Financial Accounting with Tally

Unit-IV

Stock Groups

Stock Groups in Inventory are similar to Groups in Accounting Masters. They are helpful in the classification of Stock Items. You can group Stock Items under different Stock Groups to reflect their classification based on some common features such as brand name, product type, quality, and so on.
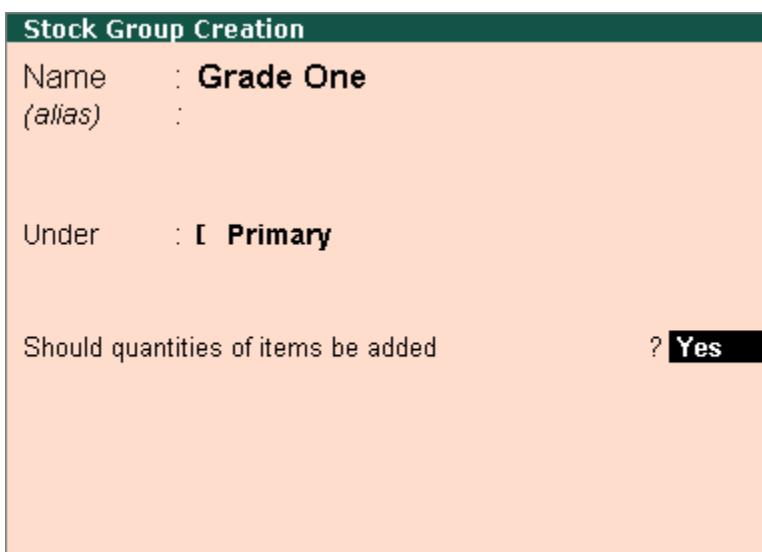
In Tally, the stock group is used to help in the classification of stock items according to their behavior. In Tally, the grouping of stocks enables us to identify and report in a statement as per stock wise. Under stock groups, the stocks can be grouped according to their product type, characteristics, and brand, etc.

Creating Stock Groups

Stock Items are classified into stock groups to reflect their classification based on some community.

To create a Stock Group

1. Go to **Gateway of Tally** > **Inventory Info.** > **Stock Groups** > **Create** (under Single Stock Group).

2. Enter the **Name** of the Stock Group to be created. For example, Grade One.

3. Enter additional name apart from primary name [if required] in the field **Alias** . You can create any number of additional names.

4. Specify whether it is a primary group or a sub-group of another group in the field **Under** , by selecting from the list.

5. Press **Alt+C** to create a parent group, if you do not have it in the list.

6. The field **should quantities of items be added?** pertains to information on measuring the units of the Stock Items that you would categorise under the **Stock Group** .

The Stock Items categorized under the group should have similar units for them to be added up. You cannot add quantities in **Kgs** to quantities in **Pcs** .

> **Note:** You can always go back and reset this option after assessing the units of the items in the group.

Buttons specific to stock group creation:

Buttons	Short Cut Keys	Description & Use
C: Category	CTRL+C	Allows you to Create a Stock Category.
I: Items	CTRL+I	Allows you to Create a Stock Item.
U: Units	CTRL+U	Allows you to Create a Unit of Measure.
O: Godown	CTRL+O	Allows you to Create a Godown
V: Vch Types	CTRL+V	Allows you to Create a Voucher Types

> **Note: Category** and **Godown** buttons are visible only if you have opted for the same in **F11: Features.**

Altering a Stock Group

This option allows you to view the existing Stock Group in edit mode, here you are allowed to change the various information.

To alter a Stock Group,

Go to **Gateway of Tally > Inventory Info. > Stock Groups > Alter (under Single Stock Group)**

Select the **Stock Group** from the **List of Groups**. The **Stock Group Alteration screen** is displayed as shown.

Make the necessary changes and click **Yes** to accept or press **Ctrl+A** to Save.

Deletion is possible only in the mode,. For deleting the **Stock Group**, Press **ALT+D**.

Note: You cannot **delete** a **stock group**, if it is used by any sub groups or stock items. In order to delete the Stock Group, first delete the relevant sub groups and Stock items.

How to Delete a Stock Group?

You can delete a stock group only if it does not have any children under it. The children could be stock group or stock item or both.

Go to Gateway of Tally > Inventory Info > Stock Groups > Single Alter

- Press **[ALT]+[D]** to delete a stock group.

Note: You cannot delete a stock group in multiple mode.

Stock Item

Stock Item refers to goods that you manufacture or trade. It is the primary inventory entity and is the lowest level of information on your inventory. You have to create a Stock Item in Tally. ERP 9 for each inventory item that you want to account for.

Create stock items

Stock items are goods that you manufacture or trade (sell and purchase). It is the primary inventory entity. Stock Items in the Inventory transactions are similar to ledgers being used in accounting transactions.

1. Go to **Gateway of Tally** > **Inventory Info.** > **Stock Item** > **Create** (under **Single Stock Item)**.

2. Enter the **Name** of the Stock Item.

3. Enter the **Alias** name of Stock Item (if required).

4. The field **Under** will show the List of Groups . Here you can select the Stock Group to which the Stock Item belongs. By default, Primary Stock Group appears in this field.

> **Note:** You can create a new stock Group by pressing **Alt+C** at this field.

5. This field will show the **Unit List** . Here you can select the Unit of measure (UoM) applicable for the stock item. By default, Not Applicable appears in this field.

