to manage the information put into Tally. Here, access the General Configuration to set country specific defaults. Use it before creating a company.

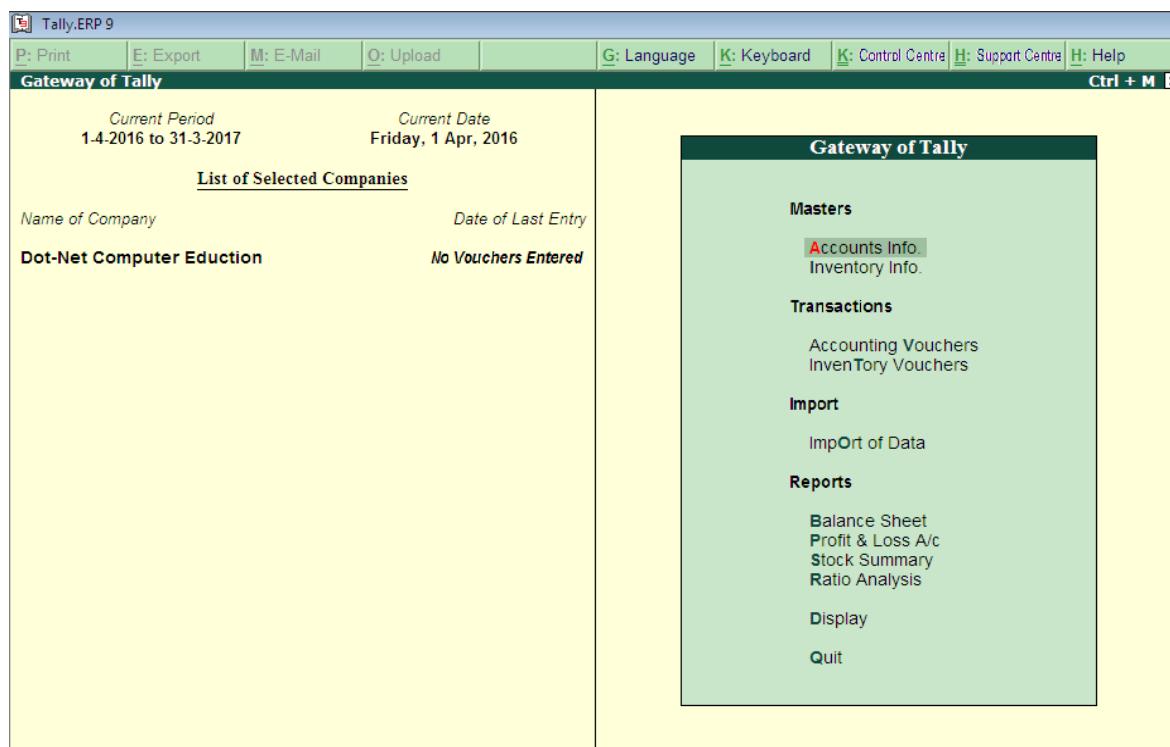
## 4.1. Create a Company

### Gateway of Tally > Company info. > Create



The screenshot shows the 'Company Creation' window in Tally.ERP 9. The 'Name' field is set to 'Dot-Net Computer Education'. Under 'Mailing & Contact Details', the 'Address' is listed as 'F-6, 1st Floor, Main Road, Mandawali, Delhi'. In the 'Company Details' section, the 'Currency Symbol' is 'Rs.' and 'Books beginning from' is '1-4-2016'. The 'Security Control' section includes fields for 'Disallow opening in Educational mode?' (set to 'No'), 'TallyVault Password (if any)', 'Repeat Password', and a note about forgetting the password rendering data unusable. The 'Base Currency Information' section shows 'Base Currency Symbol' as 'Rs.', 'Formal Name' as 'Indian Rupees', and 'Number of Decimal Places' as '2'. A checkbox for 'Symbol SUFFIXED to Amounts' is checked ('No'). The 'Symbol for Decimal Portion' is 'paise'. To the right, there are options for 'Show Amounts in Millions' (checkboxes for 'No' and 'Yes'), 'Put a SPACE between Amount and Symbol', and 'Decimal Places for Printing Amounts in W'. A large 'Accept?' button is visible.

Now this is the First Windows of Tally.ERP 9 after creating of Company and you can see the created company name in Gateway of Tally. ERP 9 Screen.



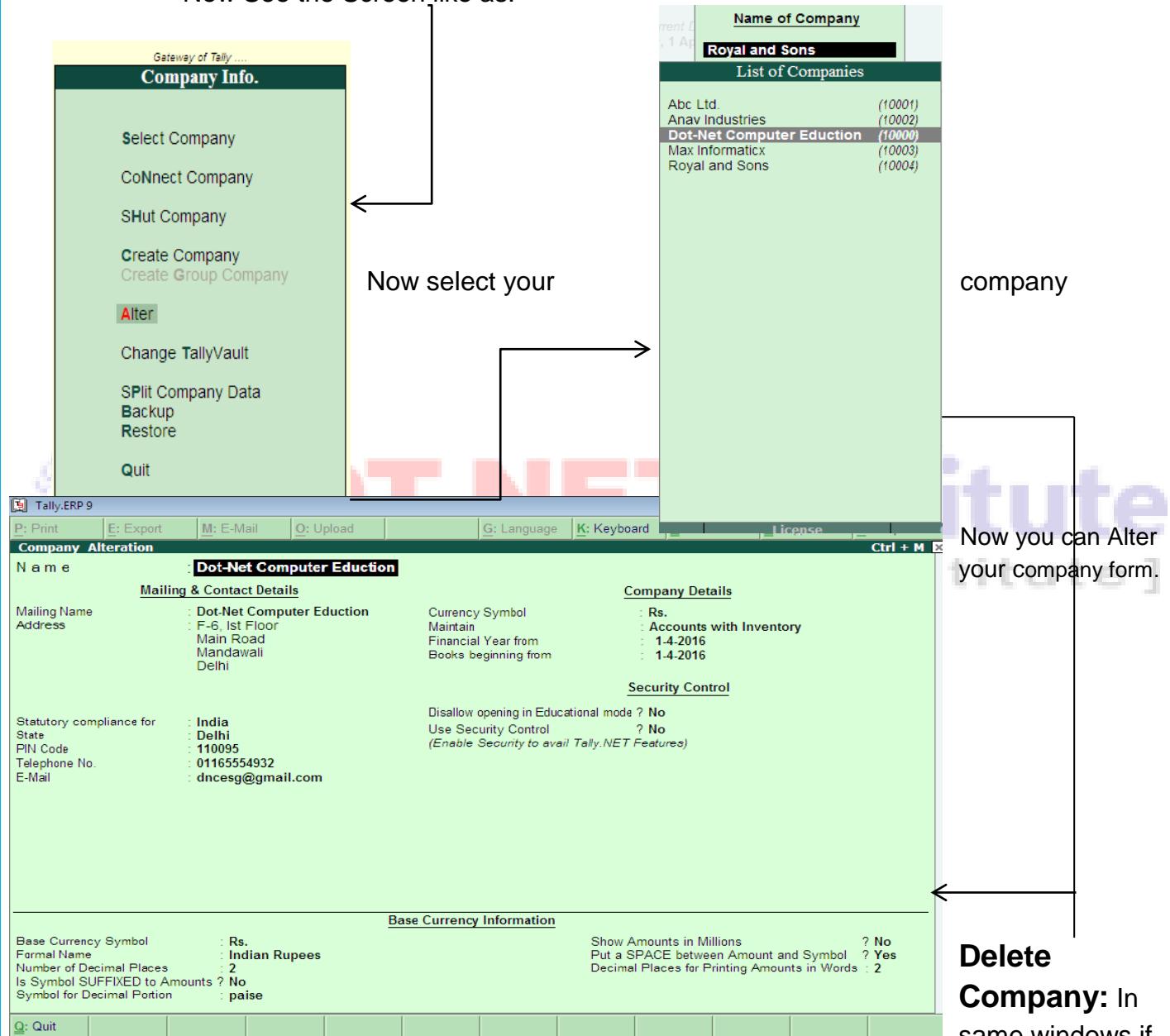
The screenshot shows the 'Gateway of Tally' window. On the left, it displays 'Current Period' as '1-4-2016 to 31-3-2017' and 'Current Date' as 'Friday, 1 Apr, 2016'. Below this is a 'List of Selected Companies' table with 'Name of Company' as 'Dot-Net Computer Education' and 'Date of Last Entry' as 'No Vouchers Entered'. On the right, a sidebar menu titled 'Gateway of Tally' lists categories: 'Masters' (Accounts Info., Inventory Info.), 'Transactions' (Accounting Vouchers, Inventory Vouchers), 'Import' (Import of Data), 'Reports' (Balance Sheet, Profit & Loss A/c, Stock Summary, Ratio Analysis), 'Display', and 'Quit'.

