

Financial Accounting with Tally

Unit-II

What is a group in Tally?

The group is a collection of ledgers of the same natures. Tally software automatically creates 28 groups that are used in the account chart. Out of 28 predefined groups in tally, primary groups are 15, and the sub-groups are 13.

How to create Group

1. Go to **Gateway of Tally > Accounts Info. > Groups > Create** (under **Single Group**)
2. Enter the **Name** of the group.
3. Enter the **Alias** name, if required.
4. In the field **Under**, from the **List of Groups** displayed, select the parent group under which the group has to be classified. For example, **Indirect Expenses**.

The **Group Creation** screen appears as shown below:

Group Creation	
Name	: Administrative Expenses
(alias)	: Office Expenses
Under	: Indirect Expenses
Accept ? Yes or No	

5. Click **Yes** to accept the screen.

How to Display

1. Go to **Gateway of Tally > Accounts Info. > Groups > Display** (under **Single Group**).
2. Select the name of the group required from the **List of Groups** displayed. The ledger display screen appears as shown below:

Group Display		National Enterprises
Name	: Administrative Expenses	
(alias)	: Office Expenses	
Under	: Indirect Expenses	
<hr/>		
Group behaves like a sub-ledger	? No	
Nett Debit/Credit Balances for Reporting	? No	
Used for calculation (for example: taxes, discounts (for sales invoice entries))	? No	
Method to allocate when used in purchase invoice	? II Not Applicable	

Note: In the display mode, group details can't be modified.

Alter a Group

The details entered in a group can be modified when required.

1. Go to **Gateway of Tally > Accounts Info. > Groups > Alter** (under **Single Group**) .
2. Select the name of the group required from the **List of Groups** displayed.
3. Make the necessary changes in the **Group Alteration** screen.
4. Click **Yes** to save the changes.

Delete a Group

Groups can be deleted from the alteration screen. You cannot delete groups from the multiple group Alteration mode.

1. Go to **Gateway of Tally > Accounts Info. > Groups > Alter** (under **Single Group**).
2. Select the group from the **List of Groups**.
3. Click **D: Delete**.
4. Click **Yes** to confirm deletion.

Note: A group cannot be deleted if:

- ◆ The group has sub-groups.
- ◆ The group has ledgers classified under it.
- ◆ The group is a predefined master.

What is Ledger in Tally?

A ledger is a date-wise record of all the transactions related to a particular account such as cash, sales, purchase and so on. A ledger is the actual account head to identify your transactions and is used in all accounting vouchers. For example, purchase, payments, sales, receipts, and others accounts heads are ledger accounts. Without a ledger, you cannot record any transaction.

All ledgers have to be classified into [groups](#). These groups and ledgers are classified into profit and loss or balance sheet.

There are two pre-defined ledgers in Tally.ERP 9:

- Cash ledger
- Profit and loss account

How to create Ledger

Ledger Creation		ABC Company		Ctrl + M	
Name	: Furniture and Fixtures			Total Opening Balance	ingle
Under	: Fixed Assets	Name	Mailing Details		
Inventory values are affected	? No	Address	Furniture and Fixtures		
Method of appropriation in purchase invoice	[Not Applicable]				
Cost centres are applicable	? No	Country	: India	Pincode	:
		State	: Karnataka		
		Provide bank details	: No		
		PAN/IT No.	Tax Registration Details		
Opening Balance (on 1-Apr-2016) :				Accept ?	
				Yes or No	

2. Enter the **Name** of the ledger account. Duplicate names are not allowed.
3. Enter the alias of the ledger account, if required. You can access the ledgers using the original name or the alias name.
4. Select a **group category** from the List of Groups.

Note: To create a new group from this field, press Alt+C .

Display, Alter and Delete Ledgers

You can alter any information of the ledger master with the exception for the closing balance under the group stock-in-hand .

Display/alter a ledger

- Go to **Gateway of Tally > Accounts Info. > Ledgers > Display or Alter** .

Modification of account ledgers is possible for single ledgers as well as multiple ledgers. However for multiple ledgers, all the fields are not available for alteration.