> **Note:** You can create a new UoM by pressing **Alt+C** at this field. For stock items without UoM, the cursor will not move to the **Quantity** field during voucher entry.

6. If GST is enabled, set **GST Applicable** to **Applicable** and enter the GST details by enabling the option **Set/alter GST Details** .

7. Specify the **Rate of Duty** applicable for the stock item. This field is used for the calculation of excise duty or if duty is based on item rate. During Invoicing, whenever you select a Stock Item, the Rate of duty entered here is displayed in the Invoice creation screen.

> **Note:** In **F11: Inventory features** , if the option **Enable Invoicing** is set to **No** then **Rate of Duty** field will not be visible.
> When Excise features is activated for the company, the option **Tariff Classification** will appear.

8. Specify the details of **Opening Balance,** if any, for the Stock Item as on the date of Beginning of Books.

- In the **Quantity** Field, specify the stock item Quantity.
- In the **Rate** field, specify the stock item Rate.
- In the **Value** field, Tally.ERP 9 automatically calculates the value by multiplying the Quantity and Rate. You can also edit the value, Tally.ERP 9 automatically refreshes the Rate field accordingly.

The **Stock Item Creation** screen appears as shown:

Stock Item Creation	ABC Company	
Name	: **Brand A - 28" TV**	
(alias)	:	

Under	: ▌ Primary		Statutory Information	
Units	: Nos			
			GST Applicable	: ▌ Applicable
			Set/alter GST Details	? Yes
			Type of Supply	: Goods
			Rate of Duty (eg 5)	: 0

		Quantity	Rate per	Value	Accept ?
Opening Balance	:	10 Nos	35,000.00 Nos	3,50,000.00	Yes or No

Note: If Unit field is Not Applicable then the cursor will move from Quantity and Rate Field.

Button options in Single Stock Item Creation screen

Buttons	Short Cut Keys	Description and Use
G: Groups	Ctrl+G	Allows you to Create a Stock Group.
I: Items	Ctrl+I	Allows you to Create a Stock Item.
U: Units	Ctrl+U	Allows you to Create a Unit of Measure.
O: Godown	Ctrl+O	Allows you to Create a Godown.
V: Vch Types	Ctrl+V	Allows you to Create a Voucher Types

Note: Category and Godown buttons are visible only if you opted for the same in **F11: Features** .

Create multiple stock items in one-go

1. Go to **Gateway of Tally** > **Inventory Info.** > **Stock Item** > **Create** (under **Multiple Stock Items**).
2. Select a **Stock Group** or **All Items** from **List of Groups** to create the Stock Item.
3. Enter the **Name** of the Stock Item.
4. Select the group and **Units** . Press **Alt+C** in the **Units** field if you want to create a unit of measure.
5. Enter the opening quantity, rate per unit. The **Multi Stock Item Creation** screen appears as shown below:

6. Press **Enter** to save.

Advanced Entries and Costing Methods for Stock Item

For the advanced mode, including selection of costing methods, you have to enable advanced configuration and features for stock item master in **F12: Configure** and **F11: Features** .

The advance configuration parameters for stock item master under **F12: Configure (Master Configuration)** are shown below:

Master Configuration			
Provide aliases along with name	? Yes		
Provide language aliases for name	? No		

Accounts		**Inventory**	
Provide advanced information in masters	? Yes	Allow advanced entries in masters	? Yes
Provide addresses for ledger accounts	? Yes	Provide part numbers for stock items	? Yes
Provide contact details	? No	Add description for stock items	? Yes
Add notes for ledger accounts	? No	Add remarks for stock items	? Yes
Add description for ledger accounts	? No	Use alternate units for stock items	? Yes
		Enable standard rates for stock items	? Yes
		Specify default ledger allocation for invoicing	? Yes
		Enable component list details (Bill of Materials)	? Yes
		Provide address for Godowns	? Yes

The advanced features for stock items in **F11: Features** are shown below:

Storage and Classification	
Maintain multiple Godowns	? Yes
Maintain stock categories	? Yes
Maintain batch-wise details	? Yes
Set expiry dates for batches	? Yes
Use separate actual and billed quantity columns	? No

Note: You can configure the entire setup according to your requirements. According to the **configuration** in **F12** and **F11** , stock item master fields will get added and removed.

Display Stock Items

You can display the existing Single Stock Item master and Multiple Stock Item masters, since it is only display you are not allowed to alter any information in display mode.

1. Single stock item: Go to **Gateway of Tally** > **Inventory Info** > **Stock Items** > **Display (under Single Stock Item)** . Select the **Stock Item** you want to display from the **List of Items** .

2. Multiple stock items: Go to **Gateway of Tally** > **Inventory Info** > **Stock Items** > **Display (under Multiple Stock Item)** .

3. Group of stock items: Select a **Stock Group** or **All Items** from **List of Groups** to display the Stock Item under the selected group or All Items. The **Multi Stock Item display** screen appears.

Alter Stock Items

This option allows you to view and change the details for the existing **Single Stock Item** master and **Multiple Stock Item** masters. If a transaction is recorded for a stock item, it is not possible to alter the units or delete the stock item.