## 4.2. Alter & Delete Company

From Gateway of Tally.ERP 9

Press Alt+F3 button

Now See the Screen like as:



## **Lesson no. 5: Main Functions in Masters Menu**

Accounts Information contains the masters as listed in the Accounts Info menu. Each master has to have the following functions, besides others and are consistent in all Masters menus throughout Tally:

### **Create**

This enables creation of new masters. Once a master has been created, any modification to it must be done through the Alter mode.

### **Display**

Use this mode to view Master information. Changes are not permitted.

### **Alter**

Use this mode to view and change master information. You cannot create a new master. We shall begin discussion on Accounts Information with how to build Groups and then follow with other accounts masters.

## **5.1 Group Introductions**

### ***Classification of Account-heads***

Tally follows the ‘Single Ledger’ concept of accounting, which is the modern way of managing accounts. This is in direct contrast to Subsidiary Ledger Account heads are created to identify transactions.

### **The concept of sub-groups**

Groups have a hierarchical organization. At the top of the hierarchy are Primary Group. These are the main asset, liability, income or expenditure groups of accounts that determine the entire accounting and their presentation, i.e., whether a ledger affects Profit & Loss Account (as a revenue item) or goes into the Balance Sheet. The Reserved Primary Group and subgroups (shown indented) are:

**Primary Groups of capital nature:** Tally.ERP 9 provide us 28 pre-defined groups 15 primary groups and 13 sub-groups we can see the details given below:

## 1. Capital Account

- i. Reserves and Surplus [Retained Earnings]

## 2. Current Assets

- i. Bank Accounts
- ii. Cash-in hand
- iii. Deposits (Asset)
- iv. Loans & Advances (Asset)
- v. Stock –in-hand
- vi. Sundry Debtors

## 3. Current Liabilities

- i. Duties and Taxes
- ii. Provisions
- iii. Sundry Creditors

## 4. Fixed Assets

## 5. Investments

## 6. Loans (Liability)

- i. Bank OD Accounts [OCC Accounts]
- ii. Secured Loans
- iii. Unsecured Loans

## 7. Suspense Account

## 8. Miscellaneous Expenses (Asset)

## 9. Branch/Division

## 10. Sales Account

## 11. Purchase Account

## 12. Direct Income [Income Direct]

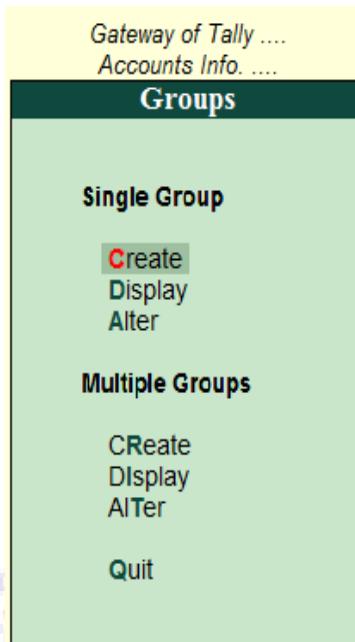
## 13. Indirect Income [Income Indirect]

## 14. Direct Expenses [Expenses Direct]

## 15. Indirect Expenses [Expenses Indirect]

## Lesson no. 6: How to Manage & operate Groups?

Gateway of Tally > Accounts Info > Groups



You may create, alter, or display a single Group or multiple Groups. Single group option is useful when you wish to work on one group at a time. Multiple is a time and labour saving option in a list format and is useful when working on many sub-groups at a time. Once a sub-group is created, it behaves exactly like a group. Any reference to group would deem to include a sub-group.

### 6.1. Creating a Group

If you are creating groups for the first time, it is advisable to configure them before you proceed:

#### Single Group

Gateway of Tally > Accounts Info > Groups > Single Create

Group Creation		ABC	Ctrl + M X
Name : All India (alias) :			<b>List of Groups</b>
Under : Capital Account			J Primary Bank Accounts Bank OCC A/c Bank OD A/c Branch / Divisions
Group behaves like a Sub-Ledger		? No	<b>Capital Account</b>
Nett Debit/Credit Balances for Reporting		? No	Cash-in-hand Current Assets Current Liabilities Deposits (Asset)
Used for Calculation (eg. Taxes, Discounts) (for Sales Invoice Entry)		? No	Direct Expenses Direct Incomes Duties & Taxes Expenses (Direct)
Method to Allocate when used in Purchase Invoice		? J Not Applicable	Expenses (Indirect) Fixed Assets Income (Direct) Income (Indirect) Indirect Expenses Indirect Incomes Investments Loans & Advances (Asset) Loans (Liability) Misc. Expenses (ASSET) Provisions Purchase Accounts Reserves & Surplus Retained Earnings Sales Accounts Secured Loans

Gateway of Tally ...  
Accounts Info ...  
Groups

- Single Group**
- Create
- Display
- Alter

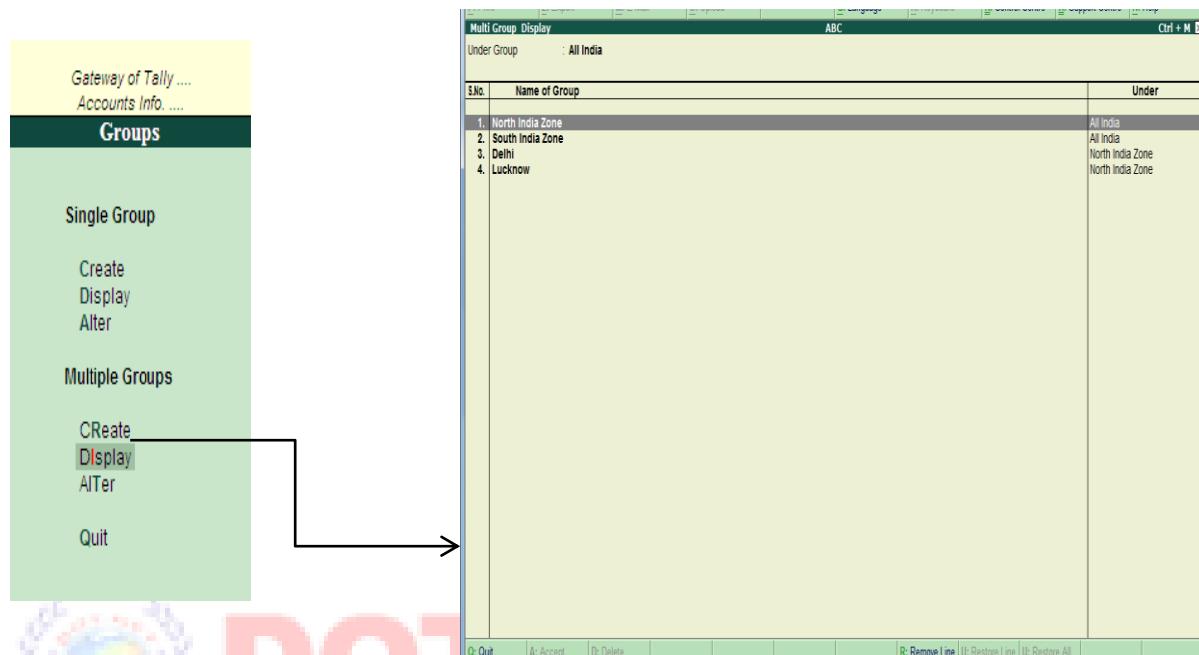
- Multiple Groups**
- Create
- Display
- Alter

