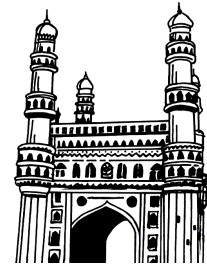


Rahul's ✓
Topper's Voice



B.Com.

III Year V Semester

Latest 2021-22 Edition

COMPUTERIZED ACCOUNTING

- ☞ Study Manual
- ☞ FAQ's and Important Questions
- ☞ Short Question & Answers
- ☞ Choose the Correct Answer
- ☞ Fill in the Blanks
- ☞ Solved Previous Question Papers
- ☞ Solved Model Papers

- by -

WELL EXPERIENCED LECTURER

Price
179-00



Rahul Publications™

Hyderabad. Ph : 66550071, 9391018098

All disputes are subjects to Hyderabad Jurisdiction only

B.Com.

III Year V Semester

COMPUTERIZED ACCOUNTING

Inspite of many efforts taken to present this book without errors, some errors might have crept in. Therefore we do not take any legal responsibility for such errors and omissions. However, if they are brought to our notice, they will be corrected in the next edition.

© No part of this publications should be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording and/or otherwise without the prior written permission of the publisher



Sole Distributors :

☎ : 66550071, Cell : 9391018098

VASU BOOK CENTRE

Shop No. 3, Beside Gokul Chat, Koti, Hyderabad.

**Maternity Hospital Opp. Lane, Narayan Naik Complex, Koti, Hyderabad.
Near Andhra Bank, Subway, Sultan Bazar, Koti, Hyderabad -195.**

COMPUTERIZED ACCOUNTING

STUDY MANUAL

FAQ's & Important Questions	III - VI
UNIT - I	1 - 58
UNIT - II	59 - 98
UNIT - III	99 - 130
UNIT - IV	131 - 176
UNIT - V	177 - 224

SOLVED PREVIOUS QUESTION PAPERS

JULY - 2021	225 - 225
NOV. / DEC. - 2020	226 - 226
NOV. / DEC. - 2019	227 - 228
JUNE / JULY - 2019	229 - 230
NOV. / DEC. - 2018	231 - 232
NOV. / DEC. - 2018 (MGU)	233 - 234

SOLVED MODEL PAPERS

MODEL PAPER - I	235 - 236
MODEL PAPER - II	237 - 238
MODEL PAPER - III	239 - 240

SYLLABUS

UNIT - I

MAINTAINING CHART OF ACCOUNTS IN ERP : Introduction-Getting Started with ERP - Mouse/Keyboard Conventions-Company Creation-Shut a Company-Select a Company-Alter Company Details-Company Features and Configurations- F11: Company Features- F12: Configuration-Chart of Accounts-Ledger-Group-Ledger Creation- Single Ledger Creation-Multi Ledger Creation-Altering and Displaying Ledgers-Group Creation-Single Group Creation-Multiple Group Creation-Displaying Groups and Ledgers- Displaying Groups-Display of Ledgers-Deletion of Groups and Ledgers – P2P procure to page.

UNIT - II

MAINTAINING STOCK KEEPING UNITS (SKU) : Introduction-Inventory Masters in ERP - Creating Inventory Masters-Creation of Stock Group- Creation of Units of Measure-Creation of Stock Item-Creation of Godown-Defining of Stock Opening Balance in ERP Stock Category-Reports.

UNIT - III

RECORDING DAY-TO-DAY TRANSACTIONS IN ERP : Introduction-Business Transactions-Source Document for Voucher-Recording Transactions in ERP - Accounting Vouchers-Receipt Voucher (F6)-Contra Voucher (F4)-Payment Voucher (F5)-Purchase Voucher (F9)-Sales Voucher (F8)-Debit Note Voucher-Credit Note (Ctrl+F8)- Journal Voucher (F7).

UNIT - IV

ACCOUNTS RECEIVABLE AND PAYABLE MANAGEMENT : Introduction-Accounts Payables and Receivables-Maintaining Bill-wise Details-Activation of Maintain Bill-wise Details Feature-New Reference-Against Reference-Advance-On Account- Stock Category Report-Changing the Financial Year in ERP.

UNIT - V

MIS REPORTS : Introduction-Advantages of Management Information Systems-MIS Reports in ERP - Trial Balance - Balance Sheet-Profit and Loss Account-Cash Flow Statement-Ratio Analysis-Books and Reports - Day Book-Receipts and Payments-Purchase Register-Sales Register-Bills Receivable and Bills Payable.

Contents

Topic	Page No.
UNIT - I	
1.1 Introduction Getting Started With Erp	1
1.2 Introduction To Tally	4
1.2.1 Mouse and key board conventions	7
1.3 Company Creation in Tally	10
1.4 Shut a Company	13
1.5 Select a Company	14
1.6 Alter Company Details	16
1.7 Company Features and Confugarations	18
1.7.1 F11 Company Features, F12 Configuration	18
1.8 Chart of Accounts	20
1.9 Ledger	20
1.10 Group Creation - Single/Multiple Group Creation, Altering and Displaying of Group	26
1.11 Group Creation	31
1.12 Procure to Pay Process	50
Short Question and Answers	53
Choose the Correct Answer	57
Fill in the blanks	58
UNIT - II	
2.1 Inventory Masters in Tally ERP9	59
2.2 Creation of Units of Measure of Tally	62
2.3 Creation of Stock Group	66
2.4 Stock Category	69
2.5 Creation of Godown – Single and Multiple Mode	71
2.6 Stock Items	75
2.7 Stock Category Reports	89
Short Question and Answers	94
Choose the Correct Answer	97
Fill in the blanks	98
UNIT - III	
3.1 Introduction-Business Transactions Source Document for Voucher	99
3.2 Recording Transactions in Tally	100
3.3 Classification of Vouchers	102
3.3.1 Contra Vouchers	102

Topic	Page No.
3.3.2 Payment Voucher	105
3.3.3 Receipt Voucher	106
3.3.4 Journal Voucher (F7)	108
Short Question and Answers	125
Choose the Correct Answer	129
Fill in the blanks	130
UNIT - IV	
4.1 Accounts Receivable	131
4.1.1 Introduction	131
4.2 Accounts Payable	132
4.3 Maintaining Bill Wise Details	134
4.4 New Reference	136
4.5 Against Reference	137
4.6 Advances	155
4.7 On Account	160
4.8 Stock Category Reports	166
4.9 Changing the Financial Year in ERP	170
Short Question and Answers	173
Choose the Correct Answer	175
Fill in the blanks	176
UNIT - V	
5.1 Introduction and Advantages of Management Information System	177
5.2 MIS Reports in ERP	180
5.3 Trial Balance	181
5.4 Balance sheet	183
5.5 Profit and Loss Account (P & L)	187
5.6 Cash Flow Statement	192
5.7 Ratio Analysis	195
5.8 Books and Reports	198
5.9 Purchase Register	200
5.10 Sales Register	201
5.11 Bills Receivable and Bills Payable	209
5.12 Receipts and Payments	215
5.13 Daybook	216
Short Question and Answers	219
Choose the Correct Answer	223
Fill in the blanks	224

Frequently Asked & Important Questions

UNIT - I

1. Explain the advantages of ERP system ?

Ans : (Dec.-20, Imp.)

Refer Unit-I, Q.No. 4

2. Discuss the salient features of tally ERP 9.

Ans : (Dec.-18, July-19, Imp.)

Refer Unit-I, Q.No. 8

3. Explain the benefits of Tally Accounting Software.

Ans : (July.-19, Imp.)

Refer Unit-I, Q.No. 9

4. Discuss briefly about key board conventions.

Ans : (Dec.-19, Imp.)

Refer Unit-I, Q.No. 10

5. Discuss briefly about mouse board conventions.

Ans : (Dec.-18, Imp.)

Refer Unit-I, Q.No. 11

6. What are the steps to be followed to create a company in Tally.ERP 9?

Ans : (July-21, Dec.-18, Imp.)

Refer Unit-I, Q.No. 12

7. How do you create a ledger in Tally ERP 9 ?

Ans : (July -19, Dec.-18, Imp.)

Refer Unit-I, Q.No. 18

8. What do you mean by procure to pay ? Discuss the steps involved in P2P cycle.

Ans : (Dec.-18, Imp.)

Refer Unit-I, Q.No. 25

9. Write the difference between Manual Accounting and Computerised Accounting.

Ans : (July-21, Imp.)

Refer Unit-I, Q.No. 27

UNIT - II

1. Explain the basic inventory masters in tally ERP 9.

Ans : (July-21, Dec.-19, July-19, Imp.)

Refer Unit-II, Q.No. 1

2. How to create stock groups in tally ?

Ans : (July-21, July-19, Dec.-18, Imp.)

Refer Unit-II, Q.No. 3

3. How to create a stock category in tally ?

Ans : (Dec.-18, Imp.)

Refer Unit-II, Q.No. 4

4. Explain how to create a godown/location in tally ?

Ans : (Dec.-18, Imp.)

Refer Unit-II, Q.No. 6

5. Explain how to create a stock item in tally ?

Ans : (Dec.-20, July-19, Imp.)

Refer Unit-II, Q.No. 7

6. Explain steps involved in defining stock opening balance in tally ERP.9

Ans : (July-19, Imp.)

Refer Unit-II, Q.No. 10

7. Explain various Stock category Reports available in tally.

Ans : (Dec.-20, Imp.)

Refer Unit-II, Q.No. 11

UNIT - III

1. What is Source document for vouching and why is it important ?

Ans : (Dec.-20, Dec.-18, Imp.)

Refer Unit-III, Q.No. 2

2. Explain the process of recording Business Transactions in Accounting Software.

Ans : (Dec.-19, Imp.)

Refer Unit-III, Q.No. 4

3. Explain briefly about contra vouchers.

Ans :

(July - 21, Dec.-19, Dec.-18, Imp.)

Refer Unit-III, Q.No. 7

4. Explain about a payment voucher ?

Ans :

(July - 21, Dec.-19, Dec.-18, Imp.)

Refer Unit-III, Q.No. 8

5. Explain about a receipt voucher.

Ans :

(July - 21, Dec.-19, Dec.-18, Imp.)

Refer Unit-III, Q.No. 9

6. Explain briefly about journal vouchers.

Ans :

(July - 21, Dec.-19, Dec.-18, Imp.)

Refer Unit-III, Q.No. 10

7. Explain the difference between Credit Note Voucher and Debit Note Voucher.

Ans :

(July-19, Dec.-18, Imp.)

Refer Unit-III, Q.No. 15

UNIT - IV

1. Explain Payable Management in Accounting Software.

Ans :

(Jul-21, Dec.-19, Imp.)

Refer Unit-IV, Q.No. 3

2. Distinguish between Accounts Receivable and Accounts Payable.

Ans :

(July-21, Imp.)

Refer Unit-IV, Q.No. 5

3. Explain different types of bill wise details available in Tally.

Ans :

(July-21, Dec.-19, Imp.)

Refer Unit-IV, Q.No. 6

4. What do you mean by new reference?

Ans :

(July-19, Dec.-18, Imp.)

Refer Unit-IV, Q.No. 7

5. What do you mean by against reference ?

Ans :

(July-19, Imp.)

Refer Unit-IV, Q.No. 8

6. What do you mean by advance ? Explain with an example.

Ans :

(Dec.-18, Imp.)

Refer Unit-IV, Q.No. 9

UNIT - V

1. Explain the advantages and disadvantages of MIS ?

Ans :

(July-19, Dec.-19, Dec.-18, Imp.)

Refer Unit-V, Q.No. 4

2. MIS reports helps Management in Decision Making Process - Explain.

Ans :

(Dec.-20, Imp.)

Refer Unit-V, Q.No. 5

3. What are the various types of Accounting Reports available in Tally? Explain them.

Ans :

(July-21, Dec.-20, Imp.)

Refer Unit-V, Q.No. 7

4. What is a balance sheet ?

Ans :

(July-21, Dec.-19, Imp.)

Refer Unit-V, Q.No. 9

5. What is profit and loss account ? Explain in detail how profit and loss account displayed in tally ERP 9 ?

Ans :

(July-21, Dec.-19, Imp.)

Refer Unit-V, Q.No. 11

6. Explain briefly about sales register.

Ans :

(Dec.-18, Imp.)

Refer Unit-V, Q.No. 19

7. What is day book? How it is displayed in tally ERP9.

Ans :

(Dec.-18, Imp.)

Refer Unit-V, Q.No. 27

UNIT I

MAINTAINING CHART OF ACCOUNTS IN ERP : Introduction-Getting Started with ERP - Mouse/Keyboard Conventions-Company Creation-Shut a Company-Select a Company-Alter Company Details-Company Features and Configurations- F11: Company Features-F12: Configuration-Chart of Accounts-Ledger-Group-Ledger Creation- Single Ledger Creation-Multi Ledger Creation-Altering and Displaying Ledgers-Group Creation-Single Group Creation-Multiple Group Creation-Displaying Groups and Ledgers- Displaying Groups-Display of Ledgers-Deletion of Groups and Ledgers – P2P procure to page.

1.1 INTRODUCTION GETTING STARTED WITH ERP

Q1. Define ERP.

(OR)

What is ERP?

Ans : (Dec.-20)

Enterprise resource planning (ERP) is business process management software that allows an organization to use a system of integrated applications to manage the business and automate many back office functions related to technology, services and human resources.

ERP software typically integrates all facets of an operation - including product planning, development, manufacturing, sales and marketing - in a single database, application and user interface.

ERP is an Enterprise Application

ERP software is considered to be a type of enterprise application, that is software designed to be used by larger businesses and often requires dedicated teams to customize and analyze the data and to handle upgrades and deployment. In contrast, Small business ERP applications are lightweight business management software solutions, often customized for a specific business industry or vertical.

Today most organizations implement ERP systems to replace legacy software or to incorporate ERP applications because no system currently exists. In fact, a 2016 study by Panorama Consulting Solutions, LLC., indicates that organizations implement ERP for the following reasons:

- To replace out-of-date ERP software (49%).
- To replace homegrown systems (16%).

- To replace accounting software (15%)
- To replace other non-ERP systems / had no system (20%).

Q2. Why implement an ERP System ?

Ans : (Dec.-19)

An ERP is the best option for demonstrating value by providing real-time information to all employees of a corporation across departments.

1. Integrate Financial Information

Enterprise owners want to understand company's overall performance because in numerous situation they may find various versions of the truth. Finance and sales have another version and business units may have their version of the contribution of revenues for the organization. By implementing ERP, they can get a single version of the truth.

2. Standardize and Speed up Manufacturing Processes

ERP systems come with methods for automating manufacturing process. This helps organizations to speed up and standardize the manufacturing process.

3. Reduce Inventory

It helps to increase the visibility of the order fulfillment process of any company. It may lead to reduced inventories to make products.

4. Increases and Improves Interaction

ERP system also helps to increase and improve interaction between customers and suppliers. Moreover, the suppliers can also communicate more seamlessly with sales, marketing, and finance team.

Q3. What are Primary Goals for the ERP System ?

Ans : (Dec.-19)

The goal of any ERP project is to track supply chain actions from inventory purchase, processing, and final shipment.

1. **Efficiency:** The real-time information flow in ERP system eases the analysis, data, and reporting. It also improves decision-making. It also helps to reduce the need for maintaining multiple databases.
2. **Cost Reduction:** Cost reduction is vital reason why small and large enterprises invest huge time and resources for implementing ERP systems. It will reduce waste and increase productivity. It also reduces overall production's cost.
3. **Quality:** Quality improvement is the most important goal of ERP. The software technology helps management to benchmark its quality performance against other manufacturing companies in the same industry.
4. **Decentralization:** Enterprise resource planning systems can decentralize decision-making process at all level. It also allows users to have real-time access to the same data, such as production status and financial reports.

Q4. Explain the advantages of ERP system ?

Ans : (Dec.-20, Imp.)

Advantages of ERP System

1. **Competition:** ERP software requires a major investment, but there's also an even bigger cost in not making the investment. While some manufacturers choose to stick to the tried and true methods of the past, others seek techno-loggy solutions. Manufacturers cannot afford to put off an ERP implementation while their competition invests in ERP and starts reaping the many benefits we'll touch on below.
2. **Efficiency:** An ERP solution eliminates repetitive processes and greatly reduces the need to manually enter information. The system will also streamline business processes and make it easier and more efficient for companies to collect data.
3. **Forecasting:** Enterprise resource planning software gives your users, and especially managers, the tools they need to create more accurate forecasts. Since the information within ERP is as accurate as possible, businesses can make realistic estimates and more effective forecasts.
4. **Collaboration:** Collaboration between departments is a crucial and often necessary part of the business. With the data entered into ERP systems being centralized and consistent, departments can work together. The software also touches on almost every aspect of a business, thus naturally encouraging collaborative, interdepartmental efforts.
5. **Scalability:** Structured ERP systems allow the addition of new users and functions to grow the initially implemented solution over time. When your business is ready to grow or needs more resources, enterprise resource planning software should be able to facilitate that growth.
6. **Integrated Information:** No more issues with data spread across separate databases; all information will be housed in a single location. It means you can integrate platforms like your CRM software with the ERP system, keeping data consistent, accurate, and unique. Know your customer, their orders, and your inventory, all in one place.
7. **Cost Savings:** With one source of accurate, real-time information, ERP software reduces administrative and operations costs. It allows manufacturers to proactively manage operations, prevents disruptions and delays, breaks up information logjams and helps users make decisions more quickly.
8. **Streamlined Processes:** As manufacturers grow, their operations become more and more complex. Manufacturing software automates business operations cross-departmentally, providing accurate, real-time information to everyone utilizing the solution.

ERP increases efficiency and productivity by helping users navigate complex processes, preventing data re-entry, and improving functions such as production, order completion and delivery. Streamlined, efficient processes throughout.

9. **Mobility:** An advantage of ERP solutions like WorkWise ERP software is having access to a centralized database from anywhere you work. Home, office, wherever, through our mobile-friendly solution and application.
10. **Reporting:** ERP software helps make reporting easier and more customizable. With improved reporting capabilities, your company can respond to complex data requests more easily. Users can also run their own reports without relying on help from IT, saving your users time to use toward other projects.
11. **Productivity:** Save time and increase productivity levels. Sound too good to be true? It's not with ERP software. By having redundant processes automated, users have more time to work on other pressing projects and tasks. They'll also be able to work easier since the solution was designed for ease-of-use.
12. **Regulatory Compliance:** A benefit of ERP software which sometimes goes unnoticed is how it ties well into regulatory compliance in the manufacturing industry. Powerful ERP solutions will keep track of regulations within the industry and monitor changes in compliance.
13. **Flexibility:** Modern ERP software systems are robust, flexible, and configurable. They are not a one-size-fits-all proposition but can be tailored to the unique needs of a business. ERP systems also can adapt to the ever-changing needs of a growing business, ensuring you won't have to buy a new solution once your needs change or your business grows.
14. **Customer Service:** It's easier to provide high-quality customer service using an enterprise solution, especially when you're using one as well-equipped as WorkWise ERP.

Sales and customer service people can interact with customers better and improve relationships with them through faster, more accurate access to customers' information and history. You'll also have access to marketing automation and contact center software, ensuring your customers are being interacted with consistently.

15. **Security:** Data security is not a worry when you have an enterprise resource planning solution in place. A new system will improve the accuracy, consistency, and security of data, all through built-in resources and firewalls. Restrictions to data can also be enhanced by managers of the solution.

Q5. Discuss the steps to implement on ERP System.

Ans :

Steps to Implement on ERP System

Step 1) Strategic Planning

- Assign a team of employees from sales, accounting, purchasing, and logistics department.
- Examine current business processes and information flow.
- Check the ERP software's capabilities to check how they perform day-to-day tasks in the new system.
- Set objectives of the Project.
- Develop a project plan.

Step 2) Procedure Review

- Review software and check every aspect of the ERP software and identify gaps.
- Evaluate which processes are manual and should be Automated
- Develop standard operating procedures.

Step 3) Data Collection and Clean-Up

- Determine which information need to be converted through an analysis of current data.
- Define the new data that needs to be collected. Create spreadsheets to collect and segment the data into logical tables

- ERP database needs to be reviewed for accuracy and completeness
- Review and clean-up unwanted information

Step 4) Training and Testing

- Mock ERP runs to test the data accuracy.
- Make sure that the actual test mirrors the Standard Operating Procedures.
- The project team needs to perform a final test on the data and processes.

Step 5) Deployment

- Once ERP software has been configured correctly and financial data is sorted it's time to go live.
- In the final evaluation, you need to create structured evaluation plan by keeping in mind all the goals and objectives which is set in the planning stage.

Q6. Explain the benefits and Drawbacks of ERP System.

Ans :

Benefits of ERP System

- An ERP system is easily scalable so adding new functionality according to the business plan is very easy.
- By offering accurate and real-time information ERP software reduces administrative and operations costs.
- ERP system improves data quality by improving the underlying processes which help organizations to make better business decisions.
- ERP system helps to improve data access with the use of advanced user management and access control.
- ERP provides transparency to the organization
- Helps to eliminate redundancy in the data management system
- Offers a higher level of security by allowing restricting employee's accounts only to the processes.

- It helps to help make reporting easier and more customizable.

Drawbacks of ERP System

- The up-front cost of the entire implementation can be very high for any small-to-medium-sized businesses.
- ERP deployments take a relatively longer amount of time. Sometime it may take 1-3 years to be implemented and be fully functional.
- Migration of existing data is very difficult to achieve. That's why Integrating ERP systems with other standalone software systems is equally difficult.
- ERP implementations are very difficult in decentralized organizations with different kind of business processes and systems.

Conclusion

- Enterprise resource planning known as ERP is a business management software
- ERP system gives the opportunity to streamline and improve the business operations.
- By implementing ERP, enterprise owner gets a single version of the truth.
- The main aim of ERP project is to track supply chain actions.
- Quality improvement is the most important goal of ERP.
- The real-time information flow in these systems eases the data collection, analysis, and reporting.

1.2 INTRODUCTION TO TALLY

Q7. What do you understand by tally ?

Ans :

(Dec.-18)

Tally Solutions, then known as Peutronics, was co-founded in 1986 by Shyam Sunder Goenka and his son Bharat Goenka. He asked his son, Bharat Goenka, a Maths graduate to create a software application that would handle financial accounts for his business.

The first version of the accounting software was launched as an MS-DOS application. It had only basic accounting functions, and was named Peutronics Financial Accountant.

In the year 1988 Product was renamed as Tally.

- In 1997, the first Windows based version Tally 5.4 was released.
- In 1999, the company formally changed its name to Tally Solutions

Till now in tally we had the following versions.

- 4.5
- 5.0
- 5.4 e.s (enterprise system)
- 6.3 e.e.s (extended enterprise system)
- 7.2 i.e.s(integrated enterprise solution)
- 8.1
- 9.0
- Currently ERP 9(Enterprise resource planning)

Based on the updates, updates and modifications Tally will come up with releases. Currently we are using Series A Tally ERP 9 re 6.4.6. In future we can see Series B and Series C.

Based on Area of usage in Tally we Have

- Tally Shopper
- Tally Developer
- Tally Server
- Tally ERP9

Based on no of users using Tally we have

- Silver (single user)
- Gold (multi user)
- Diamond(multi-user) from series b onwards
- Platinum(multi-user)) from series b onwards.

Q8. Discuss the salient features of tally ERP 9.

Ans : (Dec.-18, July-19, Imp.)

The salient features of Tally. ERP 9 are as follows,

1. **A Complete Business Solution:** A complete solution to both accounting and inventory requirements of a business can be provided by Tally. ERP 9. This package includes financial accounting, inventory accounting and book-keeping. It also includes several tools to extract, interpret and represent data.
2. **Versatility:** This software package is applicable to many organizations i.e., from small grocery stores to large firms with international locations and operations.
3. **Leading Accounting Package:** In 1988, the first version of Tally was introduced which was continuously developed and now it is being identified as a most leading accounting package in the world with a quarter million customers. At present the market share of Tally is more than 90%.
4. **Control Centre:** This works as an intermediate between the user and Tally. ERP 9 installed at various sites and allows the user to centrally configure and monitor site/user which belongs to an accounts.
5. **Simplicity:** Tally is considered to be the most simple and a complete business solution in the world. A person with minimum knowledge of accounts or an average knowledge of english can use Tally. Tally can be learned, configured and used easily.
6. **Speed:** The Tally users can obtain any report immediately for any specific date or period and can switch between reports either accounting or inventory or from one company to another company immediately. He/she can also shift from one date to another in any report without any time loss.

7. **Flexibility:** Tally is one of the flexible software for the users. Tally can be adapted to any business requirements instead of the user trying to change the operations of his business to adapt the package.
 8. **Reliability of Data:** A high reliability data has been offered by tally which uses a, flexi-length flexi-field, self indexed weighted file structure for an extremely compact and fast database. As Tally is robust, it does not have any affect even if there is no power or if system is shut down unexpectedly at the time of functioning. Thus, there will be no loss of data.
 9. **Tally NET:** It is a framework designed to develop a link with which the remote user can have access to the data of client without copying/transferring data.
 10. **Power:** Tally is empowered with generation of management information which facilitates the management in taking correct and quick decisions. This helps in fast growth of business. Tally is having the power of online information which enables the management to keep track of their business.
 11. **No Codes:** The first accounting package in the world which introduced the no codes concepts for accounts is Tally. It accepts alphanumeric characters in preparing accounts and inventory masters. If the tally user wants to use codes it will support to it also.
 12. **Tally Enterprises:** Tally software users a unique dynamic process architecture which gives the users a powerful, flexible and amazingly simple solution. It can be implemented quickly to the business process of the users.
 13. **Data Security:** Data integrity checks of Tally make sure that no external change to the data can be done through Tally. It uses a binary encoding storage format to prevent indirect information/data grouping and provides access to the database through an ODBC layer which is activated completely.
 14. **Free Web Chat and Email Support Web Chat:** A free web chat is being provided by Tally to persons who are interested in getting information about product or any information related to product.
 15. **Email Support:** Tally provides an e-mail support to the persons who are having any doubts about product. Tally support clarifies their doubts with in a short period.
-
- Q9. Explain the benefits of Tally Accounting Software.**
- Ans :* (July.-19, Imp.)
1. **To simplify accounts:** The accounting software solutions influence the control in the hands of a non-accounting audience, as they are designed to give numbers a meaning, and to perform automated calculations. With a little to spend on training costs these systems, enables the business owners to complete all accounting operations and comply with legal standards with ease and simplicity.
 2. **To save Cost:** The accounting software solutions automate most of the core calculations and administrative procedures and thereby also take control of the revenue framework so that businesses will not be required to outsource finance management to an external expert. On a parallel thought, they also reduce the costs related to printing and distribution of documents and store sensitive data in secure and monitored locations (say cloud computing).
Best example for distribution of documents to end user via Accounting systems would be sending of Account statements and Ledger copies via Gmail integrated into the accounting software module. We can see this in Tally ERP 9 solution which is a leading performer in providing ERP solutions.
 3. **Transparency:** A good accountancy system is one that avoid costly and recurring human errors. In the business sentiment, calculating inaccurate totals or failing to report data in time can lead to a crisis, and that's where automating calculations is most helpful which plays an important role in financial transparency audit.

4. **Accurate forecasting:** It's one of the major features of accounting software where without a proper accounting system, detailing on the patterns and trends of financial performance would take ages to complete.

The accounting solution gives numbers a meaning, helping the management to understand where to save on the expenses or where to invest more.

A best accounting solution also helps in developing smart strategies and allocating resources to the right channel.

5. **Productivity:** Accounting software in India is a complete package of digitized services which makes the most cumbersome, day-to-day tasks of companies look easier, and collects, organize, and analyze their outcomes.

Most importantly it makes smarter use of the available resources and thereby increase the efficiency of reporting standards by providing accurate data which in turn helps management in taking informed decision making.

6. **Complying with tax laws:** Today almost all accounting software's automatically complies with taxation laws as part of their internal structure so the businesses can avoid penalties and other consequences on defaults.

The accounting systems of today are so comprehensive that they provide every detail required to comply with taxation laws for example TDS compliance with Tally.ERP 9 is very simple task as one just needs to activate it at the statutory information screen and Tally does the compliance part on its own.

7. **Maintaining customer relationships:** It's impossible to negate the factor that accounting software's have little to do with customer relationship management.

The accounting systems nowadays (regardless of their main functions) work around effective billing and invoicing, and prevent all sorts of delays and miscommunication and thus, make companies performance appear more professional and credible.

With Accounting systems we can convey any piece of information which is important or related to the product. We can wish the clients on their birthdays with the data stored in the systems. We can deliver Christmas mails or wish the client on occasion of any festival with the help of mail IDs and phone numbers recorded in the accounting system.

We can send reminders of outstanding dues, and on receipt of the same we can send the acknowledgement note to the customers or clients. All these go in building a strong customer relationship and makes the business viable for the long run.

8. **Data security:** Data related to financial activity of business is a most valuable information and it must be prevented from falling into the wrong hands. Here's what the accounting systems do for their users, they prevent accounting from being jeopardized by theft by providing passwords and administration IDs and setting up as who can view what.

1.2.1 Mouse and key board conventions

Q10. Discuss briefly about key board conventions.

Ans : (Dec.-19, Imp.)

Key board conventions

1. ALT + 2 → Duplicate Voucher

Alt + A : Add voucher/To Alter the column in columnar report

Alt + C : Create a master at a voucher screen,

Alt + D : Delete a voucher

Alt + E : Export the report in ASCII, HTML OR XML format

Alt + I : Import statutory masters

Alt + H : Help Shortcut

Alt + I : Insert a voucher/To toggle between Item and Accounting invoice

Alt + N : To view the report in automatic columns, Multiple Columns at all reports, Trial Balance, Cash/bank books, Group Summary & Journal Reg

Alt + P : Print the report

Alt + R : Remove a line in a report

Alt+Y : Register Tally

Alt+S : Bring back a line you removed using Alt+R

Alt+U : Retrieve the last line which is deleted using Alt+R

Alt+W : To view the Tally Web browser.

Alt+O : To upload the report to the website

Alt+M : Email the report

Alt+X : Cancel a voucher in Day Book/List of Vouchers

Alt+R : Recalls the last narration saved for the first ledger in the voucher, irrespective of the voucher type

Alt+D : Delete any voucher in Daere the range of information can be specified

Alt+Z : Zoom

Alt+F1 : Close a Company (At All Menu Screens). View detailed Report (Report Screens). Explore a line into its details (At Almost all Screens)

Alt+F2 : Maintain Date for Multiple Years by changing period on Gateway of Tally/Change of Period for Setting Period

Alt+F3 : Select the company info menu (At Gateway of Tally Screen). Create/alter/shut a company (At Gateway of Tally Screen)

Alt+F4 : Purchase Order Voucher

Alt+F5 : Sales Order Voucher

Alt+f6 : Rejections out

Alt+F7 : Stock Journal / Manufacturing Journal

Alt+F8 : Delivery Note

Alt+F9 : Receipt Note

Alt+F10 : Physical Stock

Alt+F5 : View sales and purchase register summary on a quarterly basis

Alt+F12 : View the filters screen where the range of information can be specified

F2 : Change the date

F4 : Contra Voucher

F5 : Payment Voucher.

F6 : Select Receipt Voucher

F7 : Select Journal Voucher

F8 : Select Sales Voucher

F9 : Select Purchase Voucher

F10 : Navigate between Accounting Reports

F11: Modify Company features specific to current company only

F12: Master Configurations, which will affect all companies in same data directory.

2. **Ctrl+R : Repeat narration in the same voucher type irrespective of Ledger Account**

Ctrl+T : Mark any voucher as Post Dated Voucher
Ctrl+N : Switches to Calculator/ODBC Section of Tally Screen

Ctrl+Q : Abandon a form-wherever you use this key combination, it quits that screen without making any changes to it.

Ctrl+M : Switches to Main Area of Tally Screen

Ctrl+A : Accept a form-wherever you use this key combination, that screen or report gets accepted as it is.

Ctrl+G : Select Group

Ctrl+L : Mark a voucher as Optional or Regular

3. **Ctrl+F6 : Rejection In**

Ctrl+F9 : Select Debit Note Voucher

Ctrl+Alt+V : To paste the text from Tally (At creation and alternation screens)

Ctrl+Alt+R : Rewrite data for a Company

Ctrl+Alt+B : Check the Company Statutory details

Ctrl+Alt+C : Copy the text from Tally (At creation and alternation screens)

Ctrl+Alt+c : for copy

Ctrl+Alt+v : for paste

Shift+Enter : To view the next level of details and / or condense the next level of details

4. **Esc : Clear entry.**

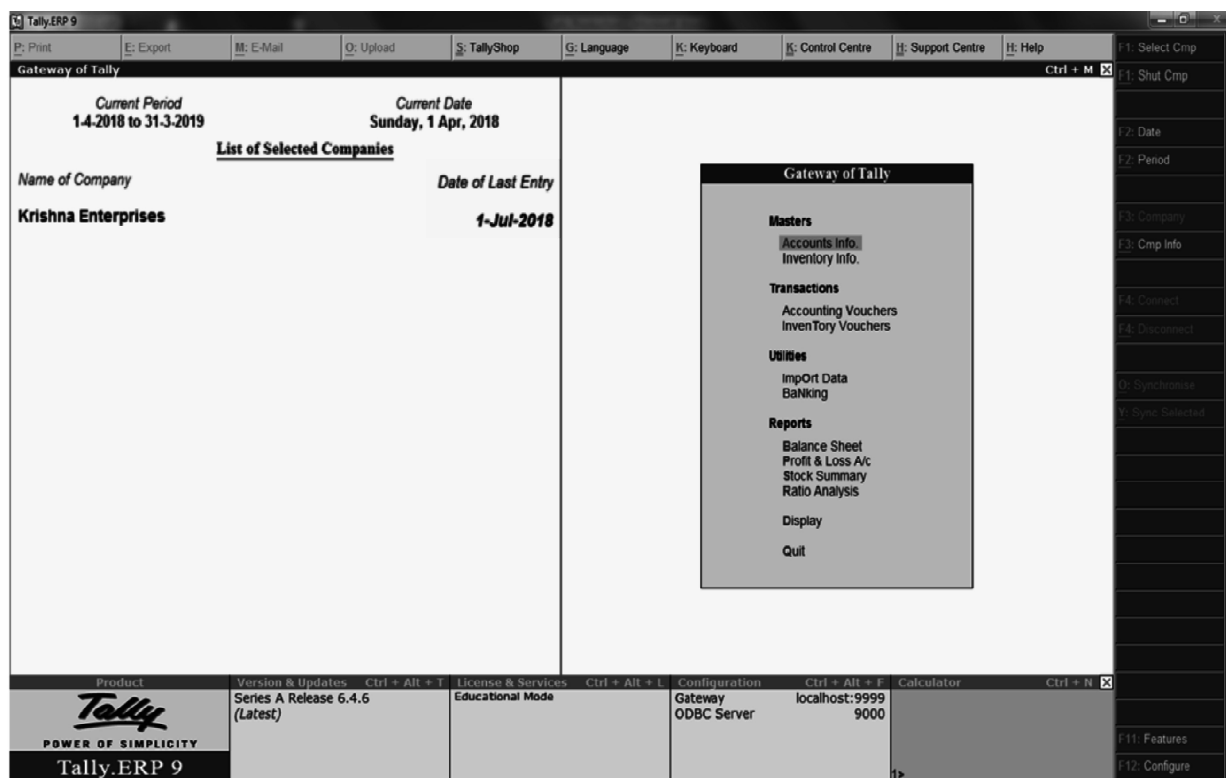
Q11. Discuss briefly about mouse board conventions.

Ans.:

(Dec.-18, Imp.)

Mouse Conventions

In a general sense Tally screen is displayed as below.



In the screen at the top of the window we have

- **Top Horizontal Bar** : Various options for the working of tally with a quick interaction such as control center and support center options are displayed horizontally here
- **Close button**: allows the user to exit from the current screen in which he is or if he is in gate way of tally he can directly exit from tally.
- **Right pane**: the right part of the gate way of tally screen where the menu is displayed the short cut for each menu is highlighted by a alphabet the user can use that alphabet or using the cursor he can use right click or left click upon selection.
- **Vertical pane**: we have few function keys here Vertically to the tally window by pointing out the cursor at each one of them we can select them in order to use such voucher or a function. Among these certain keys are displayed with a single line(-) and few with double(=)line below them. If there is a single line it means the user has to use a (ALT). IF IT'S A double line then it has to be ctrl.

Similarly to the bottom of the window horizontally we have a calculator option which can be utilized for calculation purposes using the option (ctrl+n)

Information pane : it also displays version and release on one side of the screen.

1.3 COMPANY CREATION IN TALLY

Q12. How to create a company using Tally.ERP 9.

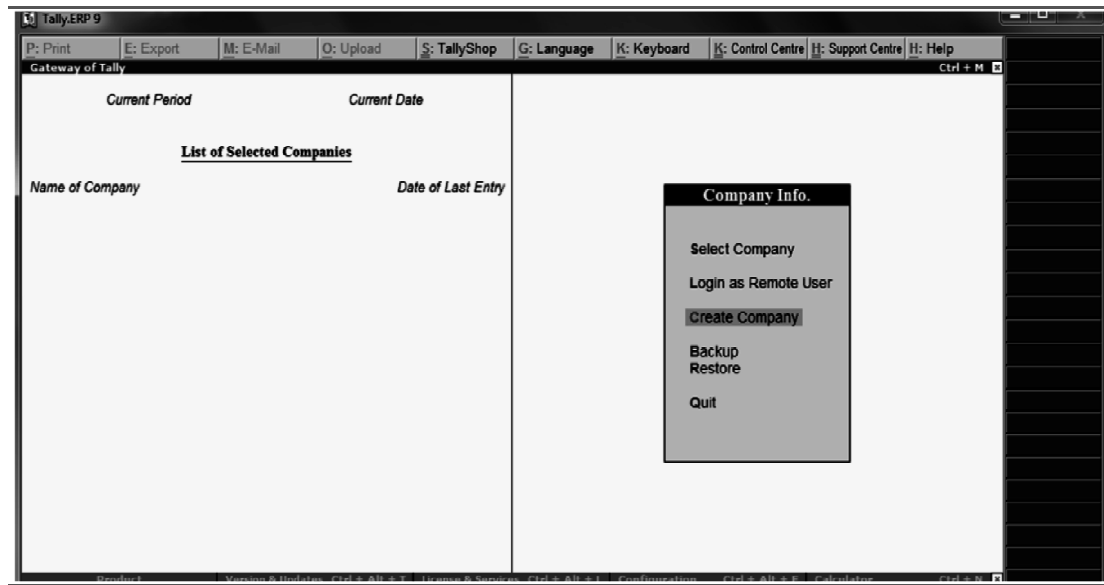
(OR)

What are the steps to be followed to create a company in Tally.ERP 9?

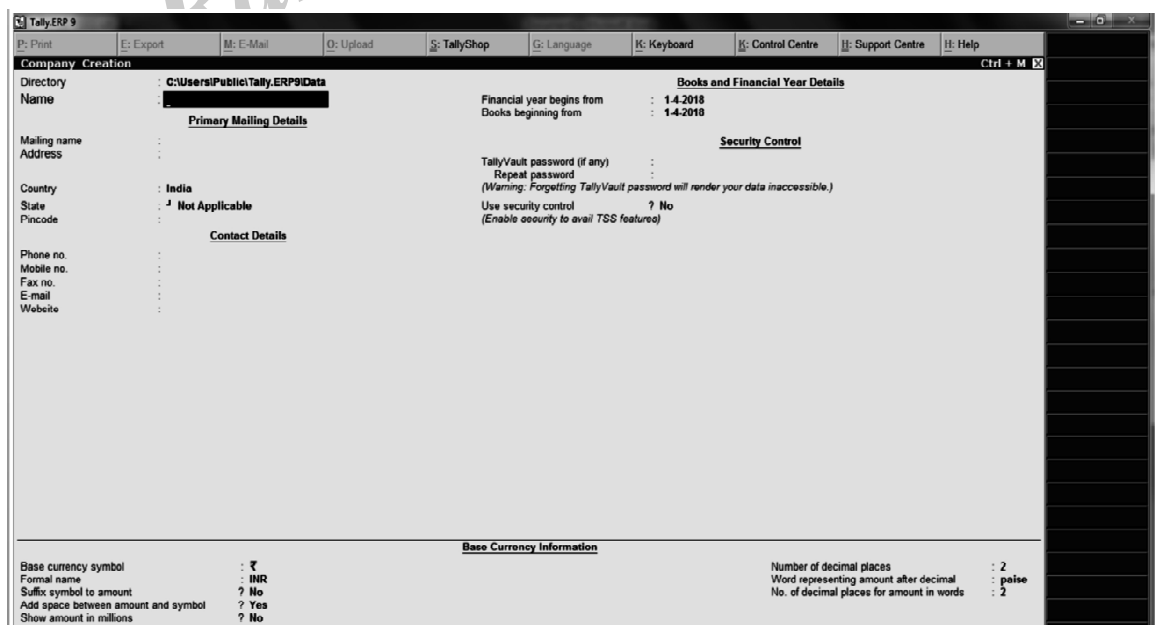
Ans.:

(July-21, Dec.-18, Imp.)

It forms the first basic step for any user to create a company in tally. After installing the tally we get the screen as mentioned below . now select the option "CREATE COMPANY"



Now select the option create company as shown in the figure



i) **Fields in a company**

Directory: Specifies the location where Tally has been installed, alternatively if the user wishes to change the location of saving his company, then just press back space.

Name: Name of the organization to be created is to be entered here

Mailing Name: By default name of the company and mailing name are same were in mailing address will be provided. At the same time if the mailing address is changed it appears in the financial reports such as trial balance or balance sheet.

Address: Address of the company has to be entered here. In this field the address can be entered in multiple lines and each line can be further compressed.

Country: Depending upon the usage one has to select the country. In our case we are selecting India.

State: Selecting the state along side union territories is done here.

Pincode: Pincode of the company is to be entered here in this field

Phone no: As applicable

Mobile no: As applicable

Email: Official Email id has to be entered here in this field

Website: Official website Address will be entered in this field.

ii) **Books and financial year Details:**

Financial year: This refers to the twelve month accounting period of the company. By default we are assuming the period to be (April to March) say 1-4-2018

Books beginning from: By default financial year date and books beginning date are identical, however depending upon the date on which the organization has been started we can set the date in this field.

Security Control: In order to provide security for the company data we use this system. Tally provides us with two(2) levels of security system.

Tally Vault Password(if any): as desired by user

Repeat Password: as desired by user.

In case of tally vault password the user has to remember his company password in order to access and use his company. Forgetting the password means we cannot open the company. Tally vault password will be hidden with an asterisk(***) symbol.

Use security control: setting this option to yes will allow the user to define access rights to each one of the user who will use the company. As of now this option is set to "NO"

iii) **Base Currency Information**

Base currency symbol: As per the company selected at the time of creation base currency will be set

Formal name: The currency's formal name will be appearing by default in this field

Suffix symbol to amounts: In few countries where the currency symbol is specified after the amount this option can be enabled for our country it would be NO.

Add space between amount and symbol: If we enable this option we can put single space between amount and the currency symbol.

Show amount in millions: If we wish to desire that our company's financial statements should display their values in millions then set this option to yes.

Number of decimal spaces: By default the number of decimal places for base currency is set to 2. However we can set this option up to 4. For our country decimal places are 2.

Word representing amount after decimal : The symbol for amounts expressed in decimals are represented here for our country it is paise.

No of decimal places for amount in words : One can specify the number of decimal places for printing the amount in words. The number should be equal to or lesser than the number specified in the number of decimal places field.

Tally.ERP 9

P: Print E: Export M: E-Mail Q: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Company Creation Ctrl + M X

Directory		Books and Financial Year Details	
Name	: C:\Users\Public\Tally.ERP9\Data	Financial year begins from	: 1-4-2018
Name	: Krishna Enterprises	Books beginning from	: 1-4-2018
Primary Mailing Details		Security Control	
Mailing name	: Krishna Enterprises	TallyVault password (if any)	:
Address	: DV CASCADE HYDERABAD	Repeat password	:
Country	: India	(Warning: Forgetting TallyVault password will render your data inaccessible.)	
State	: Telangana	Use security control	? No
Pincode	: 500040	(Enable security to avail TSS features)	
Contact Details			
Phone no.	: 0402222222		
Mobile no.	: 9848032919		
Fax no.	:		
E-mail	: KE@GMAIL.COM		
Website	: WWW.KE.ENT.COM		

Base Currency Information

Base currency symbol	: ₹	Number of decimal places	
Formal name	: INR	Word representing amount after dec	
Suffix symbol to amount	? No	No. of decimal places for amount in	
Add space between amount and symbol	? Yes		
Show amount in millions	? No		

Accept ?
Yes or No

Once we press enter key then the company gets created.

Tally.ERP 9

P: Print E: Export M: E-Mail Q: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Gateway of Tally Ctrl + M X

Current Period 1-4-2018 to 31-3-2019		Current Date Sunday, 1 Apr, 2018	
List of Selected Companies			
Name of Company	Date of Last Entry		
Krishna Enterprises	No Vouchers Entered		

Gateway of Tally

Masters

- Accounts Info
- Inventory Info.

Transactions

- Accounting Vouchers
- Inventory Vouchers

Utilities

- Import Data
- Banking

Reports

- Balance Sheet
- Profit & Loss A/c
- Stock Summary
- Ratio Analysis

Display

Quit

The company which is highlighted indicates the currently selected company.

Now we can see Gate way of Tally screen. for every option this screen is the base all the menu are present in this screen.

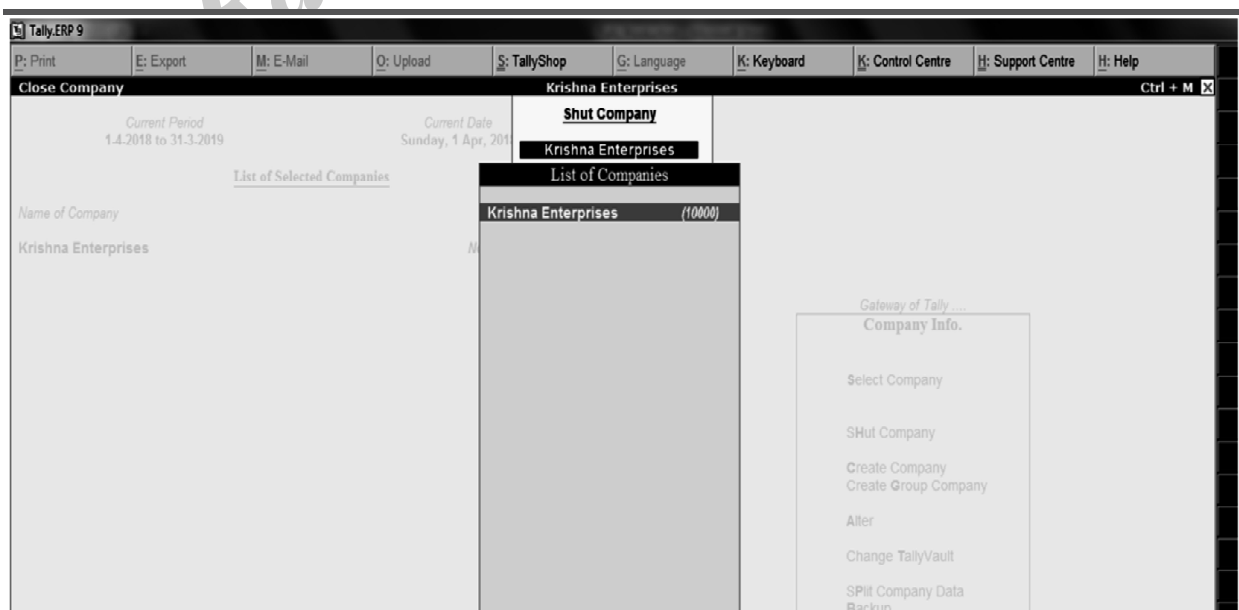
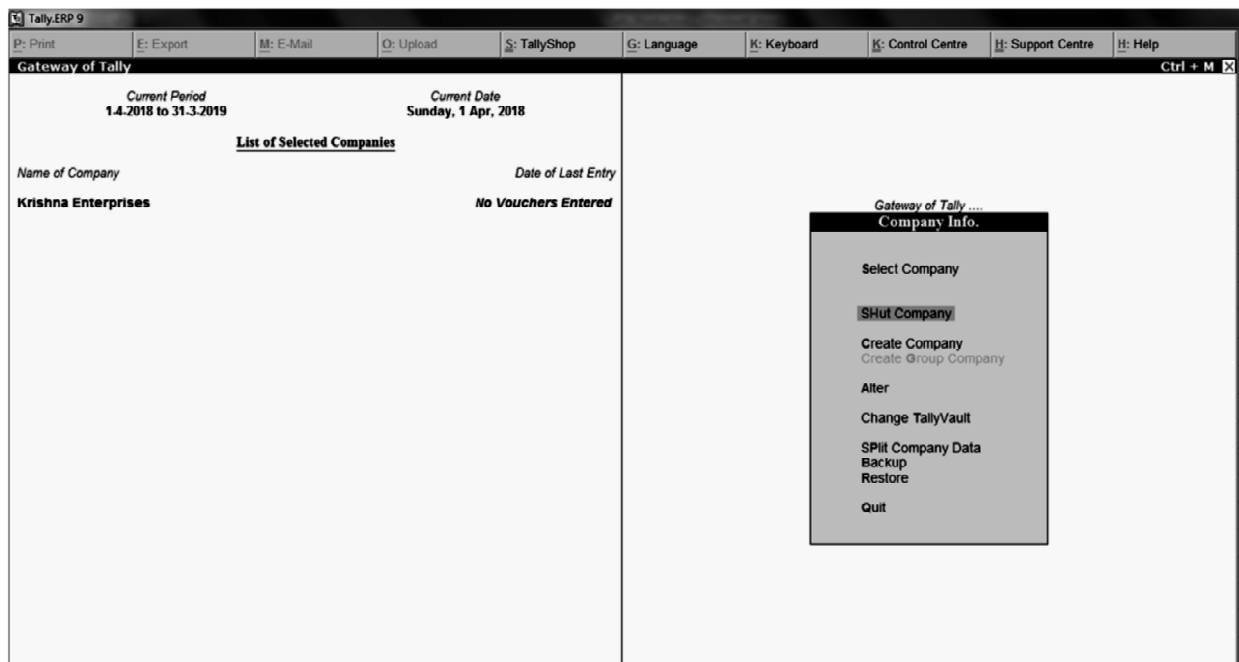
1.4 SHUT A COMPANY

Q13. How to shut a company using Tally ERP 9 ?