Alter a single stock item

1. Go to **Gateway of Tally** > **Inventory Info.** > **Stock Items** > **Alter** (**Single Stock Item**).

2. Select the required Stock Item from the **List of Items** . The **Stock Item Alteration** screen appears.

Alter multiple stock items

1. Go to **Gateway of Tally** > **Inventory Info** . > **Stock Items** > **Alter** (**Multiple Stock Items**).

2. Select a stock group from the **List of Groups** to alter the stock item under the selected group or under **All Items** . The **Multi Stock Item Alteration** screen appears.

Note: In the Multi Stock Item Alteration screen , you can create an item by entering the item name after the last item, but you cannot delete an item.

Units of Measure

Stock Items are mainly purchased and sold on the basis of quantity. The quantity in turn is measured by units. In such cases, it is necessary to create the Unit of Measure. The Units of Measure can either be simple or compound. Examples of simple units are: nos., metres, kilograms, pieces etc.

Simple Units of Measure

1. Go to **Gateway of Tally** > **Inventory Info** > **Units of Measure** > **Create.** The **Unit Creation** screen is displayed as shown below:

This field will show the **Type** of Units.

- Simple

- Compound.

Simple units are **nos, pcs**, and so on. Compound unit is a combination of two simple units.

By default Tally.ERP 9 will show the **Simple unit** for creating the unit of measure.

You can select the **Compound Units** by clicking on that field or by using **SHIFT+TAB** [cursor will go to the previous field].

2. Define the **Symbol** of the unit, for example, Nos. This symbol is used in all displays and printouts.

3. Specify the **Formal Name** of the symbol, for example, Numbers. This formal name is useful during the 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.

4. In this field you can specify the **Number decimal places** for the Units from 0 to 4. This field is useful for Units measured in fractions.
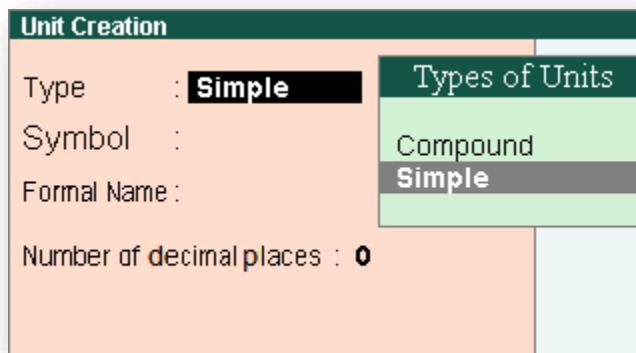
For example, Kilogram unit. 1.255 Kgs, here 1 is for Kg and fraction 255 is for gram. For this unit, number of decimal places required is 3

Compound Unit of Measure

A Compound Unit is a relation between two Simple Units. Hence, before you create a Compound Unit, ensure that you have already created two Simple Units.

For example, To Create Compound unit – Doz (Dozen) of 12 Nos (Numbers), you have to create two simple units, Doz (Dozen) and Nos (Numbers) and set the conversion factor as 12.

1. Go to Gateway of Tally > Inventory Info > Units of Measure > Create. The Unit Creation screen is displayed as shown. Now Click on Type field or Press SHIFT + TAB or Press Backspace Key.

2. Select Compound from the Types of Units and press Enter. The Conversion field will be displayed for creating Compound unit.

3. Select the **First unit** from the Units List. In the above example, Dozen will be the First Unit.

4. Specify the **Conversion** Factor. In the above example, Conversion factor will be 12.

5. Specify the **Second Unit** from the Units List. In the above example, Number will be the Second Unit. This unit is also called Tail Unit.

6. Use CTRL + A or Accept the Screen for Saving of Compound Unit Creation.

Alter Units of Measure

You can alter the units of measurement created in Tally.ERP 9.

1. Go to Gateway of Tally > Inventory Info. > Units of Measure > Alter .

2. Select   the **Name   of   Unit** you   want   to   alter   from   the **Units** list.   The Unit Alteration screen appears as shown below:

3. Make the necessary changes.

4. Press Ctrl+A to accept.

You can delete a unit of measure by pressing Alt+D . However, a unit of measure that is part of a compound measure cannot be deleted without deleting the compound measure first.

Display Units of Measure

You can display the existing Units of Measure, since it is only display Tally.ERP 9 does not allow you to alter any information in display mode.

1. Go to Gateway of Tally > Inventory Info. > Units of Measure > Display.

2. Select the Unit of Measure you would like to view from the Units list. You can select a compound unit or a simple unit from the list. The Unit Display screen is displayed as shown below:

Note: In display mode it is not possible to make any changes.

Stock Categories

Stock Category offers a parallel classification of stock items. Like stock Groups, classification is done based on similarity in behaviour. Stock categories is basically the categorisation of stock items of similar features belonging to different stock groups.

Stock Category offers a parallel classification of stock items. Like stock Groups, classification is done based on similarity in behaviour.

For example,

Stock Item	Sub Group	Main Group	Sub-Category	Main Category
Brand A - 19" LED TV	Brand A	Grade One	LED TV	Television
Brand A - 17" Smart TV	Brand A	Grade One	Smart TV	Television
Brand B - 19" LED TV	Brand B	Grade Two	LED TV	Television
Brand B - 17" Smart TV	Brand B	Grade Two	Smart TV	Television
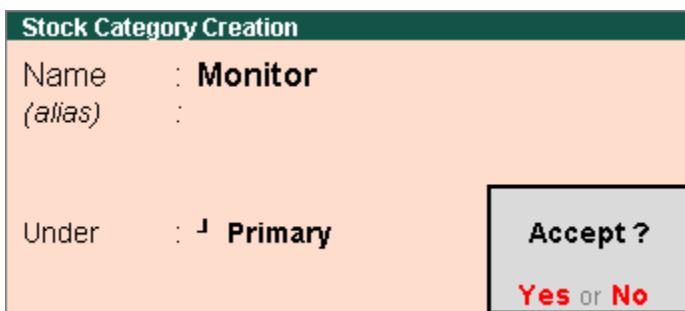
The advantage of Categorizing items is that you can classify the stock items (based on functionality) together – across different stock groups which enables you to obtain reports on alternatives or substitutes for a stock item.