- Quit

5 more ... ↓

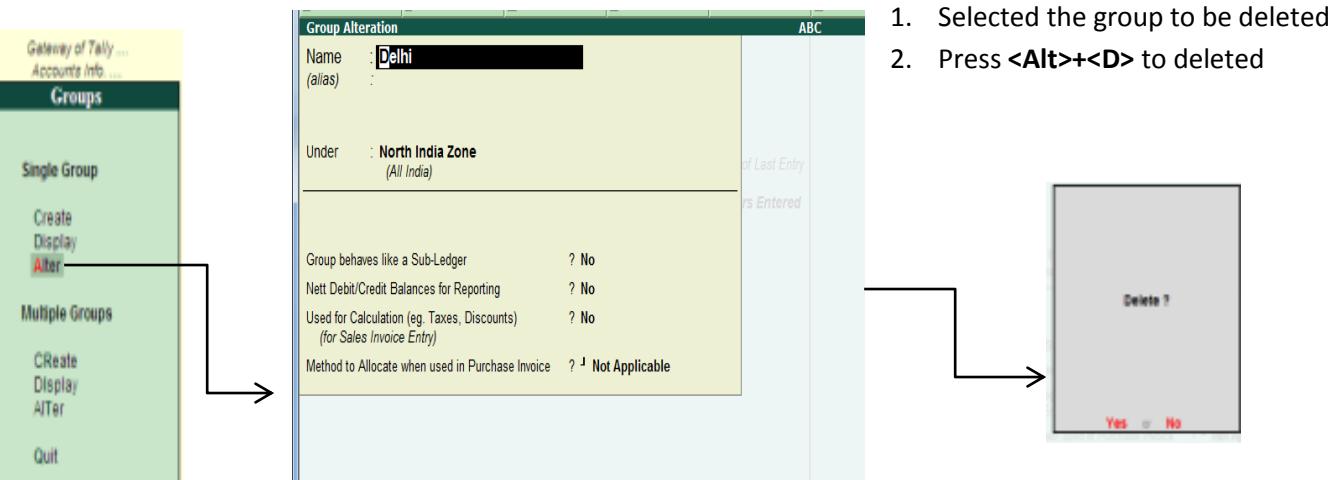
## 6.2. Display or Alter a Group

Gateway of Tally > Accounts Info > Groups > Single Display/Alter > select name from List of Group



## 6.3. Deleting a Group

Gateway of Tally > Accounts Info > Groups > Single/Alter



The Delete function is performed through the single alteration mode. You cannot delete groups from the multiple alteration modes.

## 6.4. Group Chart of Accounts

Group of Assets			
Group Head in Tally	Ledger's Name	Type of A/c.	Debit / Credit in Voucher Entry.
<b>Fixed Assets</b>	Building	Real A/c.	Debit
	Furniture & Fixture	Real A/c.	Debit
	Computers	Real A/c.	Debit
	Mobiles	Real A/c.	Debit
	All Type of Vehicles	Real A/c.	Debit
	Air Conditioner	Real A/c.	Debit
	Land	Real A/c.	Debit
	Office Premises	Real A/c.	Debit
	CCTV Camera	Real A/c.	Debit
	Machinery	Real A/c.	Debit
	Tools	Real A/c.	Debit
	Printer, Fax Machine	Real A/c.	Debit
	Electrical Fitting of Permanent nature	Real A/c.	Debit
	Factory Maintenance Equipment	Real A/c.	Debit
	Transformer	Real A/c.	Debit
	Generator	Real A/c.	Debit
	Fire Extinguishers	Real A/c.	Debit
	Photocopy Machine	Real A/c.	Debit
	Jewelry & Ornament	Real A/c.	Debit
	House	Real A/c.	Debit
Whenever we Sale or Depreciation any assets we will credit it in account			Credit
<b>Investment</b>	Shares	Real A/c.	Debit
	Debentures	Real A/c.	Debit
	Bond, Government Securities	Real A/c.	Debit
	PPF	Real A/c.	Debit
	LIC Policy	Real A/c.	Debit
	Infrastructure Bond	Real A/c.	Debit
	Mutual Fund	Real A/c.	Debit
Whenever we Sale any Investment we will use credit it in account.			Credit
<b>Bank Account</b>	Bank Current A/c	Personal A/c.	Credit

	Bank Saving A/c	Personal A/c.	Credit
Whenever we deposit money cash or cheque we will Debit it in Account.		Debit	
Whenever we withdraw money by cash or cheque we will Credit it in Account.		Credit	
<b>Cash in Hand</b>	Cash	Real A/c.	Credit
	Petty Cash	Real A/c.	Credit
Whenever we return cash we will Debit it in account.		Debit	
Whenever we will cash payment we will Credit it in account.		Credit	
<b>Stock in Hand</b>	Stock in Hand		
<b>For Manufacturers</b>			
<b>Stock in Hand</b>	Raw Material	Real A/c.	Debit
	Finished Goods	Real A/c.	Debit
	Packing Material	Real A/c.	Debit
	Spare parts etc.	Real A/c.	Debit
<b>Current Assets</b>	Interest Accrued on Deposits	Real A/c.	Debit
	Tax Deducted at Source (TDS)	Real A/c.	Debit
	Advance Income Tax	Real A/c.	Debit
	Sales Tax Refund Receivable	Real A/c.	Debit
	Excise Moderate Claim Receivable	Real A/c.	Debit
	VAT Receivable	Real A/c.	Debit
	Insurance Claim Receivable	Real A/c.	Debit
<b>Deposit (Assets)</b>	Deposit with Electric Supply Company	Real A/c.	Debit
	Deposit with Municipality	Real A/c.	Debit
	Deposit For Rent	Real A/c.	Debit
	Earnest Money Deposit	Real A/c.	Debit
	Tender Deposit	Real A/c.	Debit
	Deposit with Telephone Company	Real A/c.	Debit
<b>Lands &amp; Advances (Assets)</b>	Advance against Salary to Staff	Real A/c.	Debit
	Advance for Order to Supplier	Real A/c.	Debit
	Advance for Expenses	Real A/c.	Debit
	Short Term Advances	Real A/c.	Debit
<b>Misc. Expenses (Assets)</b>	Pre incorporating Expenses	Real A/c.	Debit
<b>Sundry Debtors</b>	Customer (for credit sales and goods)	Personal A/c.	
	For Credit Sales to party		Debit
	For receive Cash / Cheque from party		Credit