Ans :

Shut a Company

At gate way of tally use the function key(ALT + F3)



Now select the company you wish to close and press enter key. company will be closed.

1.5 SELECT A COMPANY

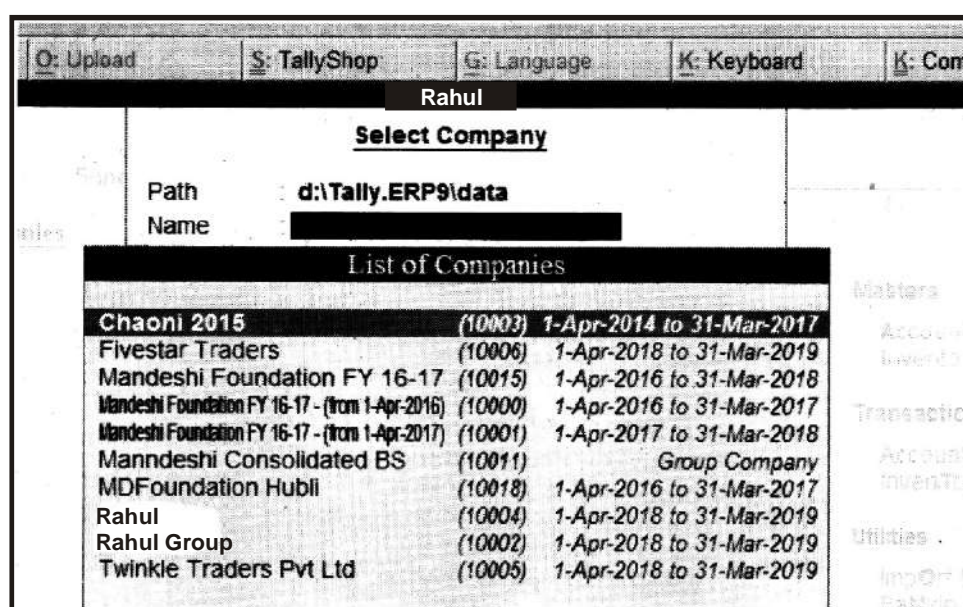
Q14. How a company can be selected and reselected in Tally ERP 9 ?

Ans :

Selection of a Company

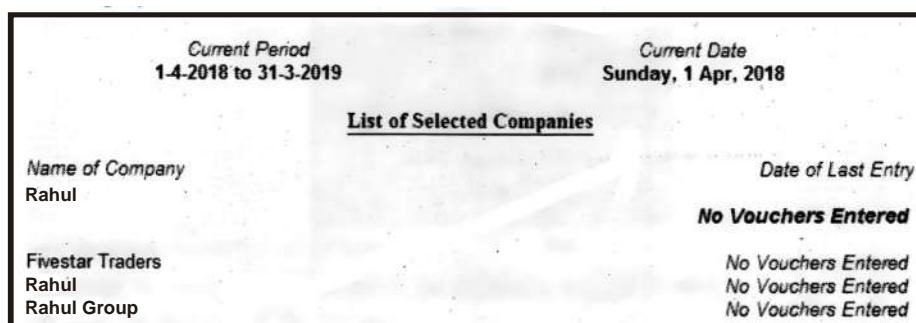
We need to choose a company in which we want to deal with when we create various Tally companies at,

1. In steps gate way to Tally Click F1: Select Cmp button (list out the companies in directory).
2. Now, from the list of companies choose any one company by moving a cursor on the company name and press Enter or Double click on the company name.



Number of companies can be selected from list of companies. The company newly selected becomes active company. In this manner, we can change the number of companies and deals with the currently active company.

At the left side of gateway screen the companies which are choosen are listed and at the top in bold letters the active company name will be displayed.



Re-Selection of Companies

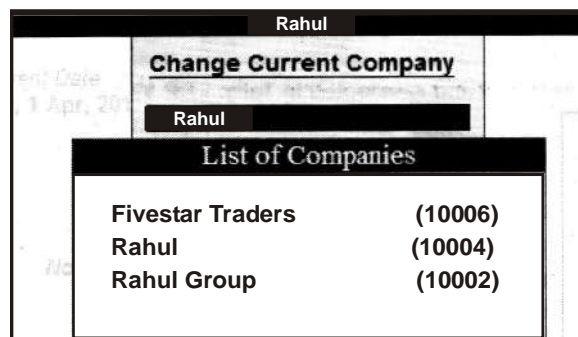
The company which is selected at present is the active company and the company which is selected previously will continue to be selected company but not remains active. In order to re-select any previous selected companies in two places then;

a) At Gateway of Tally

At gateway of Tally, from the list of selected companies at the left side press on one company which is to be selected. Now, the selected company will become active company.

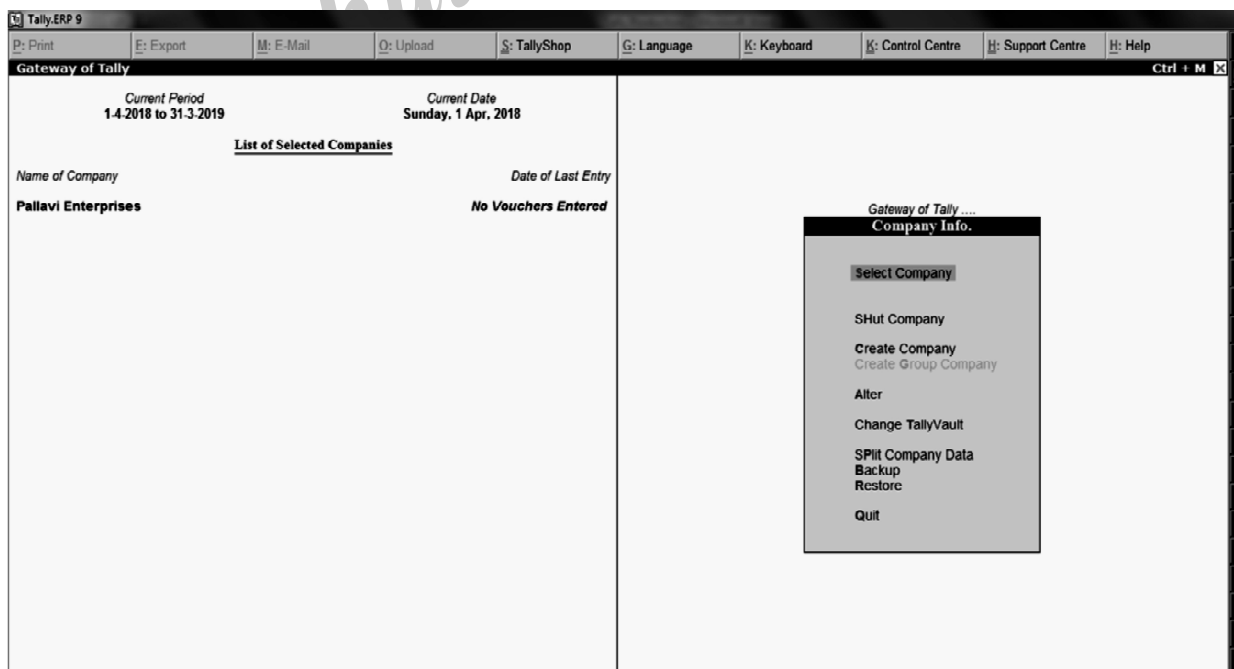
b) At Other Places

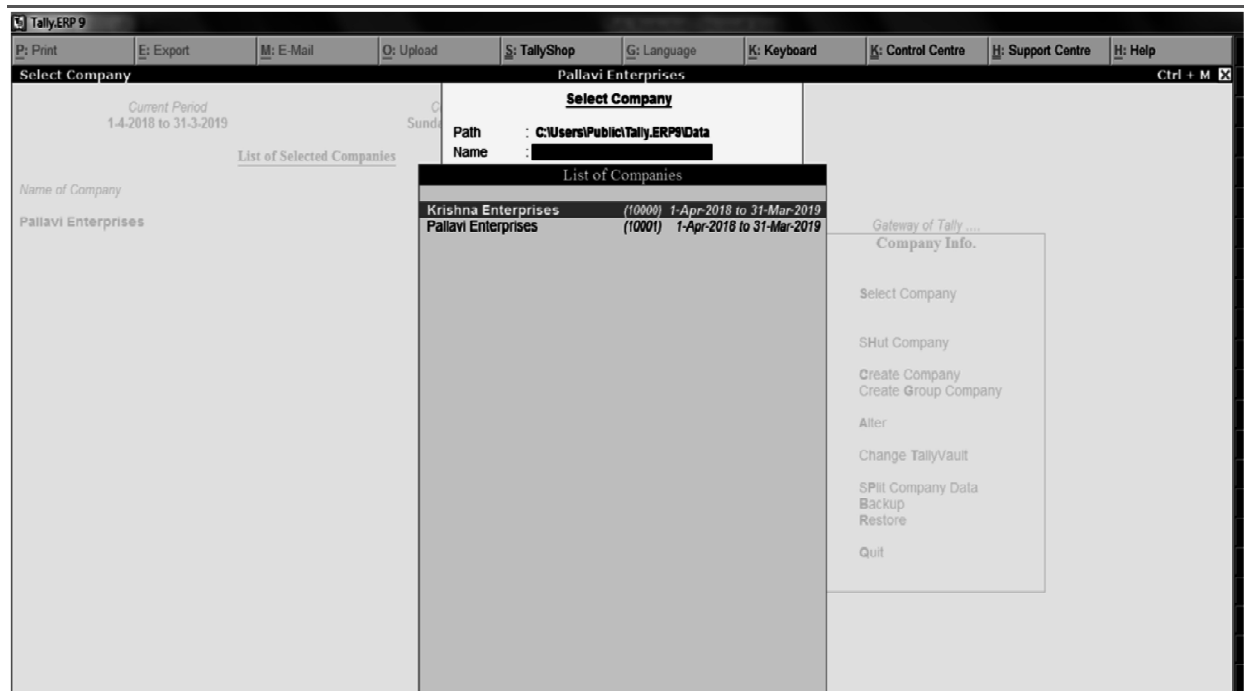
In order to get list of companies which are selected, press on F3 company button (this button gets activated only when more than one company is created). From the list of selected companies, choose an appropriate company.



Example 1: Create a company by following the above steps in this case we are taking “pallavi enterprises”

Under this option Tally helps the user to choose the company he wants to open, from the list of companies he has created using create company.





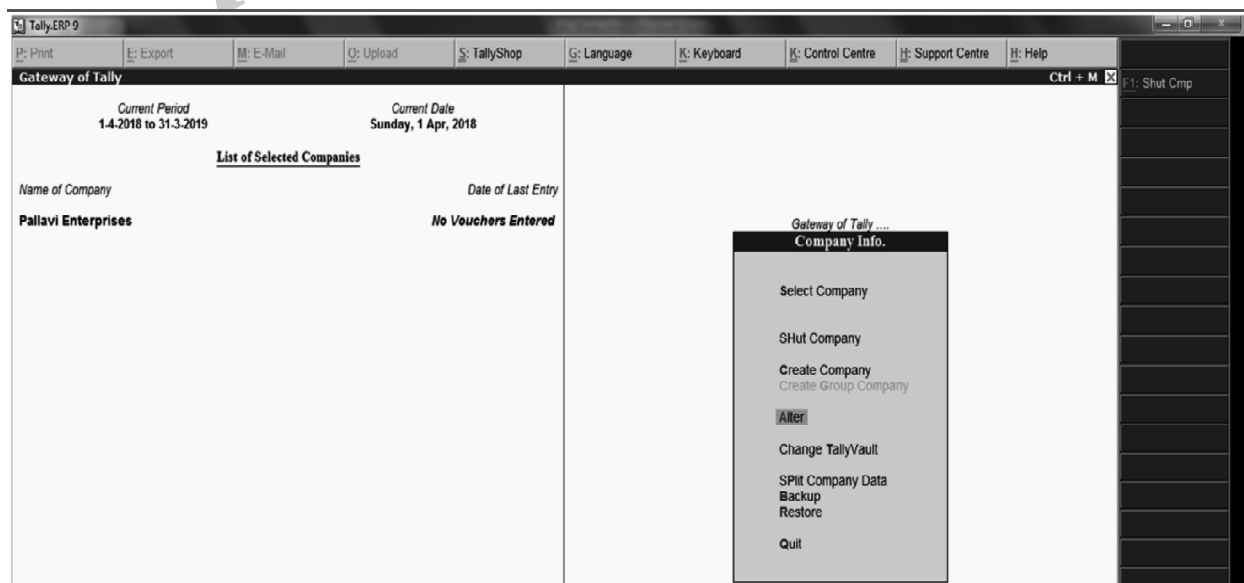
1.6 ALTER COMPANY DETAILS

Q15. How to alter company details and delete company data in Tally ERP 9 ?

Ans :

Alter Company Details: under this option we are modifying the details of the company which we have entered at the time of creation of the company.

Go to gate way of tally → ALT + F3 (Alter company)



Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Select Item **Pallavi Enterprises** **Ctrl + M**

Current Period: 1-4-2018 to 31-3-2019 Current Date: Sunday, 1 Apr, 2018

Name of Company

Pallavi Enterprises

List of Selected Companies

Name of Company: Pallavi Enterprises

List of Companies

Pallavi Enterprises (10001)

Gateway of Tally ...

Company Info.

Select Company

SHut Company

Create Company

Create Group Company

Alter

Change TallyVault

SPit Company Data

Backup

Restore

Quit

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Company Alteration **Ctrl + M**

Name : Pallavi Enterprises

Primary Mailing Details

Mailing name : Pallavi Enterprises

Address : Hyderabad

Country : India

State : Not Applicable

Pincode : 5000040

Contact Details

Phone no. :

Mobile no. :

Fax no. :

E-mail :

Website :

Books and Financial Year Details

Financial year begins from : 1-4-2018

Books beginning from : 1-4-2018

Security Control

Use security control ? No

(Enable security to avail TSS features)

Base Currency Information

Base currency symbol : ₹

Formal name : INR

Suffix symbol to amount ? No

Add space between amount and symbol ? Yes

Show amount in millions ? No

Number of decimal places : 2

Word representing amount after decimal : paise

No. of decimal places for amount in words : 2

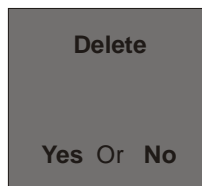
Deletion of Company Data

Deletion of company data refers to the deletion of company's profile data along with all voucher data from the computer. We can also remove the profile of the company by making use of company alteration.

1. At company info menu, select Alter button
2. Select the company to be deleted.
3. Company deletion confirmation screen will appear by click on Alt + D.

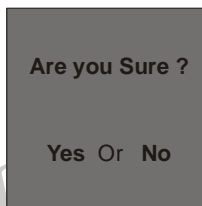
At company deletion confirmation screen,

- i) Press Yes or Type Y to move towards delete, and also to obtain company deletion re-confirmation screen.
- ii) Press No to cancel the delete option.



At company deletion re-confirmation screen,

- i) Press Yes in order to confirm deletion. Now, the company will be deleted.
- ii) Press No to stop the deletion of the company.



Be attentive at the time of deletion of a company because it not only deletes the particulars which are stored in company creation screen but also deletes the entire data of the company.

1.7 Company Features and Configuration

1.7.1 F11 Company Features, F12 Configuration

Q16. Discuss the company features in Tally ERP9 ?

Ans :

Once the company is created based on the requirement of the organization features and configuration are to be enabled by the user. Though these features are inbuilt in tally.

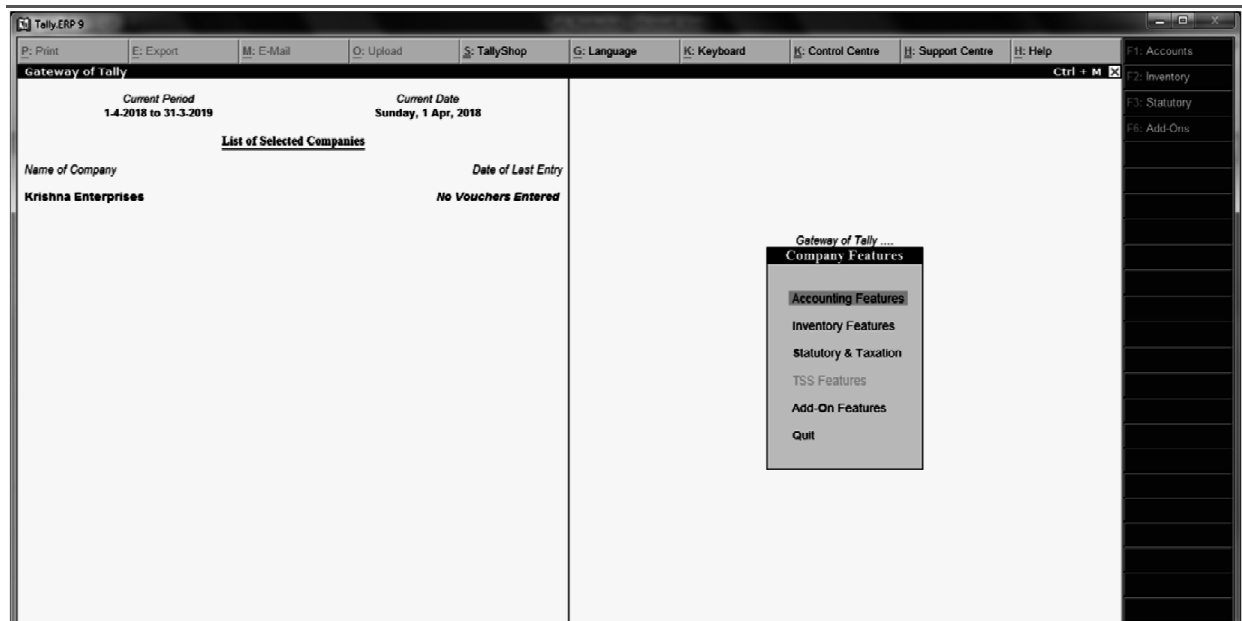
The Company features menu can be accessed by pressing F11. The effect of this features are to seen in the company for which they are used.

Company features in tally can be categorized into the following major categories.

- Accounting features
- Inventory features
- Statutory and taxation
- Tss features
- Add on features

User can press F11 from any screen in tally or directly press f11 present in the button bar of tally screen. The effect of this features are seen as company specific there by different users can activate different features for each of their companies.

To view company features of Krishna enterprises Gaet way of Tally → f11 company features.

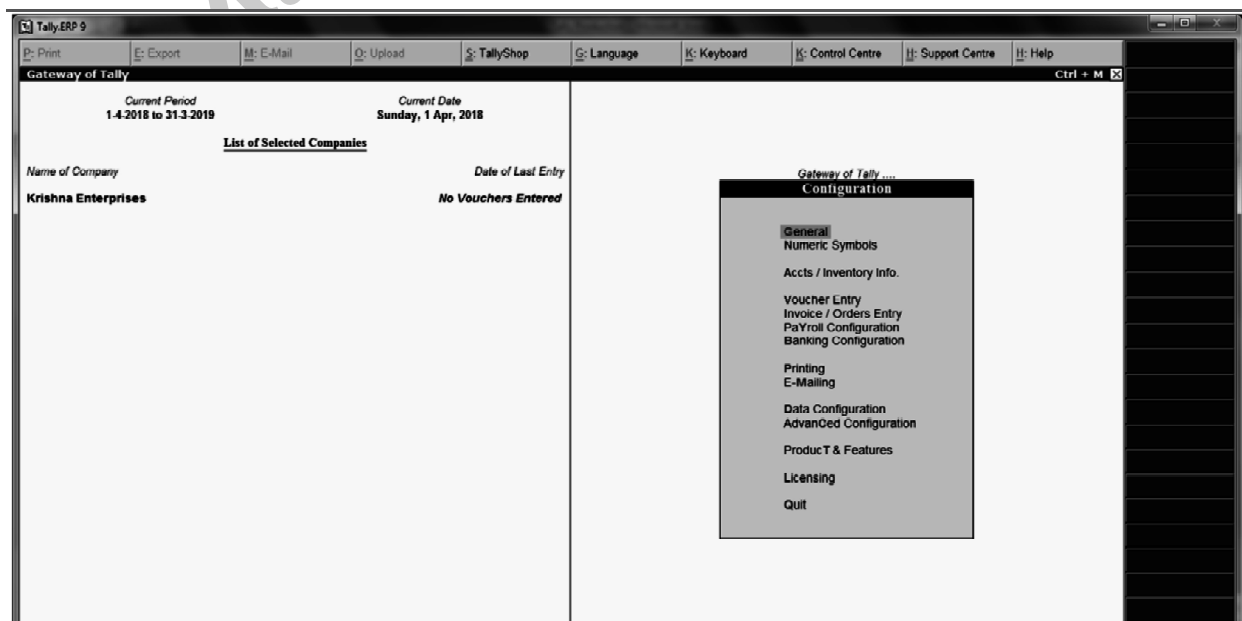


F12: Configuration

Under these options of tally we can modify the features as they work. this option can be accessed by pressing F12. Options under this menu when are enabled or modified will have an effect on all the companies in the data directory.

In Tally F12 : Confugaration are applicable to all the companies. These options are provided for accounting, inventory and printing options and are user desirable as per the business requirements.

At gate way of tally → f12



1.8 CHART OF ACCOUNTS

Q17. Explain the concept of chart of accounts.

Ans :

A chart of accounts is a list that a business uses to record its transactions in its books of accounts. Tally automatically displays chart of accounts based on ledgers and groups that are created by the company.

Chart of accounts basically involves the following options

Groups

Ledgers

Cost centers

Cost categories

Voucher types

} only when enabled (from F11) can be seen

1.9 LEDGER

Q18. How do you create a ledger in Tally ERP 9 ?

Ans :

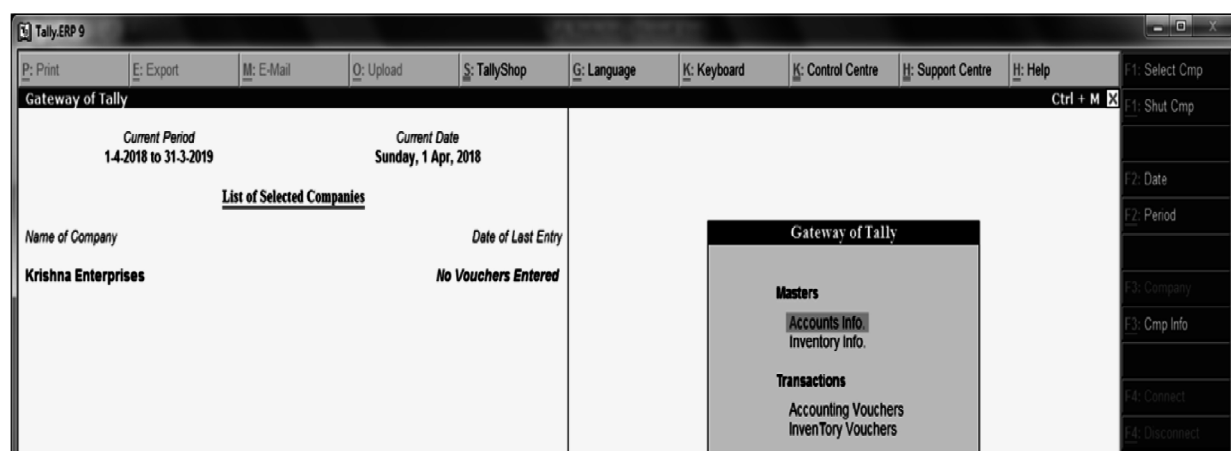
(July -19, Dec.-18, Imp.)

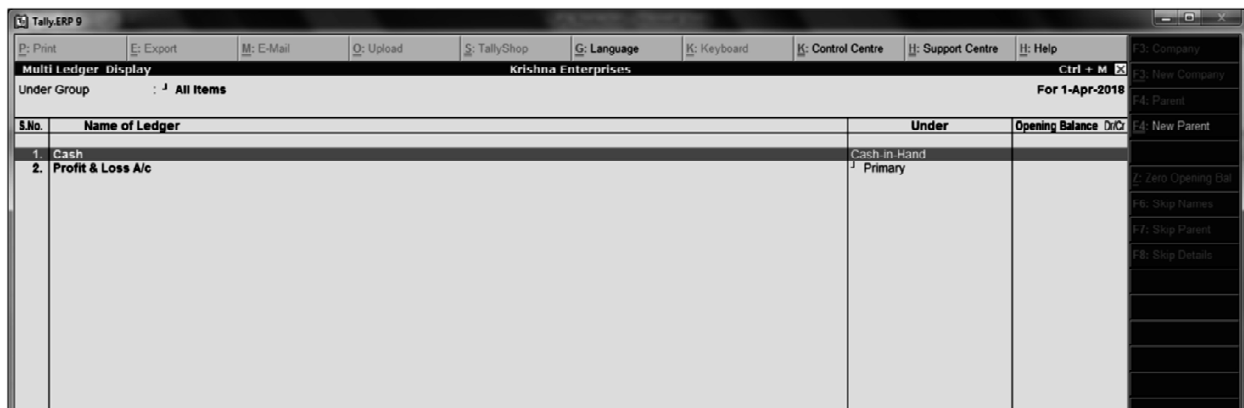
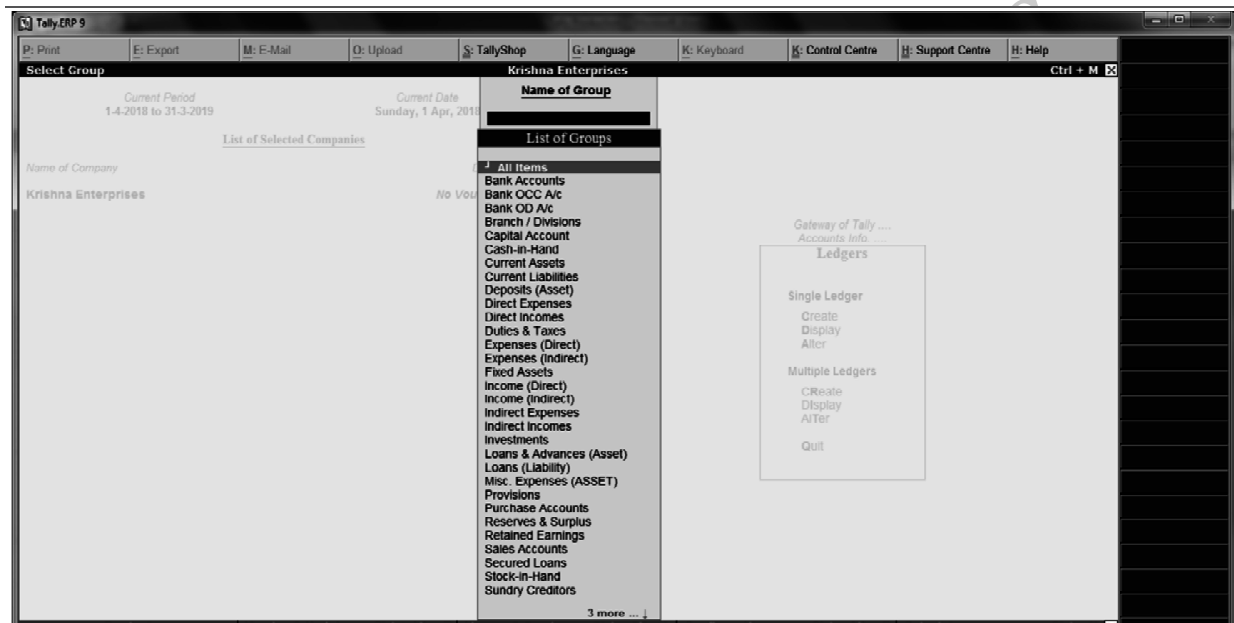
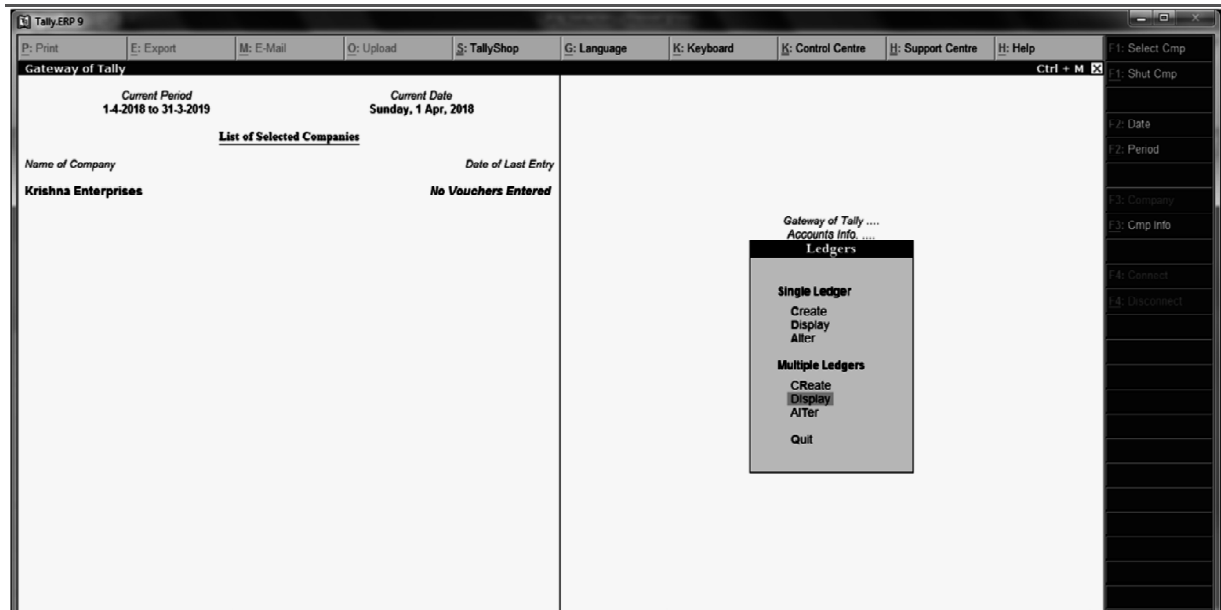
A ledger can be termed as account head using which we can pass all the entries.

When a new company is created in Tally there are 2 pre-defined ledgers.

- ▶ Cash under cash in hand account
- ▶ Profit and loss account under primary

To view the pre-defined ledgers in tally go to gaet way of tally → accounts info → ledgers → multiple ledgers → display.





Q19. Explain the steps involved in displaying and altering of ledger.

Ans :

(July-19)

Displaying Individual Ledger

By choosing display from the menu options, the user can display any ledger account on screen. The user is having a choice of displaying any ledger account from the list shown on the screen. In this only accounts are displayed, making alterations is not possible.

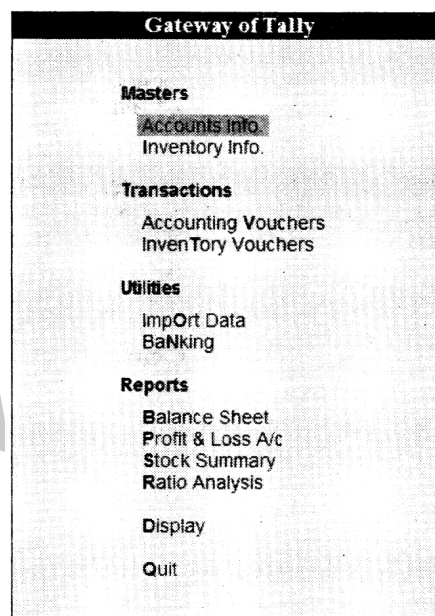
Steps to Display Ledger

The following steps are followed by the user to display ledger.

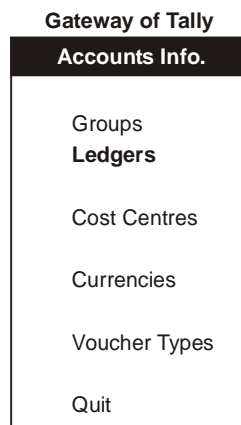
Step 1: Double click on Tally. ERP 9.

Step 2: Select company and gateway of Tally menu will be displayed.

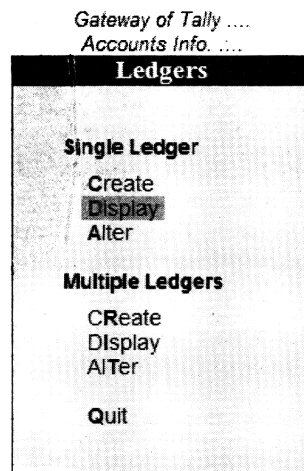
Step 3: Choose accounts info option.



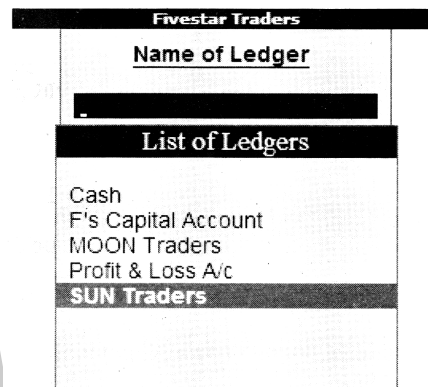
Step 4 : Choose ledger from accounts info menu.



Step 5: Choose display in single ledger.



Step 6: List of ledger accounts created will be displayed on screen



Step 7: Select one ledger after another to display a specific ledger accounts.

English Name		Total Opening Balance	
SUN Traders		17,00,000.00 Cr	
		Difference	
		17,00,000.00 Cr	

Notes		Mailing Details	
Under	Sundry Creditors (Current Liabilities)	Name	SUN Traders
Currency of ledger	₹	Address	
Maintain balances bill-by-bill	? Yes	Country	None
Default credit period		Contact person	
Check for credit days during voucher entry?	No	Phone no.	
Inventory values are affected	? No	Mobile no.	
Cost centres are applicable	? No	Fax no.	
Activate interest calculation	? No	E-mail	
		CC to (if any)	
		Website	
		Provide bank details	No
		Tax Registration Details	
		PAN/T No.	

Opening Balance (on 1-Apr-2018) :	
	5,00,000.00 Cr

Alteration of Ledger

By choosing option of alter from the menu, the user can display any ledger account on the screen. The user is also having an option of selecting any particular ledger account from the list shown on the screen. The user is provided with the format of account to make any changes in information. The user can change name of any existed group but the features of that remain constant.

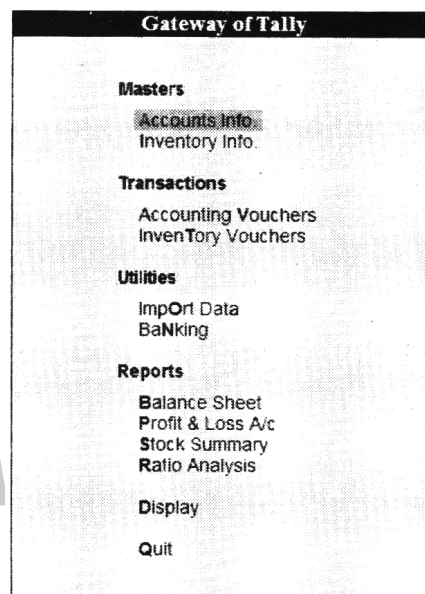
Steps to Alter Ledger

The steps involved in altering ledger are as follows,

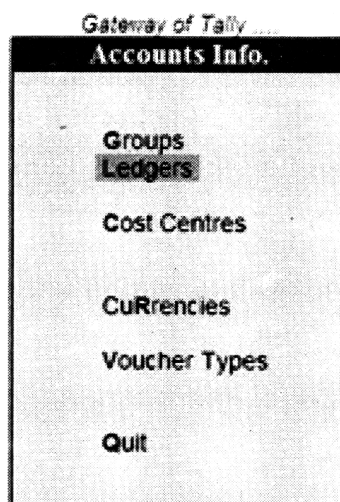
Step 1: Double click Tally. ERP 9.

Step 2: Select company and gateway of Tally menu is displayed.

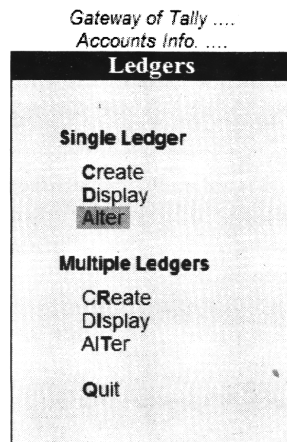
Step 3: Choose accounts info option.



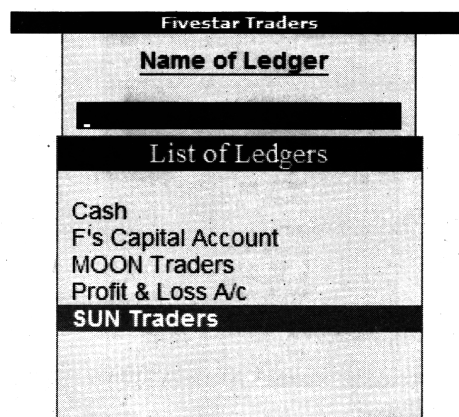
Step 4: Select ledger from accounts info menu.



Step 5: Choose alter in single ledger.



Step 6: List of ledger accounts created will be displayed on screen.



Step 7: A specific ledger account is selected for altering and modifying.

Fivestar Traders			
Name of Ledger			
List of Ledgers			
Cash			
F's Capital Account			
MOON Traders			
Profit & Loss A/c			
SUN Traders			

Fivestar Traders			
English Name		Total Opening Balance	
SUN Traders		17,00,000.00 Cr	
		Difference	
		17,00,000.00 Cr	

Notes		Mailing Details	
Under	Sundry Creditors (Current Liabilities)	Name	SUN Traders
Currency of ledger	₹	Address	
Maintain balances bill-by-bill	? Yes	Country	None
Default credit period		Contact person	
Check for credit days during voucher entry?	No	Phone no.	
Inventory values are affected	? No	Mobile no.	
Cost centres are applicable	? No	Fax no.	
Activate interest calculation	? No	E-mail	
		CC to (if any)	
		Website	
		Provide bank details	No
		Tax Registration Details	
		PAN/TIN No.	

Opening Balance (on 1-Apr-2018)	
	5,00,000.00 Cr

**1.10 GROUP CREATION - SINGLE/MULTIPLE GROUP CREATION,
ALTERING AND DISPLAYING OF GROUP**

Q20. How do you create a single group in normal mode and advance mode?

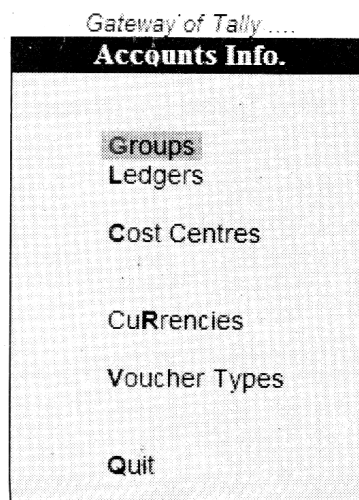
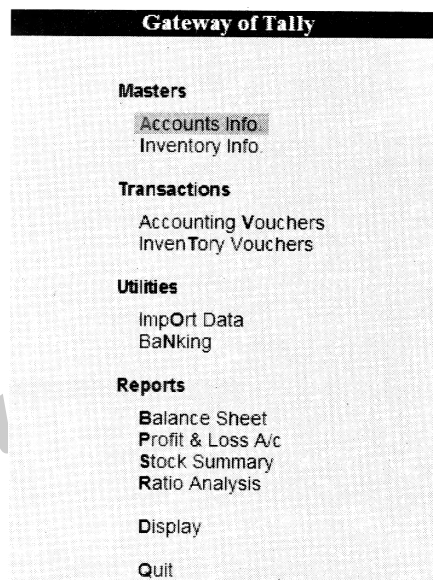
Ans :

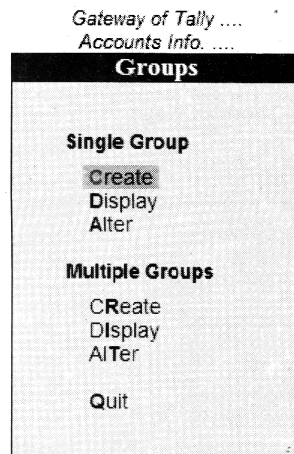
Creating a Single Group with Normal Mode

To create a single group following steps should be followed,

1. Double click on Tally icon and select a company.
2. From gateway of Tally select accounts info.
3. Click on groups select create under single group option.

The group creation screen is shown below,





Group Creation		Fivestar Traders
English Name :	Administrative Expenses	
(alias) :	Office Expenses	
Under :	Indirect Expenses	
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 ? Not Applicable		
		List of Allocation Methods
		Not Applicable
		Appropriate by Qty
		Appropriate by Value

Let us discuss each field displayed in the screen.

Name of Group

Name of the group should be entered to create group. For instance, "Administrative expenses" in the name field.

Alias

Alias name should be entered in order to get access to the group by using alias beside its name or else leave it blank. For instance, we can enter office expense for administrative or else enter alphanumeric code, say E001, as an alias.

Under

Specify under where the existing (parent) group the sub-classification is needed.

Note : If it is a new primary group, select primary (in rare case new primary group is required). Creation of new primary group is not permitted, advanced entries in masters is set to No. in F12: configure. Also, with the help of Alt + C we can create a new parent group.

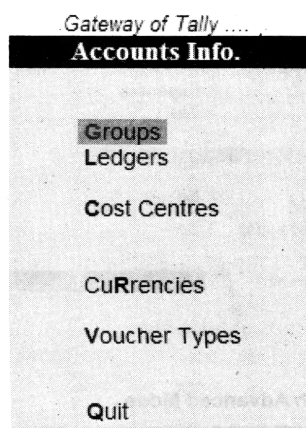
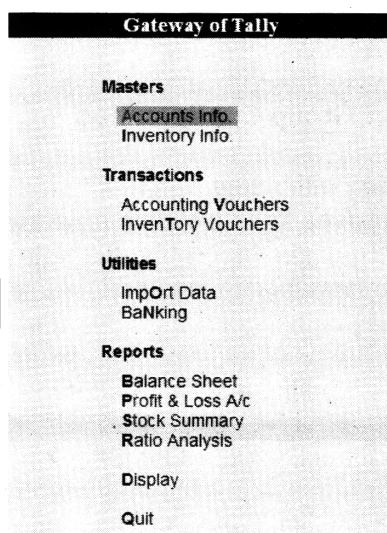
Flexibility of Creating Related Masters From the Screen in Normal Mode

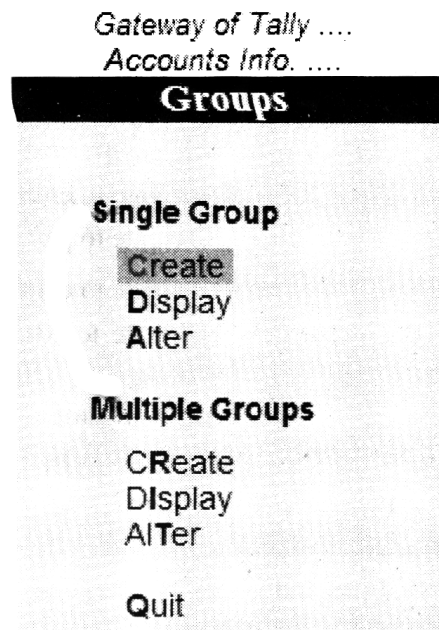
Buttons	Shortcut Keys	Behaviour
L: Ledgers	Ctrl + L	Navigate to ledger creation screen
V: Vch Types	Ctrl + V	Navigate to voucher creation screen

Creating a Single Group with Advanced Mode

To create single group with advanced mode,

1. Double click on Tally icon and select a company.
2. From gateway of Tally select accounts info.
3. Click on groups and select create under single group.
4. Select F12 configure (Group Configuration) and enable allow advanced information in masters under accounts masters.





<u>Group Configuration</u>	
Provide aliases along with name	? Yes
Provide language aliases for name	? No
Provide advanced information in masters	? Yes

Group Creation		Fivestar Traders
Name : Printing		
(alias) :		
Under : Primary		
Nature of Group	? Expenses	
Does it affect gross profits	? Yes	
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	? Not Applicable	
		List of Allocation Methods
		Not Applicable
		Appropriate by Qty
		Appropriate by Value

Buttons in Group Creation Screen with Advanced Mode

Buttons	Shortcut Keys	Behaviour
L: Ledgers	Ctrl + L	Navigate to ledger creation screen
S: Cst Cat	Ctrl + S	Navigate to cost category creation screen
C: Cst Ctr	Ctrl + C	Navigate to cost centre creation screen
O: Employee Groups	Ctrl + O	Navigate to employee group creation screen
E: Pay Head	Ctrl + E	Navigate to pay head creation screen
P: Employee	Ctrl + P	Navigate to employee creation screen
T: Attd Type	Ctrl + T	Navigate to Attendance/production type creationscreen
U: Units	Ctrl + U	Navigate unit creation screen
B: Budget	Ctrl + B	Navigate to Budget creation screen
V: Vch Types	Ctrl + V	Navigate to Voucher Type creation screen

Default buttons which are available are ledgers and vouchers types and apart from these all options are displayed depending on features selected in FI 1: FI: Accounting features.

Q21. Explain the advantages of Single and Multi-Ledger Creation.

Ans :

(Dec.-19)

Advantages of Single Ledger

Following are the advantages of Single ledger in tally :

- (i) Single ledger assists in creating, displaying, altering the ledger.
- (ii) It is the actual account head under which transactions of same category are recorded.
- (iii) While creating a ledger account the user have no limitations. He can create cash accounts as many as he requires.

Advantages of Multiple Ledger

Following are the advantages of Multiple ledger in tally :

- (i) Multiple ledger also assists in creating, displaying, altering the ledger.
- (ii) The users can create multiple ledgers at a time in advance mode.
- (iii) The creation of multiple ledgers helps the user in saving time.

1.11 GROUP CREATION

Q22. How do you create a single group creation ?

Ans :

(Dec.-20)

Group

A group is a unique head which contains ledgers under it.

By default, Tally.ERP 9 provides a list of Groups called pre-defined groups. The user can create any number of Primary Groups and Sub Groups which are again grouped under a Primary Group/Sub Group.

There are 28 pre-defined Groups in Tally. out of which 15 are Primary Groups and 13 are Secondary-Groups.

Out of the 15 Primary Groups, 9 Primary Groups appear in the Balance Sheet which are Capital in nature and 6 Primary Groups appear under Profit & Loss Account which are Revenue in nature.

Groups appearing in profit and loss account are as follows:

1. Sales account
2. Purchases account
3. Direct expenses or expenses (direct)
4. Direct incomes or incomes (direct)
5. Indirect expenses or expenses (indirect)
6. Indirect incomes or incomes (indirect)

Groups appearing in Balance Sheet are as follows:

1. Capital Account
2. Current Assets
3. Current Liabilities
4. Fixed Assets
5. Investments
6. Loans (Liability)
7. Misc. Expenses (ASSET)
8. Branch / Divisions
9. Suspense A/c

Secondary groups in tally are as follows.

1. Bank Accounts
2. Bank OD A/c

3. Cash-in-hand
4. Deposits (Asset)
5. Duties & Taxes
6. Loans & Advances (Asset)
7. Provisions
8. Reserves & surplus
9. Secured Loans
10. Stock-in-hand
11. Sundry Creditors
12. Sundry Debtors
13. Unsecured Loans

Note

The Primary Group cannot be deleted, however, it can be renamed which is not suggested. A group if created under primary option can be nested under assets or expenses or incomes or liability.

In tally groups can be created in two ways :

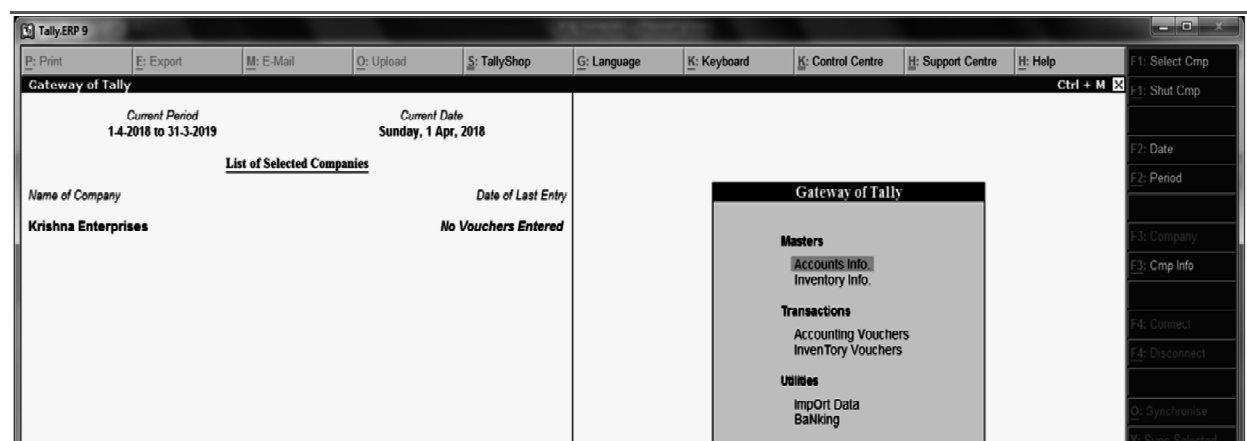
- Single group creation
- Multiple group creation

Under single or multiple we have create display and alter

- Create: to create
- Display: to view only
- Alter: to make changes

Single group creation: under this method only a single group can be created at a point of time

Go to gate way of tally → accounts info → groups → single group → create



Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Gateway of Tally Ctrl + M X

Current Period
1.4.2018 to 31.3.2019

Current Date
Sunday, 1 Apr, 2018

List of Selected Companies

Name of Company
Krishna Enterprises

Date of Last Entry
No Vouchers Entered

Gateway of Tally
Accounts Info.