Delete a ledger

- Go to **Gateway of Tally > Accounts Info. > Ledgers > Alter > Press Alt+D** .

Note: You can delete the ledger if no vouchers have been created under it. If you want to delete a ledger for which vouchers have been created, you have to first delete all the vouchers from that ledger and then delete the ledger account.

What is Accounting Voucher in Tally

In Tally, an accounting voucher is a document used to record financial transactions, such as payments, receipts, purchases, and sales. These vouchers act as proof or evidence of the transaction and provide an accurate record of financial activities in an organization.

List of Accounting Voucher Type:

Contra Voucher (F4)

Payment Voucher (F5)

Receipt Voucher (F6)

Journal Voucher (F7)

Sales Voucher (F8)

Purchase Voucher (F9)

Debit Note Voucher (Ctrl+F9)

Credit Note Voucher (Ctrl+F10)

Creating Voucher Types

You can customize the voucher by creating a voucher class.

To create a voucher type

1. Go to **Gateway of Tally > Accounts Info. or Inventory Info. > Voucher Type > Create.**
2. Enter the **Name** of the voucher.
3. Select the type of voucher.
4. Enter the abbreviation in the **Abbreviation** field, if required.
5. Select the **Method of voucher numbering** from the **Methods of Numbering** list.
6. Enable **Use effective dates for vouchers** to enter effective dates for vouchers.

7. Enable **Make this voucher type 'Optional' by default** to set your voucher to optional voucher by default.
8. Enable **Allow narration in voucher** to give a common narration for voucher. A common narration screen for voucher appears.
9. Enable **Provide narration for each ledger in voucher?** If you want to give a separate narration for each entry of a voucher. This would be applicable for a multiple entry voucher where you want separate details for each entry.
10. Enable **Print voucher after saving** to print every voucher after entering it.
11. Set **Use for POS invoicing** to Yes to use the sales invoice as POS invoice.
12. Set the **Default title to print on invoice** to print the same title for POS invoice.
13. Select the bank in **Default bank** option to print the default bank ledger when the option **Print Bank Details** is enabled in a Sales voucher.
14. Enter the **Default jurisdiction** to be printed on the invoice, if required.
15. Create a voucher class in the **Name of Class** field, if required.

The completed **Voucher Type Creation** screen appears as shown below:

Voucher Type Alteration		ABC Company	Ctrl + M																																				
Name : Sales Invoice (alias) :																																							
<table border="1"> <thead> <tr> <th colspan="2">General</th> </tr> </thead> <tbody> <tr> <td>Type of Voucher</td> <td>: Sales</td> </tr> <tr> <td>Abbr.</td> <td>: Sale</td> </tr> <tr> <td>Method of Voucher Numbering</td> <td>: Automatic</td> </tr> <tr> <td>Use Advance Configuration</td> <td>: No</td> </tr> <tr> <td>Use EFFECTIVE Dates for Vouchers</td> <td>: No</td> </tr> <tr> <td>Make 'Optional' as default</td> <td>: No</td> </tr> <tr> <td>Use Common Narration</td> <td>: Yes</td> </tr> <tr> <td>Narrations for each entry</td> <td>: No</td> </tr> </tbody> </table>		General		Type of Voucher	: Sales	Abbr.	: Sale	Method of Voucher Numbering	: Automatic	Use Advance Configuration	: No	Use EFFECTIVE Dates for Vouchers	: No	Make 'Optional' as default	: No	Use Common Narration	: Yes	Narrations for each entry	: No	<table border="1"> <thead> <tr> <th colspan="2">Printing</th> </tr> </thead> <tbody> <tr> <td>Print after saving Voucher</td> <td>: No</td> </tr> <tr> <td>Use for POS Invoicing</td> <td>: No</td> </tr> <tr> <td>Default Print Title</td> <td>: Sales Invoice</td> </tr> <tr> <td>Default Bank Name</td> <td>: State Bank of India</td> </tr> <tr> <td>Default Jurisdiction</td> <td>: Bangalore</td> </tr> </tbody> </table> <p>Declaration : We declare that the goods sold under this invoice are under our registration certificate and the transactions effected by us are accounted for turnover.</p>	Printing		Print after saving Voucher	: No	Use for POS Invoicing	: No	Default Print Title	: Sales Invoice	Default Bank Name	: State Bank of India	Default Jurisdiction	: Bangalore	<table border="1"> <thead> <tr> <th colspan="2">Name of Class</th> </tr> </thead> <tbody> <tr> <td colspan="2"> <input type="button" value="Accept ?"/> <small>1 more ...]</small> </td> </tr> <tr> <td colspan="2"> <small>Yes or No</small> </td> </tr> </tbody> </table>	Name of Class		<input type="button" value="Accept ?"/> <small>1 more ...]</small>		<small>Yes or No</small>	
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16. Press **Enter** to save.