Group of Liabilities			
Group Head in Tally	Ledger's Name	Type of A/c.	Debit / Credit in Voucher Entry.
<b>Capital Account</b>	Proprietor Capital Account	Real A/c.	Credit
	Partners' Capital Account	Real A/c.	Credit
	Share Capital Account	Real A/c.	Credit
	Drawing, House hold expenses	Real A/c.	Debit
	Self-Insurance Policy	Real A/c.	Debit
<b>Reserved &amp; Surplus</b>	General Reserve	Real A/c.	Credit
	Capital Reserve	Real A/c.	Credit
	Investment Allowance Reserve	Real A/c.	Credit
<b>Secured Loans</b>	Bank Term Loan against Machinery Premises, Equipment, FDR / Investment	Real A/c.	Credit
	Bank Car Loan or any other loan which is secured on any assets	Real A/c.	Credit
<b>Unsecured Loans</b>	Advance from customers	Real A/c.	Credit
	Deposit Received from Family Members, any other loan which is not secured against any assets	Real A/c.	Credit
	(When we received loan)		Credit
	When we return loan)		Debit
<b>Bank OD</b>	Bank Overdraft A/c	Real A/c.	Debit
	Bank Bill Discounted Hypothec. Pledges	Real A/c.	Debit
<b>Bank OCC Account</b>	Bank CC Limit	Real A/c.	Debit
Whenever we deposit money by cash or cheque.			Debit
Whenever we payment by cash of cheque.			Credit
<b>Provision</b>	Gratuity Provision	Real A/c.	Credit
	Income Tax Provision	Real A/c.	Credit
	Audit Fee Provision	Real A/c.	Credit
	Legal Charge Provision	Real A/c.	Credit
<b>Duties &amp; Taxes</b>	VAT Tax	Real A/c.	Credit
	Sales Tax	Real A/c.	Credit
	Service Tax	Real A/c.	Credit
	Excise Duty	Real A/c.	Credit
At Time of Purchase (Input Vat / Sales Tax / Service Tax/ Excise Duty A/c.			Debit
At Time of Sales (Output Vat / Sales Tax / Service Tax / Excise Duty A/c.			Credit
	TDS	Real A/c.	Credit
TDS by for Rent / Sub Contract etc.			Credit
TDS by third party for Rent / Sub Contract etc.			Debit

<b>Sundry Creditors</b>	Suppliers	Personal	
	At the time of Credit purchases	Credit	
	At the time of payment	Debit	
<b>Current Liabilities</b>	Under Current Liabilities create groups like		
	Salary, Wages, Bonus Payable	Real A/c.	Credit
	Expenses Payable	Real A/c.	Credit
	Outstanding Payable	Real A/c.	Credit
	Interest Payable	Real A/c.	Credit
	Tax Payable on Salary Interest	Real A/c.	Credit
	Sales Tax Payable	Real A/c.	Credit
	Excise Duty Payable	Real A/c.	Credit
	Credit Card Bills Payable	Real A/c.	Credit
	VAT Payable	Real A/c.	Credit
	Service Tax Payable	Real A/c.	Credit
	At the time of payment of above all groups		Debit
<b>Branch / Divisions</b>	Different location branch is coming under this head	Real A/c.	
	At the time of goods transfer in cash to branch		Debit
	At the time of goods transfer in cash by branch		Credit

Group of Income			
Group Head in Tally	Ledger's Name	Type of A/c.	Debit / Credit in Voucher Entry.
<b>Sales A/c.</b>	Sales A/c.	Nominal A/c.	Credit
	Sales Return A/c.	Nominal A/c.	Debit
<b>Direct Income</b>	Job work income	Nominal A/c.	Credit
	Consultancy Fee	Nominal A/c.	Credit
For Individual			
	Salary from Employer	Nominal A/c.	Credit
	Bonus Allowance Received	Nominal A/c.	Credit
	Commission Brokerage Received	Nominal A/c.	Credit
	Share of Profit from Business	Nominal A/c.	Credit
	House Rent income	Nominal A/c.	Credit
	Dividend Received	Nominal A/c.	Credit
	Interest from investment	Nominal A/c.	Credit
	Interest Received from Loan	Nominal A/c.	Credit
	Long Term Profit on Sales of Share	Nominal A/c.	Credit

	Short Term Profit on Sales of Share	Nominal A/c.	Credit
	Speculative income	Nominal A/c.	Credit
<b>Indirect Income</b>	For Traders	Nominal A/c.	Credit
	Sales Tax Refund	Nominal A/c.	Credit
	Claims Refund Received	Nominal A/c.	Credit
	Discount on Purchases	Nominal A/c.	Credit
	Share Dividend Income	Nominal A/c.	Credit
	Misc. Receipts	Nominal A/c.	Credit
	Interest Received from Bonds	Nominal A/c.	Credit
	Bank Deposit	Nominal A/c.	Credit
	Loan Given	Nominal A/c.	Credit
	Debenture	Nominal A/c.	Credit
	Customers	Nominal A/c.	Credit
<b>For Manufacturers</b>			
	Excise Duty Drawback / Moderate Claims	Nominal A/c.	Credit
	Claims Received	Nominal A/c.	Credit
	Discount on Purchases	Nominal A/c.	Credit
	Commission, Brokerage Received	Nominal A/c.	Credit
	Interest Income	Nominal A/c.	Credit
	Income on Investment	Nominal A/c.	Credit
	Profit on Sales of Assets	Nominal A/c.	Credit
	Other Misc. Income	Nominal A/c.	Credit
	Sales of Scrap.	Nominal A/c.	Credit

<b>Group of Expenses</b>			
<b>Group Head in Tally</b>	<b>Ledger's Name</b>	<b>Type of A/c.</b>	<b>Debit / Credit in Voucher Entry.</b>
<b>Purchase A/c.</b>	Purchase A/c.	Nominal A/c.	Debit
	Purchase Return A/c.	Nominal A/c.	Credit
<b>Direct Expenses</b>	For Traders		
	Packing Material Exp.	Nominal A/c.	Debit
	Packing Exp.	Nominal A/c.	Debit
	Commission Brokerage on Purchase	Nominal A/c.	Debit
	Freight on Purchase	Nominal A/c.	Debit
	Handling Exp. On Purchase	Nominal A/c.	Debit
	Labor & Wages	Nominal A/c.	Debit
	Other Trading Taxes which are not refundable	Nominal A/c.	Debit
<b>For Manufacture</b>			
<b>Direct Expenses</b>	Packing Material Exp.	Nominal A/c.	Debit

	Fuel Consumed Exp.	Nominal A/c.	Debit
	Laboratory Material Consumed Exp.	Nominal A/c.	Debit
	All expenses related to workman at factory like workman wages, Welfare, Incentive, Allowances, Bonus etc.	Nominal A/c.	Debit
	Freight on Purchase	Nominal A/c.	Debit
	Octroi on Purchase	Nominal A/c.	Debit
	Material Purchase Exp.	Nominal A/c.	Debit
	Loading / Unloading on Purchases	Nominal A/c.	Debit
	Labour Processing Charges	Nominal A/c.	Debit
	Factory Power Exp.	Nominal A/c.	Debit
For Individual			
<b>Direct Expenses</b>	Car exp. For Professionals	Nominal A/c.	Debit
	Charity, Donation	Nominal A/c.	Debit
	Consultant Fee for Tax Return	Nominal A/c.	Debit
	Conveyance Exp.	Nominal A/c.	Debit
	Interest on Loan	Nominal A/c.	Debit
	Other Business Exp.	Nominal A/c.	Debit
	Membership Fee	Nominal A/c.	Debit
	Professional Tax	Nominal A/c.	Debit
<b>Indirect Expenses</b>	For Traders / Manufacturer		
	Salary and Bonus Exp.	Nominal A/c.	Debit
	Staff Welfare Exp.	Nominal A/c.	Debit
	Staff Festival Benefit Exp.	Nominal A/c.	Debit
	License Fee Municipal Tax	Nominal A/c.	Debit
	Fuel Exp.	Nominal A/c.	Debit
	Ware Housing Exp.	Nominal A/c.	Debit
	Hire Charges	Nominal A/c.	Debit
	Insurance Exp.	Nominal A/c.	Debit
	Legal Exp.	Nominal A/c.	Debit
	Consultancy Fee.	Nominal A/c.	Debit
	Computer Exp.	Nominal A/c.	Debit
	Loss due to theft, Fire, Pilferage, Damage	Nominal A/c.	Debit
	Discount on Sales Rebate Given	Nominal A/c.	Debit
	Advertisement Exp.	Nominal A/c.	Debit
	Sales Promotion Exp.	Nominal A/c.	Debit
	Entertainment Exp.	Nominal A/c.	Debit
	Conference Exp.	Nominal A/c.	Debit