Groups
Ledgers

Voucher Types

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre

Gateway of Tally

Current Period
1.4.2018 to 31.3.2019

Current Date
Sunday, 1 Apr, 2018

List of Selected Companies

Name of Company
Krishna Enterprises

Date of Last Entry
No Vouchers Entered

Gateway of Tally
Accounts Info.
Groups

Single Group

Create
Display
Alter

Multiple Groups

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop

Group Creation

Name : **My Debtors**
(alias) :

Under : **Sundry Debtors**
(Current Assets)

Group behaves like a sub-ledger ? **No**

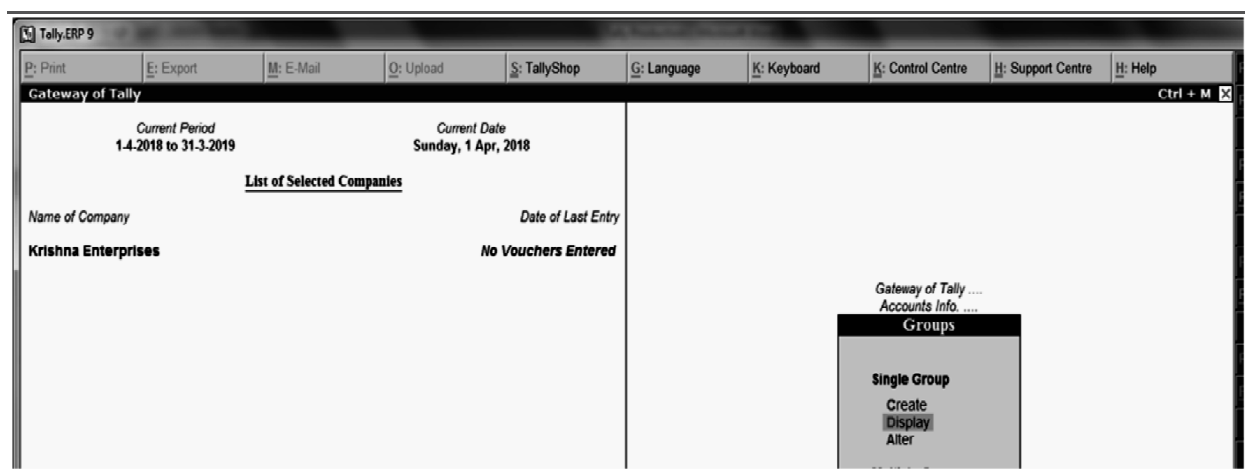
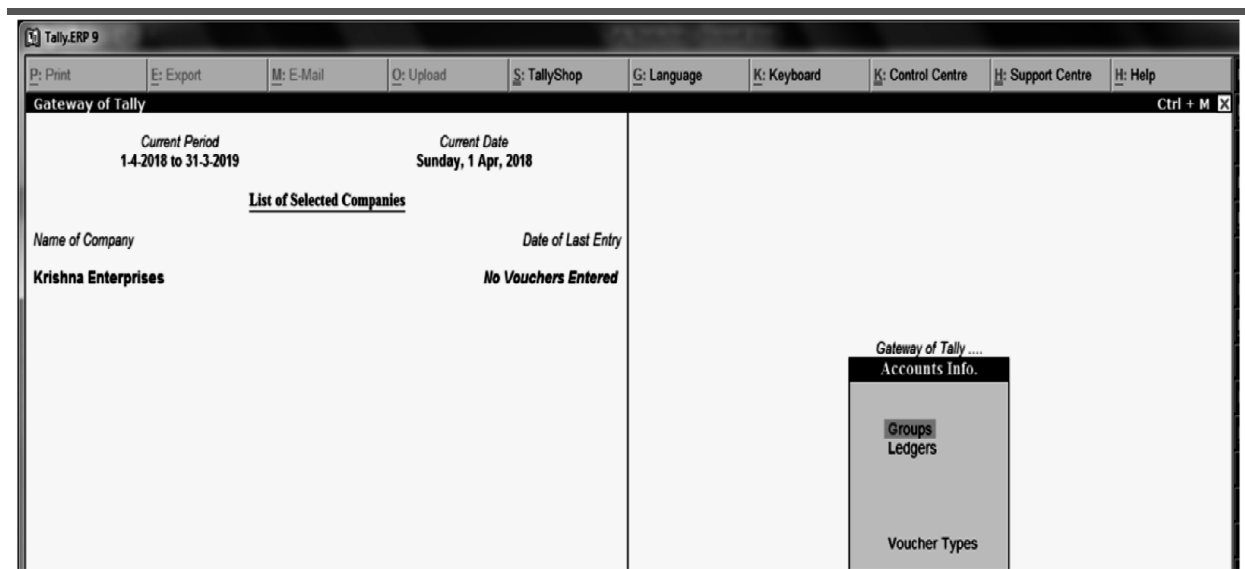
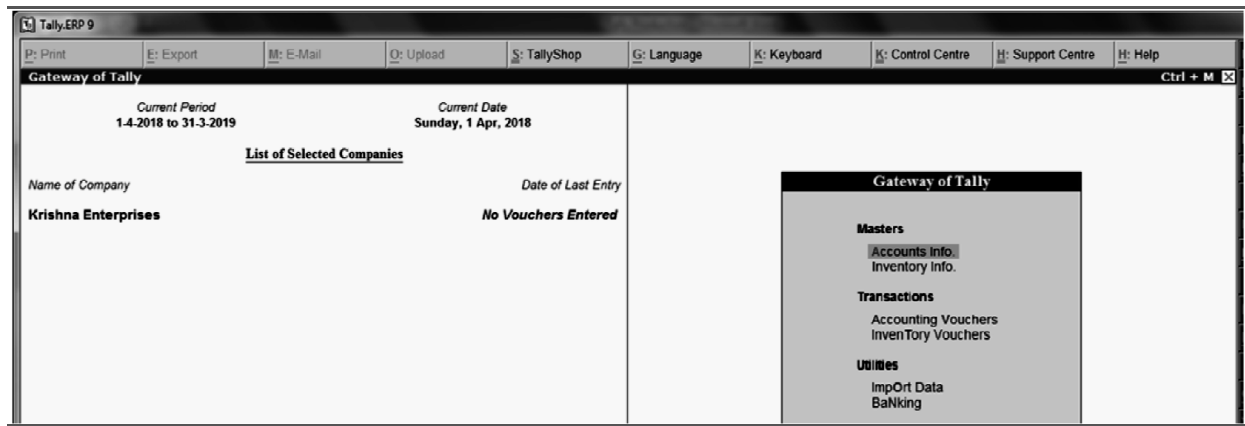
Nett Debit/Credit Balances for Reporting ? **No**

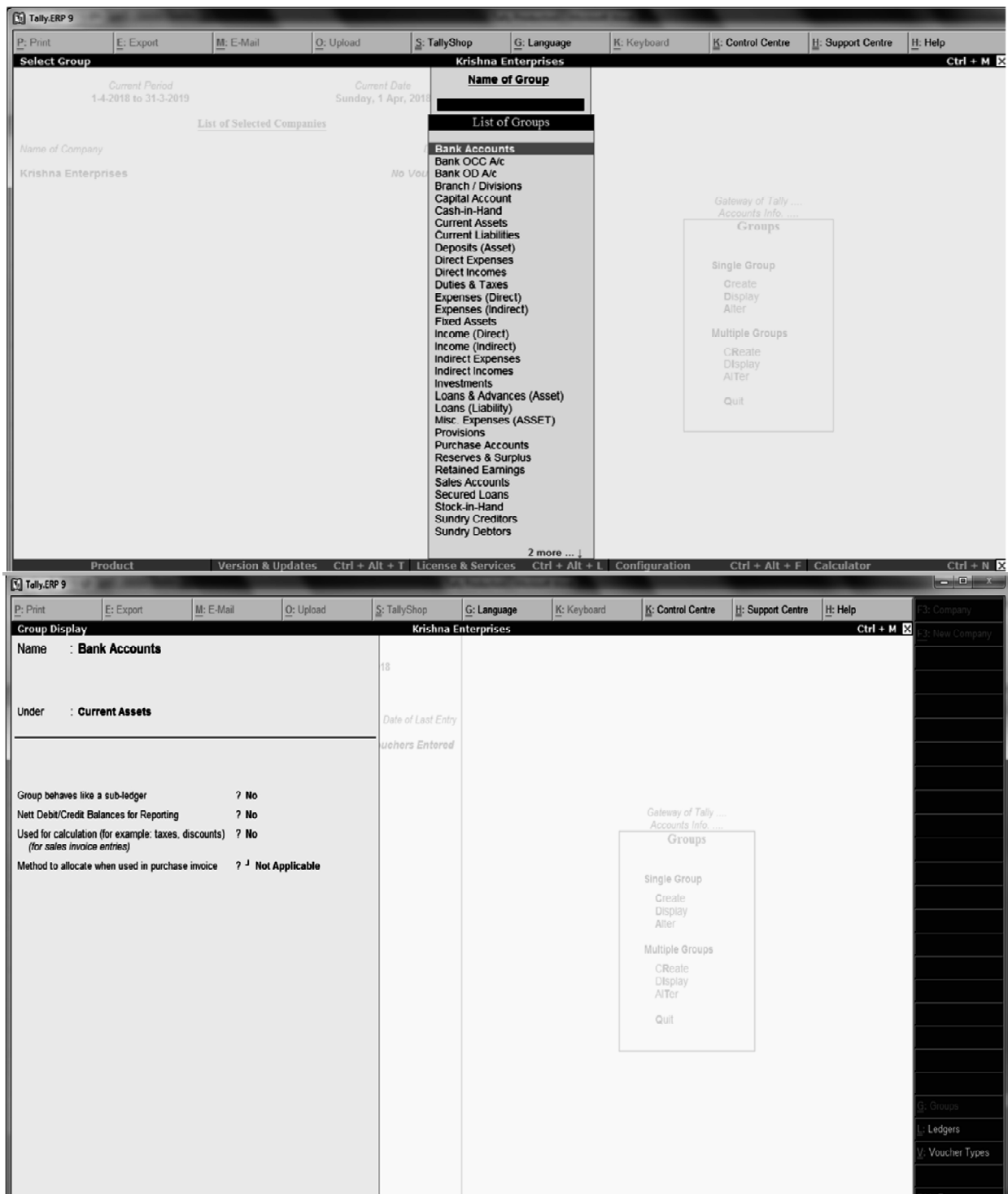
Used for calculation (for example: taxes, discounts) ? **No**
(for sales invoice entries)

Method to allocate when used in purchase invoice ? **Not Applicable**

Display single group: under this method only a single group can be displayed at a point of time.

Go to gate way of tally → accounts info → groups → single group → display





Alter a single group : we can make changes to the groups already present or to the groups which we have created but can be done one at a time.

Gate way of tally

→ a/c info → groups → single group → Alter

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Gateway of Tally Ctrl + M X

Current Period 1-4-2018 to 31-3-2019	Current Date Sunday, 1 Apr, 2018
---	-------------------------------------

List of Selected Companies

Name of Company Krishna Enterprises	Date of Last Entry No Vouchers Entered
---	--

Gateway of Tally
Accounts Info.

Groups
Ledgers

Voucher Types

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Gateway of Tally Ctrl + M X

Current Period 1-4-2018 to 31-3-2019	Current Date Sunday, 1 Apr, 2018
---	-------------------------------------

List of Selected Companies

Name of Company Krishna Enterprises	Date of Last Entry No Vouchers Entered
---	--

Gateway of Tally
Accounts Info.
Groups

Single Group

Create
Display
Alter

Multiple Groups

Create
Display
Alter

Quit

F1: Select Cmp
F1: Shut Cmp
F2: Date
F2: Period
F3: Company
F3: Cmp Info
F4: Connect
F4: Disconnect

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Group Alteration Ctrl + M X

Krishna Enterprises	
Name (alias) : Bank Accounts	10
Under : Current Assets	Date of Last Entry
Group behaves like a sub-ledger ? No	Vouchers Entered
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 ? 1 Not Applicable	

Gateway of Tally
Accounts Info.
Groups

Single Group

Create
Display
Alter

Multiple Groups

F3: Company
F3: New Company
F10: Edit Sort

Q23. How do you create multiple group creation ?

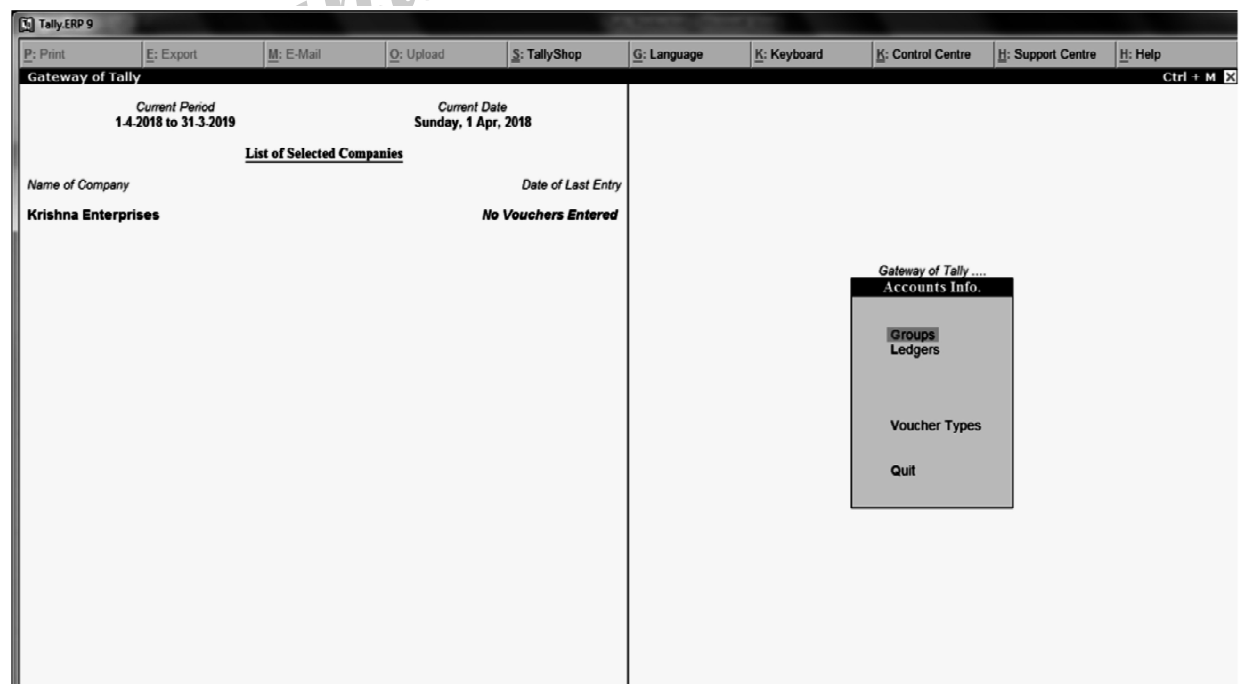
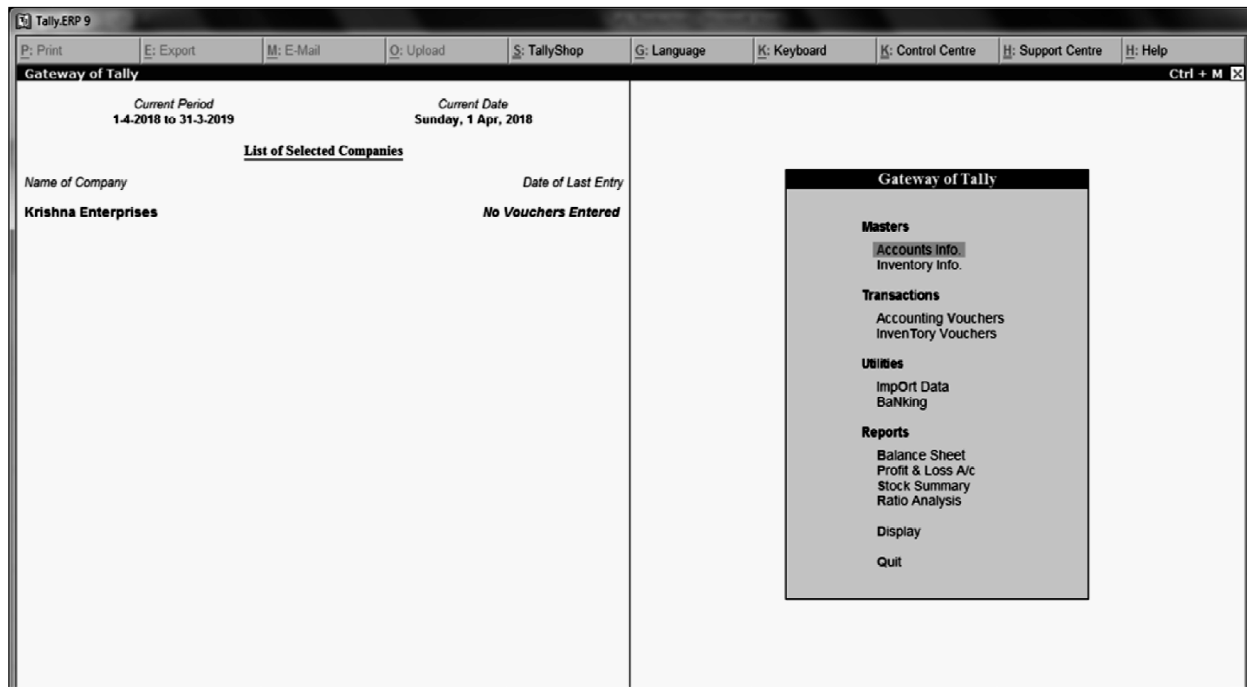
Ans :

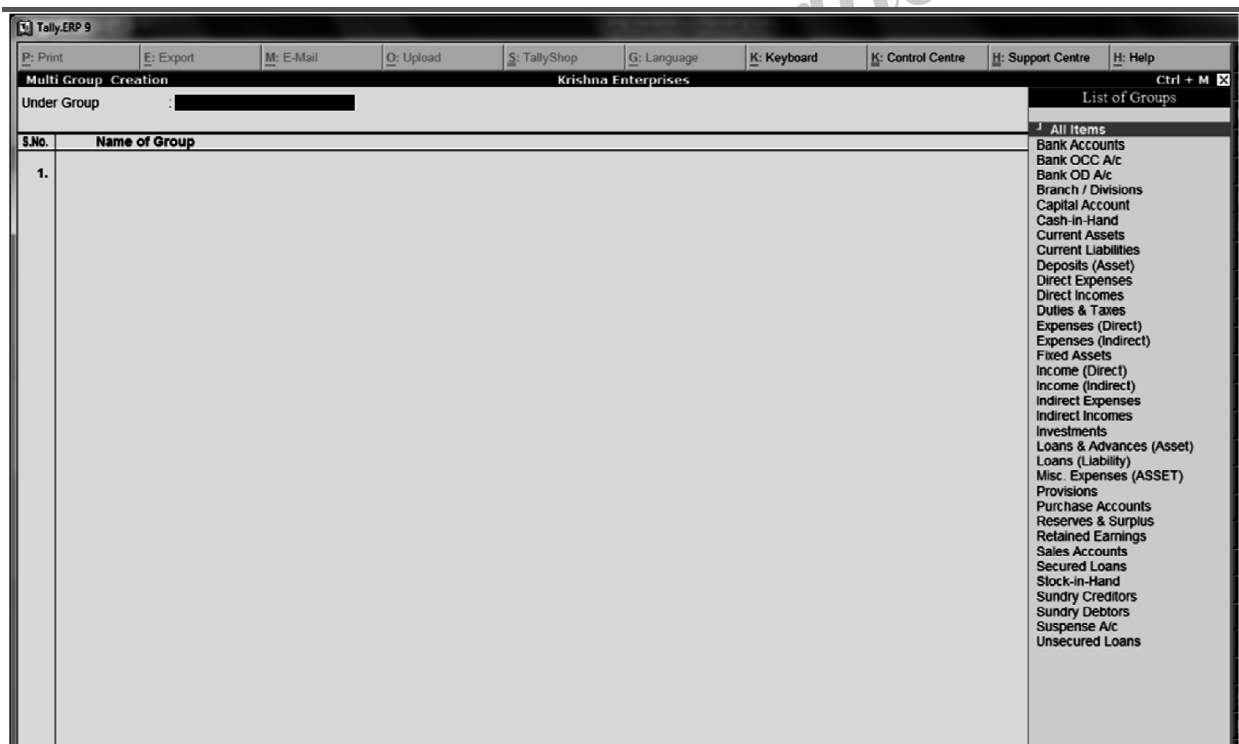
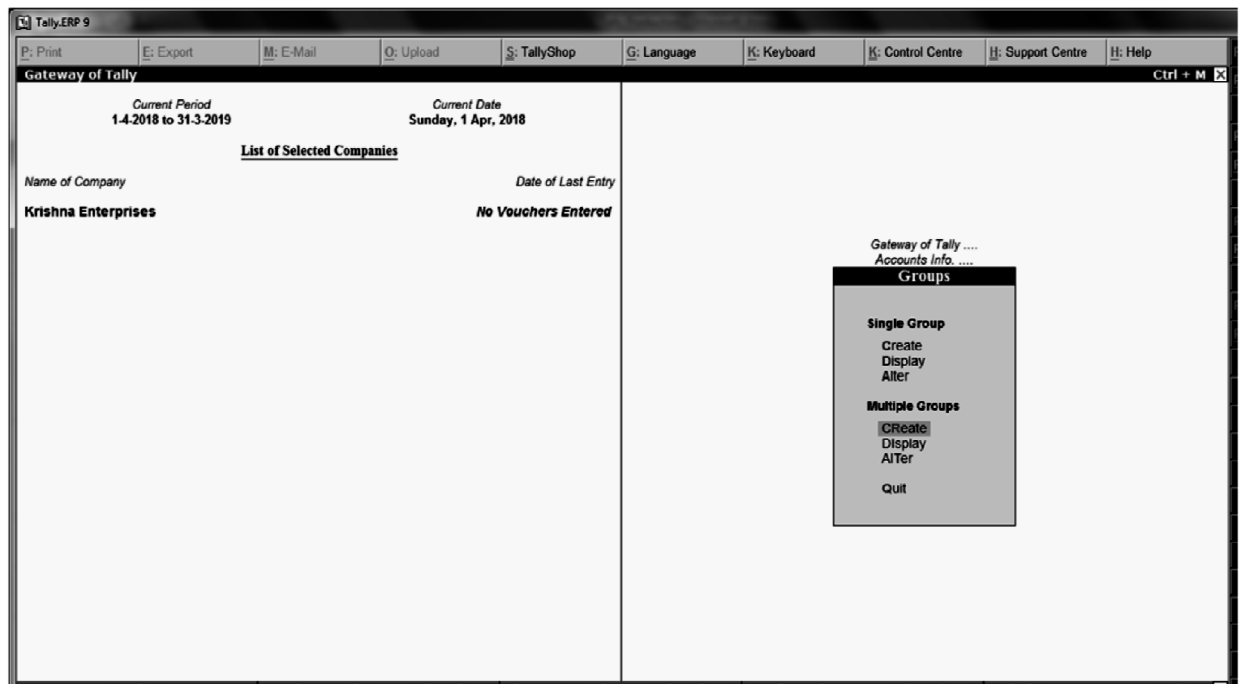
(Dec.-20)

Multiple Group Creation

Under this method multiple groups can be created at a point of time.

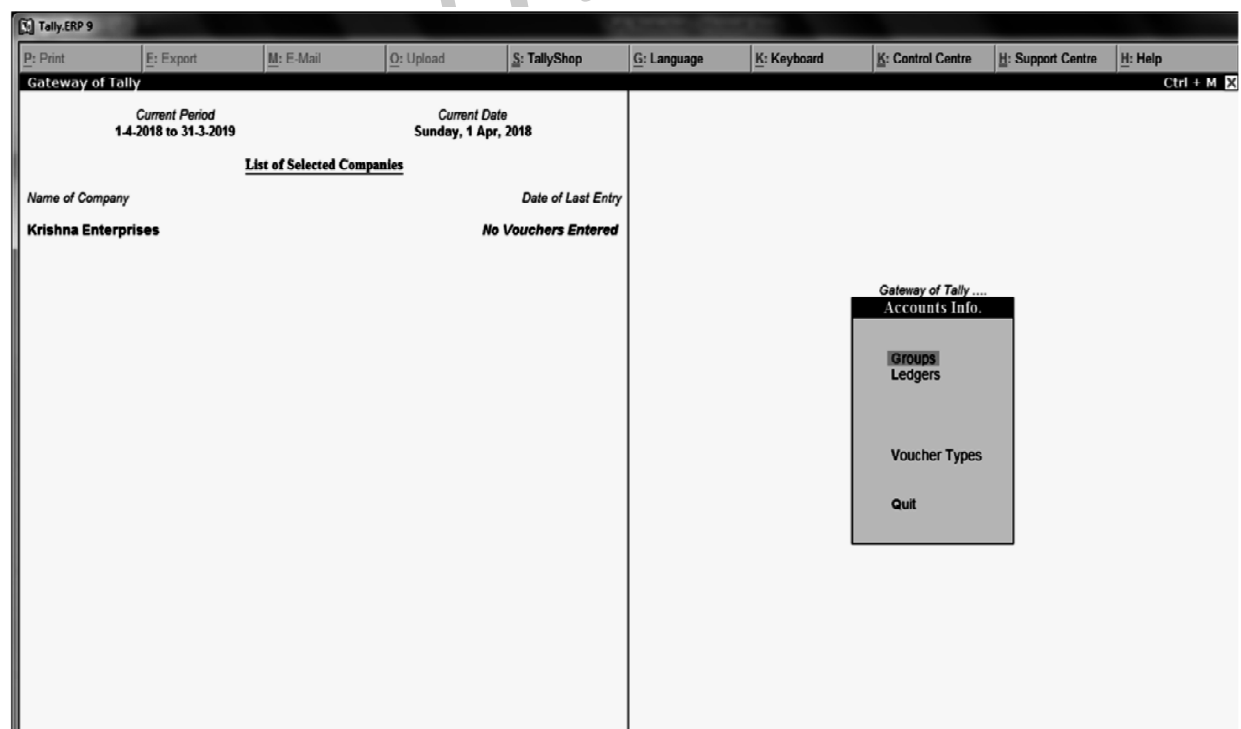
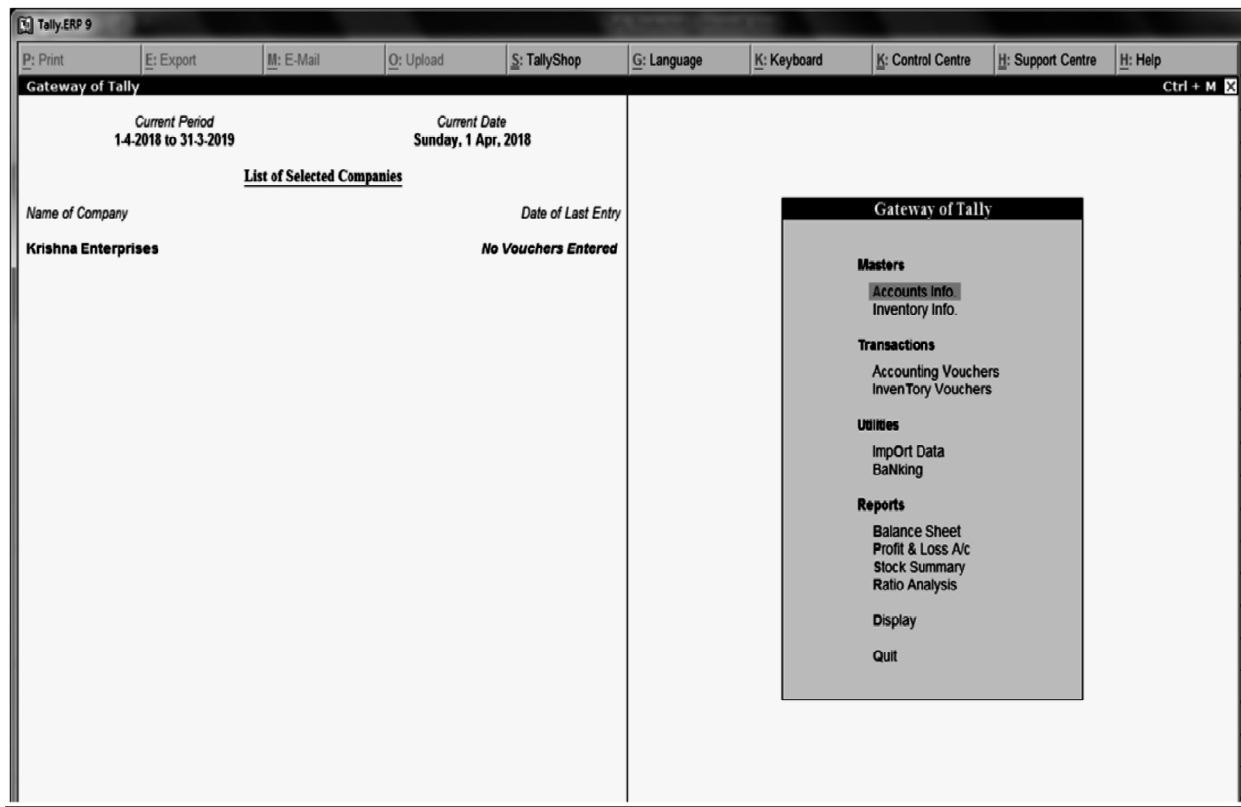
Go to gate way of tally→accounts info→groups→multiple group→create

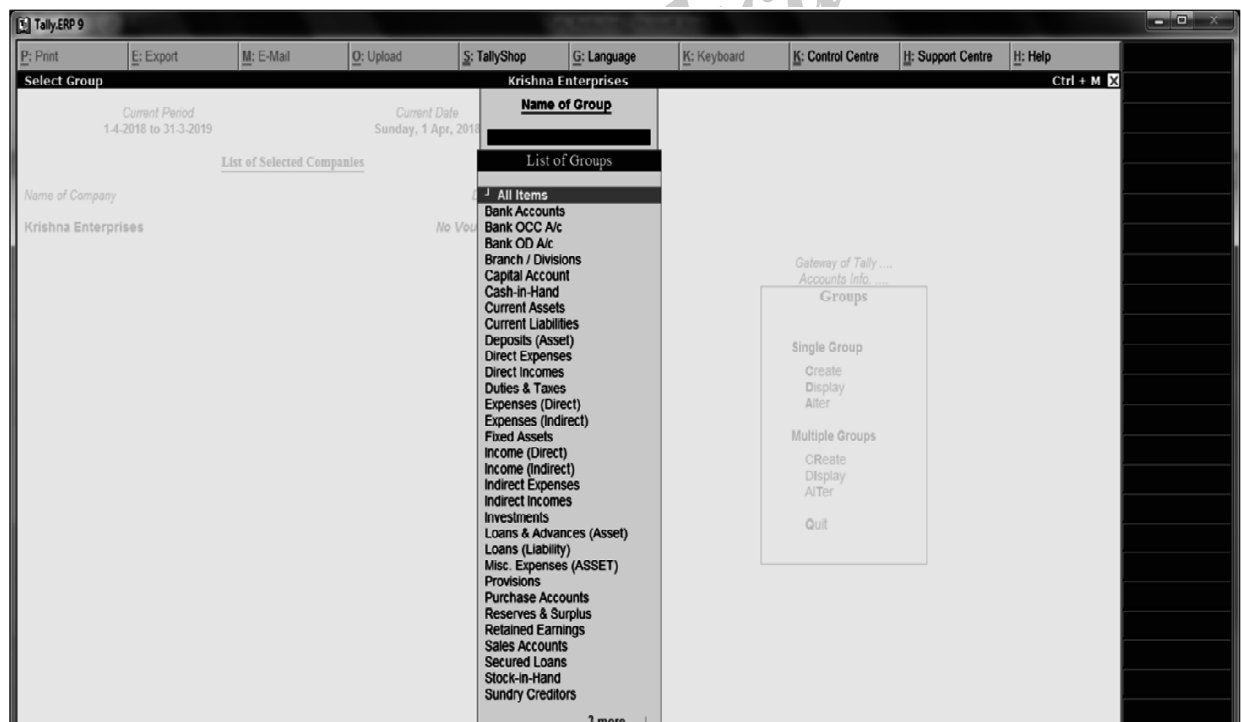
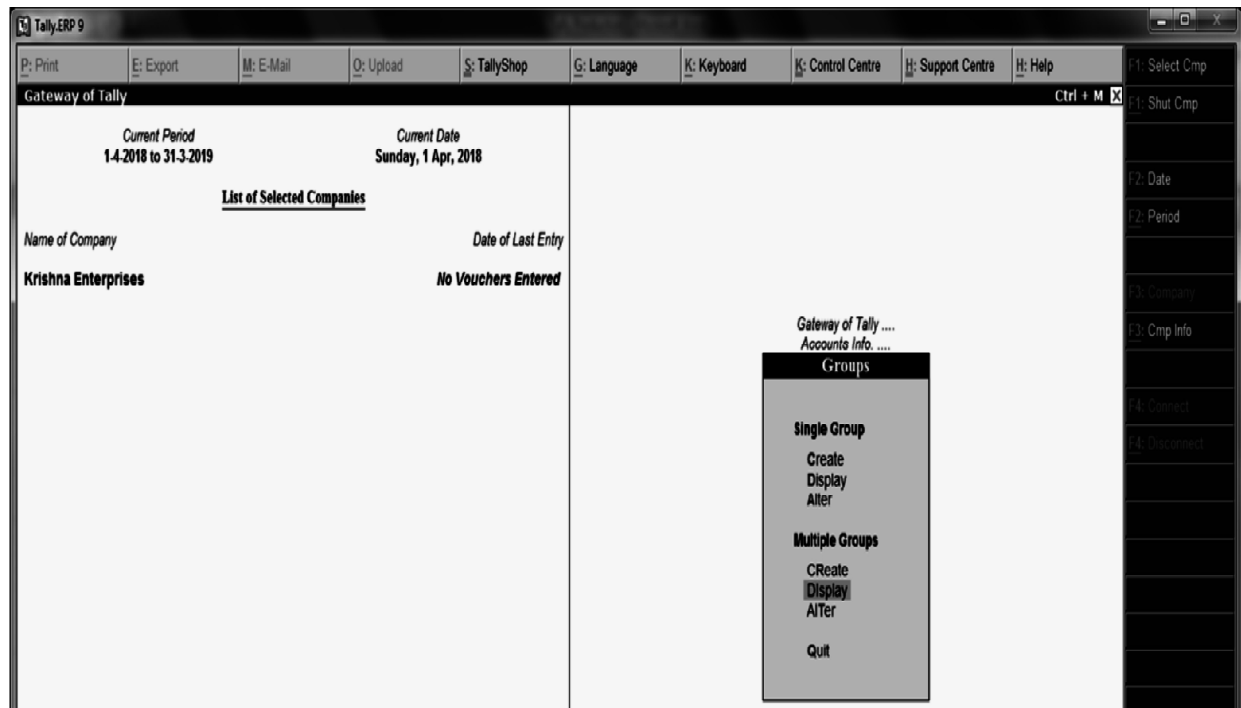




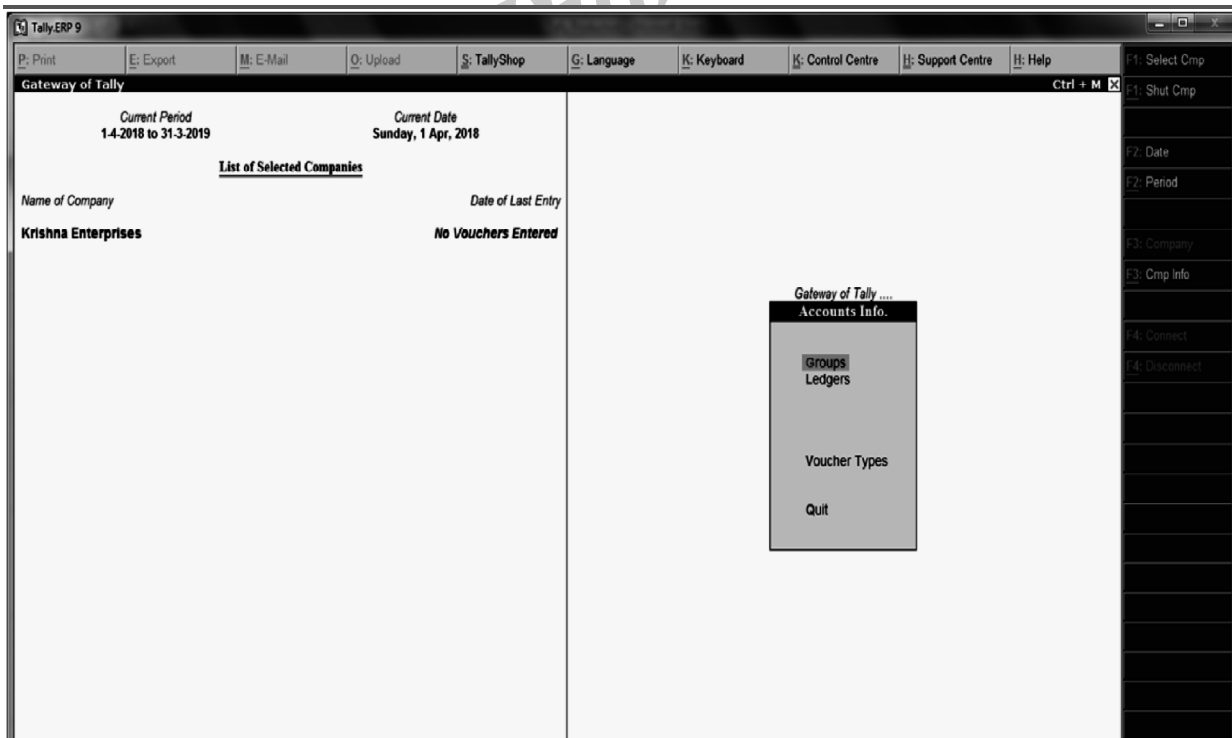
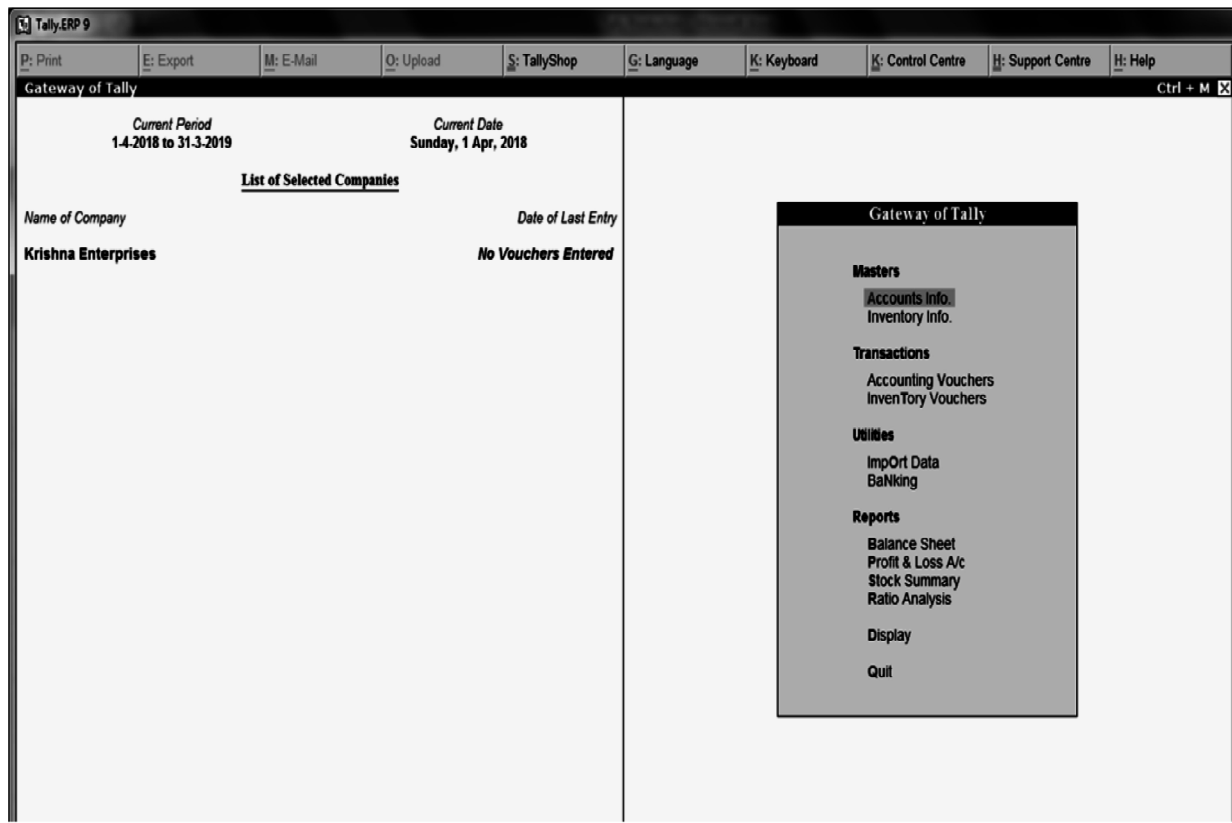
Multiple group display : Under this method all the groups created can be displayed at a time but we cannot make any changes.

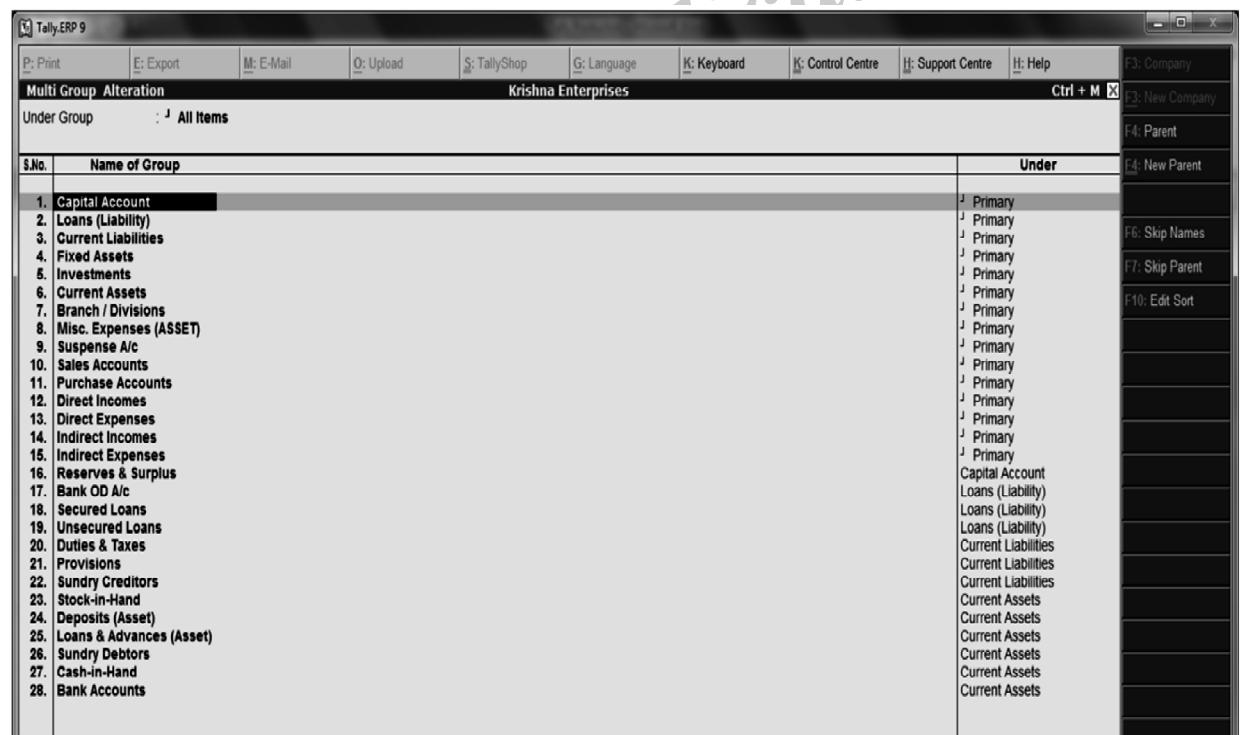
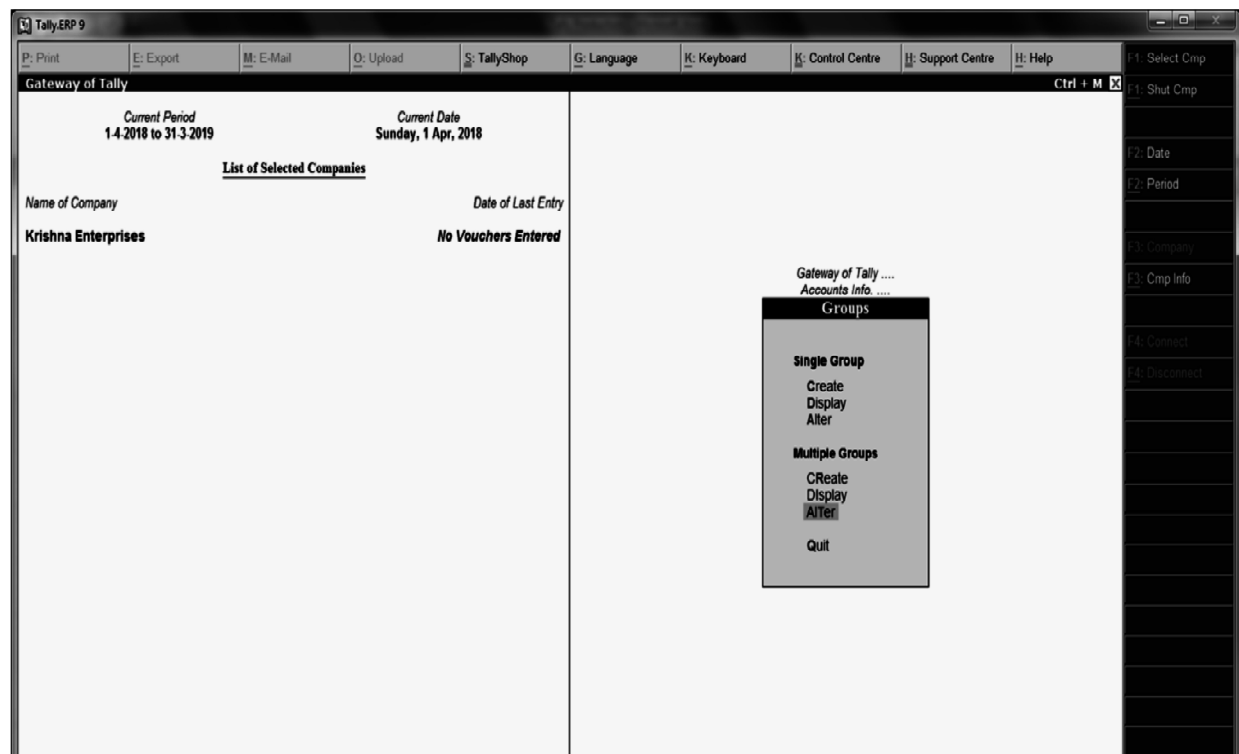
Go to gate way of tally → accounts info → groups → multiple group → display





Alter a multiple group: Under this method all the groups created as secondary can be altered at a time but we cannot make any changes to the pre defined groups or secondary groups which are already present in tally.