For enabling **Stock Category** option in the **Inventory Info** menu, press **F11** > **Inventory Features** > Set **Yes** for **Maintain stock categories** .

Create a single Stock Categories

This option allows parallel classification of stock items. Like Stock Groups, Stock Categories are also classified based on some similar behaviour. This enables you to obtain reports for alternatives or substitutes of a stock item.

1. Go to **Gateway of Tally > Inventory Info. > Stock Categories > Create** (under Single Stock Category). The **Stock Category Creation** screen is displayed as shown below:

2. Enter the **Name** of the Stock Category.

3. Specify whether it is a primary category or a sub-category of another category in the field **Under.** Select **Primary** from the list, if you do not have a parent group. Use **Alt +C** to create a parent if you do not have the required category in the list.

4. Press Enter to save.

Create Multiple Stock Categories

Tally.ERP 9 allows you to create Stock Categories using single or multiple options.

1. Go to **Gateway of Tally** > **Inventory Info.** > **Stock Categories** > **Create (under Multiple Stock Category).** The **Multiple Stock Category Creation** screen is displayed as shown below:

2. The field **Under Category** will display the **List of Categories** . You can select a category for which a multiple sub-category can be created.

3. If you select **All Items** in **List of categories** , selection of parent category **Under** column is possible during creation of sub-category.

4. If you select specific category in **List of Categories** , that category will get populated automatically whenever creation of sub-category and cursor skips **Under** column.

5. Specify the name of the **Stock Category** .

6. If you have select **All Items** in **Under Category** , you must specify a parent category in this column.

Display a single Stock Category

You can display the existing Stock Category in Single mode and multiple mode, since it is only display Tally.ERP 9 does not allow you to alter any information in display mode.

1. Go to Gateway of Tally > Inventory Info. > Stock Categories > Display (under Single Stock Category).

2. Select the Category for which you want to view the display details from the List of Categories. The Stock Category Display screen shows the details entered in Stock Category Master.

Alter a Single Stock Category

This option allows you to view the existing Stock Category in edit mode, here you are allowed to change the various information.

1. Go to **Gateway of Tally** > **Inventory Info.** > **Stock Categories** > **Alter** (under **Single Stock Category)**.

2. Select the Stock Category from the **List of Categories** . The **Stock Category Alteration** screen is displayed as shown.

Make the necessary changes and click **Yes** to accept.

Deletion is possible only in the alteration mode. For deleting the Stock Category, Press **Alt**+**D** .

Note: You cannot delete a stock Category, if it is used by any sub Category or stock items. In order to delete the Stock Category, first delete the relevant sub Category and Stock items.

What do you mean by standard cost?

A standard cost is the budgeted cost of a regular manufacturing process against which actual costs are compared. Of course, if a new product, service, or process is to be carried out, the initial standard costs will have to be estimated.

What is the selling price?

The selling price is the amount of money that a company charges for its product. It goes beyond the total cost of the product, also known as the cost price, to also include a profit margin which is usually added as a markup percentage. The selling price is also called the sales price or standard, list, or market price.

Rate of Duty

A duty is a form of taxation levied on certain goods, services, or other transactions that are imported and exported. Duty rates are a percentage determined by the total value of the goods paid for in another country.

Godown

A godown is a place where stock items are stored. You can specify where the stock items are kept. You can obtain stock reports for each godown and account for the movement of stock between locations/godowns. You can create Locations/Godowns in Single mode and Multiple mode.

Creating a Single Location/Godown

Create Godowns/Locations

To start allocating your stock items in godowns, you need to create a godown first.

1. Press **F11** (Features) > **Inventory Features** > and set **Maintain multiple Godowns** as **Yes** .

2. **Gateway of Tally** > **Inventory Info.** > **Godown** > **Single Godown** > **Create** .

   When you create a Godown/Location in Tally.ERP 9 for the first time, you are prompted to alter the existing internal godown (**Main Location**), where all your inventory is stored by default.

3. **Name & alias** : As in other masters, you can specify multiple aliases for the godown name.

4. **Under** : Select **Primary** or Main Location.

*What you see on the screen can vary based on your choices. Press **F12** (Configure) to change the options.*

Note: As in the case of other ledgers and groups, **Primary** is the root under which you can create a godown. By default, **Main Location** is available under Primary. When you create a godown, selecting Primary creates the godown at the same level as that of Main Location. If you select Main Location, it becomes the parent godown for the new godown.

Click to see the F12 configurations for godowns .