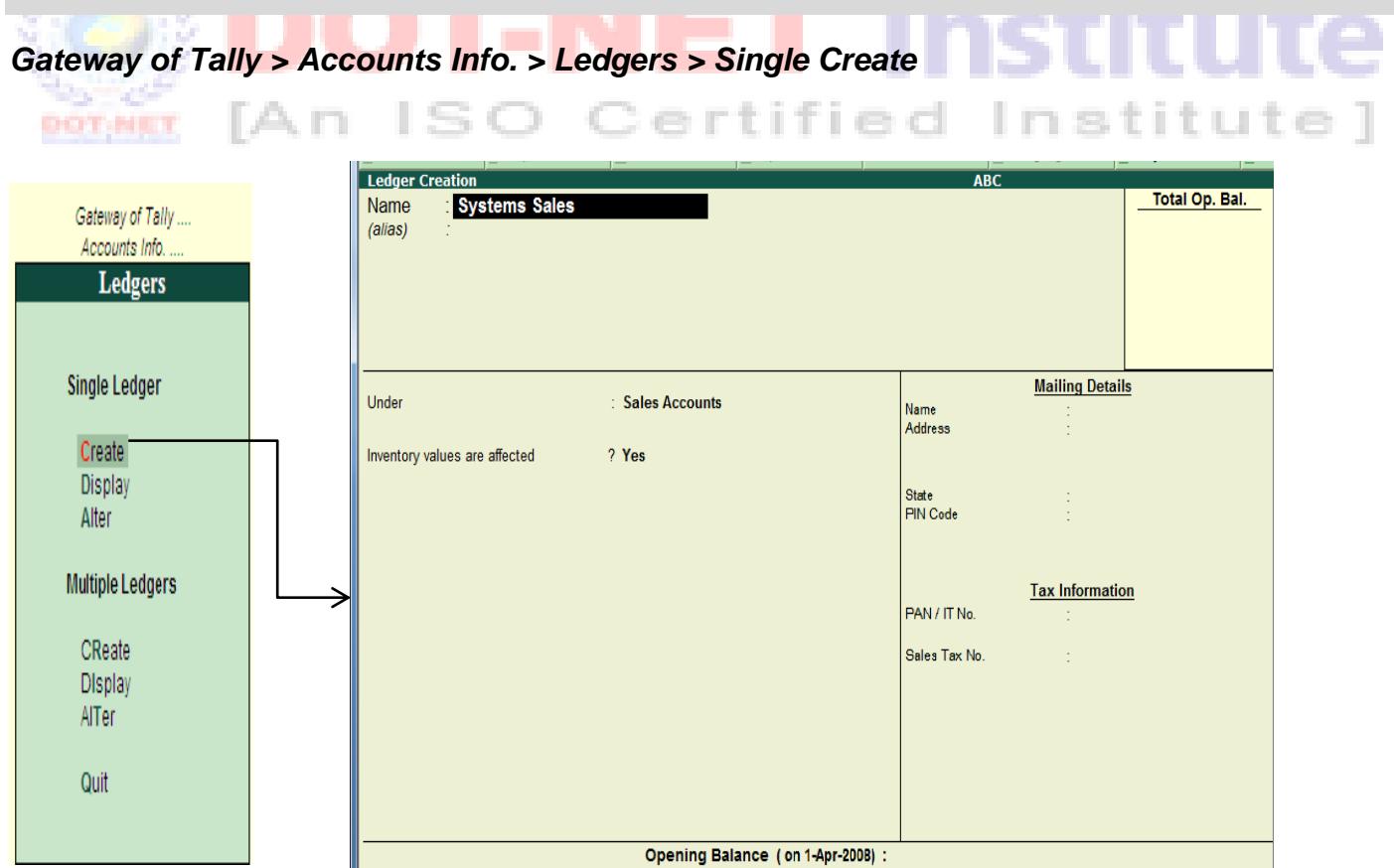
## Lesson no. 7: Ledgers Introductions

In the previous chapter, the concept of groups, as implemented in Tally, was explained. You were also given a number of examples of grouping ledger accounts. You will now learn how Tally is used to work with ledgers. A Ledger is the actual account head to which you identify a transaction. You pass all accounting voucher entries using ledgers.

### **Gateway of Tally > Accounts Info. > Ledgers**

Normal users would work with Single Ledger. Hence, we shall discuss the different operations under Single Ledger here.

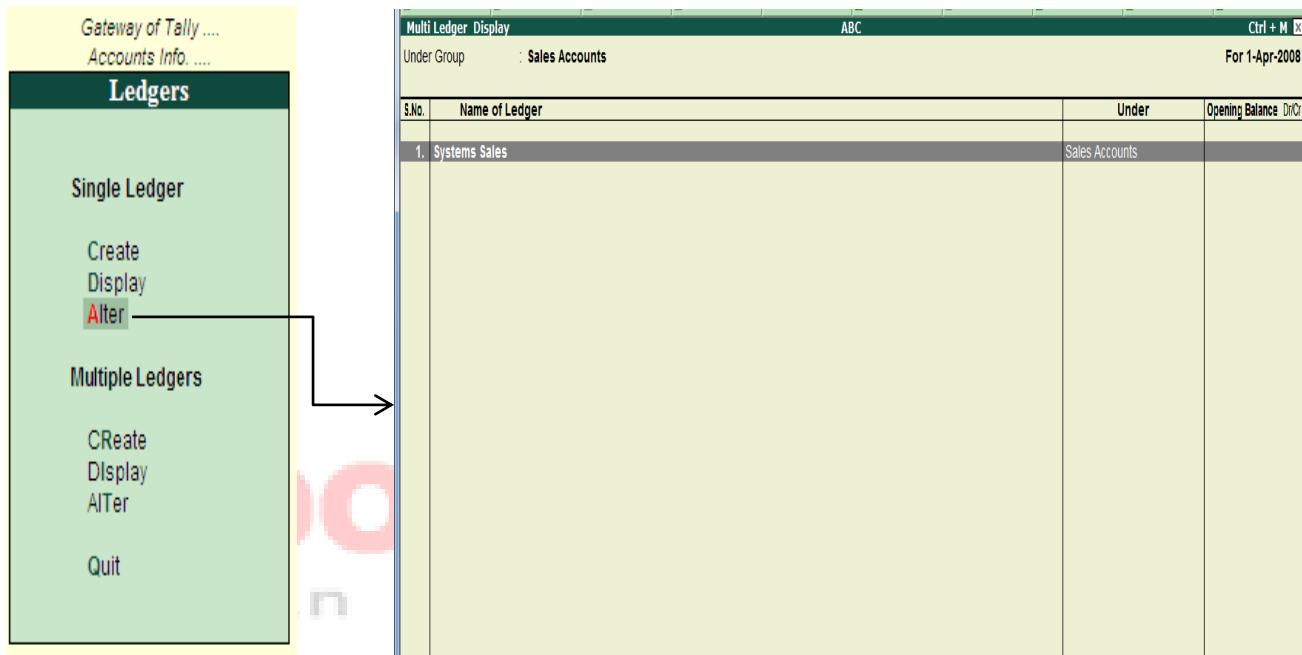
#### **7.1.Creation of a Ledger Account**



## 7.2. Display or Alter a Ledger Account

Information in display and alter is the same, hence only alter is discussed. Display option does not permit any modification. Alter option is accessible only to authorized users.

**Gateway of Tally > Accounts Info. > Ledgers > Single Create > select ledger**



### **Deleting a ledger account**

You can delete a ledger from the alteration mode by pressing **<Alt>+<D>**. Tally does not allow deletion of accounts that have transactions. Therefore, should you wish to delete an account, which has transactions, you must first delete all its voucher entries.