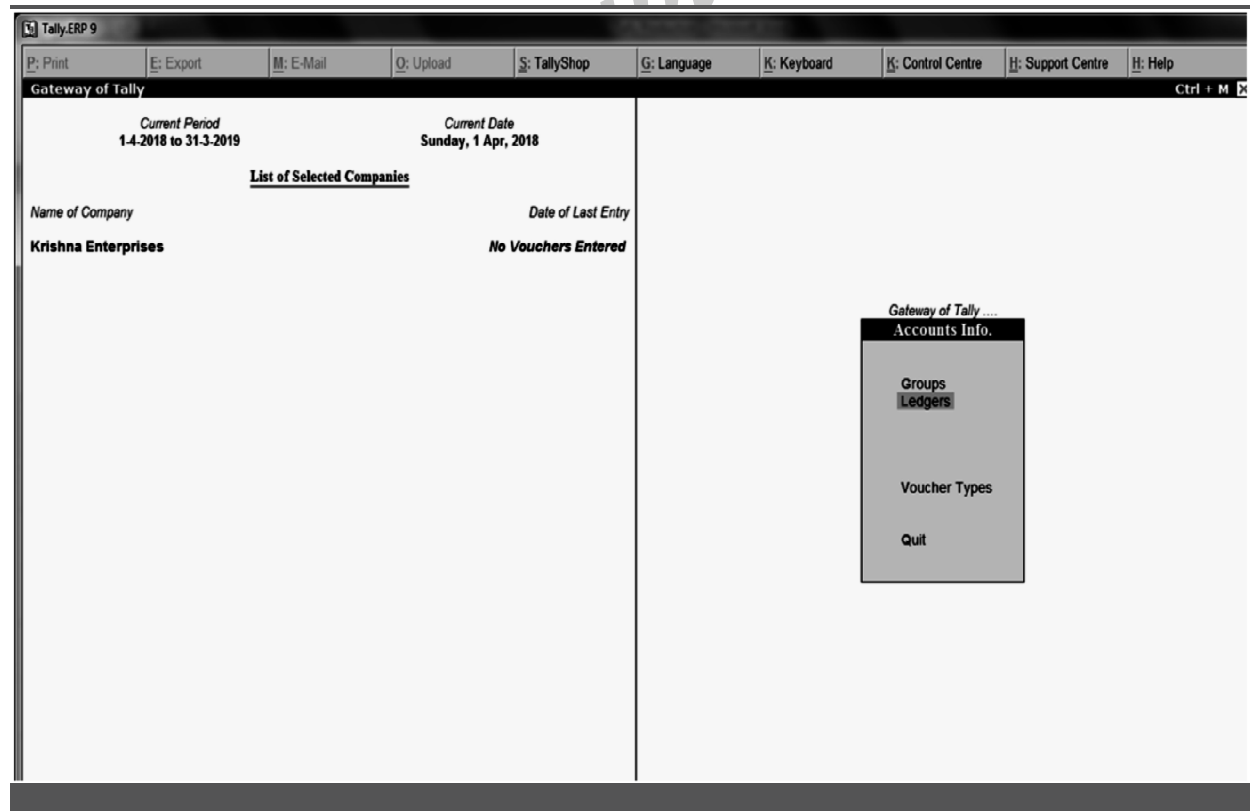
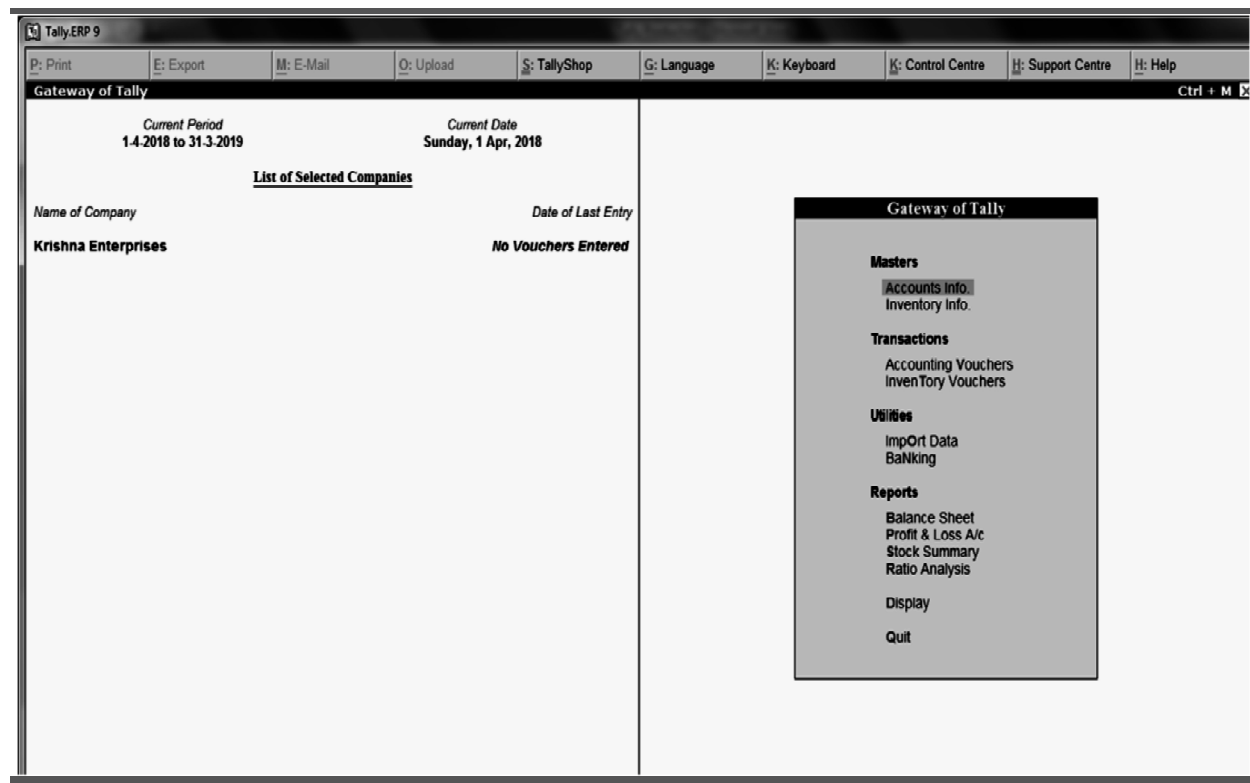


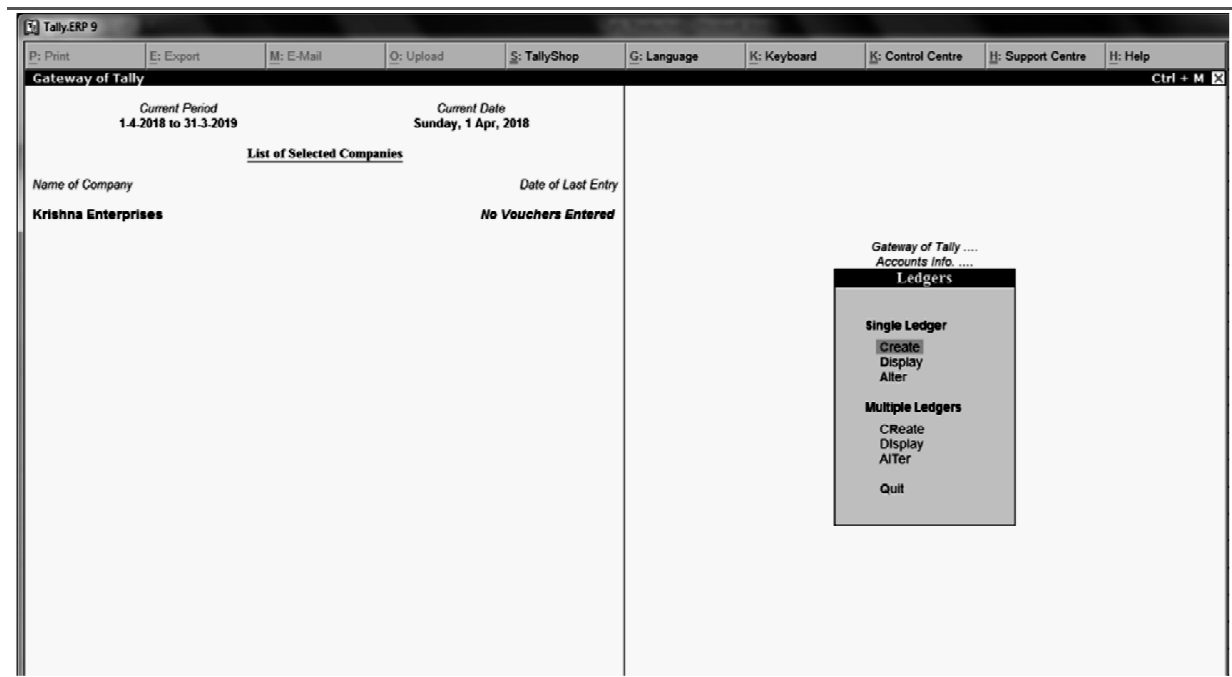


SINGLE LEDGER CREATION

In this method user can create only a single ledger at a time.

GATE WAY OF TALLY → A/C INFO → LEDGER → SINGLE → CREATE

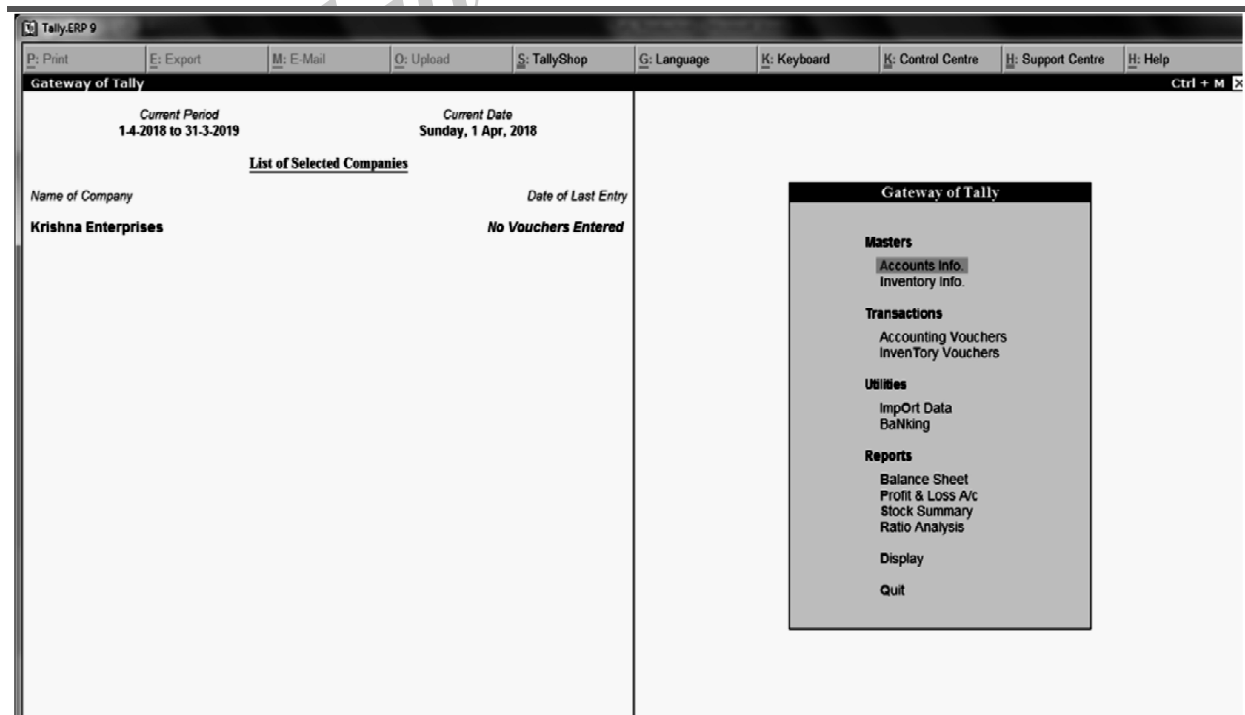


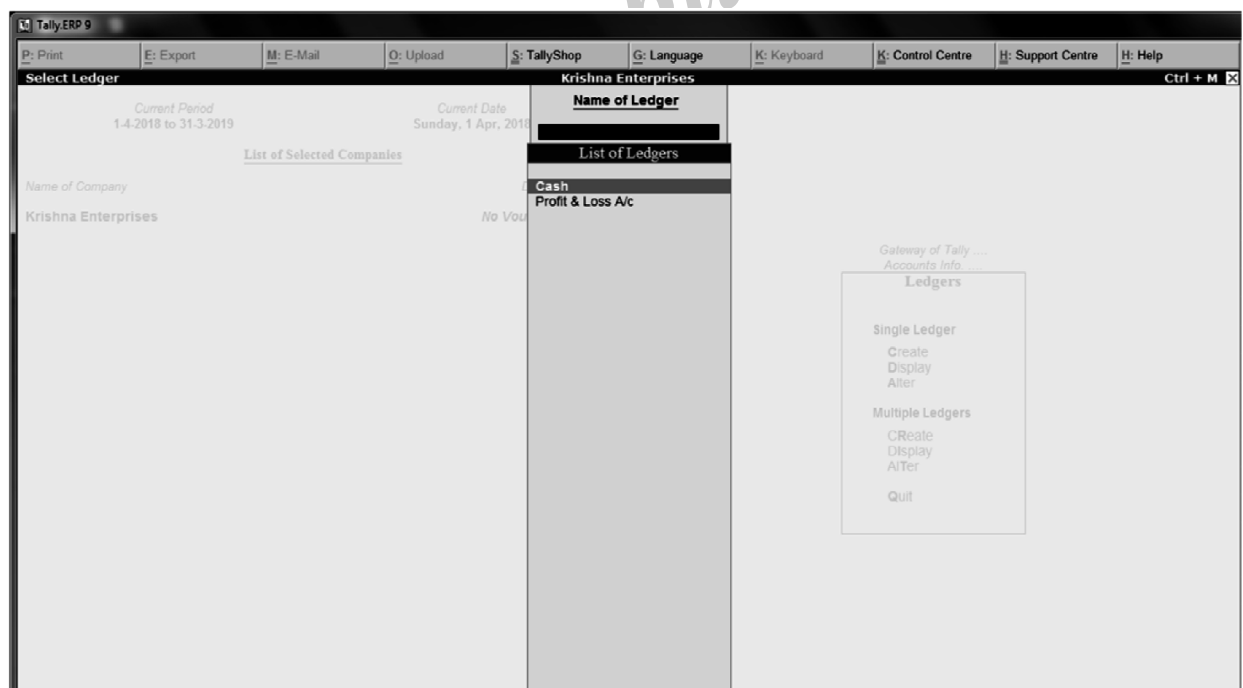
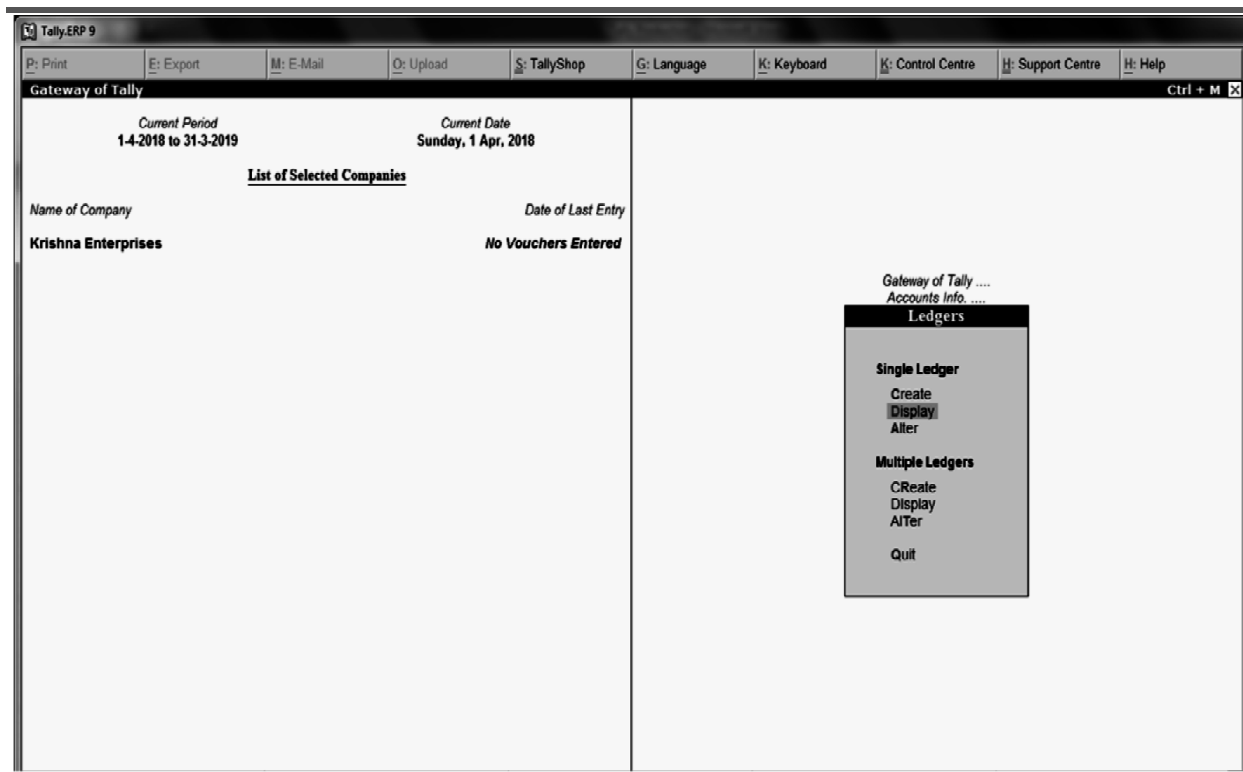


DISPLAY SINGLE LEDGER

GATE WAY OF TALLY → A/C INFO → LEDGER → SINGLE → DISPLAY

Similar to group we can display the ledgers already created but we cannot make any alterations.

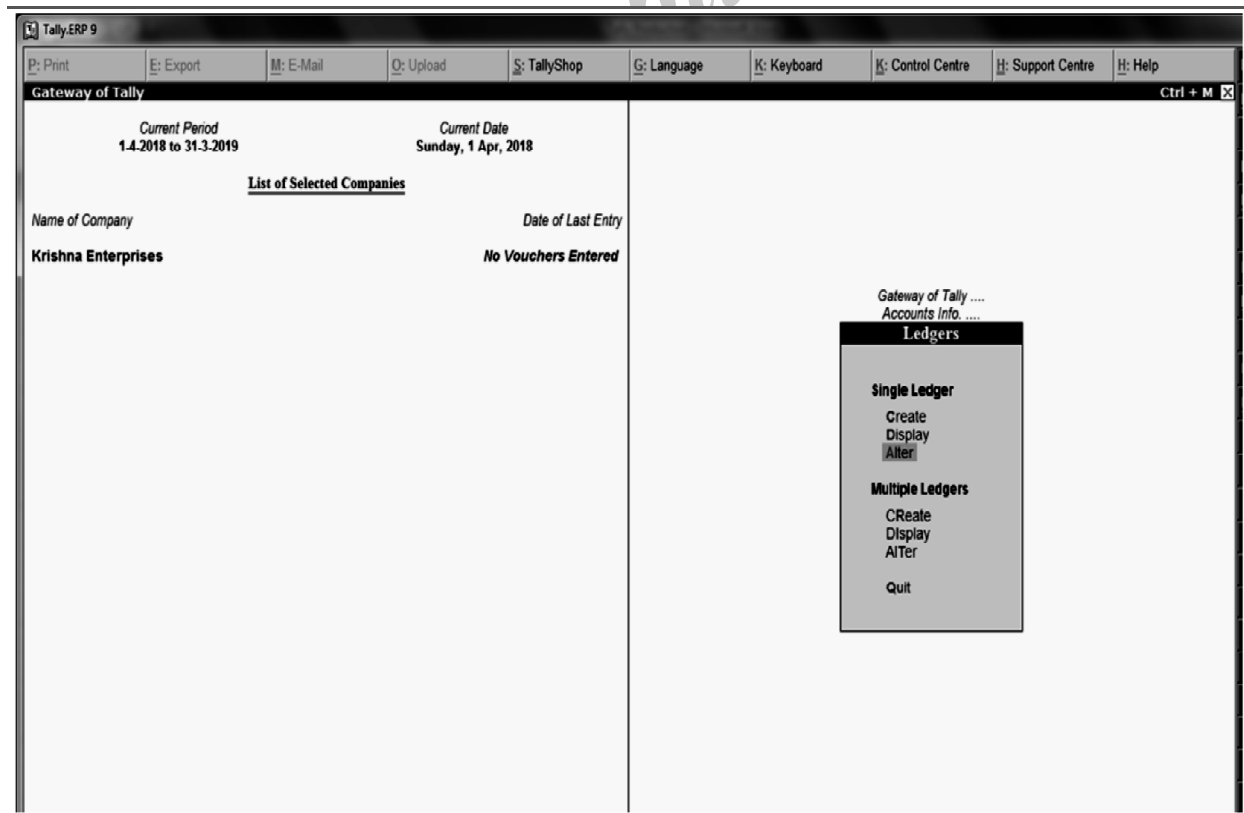
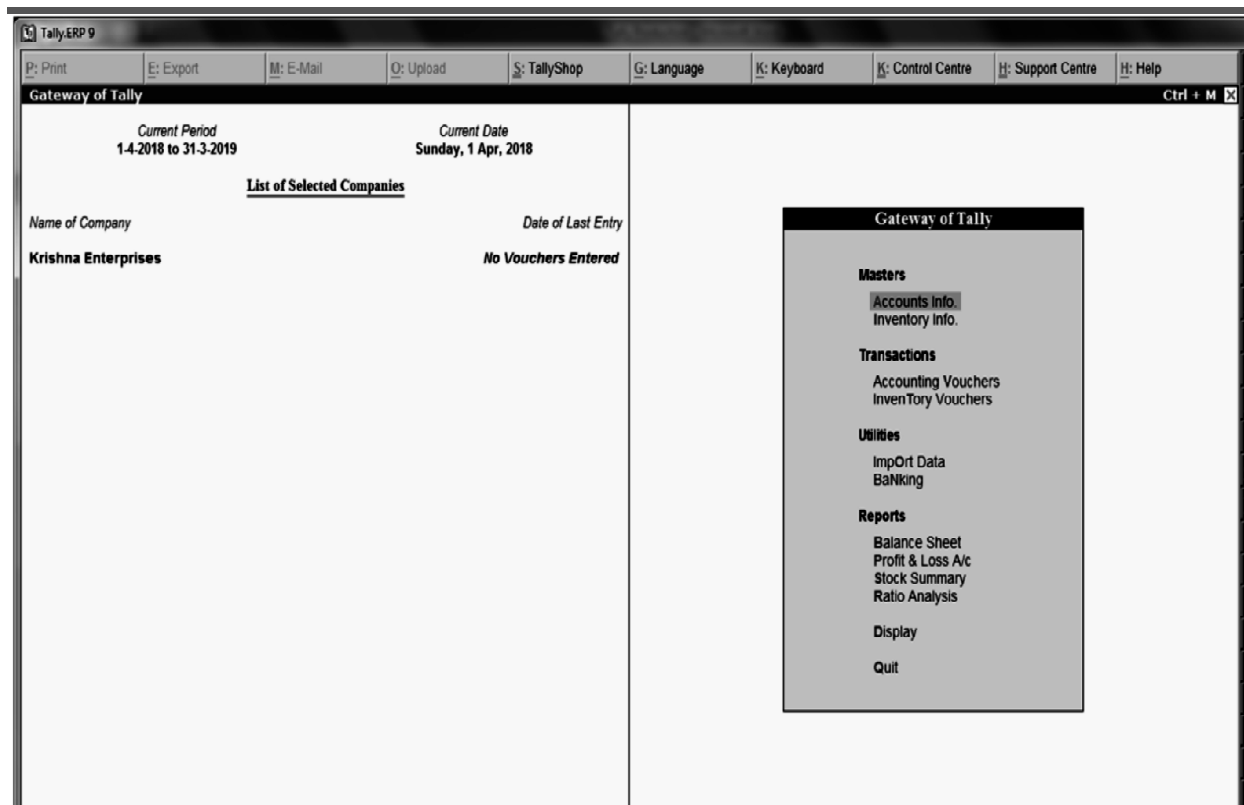




Alter a Single Ledger

GATE WAY OF TALLY → A/C INFO → LEDGER → SINGLE → ALTER

We can alter or modify the ledgers already created.



The screenshot shows the 'Ledger Alteration' window in Tally ERP 9. The window title is 'Krishna Enterprises'. The 'Name' field is set to 'Cash' and the '(alias)' field is empty. The 'Total Opening Balance' field is empty. The 'Under' field is set to 'Cash-in-Hand (Current Assets)'. The 'Mailing Details' section includes 'Name', 'Address', and 'Provide bank details' (set to 'No'). The 'Tax Registration Details' section includes 'PAN/T No.'. The 'Opening Balance' is shown as '(on 1-Apr-2018)'. A sidebar on the right shows a list of ledgers, with 'Cash' selected.

Q24. How do you create multiple ledger creation ?

Ans :

Multiple Ledger Creation :

GATE WAY OF TALLY → A/C INFO → LEDGER → MULTIPLE → CREATE

Under this method the user can create all the ledgers appearing under a similar group at once and save them at once. We can also select the all items option and see that different ledgers appearing under different groups can be created at once.

The screenshot shows the 'Multi Ledger Creation' window in Tally ERP 9. The window title is 'Krishna Enterprises'. The 'Under Group' field is set to 'Bank Accounts'. The 'List of Groups' sidebar on the right shows a list of groups, with 'Bank Accounts' selected. The main table has two columns: 'S.No.' and 'Name of Ledger'. The first row is numbered '1.' and is empty. The 'List of Groups' sidebar includes a 'J All Items' button and a list of groups: Bank Accounts, Bank OCC A/c, Bank OD A/c, Branch / Divisions, Capital Account, Cash-in-Hand, Current Assets, Current Liabilities, Deposits (Asset), Direct Expenses, Direct Incomes, Duties & Taxes, Expenses (Direct), 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, Stock-in-Hand, Sundry Creditors, Sundry Debtors, Suspense A/c, and Unsecured Loans.

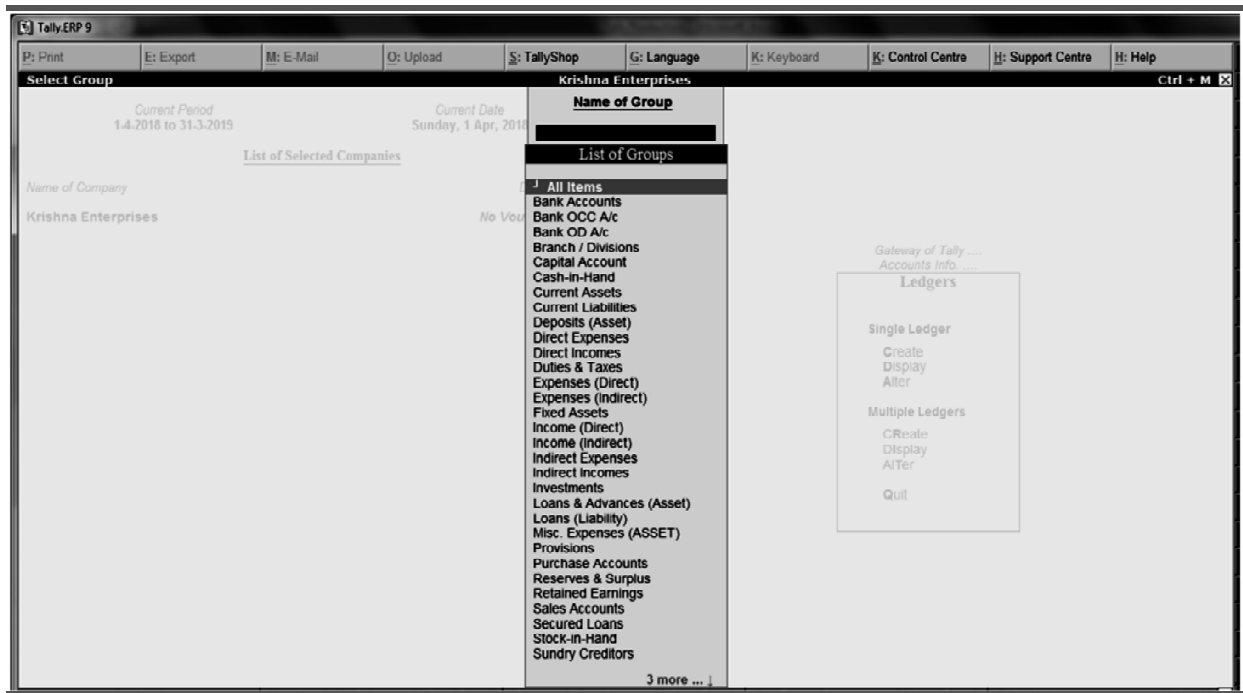
S.No.	Name of Ledger	Under	Opening Balance Dr/Cr
1.			

Display Multiple Ledger :

Under this method the user can only display all the ledgers created under a similar group at once . or by selecting the all items and see that different ledgers appearing under different groups can be displayed at once.

Alter Multiple Ledgers

Under this method the user can only display all the ledgers created under a similar group at once. or by selecting the all items and see that different ledgers appearing under different groups can be displayed at once.



Tally.ERP 9			
P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard Ctrl: Control Centre H: Support Centre H: Help			
Multi Ledger Display Krishna Enterprises Ctrl + M			
Under Group : All Items For 1-Apr-2018			
S.No.	Name of Ledger	Under	Opening Balance Dr/Cr
1.	Cash	Cash-in-Hand	
2.	Profit & Loss A/c	Primary	

S.No.	Name of Ledger	Under	Opening Balance Dr/Cr
1.	Cash	Cash-in-Hand	
2.	Profit & Loss A/c	Primary	

1.12 PROCURE TO PAY PROCESS

Q25. What do you mean by procure to pay ? Discuss the steps involved in P2P cycle.

Ans :

(Dec.-18, Imp.)

It can also be termed as order processing, order processing is of two types :

1. purchase order processing(p to p process)
2. sales order processing(o to c process)

Procure to pay (purchase to pay or P2P) is the process of obtaining and managing the raw materials needed for manufacturing a product or providing a service. It involves the transactional flow of data that is sent to a supplier as well as the data that surrounds the fulfillment of the actual order and payment for the product or service.

According to the Chartered Institute of Purchasing and Supply, procure to pay should be a seamless process from point of order to payment.

The Accounts Payable / Procure to Pay (P2P) overall process covers the complete cycle from Vendor Master Maintenance through procurement and Vendor InvoiceProcessing, the resulting Payment Processing to external vendors and the Period Closing Activities

The goal of a procure-to-pay is to automate processes by introducing controls. to enforce buying controls, to ensure compliance with pre-defined buying limits. A requisition that was within pre-defined limits would be routed for approval, converted into a purchase order once approved and immediately sent to the correct supplier by email.

A sophisticated procure to pay system is capable of extracting invoice and payment data from a general ledger, enterprise resource planning (ERP) or customer relationship management (CRM) systems while also accepting transaction data from banks, vendors, shipping and other outside sources and reconciling complex and multiple supplier statements to payments and goods received.

Steps Involved in P2P Cycle

The steps involved in P2P cycle are shown in the following figure,

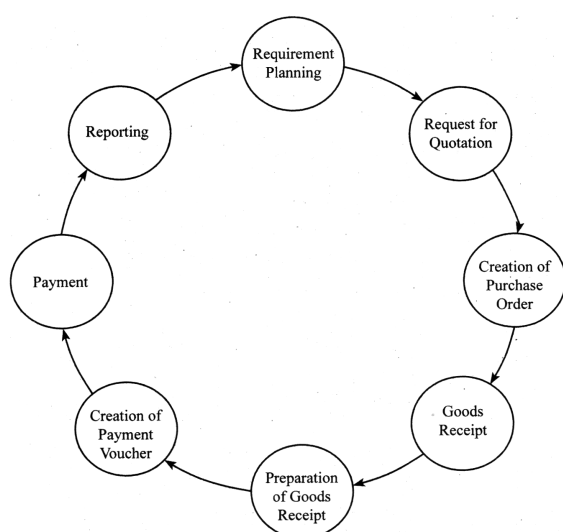


Figure: Procure to Pay Cycle (P2P)

1. Requirement Planning

The first and the foremost step in procure to pay cycle is requirement planning. In this step, planning is done relating to requirement of materials, time at which they are required and price which company can pay for it. After completion of this the company prepares the vendors list from whom they can purchase materials.

2. Request for Quotation

After completion of planning, the company demands quotation from each vendor which comprises of price, terms of delivery, quality of materials and any other information required for making their decision. This steps involves negotiation with the vendors for the best deal.

3. Creation of Purchase Order

After selecting the vendor, the buyers will create a purchase order which includes information regarding description of goods and services, authorized managers signatures, department account number, delivery instructions and quotation given by the authorized vendor.

4. Goods Receipt

A formal purchase order with instructions is being sent to the vendor to supply the goods as per the terms under which they should be supplied.

5. Preparation of Goods Receipt

After receiving the goods from the supplier, the purchase department prepares a goods receipt which is a significant document that can be used later verification of goods.

6. Creation of Payment Voucher

After the completion of verification of goods, the payment invoice is created and gets necessary approvals from the project managers.

7. Payment

After making payments to the vendor by the company completely, the cycle comes to an end.

Q26. Discuss the challenges of procure to pay and their business impact.

Ans :

Procure to Pay (P2P) is having a significant impact on business because it is spread over to various departments which includes production, accounting and purchase.

1. There is a requirement of authorizations from several managers because there exists several checks and balances.
2. Without the requirement of raw materials in the production unit, the orders can be placed.
3. Some companies are maintaining the records manually and involving in extensive paper work. So, they are facing risk of documentation errors and delays in processing.

4. If there is a delay in documentation travelling across various departments resulting in late payments may have bad impact on buyer-vendor relationship.
5. Confusion may be created in the firm due to lack of communication and unity among different divisions and employees working in same department.

The procure to pay is caused with the probability of risk and inefficiency which is having a negative influence on business in competitive market so various firms are now finding ways of smoothening the process of Procure to Pay (P2P).

The managers are permitted to maintain strict control over the system and save costs by reducing manpower and avoiding unnecessary and wasteful roles if key tasks in process of procure to pay are outsourced.

Q27. Write the difference between Manual Accounting and Computerised Accounting.

Ans :

(July-21, Imp.)

Basis for Comparison	Manual Accounting	Computerized Accounting
Meaning	Manual Accounting is a system of accounting that uses physical registers and account books, for keeping financial records.	Computerized Accounting is an accounting system that uses an accounting software, for recording financial transactions electronically.
Recording	Recording is possible through book of original entry.	Data content is recorded in customized database.
Calculation	All the calculation is performed manually.	Only data input is required, the calculations are performed by computer system.
Speed	Slow	Comparatively faster.
Adjusting entries	It is made for rectification of errors.	It cannot be made for rectification of errors.
Backup	Not possible	Entries of transactions can be saved and backed up
Trial Balance	Prepared when necessary.	Instant trial balance is provided on daily basis.
Financial Statement	It is prepared at the end of the period, or quarter.	It is provided at the click of button.

Short Question and Answers

1. What do you mean by a shut company in tally ?

Ans :

In tally a shut company refers to close of a company once the work is completed. Shut company refers to temporary close of a company. A shut company can be opened at any point of time.

2. What do you mean by a select company ?

Ans :

Under this option Tally helps the user to choose the company he wants to open, from the list of companies he has created using create company we can select any number of companies but the last selected company will be available for selection.

3. What do you mean by alter company ?

Ans :

Under this option we are modifying the details of the company which we have entered at the time of creation of the company. Alter refers to both f11 features and f12 options.

4. What do you mean by company features and configurations ?

Ans :

Once the company is created based on the requirement of the organization features and configuration are to be enabled by the user. Though these features are inbuilt in tally. The Company features menu can be accessed by pressing F11. The effect of this features are to seen in the company for which they are used.

Company features in tally can be categorized into the following major categories.

- Accounting features
- Inventory features
- Statutory and taxation
- Tss features
- Add on features.

5. Write a short notes on f12 configuration ?

Ans :

Under these options of tally we can modify the features as they work. This option can be accessed by pressing F12. Options under this menu when are enabled or modified will have an effect on all the companies in the data directory. F12: Configuration are applicable to all the companies. These options are provided for accounting, inventory and printing options and are user desirable as per the business requirements.

6. What do you mean by chart of accounts?

Ans :

A chart of accounts is a list that a business uses to record its transactions in its books of accounts. tally automatically displays chart of accounts based on ledgers and groups that are created by the company.

7. What do you mean by a ledger ?

Ans :

A ledger can be termed as account head using which we can pass all the entries, while passing entries as we use the debit aspect and the credit aspect based on them we need to create a ledger under a group without a ledger we cannot pass entry. In Tally there are 2 pre-defined ledgers.

- Cash under cash in hand account
- Profit and loss account under primary

8. What do you mean by a Group?

Ans :

A group is a unique head which contains ledgers under it. By default, Tally.ERP 9 provides a list of Groups called pre-defined groups. The user can create any number of Primary Groups and Sub Groups which are again grouped under a Primary Group/Sub Group. There are 28 pre-defined Groups in Tally. out of which 15 are Primary Groups and 13 are Secondary-Groups.

9. What is the difference between create display and alter options?

Ans :

Display

Under this method the user can only display all the ledgers or groups created under a similar group at once or by selecting the all items and see that different ledgers appearing under different groups can be displayed at once. We cannot make any changes to the groups or ledgers created under this option

Alter under this method the user can only display all the ledgers or groups created under a similar group at once and can make changes accordingly to the groups or ledgers..

Create

Under this method the user can only create a group or a ledger.

10. Key board conventions.

Ans :

Key board conventions

1. ALT+2 → Duplicate Voucher

Alt+A : Add voucher/To Alter the column in columnar report

Alt+C : Create a master at a voucher screen,

Alt+D : Delete a voucher

Alt+E : Export the report in ASCII, HTML OR XML format

Alt+I : Import statutory masters

Alt+H : Help Shortcut

Alt+I : Insert a voucher/To toggle between Item and Accounting invoice

Alt+N : To view the report in automatic columns, Multiple Columns at all reports, Trial Balance, Cash/bank books, Group Summary & Journal Reg

Alt+P : Print the report

Alt+R : Remove a line in a report

Alt+Y : Register Tally

Alt+S : Bring back a line you removed using Alt+R

Alt+U : Retrieve the last line which is deleted using Alt+R

Alt+W : To view the Tally Web browser.

Alt+O : To upload the report to the website

Alt+M : Email the report

Alt+X : Cancel a voucher in Day Book/List of Vouchers

Alt+R : Recalls the last narration saved for the first ledger in the voucher, irrespective of the voucher type

Alt+D : Delete any voucher in Daere the range of information can be specified

Alt+Z : Zoom

Alt+F1 : Close a Company (At All Menu Screens). View detailed Report (Report Screens). Explore a line into its details (At Almost all Screens)

Alt+F2 : Maintain Date for Multiple Years by changing period on Gateway of Tally/Change of Period for Setting Period

Alt+F3 : Select the company info menu (At Gateway of Tally Screen). Create/alter/shut a company (At Gateway of Tally Screen)

Alt+F4 : Purchase Order Voucher

Alt+F5 : Sales Order Voucher

Alt+f6:Rejections out

Alt+F7 : Stock Journal / Manufacturing Journal

Alt+F8 : Delivery Note

Alt+F9 : Receipt Note

Alt+F10 : Physical Stock

Alt+F5 : View sales and purchase register summary on a quarterly basis

Alt+F12 : View the filters screen where the range of information can be specified

F2 : Change the date

F4 : Contra Voucher

F5 : Payment Voucher.

F6 : Select Receipt Voucher

F7 : Select Journal Voucher

F8 : Select Sales Voucher

F9 : Select Purchase Voucher

F10 : Navigate between Accounting Reports

F11: Modify Company features specific to current company only

F12: Master Configurations, which will affect all companies in same data directory.

2. **Ctrl+R : Repeat narration in the same voucher type irrespective of Ledger Account**

Ctrl+T : Mark any voucher as Post Dated Voucher Ctrl+N : Switches to Calculator/ODBC Section of Tally Screen

Ctrl+Q : Abandon a form—wherever you use this key combination, it quits that screen without making any changes to it.

Ctrl+M : Switches to Main Area of Tally Screen

Ctrl+A : Accept a form—wherever you use this key combination, that screen or report gets accepted as it is.

Ctrl+G : Select Group.

3. **Ctrl+F6 : Rejection In**

Ctrl+F9 : Select Debit Note Voucher

Ctrl+Alt+V : To paste the text from Tally (At creation and alternation screens)

Ctrl+Alt+R : Rewrite data for a Company

Ctrl+Alt+B : Check the Company Statutory details

Ctrl+Alt+C : Copy the text from Tally (At creation and alternation screens)

Ctrl+Alt+c : for copy

Ctrl+Alt+v : for paste

Shift+Enter : To view the next level of details and / or condense the next level of details.

11. **Discuss the company features in Tally ERP .9 ?**

Ans :

Once the company is created based on the requirement of the organization features and configuration are to be enabled by the user. Though these features are inbuilt in tally.

The Company features menu can be accessed by pressing F11. The effect of these features are to be seen in the company for which they are used.

Company features in tally can be categorized into the following major categories.

- Accounting features
- Inventory features
- Statutory and taxation

- Tss features
- Add on features

User can press F11 from any screen in tally or directly press f11 present in the button bar of tally screen. The effect of this features are seen as company specific there by different users can activate different features for each of their companies.

12. What do you mean by procure to pay ?

Ans :

It can also be termed as order processing, order processing is of two types :

1. purchase order processing(p to p process)
2. sales order processing(o to c process)

Procure to pay (purchase to pay or P2P) is the process of obtaining and managing the raw materials needed for manufacturing a product or providing a service. It involves the transactional flow of data that is sent to a supplier as well as the data that surrounds the fulfillment of the actual order and payment for the product or service.

According to the Chartered Institute of Purchasing and Supply, procure to pay should be a seamless process from point of order to payment.

The Accounts Payable / Procure to Pay (P2P) overall process covers the complete cycle from Vendor Master Maintenance through procurement and Vendor Invoice Processing, the resulting Payment Processing to external vendors and the Period Closing Activities

The goal of a procure-to-pay is to automate processes by introducing controls. to enforce buying controls, to ensure compliance with pre-defined buying limits. A requisition that was within pre-defined limits would be routed for approval, converted into a purchase order once approved and immediately sent to the correct supplier by email.

13. Mouse board conventions.

Ans :

In the screen at the top of the window we have

- **Top Horizontal Bar :** Various options for the working of tally with a quick interaction such as control center and support center options are displayed horizontally here
- **Close button:** allows the user to exit from the current screen in which he is or if he is in gate way of tally he can directly exit from tally.
- **Right pane:** the right part of the gate way of tally screen where the menu is displayed the short cut for each menu is highlighted by a alphabet the user can use that alphabet or using the cursor he can use right click or left click upon selection.
- **Vertical pane:** we have few function keys here Vertically to the tally window by pointing out the cursor at each one of them we can select them in order to use such voucher or a function. Among these certain keys are displayed with a single line(-) and few with double(=)line below them. If there is a single line it means the user has to use a (ALT). IF IT'S A double line then it has to be ctrl.

Choose the Correct Answer

1. What is a default godown in tally [c]
(a) primary location (b) primary category
(c) main location (d) no location [a]
2. Among these which one is to be created first
(a) Cash (b) salaries
(c) rent (d) current assets
3. Which of the following falls under current assets [d]
(a) Bank od a/c (b) salaries
(c) purchases (d) bills receivables
4. How many primary groups are present in tally [c]
(a) 10 (b) 20
(c) 15 (d) 28
5. How many secondary groups are present in tally [a]
(a) 13 (b) 24
(c) 60 (d) 11
6. Which of the following ledger falls under indirect expenses [a]
(a) salaries (b) purchases
(c) sales (d) bank a/c
7. _____ among the following which of the following is the first step after creation of company.
(a) passing of entries (b) view trial balance [a]
(c) view balance sheet (d) create ledgers
8. _____ among the following what is the function key for contra [a]
(a) f4 (b) f5
(c) f6 (d) f8
9. _____ in short procure to pay process is also known as [a]
(a) p to p process (b) o to c process
(c) o to p process (d) x to c process
10. Full form of P2P is _____ [b]
(a) procure to page (b) procure to pay
(c) procure to process (d) all of the above

Fill in the blanks

1. _____ is the function key for payment
2. _____ is the function key for journal
3. _____ is the function key for receipt
4. _____ is the function key for purchases
5. _____ is the function key for sales
6. How many pre-defined groups are in tally _____
7. How many secondary groups are in tally _____
8. Using _____ option we can make changes to the already created ledgers
9. Using _____ option we can view but not make any changes
10. _____ function key is used to create a company at gate way of tally
11. _____ is a statement which displays all the closing balances of a ledger based on debit and credit
12. _____ is a statement which displays assets and liabilities of a company

ANSWERS

1. F5
2. F7
3. F6
4. F9
5. F8
6. 15
7. 13
8. Alter
9. Display
10. Alt + f3
11. Trial balance
12. Balance sheet

UNIT II

MAINTAINING STOCK KEEPING UNITS (SKU) : Introduction- Inventory Masters in ERP - Creating Inventory Masters-Creation of Stock Group- Creation of Units of Measure-Creation of Stock Item-Creation of Godown-Defining of Stock Opening Balance in ERP Stock Category-Reports.

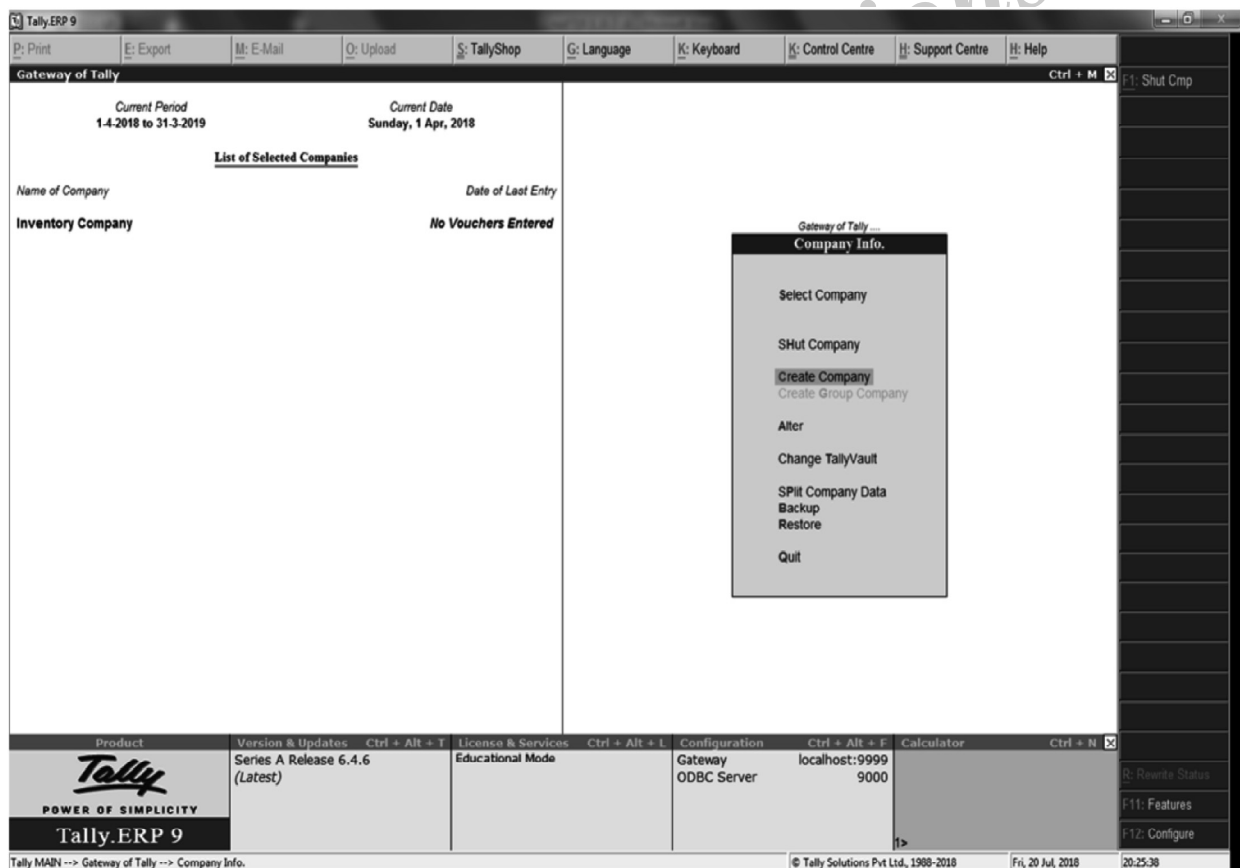
2.1 INVENTORY MASTERS IN TALLY ERP9

Q1. Explain the basic inventory masters in tally ERP 9.

Ans :

(July-21, Dec.-19, July-19, Imp.)

First create a company in tally by pressing alt + f3 at gate way of tally and select the option inventory info at gate way of tally.



Now create a company by filling all the required details as mentioned below .

Once the company is created the resultant screen will be as follows.

Tally ERP 9

Company Alteration Ctrl + M

Name : Krishna Enterprises		Books and Financial Year Details	
Primary Mailing Details		Financial year begins from : 14-2018	
Mailing name	: Krishna Enterprises	Books beginning from	: 14-2018
Address	: DV CASCADE HYDERABAD		
Country : India		Security Control	
State	: Telangana	Use security control	? No
Pincode	: 500040	(Enable security to avail TSS features)	
Contact Details			
Phone no.	: 0402222222		
Mobile no.	: 9848032919		
Fax no.	:		
E-mail	: KE@GMAIL.COM		
Website	: WWW.KE.ENT.COM		
Base Currency Information			
Base currency symbol	: ₹	Number of decimal places	: 2
Formal name	: INR	Word representing amount after decimal	: paise
Suffix symbol to amount	? No	No. of decimal places for amount in words	: 2
Add space between amount and symbol	? Yes		
Show amount in millions	? No		

Once the company is created select the option "inventory info"

Tally ERP 9

Gateway of Tally Ctrl + M

Current Period 14-2018 to 31-3-2019	Current Date Sunday, 1 Jul, 2018
List of Selected Companies	
Name of Company Krishna Enterprises	Date of Last Entry No Vouchers Entered

Gateway of Tally

Masters

- Accounts Info
- Inventory Info**

Transactions

- Accounting Vouchers
- Inventory Vouchers

Utilities

- Import Data
- Banking

Reports

- Balance Sheet
- Profit & Loss A/c
- Stock Summary
- Ratio Analysis
- Display
- Quit

F1: Select Cmp

F1: Shut Cmp

F7: Date

F7: Period

F3: Company

F3: Cmp Info

F4: Connect

F4: Disconnect

F5: Synchronize

F5: Sync Selected

Step:1- Units of measure

Any stock item to be purchased or sold needs a units of measure such units of measure can be further classified into two types based on the quantity purchased. They are simple and Compound: it is a combination of (2) two simple units of measure.

Consider the following example to understand the concept of units of measure.

For creating a compound unit at symbol field press back space and select the option compound.

Simple units of measure: it is the basic unit of measure for any product

Gate way of tally → inventory info → units of measure → create

step : 2 - Create a stock group

Gate way of tally → inventory info → stock groups → create

Stock group: a stock group is classification under which similar nature, brand can be classified.

We can create a stock group in two ways they are single mode and multiple mode. under single mode a stock group is first created saved and next group is created.

While creating a stock group we have to fill the details.

Name: name of the group has to be entered in the field.

Alias : alternate name of the group can be entered if not leave it blank.

Under : primary

Can quantities of items be added: yes it is used to see that the products are added under such group if it is not "yes" we cannot add a product under the group.

In case of multiple creation mode all the stock groups are created and are saved at once.

Can quantities of items be added: yes/no if the option is yes then the user can store items under the said group other wise we cannot store.

Path : Gate way of tally → inventory info → stock groups → multiple stock groups → create

Step 3: Create a stock category.

Stock Category: Stock categories are those under which stock items can be further classified based on similarity and behavior, the basic advantage of these categories is that stock items reports can be generated based on alternatives or substitutes of an item. any stock category can be created in two ways they are as follows.

Single stock category: under this method a single category is created once. Once it is saved then we have to create the next category.

Gate way of tally → inventory → info single stock → category create

While creating a stock category fill the details as below

Name : name of the stock category has to be entered in the field

Alias : by default it would be blank

Under: primary

Multiple stock category : under this method multiple category are created once. Once it is saved then we can go for creation for next category.

Gate way of tally → inventory info → stock categories → multiple stock categories → create.

Step : 4 - create a godown/location in tally

Godown/location: These are used for the storage of materials of an organization by default we have 2 types of godowns they are primary and main location. If we are not sure about the location then we can choose primary as an option. These can be created 2 ways they are

Single godown: gate way of tally → inventory info → single godowns → create

Under this method a godown is created first under primary or main location once it saved then we will be creating a new godown

Path : gate way of tally → inventory info → godowns → single godown → create

Name: name of the godown has to entered here

Alias: to be left blank or can enter alternate name of the godown

Under : select either primary or main location

Multiple godown: gate way of tally → inventory info → multiple godowns → create

Under this method all the godown appearing under primary or main location are is created and are saved at once

Gate way of tally → inventory info → godowns → multiple godowns → create

Now select the option "all items " as a result the screen appears as follows and then in the name field enter the name of the godown ex : secunderabad and select "primary" in the option under as a result the completed screen appears as follows.

Step5: create a stock item

it is the primary concept of any organization it is under the stock item all the items of the organization are stored. Stock items can be created in two(2) ways. They are single and multiple.

Creating stock item using a single stock item creation method.

Gate way of tally → inventory info → single stock item → create

While creating fill the below details

Name: name of the stock item to be created has to be entered here

Alias: leave blank

Under: select any group which was created by us here

Category : depending upon the requirement select the category

Units: refers to units of measure hence select the appropriate units of measure

Opening balance : if any opening balance is present then enter the balance followed with rate of the item, then system will ask for the godown details for the sake of storage of the stock item.