How to Alter vouchers:

Go to Display > Day book > select the voucher that has to be altered > Make the changes > Save the altered voucher.

Or

Go to **Display > Account Books > Ledger** > select the required **Ledger** > select transactions from Ledger Voucher list > drill down and alter the voucher > save the changes.

Item and Account invoice transactions in tally

While recording for the sale of goods, you can record such a sale using Item Invoice mode. In Item Invoice mode, you can provide an item, quantity, and rate details. Similarly, you can use the accounting invoice mode if you are selling services.

Accounting Voucher Creation				
Sales	No. 7	Ctrl + H		
Ref. :		3-Feb-2010 Wednesday		
Party's A/c Name :	P.K.Motors	Price Level : Retail (Reseller)		
Sales Ledger	Sales	Name of Item	Quantity	Rate per Disc. %
		Combo Switch JACO 15A	2 Pieces	25.00 Pieces
Narration:			2 Pieces	50.00

Difference between accounting invoice and item invoice

If you are in a business that involves inventories, you can use “Item Invoice”. You can choose “Accounting Invoice” to record your service invoices, this is useful for service businesses as well. Just in case you are accustomed to “Dr Cr” way of recording invoice, you can choose “Voucher mode”.

What is an excise invoice?

A business document, in India, that your vendor sends you when it delivers excisable goods. It lists the goods and states how much excise duty applies on them. The excise invoice lists the goods that you have issued and states how much excise duty applies. Your customer uses the excise invoice to claim back the excise that it has paid from the excise authorities.

What is the meaning of export invoice?

An export invoice is a document containing description of the goods provided by an exporter and the amount due from the importer.

- An export invoice serves as a proof that a particular transaction has taken place between two parties - buyer and seller on a particular date.
- If the product is damaged during transportation, an export invoice lets the importer know where to claim insurance from.
- Export invoice is needed to prevent any difficulty with your shipment and ensuring that the exporter has paid the right taxes and duties.

Transactions using bill wise details

Using this feature, business owners can easily track bills for expenses, any installments to be paid or loan amounts to be received. 'Bill wise Details' hence can be used to track the details of any already made or due payments and also to generate payables or receivables reports with minimum effort.

Bill wise details are used for sundry debtors and creditors parties outstanding maintain balances used, total bill value, how much we paid, how much amount we received, still how much we pay pending, receiving amount still how much pending we use it.

What is the meaning of cost centre?

A cost centre is defined as a function or department within a company which is not directly going to generate revenues and profits to the company but is still incurring expenses to the company for its operations. The contributions made by the cost centres in terms of profits are indirect.

A cost centre is nothing but **a separate department within a business to which costs can be allocated**. This also includes departments that do not produce directly but incur costs to the business.

Enable Cost Centre

A cost centre is any unit of an organization to which transactions (generally, revenue) can be allocated. When only costs or expenses are allocated to these units, they are referred to as Cost Centre. When profits are also allocated to these units, they become Profit Centre.

1. From **Gateway of Tally > Click F11: Features > Accounting Features.**
2. Enable the option **Maintain Cost Centre?**
3. Enable the option **Maintain more than one payroll or cost category?** to maintain cost categories.
4. Press **Ctrl+A** to save the **Company Operations Alteration** screen.