### 7.3. Ledgers Exercise

Sl. No	Ledger Name	Under Group	Opening Balance
1.	Proprietor's Capital Account	Capital Account	25,000/-
2.	Land & Building	Fixed Assets	60,000/-
3.	Lifestyle Shopping Store	Sundry Debtor	15,000/-
4.	XYZ Jewellery Shop	Sundry Creditors	85,000/-
5.	Local Purchases	Purchase Account	-NO-
6.	Local Sales	Sales Account	-NO-
7.	State Bank of India	Bank Account	35000/-
8.	Conveyance	Indirect Expenses	-NO-
9.	Rent Received	Indirect Income	-NO-
10.	Parts Sales	Sales Account	-NO-
11.	Parts Purchases	Purchase Account	-NO-
12.	ABN-AMRO	Bank Account	10,000/-
13.	ICICI	Bank Account	10,000/-
14.	HDFC	Bank Account	10,000/-
15.	PNB	Bank Account	10,000/-

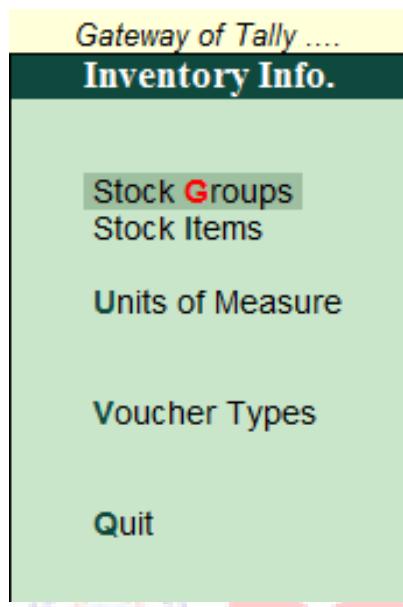
**Total Debit : Rs. 150,000/-**

**Total Credit Balance : Rs. 110,000/-**

## Lesson no. 8: Inventory Information

The different inventory information that you would provide to Tally by way of masters are:

**Gateway of Tally > Inventory Info**



### Stock Items

Like Ledgers, Stock items are the primary inventory entity. You will use stock items while recording their receipts and issues. This is lowest level of information about your inventory. Each item that is required to be accounted for, needs to be created. In fact, you will create a stock ledger account for each item and Tally calls this account 'Stock item'.

### Stock Groups

Stock items can be grouped together under Stock Groups to reflect their classification based on some commonality. Grouping would enable easy location and reporting of stock items in statements.

Hence, items of a particular brand can be grouped together so that you can extract stock of all items of that brand. For example, create stock Groups like Sony, Tapes, Maxell tapes, etc. Classify the Sony products under the Stock Group Sony. Now you have ready details of all Sony products suitably classified. You may even group items as Raw materials and Finished Goods.

### 8.1. Stock Groups

**Gateway of Tally > Inventory Info > Stock Groups**



**What is a Stock Groups ?**

The concept of stock groups has been explained above. Before we consider stock groups you would need to know about stock items. Like Ledgers, Stock items are the primary inventory entity. You will use stock items while recording their receipts and issues. This is lowest level of information about your inventory. Each item which you want to account for, needs to be created. In fact, you will create a stock ledger account for each item and Tally calls this account ‘Stock Item’.

## Stock Groups Exercise

Sl. No.	Ledger Name	Group Head
1	Computer	Primary
2	New Computer	Computer
3	Old Computer	Computer
4	Computer Parts	Primary
5	Keyboard	Computer Parts
6	Mouse	Computer Parts
7	Monitor	Computer Parts
8	Printer	Computer Parts
9	Computer Software	Primary
10	OS	Computer Software
11	Application	Computer Software

## 8.2. Stock Items

Gateway of Tally > Inventory Info > Stock Items



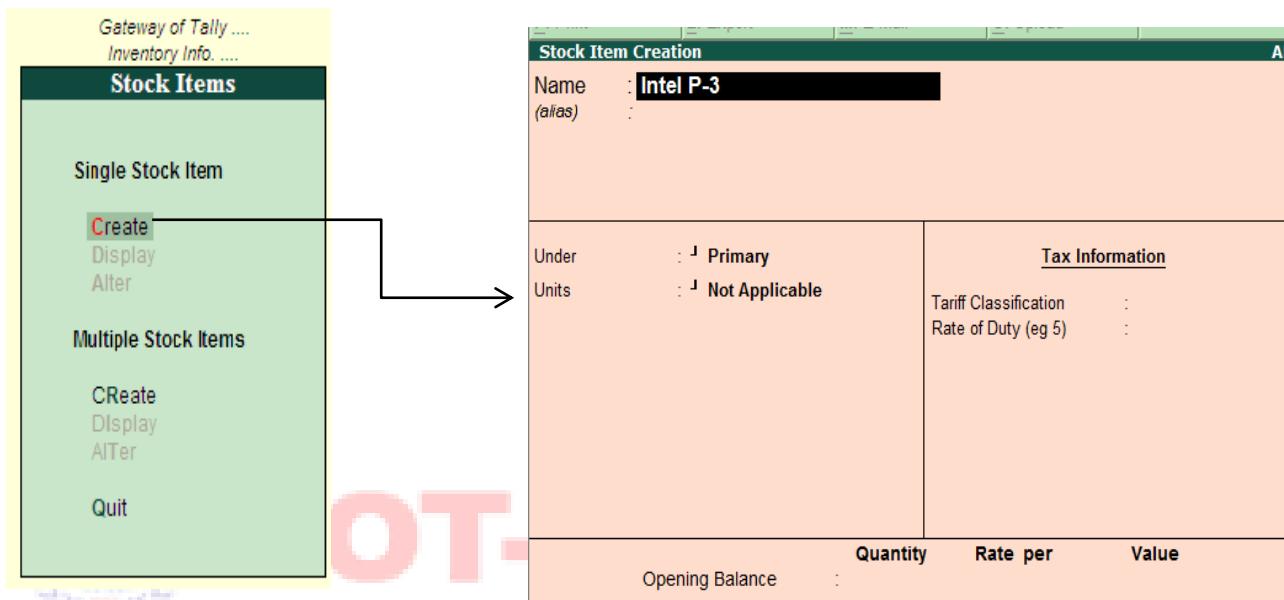
### What is a Stock Items?

A stock item needs no explanation However, what needs to be explained is how Tally uses it. Tally uses the phrase to include what traditional accountants would call a stock ledger account. All the stock items together would make up the stock ledger. However, Tally does not use the term stock ledger. So to display a stock ledger, display the stock items. You can draw a parallel to ledgers in accounting for stock items in inventory.

### 8.3. Creating Stock Item

(Please refer to the Advanced Usage section for other fields/information that would appear if activated in the Inventory configuration and company features. This section deals with creation of basic stock item)

**Gateway of Tally > Inventory Info > Stock Items > Single Create**



#### Name

Give the name of the stock item. Here we wish to create an items Sony Disks 3.5".

#### Alias

This is for alternative names of stock items.

#### Under

Specify the group to which it belongs. The different groups that we had created were Sony, Maxell and Computers. These as well as Primary would appear in the pop-up list. Select 'Sony' from the pop-up-list.

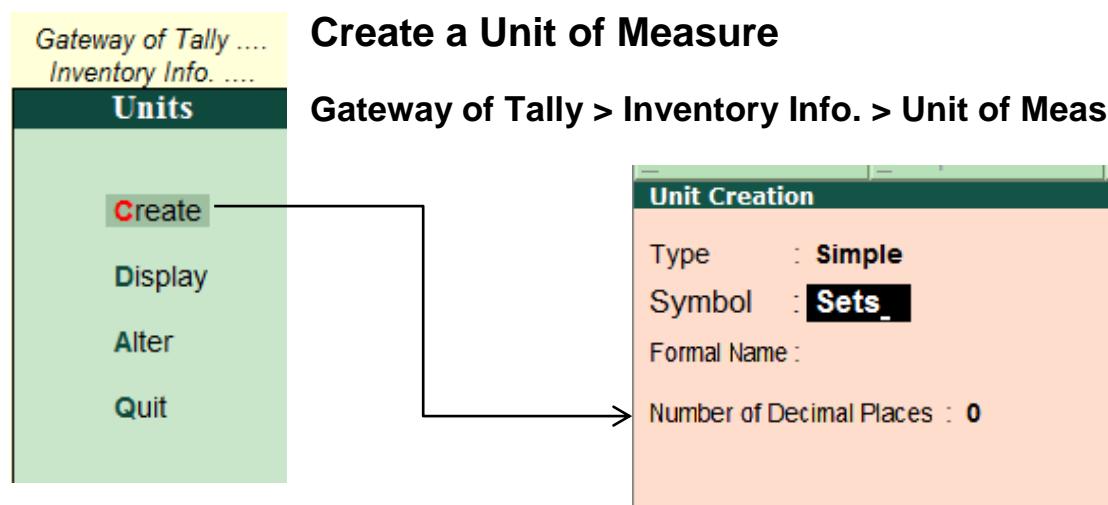
Use **Alt+C** to create a parent if you do not have the item you want in the list.