5. Accept the screen. As always, you can press **Ctrl** + **A** to save.

You can create godowns on the fly or move back and forth when creating godowns.
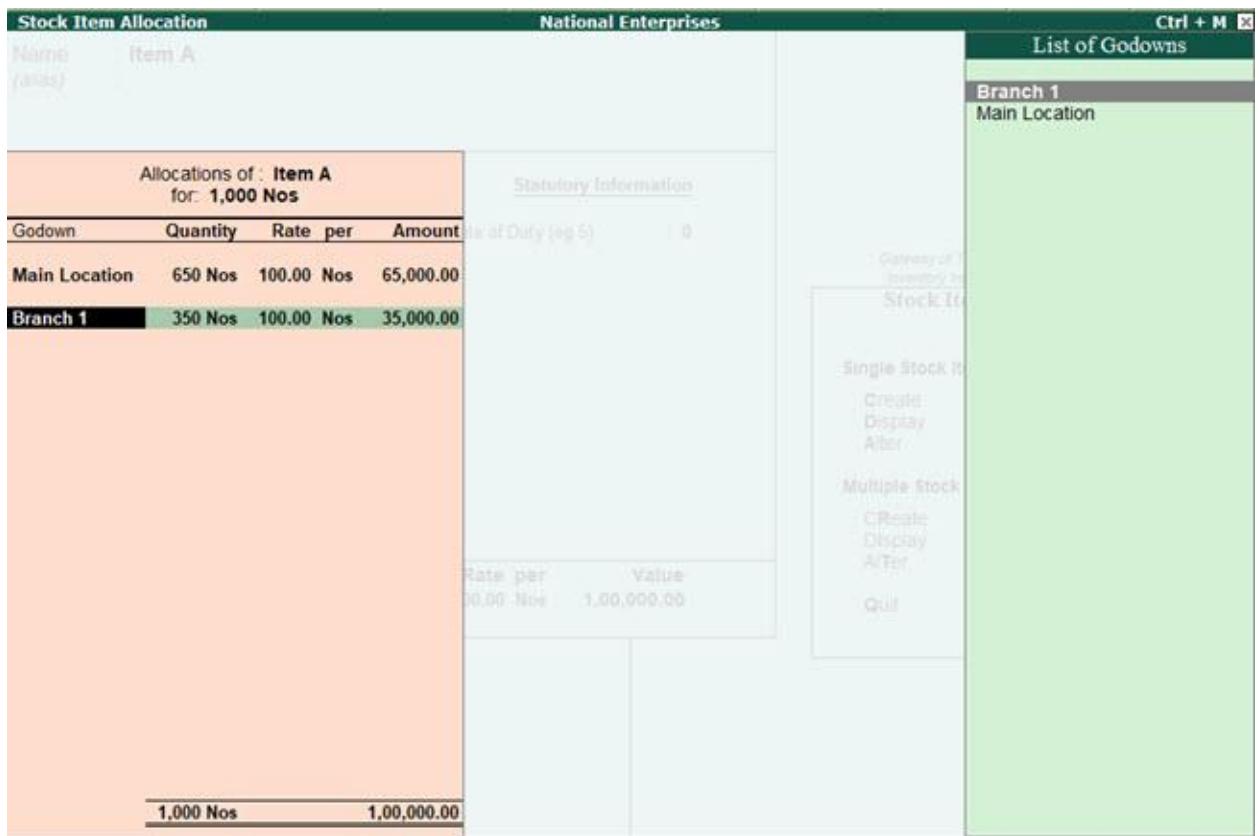
Allocate stock items to Godowns/Locations

Once you have created the required godowns, you can allocate your stock items to one or more godowns.

1. Open the **Stock Item Allocation** screen.

   ● To allocate the opening balance of your stock, in the **Stock Item Alteration** screen, select **Opening Balance** and press **Enter** .

   ● To allocate stock items during voucher entry, in the **Voucher Creation** screen, select the stock item and press **Enter** .

   A sample **Stock Item Allocation** screen is as shown.

*What you see on the screen can vary based on your choices. Press **F12** (Configure) to change the options and **F11** (Features) to enable or disable features.*

2. In the **Stock Item Allocation** screen, provide the **Quantity** if UoM is defined for the item; otherwise, provide the **Amount** .

The quantities and amount entered in the allocations screen are consolidated and displayed in the voucher. The Opening Balance **Quantity** or **Value** specified in the stock item must be completely allocated among the selected godowns.

Alter, Display, and Delete Godowns/Locations

Like other masters, you can **Alter** , **Display** , or **Delete** godowns.

Alter Godowns

You can alter details of godowns and the changes will reflect in all dependent Masters, Transactions, and Reports. Use **Gateway of Tally** > **Inventory Info.** > **Godowns** > and select **Alter** .

Display Godowns

To view the details of the godown you have created, use **Gateway of Tally** > **Inventory Info.** > **Godowns** and select **Display** .

Delete Godowns

You can delete a godown if it is not used in any other master or transaction. Open the godown you wish to delete, and press **Alt + D** .

● Before you can delete a parent godown in a hierarchy, you will need to delete the godowns created under it.

● Similarly, to delete a godown that has stock items, move the stock items to a different godown using inter-godown transfer. You do not have to delete the transaction to delete the godown.

Transfer Inventory Between Godowns/Locations

You can move your stock from one Godown/Location to another using Stock Journals. In case you are into manufacturing or job work, Tally.ERP 9 provides the flexibility to use specific voucher entry modes of Stock Journal to record transfer of materials between godowns.

1. **Gateway of Tally** > **Inventory Vouchers** > **Alt** + **F7** (Stock Journal).