Creating stock item using a multiple stock item creation method

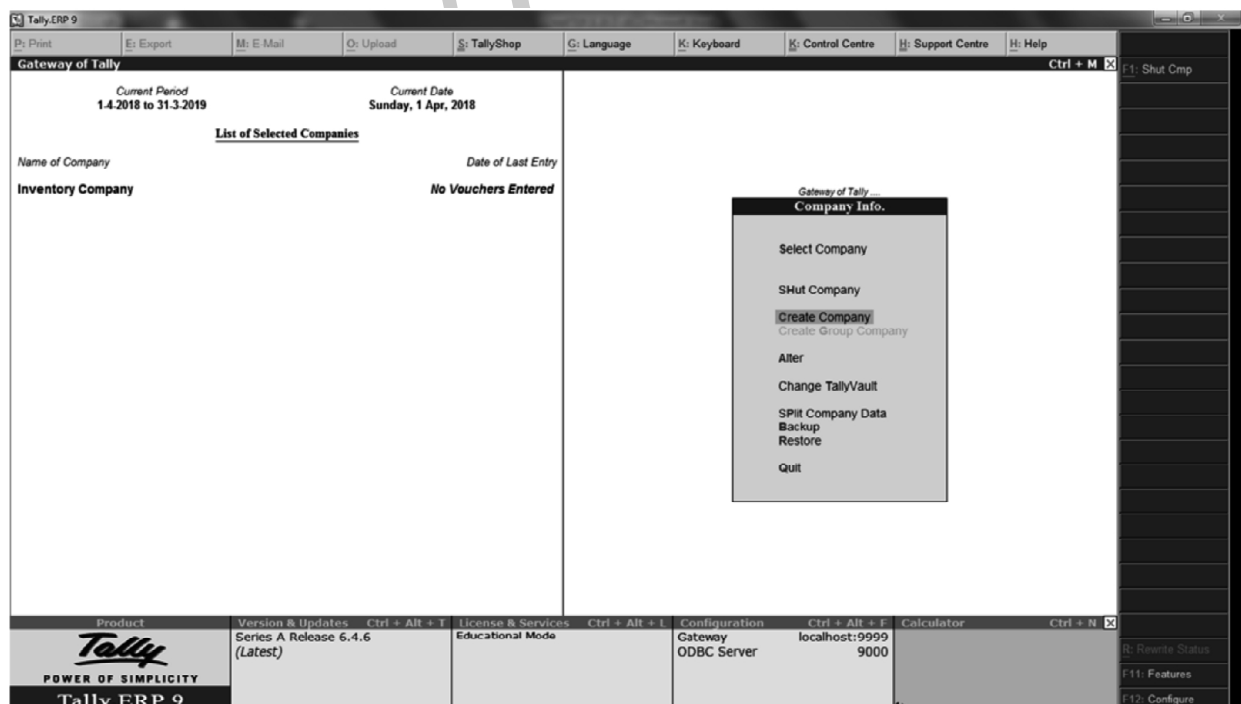
Similar to single stock item here also after entering the quantity system will prompt for selection of godown.

2.2 CREATION OF UNITS OF MEASURE OF TALLY

Q2. Explain the steps involved in creation of units of measure of Tally.

Ans :

First create a company in tally by pressing alt+f3 at gate way of tally and select the option create company.



Now create a company by filling all the required details as mentioned below

Once the company is created the resultant screen will be as follows.

The screenshot shows the 'Company Alteration' window in Tally ERP 9. The window is titled 'Company Alteration' and has a 'Ctrl + M' button. It is divided into several sections:

- Name:** Krishna Enterprises
- Primary Mailing Details:**
 - Mailing name: Krishna Enterprises
 - Address: DV CASCADE, HYDERABAD
 - Country: India
 - State: Telangana
 - Pincode: 500040
- Contact Details:**
 - Phone no.: 0402222222
 - Mobile no.: 9848032919
 - Fax no.:
 - E-mail: KE@GMAIL.COM
 - Website: WWW.KE.ENT.COM
- Books and Financial Year Details:**
 - Financial year begins from: 1.4.2018
 - Books beginning from: 1.4.2018
- Security Control:**
 - Use security control: ? No
 - (Enable security to avail TSS features)
- Base Currency Information:**
 - Base currency symbol: ₹
 - Formal name: INR
 - Suffix symbol to amount: ? No
 - Add space between amount and symbol: ? Yes
 - Show amount in millions: ? No
 - Number of decimal places: 2
 - Word representing amount after decimal: paise
 - No. of decimal places for amount in words: 2

Units of measure: any stock item to be purchased or sold needs a units of measure. such units of measure can be further classified into two types based on the quantity purchased.

They are :

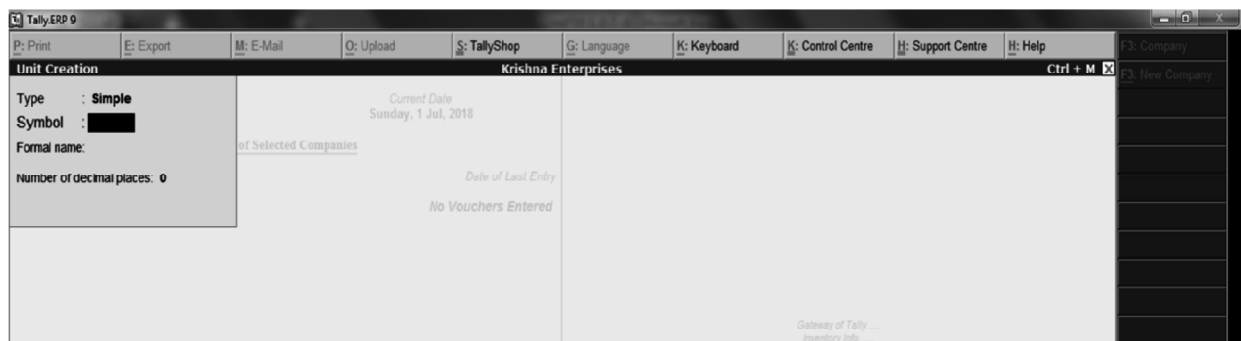
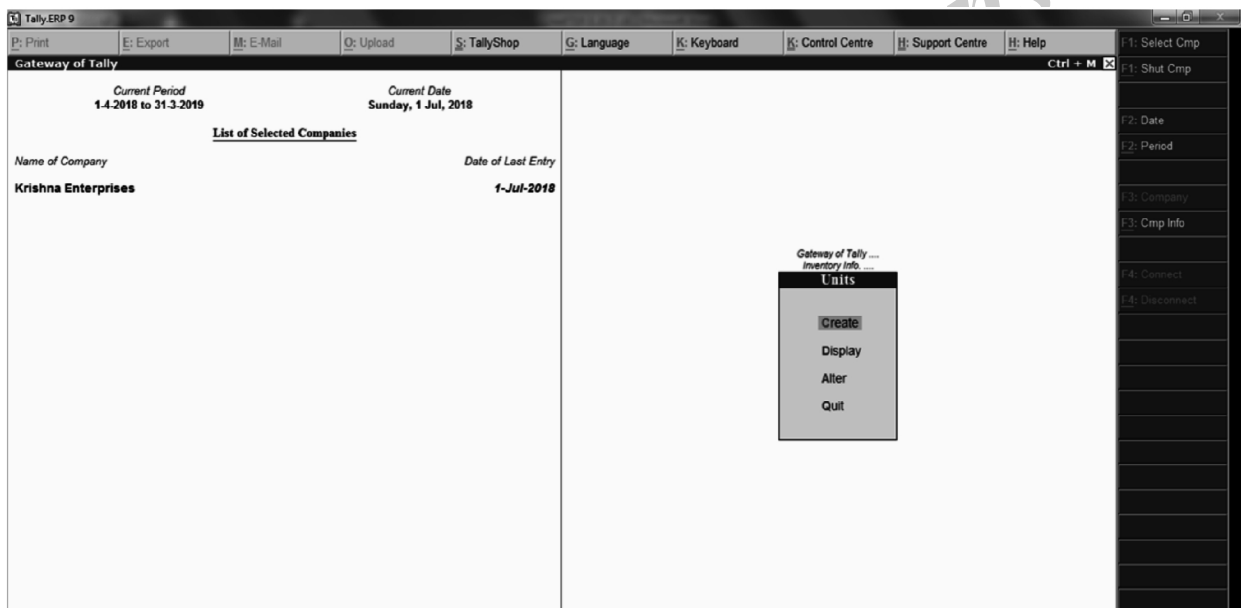
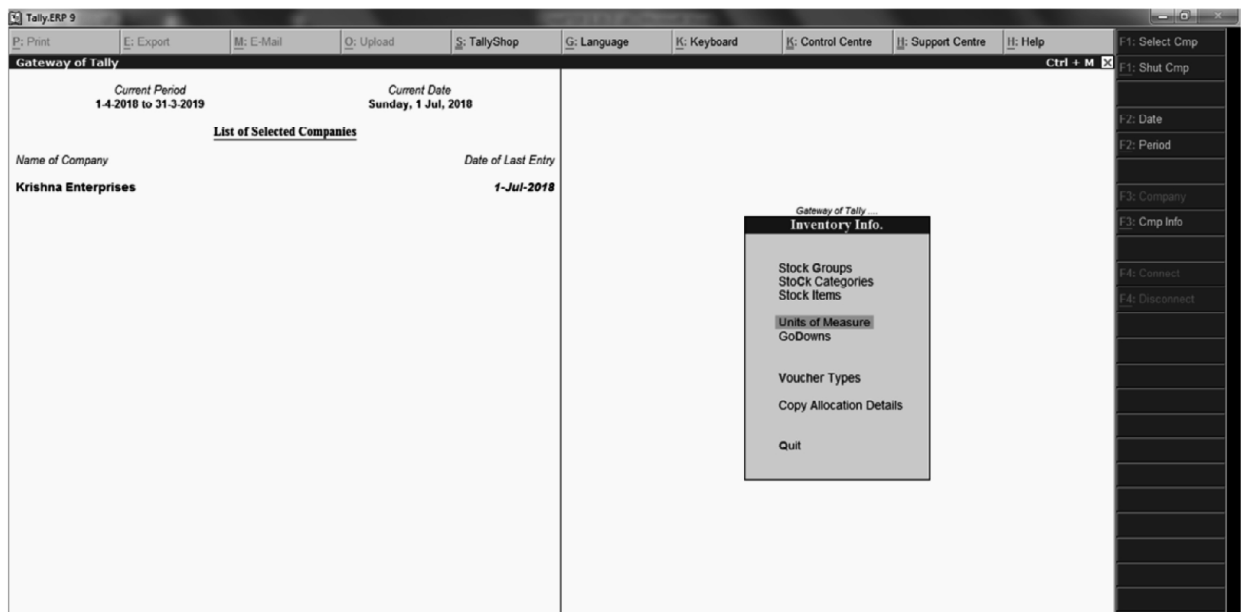
1. simple and
2. Compound.

Simple units of measure: it is the basic unit of measure for any product.

Gate way of tally → inventory info → units of measure → create.

The screenshot shows the 'Gateway of Tally' window in Tally ERP 9. The window is titled 'Gateway of Tally' and has a 'Ctrl + M' button. It is divided into several sections:

- Current Period:** 1-4-2018 to 31-3-2019
- Current Date:** Sunday, 1 Jul, 2018
- List of Selected Companies:**
 - Name of Company: Krishna Enterprises
 - Date of Last Entry: 1-Jul-2018
- Gateway of Tally:**
 - Masters:**
 - Accounts Info.
 - Inventory Info.
 - Transactions:**
 - Accounting Vouchers
 - Inventory Vouchers
 - Utilities:**
 - ImpOrt Data
 - BaKning
 - Reports:**
 - Balance Sheet
 - Profit & Loss A/c
 - Stock Summary
 - Ratio Analysis
 - Display
 - Quit



Type: select simple which will be by default

Symbol: symbol for a product will be given in this field (ex: pcs)

Formal name: for the symbol entered in symbol field we will enter the full form (ex: pices for pcs)



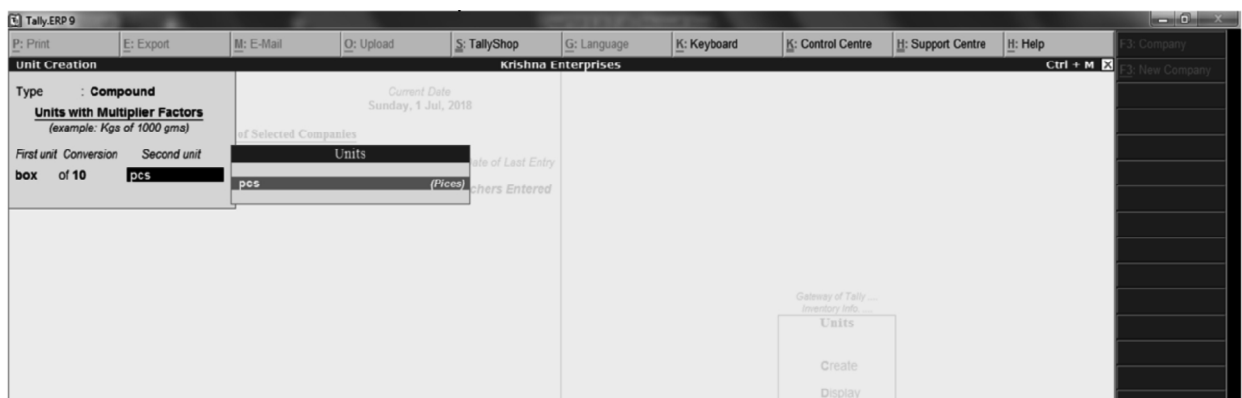
Compound/complex units of measure: it is a combination of (2) two simple units of measure.

Consider the following example to understand the concept of units of measure.

For creating a compound unit at symbol field press back space and select the option compound.



And now apply the following steps :



Consider the following example :

S.No	Type	Symbol	Formal name
1	Simple	Pcs	Pices
2	Simple	Box	Boxes
3	Compound	Box of 10 pcs	

2.3 CREATION OF STOCK GROUP

Q3. How to create stock groups in tally ?

Ans :

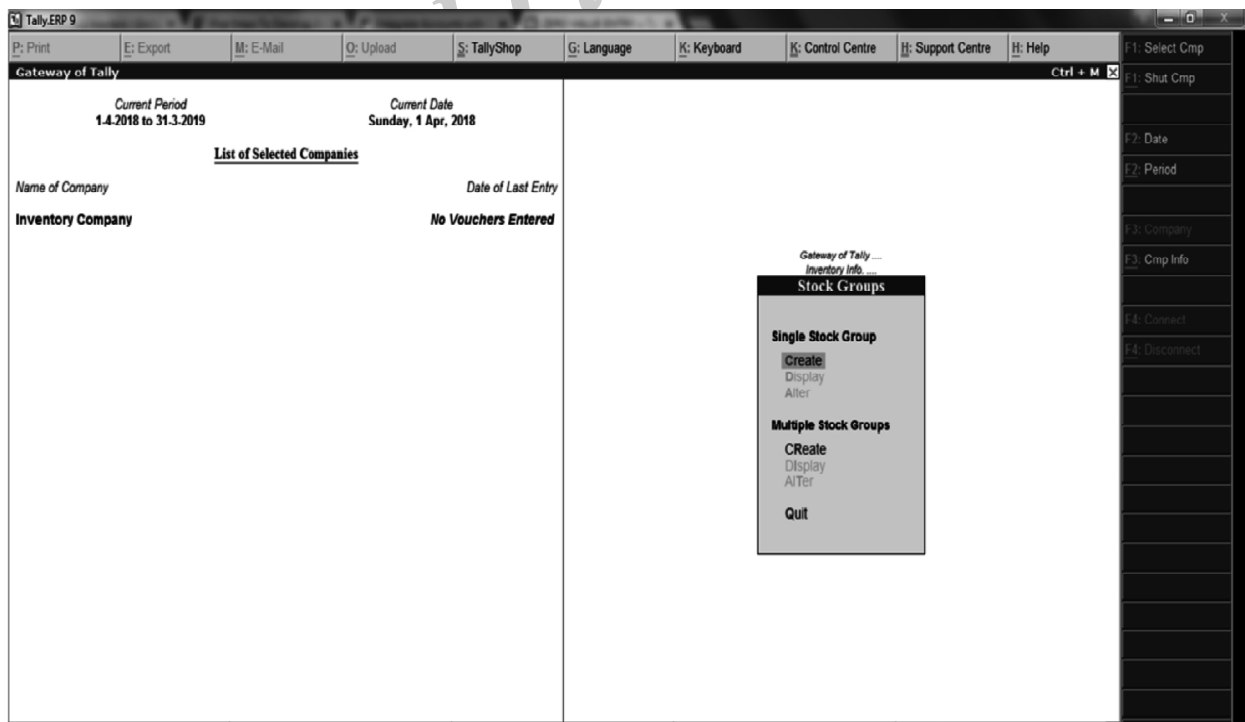
(July-21, July-19, Dec.-18, Imp.)

Gate way of tally

- inventory info
- stock groups
- create

Stock group: a stock group is classification under which similar nature, brand can be classified.

We can create a stock group in two ways they are single mode and multiple mode. under single mode a stock group is first created saved and next group is created.



Now select the option create under single stock group as a result the following screen appears.

Name: name of the group has to be entered in the field

Alias : alternate name of the group can be entered if not leave it blank

Under : primary

Can quantities of items be added: yes it is used to see that the products are added under such group if it is not "yes" we cannot add a product under the group.

Consider the following example.

S.No.	NAME	UNDER	CAN QUANTITIES OF ITEMS BE ADDED
1	ELECTRONICS	PRIMARY	YES
2	BODY CARE	PRIMARY	

As a result the screen appears as follows.

In case of multiple creation mode all the stock groups are created and are saved at once.

Can quantities of items be added: yes/no if the option is yes then the user can store items under the said group other wise we cannot store

Path : Gate way of tally → inventory info → stock groups → multiple stock groups → create

Multi Stock Group Creation Krishna Enterprises

Under Group :

S.No.	Name of Stock Group	Under
1.		

List of Groups

- All Items
- Electronics

Ctrl + M

- F3: Company
- F3: New Company
- F4: Parent
- F4: New Parent
- F6: Shop Names
- F7: Shop Parent
- F8: Shop Details
- G: Groups
- G: Category
- I: Items
- O: Godown

In the screen select the option all items which would be by default and create as following :

Multi Stock Group Creation Krishna Enterprises

Under Group : All Items

S.No.	Name of Stock Group	Under	Should Quantities of Items be Added
1.	Body Care	Primary	yes

2.4 STOCK CATEGORY

Q4. How to create a stock category in tally ?

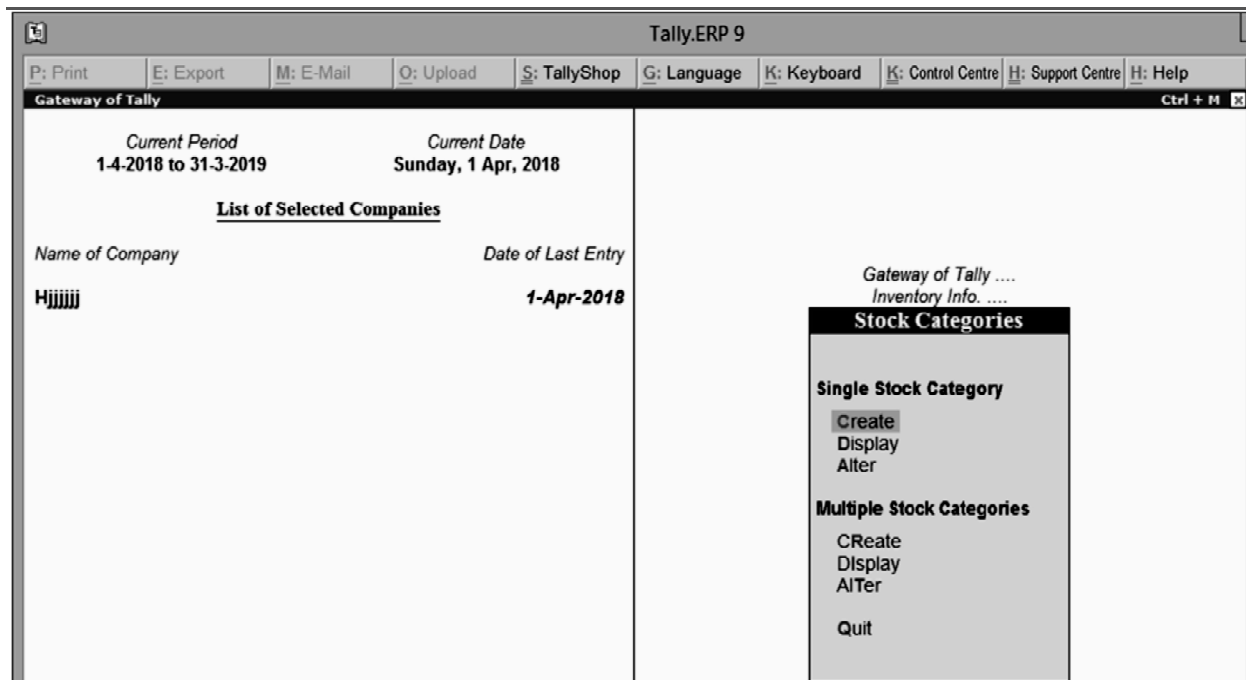
Ans :

(Dec.-18, Imp.)

Ans. Stock Category: Stock categories are those under which stock items can be further classified based on similarity and behavior, the basic advantage of these categories is that stock items reports can be generated based on alternatives or substitutes of an item. any stock category can be created in two ways they are as follows.

Single stock category: under this method a single category is created once. Once it is saved then we have to create the next category.

Gate way of tally → inventory info → single stock category → create.



Name : name of the stock category has to be entered in the field

Alias : by default it would be blank

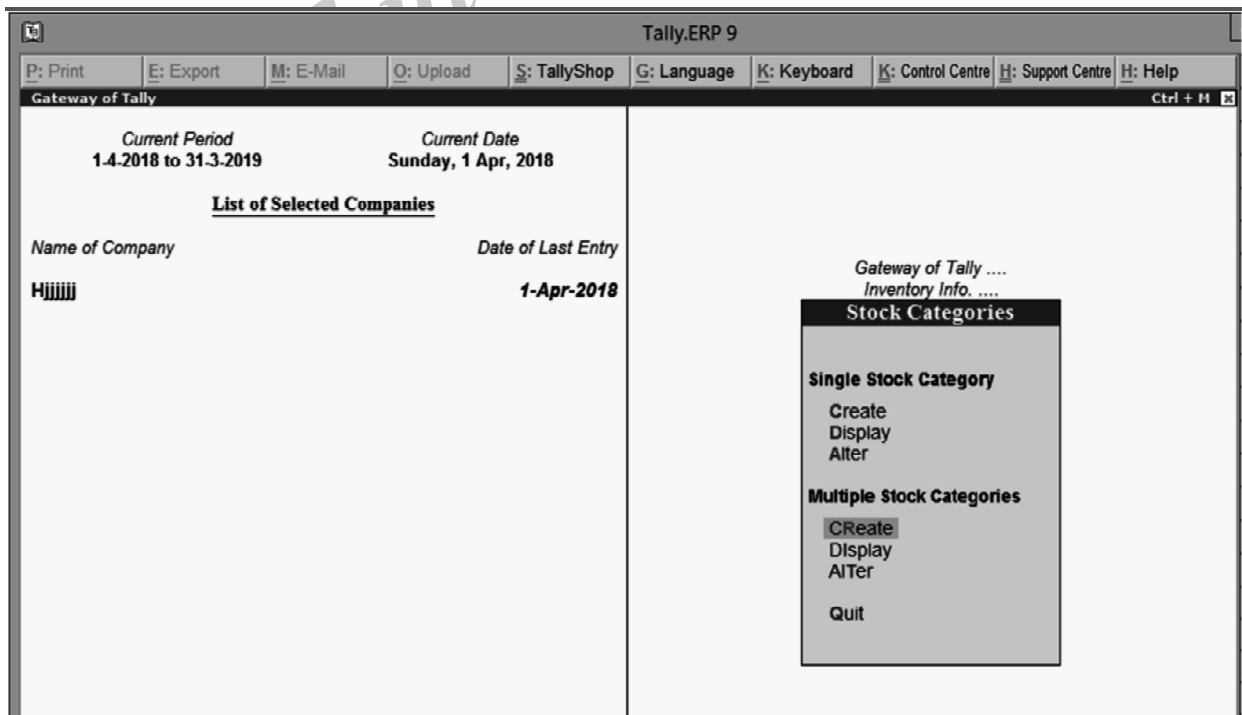
Under: primary.



Multiple stock category : under this method multiple category are created once. Once it is saved then we can go for creation for next category.

Gate way of tally

- inventory info
- stock categories
- multiple stock categories
- create.



Example : create the following stock categories.

S.No.	Name	Under
1	Liquid soaps	Primary
2	Home appliances	primary

Q5. What are the differences between Stock Categories and Stock Groups.

Ans :

(Dec.-19)

S.No.	Basic	Stock Categories	Stock Groups
1.	Items	Stock categories are an alternative classification of stock items.	Stock groups are a collection of stock items which are similar in nature.
2.	Inventory	Stock categories are not a part of inventory info menu. In order enable it maintain inventory features.	Stock groups are one of the basic inventory masters in Tally. ERP 9.
3.	Creation	Stock categories can either be created single as well as multiple group modes.	Stock groups can be crated bin both single and multiple groups.

2.5 CREATION OF GODOWN – SINGLE AND MULTIPLE MODE

Q6. Explain how to create a godown/location in tally ?

Ans :

(Dec.-18, Imp.)

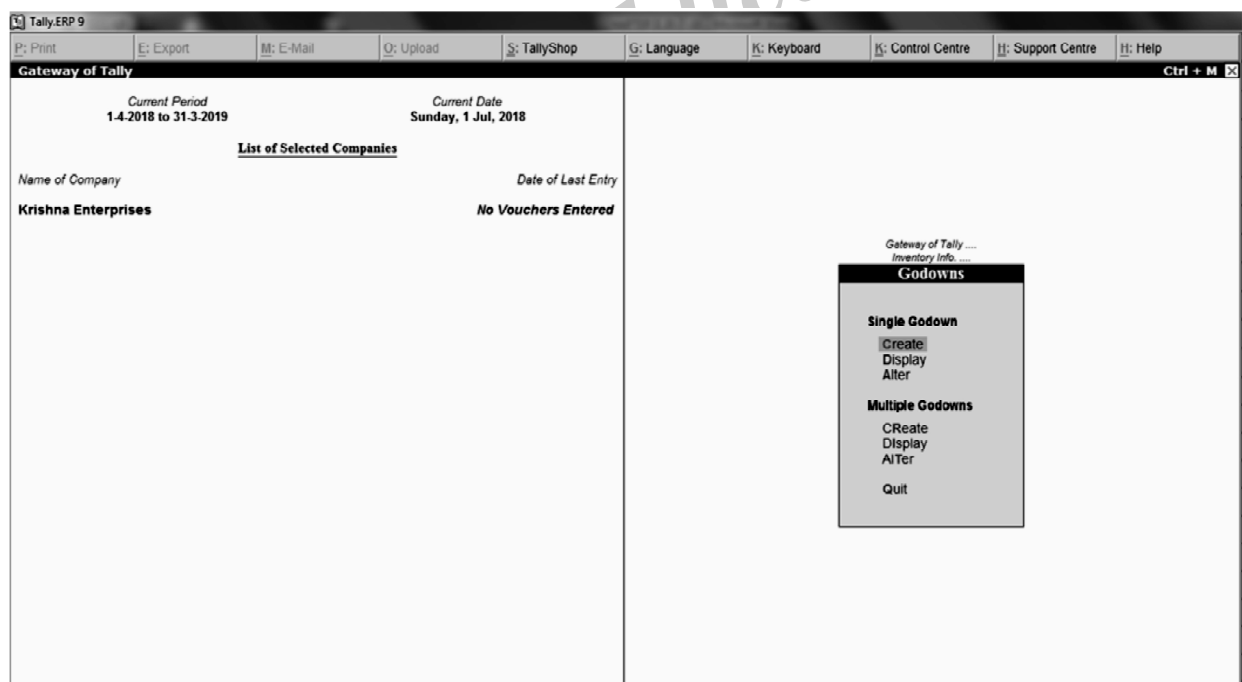
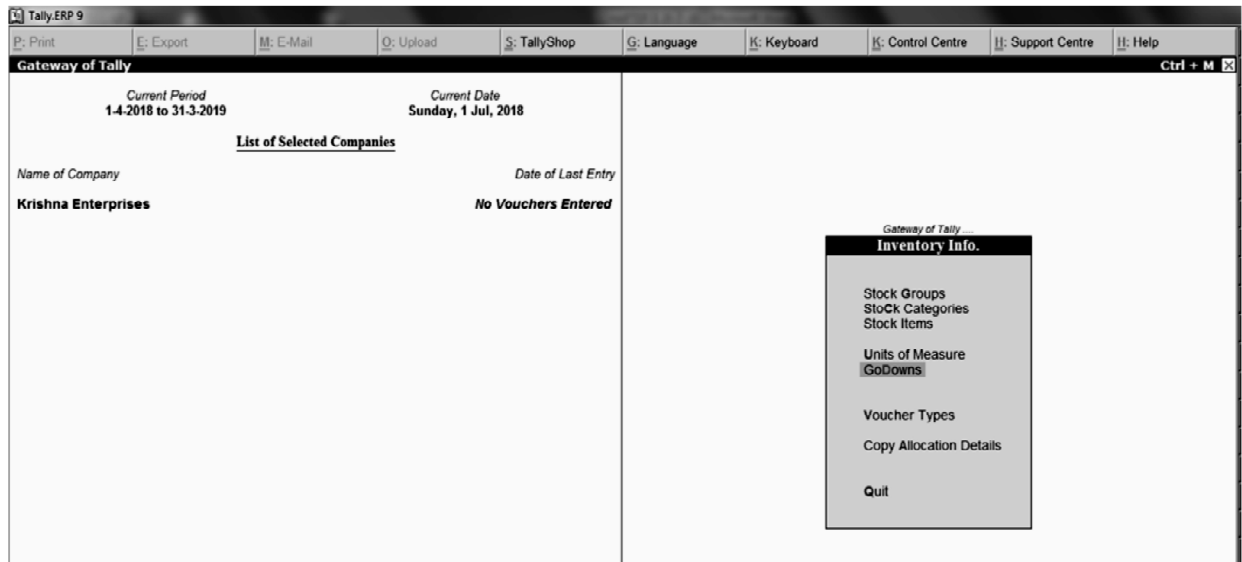
Godown / Location

These are used for the storage of materials of an organization by default we have 2 types of godowns they are primary and main location. If we are not sure about the location then we can choose primary as an option. These can be created 2 ways they are:

Single godown: Gate way of tally → inventory info → single godowns → create

Under this method a godown is created first under primary or main location once it saved then we will be creating a new godown.

Path: gate way of tally → inventory info → godowns → single godown → create



Name: name of the godown has to entered here

Alias: to be left blank or can enter alternate name of the godown

Under : select either primary or main location.

Godown Creation

Name : **Hyderabad**
(alias) :

Under : **Primary**

Use for:
Our stock with third party ? **No**
Third party stock with us ? **No**

Current Date
Sunday, 1 Jul, 2018

Date of Last Entry

No Vouchers Entered

Gateway of Tally ...
Inventory Info ...
Godowns

Single Godown
Create
Display
Alter

Multiple Godowns
Create
Display
Alter
Quit

List of Godowns

Primary
Main Location

Company
New Company

Groups
Category
Items
Units
Godown
Voucher Types

Name: name of the godown has to entered here

Alias: to be left blank or can enter alternate name of the godown

Under : select either primary or main location.

Godown Creation

Name : **Hyderabad**
(alias) :

Under : **Primary**

Use for:
Our stock with third party ? **No**
Third party stock with us ? **No**

Current Date
Sunday, 1 Jul, 2018

Date of Last Entry

No Vouchers Entered

Gateway of Tally ...
Inventory Info ...
Godowns

Single Godown
Create
Display
Alter

Multiple Godowns
Create
Display
Alter
Quit

List of Godowns

Primary
Main Location

Company
New Company

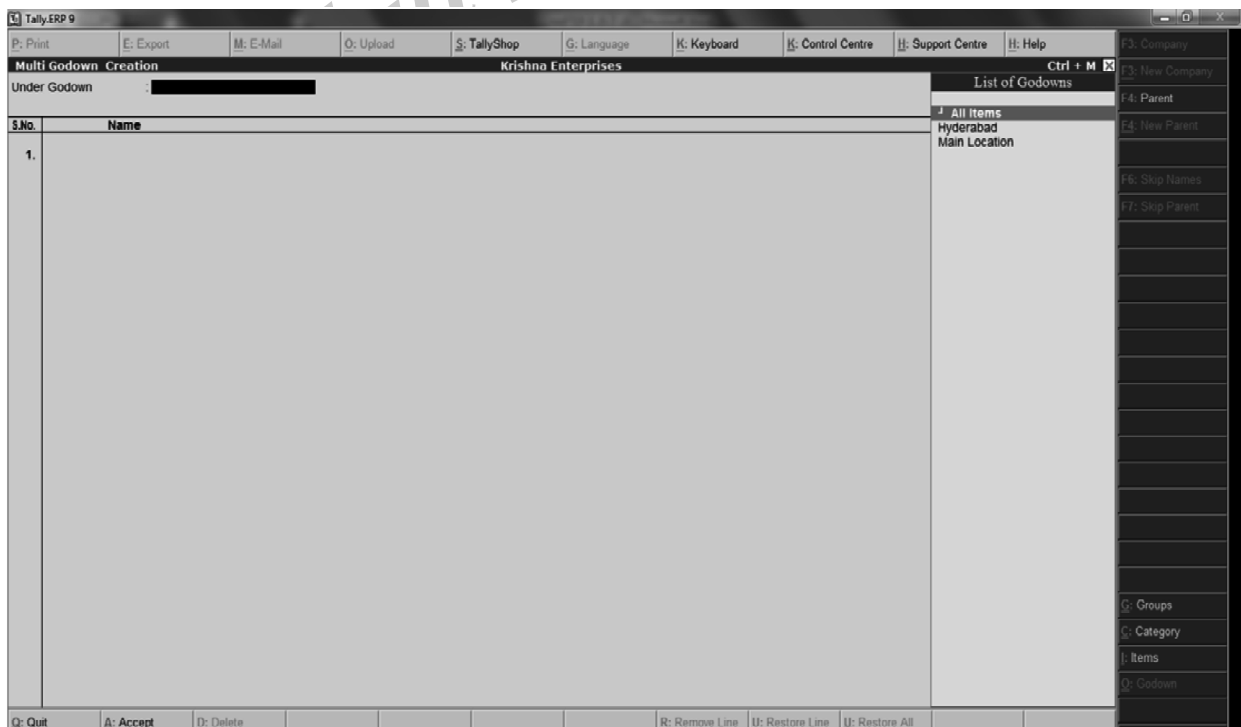
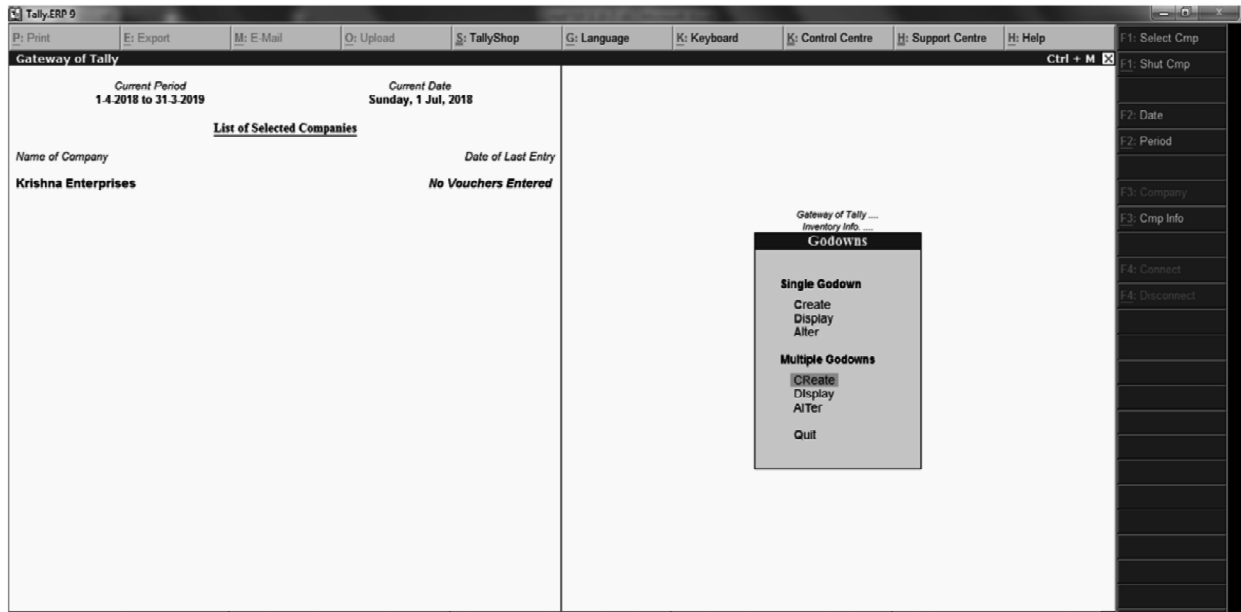
Groups
Category
Items
Units
Godown
Voucher Types

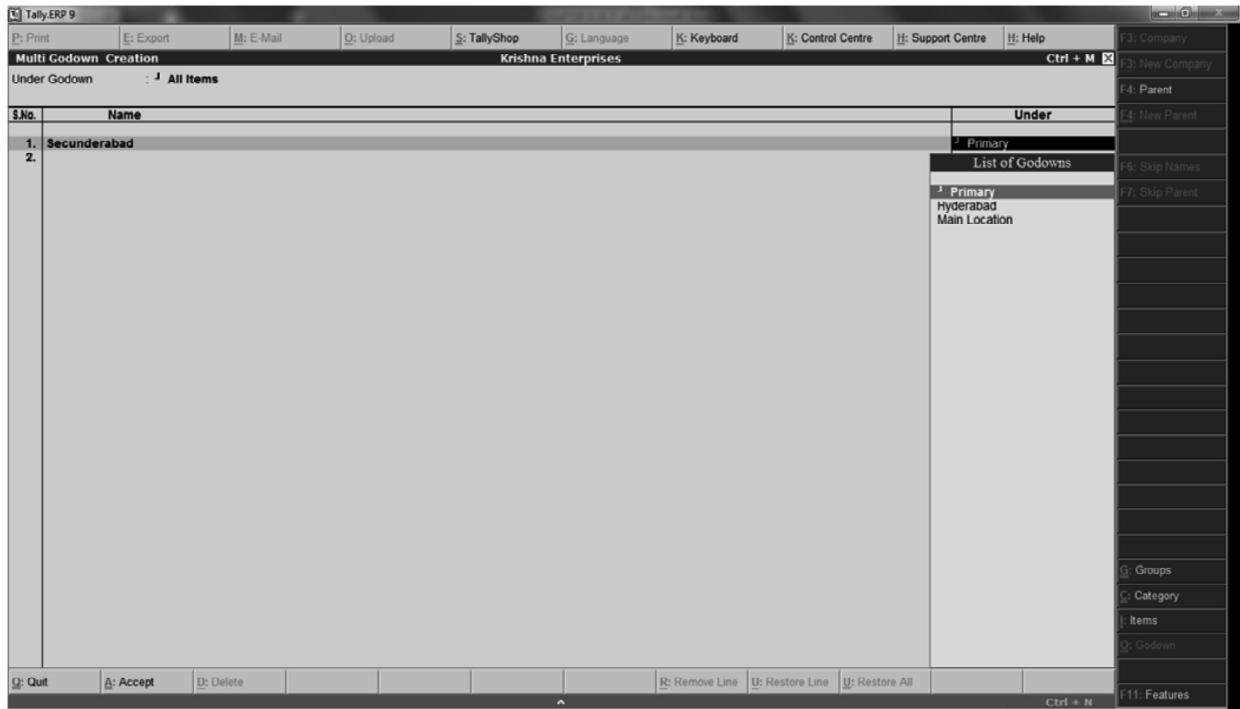
Multiple godown: gate way of tally → inventory info → multiplegodowns → create

Under this method all the godown appearing under primary or main location are is created and are saved at once

Gate way of tally

- inventory info
- godowns
- multiple godowns
- create.





2.6 STOCK ITEMS

Q7. Explain how to create a stock item in tally ?

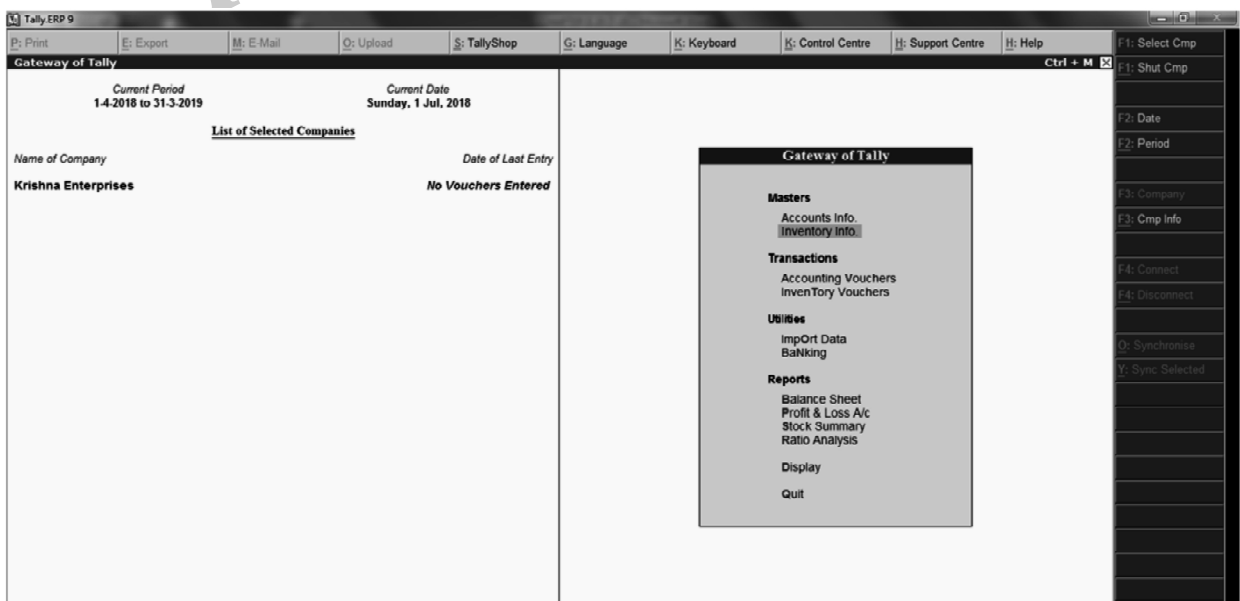
Ans :

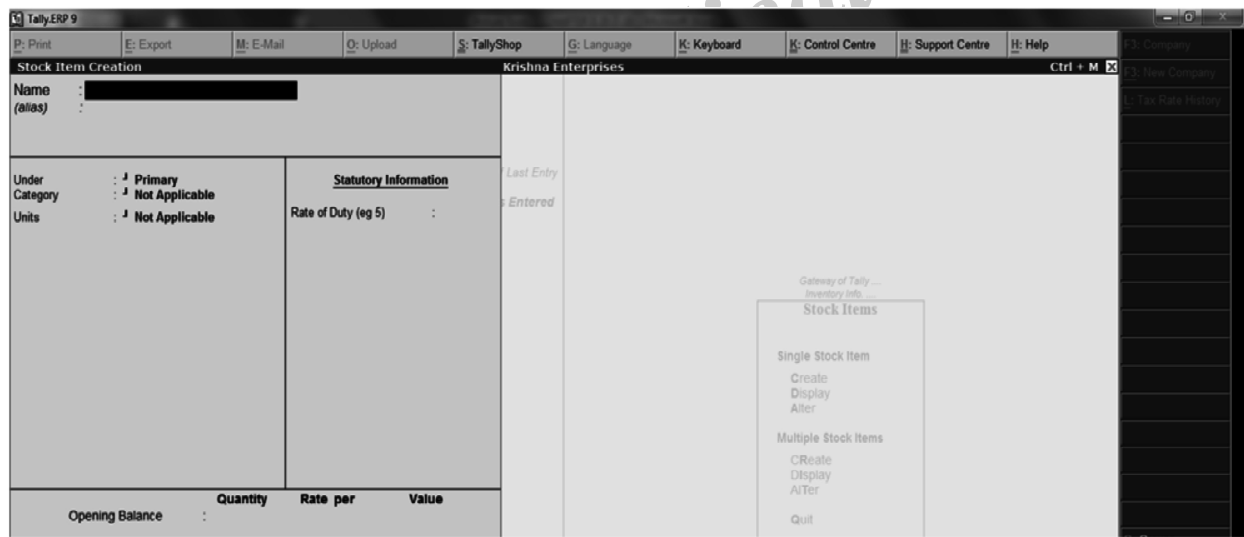
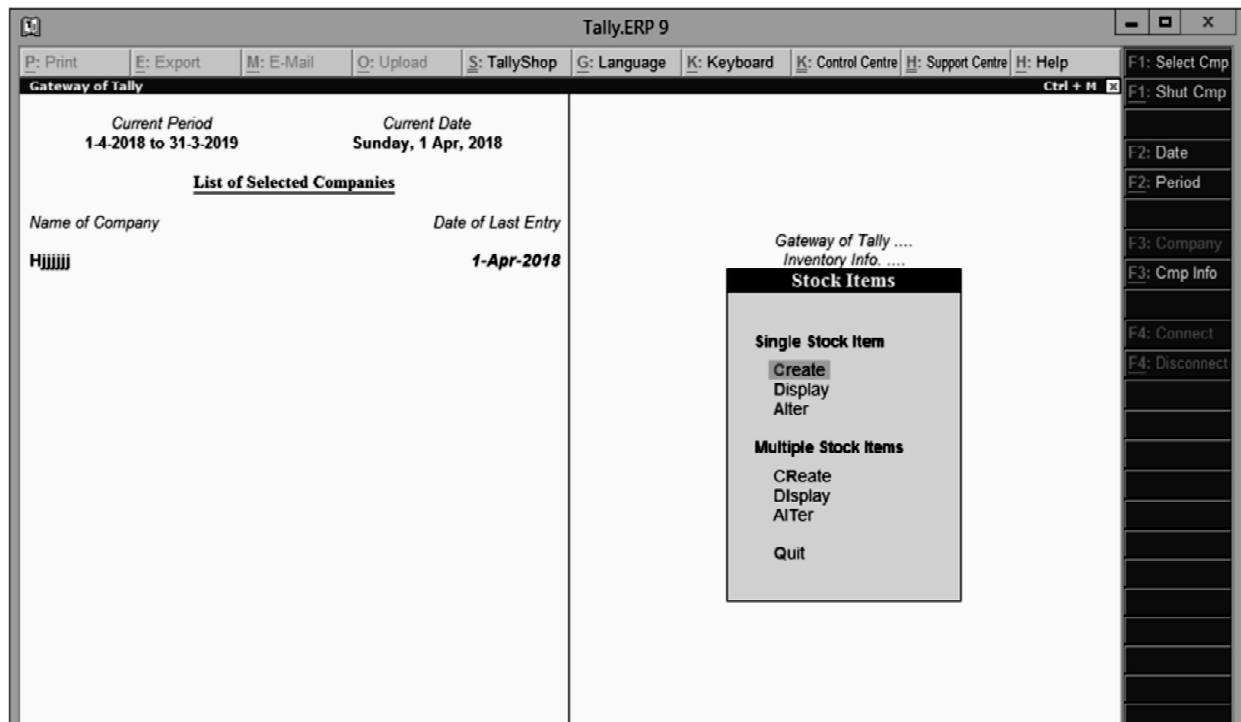
(Dec.-20, July-19, Imp.)

Stock item : It is the primary concept of any organization it is under the stock item all the items of the organization are stored. Stock items can be created in two(2) ways. They are single and multiple. Creating stock item using a single stock item creation method.

At gate way of tally → inventory info?

→ Gate way of tally → inventory info → single stock item → create.





Name: name of the stock item to be created has to be entered here

Alias: leave blank

Under: select any group which was created by us here

Category : depending upon the requirement select the category

Units: refers to units of measure hence select the appropriate units of measure

Opening balance : if any opening balance is present then enter the balance followed with rate of the item, then system will ask for the godown details for the sake of storage of the stock item.

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Stock Item Creation Krishna Enterprises Ctrl + M

Name : Ac
(alias) :

Under : Electronics
Category : Home Appliances
Units : pcs

Statutory Information
Rate of Duty (eg 5) : 0

Opening Balance Quantity 100 Rate per Value

Gateway of Tally ...
Inventory Info ...
Stock Items
Single Stock Item
Create
Display
Alter
Multiple Stock Items
Create
Display
Alter
Quit

F3: Company
F3: New Company
E: Tax Rate History
G: Groups

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Stock Item Allocation Krishna Enterprises Ctrl + M

Name : Ac
(alias) :

Allocations of : Ac for 100 pcs

Godown	Quantity	Rate per	Amount
Hyderabad	100 pcs	25,000.00	25,00,000.00

Statutory Information
Rate of Duty (eg 5) : 0

Gateway of Tally ...
Inventory Info ...
Stock Items
Single Stock Item
Create
Display
Alter
Multiple Stock Items
Create
Display
Alter
Quit

100 pcs 25,00,000.00

Example : consider the following example for the better understanding.

S.No.	Name	Under(group)	Category	Units	Quantity	Godown
1	Ac	Electronics	Home appliances	Pcs	100	hyderabad
2	Soaps	Body care	Liquid soaps	Pcs	100	secunderabad

Creating stock item using a multiple stock item creation method.

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Gateway of Tally Ctrl + H

Current Period
1-4-2018 to 31-3-2019

Current Date
Sunday, 1 Apr, 2018

List of Selected Companies

Name of Company	Date of Last Entry
Hijjijj	1-Apr-2018

Gateway of Tally
Inventory Info.

Stock Items

Single Stock Item

Create
Display
Alter

Multiple Stock Items

Create
Display
Alter

Quit

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Multi Stock Item Creation Krishna Enterprises

Under Group :

S.No.	Name of Item	Under	Category	Units	Opening Q
1.					

List of Groups Ctrl + M

All Items
Body Care
Electronics

F3: Company
F3: New Company
F4: Parent
F4: New Parent
F5: Zero Opening Bal
F6: Skip Names
F7: Skip Parent
F8: Skip Details
F9: Skip Category
G: Groups
C: Category
I: Items
Q: Godown

The completed screen appears as follows :

S.No.	Name of Item	Under	Category	Units	Opening Qty	Rate	per	Amount
1.	Soaps	Body Care	Liquid Soaps	pcs	100			

Similar to single stock item here also after entering the quantity system will prompt for selection of godown.