By default, Tally.ERP 9 activates the Cost Centre feature for Ledger accounts under **Sales Accounts, Purchase Accounts, and Expense and Income** groups.

Create Cost Centre

Press **Alt+G** (Go To) > **Create Master > Cost Centre** > press **Enter**. Alternatively, **Gateway of Tally > Create > Cost Centre** > press **Enter**. Create a single cost centre

1. Go to **Gateway of Tally > Accounts Info. > Cost Centre > Create** (under **Single Cost Centre**) .
2. Press **Backspace** to change the default **Category**, if required.

Note : The field **Category** is available only if the option **Maintain more than one payroll or cost category?** is set to **Yes** in **F11 (Features)**

3. Enter the **Name** .
4. Select the parent cost centre **Under** which the cost centre has to be grouped.
5. Press **Enter** to save the Cost Centre.

Note: Unlike groups, you can allocate transactions to **Primary Cost Centres** . However, you should do so when you do not have Sub Cost Centres under the Primary Cost Centre.

Alter a Cost Centre

You can alter an existing cost centre in the single mode. Alternatively, multiple cost centres can be altered in the multiple mode, if required.

1. Go to **Gateway of Tally > Accounts Info. > Cost Centre > Alter** (under **Single Cost Centre**). The **Cost Centre Alteration** appears as shown below:



2. Make changes as required.
3. Press **Ctrl+A** to accept.

Delete a Cost Centre

Cost centre can also be deleted in the alteration mode.

1. Go to **Gateway of Tally > Accounts Info. > Cost Centre > Alter** (under **Single Cost Centre**).

2. Select the **Cost Centre** from the **List of Cost Centre**. The **Cost Centre Alteration** screen appears.
3. Click **D: Delete**.
4. Click **Enter** to confirm deletion of the cost centre.

Note: You can delete a cost centre only if:

1. It does not have any Cost Centres created under it.
2. It is not used in any transactions.

Cost categories

Cost categories are useful for organizations that require allocation of revenue and non-revenue items to parallel sets of cost centre means a transaction to more than one set of cost centre. For example, > Cost Centre such as Marketing, Finance and Manufacturing can now belong to a category – Departments.

Create Cost Categories

1. Press **Alt+G** (Go To) > **Create Master** > type or select **Cost Category** > press **Enter**. Alternatively, go to **Gateway of Tally** > **Create** > type or select **Cost Category** > press **Enter**. You can also create a **Cost Category** from **Gateway of Tally** > **Chart of Accounts**. If you are creating a new Cost Category for the first time, you will be prompted to create a new Cost Category or alter the existing Primary Cost Category.
2. Select **Alter Existing** or **Create a New Category**, as needed.
 - i. Click **Alter Existing** to rename **Primary Cost Category**.
 - a. In the **Cost Category Alteration** screen, update the new Cost Category name in place of the **Primary Cost Category**. On renaming the Primary Cost Category, the existing Cost Centre will show the new name as the name of Cost Category.
 - ii. Click **Create a New Category** to create a new **Cost Category**.
 - a. **Name & alias:** As in other masters, you can specify multiple aliases.
 - b. **Allocate Revenue Items & Allocate Non-revenue items** – You can enable both options if the **Cost Category** is created for both items. However, it is mandatory to enable either one of the options to create the **Cost Category**.

Cost Category Creation	
Name (alias)	: Bangalore
Allocate Revenue Items ? Yes	
Allocate Non-Revenue Items ? No	

- Accept the Cost Category screen. As always, you can use Ctrl+A to save.

Multi Currency in Tally.ERP 9

Many Organizations have transactions in more than one currency. Such transactions have to be recorded either in the base (home) currency or in the foreign currency. If the transactions are recorded in home currency, the rate at which the foreign currency is exchanged should be recorded as well. At times you need to record the transaction in the foreign currency itself when you maintain the balance of the concerned account in foreign currency.