2. Under **Source (Consumption)** , specify details of the stock items that you want to transfer.

   ● Select the stock item and the godown from where you want to transfer.

   ● Specify the **Quantity** here. **Rate** and **Amount** are auto-filled from the stock item. You can alter these values, as needed.

If you have not specified the Opening Balance (Quantity, Rate, and Amount) in the item master, you can enter only the **Amount** here.

3. Under **Destination (Production)** , specify details of the stock items.

   ● Select the stock item and the destination godown. For inter-godown transfers, select the same stock item as in the **Source** .

   ● As always, you can create stock items and godowns on the fly by pressing **Alt** + **C** .

   ● Provide **Quantity** , **Rate** , or **Amount** , as needed.

Note: You can also select a different stock item as finished goods in case the source stock item is changing form, especially in case of manufacturing. For more information, refer to Manufacturing Journal Voucher .

*What you see on the screen can vary based on your choices. Press **F12** (Configure) to change the options and **F11** (Features) to enable or disable features.*

4. Accept the voucher. As always, you can press **Ctrl + A** to save.

Zero Value Transaction (ZVT)

Zero-valued entries are those entries where a voucher entry is made without any values, that is, one of the parameters (Qty or Rate) may not have a value but needs to update in the records. A Zero Value Transaction (ZVT) is any transaction (e.g., sale, refund, exchange, etc.) where the total amount equals $0.00.

The items which are given as Free Samples.

Note: Zero Valued entries are allowed only in Sales and Purchase vouchers only and are not available in Receipt, Payment vouchers and journal vouchers.

Enabling Zero Value entry

  To enable zero value entries

  1. Go to **Gateway of Tally** > **Accounting Features** > **F2** : **Inventory Features** .

General	
Integrate accounts and inventory	? Yes
Enable zero-valued transactions	? Yes

For example, create a Sales invoice with zero-value entry.

Accounting Voucher Creation	ABC Company				Ctrl + M
Sales No. 1					1-Apr-2008
Ref.:					Tuesday
Party's A/c Name : Customer A					
Current Balance :					
Name of Item			Quantity	Rate per	Amount
Item A			10.00 nos	100.00 nos	1,000.00
Item B			2.00 nos		
					1,000.00
☐ End of List					
Narration:			12.00 nos		1,000.00

In the above Snap shot you can make out that, if Item A is purchased, then Item B is free.

Even if the values are not mentioned, the quantities of Item B will be reduced from the stocks.

What is meant by reorder level?

A reorder level is the point at which businesses order new stock from the supplier. A reorder level, also referred to as a reorder point refers to the inventory level at which a seller places an order with its suppliers to replenish the stock. The reorder point formula is: Reorder point

(ROP) = Average sales per day x Lead time + Safety stock.

Batch-wise details

Batch-wise details are given for maintaining batch information pertaining to stock items. The Manufacturing date and expiry date can also be set for batch wise details.

Using Batch-wise Details

When you wish to **maintain batch information for Stock Items**, you need to set the option **Maintain Batch-wise Details** to **Yes** in **F11: Features (F2: Inventory Features)**.

In the Item Allocation screen, set the option **Maintain in Batches** to **Yes**.

Stock Item Creation — ABC Company

Name : **Item C**
(alias) :

Under : □ **Primary**
Units : **nos**
Maintain in Batches ? **Yes**

Tax Information

Rate of Duty (eg 5) :

	Quantity	Rate per	Value
Opening Balance :			

When you set this to **Yes**, you will find the following in the **Item Allocation** screen.

Item Allocations for : **Item C**

Godown	Batch / Lot No.	List of Active Batches
Main Location	**Batch 01**	□ New Number
		Batch 01 10.00 nos

Godown

Select the **Godown** from the **List of Godowns**.

Batch / lot No.

Select the Batch number from the list of existing Batch numbers which will be displayed under **List of Active Batches** else click on **New Number** to give the new Batch number.

Quantity, Rate and Amount

Enter the quantity and rate. The Amount will be calculated automatically.

Per

By default, the specified Unit of measure will be displayed here. The Rate is computed on the basis of Unit you specify here.

Manufacturing date & Expiry date for Batches

This feature is useful for businesses that deal in goods that have expiry dates like medicines, food and other perishables. During voucher entry, the date of the voucher is taken by default as the date of manufacture of the product. This can be changed but not to a date later than the voucher date. Expiry date cannot be a date prior to the voucher date.

Note: The manufacturing date cannot be later than the voucher date. The expiry date cannot be earlier than the manufacturing date.

Entering Batch-wise details for purchase voucher

Example:

Voucher Date: 1-10-2008. Purchase 250 nos. @ Rs.10 each. Batch no. SP-1062 having the manufacturing date 01-09-2005 and Expiry date 01-10-2008.

In the manufacturing date field, by default it takes the voucher date in the format of month and year. In Expiry date field, by default it set as Blank. You can specify the expiry date.

Selecting Batch-wise details for sales voucher:

Example:

Voucher Date:1-10-2008. Sales 100 nos. @ Rs.15 each against Batch no. SP-1062.

In List of Active Batches, SP-1062 batch is displayed for selection,since the Expiry Date is not earlier to the Sale Voucher Date. If Sales voucher date is on 02-10-2008, Expiry Date is earlier than the Sale voucher date and it will not be displayed in the List of Active Batches.