S.No.	Name of Item	Under	Category	Units	Opening Qty	Rate	per	Amount
1.	Soaps	Body Care	Liquid Soaps	pcs	100 pcs	150.00	pcs	15,000.00
2.								

Q8. Explain the steps involved in activating the inventory details for a company.

Ans.:

(July-19)

first create a company by selecting alt+f3 at gate way of tally.

Company Creation

Directory : C:\Users\Public\Tally.ERP9\Data
 Name : **Inventory Company**
 Primary Mailing Details
 Mailing name : Inventory Company
 Address :
 Country : India
 State : Telangana
 Pincode :
 Contact Details
 Phone no. :
 Mobile no. :
 Fax no. :
 E-mail :
 Website :
 Books and Financial Year Details
 Financial year begins from : 1-4-2018
 Books beginning from : 1-4-2018
 Security Control
 TallyVault password (if any) :
 Repeat password :
 (Warning: Forgetting TallyVault password will render your data inaccessible.)
 Use security control ? No
 (Enable security to avail TSS features)
 Base Currency Information
 Base currency symbol : ₹
 Formal name : IHR
 Suffix symbol to amount ? No
 Add space between amount and symbol ? Yes
 Show amount in millions ? No
 Number of decimal places :
 Word representing amount after dec :
 No. of decimal places for amount in :
 Accept ?
 Yes or No

After crating a company at gate way of tally press → 11 → company features → inventory features →

Gateway of Tally

Current Period : 1-4-2018 to 31-3-2019
 Current Date : Sunday, 1 Apr, 2018
 List of Selected Companies
 Name of Company : Krishna Enterprises
 Date of Last Entry : No Vouchers Entered
 Gateway of Tally
 Company Features
 Accounting Features
 Inventory Features
 Statutory & Taxation
 TSS Features
 Add-On Features
 Quit

Now a new screen appears relating to inventory details as below.

Company: Krishna Enterprises	
Inventory Features	
General	
Integrate accounts and inventory	? Yes
Enable zero-valued transactions	? Yes
Storage and Classification	
Maintain multiple Godowns	? Yes
Maintain stock categories	? Yes
Maintain batch-wise details	? No
Set expiry dates for batches	? No
Use separate actual and billed quantity columns	? No
Order Processing	
Enable purchase order processing	? No
Enable sales order processing	? No
Enable job order processing (Enables the options 'Maintain multiple godowns' and 'Use material in and out vouchers')	? No
Invoicing	
Enable invoicing	? Yes
Record purchases in invoice mode	? Yes
Use debit and credit notes	? No
Record credit notes in invoice mode	? No
Record debit notes in invoice mode	? No
Use separate discount column in invoices	? No
Purchase Management	
Track additional costs of purchases	? No
Sales Management	
Use multiple price levels	? No
Other Features	
Use tracking numbers (enables delivery and receipt notes)	? No
Use rejection inward and outward notes	? No
Use material in and out vouchers	? No
Use cost tracking for stock item	? No

Footer: F1: Accounts F2: Inventory F3: Statutory F6: Add-Ons

Now activate the following options :

General :

Integrate accounts with inventory : yes

If Accounts with Inventory is set to Yes in F11: Accounting Features/ Inventory Features, the stock/ inventory balance figures are automatically updated from the inventory records. You may also drill down to Stock Register from the Balance Sheet.

If the option Accounts with Inventory is set to No in F11: Accounting Features/ Inventory Features, the inventory values are ignored and closing stock balances are entered manually.

Enable zero valued entries : yes

On a purchase or sale of a product some other product is received or issued free of cost. Such entries can be recorded only if this option is enabled

Maintain Stock Categories

Using this option stock items can be categorized based on their type in such case it would be much easier for stock valuation and also easy identification

Maintain Multiple Godowns/Locations

These are used for the storage of materials by default we have 2 types of godowns they are primary godown and main godown.

Use separate actual and billed quantity columns: using this option when the user receives or gives away similar product free of cost.

Separate discount columns in invoices : yes

If in case we are opting for trade discount we have to activate the option in such case a separate column appears for discount and by entering discount percentage we can calculate trade discount.

As a result the following screen appears.

Company Operations Alteration

Current Period: 1.4.2018

Company: Inventory Company

Inventory Features

General		Invoicing	
Integrate accounts and inventory	? Yes	Enable invoicing	? Yes
Enable zero-valued transactions	? Yes	Record purchases in invoice mode	? Yes
Storage and Classification		Use debit and credit notes	? No
Maintain multiple Godowns	? Yes	Record credit notes in invoice mode	? No
Maintain stock categories	? Yes	Record debit notes in invoice mode	? No
Maintain batch-wise details	? Yes	Use separate discount column in invoices	? No
Set expiry dates for batches	? No	Purchase Management	
Use separate actual and billed quantity columns	? Yes	Track additional costs of purchases	? No
Order Processing		Sales Management	
Enable purchase order processing	? No	Use multiple price levels	? No
Enable sales order processing	? No	Other Features	
Enable job order processing (Enables the options 'Maintain multiple godowns' and 'Use material in and out vouchers')	? No	Use tracking numbers (enables delivery and receipt notes)	? No
		Use rejection inward and outward notes	? No
		Use material in and out vouchers	? No
		Use cost tracking for stock item	? No

Accept ?

F1: Accounts F2: Inventory F3: Statutory F6: Add-Ons

Yes or No

Tally.ERP 9

Print Export E-Mail Upload TallyShop Language Keyboard Control Centre Support Centre Help

Company Operations Alteration

Current Period: 1.4.2018

Company: Inventory Company

Inventory Features

General		Invoicing	
Integrate accounts and inventory	? Yes	Enable invoicing	? Yes
Enable zero-valued transactions	? Yes	Record purchases in invoice mode	? Yes
Storage and Classification		Use debit and credit notes	? No
Maintain multiple Godowns	? Yes	Record credit notes in invoice mode	? No
Maintain stock categories	? Yes	Record debit notes in invoice mode	? No
Maintain batch-wise details	? Yes	Use separate discount column in invoices	? No
Set expiry dates for batches	? No	Purchase Management	
Use separate actual and billed quantity columns	? Yes	Track additional costs of purchases	? No
Order Processing		Sales Management	
Enable purchase order processing	? No	Use multiple price levels	? No
Enable sales order processing	? No	Other Features	
Enable job order processing (Enables the options 'Maintain multiple godowns' and 'Use material in and out vouchers')	? No	Use tracking numbers (enables delivery and receipt notes)	? No
		Use rejection inward and outward notes	? No
		Use material in and out vouchers	? No
		Use cost tracking for stock item	? No

Accept ?

F1: Accounts F2: Inventory F3: Statutory F6: Add-Ons

Yes or No

After activating the above options go back to gate way of tally and select inventory info.

Gate way of tally → inventory info

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Gateway of Tally Ctrl + M

<p>Current Period 1-4-2018 to 31-3-2019</p> <p>Current Date Sunday, 1 Apr, 2018</p> <p><u>List of Selected Companies</u></p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Name of Company</th> <th>Date of Last Entry</th> </tr> </thead> <tbody> <tr> <td>Krishna Enterprises</td> <td>No Vouchers Entered</td> </tr> </tbody> </table>	Name of Company	Date of Last Entry	Krishna Enterprises	No Vouchers Entered	<p>Gateway of Tally</p> <p>Masters</p> <p>Accounts Info Inventory Info</p> <p>Transactions</p> <p>Accounting Vouchers Inventory Vouchers</p> <p>Utilities</p> <p>Import Data Banking</p> <p>Reports</p> <p>Balance Sheet Profit & Loss A/c Stock Summary Ratio Analysis</p> <p>Display</p> <p>Quit</p>
Name of Company	Date of Last Entry				
Krishna Enterprises	No Vouchers Entered				

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Gateway of Tally Ctrl + M

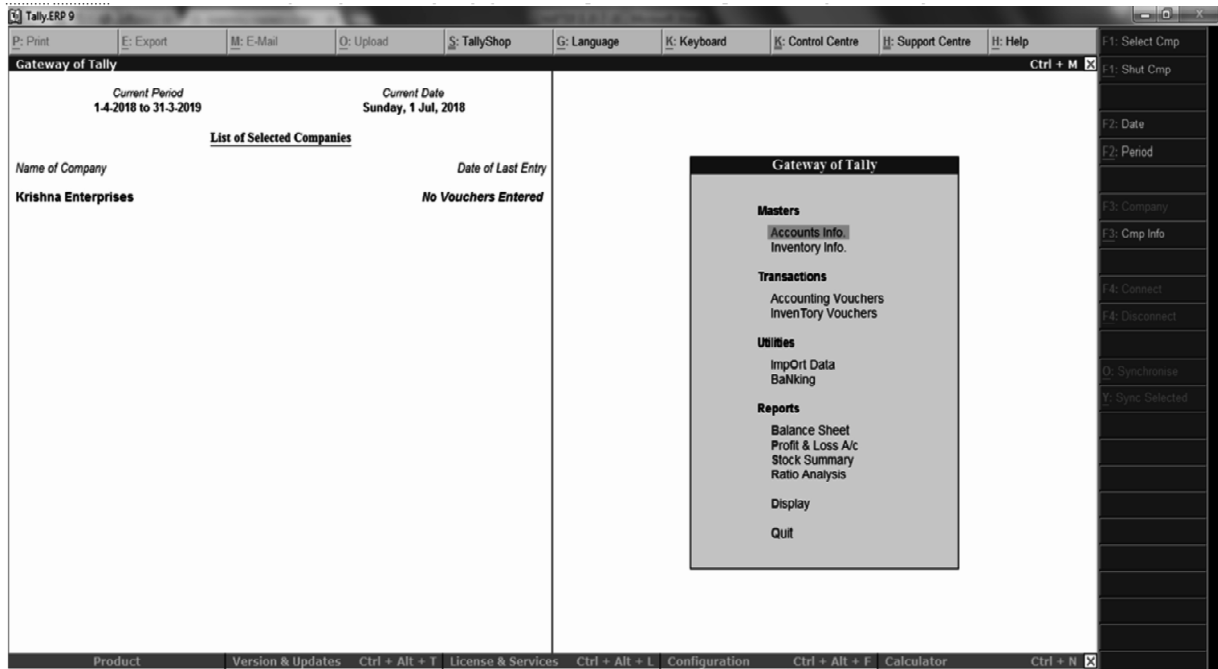
<p>Current Period 1-4-2018 to 31-3-2019</p> <p>Current Date Sunday, 1 Apr, 2018</p> <p><u>List of Selected Companies</u></p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Name of Company</th> <th>Date of Last Entry</th> </tr> </thead> <tbody> <tr> <td>Krishna Enterprises</td> <td>No Vouchers Entered</td> </tr> </tbody> </table>	Name of Company	Date of Last Entry	Krishna Enterprises	No Vouchers Entered	<p>Gateway of Tally</p> <p>Inventory Info.</p> <p>Stock Groups Stock Categories Stock Items</p> <p>Units of Measure GoDowns</p> <p>Voucher Types Copy Allocation Details</p> <p>Quit</p>
Name of Company	Date of Last Entry				
Krishna Enterprises	No Vouchers Entered				

Q9. Explain how to create a stock item in tally ?

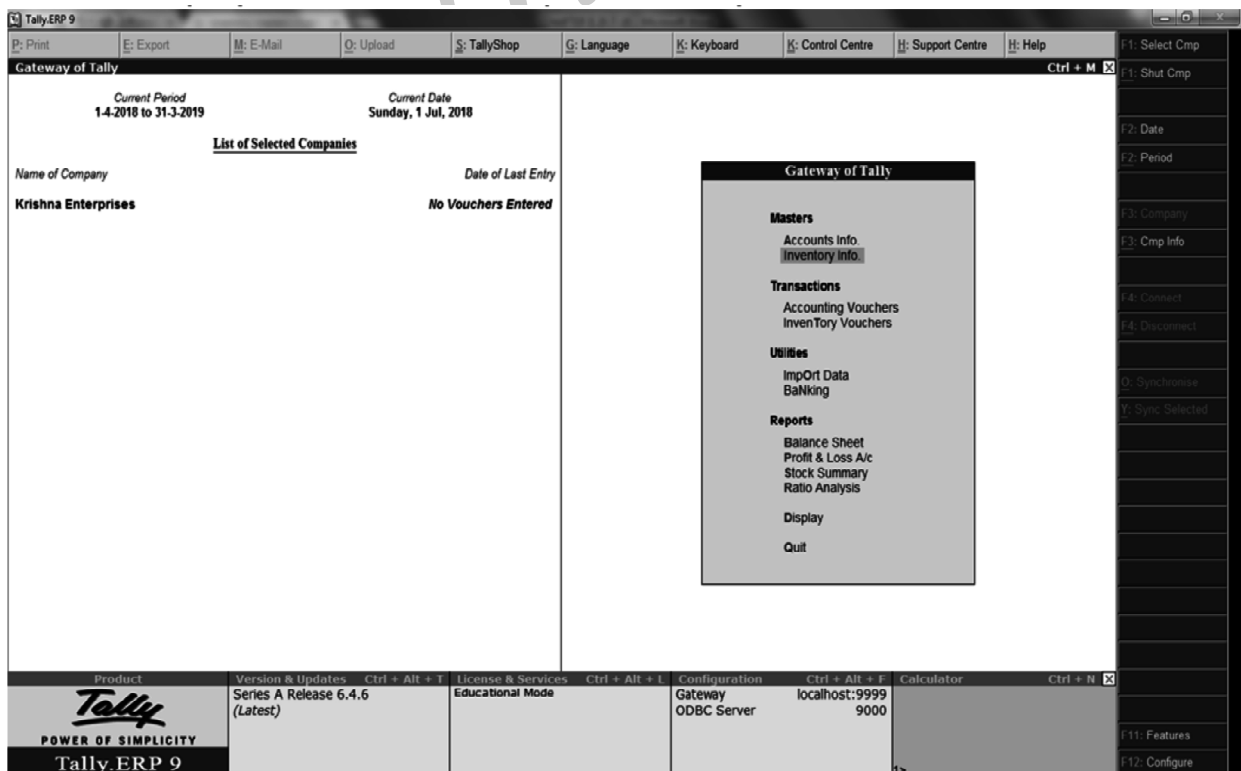
Ans :

(July-19)

First create a company in tally by pressing alt+f3 at gate way of tally,



Once the company is created select the option inventory info.



And first define units of measure

Units of measure: any stock item to be purchased or sold needs a units of measure such units of measure can be further classified into two types based on the quantity purchased. They are

simple and Compound: it is a combination of (2) two simple units of measure.

Consider the following example to understand the concept of units of measure.

For creating a compound unit at symbol field press back space and select the option compound

Simple units of measure: it is the basic unit of measure for any product gate way of tally → inventory info → units of measure → create.

step 2 - Create a stock group

Gate way of tally → inventory info → stock groups → create

Stock group: a stock group is classification under which similar nature, brand can be classified.

We can create a stock group in two ways they are single mode and multiple mode. under single mode a stock group is first created saved and next group is created.

While creating a stock group we have to fill the details

Name: name of the group has to be entered in the field

Alias : alternate name of the group can be entered if not leave it blank

Under : primary

Can quantities of items be added : yes it is used to see that the products are added under such group if it is not "yes" we cannot add a product under the group.

In case of multiple creation mode all the stock groups are created and are saved at once.

Can quantities of items be added: yes/no if the option is yes then the user can store items under the said group other wise we cannot store.

Path : Gate way of tally → inventory info → stock groups → multiple stock groups → create.

Step 3: create a stock category

Stock Category: Stock categories are those under which stock items can be further classified based on similarity and behavior, the basic advantage of these categories is that stock items reports can be generated based on alternatives or substitutes of an item. any stock category can be created in two ways they are as follows.

Single stock category: under this method a single category is created once. Once it is saved then we have to create the next category.

Gate way of tally → inventory info → single stock category → create

While creating a stock category fill the details as below.

Name : name of the stock category has to be entered in the field

Alias : by default it would be blank

Under: primary

Multiple stock category : under this method multiple category are created once. Once it is saved then we can go for creation for next category.

Gate way of tally → inventory info → stock categories → multiple stock categories → create

Step : 4 - create a godown/location in tally

Godown/location: These are used for the storage of materials of an organization by default we have 2 types of godowns they are primary and main location. If we are not sure about the location then we can choose primary as an option. These can be created 2 ways they are

Single godown: gate way of tally → inventory info → single godowns → create

Under this method a godown is created first under primary or main location once it is saved then we will be creating a new godown.

Path: gate way of tally → inventory info → godowns → single godown → create

Name: name of the godown has to be entered here

Alias: to be left blank or can enter alternate name of the godown

Under : select either primary or main location

Multiple godown: gate way of tally → inventory info → multiple godowns → create

Under this method all the godowns appearing under primary or main location are created and are saved at once.

Gate way of tally → inventory info → godowns → multiple godowns → create

Now select the option "all items" as a result the screen appears as follows and then in the name field enter the name of the godown ex: secunderabad and select "primary" in the option under as a result the completed screen appears as follows.

Step 5: create a stock item

It is the primary concept of any organization it is under the stock item all the items of the organization are stored. Stock items can be created in two (2) ways. They are single and multiple. Creating stock item using a single stock item creation method.

Gate way of tally → inventory info → single stock item → create

While creating fill the below details

Name: name of the stock item to be created has to be entered here

Alias: leave blank

Under: select any group which was created by us here

Category : depending upon the requirement select the category

Units: refers to units of measure hence select the appropriate units of measure

Opening balance : if any opening balance is present then enter the balance followed with rate of the item, then system will ask for the godown details for the sake of storage of the stock item

Creating stock item using a multiple stock item creation method

Similar to single stock item here also after entering the quantity system will prompt for selection of godown.

Thus we can create a stock item in tally.

Q10. Explain steps involved in defining stock opening balance in tally ERP.9

Ans :

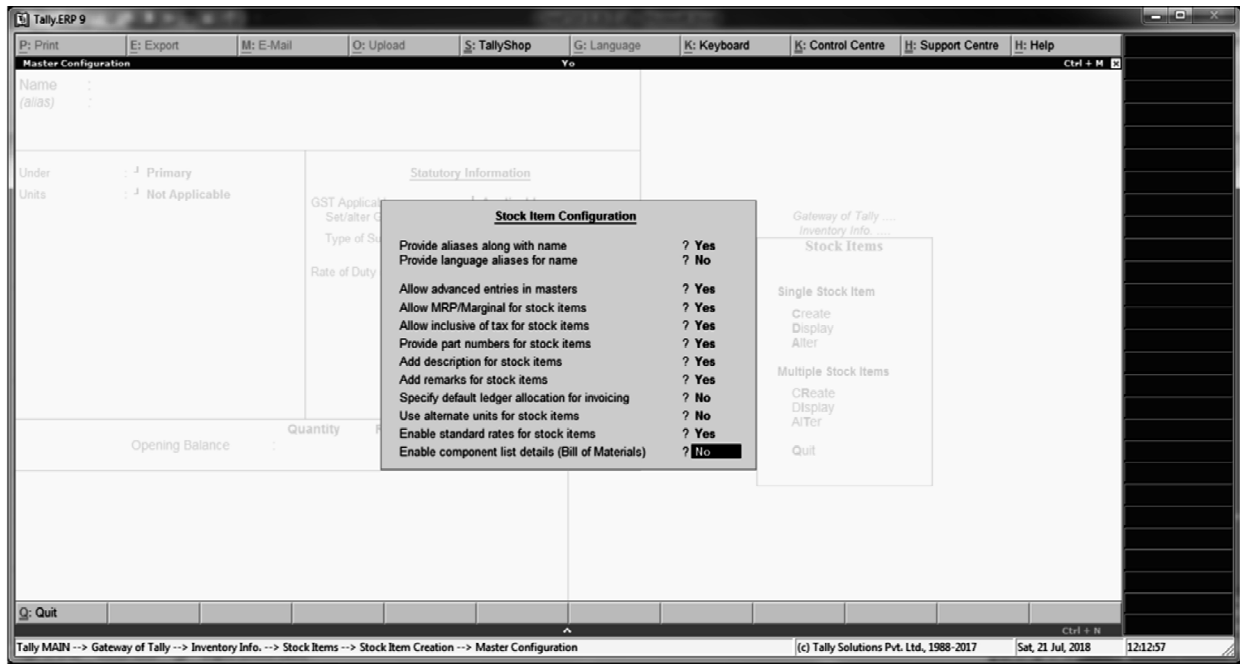
(July-19, Imp.)

While defining a stock item while defining a stock item press f12 (configuration) screen appears.

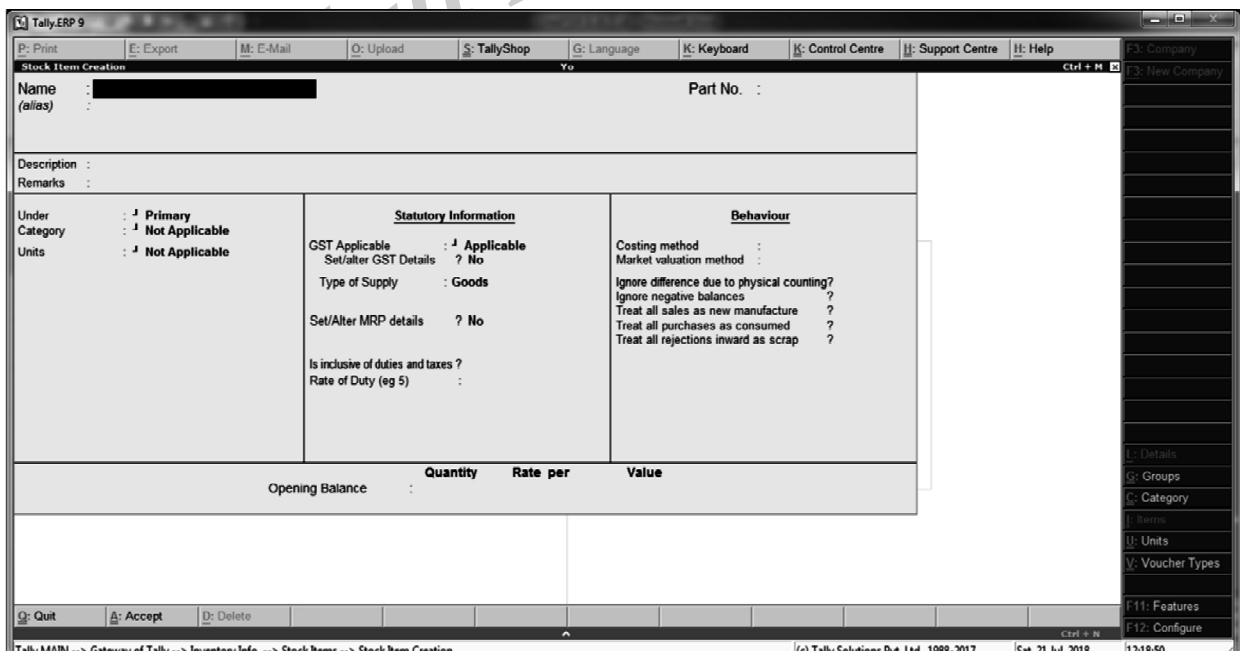
In the screen activate the following options.

- Allow advanced entries in masters
- Allow mrp/marginal on stock items
- Allow inclusive of tax on stock items
- Provide part numbers

- Add description for stock items
- Add remarks for stock items
- Enable standard rate for stock items
- Enable component list details(b.o.m)



As a result the stock item creation screen appears as follows.



Now when we enter the opening quantity tally will open a new window asking the user to select the godown.

Name : name of the stock item to be created has to be entered

Alias : alternate name of the above stock item

Description: description regarding the item can be entered in this field

Under: name of the stock group if we have created will be selected

Category: name of the stock category under which item is lying can be chosen here

Units: refer to units of measure

Set/alter mrp rates: if we want to enter mrp rate set the option to "yes" then another screen opens as below then give the details as below.

The screenshot shows the 'MRP Details' window in Tally.ERP 9 for the item 'Computer'. The 'Allow MRP modification in voucher' option is set to 'No'. The 'MRP Rate / Margin' section is empty. The 'Statutory Information' section shows 'GST Applicable' as 'Applicable' and 'Set/alter GST Details' as 'No'. The 'Behaviour' section shows 'Costing method' as 'Avg. Cost' and 'Market valuation method' as 'Avg. Price'. Other options like 'Ignore difference due to physical counting?' and 'Ignore negative balances?' are set to 'No'.

The screenshot shows the 'MRP Details' window in Tally.ERP 9 for the item 'Computer'. The 'Allow MRP modification in voucher' option is set to 'Yes'. The 'MRP Rate / Margin' section shows 'MRP Rate' as '20,000.00/no'. The 'Statutory Information' section shows 'GST Applicable' as 'Applicable' and 'Set/alter GST Details' as 'No'. The 'Behaviour' section shows 'Costing method' as 'Avg. Cost' and 'Market valuation method' as 'Avg. Price'. Other options like 'Ignore difference due to physical counting?' and 'Ignore negative balances?' are set to 'No'.

Allow mrp modification in voucher : yes

Mrp rate/margin: enter the rate of item here

Is inclusive of duties and taxes: yes/no we can choose any one.

Costing method: we can choose any one of the costing method from among the list available by default.

Market valuation method: choose any option from among the list.

Ignore difference due to physical counting : yes/no

Ignore negative balances: yes/no

Treat all sales as new manufacture: yes/no

Treat all purchases as consumed: yes/no

Treat all rejection inward as scrap: yes

Now define opening stock to select the godown option.

Tally ERP 9
 Stock Item Creation
 Name : Computer
 (alias) :
 Description :
 Remarks :
 Under : J Primary
 Category : J Not Applicable
 Units : no
 Set standard rates : ? No

Statutory Information		Behaviour
GST Applicable : J Applicable	Costing method : Avg. Cost	Ignore difference due to physical counting? No
Set/alter CST Details : ? No	Market valuation method : Avg. Price	Ignore negative balances : ? No
Type of Supply : Goods		Treat all sales as new manufacture : ? No
Set/Alter MRP details : ? No (From 1-Apr-2017 as 20,000.00/no)		Treat all purchases as consumed : ? No
Is inclusive of duties and taxes : Yes		Treat all rejections inward as scrap : ? No
Rate of Duty (eg 5) : 0		

	Quantity	Rate per	Value
Opening Balance	1,000 no		

Tally ERP 9
 Stock Item Allocation
 Name : Computer
 (alias) :
 Part No. :
 Allocations of : Computer
 for : 1,000 no

Godown	Quantity	Rate per	Amount
Main Location	1,000 no		

Statutory Information		Behaviour
GST Applicable : J Applicable	Costing method : Avg. Cost	Ignore difference due to physical counting? No
Set/alter GST Details : ? No	Market valuation method : Avg. Price	Ignore negative balances : ? No
Type of Supply : Goods		Treat all sales as new manufacture : ? No
Set/Alter MRP details : ? No (From 1-Apr-2017 as 20,000.00/no)		Treat all purchases as consumed : ? No
Is inclusive of duties and taxes : Yes		Treat all rejections inward as scrap : ? No
Rate of Duty (eg 5) : 0		

	Quantity	Rate per	Value
Balance	1,000 no		

Hence a stock item would be created.

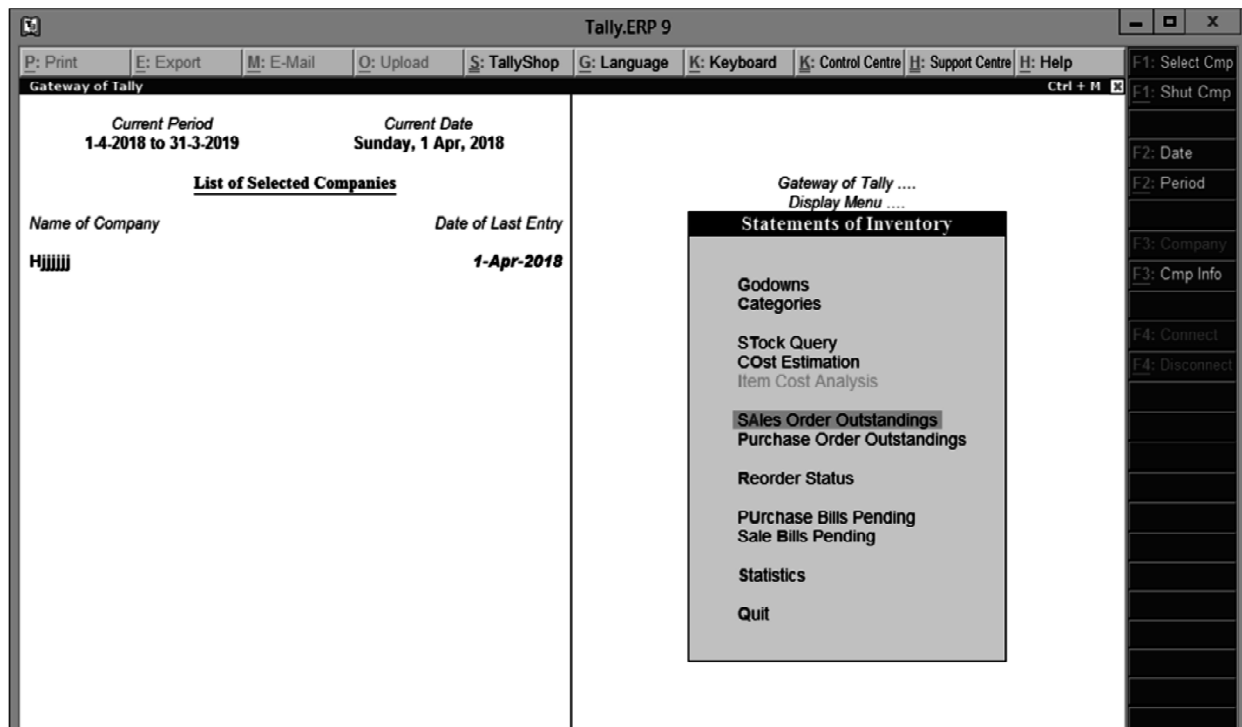
2.7 STOCK CATEGORY REPORTS

Q11. Explain various Stock category Reports available in tally.

Ans :

(Dec.-20, Imp.)

Gate way of tally → display → statements of inventory.



Godowns : under this option we can see the stock lying under each godown that is both primary and main location.

Path : gate way of tally → display → statements of inventory → godowns → alt + f1 (details)

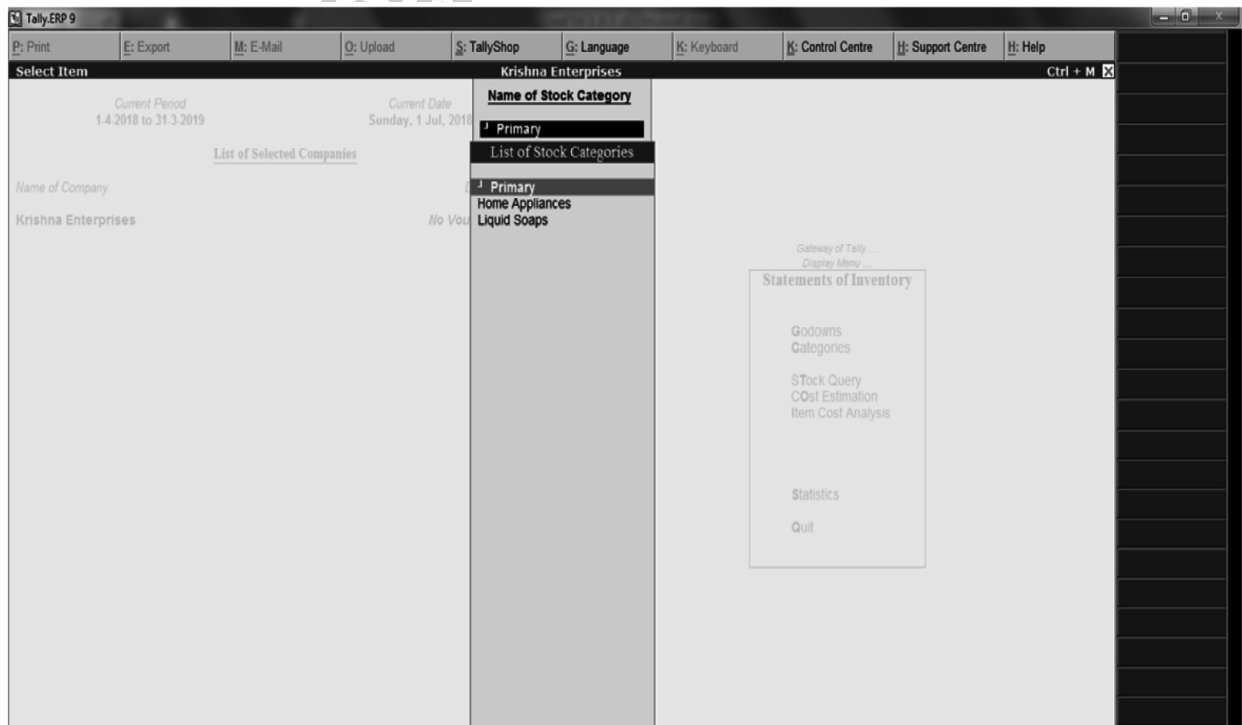
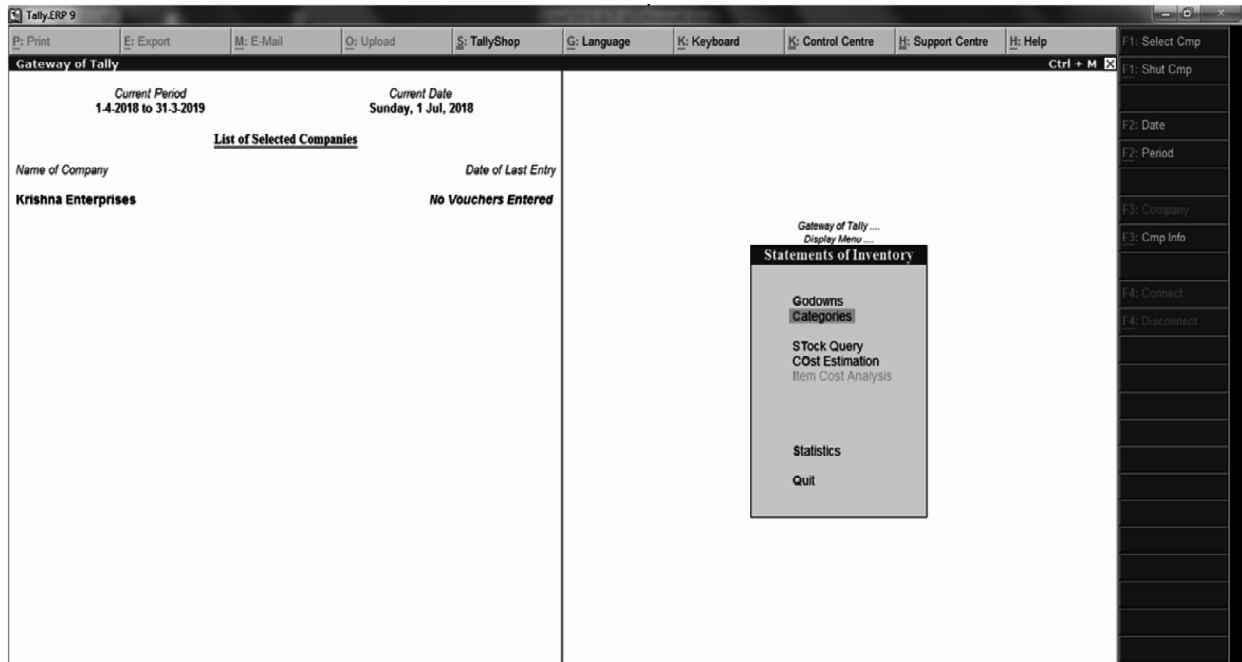
Godown Summary
Krishna Enterprises
For 1-Apr-2018

Particulars	Closing Balance		
	Quantity	Rate	Value
Hyderabad	200 pcs	12,575.00	25,15,000.00
Body Care	100 pcs	150.00	15,000.00
Electronics	100 pcs	25,000.00	25,00,000.00
Grand Total	200 pcs		25,15,000.00

As a result we can see the details of stock under the godowns.

Categories: under this option we can see the details of the stock items created or lying under specific categories.

Path : gate way of tally → display → statements of inventory → categories → primary godowns → alt+f1(details).



Stock query : Under this screen we see the details of sales and purchases made based on a category at the same time this option enables the user to see the details of all the stock items falling under same category. This report also provide us with the details of the godown.

Rahul Publications

Cost Estimation

With the help of this option one can estimate the cost of each item manufactured by us so that we can calculate the sale price for arriving at a profit and so that we can have a idea about at what price the product needs to be sold.

Sales Order Outstadings

Displays the Name of the Party for which the pending Sales Orders are displayed in this report followed with the date of the creation of Sales Orders, the Order Number for each Sales Orders, the ordered Quantity of each Stock Item as mentioned in each Sales Order, the balance Quantity for each Stock Item, the rate for each Stock Item, Displays the due date as mentioned in the Sales Order for the delivery of the Stock items. The Due Date can be different for each Stock Item. Displays the cumulative value (total Amount) of the Pending Stock Items for each Sales Order.

Purchase order outstandings

Pending Purchase Orders report will display the details of all the Purchase Orders raised with a party, which are not in closed state.

The Pending Purchase Orders screen displays list date-wise Pending Purchase Orders for the selected Party.

- **Ledger:** Displays the Name of the Party for which the Purchase Name of the Party is displayed against this
- **Date:** Displays the date of the creation of Purchase Order
- **Order Number:** Displays the Order Number of each Purchase Order
- **Ordered Quantity:** Displays the ordered Quantity of each Stock Item as mentioned in each Purchase Order
- **Balance Quantity:** Displays the balance Quantity of each Stock Item
- **Rate:** Displays the rate for each Stock Item
- **Due On:** Displays the due date as mentioned in the Purchase Order for the delivery of the Stock items. The Due Date can be different for each Stock Item

- **Value:** Displays the cumulative value (total Amount) of the Pending Stock Items for each Purchase Order.
- **Audit Status:** Displays the Audit Status selected by the Auditor.
- **Audit Note:** Displays the Audit Note entered by the Auditor.

Reorder Level

Reorder level (or reorder point) is the inventory level at which a company would place a new order or start a new manufacturing run.

Lead time is the time it takes the supplier or the manufacturing process to provide the ordered units.

Daily Average usage is the number of units used each day.

If a business is holding a safety stock to act as buffer if daily usage accelerates the reorder level would increase by the level of safety stock.

Purchases bills pending and Sales bills pending

The list of bills for which inventory transactions are completed, but where the accounting transactions are pending are displayed in these reports.

Bills Recd. but Goods not Recd

Lists transactions where the purchase/sale transaction with tracking number is entered, but relevant receipt note has not been entered.

Outstanding Purchase Bills

Lists transactions where the receipt note with tracking number is entered, but relevant purchase transaction has not been entered.

Cleared Purchase Bills

The transactions displayed here indicate that receipt note with tracking number is entered. The relevant purchase transaction is tracked with the tracking number, and the receipt note is cleared.

Short Question and Answers

1. Explain various cycle involved in a product life cycle ?

Ans :

Raw materials: all the materials which are required for manufacturing a product are termed as raw materials, more number of raw materials when combined will make a one finished product.

- **Work in progress :** under this process all the raw materials are bought into one place and are made ready for the production of a finished product, under this method the product is in a semi finished state and is not yet ready for sale in the market.
- **Finished goods:** these are the goods which are termed as assets. These stocks or goods are purchased from other persons and are ready for sale in the market.

2. How to create stock groups in tally ?

Ans :

Gate way of tally → inventory info → stock groups → create.

Stock Group

A stock group is classification under which similar nature, brand can be classified. We can create a stock group in two ways they are single mode and multiple mode. If a stock group is created then it will be easy for us to group the stock items and it will be easy for us to generate various reports

3. What do you mean by Units of measure ?

Ans :

Any stock item to be purchased or sold needs a units of measure. Such units of measure can be further classified into two types based on the quantity purchased. They are simple and Compound. If we have a units of measure then if required we can also generate a piece rate for the item.

4. How to create a stock category in tally?

Ans :

Stock categories are those under which stock items can be further classified based on similarity and behavior, the basic advantage of these categories is that stock items reports can be generated based on alternatives or substitutes of an item. Any stock category can be created in two ways they are as follows.

5. Explain how to create a godown/location in tally ?

Ans :

Godown/Location

These are used for the storage of materials of an organization, by default we have 2 types of godowns they are primary and main location. If we are not sure about the location then we can choose primary as an option. These can be created 2 ways they are

- i) **Single godown:** Under this method a godown is created first under primary or main location once it saved then we will be creating a new godown
- ii) **Multiple godown:** gate way of tally → inventory info → multiple godowns → create.

Under this method all the godown appearing under primary or main location are created and are saved at once.

6. Explain how to create a stock item in tally ?

Ans :

It is the primary concept of any organization it is under the stock item all the items of the organization are stored. Stock items can be created in two(2) ways. They are single and multiple. Stock items are used for purchases and sales.

7. What do you mean by stock query report ?*Ans :*

Under this screen we see the details of sales and purchases made based on a category at the same time this option enables the user to see the details of all the stock items falling under same category. This report also provide us with the details of the godown. With the help of a stock query report the user can analyze various queries.

8. What do you mean by cost estimation ?*Ans :*

With the help of this option one can estimate the cost of each item manufactured by us so that we can calculate the sale price for arriving at a profit and so that we can have a idea about at what price the product needs to be sold.in this process we can also derive at historical price estimation and based on this we can also derive future pricing of the same

9. What do you mean by sales order outstandings ?*Ans :*

Displays the Name of the Party for which the pending Sales Orders are displayed in this report followed with the date of the creation of Sales Orders, the Order Number for each Sales Orders, the ordered Quantity of each Stock Item as mentioned in each Sales Order, the balance Quantity for each Stock Item, the rate for each Stock Item, Displays the due date as mentioned in the Sales Order for the delivery of the Stock items. The Due Date can be different for each Stock Item.

Displays the cumulative value (total Amount) of the Pending Stock Items for each Sales Order.

10. What do you mean by purchase order outstandings ?*Ans :*

Pending Purchase Orders report will display the details of all the Purchase Orders raised with a party, which are not in closed state. The Pending Purchase Orders screen displays list date-wise Pending Purchase Orders for the selected Party.

11. Defining of Stock Opening Balance*Ans :*

While defining a stock item while defining a stock item press f 12 (confuguration) screen appears.

In the screen activate the following options.

- Allow advanced entries in masters
- Allow mrp/marginal on stock items
- Allow inclusive of tax on stock items
- Provide part numbers
- Add description for stock items
- Add remarks for stock items
- Enable standard rate for stock items
- Enable component list details (B.O.M)

12. Creation of Godowns in Tally.*Ans :*

These are used for the storage of materials of an organization by default we have 2 types of godowns they are primary and main location. If we are not sure about the location then we can choose primary as an option. These can be created 2 ways they are:

Single godown: Gate way of tally → inventory info → single godowns → create

Under this method a godown is created first under primary or main location once it saved then we will be creating a new godown.

Path: gate way of tally → inventory info → godowns → single godown → create.

13. Types of Units of Measure.*Ans :*

Units of measure: any stock item to be purchased or sold needs a units of measure. such units of measure can be further classified into two types based on the quantity purchased.

They are :

1. simple and
2. Compound.

Simple units of measure: it is the basic unit of measure for any product.

Gate way of tally → inventory info → units of measure → create.

Compound/complex units of measure: it is a combination of (2)two simple units of measure.

Consider the following example to understand the concept of units of measure.

For creating a compound unit at symbol field press back space and select the option compound.

14. What is stock item?

Ans :

It is the primary concept of any organization it is under the stock item all the items of the organization are stored. Stock items can be created in two(2) ways. They are single and multiple. Creating stock item using a single stock item creation method.

At gate way of tally → inventory info?

→ Gate way of tally → inventory info → single stock item → create.

15. Steps involved in creation of units of measure of Tally.

Ans :

First create a company in tally by pressing alt+f3 at gate way of tally and select the option create company.

Units of measure: any stock item to be purchased or sold needs a units of measure. such units of measure can be further classified into two types based on the quantity purchased.

They are :

1. simple and
2. Compound.

Simple units of measure: it is the basic unit of measure for any product.

Gate way of tally → inventory info → units of measure → create.

Type: select simple which will be by default

Symbol: symbol for a product will be given in this field (ex: pcs)

Formal name: for the symbol entered in symbol field we will enter the full form (ex: pices for pcs)

16. Deletion of Groups

Ans :

- (i) Double click on Tally Icon and select a company.
- (ii) From Gateway of Tally select accounts info.
- (iii) Click on Groups and select alter under single group.

By the single alternation mode the delete function is carried out. Groups cannot be deleted from the multiple alternation mode. Choose the group which is to be deleted and press Alt+D to delete.

Choose the Correct Answer

1. What is a default godown in tally [c]
(a) primary category (b) primary location
(c) main location (d) no location
2. In how many ways units of measure can be created [c]
(a) only simple (b) only compound
(c) simple and compound (d) none of the above
3. Identify the odd one out which of the following falls under current assets [d]
(a) Stock group (b) stock item
(c) units of measure (d) indirect expenses
4. What is the short cut key to save the changes in the alteration mode ? [a]
(a) Ctrl+A (b) Ctrl+S
(c) Ctrl+P (d) Ctrl+G
5. How to accept screen using keyboards [b]
(a) press <alt> (b) press <enter>
(c) press <ctrl+D> (d) press <shift>
6. In the stock group display mode, the button 'U'; units is used to _____ [a]
(a) alter a unit of measure (b) display unit of measure
(c) delete a unit of measure (d) create units of measure
7. Stock group can be created in how many ways [d]
(a) single (b) multiple
(c) only single (d) both a and b
8. Stock item can be created in how many ways [d]
(a) single (b) multiple
(c) only single (d) both a and b
9. Godown can be created in how many ways [b]
(a) 1 (b) 2
(c) 3 (d) 4
10. _____ the stock category summary lists the opening balances of all items belonging to a selected category [b]
(a) true (b) false

Fill in the blanks

1. S.K.U stands for _____
2. Meaning of UOM _____
3. stock item can be created in _____ ways
4. _____ made allows execution of function on one matter.
5. _____ are used for storage of materials.
6. while creating a godown we can select _____ or _____
7. _____ option is used to create a godown in tally
8. There are _____ types of discounts
9. We use _____ to open a sales voucher
10. We use _____ to open a purchases voucher.

ANSWERS

1. Stock keeping units
2. Units of measure
3. 2
4. Single
5. Godowns/locations
6. Primary or main location
7. Create
8. 2
9. F8
10. F9

UNIT III

RECORDING DAY-TO-DAY TRANSACTIONS IN ERP: Introduction- Business Transactions-Source Document for Voucher-Recording Transactions in ERP - Accounting Vouchers-Receipt Voucher (F6)-Contra Voucher (F4)- Payment Voucher (F5)-Purchase Voucher (F9)-Sales Voucher (F8)-Debit Note Voucher-Credit Note (Ctrl+F8)- Journal Voucher (F7).

3.1 INTRODUCTION-BUSINESS TRANSACTIONS SOURCE DOCUMENT FOR VOUCHER

Q1. What is business transaction ?

Ans :

Introduction

Accounting is the practice of maintaining a record of the financial dealings of a business. It involves identifying business transactions recording them and summarizing them.

A business transaction is an activity or event that can be measured in terms of money and which affects the financial position or operations of the business entity. A business transaction has an effect on any of the accounting elements assets, liabilities, capital, income, and expense. The accounting functions begins with a transaction and then recorded in the books of accounts. A transaction is a event with which organization cash balance or bank balance increases or decreases. With the help of a transaction even the stock of the company also increases or decreases.

Q2. What is Source document for vouching and why is it important ?

Ans : (Dec.-20, Dec.-18, Imp.)

Source Document or Voucher

A document which acts like an evidence for the transaction is called as a source document or a voucher.

A source document is the original record containing the details to substantiate a transaction

entered in an accounting system. A manufacturer's production records will also include source documents such as materials requisition forms.

Features of Vouchers

The important features of voucher are,

1. It is a written document.
2. It acts as a documentary evidence.
3. It shows the complete details of the transaction.
4. It supports the entry that appears in the books of accounts.
5. It ensures the accuracy of entries in the account books.

Importance of Source Documents/Vouchers

The importance of source documents/ vouchers can be understood from the following points,

1. These documents are helpful in comparing, verifying and examining the transactions.
2. They are considered as important documents for auditing.
3. They act as evidence in the court of law.
4. It is not acceptable to record any business transaction based on memory. It rather requires authentic, sound and valid evidence in the form of source document.
5. It allows to check the date, parties, amount and transaction details.
6. It provides documentary evidence that the transaction has actually taken place.

3.2 RECORDING TRANSACTIONS IN TALLY

Q3. What do you mean recording of transactions ?

Ans : (Dec.-19)

Recording of a financial transaction is the first step in accounting cycle. Every day business concerns are involved in activities like purchases and sales. The basic difference between manual accounting and computerized accounting is in case of manual accounting depending upon the golden rules of accounting the transactions are recorded in the books of original entry also known as journal.

A journal is a book where the entries are posted in a sequence without considering their nature such as purchases sales payment or receipt. Then at the end of the day each entry is again transferred into separate individual ledger accounts .In case of computerized accounting it has effectively decreased the burden of recording the sam entries again and again.

In case of computerized accounting identification of ledgers involved in a entry is the primary target of any individual. Once the identification is done creation of ledger is to be done which itself is a one time activity for any person by applying the golden rules of accounting. Once the ledgers are created by the user in tally we have pre-defined vouchers which are used for posting the entries.

Q4. Explain the process of recording Business Transactions in Accounting Software.

Ans : (Dec.-19, Imp.)

Tally contains more than 20 predefined voucher types for recording different types of business transactions. Some of these voucher types include Credit Note, Delivery Note, Material in, Material Out, Contra, Payment, Purchase Order, Payroll, Receipt, Sales, Receipt Note, Physical Stock, Stock Journal, Sales Order, Journal etc. Additional voucher types can be created or modified based on the requirements. For example, a new voucher type for sales invoice may be created.

Creating a Voucher Type for Sales Invoice

1. Go to gateway of Tally
2. Select Accounts Info
3. Click on Voucher Types.
4. To create new voucher type, choose create option and voucher type creation screen is displayed.

(i) Name: Give the desired name for new voucher type to be created. Define an alias i.e., alternate name if necessary,

(ii) Voucher Types: When the cursor is moved over type of voucher field.

Choose suitable voucher type as the new voucher type takes the properties of the choosen voucher type. It implies that the new voucher type works like the predefined voucher type which is choosen.