Enable Multi-currency

At times you need to record the transaction in the foreign currency itself when you maintain the balance of the concerned account in foreign currency. You can create multiple currencies as per your business needs. Enable the Multi-Currency feature to view and enter transactions in multiple currencies.

- Go to **Gateway of Tally**.
- Click **F11:Features > F1: Accounting Features**.
- Set the option **Enable multi-currency** to **Yes**
- Press **Ctrl+A** to save.

Create a Currency

You can create a currency and use it as your base or foreign currency. You can set preferences like currency symbol and decimal places accordingly when creating or altering a currency.

- Go to **Gateway of Tally > Accounts Info. > Currencies > Create**.

Currency Creation		ABC Cor
Symbol	:	\$
Formal name	:	Dollar
Number of decimal places	:	2
Show amount in millions	:	? No
Suffix symbol to amount	:	? No
Add space between amount and symbol	:	? No
Word representing amount after decimal	:	
No. of decimal places for amount in words	:	2

- Enter the currency **Symbol** field. This symbol appears in your reports, wherever applicable.

3. Enter the name of the currency in **Formal name** .
4. Enter the **number of decimal places** for the currency in **Number of decimal places** . E.g. Currencies with 2 decimal places like paisa and currencies with three decimal places like dinar. There are currencies that do not have decimal places, e.g., Vietnamese Dong.
5. Tally.ERP 9 has two formats for displaying an amount, viz., in millions and in lakhs. 1000000 (one followed by six zeroes) in millions format would appear as 1,000,000 and lakhs would appear as 10,00,000.
6. Select the required parameter in **Show amounts in millions** field. If you select **No** , the amounts will appear in Lakhs, by default.
7. Set **Suffix symbol to amount** to **Yes** for the symbol to appear after the amount.
8. Set **Add space between amount and symbol?** to **Yes** to apply a space between amounts and symbol.
9. Enter the symbol for **decimal** portion of currency in **Word representing amount after decimal** field. Eg., Ps. for Paise.
10. Enter the number of decimal places for printing the amounts in words in **No. of decimal places for amounts in words** field. This number should be equal to or lesser than the number specified in **Number of decimal places** field.

Alter a Currency

You can modify or [delete](#) a currency master in the alteration mode of the currency master. The [rate of exchange](#) can also be altered from here.

1. Go to **Gateway of Tally > Accounts Info. > Currencies > Alter** .
2. Select a **Currency** from the **List of Currencies** list
3. In the **Currency Alteration** screen, modify details as required. For more information refer [Creating a Currency](#) .

Delete a Currency

1. Go to **Gateway of Tally > Accounts Info. > Currencies > Alter** .
2. Select a currency from the **Currencies** list (displayed, if there is more than 1 currency).
3. Press **Alt+D** in the **Currency Alteration** screen to delete.

Note: You cannot delete a currency if it is used in a transaction.

Voucher Entry with Multi-Currency

The multi-currency feature in Tally.ERP 9 enables you to create vouchers in multiple currencies. Subsequently, you can also print an invoice in the multi-currency mode.

Note: At any given date, when the rate of exchange is available in both **Last Voucher Date** and **Specified Rate** fields in the currency master, it will consider the rate available in the **Last Voucher Rate** field only.

To record a purchase voucher with multi-currency

1. Go to **Gateway of Tally > Accounting Vouchers / Inventory Vouchers > F9: Purchase**.
2. Select the **Party's A/c Name**.
3. Select the **Name of Item**.
4. Enter the **Quantity**.
5. Enter the **Rate** of the item in the required foreign currency.
6. Press **Enter** to view the **Forex Rate of Exchange** screen, as shown below:

<i>Rate in Forex</i>	<i>Rate of Exchange</i>	<i>Rate in ₹</i>
\$100.00/nos @	₹ 54.01/\$	₹ 5,401.00/nos

7. Enter the latest **Rate of Exchange**.
8. Press **Enter** to view the **Accounting Voucher Creation** screen, as shown below:

Accounting Voucher Creation		ABC Company			Ctrl + M
Purchase No. 1	Supplier Invoice No. : 1.4	Date : 1-Apr-2013			1-Apr-2013 Monday
Party's A/c Name : Supplier A		Current Balance :			
Name of Item		Quantity	Rate per	Amount	
Item Import		100 nos	\$100.00 nos	\$10,000.00	
End of List					
Narration:		100 nos \$10,000.00 @ ₹ 54.01/\$ = ₹ 5,401,000.00			

9. Press **Ctrl+A** to accept.

What is the meaning of BRS?