#### Units

Give the unit of measurement of the item here. You would normally use this unit for trading in this item. Select Box on 100 Pcs from the popup list. Please refer to the section 'Units' for explanation of units. As usual, use [Alt]+[C] to create a new unit.

## 8.4. Units of Measure

You will need to create units of measure for stock items. These can be simple units such as numbers., meters, kilograms, pieces, or compound units, e.g. box, where, say, one box equals ten pieces



**Type:** Symbols are of two types: Simple and Compound. Simple units are considered as stated by you and Tally just checks for duplication and nothing else. If you wish to give unit symbol that are single and not a combination of other units, select Simple. Tally defaults to Simple and if you want to change to compound, use Backspace from the Symbol field and select compound from the popup list.

**Symbol:** Give the symbol of the unit e.g., No., Mtrs. This symbol given by you is used in all displays and printouts. We give the symbol 'no' (for numbers).

**Formal Name:** Give the formal name of the symbol. This explains the symbol, which is also used during consolidation of data of different companies where the symbols might be the same but are assigned to different Units. The formal name will be used to match them. Here we type Number as the formal name for the symbol 'no'.

**No. of decimal places:** If the unit will be used in fractions, say for a kilogram you may have to use grams as well, give the number of decimal places. For kilograms, you would give 3 decimal places to accommodate up to 999 grams. Hence, a measure 1 kilogram 865 grams will be 1.865 kilograms. For units like numbers, you do not normally want a decimal place and you can specify 0 in such cases. You can specify 0 to 4 decimal places.

**8.5. Stock Items Exercise**

<b>New Computers</b>				
<b>Items</b>	<b>Under Group</b>	<b>Unit</b>	<b>Quantity</b>	<b>Rate</b>
Intel P-4	New Computer	Sets	10	7350/-
HCL System	New Computer	Sets	10	5310/-
LG Systems	New Computer	Sets	10	9510/-
Intel PC	New Computer	Sets	10	12310/-
HP Computer	New Computer	Sets	10	17510/-
<b>Old Computers</b>				
Old Intel P-4	Old Computer	Sets	10	7350/-
Old HCL System	Old Computer	Sets	10	5310/-
Old LG Systems	Old Computer	Sets	10	9510/-
Old Intel PC	Old Computer	Sets	10	12310/-
Old HP Computer	Old Computer	Sets	10	17510/-
<b>Key Board</b>				
Normal KB	Key Board	Pcs	10	250/-
PS2 KB	Key Board	Pcs	10	370/-
USB KB	Key Board	Pcs	10	550/-
MM KB	Key Board	Pcs	10	750/-
INTEX KB	Key Board	Pcs	10	450/-
<b>Mouse</b>				
Normal KB	Mouse	Pcs	10	310/-
PS2 KB	Mouse	Pcs	10	410/-
USB KB	Mouse	Pcs	10	550/-
Serial Mouse	Mouse	Pcs	10	210/-
Optical Mouse	Mouse	Pcs	10	250/-

<b>Monitor</b>				
LG 15" CRT	Monitor	Sets	10	4200/-
Samsung 15" CRT	Monitor	Sets	10	4400/-
LG 17" CRT	Monitor	Sets	10	8500/-
Acer 16" CRT	Monitor	Sets	10	8800/-
HP 17" CRT	Monitor	Sets	10	6500/-
<b>Printer</b>				
HP 3540	Printer	Sets	10	8900/-
Compack 1010	Printer	Sets	10	7310/-
HP 810	Printer	Sets	10	10310/-
HP 1050	Printer	Sets	10	12310/-
HP 02510	Printer	Sets	10	15510/-
<b>Operating Systems (OS)</b>				
Windows 95	OS	Pkg.	10	7310/-
Unix	OS	Pkg.	10	9000/-
Linux	OS	Pkg.	10	10310/-
Dos	OS	Pkg.	10	8510/-
Windows XP	OS	Pkg.	10	15310/-
<b>Applications</b>				
MS-Office 2003	Application	Pkg.	10	7310/-
MS-Office 2007	Application	Pkg.	10	9100/-
Adobe	Application	Pkg.	10	12100/-
Tally 9.0	Application	Pkg.	10	15310/-
Macromedia	Application	Pkg.	10	10310/-

## **Lesson no. 9: Transactions & Vouchers**

### **About Tally Vouchers**

In accounting terms, a voucher is a document containing the details of a financial transaction. For example, a purchase invoice, a sales receipt, a petty cash docket, a cheque, a bank bank interest statement, and so on. For every such transaction you use a Tally voucher to enter the details into the ledgers to update the financial position of the company, and this is the feature of tally that you will use most often.

Tally follows the Golden Rule of Accounts:

1. Personal Account: Debit the receiver and Credit the giver.
2. Real Account: Debit what comes in and Credit what goes out.
3. Normal Account: Debit all Expenses / Losses and Credit all incomes / Gains.

### ***Accounting vouchers***

**F4: Contra Voucher**

**F5: Payment Voucher**

**F6: Receipt Voucher**

**F7: Journal.** This is split into Journal, Debit Notes and Credit Notes

**F8: Sales**

**F9: Purchase**

**F10: Memos**

**F7: Stock Journal**

## 9.1. Creating a Purchase Invoice

To create purchase invoice for purchase of taxable goods.

Go to **Gateway of Tally > Accounting Vouchers > F9: Purchases**

1. Select the **Party's A/c Name** from the list of Ledger Accounts.
2. Select the Purchase Ledger grouped under Purchase Accounts with VAT/Tax class – **Purchase From URDs – Taxable Goods (Composition)**.
3. The VAT/Tax class appears as **Purchase From URDs – Taxable Goods (Composition)**.
4. Select the stock items from the **List of Items**.
5. Enter the **Quantity** and **Rate**. The amount is automatically displayed in the Amount Field.
6. Set the option – **Is e-Sugam Applicable to Yes / No** as per requirement.
7. Accept the Purchase invoice.

Accounting Voucher Creation		ABC Company			Ctrl + M
Purchase	No. 3				12-May-2012
Supplier Invoice No.:	P003	Date :	12-May-2012		Saturday
Party's A/c Name : Excel Traders Current Balance : 2,66,500.00 Cr Purchase Ledger : Purchase From URDs VAT/Tax Class : Purchase From URDs - Taxable Goods (Composition)					
Name of Item	Quantity	Rate per	Amount		
Books	50 Nos	250.00 Nos	12,500.00		
^ End of List					
Is e-Sugam Applicable		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Show Statutory Details		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Narration:		50 Nos		<input type="button" value="Accept ?"/> <small>Yes or No</small>	

9.2.

## Creating a Sales Invoice

To create sales invoice for sale of taxable goods,

Go to **Gateway of Tally > Accounting Vouchers > F8:Sales**

1. Select the **Party's A/c Name** from the List of Ledger Accounts.

2. Select Sales Ledger grouped under Sales Accounts with VAT/Tax class – **Sales – Composition Tax @ 1%**.
3. The VAT /Tax class appears as **Sales – Composition Tax @ 1%**.
4. Select the stock items from the **List of Items**.
5. Enter the **Quantity** and **Rate**. The amount is automatically displayed in the Amount field.
6. Set **Is e-Sugam Applicable** to Yes/No as per requirement.