(iii) Abbreviation: If a voucher type is selected, Tally fills the abbreviated name in Abbr i.e., Abbreviation field automatically. The abbreviation can be changed if needed.

(iv) Method of Voucher Numbering: The three choices are available to define the method of voucher numbering.

- (a) Automatic
- (b) Manual and
- (c) None.

If the manual option is selected, the other option is also provided by Tally i.e., "prevent duplicates" which helps in preventing the assignment of same number to multiple vouchers.

(v) Effective Dates for Vouchers: At the time of voucher entry, this option will allow you to enter effective date. It may be different from voucher entry date.

(vi) Narration: The narration options enable you to use a common narration or separate narrations for every voucher entry.

(vii) Print After Saving Voucher: In the middle of screen, there is a printing section under which the first option "print after saving voucher" checks whether Tally prints the voucher after the voucher is entered. It is used when online voucher is used as the formal voucher.

The next two options are used for POS (Point of Sale) invoice configuration. In the voucher type creation screen, the last optional section is "Name of Class" which is used for creating a new voucher class. When all the details are entered in the voucher type creation screen, press Enter Key, Tally displays the Accept Box which allows you to save the Voucher type that is defined. When the Voucher Type is saved, Tally re-displays the blank voucher types. Click the Quit button or press Ctrl + Q if another Voucher Type is not to be created and Tally returns back to the Voucher Type Menu.

Display Voucher Type

To see the list of defined Voucher Types, Display command is used. To display a voucher on the screen,

1. Go to Accounts Information
2. Click on Voucher Types
3. Click on Display.

The list of available voucher types is displayed, select the one which is required.

Modify/Alter Voucher Type

Alter command is used to modify any voucher type. To modify a voucher on screen,

1. Go to Accounting Information
2. Click on Voucher Types
3. Click on Alter.

Select the Voucher Type that is to be altered.

Deletion of Voucher Type

For deleting a voucher type, select it in Alteration mode and press Alt + D. If the Voucher Type is not transacted in voucher, confirmation is asked Delete? Yes or No, click Yes to delete. The voucher type cannot be deleted if it has participated in voucher transaction.

Q5. Write about voucher setting on designing screen.

Ans :

In a voucher system, there exist a set of internal controls that allow only approved cash disbursements and new-obligations. It helps the management in preventing fraudulent withdrawals from the employees of the company and others from outside the company.

Voucher Number

If you have set-up voucher type to do voucher numbering, then the accounting package will enter this for you. You can do voucher numbering manually based on your requirements. For numbering the voucher, the three basic options are available,

1. **Automatic:** Select for system-generated incremental number. After selection, one has to specify,
 - a) **Starting Numbers:** For the first voucher, provide starting number i.e., 1. It is possible for you to restarts number each month or year or you may continue the same forever depending upon your requirements.
 - b) **Width of Numerical Part :** You should specify the maximum width to obtain aligned appearance in reports.
 - c) **Pre-fill with Zero :** Select 'yes' to fill up the numbers with zeros to make up the width you enter at width of numerical part. The space will be left blank, if you select 'No'.
2. **Manual :** While entering the voucher, select manual to input voucher numbers.
3. **Prevent Duplicates :** If you enter an existing voucher number, select 'yes' to trap.

Date of Voucher

At the top of voucher creation screen, you are supposed to enter voucher date. Initially, the date shall be taken from the accounting package current date and later you can change the date frequently to make sure that vouchers are entered with the date you require. One can change the date using the button F2 on the button bar.

Particulars

In the voucher creation screen, one can select Configure to change the default accounting package i.e., To/By to Dr and Cr. For debit entries, each voucher line shows a prompt of Dr or By and for credit entries, it shows a prompt of Cr or To. For the first prompt, the accounting package selects Dr or Cr based on the type of voucher. One cannot change this. If needed, one can change the prompt by typing over it with D or C.

Particulars (Ledger Name and Amount)

One should enter the ledger names and the debit and credit amounts after selecting To/By or Dr/Cr. For selecting a ledger, one should type the first letter of ledger name. This will show a list of ledger accounts which are suitable for the voucher type. The prompt of first ledger name depends on the voucher type.

Narration

Here, one should type only that which is suitable for the transaction. For each line of particulars, one can opt for separate narration if the configuration of voucher is done in that manner.

3.3 CLASSIFICATION OF VOUCHERS

Q6. Explain about types of vouchers ?

Ans :

(Dec.-19)

There are 3 types of voucher types present in tally

- Accounting vouchers, inventory vouchers, non-accounting vouchers.

Accounting vouchers :

- Contra voucher
- Payment voucher
- Receipt voucher
- Journal voucher

Depending upon the users requirement we can also alter these vouchers.

3.3.1 Contra Vouchers

Q7. Explain briefly about contra vouchers.

Ans :

(July - 21, Dec.-19, Dec.-18, Imp.)

Contra(f4): a contra voucher is used in following cases

- When cash is deposited into bank
- When cash is withdrawn from bank
- During cash to cash transfers

Path:gate way of tally accounting vouchers\4(contra)

Contra entries can be entered in two ways

- **Single entry mode:** where in the account column appears automatically and it is pre-defined with the DR aspect.
- **Double entry mode:** under this method multiple debits and credits can be entered

Image of contra voucher in single entry mode :

Account : enter the debit balance Press f2 → to change the date.

Particulars : enter the credit aspect Amount: enter the amount to be credited

Narration: enter the narration for the entry

Image of contra voucher when in double entry mode :

Tally.ERP 9

Accounting Voucher Creation Krishna Enterprises Ctrl + M

Contra No. 1 1-Jul-2018 Sunday

Account : Cash
Cur Bal: 1,07,000.00 Dr

Particulars	Amount
icici Cur Bal: 25,000.00 Cr	25,000.00

Narration:
being cash deposited in the bank

Accept ?

In order to pass the entry in double entry mode press f12 in contra voucher.

Use single entry mode for contra/payment/receipt vouchers "no"

Use cr/dr instead of to/by during entry : yes

Warn on negative cash balances: yes if the option is activated we can view a warning message if in case cash balances reaches negative.

Show ledger current balances "yes" as a result the contra voucher appears as follows.

Tally.ERP 9

Accounting Voucher Creation Krishna Enterprises Ctrl + M

Contra No. 2 1-Jul-2018 Sunday

Particulars	Debit	Credit
Cr Cash Cur Bal: 82,000.00 Dr		25,000.00
Dr icici Cur Bal: 0.00 Dr	25,000.00	
	25,000.00	25,000.00

Narration:

Post-Dated
Optional

3.3.2 Payment Voucher

Q8. Explain about a payment voucher ?

Ans :

(July - 21, Dec.-19, Dec.-18, Imp.)

Payment(f5) a payment voucher is used during the following cases :

- When expenses are paid by cash
- When expenses are paid by cheque
- When a party (creditor) outstanding balance is partially/fully paid by cash, or an advance is paid by cash
- When a party (creditor) outstanding balance is partially/fully paid by cheque, , or an advance is paid by cheque.

Payment entries can be entered in two ways :

- Single entry mode: where in the account column appears automatically and it is pre-defined with the CR aspect. (CREDIT ASPECT)
- Double entry mode: under this method multiple debits and credits can be entered

Path: gate way of tally → accounting vouchers → f5 (Payment)

Image of payment voucher in single entry mode :

The screenshot shows the 'Accounting Voucher Creation' window in Tally ERP 9. The title bar indicates 'Tally ERP 9'. The menu bar includes: P: Print, E: Export, M: E-Mail, O: Upload, S: TallyShop, G: Language, K: Keyboard, K: Control Centre, H: Support Centre, H: Help. The window title is 'Accounting Voucher Creation' with a subtitle 'Krishna Enterprises'. The voucher type is 'Payment' and the number is 'No. 1'. The date is '1-Apr-2018' and the day is 'Sunday'. The 'Account' field is filled with a blacked-out name. Below the account field is a 'Cur Bal' field. The main area is a table with two columns: 'Particulars' and 'Amount'. The 'Particulars' column is empty. At the bottom left, there is a 'Narration:' label. The bottom right has a double horizontal line for a total or balance.

Image of payment voucher in double entry mode :

Particulars		Debit	Credit
Dr SALARIES		2,500.00	
Cur Bal: 17,500.00 Dr			
Dr Account	2,500.00 Dr		
Cr CASH			2,500.00
Cur Bal: 79,500.00 Dr			
		2,500.00	2,500.00

DR: enter the debit aspect of the entry CR: enter the credit aspect of the entry

Narration: enter the narration of the entry passed

Calculator: use CTRL + N to activate the calculator portion to do any calculation

3.3.3 Receipt Voucher

Q9. Explain about a receipt voucher.

Ans :

(July - 21, Dec.-19, Dec.-18, Imp.)

Receipt(f6) a receipt voucher is used during the following cases.

- When incomes are received by cash
- When incomes are received by cheque
- When a party (debtor) outstanding balance is partially/fully is received by cash, or an advance is received by cash
- When a party (debtor) outstanding balance is partially/fully is received by cheque, , or an advance is received by cheque.

Receipt Entries can be entered in two ways :

- Single entry mode: where in the account column appears automatically and it is pre-defined with the DR aspect. (DEBIT ASPECT)
- Double entry mode: under this method multiple debits and credits can be entered.

Image of Receipt Voucher in Single Entry Mode:

Tally.ERP 9

Accounting Voucher Creation Krishna Enterprises

Receipt No. 1

1-Apr-2018 Sunday

Account :

Cur Bal:

Particulars	Amount

Narration:

Account : enter the debit aspect of the entry **Particulars:** enter the credit aspect of the entry

Amount: enter the amount in the amount column

Narration: enter the narration of the entry passed

Calculator: use CTRL + N to activate the calculator portion to do any calculation

Image of Receipt Voucher in Double Entry Mode

Tally.ERP 9

Accounting Voucher Creation Krishna Enterprises

Receipt No. 2

1-Apr-2018 Sunday

Account :

Cur Bal:

Particulars	Amount

Narration:

List of Ledger Accounts

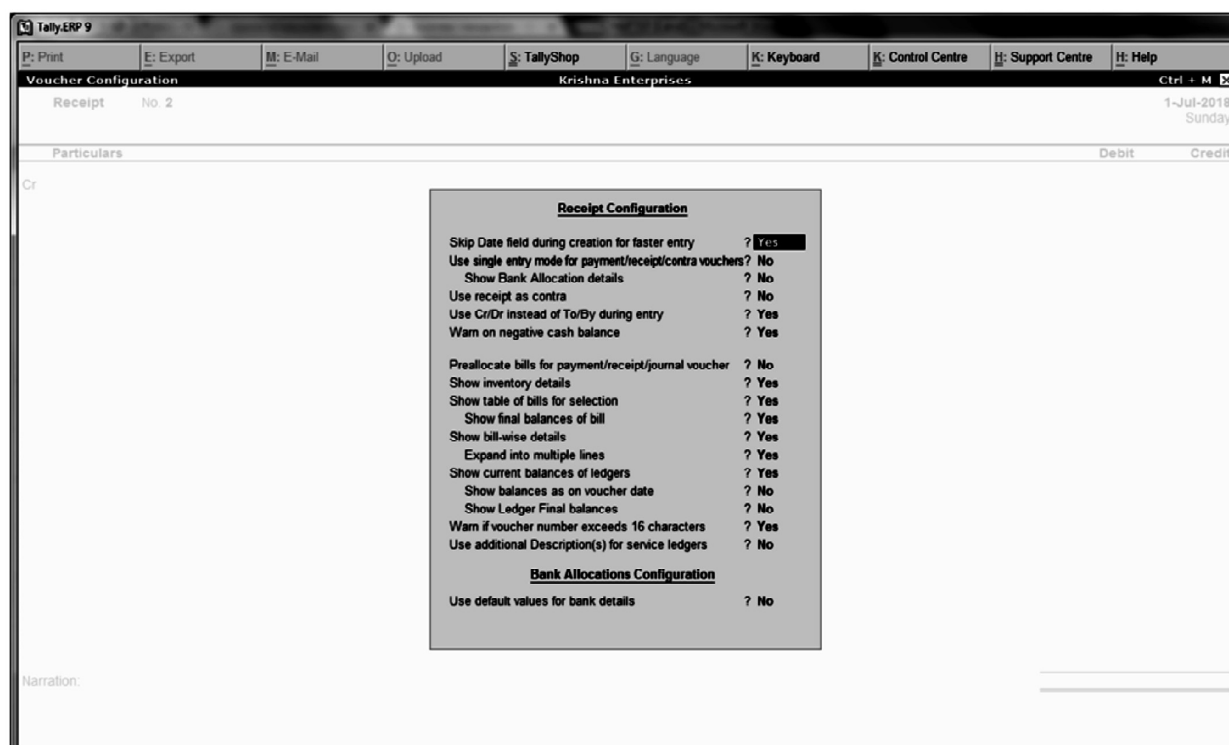
- BILLS PAYABLE
- BILLS RECEIVABLE
- CAPITAL
- COMMISSION RECEIVED
- FURNITURE
- MACHINERY
- P RETURNS
- PURCHASES
- RENT
- RENT RECEIVED
- RISHI
- SALARIES
- SALES
- S RETURNS
- TELEPHONE BILL

CR: enter the credit aspect of the entry Dr: enter the debit aspect of the entry

Narration: enter the narration of the entry passed

Calculator: use CTRL + N to activate the calculator portion to do any calculation

A contra voucher ,payment voucher or a receipt voucher are available in single and multiple entry modes hence in any of the screens press f12 (configuration) and change the following options to view contra, payment and receipt vouchers in double entry mode.



Skip date field during entry for faster entry to yes: in this case the user can skip the date field.

Use single entry mode for contra/payment/receipt: no (by disabling) the option the user can enter in double entry mode.

Use cr/dr instead of to/by: "yes" to view dr/cr instead of to/by.

Warn on negative cash balance: yes by enabling this option error message if cash balance is going negative when depositing into bank will be displayed. In the other cases cash balance if it is negative it will be in red colour.

3.3.4 Journal Voucher (F7)

Q10. Explain briefly about journal vouchers.

Ans :

(July - 21, Dec.-19, Dec.-18, Imp.)

Journal vouchers are used for passing adjustment entries without effecting cash or bank balances. Adjustment entries are made before finalizing the company's balance sheets.

Image of a Journal Voucher

Accounting Voucher Creation
Journal No. 1
Particulars
 Dr
 Narration:

List of Ledger Accounts
 Bills Payable
 Bills Receivable
 Capital
 Commission Received
 Furniture
 Machinery
 P Returns
 Profit & Loss A/c
 Purchases
 Rent
 Rent Received
 Rosh
 Salaries
 Sales
 S Returns
 Telephone Bill

Dr: enter the debit aspect of the entry CR: enter the credit aspect of the entry

Narration: enter the narration of the entry passed

Calculator: use CTRL + N to activate the calculator portion to do any calculation

In a journal voucher one can pass cash entries also depending upon the requirement for that one has to press f12 (configuration) then activate the following option

Allow cash accounts in journals: "yes"

Voucher Configuration
Journal No. 1
Particulars
 Dr
 Narration:

Journal Standard Configuration
General Options
 Skip Date field during creation for faster entry ? Yes
 Use Cr/Dr instead of To/By during entry ? Yes
 Warn on negative cash balance ? Yes
 Allow cash accounts in journal vouchers ? **Yes**
 Show Bank Allocation details ? No
 Use ref. number in journals ? No
 Preallocate bills for payment/receipt/journal voucher ? No
 Use defaults for bill allocations ? No
 Show table of bills for selection ? Yes
 Show final balances of bill ? Yes
 Show bill-wise details ? Yes
 Expand into multiple lines ? Yes
 Show current balances of ledgers ? Yes
 Show balances as on voucher date ? No
 Show Ledger Final balances ? No
 Print cheque after saving voucher ? Yes
 Confirm each cheque before print ? Yes
Bank Allocations Options
 Use default values for bank details ? No
 Use Auto Cheque Numbering ? Yes
 Allow selection of cheque range ? Yes
 Press F12 for more options.

Inventory vouchers: are those vouchers which are specifically used during inventory Recording.

- sales
- Purchases
- debit note
- credit note
- stock journal
- manufacturing journal are few examples for inventory vouchers.

Q11. Explain briefly about purchase voucher ?

(OR)

Explain how transactions are recorded in purchase voucher?

Ans :

(July - 21)

Purchases(f9): is used in the following cases

- When goods are purchased by cash
- When goods are purchased by cheque
- When goods are purchased on credit from party(creditor) on credit
- When services are purchased on cash/cheque/credit

A purchases voucher is available in 3 types (1)account invoice (2)item invoice (3) as voucher.

Account invoice: in this mode the user can directly select debit Ledger account, while passing an invoice. This option is used in service organizations where inventory is not maintained In a purchase voucher use ctrl + v to view a purchase voucher in account invoice mode. When a purchase voucher is in account invoice it would be as below.

Supplier invoice no: enter the invoice no if it is present.

Date: enter the date of the transaction

CR: enter the credit aspect of the entry and amount in the amount column ,then the bill wise details screen appears select new reference and accept the bill wise details.

Bill-wise Details
Purchase No. 1
Supplier Invoice no. :
Date : 1-Jul-2018 Sunday

Particulars

Cr: Rishi

Bill-wise Details for : Rishi
Upto: ₹ 12,000.00 Cr

Type of Ref	Name	Due Date, or Credit Days (wef: 1-Jul-2018)	Amount	Dr/Cr
New Ref	1	30 Days (31-Jul-2018)	12,000.00	Cr

12,000.00 Cr

Q: Quit A: Accept

Tally MAIN --> Gateway of Tally --> Accounting Voucher Creation --> Bill-wise Details

© Tally Solutions Pvt Ltd., 1988-2018 Sat, 21 Jul, 2018 20:49:37

Dr : enter the debit aspect of the entry say purchases skip the inventory details.

Accounting Voucher Creation
Purchase No. 1
Supplier Invoice no. :
Date : 1-Jul-2018 Sunday

Particulars

Cr: Lohita

Cur Bal: 12,000.00 Cr
New Ref 1 30 Days 12,000.00 Cr (31-Jul-2018)

Dr: PURCHASES

Cur Bal: 4,62,000.00 Dr

12,000.00

12,000.00

Narration:

Q: Quit A: Accept D: Delete X: Cancel

Tally MAIN --> Gateway of Tally --> Accounting Voucher Creation

© Tally Solutions Pvt Ltd., 1988-2018 Sat, 21 Jul, 2018 20:52:17

Narration: enter the narration for the above entry

Calculator: use ctrl+n to do any calculations

Item invoice mode: under this method inventory details involving stock item stock quantity stock rate and amount details are recorded this mode is useful for recording inventory details.

The screenshot displays the 'Accounting Voucher Creation' window in Tally ERP 9. The title bar indicates 'Tally.ERP 9'. The menu bar includes options like Print, Export, E-Mail, Upload, TallyShop, Language, Keyboard, Control Centre, Support Centre, and Help. The main window is for 'Krishna Enterprises' and is titled 'Accounting Voucher Creation'. It shows a 'Purchase' voucher for 'No. 1' dated '1-Jul-2018 Sunday'. Fields for 'Supplier invoice no.', 'Party A/c name', 'Current balance', and 'Purchase ledger' are present. A table for 'Name of Item' with columns 'Quantity', 'Rate per', and 'Amount' is shown. The bottom bar has buttons for 'Quit', 'Accept', 'Delete', and 'Cancel', and a 'Ctrl+N' shortcut.

Supplier invoice no: enter as per the requirement

Party a/c name: select a creditor from the list of creditors of the company

Current balance: tally automatically displays the current balance of the creditor

Purchase ledger: select purchase ledger

Name of the item: from the inventory or enter a product you want to purchase.

Godown enter the godown details followed.

Quantity: enter the quantity details

Rate: rate of the inventory in terms of units

Amount: it will be automatically displayed.

11.0'11.0'

Ans :

A debit note voucher is used for interest calculations and for purchases returns. A debit note is in two types. When it is in invoice mode we use it for purchases returns. When it is in accounting mode we use it for interest calculations. (interest to be paid)

Image of debit note voucher when in account invoice.

Open a debit note voucher and press (ctrl+v) as a result the screen will be as follows :

Tally-ERP 9

Accounting Voucher Creation

Debit Note No. 1

Original invoice no. : Date :

1-Jul-2018 Sunday

Particulars	Debit	Credit
Dr		

Narration:

Ctrl + M

- 1. Accounting Voucher
- 2. Inventory Vouchers
- 3. Date
- 4. Company
- 5. Contra
- 6. Payment
- 7. Receipt
- 8. Journal
- 9. Sales
- 10. Credit Note
- 11. Purchase
- 12. Debit Note
- 13. Reversing Journal
- 14. Memo
- 15. Accounting Invoice
- 16. As Invoice
- 17. Post-Dated
- 18. Optional
- 19. Features

Supplier invoice no: enter the details as required.

Dr: enter the sundry creditor.

Debit: enter the amount in the column and then select a gst reference in the bill wise details screen for the bill to be adjusted.

Tally-ERP 9

Accounting Voucher Creation

Debit Note No. 1

Original invoice no. : Date :

1-Jul-2018 Sunday

Particulars	Debit	Credit
Dr. Lohita	15,000.00	
Cur Bal: 2,47,000.00 Cr		

Narration:

15,000.00

Ctrl + M

- 1. Accounting Voucher
- 2. Inventory Vouchers
- 3. Date
- 4. Company
- 5. Contra
- 6. Payment
- 7. Receipt
- 8. Journal
- 9. Sales
- 10. Credit Note
- 11. Purchase
- 12. Debit Note
- 13. Reversing Journal
- 14. Memo
- 15. Accounting Invoice
- 16. As Invoice
- 17. Post-Dated
- 18. Optional
- 19. Features

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Bill-wise Details Krishna Enterprises Ctrl + M

Debit Note No. 1 1-Jul-2018
Original invoice no. : Date :

Particulars Debit Credit

Dr Lohita 15,000.00

Bill-wise Details for : Lohita
Upto ₹ 15,000.00 Dr

Type of Ref	Name	Due Date, or	Amount Dr

Pending Bills

Name	Date	Balance	Final Balance
1	1-Jul-2018	12,000.00 Cr	12,000.00 Cr
2	1-Jul-2018	2,50,000.00 Cr	2,50,000.00 Cr

Agst Ref

15,000.00

Cr: select purchases returns, and also select the list of items to be adjusted from the godown and save the entry.

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Accounting Voucher Creation Krishna Enterprises Ctrl + M

Debit Note No. 1 1-Jul-2018
Original invoice no. : Date : Sunday

Particulars Debit Credit

Dr Lohita 15,000.00

Cur Bal: 2,47,000.00 Cr

Agst Ref 1 30 Days 12,000.00 Dr (31-Jul-2018)

Agst Ref 2 3,000.00 Dr

Cr P RETURNS 15,000.00

Cur Bal: 10,000.00 Dr

Narration:

15,000.00 15,000.00

1: Accounting Voucher
2: Inventory Vouchers
3: Date
4: Company
5: Contra
6: Payment
7: Receipt
8: Journal
9: Sales
10: Credit Note
11: Purchase
12: Debit Note
13: Reversing Journal
14: Memo
15: Accounting Invoice
16: As Invoice
17: Post-Dated
18: Optional

The same when in item invoice mode appears as follows :

Tally ERP 9
Accounting Voucher Creation
 Krishna Enterprises
 Ctrl + M
 1 Jul 2018 Sunday

Debit Note : No. 1
 Original invoice no. :
 Date :
 Party A/c name :
 Current balance :
 Purchase ledger :
 Name of Item
 Quantity
 Rate per
 Amount
 Narration:

Right Sidebar Functions:
 F1: Accounting Voucher
 F2: Inventory Vouchers
 F3: Date
 F4: Company
 F5: Contra
 F6: Payment
 F7: Receipt
 F8: Journal
 F9: Sales
 F10: Credit Note
 F11: Purchase
 F12: Debit Note
 F13: Reversing Journal
 F14: Memos
 F15: Stock Query
 F16: Accounting Invoice
 F17: As Voucher
 F18: Post-Dated
 F19: Optional

Quantity: no of quantity

Rate: rate of the item

Amount: automatically gets calculated

Tally ERP 9
Accounting Voucher Creation
 Krishna Enterprises
 Ctrl + M
 1 Jul 2018 Sunday

Debit Note : No. 1
 Original invoice no. :
 Date :
 Party A/c name : Rishi
 Current balance : 12,000.00 Dr
 Purchase ledger : S RETURNS
 Name of Item
 Quantity
 Rate per
 Amount
 Narration:

Right Sidebar Functions:
 F1: Accounting Voucher
 F2: Inventory Vouchers
 F3: Date
 F4: Company
 F5: Contra
 F6: Payment
 F7: Receipt
 F8: Journal
 F9: Sales
 F10: Credit Note
 F11: Purchase
 F12: Debit Note
 F13: Reversing Journal
 F14: Memos
 F15: Stock Query
 F16: Accounting Invoice
 F17: As Voucher
 F18: Post-Dated
 F19: Optional
 F20: Features

Once amount is calculated select the bill to be adjusted and save the entry.

Tally.ERP 9

Accounting Voucher Creation Krishna Enterprises

Debit Note No. 1
Original invoice no.: Date :
1-Jul-2018 Sunday

Party A/c name : Rishi
Current balance : 12,000.00 Dr
Purchase ledger : P RETURNS

Name of Item	Quantity	Rate per	Amount
Ac	10 pcs	25,000.00 pcs	2,50,000.00
End of List			

Narration:

10 pcs 25,000.00 pcs 2,50,000.00

Right-hand menu: 1: Accounting Vouchers, 2: Inventory Vouchers, 3: Date, 4: Contra, 5: Payment, 6: Receipt, 7: Journal, 8: Sales, 9: Credit Note, 10: Purchase, 11: Debit Note, 12: Reversing Journal, 13: Memo, 14: Stock Query, 15: Accounting Invoice, 16: As Voucher, 17: Post Dated, 18: Optional, 19: Features.

Q13. Explain briefly about sales vouchers.

Ans :

Sales(f8): is used in the following cases

- When goods are sold by cash
- When goods are sold by cheque
- When goods are sold on credit to a party (debtor) on credit
- When services are sold on cash/cheque/credit

A sales voucher is available in 3 types :

- 1) account invoice
- 2) item invoice
- 3) as voucher

Account invoice: in this mode the user can directly select debit Ledger account, while passing an invoice.

This option is used in service organizations where inventory is not maintained in a sale voucher use ctrl+v to view sales voucher in as voucher mode.

Tally.ERP 9

Accounting Voucher Creation Krishna Enterprises Ctrl + M

Sales No. 1

Reference no.:

1-Jul-2018 Sunday

Particulars	Debit	Credit
Dr		

Narration:

Supplier invoice no: enter the invoice no if it is present

Date: enter the date of the transaction

DR: enter the debit aspect of the entry (i.e a debtor) and amount in the amount column ,then the bill wise details screen appears select new reference and accept the bill wise details.

Cr: select sales ledger and select the godown for the quantity of item to be sold and enter the amount in the amount column value is calculated automatically.

Tally.ERP 9

Accounting Voucher Creation Krishna Enterprises Ctrl + M

Sales No. 1

Reference no.:

1-Jul-2018 Sunday

Particulars	Debit	Credit
Dr Rishi Cur Bal: 12,000.00 Dr New Ref 1 30 Days 12,000.00 Dr (31-Jul-2018)	12,000.00	
Cr SALES Cur Bal: 5,12,000.00 Cr		12,000.00

Narration:

12,000.00 12,000.00

Item invoice mode: under this method inventory details involving stock item stock quantity stock rate and amount details are recorded this mode is useful for recording inventory details.

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Accounting Voucher Creation Krishna Enterprises Ctrl + M

Sales No. 3

Reference no.:

1-Jul-2018 Sunday

Party A/c name : Rishi

Current balance : 12,000.00 Dr

Sales ledger : P RETURNS

Name of Item	Quantity	Rate per	Amount
Ac	10 pcs	25,000.00 pcs	2,50,000.00

Narration:

10 pcs 2,50,000.00

Q: Quit A: Accept D: Delete X: Cancel

Ctrl + N

F1: Accounting Voucher
F2: Inventory Vouchers
F3: Date
F4: Company
F5: Contra
F6: Payment
F7: Receipt
F8: Journal
F9: Sales
F10: Credit Note
F11: Purchase
F12: Debit Note
F13: Reversing Journal
F14: Memo
F15: Stock Query
F16: Accounting Invoice
F17: As Voucher
F18: Post-Dated
F19: Optional
F20: Features
F21: Configure

Supplier invoice no: enter as per the requirement

Party a/c name: select a debtor from the list of creditors of the company

Current balance: tally automatically displays the current balance of the creditor

Sales ledger: select sales ledger

Name of the item: from the inventory or enter a product you want to purchase.

Quantity: enter the quantity details

Rate: rate of the inventory in terms of units

Amount: it will be automatically displayed

Credit note(ctrl+f8): a credit note voucher is used for interest calculations and for sales returns a credit note is in two types. When it is in invoice mode we use it for sales returns. when it is in accounting mode we use it for interest calculations.

The screenshot shows the 'Accounting Voucher Creation' window in Tally.ERP 9. The title bar indicates 'Tally.ERP 9'. The menu bar includes: P: Print, E: Export, M: E-Mail, O: Upload, S: TallyShop, G: Language, K: Keyboard, C: Control Centre, H: Support Centre, H: Help. The window title is 'Krishna Enterprises'. The voucher type is 'Credit Note' with 'No. 1' entered. The 'Original invoice no.' field is empty, and the 'Date' field shows '1-Jul-2018 Sunday'. The 'Particulars' table has a single entry 'Cr' with a 'Debit' of 0.00 and a 'Credit' of 0.00. The 'Narration' field is empty. The bottom status bar shows 'G: Quit, A: Accept, D: Delete, X: Cancel, Ctrl + N'. The right-hand pane lists various voucher types: F1: Accounting Vouchers, F1: Inventory Vouchers, F2: Date, F3: Company, F4: Contra, F5: Payment, F6: Receipt, F7: Journal, F8: Sales, F9: Credit Note, F9: Purchase, F9: Debit Note, F10: Reversing Journal, F10: Memo, I: Accounting Invoice, Y: As Invoice, J: Post-Dated, L: Optional, F11: Features, F12: Configure.

When in item invoice mode the screen will be as follows.

The screenshot shows the 'Accounting Voucher Creation' window in Tally.ERP 9, similar to the previous one but in 'Item Invoice' mode. The title bar and menu bar are the same. The voucher type is 'Credit Note' with 'No. 1' entered. The 'Original invoice no.' field is empty, and the 'Date' field shows '1-Jul-2018 Sunday'. The 'Particulars' table has a single entry 'Cr' with a 'Debit' of 0.00 and a 'Credit' of 0.00. The 'Narration' field is empty. The bottom status bar shows 'G: Quit, A: Accept, D: Delete, X: Cancel, Ctrl + N'. The right-hand pane lists various voucher types: F1: Accounting Vouchers, F1: Inventory Vouchers, F2: Date, F3: Company, F4: Contra, F5: Payment, F6: Receipt, F7: Journal, F8: Sales, F9: Credit Note, F9: Purchase, F9: Debit Note, F10: Reversing Journal, F10: Memo, S: Stock Query, I: Accounting Invoice, Y: As Voucher, J: Post-Dated, L: Optional.

Supplier invoice no: enter the details as required

Part a/c name: enter the sundry debtor

Sales ledger: select a sales returns ledger

Name of the item: select the item to be received back because of sale return

Quantity: enter the quantity returned back

Rate : rate of the stock

Amount: it will be displayed automatically.

Q14. Explain about sales returns.

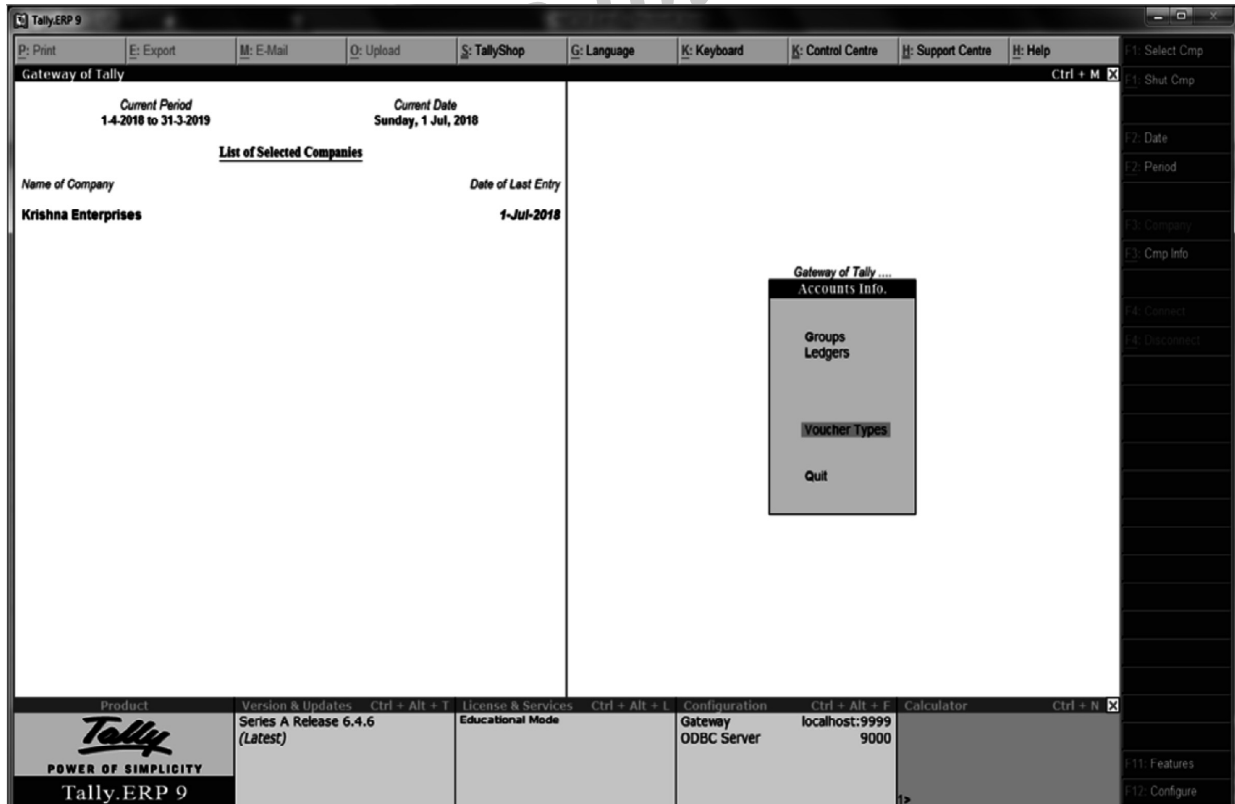
Ans :

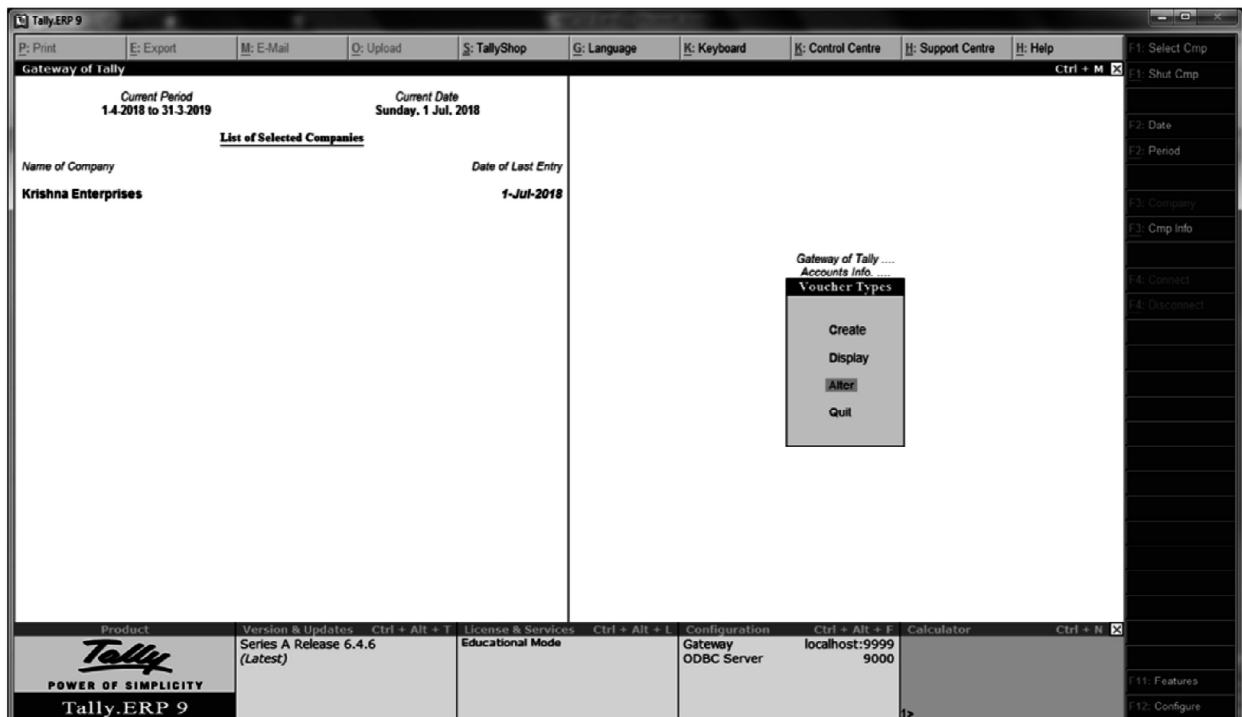
And then select the bill wise details for adjustment of the original bill by selecting agst reference

In order to use debit note and credit note for interest calculations we have to change the voucher type and make it eligible for interest calculations

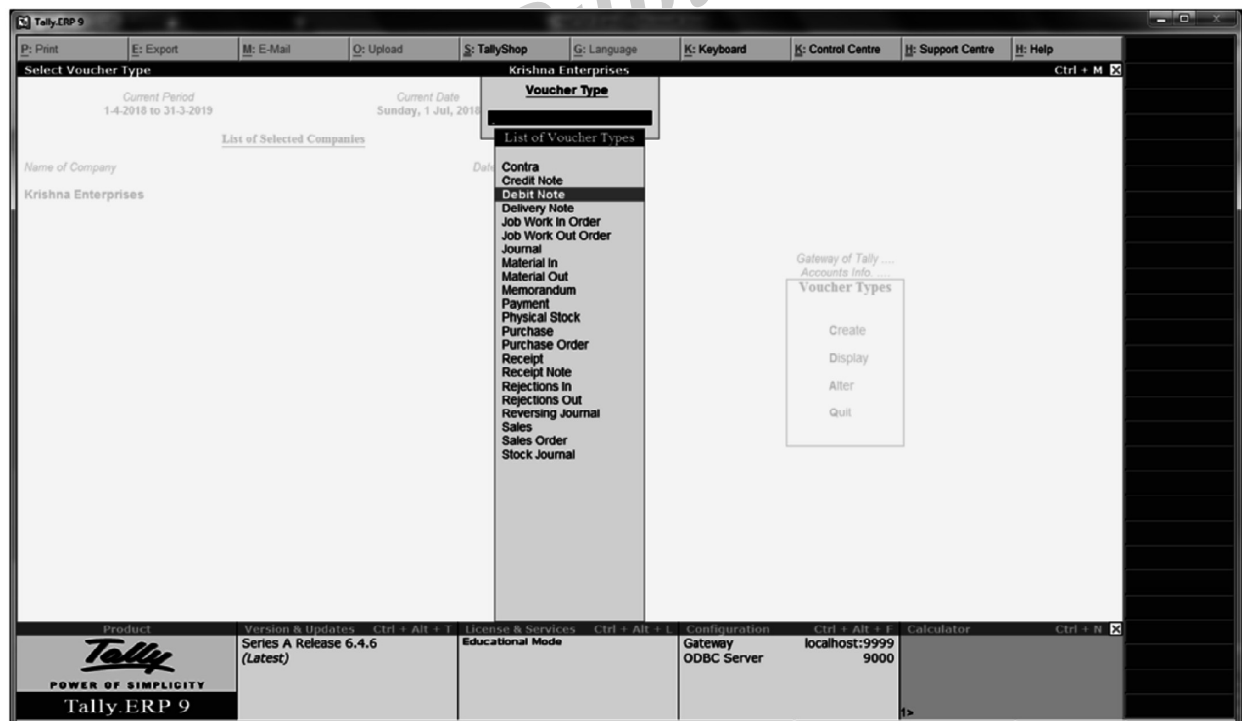
Example: for making debit note ready for interest calculations from sundry debtors

Go to gate way of tally → accounts info → voucher types → alter





Now select debit note from among the vouchers.



Tally.ERP 9
 P: Print E: Export M: E-Mail O: Upload TallyShop G: Language K: Keyboard N: Control Centre H: Support Centre H: Help Ctrl + M

Voucher Type Alteration
 Name : **Debit Note**
 (alias) :

General	Printing	Name of Class
Select type of voucher : Debit Note	Print voucher after saving ? No	Interest Calculations
Abbreviation : D>Note	Default title to print :	
Method of voucher numbering ? Automatic		
Use advanced configuration ? No		
Use effective dates for vouchers ? No		
Make this voucher type as 'Optional' by default ? No		
Allow narration in voucher ? Yes		
Provide narrations for each ledger in voucher ? No		
Enable default accounting allocations ? No		
Set/Alter Default Accounting Entries ? No		

Q: Quit A: Accept D: Delete Ctrl + N

In the name of class field enter " interest receivable" and press enter key.

Use class for interest calculation "yes"

Amount to be treated as compound interest: yes or no depending upon the requirement.

And now save the screen.

Tally.ERP 9
 P: Print E: Export M: E-Mail O: Upload TallyShop G: Language K: Keyboard N: Control Centre H: Support Centre H: Help Ctrl + M

Voucher Type Class
 Name : **Debit Note**
 (alias) :

Class: Interest Calculations

Use Class for Interest Accounting ? **Yes**

Amounts to be treated as Compound Interest ? **No**

If you wish to restrict the groups to which this class can be used, specify them here.

Exclude these Groups	Include these Groups

Default Accounting Allocations for all items in Invoice (except for the items specified below)

Ledger Name	Percentage %	Rounding Method	Rounding Limit	Override using Item Default ?

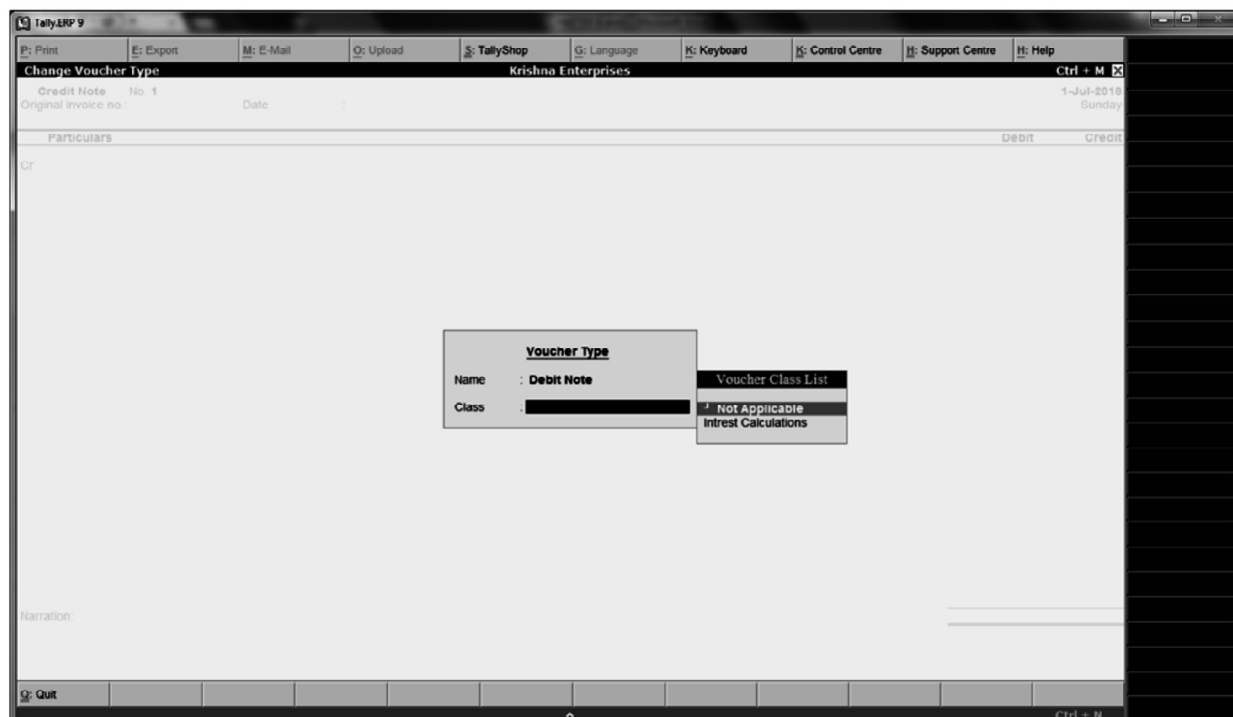
Additional Accounting Entries (e.g. Taxes / Other charges) to be added in Invoice

Ledger Name	Type of Calculation	Value Basis	Rounding Method	Rounding Limit	Remove if Zero ?

Q: Quit Ctrl + N

Now go to gate way of tally → accounting vouchers → ctrl+f9 (debit note)

We get a new option for interest calculations as below.



If we have activated interest calculations in features option then here we can calculate interest calculations.

Q15. Explain the difference between Credit Note Voucher and Debit Note Voucher.

Ans :

(July-19, Dec.-18, Imp.)

Basis for Comparison	Debit Note	Credit Note
Meaning	Debit Note is a document which reflects that a debit is made to the other party's account.	Credit Note is an instrument used to inform that the other party's account is credited in his books.
Use of	Blue Ink	Red Ink
Represents	Positive Amount	Negative Amount
Which book is updated on the basis of note?	Purchase Return Book	Sales Return Book
Effect	Minimization in account receivables.	Minimization in account payables.
Exchanged for	Credit Note	Debit Note

Short Question and Answers

1. Explain the important steps of an accounting cycle.

Ans :

- Transactions
- Analyzing the documents or receipts for the above transactions
- Recording of the transactions in the books of original entry(journal)
- Posting of journal entries into ledger accounts
- Transferring all the closing balances of the ledgers and preparing a trial balance
- Preparation of final accounts
- Passing of closing and adjustment entries.

2. What is a business transaction ?

Ans :

A business transaction is an activity or event that can be measured in terms of money and which affects the financial position or operations of the business entity. A business transaction has an effect on any of the accounting elements assets, liabilities, capital, income, and expense. The accounting functions begins with a transaction and then recorded in the books of accounts. A transaction is a event with which organization cash balance or bank balance increases or decreases. With the help of a transaction even the stock of the company also increases or decreases.

3. What is Source document for vouching and why is it important ?

Ans :

Source Document or Voucher

A document which acts like an evidence for the transaction is called as a source document or a voucher A source document is the original record

containing the details to substantiate a transaction entered in an accounting system. A manufacturer's production records will also include source documents such as materials requisition forms.

4. What is the Purpose for source of document give few examples ?

Ans :

When a business transaction occurs, a document known as the source document captures the key data of the transaction. The source document describes the basic facts of the transaction such as its date, purpose, and amount. Some examples of source documents: cash receipt. Examples of source documents, and their related business transactions that appear in the financial records, Bank statement.

Cash register → Credit card receipt → Packing slip → Sales order → Supplier invoice.

5. What do you mean by Recording transactions in tally ?

Ans :

Recording of a financial transaction is the first step in accounting cycle. every day business concerns are involved in activities like purchases and sales. The basic difference between manual accounting and computerized accounting is in case of manual accounting depending upon the golden rules of accounting the transactions are recorded in the books of original entry also known as journal.

6. What do you mean by a journal voucher?

Ans :

A journal is a book where the entries are posted in a sequence without considering their nature such as purchases sales payment or receipt .Then at the end of the day each entry is again transferred into separate individual ledger accounts .In case of computerized accounting it has effectively decreased the burden of recording the same entries

again and again. In case of computerized accounting identification of ledgers involved in a entry is the primary target of any individual. Once the identification is done creation of ledger is to be done which itself is a one time activity for any person by applying the golden rules of accounting. Once the ledgers are created by the user in tally we have pre-defined vouchers which are used for posting the entries.

7. Explain about a contra voucher.

Ans :

Contra(f4)

A contra voucher is used in following cases

- When cash is deposited into bank
- When cash is withdrawn from bank
- During cash to cash transfers
- During bank to bank transactions

Path

Gate way of tally → accounting vouchers → 4(contra)

Contra entries can be entered in two ways.

- Single entry mode: where in the account column appears automatically and it is pre-defined with the DR aspect.
- Double entry mode: under this method multiple debits and credits can be entered.

8. Explain about a payment voucher ?

Ans :

Payment(f5) a payment voucher is used during the following cases.

- When expenses are paid by cash
- When expenses are paid by cheque
- When a party (creditor) outstanding balance is partially/fully paid by cash, or an advance is paid by cash
- When a party (creditor) outstanding balance is partially/fully paid by cheque, or an advance is paid by cheque.

Payment entries can be entered in two ways:

- Single entry mode: where in the account column appears automatically and it is pre-defined with the CR aspect. (CREDIT ASPECT)
- Double entry mode: under this method multiple debits and credits can be entered

Path: gate way of tally → accounting vouchers → f5 (Payment)

9. Explain about a receipt voucher.

Ans :

Receipt(f6) a receipt voucher is used during the following cases :

- When incomes are received by cash
- When incomes are received by cheque
- When a party (debtor) outstanding balance is partially/fully is received by cash, or an advance is received by cash
- When a party (debtor) outstanding balance is partially/fully is received by cheque, or an advance is received by cheque.

Receipt entries can be entered in two ways :

- Single entry mode: where in the account column appears automatically and it is pre-defined with the DR aspect. (DEBIT ASPECT)
- Double entry mode: under this method multiple debits and credits can be entered.

10. What are inventory vouchers ?

Ans :

Inventory vouchers: are those vouchers which are specifically used during inventory Recording.

- Sales
- Purchases
- Debit note
- Credit note
- Stock journal
- Manufacturing journal are few examples for inventory vouchers.

11. Explain about purchases voucher?*Ans :***Purchases(f9)**

Is used in the following cases :

- When goods are purchased by cash
- When goods are purchased by cheque
- When goods are purchased on credit from party(creditor) on credit
- When services are purchased on cash/cheque/credit

A purchases voucher is available in 3 types
(1)account invoice (2)item invoice (3) as voucher.