A bank reconciliation statement (BRS) is a statement that a company prepares on a particular date to match the bank balance indicated in its cash book with the balance shown by the bank's passbook.

Bank Reconciliation Statement as on 31st December 2021		
	Particulars	Plus
	Minus	
	Dr. Balance (Favourable Balance) as per Cash Book	8,400
Add:	1. Cheque issued or drawn but not yet presented for payment	4,000
	2. Interest allowed by the bank not recorded in Cash Book	500
	3. Amount directly deposited by the customers in our Bank Account	2,000
Less:	1. Cheque sent to the bank for collection but not yet credited by the bank	6,400
	2. Bank Charges not entered in the Cash Book	200
	3. Amount paid by the bank on standing instruction:	
	(i) Life Insurance Premium	1,200
	(ii) Club Fees	1,000
		14.900
		8.800

Interest Calculation

Calculating interest is a part of day-to-day accounting for any organization. Accurately calculating interest for multiple accounts is a tedious task that could consume most of an accountant's day. That's where Tally comes to the rescue. Interest calculation in Tally is one of the main functions.

Simple Mode Interest Calculation in Tally

The simple model of interest calculation in Tally is used by small businesses that do not frequently change their company policy regarding the credit period or chargeable interest. In short, once you define the credit policy, it stays the same.

Step 1: Activate Interest in the Calculation

- On Gateway of Tally ERP 9, press the F11 function key
- Select "Accounting Features" or press the "A" key
- Navigate to interest calculation
- Type "Y" in the box
- Let the advance parameter set at "NO."
- Press Ctrl +A to save the settings on how to activate interest calculation in tally.

Step 2: Create/ Alter Ledger

- Go to Gateway of Tally

- Select accounts Info
- Select ledger
- Choose create/ alter as per your requirement
- Input/ change details like name, Group/ Master, alias, etc.
- Enter credit period as per your business policy
- Set activate interest calculation to Yes
- An interest parameter screen will appear. Set Calculate Interest Transaction by Transaction to “No.”
- Input rate in percentage as per your business policy
- Select the interest debit style as needed “30-day Month, 365-Day Year, Calendar Month, and Calendar Year.”
- Input all other details and save the ledger.

Credit Period is a specific period under which the customer is not charged for any interest. For example, if the credit period is 30 days and the customer pays you within 30 days from the date of billing, no interest is charged.

Step 3: Make the Sales Entry in Voucher

- Go to Gateway of Tally
- Select Accounting Voucher
- Press F8 for Sales Entry
- Press Ctrl +V to enter Sales as Voucher
- Pass the entry as required
- Save the entry.

Advanced Interest Calculation in Tally

Advanced mode interest calculation in Tally is almost the same as simple mode except for a few changes. Advanced mode interest calculation in Tally Prime is essential when a company's credit policy changes based on the period.

Step 1: Activate interest in the calculation

- Go to Gateway of Tally ERP 9
- Press the F11 function key
- Select “Accounting Features” or press the “A” key
- Navigate to interest calculation

- Type “Y” in the box or “Yes”
- Set the advance parameter as “Yes” (This is the only step different from Simple Mode Entry)
- Press Ctrl +A to save the settings.

Step 2: Create/ alter ledger

- Go to Gateway of Tally
- Select accounts Info
- Select ledger
- Choose create/ alter as per your requirement
- Input/ change details like Name, Group / Master, alias, etc.
- Enter credit period as per your business policy
- Set activate interest calculation to “Yes”
- A new window will appear with multiple details
- Input the details as follows:
- Set Calculate Interest Transaction by Transaction to “No”
- The input interest rate in percentage as per your business policy
- Select the Interest Debit Style as needed, “30-day for the month, 365-Day for the year, Calendar Month, Calendar Year.”
- Select whether the interest is to be charged on All Balances, Credit balances Only or Debit balances Only
- Choose “Applicable From” and “Applicable To” date
- Choose the rounding off technique from” Downward Rounding, Normal Rounding, or Upward rounding.”