This is because the option **Honor Expiry Dates usage for Batches** is set to **YES** in **F12 Configure (Voucher Entry Configuration)**.

If you want to list the expiry batches during sales entry, set **NO** to **Honor expiry Dates usage for batches** in **F12 Configure**.

What is meant by Bill of Material?

A bill of materials is the list of all the raw materials, resources, components, assemblies and parts - and the quantities of each of them - that are required to manufacture a product. In a simpler sense, a bill of materials is like an industrial recipe for creating an end product.

Setup Bill of Materials

- Go to **Gateway of Tally** > **F12: Configure** > select **Accts/Inventory Info.**
- Set **Enable component list details (Bill of Materials)?** to **Yes** .

OR

- Go to **Gateway of Tally** > **Inventory Info** > **Stock Items** > **Create.**
- Press **F12: Configure (Stock Item Configuration)** and set **Enable component list details (Bill of Materials)?** to **Yes.**

Single Bill of Material for a Stock Item

Single BOM can be created for a stock item where you use **standard set of inputs** to manufacture finished goods.

Let us create a new Stock Item Television and specify BoM.

1. Go to **Gateway of Tally > Inventory Info. > Stock Items > Create**

2. In **Stock Item Creation** screen

   - Enter the **Stock Item Name** , select the appropriate **Stock Group** and specify the appropriate **Unit of Measurement** in **Unit** field

   - **Set Component List** : To create the component list required to manufacture the Finished goods enable this option to **Yes**

Note: The **Set Components List** option will not displayed in Stock Item master on enabling the configuration option **Allow Component list details (Bill of Material)** ,option will display in item master only on entering/ specifying the unit of measure in the **Units** field.

3. Press **Enter** to view Stock Item Multi Components (M BOM) screen

4. In **Stock Item Multi Components (M BOM)** screen

   o Under **Name of BOM** specify component list Name - **Standard** and press enter to view Stock Item Components (BOM) screen

5. In **Stock Item Components (BOM)** screen:

- BOM Name : By default the BOM Name specified in Stock Item Multi Components (M BOM) screen will be defaulted and application will not allow to move the cursor to BOM Name field.

- **Components of** : In this field application displays the Name of the Stock Item for which the components are defined.

- **Unit of manufacture** : Specify the appropriate number of finished product that will be manufactured by using the components identified in the component list.

- **Item** : In this field identify the raw materials which are required to manufacture the finished goods

- **Godown** : If there are multiple Godowns or Locations, specify the storage location of the items from where the items will be used for manufacture.

Note: The godown option will be displayed only when **Maintain multiple Godown** feature is enabled in **F11: Features (Inventory Features)**

- **Quantity** : In this field mention the quantity of Raw Material required to manufacture the finished goods.

    Observe to create **1 Television** we require **5 different inputs** . The **Quantity** of inputs consumed to manufacturer finished goods is **1 each** of 5 different inputs.

- Specify other required details in the stock item master and accept the screen.

6. Creating Manufacturing Journal for a Stock Item with Single Bill of Materials . All the manufacturing transactions can be accounted through a Stock Journal.
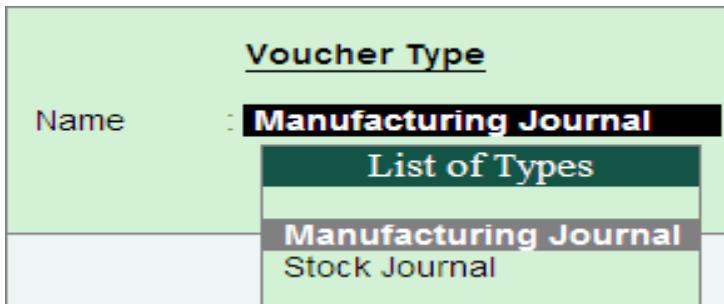
- To record manufacture of finished goods in Stock Journal - **Alter** the **Voucher Type** by **setting** the option **Use as a Manufacturing Journal** to **Yes** . **Or**

- **Create** a **Manufacturing Journal** under **Stock Journal** by setting the option **Use as a Manufacturing Journal** to **Yes.**

Note: Bill of Material should be created before accounting the manufacture of an item.

7. Go to **Gateway of Tally > Inventory Vouchers**

8. Select the button **F7: Stk. Jrnl** or press **Alt + F7.** If you have created a new voucher type **Manufacturing Journal** , a pop-up menu will be displayed with the options default Stock Journal and Manufacturing Journal.

Select **Manufacturing Journal** to view the Manufacturing Journal voucher creation screen

- **Name of Product** : Select the product which needs to be manufactured from the List of Items.

- **BoM Name** : In this field the **BoM** created for the stock item will be displayed automatically with one more option **Not Applicable** .

Note: The list of Raw materials required for the manufacture of finished goods will be displayed in **Components (Consumption)** side based on the BOM defaulted.

- **Godown** : Select the godown where you would like to place the produced goods.

Note: Godown option will be displayed only when **Maintain multiple Godown** feature is enabled in F11: Features (Inventory Features)

- **Quantity** : In this field specify the quantity of finished goods manufactured.

- **Components (Consumption)** : In this section the components required to manufacture the finished goods will be displayed automatically based on the components defined in the BoM.