Accounting Voucher Creation		ABC Company	Ctrl + M 
Sales	No. 1		14-May-2012
Ref. :	S001		Monday
Party's A/c Name : Supreme Traders			
Current Balance :			
Sales Ledger : Sales Composition @ 1%			
VAT/Tax Class : Sales - Composition Tax @ 1%			
Name of Item	Quantity	Rate per	Amount
Gold Coins	3 Nos	10,000.00 Nos	30,000.00
^ End of List			
Is e-Sugam Applicable	<input type="checkbox"/> No		
Show Statutory Details	<input type="checkbox"/> No		
Narration:	<input type="text"/>		
		<input type="button" value="Accept ?"/> <input type="button" value="Yes or No"/>	

7. Accept the Sales invoice.

# Simple Voucher Entry

You should set the configuration for voucher entry so that only those features that you require appear when entering vouchers.

We shall first learn simple vouchers, for accounting and inventor. Extra information would be dealt with under Advanced Usage section.

Hence, in the voucher entry configuration, set all the features to **No**.

## **Lesson no. 10: Display Reports**

Tally prepares the books of account and financial statements based on the vouchers you have entered to date. You can then vary the appearance of reports according to your needs, for example, to make comparisons between different companies, periods of the financial year, groups and ledgers.

In each case, when you display a report, you can step-down to the next level of detail by highlighting the item and pressing **Enter**, and you can keep going until you reach an individual voucher. Similarly, you can step back to higher levels by pressing **[Esc]**. The special features available for the currently displayed report are indicated on the button bar, and can be selected with a single click of the mouse.

### **Accessing reports**

The **Gateway of Tally** menus provide access to all the financial reports, as in the diagram opposite. For example, if you want to view the Sales Register then, in the **Gateway of Tally** menu select **Display, Account Books** and Sales Register in turn, and Tally will display the report for the currently selected period.





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## Lesson no. 11: Shortcut Key

<b>Function Key</b>			
<b>Sl. No</b>	<b>Key</b>	<b>Functionality</b>	<b>Availability</b>
1.	F2	To change the menu period.	At almost all screens in Tally.ERP 9.
2.	F4	To select the contravoucher	At accounting voucher creation and alteration screens.
		To view the list of groups.	At the trial balance, cash/bank summary, group summary and group vouchers screens.
		To view the list of ledgers.	At the ledger vouchers screen.
		To change voucher type.	At the sales, purchase and journal register and day book screens.
		To switch between bills receivable and payable report.	At the bill receivable and payable report screens.
		To view other stock item's summary.	At the item monthly screen.
3.	F5	To show/ hide gross profit earned on sales made.	At the item monthly screen.
		To select the payment voucher.	At accounting voucher creation and alteration screens.
		To switch between grouped and ledger wise display.	At the trial balance, cash/bank summary and group summary screens.
4.	F6	To reconcile bank accounts.	At the ledger vouchers screen, where the ledger is the bank ledger.
		To select the receipt voucher.	At accounting voucher creation and alteration screens.
5.	F7	To view the age wise analysis of bills payables	At the bill receivable and payable report screens.
		To select the journal voucher.	At accounting creation and alteration screens.
		To view the monthly summary.	At the ledger vouchers screen.
6.	F8	To switch between group summary and group vouchers.	At the group summary and group voucher screens.
		To select a sales voucher.	At accounting voucher creation and alteration screens.
7.	F9	To select a purchase voucher.	At accounting voucher creation and alteration screens.

8.	F10	Navigate between accounting reports.	At the reports screens, trialbalance, account books and day book screens.
9.	F11	To select the features screen.	At almost all screens in Tally.ERP 9.
10.	F12	To select the configure screen.	At almost all screens in Tally.ERP 9.

## Special Function Key Combination

Sl. No	Key	Functionality	Availability
1.	Alt + F11	To close a company.	At all the menu screens.
		To view detailed report.	At almost all report screens.
		To explode a line into its details.	At almost all screens in Tally.ERP 9.
2.	Alt+ F2	To change the system period.	At almost all screens in Tally.ERP 9.
3.	Alt + F3	To select the company info menu.	At Gateway of Tally.ERP 9 screen.
		To create/ alter/ shut a company.	
4.	Alt + F5	To view sales and purchase register summary on a quarterly basis.	At the sales and purchaseregister screens.
5.	Alt + F12	To view the filters screen where the range of information can be specified.	At all the report screens.
6.	Alt + C	To create a ledger at a voucher screen.	At accounting voucher and alteration screens, at a field where you have to select a ledger from a list. If the necessary account has not been created earlier, use this key combination to create the ledger without quitting from the accounting voucher screen.
		To add a new column to reports.	At all the reports, trial balance, cash/bank book(s), groupsummary and journal register screens.
7.	Alt + N	To add multiple columns to a report (Auto column).	At all the reports, trial balance, cash/bank book(s), group summary and journal register screens.
8.	Alt + P	To print reports.	At all reports screens in Tally.ERP 9.
9.	Alt + Z	To zoom.	At all the print preview screens.

10.	Ctrl + F8	To select a Credit note.	At accounting voucher creation and alteration screens.
11.	Ctrl+ F9	To select a Debit note.	At accounting voucher creation and alteration screens.
12.	Ctrl + Q	To quit a screen - wherever you use this key combination, it quits that screen without making any changes to it. It also does not ask for confirmation from user before quitting.	At almost all screens in Tally.ERP 9.
13.	Ctrl + L	To mark a voucher as optional or regular.	At accounting voucher creation and alteration screens.
14.	Alt + R	Recalls the Last narration saved for the first ledger in the voucher, irrespective of the voucher type.	At creation/alteration of voucher screen
15.	Ctrl + R	Recalls the Last narration saved for a specific voucher type, irrespective of the ledger.	At creation/alteration of voucher screen
16.	Alt + D	To delete a voucher or To delete a master or To delete a column in any columnar report	At Voucher and Master (Single) alteration screens.
17.	Alt + X	To cancel a voucher in Day Book/List of Vouchers.	At all voucher screens in Tally.ERP 9
18.	Alt - 2	To Duplicate a voucher.	At List of Vouchers – creates a voucher similar to the one where you positioned the cursor and used this key combination
19.	Alt - A	To Add a voucher or To Alter the column in columnar report.	At List of Vouchers – adds a voucher after the one where you positioned the cursor and used this key combination.
20.	Alt + 1	To insert a voucher or To toggle between Item and Accounting invoice.	At List of Vouchers – inserts a voucher before the one where you positioned the cursor and used this key combination.
21.	Alt + R	To remove a line in a report.	At almost all screens in Tally.ERP 9.
22.	Alt + U	To retrieve the last line which is removed using Alt + R.	At all reports screens in Tally.ERP 9
23.	Ctrl + U	To retrieve all lines which are removed using Alt + R.	At all reports screens in Tally.ERP 9

Key Combination Used For Navigation			
Sl. No	Key	Functionality	Availability
1.	Enter	To accept anything you type into a field.	You have to use this key at most areas in Tally.ERP 9.
		To accept a voucher or master.	
		To get a report with further details of an item in a report.	
2.	Esc	To remove what you type into a field.	At almost all screens in Tally.ERP 9.
		To exit a screen.	
		To indicate that you do not want to accept a voucher or ledger.	
3.	Shift + Enter	To view next level details and condense the next level details.	At the balance sheet, profit and loss account, trial balance, cash/bank book(s), group summary, group vouchers, voucher register, day book and list of accounts screens.
4.	Space	Select the current line.	At all reports screens in Tally.ERP 9
5.	Ctrl + Space	Select all lines.	At all reports screens in Tally.ERP 9