Input all other details and save the ledger.

Step 3: Make the sales entry in the voucher (No Change)

- Go to Gateway of Tally
- Select accounting voucher
- Press F8 for sales entry
- Press Ctrl +V to enter sales as the voucher
- Pass the entry as required
- Save the entry

Interest calculations on outstanding balances

Enter **Interest details** in Vouchers (only in case of transaction by transaction/Bill-by-bill) and view Interest reports.

You will have to alter existing ledger accounts to permit interest calculations on them. The same operation will apply when creating a new ledger account.

Interest calculation on outstanding balances is allowed for any ledger account. You simply specify the interest rate and style of calculation. Nothing is required to be done for interest during voucher entry.

Let's take an example: Interest calculated on Outstanding Balances.

1. Go to **Gateway of Tally> Accounts Info.> Ledgers> Alter (Single)> XY Bank (bank account)**
2. Set **Activate interest Calculation** to **Yes**.
3. On activation, the **Interest Parameters** must be set. It is the basis on which interest will be calculated for this Ledger account.
4. **Rate:** This is the rate at which the interest has to be calculated. In this case, specify 15%.
5. **Interest Style:** It is the basis on which the rate is applied. Of the four options, select **365-Day Year**.
6. **Accept** the screen.

You can now view the amount of interest that could be charged by the Bank.

Report on Interest Calculated on outstanding balances

The **Interest Calculations Report** can be displayed and printed.

Go to **Gateway of Tally> Display> Statements of Accounts> Interest Calculations> Ledger> XY Bank (Bank Account)**

What is a voucher class in Tally?

Voucher Classes are used to automate Accounting Allocations in transactions. It is a table for predefining the entries to make Invoice entry a simple task. This is particularly useful in sales invoicing where the nominal ledger accounts, to be credited for each item of sale is defined once.

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During voucher entry, the accounting credits for items sold are done automatically. Additional accounting entries like tax, freight, and other charges, can be predefined to be carried out untouched during actual invoicing.

Voucher Classes are available for all major voucher types like Contra, Payment, Receipt, Journal, Sales, Credit Note, Purchases, Debit Note, Sales Order, Purchase Order, Delivery Note, Stock Journal and Payroll.

Create payment voucher class

You can either alter the existing **Payment Voucher Type** or create a new voucher type based on your requirements.

- Go to **Gateway of Tally > Accounts Info > Voucher Types > Alter > Payment**.
- Take the cursor to the **Name of Class** field. Give a name to the class say Cash Payment. You can create more than one class.

Record Payment with Voucher Class

Select **Accounting vouchers** from **Gateway of Tally**. Press **F5: Payment**. You have to select a class or **Not Applicable**, if no class is desired for this entry. If **Cost Centre Class** has been set, it can also be selected.



The entry will be made as follows:

Accounting Voucher Creation		ABC Company	Ctrl + M
Payment	No. 1	Voucher Class : Cash Payment	1-Apr-2008 Tuesday
Account : Cash - Location B Cur Bal: 21,300.00 Dr			
Particulars		Amount	
Conveyance Cur Bal: 1,000.00 Dr		1,000.00	
Staff Welfare Cur Bal: 1,500.00 Dr		1,500.00	
Stationery Cur Bal: 1,200.00 Dr		1,200.00	
Narration: Cash paid towards Conveyance, Staff Welfare and Stationery expense.			
<input type="button" value="Accept?"/> Yes or No			

The **Voucher Class** is **Cash Payment**. Once the voucher class is selected, the Cash Ledger is automatically selected and you need to select only the Ledgers which are to be debited. Please note that the entry is not done in the regular **Dr/Cr** format. Data entry in Tally.ERP 9 is very rapid.