Quantity of Raw material will be defaulted based on the **quantity requirement** defined in the **BOM** multiplied by the **Quantity** of finished goods manufactured. The completed Manufacturing Journal is displayed as shown

Inventory Voucher Creation		ABC Company		Ctrl + M ⊠

Manufacturing Journal No. 1 — 1-Jan-2011, Saturday

Manufacture of Materials

Name of Product : **Television** BoM Name : **Standard** Godown: **Finished Goods Godown** Qty **10 nos**
%- of Cost allocation **100 %**

Components (Consumption)					Co-Products / By-Products / Scrap					
Name of Item	Godown	Quantity	Rate	Amount	Name of Item Godown	% of Cost allocation	Quantity	Rate	Amount
Picture Tube	Raw Material Godown				↵ End of List				
		10 nos	2,500.00/nos	25,000.00					
PCB Main Board	Raw Material Godown								
		10 nos	1,500.00/nos	15,000.00					
TV Tuner Card	Raw Material Godown								
		10 nos	750.00/nos	7,500.00					
Auto Amplifier	Raw Material Godown								
		10 nos	1,200.00/nos	12,000.00					
Stereo Speaker	Raw Material Godown								
		10 nos	2,000.00/nos	20,000.00					

Cost of Components : 79,500.00
  Type of Addl. Cost %-age
↵ End of List

Total Addl. Cost :
Effective Cost : 79,500.00
Allocation to Primary Item : 79,500.00
Effective Rate for Primary Item : 7,950.00

50 nos 79,500.00

Narration :

Track Your Inventory | Stock Summary

Stock Summary is a statement of the real-time stock-in-hand on a particular day. It is one of the primary inventory statements that gets updated in real-time as and when you record transactions. If you have maintained the inventory in groups, transferred stock for various business needs, sold or purchased stock items, Tally.ERP 9 helps you view all of them using the Stock Summary report.

Know Your Stock Summary

Whether you maintain your stock individually or in groups, you will be able to know the opening and closing balance of your stock on any given day. In the Stock Summary report, you can view the stock balance and profits made from sales of your stock. The report also helps you to know the available stock quantity, the pending sales and purchase orders, and how much stock is available for supplying to your customers.

● **Gateway of Tally** > **Stock Summary** .

By default, the Stock Summary report displays the item-wise summary - list of stock items with their corresponding closing balance details.

*What you see on the screen can vary based on your choices. Press **F12** (Configure) to change the options and **F11** (Features) to enable or disable features.*

If you have maintained items in groups, you will see the data based on the stock groups you have created for your business.

Say you have created the stock items under the stock groups - *LED Bulbs* , *Vacuum Cleaners* , and *Wet Grinders* - as shown below :

LED Bulbs	Vacuum Cleaners	Wet Grinders
Phillips 9W	Bissel Premier Power Cleaner	Bajaj WX 3
Syska 9W	Bosch Vacuum Cleaner	Butterfly 2 Liters
Wipro 9W		Panasonic 240 Watts
		Prestige 2 Liters

In this case, the default summary report will display the group-wise closing balance of the stock. A sample image is shown below.

*What you see on the screen can vary based on your choices. Press **F12** (Configure) to change the options and **F11** (Features) to enable or disable features.*

Note: The value of the closing stock shown in Stock Summary is also displayed in the Profit and Loss report. If you do not see the same value in the Profit and Loss report, ensure that you have set the following option:
Press **F11** (Features) > **F1** (Accounts) > set **Integrate Accounts with Inventory** to **Yes** .

Reports | Know Your Sales Orders

You may want to know the sales orders outstandings, and account for the partially or completely cancelled orders. You can use the reports of Sales Orders Outstandings and Pre-closure of orders report and pre-close the cancelled orders at any point in time. There are different reports that show the sales orders outstanding. The outstanding orders can be viewed Stock Group-wise, Stock Category-wise, Stock Item-wise, account Group-wise, ledger-wise or from All Orders.

● **Gateway of Tally** > **Display** > **Statement of Inventory** > **Sales Order Outstandings** > choose the report to view.

Purchase Order Summary

Purchase Order Summary statement gives detailed information on outstanding purchase orders. The outstanding orders can be viewed **Stock Group** wise, **Stock Category** wise, **Stock Item** wise, account **Group** wise, **Ledger** wise or **All Orders**.

To view **Purchase Order Outstandings**:

Go to **Gateway of Tally > Display > Statements of Inventory > Purchase Order Outstanding**

Memorandum voucher

This is a non-accounting voucher and the entries made using it will not affect your accounts. That is, Tally. ERP does not post these entries to ledgers but stores them in a separate Memorandum Register.

- *use Memorandum voucher,*

1. Enable the following option from **F11: Accounting Features**

2. Use Reversing Journals & Optional Vouchers - Yes.

Budgets and Scenario Management
Maintain budgets and controls   ? No
Use reversing journals and optional vouchers   ? Yes

3. Go to **Gateway of Tally > Accounting Vouchers >** Select **Ctrl+F10: Memos** from the Button Bar or click **Ctrl+F10.**

4. **Debit** Printing & Stationery Account.

5. **Credit** Cash Account.

Accounting Voucher Creation	Www.TallyERP9Book.Com		Ctrl + M ☒
Memorandum No. 1			2-Sep-2017 Saturday
Particulars		**Debit**	**Credit**
By **Printing & Stationery** Cur Bal: 15,000.00 Dr		5,000.00	
To **Cash** Cur Bal: 3,270.00 Dr			5,000.00
Narration:		5,000.00	5,000.00