12. What is a debit note ?*Ans :*

A debit note voucher is used for interest calculations and for purchases returns. A debit note is in two types. When it is in invoice mode we use it for purchases returns. when it is in accounting mode we use it for interest calculations.(interest to be paid)

13. What is a sales voucher?*Ans :*

Sales(f8) : is used in the following cases :

- When goods are sold by cash
- When goods are sold by cheque
- When goods are sold on credit to a party(debtor) on credit
- When services are sold on cash/cheque/credit

A sales voucher is available in 3 types :

- (1) account invoice
- (2) item invoice
- (3) as voucher

14. What is a credit note ?*Ans :***Credit note(ctrl+f8)**

A credit note voucher is used for interest calculations and for sales returns a credit note is in two types. When it is in invoice mode we use it for sales returns. when it is in accounting mode we use it for interest calculations.

15. Post - Dated Voucher*Ans :*

While entering vouchers, you can mark them as post dated, as a result these vouchers are not updated in the ledgers till the date specified in the voucher. This is useful for entering transactions that take place on a regular basis. For example, if you issue post dated Cheques towards payment of installments, you can set up the payments in advance, and Tally.ERP 9 will only update them in the ledgers on the due date.

Mark vouchers Post Dated by using CTRL + T

All Post-dated vouchers are maintained in Post-dated voucher Register.

Go to Gateway of Tally> Display> Exception Reports> Post-Dated Vouchers.

16. What are supporting vouchers?*Ans :*

The vouchers that act as an evidence of any kind of business transactions such as cheque, sale invoice, cash Memo, etc, are called as supporting vouchers.

These vouchers are made both for money and non-money exchanges. They are used as backup documents for payable accounts, that are bills owed by companies to suppliers and vendors. All the outstanding vouchers owed are totaled, and the sum is recorded as accounts payable on balance sheet.

Vouchers include the following

- Supplier's invoice
- Amount owed
- Due date
- General ledger accounts
- Shipping receipts

17. Optional Vouchers*Ans :*

This is also a non-accounting voucher, but unlike a Memo voucher. This is not a separate voucher type. You can mark an existing voucher

(for example, a payment voucher or a receipt voucher) as Optional. Press CTRL + L or click on Optional from the Button Bar. This button toggles with Regular. By marking a voucher Optional, the voucher does not get posted anywhere but remains in the Optional Register.

Gateway of Tally > Accounts Info. > Voucher Types > select a Voucher Type > Set the option Make Optional as default to Yes.

18. Explain the difference between Credit Note Voucher and Debit Note Voucher.

Ans :

Basis for Comparison	Debit Note	Credit Note
Meaning	Debit Note is a document which reflects that a debit is made to the other party's account.	Credit Note is an instrument used to inform that the other party's account is credited in his books.
Use of	Blue Ink	Red Ink
Represents	Positive Amount	Negative Amount
Which book is updated on the basis of note?	Purchase Return Book	Sales Return Book
Effect	Minimization in account receivables.	Minimization in account payables.
Exchanged for	Credit Note	Debit Note

Choose the Correct Answers

1. Credit note is generally issued by a [a]
(a) seller to buyer (b) buyer
(c) current assets (d) none of them
2. A provision entry is recorded at the end of the accounting period using [d]
(a) contra (b) payment
(c) receipt (d) journal
3. We can pass expenses entry using a _____ voucher [a]
(a) payment (b) journal
(c) both (d) none of the above
4. In how many ways we can pass entries in a payment voucher [b]
(a) single entry mode (b) single and double
(c) only a (d) we cannot pass
5. What is the function key for a credit note [a]
(a) ctrl+f8 (b) ctrl+f9
(c) f8 (d) f9
6. What is the function key for a credit note [b]
(a) ctrl+f8 (b) ctrl+f9
(c) f8 (d) f9
7. What is the function key for a sales voucher [c]
(a) ctrl+f8 (b) ctrl+f9
(c) f8 (d) f9
8. What is the function key for a credit note [b]
(a) ctrl+f8 (b) ctrl+f9
(c) f8 (d) f9
9. What is the function key for a journal voucher [c]
(a) ctrl+f8 (b) ctrl+f9
(c) f7 (d) f9
10. What is the function key for a rejection in credit note [b]
(a) ctrl+f8 (b) ctrl+f9
(c) f8 (d) f9
11. What is the function key for a sales voucher [c]
(a) ctrl+f8 (b) ctrl+f9
(c) f8 (d) f9
12. A sales voucher is available in [d]
(a) account invoice (b) item invoice
(c) as voucher (d) all of the above

Fill in the blanks

1. _____ acts like a source of the document.
2. _____ is the first step for a accounting cycle.
3. _____ is regarded as book of primary entry.
4. _____ is regarded as book of secondry entry.
5. _____ is the function key for payment.
6. _____ is the function key for RECEIPT.
7. _____ is the function key for JOURNAL.
8. _____ is used for calculator.
9. Entry for expenses paid by cash are posted using _____ voucher.
10. Entry for rent received by cash are posted using _____ voucher.

ANSWERS

1. Voucher
2. Recording of transaction
3. Journal
4. Ledger
5. F5
6. F6
7. F7
8. Ctrl + N
9. payment
10. receipt

UNIT IV

ACCOUNTS RECEIVABLE AND PAYABLE MANAGEMENT :

Introduction - Accounts Payables and Receivables - Maintaining Bill-wise Details - Activation of Maintain Bill-wise Details Feature - New Reference - Against Reference - Advance - On Account - Stock Category Report - Changing the Financial Year in ERP.

4.1 ACCOUNTS RECEIVABLE

4.1.1 Introduction

Q1. Explain the concept of Accounts Receivable.

Ans :

(Dec.-18)

Introduction

Effective management of business requires systematic maintenance of all transactions as the number of business transactions increase it would be difficult for the organization to keep a track of creditors, debtors, sales, purchases. As these play a major category for the receivables and payables management.

Definition

Accounts Receivable (AR) is the proceeds or payment which the company will receive from its customers who have purchased its goods & services on credit. Usually the credit period is short ranging from a day or a week or an year.

The word receivable refers to the payment not being realised. This means that the company must have made sales to its customers both goods and services cash as well as on credit. When a company extends credit to the customer, the sale is realised when the invoice is generated, but the company extends a time period to the customers to pay the amount after sometime.

The amount of account receivable depends on the line of credit which the customer enjoys from the company. Usually, this is offered to customers who are frequent buyers.

Account Receivables (AR) are treated as current assets for an organization. Accounts receivable refers to short-term amounts due from buyers to a seller who have purchased goods or services from the seller on credit. Credit is usually granted in order to gain sales or to respond to the granting of credit by competitors. Accounts receivable is listed as a current asset on the seller's balance sheet.

The total amount of accounts receivable allowed to an individual customer is typically limited by a credit limit, which is set by the seller's credit department, based on the finances of the buyer and its past payment history with the seller. Credit limits may be reduced during difficult financial conditions when the seller cannot afford to incur excessive bad debt losses.

Accounts receivable are commonly paired with the allowance for doubtful accounts (a contra account), in which is stored a reserve for bad debts. The combined balances in the accounts receivable and allowance accounts represent the net carrying value of accounts receivable.

The seller may use its accounts receivable as collateral for a loan, or sell them off to a factor in exchange for immediate cash. Accounts receivable may be further subdivided into trade receivables and non trade receivables, where trade receivables are from a company's normal business partners, and non trade receivables are all other receivables, such as amounts due from employees.

4.2 ACCOUNTS PAYABLE

Q2. Write briefly about account payables.

Ans : (Dec.-19)

Definition

When a company purchases goods on credit which needs to be paid back in a short period of time, it is known as Accounts Payable. It is treated as a liability and comes under the head 'current liabilities'. Accounts Payable is a short-term debt payment which needs to be paid to avoid default.

Description

Accounts Payable is a liability due to a particular creditor when it order goods or services without paying in cash up front, which means that you bought goods on credit

Accounts payable (AP) is money owed by a business to its suppliers shown as a liability on a company's balance sheet. It is distinct from notes payable liabilities, which are debts created by formal legal instrument documents.

An accounts payable is recorded in the Account Payable sub-ledger at the time an invoice is vouched for payment. Vouchered, or vouched, means that an invoice is approved for payment and has been recorded in the General Ledger or AP sub ledger as an outstanding, or open, liability because it has not been paid.

Payables are often categorized as Trade Payables, payables for the purchase of physical goods that are recorded in Inventory, and Expense Payables, payables for the purchase of goods or services that are expensed. Common examples of Expense Payables are advertising, travel, entertainment, office supplies and utilities. AP is a form of credit that suppliers offer to their customers by allowing them to pay for a product or service after it has already been received. Suppliers offer various payment terms for an invoice. Payment terms may include the offer of a cash discount for paying an invoice within a defined number of days.

For example, 2%, Net 30 terms mean that the payer will deduct 2% from the invoice if payment is made within 30 days. If the payment is made on Day 31 then the full amount is paid.

In households, accounts payable are ordinarily bills from the electric company, telephone company, cable television or satellite dish service, newspaper subscription, and other such regular services. Householders usually track and pay on a monthly basis by hand using cheques, credit cards or internet banking.

In a business, there is usually a much broader range of services in the AP file, and accountants or bookkeepers usually use accounting software to track the flow of money into this liability account when they receive invoices and out of it when they make payments. Increasingly, large firms are using specialized Accounts Payable automation solutions (commonly called ePayables) to automate the paper and manual elements of processing an organization's invoices.

Commonly, a supplier will ship a product, issue an invoice, and collect payment later, which describes a cash conversion cycle, a period of time during which the supplier has already paid for raw materials but hasn't been paid in return by the final customer.

When the invoice is received by the purchaser, it is matched to the packing slip and purchase order, and if all is in order, the invoice is paid. This is referred to as the three-way match. The three-way match can slow down the payment process, so the method may be modified.

For example, three-way matching may be limited solely to large-value invoices, or the matching is automatically approved if the received quantity is within a certain percentage of the amount authorized in the purchase order. Invoice processing automation software handles the matching process differently depending upon the business rules put in place during the creation of the workflow process. The simplest case is the two way matching between the invoice itself and the purchase order.

Q3. Explain Payable Management in Accounting Software.

Ans : (Jul-21, Dec.-19, Imp.)

Accounts payable is any sum of money owed by a business to its suppliers shown as a liability on a company's balance sheet. In simple words, when you buy goods or services with an arrangement to pay at a later date, such amount till it is paid is referred to as accounts payable.

Accounts payable is also called as bills payable and the total amount that a company is liable to pay is shown as liability under the head 'sundry creditor' in the balance sheet.

Factors

- (i) Create Credit Policies
- (ii) Promote Communication
- (iii) Automation to Record the Accounts
- (iv) Improving Accounts payable

Path : Go to Gateway of Tally > Display > Statements of Accounts > Outstanding > Payables.

Bills Outstanding		Universal Enterprises		Ctrl + M	
Bills Receivable		1-Apr-2008 to 31-Mar-2009			
Date	Ref. No.	Partys' Name	Pending Amount	Due on	Overdue by days
5-Apr-2008	2	Computer Junction	14,560.00	4-Jun-2008	300
21-Apr-2008	071	Global Traders	1,50,356.00	1-May-2008	334
25-Apr-2008	8	Amar Computer Peripherals	15,000.00	25-Apr-2008	340
30-Apr-2008	9	Supreme Computers Peripherals	12,656.25	15-May-2008	320
1-May-2008	8	Horizon Systems	42,736.00	31-May-2008	304
6-May-2008	1254	Advview Consultants	12,000.00	5-May-2008	300
5-May-2008	10	Arvind Kumar	14,852.00	4-Jun-2008	300
6-May-2008	9	Computer Junction	52,000.00	4-Jun-2008	300
25-May-2008	20	Hindustan Timbers	597,724.88	25-May-2008	310
6-Jun-2008	29	Janata Timbers	576,061.00	5-Jun-2008	290
28-Jun-2008	32	S.V.S Computers	89,437.50	28-Jun-2008	276
2-Jul-2008	24	Computer Junction	79,040.00	1-Aug-2008	242
7-Jul-2008	22	Prism Softlinks	16,875.00	5-Aug-2008	237
19-Jul-2008	29	Venkateshwara Softwares	59,725.00	19-Jul-2008	255
25-Jul-2008	26	Step-in Computers	32,500.00	26-Jul-2008	248
27-Aug-2008	27	Sterling Business Solutions	14,062.50	27-Aug-2008	216
3-Sep-2008	29	Futura Systems	90.00	3-Sep-2008	209
5-Sep-2008	NEC/NV/0043	New Era Computers	707.00	5-Oct-2008	177
15-Sep-2008	30	Amar Computer Peripherals	4,680.00	15-Sep-2008	197
21-Sep-2008	31	Office Automation Systems	79,750.00	21-Sep-2008	191
8-Oct-2008	38	Gaitonde Traders	53,125.00	8-Oct-2008	174
18-Oct-2008	1397	Advview Consultants	3,000.00	18-Oct-2008	164
25-Oct-2008	36	Prism Softlinks	9,659.50	25-Oct-2008	157
25-Oct-2008	51	Universal Systems	2,600.00	3-Dec-2008	112
6-Nov-2008	70	Nirmaan Timbers	11,58,298.88	6-Nov-2008	145
22-Nov-2008	52	AVT Computers	58,388.00	22-Nov-2008	129
25-Nov-2008	74	Hindustan Timbers	566,865.00	25-Nov-2008	120
27-Nov-2008	38	Futura Systems	67,500.00	27-Nov-2008	124
			19 more ...		
			93,18,106.02		

Q4. What is the meaning of ageing analysis ?

Ans :

In accounting the term aging is often associated with a company's accounts receivable. Accounts receivable arise when a company provides goods or services on credit

For example, a company may allow its customers to pay for goods or services 30 days after they are delivered. If customers do not pay as agreed, the company could experience a cash problem.

In order for the company to minimize its cash flow problems and potential losses from customers who are unable to pay, companies will routinely prepare an aging of accounts receivable. The aging report will list each customer's outstanding balance and will then sort the total amount into columns such as: Current, 1-30 days past due, 31-60 days past due, 61-90 days past due, 91-120 days past due, and 120+ days past due. The aging of accounts receivable allows managers to quickly see which customers are behind in meeting the agreed upon terms. An aging is usually a standard feature of accounting software. Some companies also do an aging of accounts payable. This aging sorts the accounts payables amounts by due dates.

Q5. Distinguish between Accounts Receivable and Accounts Payable.

Ans :

(July-21, Imp.)

Sl.No.	Basis	Accounts Receivable	Accounts Payable
1.	Meaning	Accounts Receivable is the amount that the customers of the company owe to it.	Accounts Payable is the amount that the company owes to its suppliers.
2.	Position on the Balance sheet	Accounts Receivable is on the current asset of the balance sheet.	Accounts Payable is on the current liability of the balance sheet.
3.	Offset	Receivables can be offset with the allowance of doubtful debts.	Payables have no offset.
4.	Type of accounts	Receivables have only one category of account, i.e., trade receivables. payable, income taxes payable.	Payables have multiple categories of accounts like sales payable, interest

4.3 MAINTAINING BILL WISE DETAILS

Q6. Write briefly about maintain bill wise details. State its advantages.

(OR)

Explain different types of bill wise details available in Tally.

Ans :

(July-21, Dec.-19, Imp.)

- Bill wise detail is used to know about party outstanding detail.
- Bill wise details are involved with debtors and creditors
- Bill wise details are regarded to credit sales and services
- Bill wise details are regarded to credit purchases and services

There are four types of bill wise detail :

1. **New reference:** When a new bill is raised by us or when an new bill is raised on us it carries a ref no which is used for tracking in the future to avoid any confusion or discrepancy such a reference is termed as new reference it is used primarily in case of credit sales or credit purchases. If two purchases or sales raised with same reference no then while making payment or receipt these reference numbers will help tracking.
2. **Against reference:** At the time of cash received or cash paid when a particular bill is being referred it is termed as against reference. Under this method with reference to a already raised bill amount can be received or paid in full and final settlement or partially.
3. **Advance:** Before to the commencement of an actual transaction cash received as advance or it can be paid as advance. The term advance refers to incomes received in advance or payments paid in advance advance cannot be considered as income because sooner or later we need to make a sale.. Hence all advance receipts are considered as liability and all advance payments are considered as assets.
4. **On account:** When the cash is received or paid in those cases where the bill details are not available it is termed as on account. In this case it is also possible for a full and final settlement even though bills are available.

Maintaining bill wise details in tally and activation of bill wise detail.

Create a company in tally once the company is created.

The screenshot shows the 'Company Alteration' screen in Tally ERP 9. The company name is 'Krishna Enterprises'. The 'Primary Mailing Details' section includes Mailing name (Krishna Enterprises), Address (DV CASCADE, HYDERABAD), Country (India), State (Telangana), and Pincode (500040). The 'Books and Financial Year Details' section shows Financial year begins from (1-4-2018) and Books beginning from (1-4-2018). The 'Security Control' section has 'Use security control' set to 'No'. The 'Contact Details' section includes Phone no. (0402222222), Mobile no. (9849032919), Fax no. (KE@GMAIL.COM), and Website (WWW.KE.ENT.COM). The 'Base Currency Information' section shows Base currency symbol (₹), Formal name (INR), Suffix symbol to amount (No), Add space between amount and symbol (Yes), Show amount in millions (No), Number of decimal places (2), Word representing amount after decimal (paise), and No. of decimal places for amount in words (2).

AT gate way of tally press → 11(company features) → accounting features and activate the following options.

Outstanding management

Maintain bill wise details: yes

For non trading concerns also: yes

The screenshot shows the 'Company Operations Alteration' screen in Tally ERP 9. The company name is 'Krishna Enterprises'. The 'Accounting Features' section includes 'General' (Maintain accounts only: No, Integrate accounts and inventory: Yes, Use Income and Expenses A/c instead of Profit and Loss A/c: No, Enable multi-currency: No), 'Outstanding Management' (Maintain bill-wise details: Yes, For non-trading accounts also: Yes, Activate interest calculation: No, Use advanced parameters: No), 'Cost/Profit Centres Management' (Maintain payroll: No, Maintain cost centres: No, Use cost centre for job costing: No, Maintain more than one payroll or cost category: No, Use pre-defined cost centre allocations in transactions: No, Show opening balance for revenue items in reports: No), 'Invoicing' (Enable invoicing: Yes, Record purchases in invoice mode: Yes, Use debit and credit notes: No, Record credit notes in invoice mode: No, Record debit notes in invoice mode: No), 'Budgets and Scenario Management' (Maintain budgets and controls: No, Use reversing journals and optional vouchers: No), 'Banking Features' (Enable cheque printing: Yes, Set/alter transaction types: No, Set/alter banking features: No, Set/alter post-dated transaction features: No), and 'Other Features' (Enable zero-valued transactions: Yes, Maintain multiple mailing details for company and ledgers: No, Set/alter company mailing details: No, Enable company logo: No, Mark changed vouchers: No).

The following are the advantages of bills-wise details in Tally ERP 9.

- It helps in enhancing the speed by enabling bill wise details in Tally ERP 9.
- It helps to examine the group wise outstanding summary of accounts receivable and accounts payable.
- It helps to cross check the ledger accounts of debtors and creditors at invoice level. As a result managers can easily verify the pending bills.
- It helps to maintain ledger balances of sundry debtors and sundry creditors.

4.4 NEW REFERENCE

Q7. What do you mean by new reference?

Ans :

(July-19, Dec.-18, Imp.)

When a new bill is raised by us or when an new bill is raised on us it carries a ref no which is used for tracking in the future to avoid any confusion or discrepancy such as reference is termed as new reference it is used primarily in case of credit sales or credit purchases. If two purchases or sales raised with same reference no then while making payment or receipt these reference numbers will help tracking.

New Reference :

Now let us see how the option of new reference is a very good option for companies while recording bill wise details

Consider the following examples:

Create the following ledgers.

Gate way of tally → accounts info → ledgers → create

S.No.	Name	Group	Balance
1	Rajesh	Sundry Creditors	45000
2	Harish	Sundry Debtors	65000
3	Purchases	Purchases A/c	
4	Sales	Sales A/c	

Bill wise details for rajesh are as follows

31-3-2018 bill/01 20000

31-3-2018 bill/02 15000

31-3-2018 on account 10000

Tally ERP 9

Ledger Creation

Name : Rajesh
(alias) :

Total Opening Balance
40,000.00 Cr
Difference
40,000.00 Cr

Under : Sundry Creditors
(Current Liabilities)

Maintain balances bill-by-bill ? Yes
Default credit period :
Check for credit days during voucher entry ? No
Inventory values are affected ? No

Mailing Details
Name : Rajesh
Address :
Country : India
State : Not Applicable
Provide bank details ? No
Pincode :
Tax Registration Details
PAN/IT No. :

Opening Balance (on 1-Apr-2018) : 40,000.00 Cr

Ctrl + M

Quit Accept Delete

of Tally ...
Info ...
Ledgers
Ledger
S
ry
Ledgers
te
ry

Details
Set Org Books
Set Org Masters
Groups
Ledgers
Voucher Types
Features
Profiles

Maintain balances bill by bill:yes

Enter the balance: 45000

Now bill wise details screen appears in the screen enter the details as below

31-3-2018 bill/01 20000

31-3-2018 bill/02 15000

Now don't enter the bill as a result balance will be transferred to on account

31-3-2018 on account 10000

Bill-wise Details
Krishnam Enterprises

Name : Rajesh
(alias)

Total Opening Balance
40,000.00 Cr
Difference
40,000.00 Cr

Under Sundry Creditors (Current Liabilities)

Bill-wise Breakup of : Rajesh
Upto: ₹ 40,000.00 Cr

Date	Name	Due Date, or Credit Days	Amount	Dr/ Cr
31/3/2018	Bill-01	30 Days (30-Apr-2018)	20,000.00	Cr
31/3/2018	Bill-02	30 Days (30-Apr-2018)	15,000.00	Cr
			35,000.00 Cr	
On Account:			5,000.00 Cr	
			40,000.00 Cr	

Country : India
State : J Not Applicable
Pincode :
Provide bank details ? No

Tax Registration Details
PAN/T No. :

On 1-Apr-2018 : 40,000.00 Cr

4.5 AGAINST REFERENCE

Q8. What do you mean by against reference ?

Ans :

(July-19, Imp.)

At the time of cash received or cash paid when a particular bill is being referred it is termed as against reference. Under this method with reference to a already raised bill amount can be received or paid in full and final settlement or partially. Now open a payment voucher for payment of above pending bills. Press f12 and make the changes as below.

Show table of bills for selection:yes

Show final balances of bill yes

Show bill wise details:yes

Payment Standard Configuration

General Options

Skip Date field during creation for faster entry	? Yes
Use single entry mode for payment/receipt/contra vouchers?	Yes
Use payment/receipt as contra voucher	? No
Use Cr/Dr instead of To/By during entry	? Yes
Warn on negative cash balance	? Yes
Show table of bills for selection	? Yes
Show final balances of bill	? Yes
Show bill-wise details	? Yes
Expand into multiple lines	? Yes
Show current balances of ledgers	? Yes
Show balances as on voucher date	? No
Show Ledger Final balances	? No
Print cheque after saving voucher	? Yes
Confirm each cheque before print	? Yes
Use ref. number in payment	? No
Warn if voucher number exceeds 16 characters	? Yes

Bank Allocations Options

Use default values for bank details	? No
Use Auto Cheque Numbering	? Yes
Allow selection of cheque range	? Yes
Set ledger-wise bank allocations in voucher creation?	No

Select the creditor(rajesh) and enter the amount in the amount column say 50000

As a result the screen shows as follows

Now in the bill wise details screen select "against reference"

Now we can find only two bills

Bill-wise Details for : Rajesh
Upto: ₹ 50,000.00 Dr

Type of Ref	Name	Due Date, or Credit Days (wef: 1-Apr-2018)	Amount	Dr/ Cr
Agst Ref	Bill-01	30 Days (30-Apr-2018)	20,000.00	Dr
Agst Ref	Bill-02	30 Days (30-Apr-2018)	15,000.00	Dr
Agst Ref				
			35,000.00	Dr

Total Amount: 50,000.00

As we don't have a third bill the balance will be taken into on account as below.

Bill-wise Details for: **Rajesh**
Upto: ₹ 50,000.00 Dr

Type of Ref	Name	Due Date, or Credit Days (wef 1-Apr-2018)	Amount	Dr/Cr
Agst Ref	Bill-01	30 Days (30-Apr-2018)	20,000.00	Dr
Agst Ref	Bill-02	30 Days (30-Apr-2018)	15,000.00	Dr
On Account			15,000.00	Dr
			50,000.00	Dr

Amount: 50,000.00

Now let us see how the bill wise details can be used in terms of purchases

1. Pass the following transactions using inventory vouchers (Purchases order → alt + f4)

Path: gate way of tally → inventory vouchers → alt + f4 (see that amount column is to be left blank)

1-5-2018 placed a purchase order with ref no po/kris/18-19/01 for 100 sony tv to Krishna

Tally.ERP 9

Order Voucher Alteration (Secondary) Poso 9999

Purchase Order No. 1

Party A/c name : **Krishna**
Current balance : **26,20,000.00 Cr**
Purchase ledger : **Purchases**

Order no. : **po/kris/18-19/01**

Name of Item	Quantity		Rate per Disc %	Amount
	Actual	Billed		
Sony Tv	100 PCS	100 PCS		
	100 PCS	100 PCS		

Narration:

Q: Quit A: Accept D: Delete X: Cancel

2. 1-5-2018 placed a purchase order with ref no po/mah/18-19/01 for 100 mobiles mahesh
 1-5-2018 placed a purchase order with ref no po/san/18-19/01 for 100 computers to sanjay
 As a result if we look at the purchases order summary
 Gate way of tally
 → display → statements of inventory → purchases order → stock group → alt + f1 (details)

Tally.ERP 9

P: Print

E: Export

M: E-Mail

O: Upload

S: TallyShop

G: Language

K: Keyboard

K: Control Centre

H: Support Centre

H: Help

Purchase Order Stock Group Outstandings

Poso 9999

Ctrl + M

Particulars

All Stock Groups
Poso 9999
For 1-Apr-2018
Purchase Orders Outstanding
Pending Orders

Quantity

Rate

Value

Communication

100 PCS

Mobile100 PCS

Electronics200 PCS

Computers100 PCS

Sony Tv100 PCS

Grand Total300 PCS

Q: Quit

R: Remove Line

U: Restore Line

U: Restore All

Space: Select

F1: Condensed

F2: Period

F3: Company

F4: Group

F5: Item-wise

F7: Orders

F9: New Column

F10: Alter Column

F11: Delete Column

F12: Auto Column

F13: Inventory Reports

F14: A/c Reports

F15: Features

F17: Configure

F12: Range

3. Pass the following using receipt notes (alt + f9)

1-5-2018 received a receipt note with ref no(rn-san-18-19-01)from sanjay agst (po/san/18-19-01)
 for 100 computers to be delivered at Hyderabad godown

1-5-2018 received a receipt note with ref no(rn/mah/18-19/01)from mahesh agst(po/mah/18-19-01)for 100 mobiles to be delivered at Hyderabad godown

1-5-2018 received a receipt note with ref no(rn/kris/18-19/01)from krishna agst (po/kris/18-19-01) for 100 sony tv's to be delivered at Hyderabad godown.

As a result the purchases bills pending screen will be displayed as follows

G.w.t→display→statements of inventory →purchases bills pending

Tally.ERP 9							F1: Condensed	
P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help							F2: Period	
Purchase Bills Pending Poso 9999 Ctrl + M							F3: Company	
Purchase Bills Pending For 1-Apr-2018							F4: Item	
Date	Tracking Number	Name of Item	Initial Quantity	Pending Quantity	Rate (Disc %)	Value	F5: Ledger	
Goods Recd. but Bills not Recd.:							F6: Outward	
1-Apr-2018	rn/kris/18-19/01	Sony Tv	100 PCS	100 PCS			F8: Related Reports	
From: Krishna							F9: Inventory Reports	
1-Apr-2018	Rpt Note 3	100 PCS @					F10: A/c Reports	
1-Apr-2018	rn/mah/18-19/01	Mobile	100 PCS	100 PCS			F11: Features	
From: Mahesh							F12: Configure	
1-Apr-2018	Rpt Note 2	100 PCS @					F12: Range	
1-Apr-2018	rn/san/18-19/01	Computers	100 PCS	100 PCS				
From: Sanjay								
1-Apr-2018	Rpt Note 1	100 PCS @						
			300 PCS	300 PCS				
Q: Quit R: Remove Line U: Restore Line U: Restore All Space: Select								

4. Pass the following entries using a rejections in voucher → alt + f6

1-5-2018 rejected 10 mobiles to mahesh against the receipt note number (rn/mah/18-19/01)

1-5-2018 rejected 12 sony televisions to krishna against the receipt note number with (rn/kris/18-19/01)

1-5-2018 rejected 14 computers to sanjay against the receipt note number with ref no (rn/sanj/18-19/01)

As a result if we look at the purchases order summary the stock rejected will be displayed again.

Gate way of tally → display → statements of inventory → purchases order → stock group → alt + f1 (details)

Tally.ERP 9							F1: Condensed	
P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help							F2: Period	
Purchase Order Stock Group Outstandings Poso 9999 Ctrl + M							F3: Company	
Particulars							F4: Item	
All Stock Groups Poso 9999 For 1-Apr-2018 Purchase Orders Outstanding							F5: Item-wise	
Pending Orders							F7: Orders	
Quantity Rate Value								
Communication								
Mobile							10 PCS	
Electronics							10 PCS	
Computers							26 PCS	
Sony Tv							14 PCS	
							12 PCS	
Grand Total							26 PCS	
Q: Quit R: Remove Line U: Restore Line U: Restore All Space: Select							Ctrl + N	

5. Pass the following in receipt note using alt+f9 for the rejected goods received back freshly

1-5-2018 received a receipt note with ref no(rn/kris/18-19/04)from krishna agst (po/kris/18-19-01) for 12 sony tv's to be stored at Hyderabad godown

1-5-2018 received a receipt note with ref no(rn/kris/18-19/05)from mahesh agst (po/mah/18-19-01) for 10 mobiles to be stored at Hyderabad godown

1-5-2018 received a receipt note with ref no(rn/sanj/18-19/06)from sanjay agst (po/sanj/18-19-01) for 14 computers to be stored at Hyderabad godown

6. Pass the following entries using purchases voucher using f9

1-5-2018 Purchased from sanjay 100 computers @ 25000 each with ref no pur/san/18-19/01

1-5-2018 Purchased from mahesh 100 mobiles @ 15000 each with ref no pur/mah/18-19/01

1-5-2018 Purchased from krishna 100 sony tvs @ 30000 each with ref no pur/kris/18-19/01

7. Pass the following entries using a debit note (ctrl+f9) for purchases returns with item invoice

Returned to Krishna 8 sony tv with ref no dn/kris/18-19/01 agst the bill no pur/kris/18-19/01

Returned to sanjay 8 computers with ref no dn/san/18-19/01 agst the bill no pur/san/18-19/01

Returned to mahesh 8 mobiles with ref no dn/mah/18-19/01 agst the bill no pur/mah/18-19/01

As a result the trading account will be shown as follows :

Profit & Loss A/c		Poso 9999	
Particulars		For 1-Apr-2018	
Opening Stock			
Communication			
Electronics			
Purchase Accounts		64,40,000.00	
Purchases	70,00,000.00		
Purchases Returns	(45,60,000.00)		
Purchase Bills to Come			
Direct Expenses		25,000.00	
Wages			
		64,65,000.00	
Gross Loss b/f		25,000.00	
Indirect Expenses		65,000.00	
Commission	20,000.00		
Rent	45,000.00		
Net Profit		15,000.00	
Total		1,05,000.00	
Particulars		For 1-Apr-2018	
Sales Accounts			
Sales Bills to Make			
Closing Stock		64,40,000.00	
Communication	13,80,000.00		
Electronics	50,60,000.00		
Gross Loss c/o		26,000.00	
		64,65,000.00	
Indirect Incomes		1,05,000.00	
Commission Received	60,000.00		
Rent Received	45,000.00		
Total		1,05,000.00	

As a result of passing the entries the payables screen will be shown as follows

Path : gate way of tally → display → statements of accounts → outstandings → payables

Date	Ref. No.	Party's Name	Pending Amount	Post-Dated Amount	Final Balance	Due on	Ondue by days
31-Mar-2018	Bill-02	Krishna	20,000.00		20,000.00 Cr	31-Mar-2018	1
31-Mar-2018	Opening Balance						
1-Apr-2018	Payment 4		15,000.00 Dr				
31-Mar-2018	Bill-03	Krishna	40,000.00		40,000.00 Cr	31-Mar-2018	1
31-Mar-2018	Opening Balance						
31-Mar-2018	Bill-01	Mahesh	35,000.00		35,000.00 Cr	31-Mar-2018	1
31-Mar-2018	Opening Balance						
31-Mar-2018	Bill-02	Mahesh	25,000.00		25,000.00 Cr	31-Mar-2018	1
31-Mar-2018	Opening Balance						
31-Mar-2018	Bill-03	Mahesh	40,000.00		40,000.00 Cr	31-Mar-2018	1
31-Mar-2018	Opening Balance						
1-Apr-2018	pur/Kris/18-19-01	Krishna	27,60,000.00		27,60,000.00 Cr	1-Apr-2018	0
1-Apr-2018	Purchase						
88 PCS Sony Tv		30,000.00 PCS					
12 PCS Sony Tv		30,000.00 PCS					
1-Apr-2018	Debit Note		2,40,000.00 Dr				
8 PCS Sony Tv		30,000.00 PCS					
1-Apr-2018	pur/mah/18-19-01	Mahesh	13,80,000.00		13,80,000.00 Cr	1-Apr-2018	0
1-Apr-2018	Purchase						
90 PCS Mobile		15,000.00 PCS					
10 PCS Mobile		15,000.00 PCS					
1-Apr-2018	Debit Note		1,20,000.00 Dr				
8 PCS Mobile		15,000.00 PCS					
1-Apr-2018	pur/san/18-19-01	Sanjay	23,00,000.00		23,00,000.00 Cr	1-Apr-2018	0
1-Apr-2018	Purchase						
88 PCS Computers		25,000.00 PCS					
14 PCS Computers		25,000.00 PCS					
1-Apr-2018	Debit Note		2,00,000.00 Dr				
8 PCS Computers		25,000.00 PCS					
			66,00,000.00		66,00,000.00 Cr		

Now let's see how the against reference can be used and convert the above amount to bills payables
 Raised a bill on the name of Krishna for the total amount to be paid to him

In this case as we are taking about a non cash transaction it can be entered using a journal voucher as shown below.

Particulars	Debit	Credit
Dr. Krishna		28,20,000.00
Cur Bal: 0.00 Dr		
Narration:		
		28,20,000.00

In the above screen we have entered the total amount outstanding to be paid to party.

Bill-wise Details for : Krishna
Upto: ₹ 28,20,000.00 Dr

Type of Ref	Name	Due Date or	Amount	Dr
Agst Ref	Bill-02	31-Mar-2018	20,000.00 Cr	20,000.00 Cr
	Bill-03	31-Mar-2018	40,000.00 Cr	40,000.00 Cr
	pur/kris/18-19-01	1-Apr-2018	27,60,000.00 Cr	27,60,000.00 Cr

Journal No. 1
1-Apr-2018
Sunday

Particulars	Debit	Credit
Dr: Krishna	28,20,000.00	
		28,20,000.00

28,20,000.00

As a result the entry will be shown as follows.

Accounting Voucher Creation
Journal No. 1
1-Apr-2018
Sunday

Particulars	Debit	Credit
Dr: Krishna Cur Bal: 0.00 Dr	28,20,000.00	
Agst Ref Bill-02 31-Mar-2018 20,000.00 Dr		
Agst Ref Bill-03 31-Mar-2018 40,000.00 Dr		
Agst Ref pur/kris/18-19-01 27,60,000.00 Dr		
Cr: Bills Payable Cur Bal: 28,80,000.00 Cr		28,20,000.00

28,20,000.00

Accept ?
Yes or No

Now after saving the above entry one again look at the outstanding report which would be as follows.

Tally.ERP 9							F1: Detailed	
P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre J: Support Centre H: Help							F2: Period	
Bills Outstanding Poso 9999							F3: Company	
Bills Payable For 1-Apr-2018							F4: Receivable	
Date	Ref. No.	Party's Name	Pending Amount	Post-Dated Amount	Final Balance	Due on	Overdue by days	F5: Age wise
31-Mar-2018	Bill-01	Mahesh	35,000.00		35,000.00 Cr	31-Mar-2018	1	F7: Bill-Party wise
31-Mar-2018	Bill-02	Mahesh	25,000.00		25,000.00 Cr	31-Mar-2018	1	
31-Mar-2018	Bill-03	Mahesh	40,000.00		40,000.00 Cr	31-Mar-2018	1	
1-Apr-2018	pur/mah/18-19/01	Mahesh	13,80,000.00		13,80,000.00 Cr	1-Apr-2018	0	
1-Apr-2018	pur/san/18-19/01	Sanjay	23,00,000.00		23,00,000.00 Cr	1-Apr-2018	0	
			37,80,000.00		37,80,000.00 Cr			F8: Related Reports
								F9: Inventory Reports
								F10: A/c Reports
								F11: Features
								F12: Configure
								F13: Range

Now one can see that as we have issued a bill on the name of krishna his name is not present in the outstanding statement. In this report we can use alt+f7 to see the report party wise.

Tally.ERP 9							F1: Condensed	
P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre J: Support Centre H: Help							F2: Period	
Bills Outstanding Poso 9999							F3: Company	
Bills Payable For 1-Apr-2018							F4: Receivable	
Date	Ref. No.	Party's Name	Pending Amount	Post-Dated Amount	Final Balance	Due on	Overdue by days	F5: Age wise
31-Mar-2018	Bill-01	Mahesh	35,000.00		35,000.00 Cr	31-Mar-2018	1	F7: Bill-Party wise
31-Mar-2018	Bill-02	Mahesh	25,000.00		25,000.00 Cr	31-Mar-2018	1	
31-Mar-2018	Bill-03	Mahesh	40,000.00		40,000.00 Cr	31-Mar-2018	1	
1-Apr-2018	pur/mah/18-19/01	Mahesh	13,80,000.00		13,80,000.00 Cr	1-Apr-2018	0	
1-Apr-2018	1-Apr-2018 Purchase 2		15,00,000.00 Cr					
1-Apr-2018	90 PCS Mobile		15,00,000.00 Cr					
1-Apr-2018	10 PCS Mobile		15,00,000.00 Cr					
1-Apr-2018	Debit Note 3		1,20,000.00 Dr					
1-Apr-2018	8 PCS Mobile		15,00,000.00 Cr					
1-Apr-2018	pur/san/18-19/01	Sanjay	23,00,000.00		23,00,000.00 Cr	1-Apr-2018	0	
1-Apr-2018	1-Apr-2018 Purchase 1		25,00,000.00 Cr					
1-Apr-2018	86 PCS Computers		25,00,000.00 Cr					
1-Apr-2018	14 PCS Computers		25,00,000.00 Cr					
1-Apr-2018	Debit Note 2		2,00,000.00 Dr					
1-Apr-2018	8 PCS Computers		25,00,000.00 Cr					
			37,80,000.00		37,80,000.00 Cr			F8: Related Reports
								F9: Inventory Reports
								F10: A/c Reports
								F11: Features
								F12: Configure
								F13: Range

In the same report by using ageing wise analysis →f6 we see the reports as below.

Tally.ERP 9									
P: Print	E: Export	M: E-Mail	O: Upload	S: TallyShop	G: Language	K: Keyboard	K: Control Centre	H: Support Centre	H: Help
Poso 9999									
Bills Payable									
Date	Ref. No.	Party's Name	Pending Amount	(< 45 days)	45 to 90 days	(> 90 days)	Post-Dated Amount	Final Balance	Due on
31-Mar-2018	Bill-01	Mahesh	35,000.00	35,000.00				35,000.00 Cr	31-Mar-2018
31-Mar-2018	Bill-02	Mahesh	25,000.00	25,000.00				25,000.00 Cr	31-Mar-2018
31-Mar-2018	Bill-03	Mahesh	40,000.00	40,000.00				40,000.00 Cr	31-Mar-2018
1-Apr-2018	pur/mah/18-19/01	Mahesh	13,80,000.00	13,80,000.00				13,80,000.00 Cr	1-Apr-2018
1-Apr-2018	1-Apr-2018 Purchase	2	15,00,000.00 Cr						
	90 PCS Mobile		15,000.00 PCS						
1-Apr-2018	1-Apr-2018 Debit Note	3	1,20,000.00 Dr						
	8 PCS Mobile		15,000.00 PCS						
1-Apr-2018	pur/san/18-19/01	Sanjay	23,00,000.00	23,00,000.00				23,00,000.00 Cr	1-Apr-2018
1-Apr-2018	1-Apr-2018 Purchase	1	25,00,000.00 Cr						
	86 PCS Computers		25,000.00 PCS						
	14 PCS Computers		25,000.00 PCS						
1-Apr-2018	1-Apr-2018 Debit Note	2	2,00,000.00 Dr						
	8 PCS Computers		25,000.00 PCS						
			37,80,000.00	37,80,000.00				37,80,000.00 Cr	
Ctrl + M X									
R: Remove Line U: Restore Line U: Restore All Space: Select									

Press alt + f7 to see the bills pending party wise as below.

Tally.ERP 9									
P: Print	E: Export	M: E-Mail	O: Upload	S: TallyShop	G: Language	K: Keyboard	K: Control Centre	H: Support Centre	H: Help
Poso 9999									
Bills Payable									
Date	Ref. No.	Party's Name	Opening Amount	Pending Amount	(< 45 days)	45 to 90 days	(> 90 days)	Post-Dated Amount	Final Balance
Mahesh									
31-Mar-2018	Bill-01		35,000.00 Cr	35,000.00	35,000.00				35,000.00 Cr
31-Mar-2018	Bill-02		25,000.00 Cr	25,000.00	25,000.00				25,000.00 Cr
31-Mar-2018	Bill-03		40,000.00 Cr	40,000.00	40,000.00				40,000.00 Cr
1-Apr-2018	pur/mah/18-19/01		15,00,000.00 Cr	13,80,000.00	13,80,000.00				13,80,000.00 Cr
1-Apr-2018	1-Apr-2018 Purchase	2	15,000.00 PCS						
	90 PCS Mobile		15,000.00 PCS						
1-Apr-2018	1-Apr-2018 Debit Note	3	1,20,000.00 Dr						
	8 PCS Mobile		15,000.00 PCS						
			16,00,000.00 Cr	14,80,000.00	14,80,000.00				14,80,000.00 Cr
1-Apr-2018	pur/san/18-19/01	Sanjay	25,00,000.00 Cr	23,00,000.00	23,00,000.00				23,00,000.00 Cr
1-Apr-2018	1-Apr-2018 Purchase	1	25,000.00 PCS						
	86 PCS Computers		25,000.00 PCS						
1-Apr-2018	1-Apr-2018 Debit Note	2	2,00,000.00 Dr						
	8 PCS Computers		25,000.00 PCS						
			25,00,000.00 Cr	23,00,000.00	23,00,000.00				23,00,000.00 Cr
			41,00,000.00 Cr	37,80,000.00	37,80,000.00				37,80,000.00 Cr
Ctrl + M X									
R: Remove Line U: Restore Line U: Restore All Space: Select									

8. Pass the following entries to see the bill receivable statement with reference to sundry debtors

Pass the following transactions using inventory vouchers(Sales order→alt + f5)

Path: gate way of tally → inventory vouchers → alt + f5 (see that amount column is to be left blank)

1-5-2018 Received a sales order with ref no so/laaha/18-19/01 from lahari for 100 computers to be delivered from hyderabad godown

1-5-2018 Received a sales order with ref no so/niha/18-19/01 from niharika for 100 mobiles to be delivered from hyderabad godown

1-5-2018 Received a sales order with ref no so/roja/18-19/01 from roja for 100 sony tv to be delivered from hyderabad godown

As a result if we look at the Sales order summary it shall be as follows

Gate way of tally

Tally.ERP 9									
P: Print	E: Export	M: E-Mail	Q: Upload	S: TallyShop	G: Language	K: Keyboard	K: Control Centre	H: Support Centre	H: Help
Sales Order Stock Group Outstandings									
Poso 9999									
Ctrl + M									
Particulars							All Stock Groups		
							Poso 9999		
							For 1-Apr-2018		
							Sales Orders Outstanding		
							Pending Orders		
							Quantity	Rate	Value
Communication							100 PCS		
Mobile							100 PCS		
Electronics							200 PCS		
Computers							100 PCS		
Sony Tv							100 PCS		
Grand Total							300 PCS		
Q: Quit							R: Remove Line	U: Restore Line	U: Restore All
							Space: Select		

9. Pass the following using Delivery notes using alt + f8

1-5-2018 raised a delivery note with ref no(Dn/roja/18-19/01)on roja agst (so/roja/18-19-01) for 100 sony tv.

1-5-2018 raised a delivery note with ref no(Dn/laaha/18-19/01)on lahari agst (so/laaha/18-19-01) for 100 computers.

1-5-2018 raised a delivery note with ref no(dn/niha/18-19/01)on niharika agst (so/niha/18-19-01) for 100 mobiles to be delivered at Hyderabad godown.

As a result the sales bills pending screen will be displayed as follows

G.w.t→display→statements of inventory → ▾⇒↵⇒▾ bills pending.

Date	Tracking Number	Name of Item	Initial Quantity	Pending Quantity	Rate (Disc %)	Value
Goods Delivered but Bills not Made :						
1-Apr-2018	Dn/laha/18-19/01	Computers	100 PCS	100 PCS		
	To: Lahari					
1-Apr-2018	Dely Note 2	100 PCS @				
1-Apr-2018	dn/niha/18-19/01	Mobile	100 PCS	100 PCS		
	To: Niharika					
1-Apr-2018	Dely Note 3	100 PCS @				
1-Apr-2018	Dn/roja/18-19/01	Sony Tv	100 PCS	100 PCS		
	To: Roja					
1-Apr-2018	Dely Note 1	100 PCS @				
			300 PCS	300 PCS		

10. Pass the following entries using a rejections in voucher→ctrl+f6

1-5-2018 Received back rejected 10 mobiles from Niharika against the bill number (dn/niha/18-19/01)

1-5-2018 Received back rejected 10 computers from Lahari against the bill number with (dn/laha/18-19/01)

1-5-2018 Received back rejected 10 sony tvs from roja against the bill number with ref no (dn/roja/18-19/01)

As a result if we look at the sales order summary the stock rejected received back will be displayed again.

Gate way of

tally→display→statements of inventory→sales order→stock group→alt+f1 (details)

Tally.ERP 9									
P: Print	E: Export	M: E-Mail	U: Upload	S: TallyShop	G: Language	K: Keyboard	K: Control Centre	H: Support Centre	H: Help
Sales Order Stock Group Outstandings									
Poso 9999									
Ctrl + M X									
Particulars							All Stock Groups Poso 9999 For 1-Apr-2018 Sales Orders Outstanding		
							Pending Orders		
							Quantity	Rate	Value
Communication							10 PCS		
Mobile							10 PCS		
Electronics							20 PCS		
Computers							10 PCS		
Sony Tv							10 PCS		
Grand Total							30 PCS		
Q: Quit							R: Remove Line	U: Restore Line	U: Restore All
							Space: Select		

11. Pass the following in Delivery note using alt+f8 for the rejected goods returned back freshly

1-5-2018 raised a delivery note with ref no(dn/roja/18-19/04)to roja for 10 sony tv's

1-5-2018 raised a delivery note with ref no (dn/laha/18-19/05 for 10 computers

1-5-2018 raised a delivery note with ref no (dn/niha/18-19/05 for 10 mobiles

12. Pass the following entries using sales voucher using f8

1-5-2018 sold to niharika 100 mobiles each @ 30,0000 with ref sale/niha/18-19/01

1-5-2018 sold to lahari 100 computers @ 30000 each with ref no sale/laha/18-19/01

1-5-2018 sold to roja 100 sony tv @ 30000 each with ref no sale/roja/18-19/01

While passing the sales entries Press f12 configuration and see that Use default for bill allocations is"no"

Tally.ERP 9

Voucher Configuration Krishna Enterprises Ctrl + M

Sales No. 3
Reference no.: (mah/18-19/01)

Party A/c name : Rajesh
Current balance :
Sales ledger : SALES

1-Mar-2019
Friday

Name of Item	Quantity	Rate per	Amount
Teelvisions	10 pcs	25,000.00	2,50,000.00

End of List

Narration:

10 pcs 2,50,000.00

Sales Invoice Standard Configuration

General Options

Enable supplementary details (Address details, despatch details, etc.) ? Yes

Allow separate buyer and consignee names ? No

Use common ledger account for item allocation ? Yes

Use defaults for bill allocations ? No

Use voucher no. as bill ref. no. for bill allocations ? Yes

Provide additional descriptions for stock item name ? No

Provide additional descriptions for ledger name ? No

Warn if voucher number exceeds 16 characters ? Yes

Calculate tax on current sub-total (else calculations are on inventory total only) ? No

Other Options

Warn on negative stock balance ? Yes

Press F12 for more options.

maintain bill by bill balances :

yes this option we have activated in f11 hence we set this option to "yes"

default credit period: enter the no of credit days our company have given to the debtors example:
30 days.

check for credit days during entry :

yes if we activate the option then we can get a warning message if any bills are over the due date.

Pass the following entries with reference to sales in order to record a bills receivable.

Received a bills from niharika for the total amount outstanding.

As the above entry is a non cash entry we shall use a journal voucher → f7

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Accounting Voucher Creation Poso 9999 Ctrl + M

Journal No. 2 1-Apr-2018 Sunday

Particulars	Debit	Credit
Dr Bills Receivable Cur Bal: 32,60,000.00 Dr	31,40,000.00	
Cr Niharika Cur Bal: 0.00 Cr		31,40,000.00
	31,40,000.00	31,40,000.00

Narration:

Q: Quit A: Accept D: Delete X: Cancel

F1: Accounting Vouchers
F2: Inventory Vouchers
F3: Order Vouchers
F4: Payroll Vouchers
F5: Date
F6: Company
F7: Contra
F8: Payment
F9: Receipt
F10: Journal
F11: Sales
F12: Credit Note
F13: Purchase
F14: Debit Note
F15: Reversing Journal
F16: Memos
F17: Post-Dated
F18: Optional
F19: Features
F20: Configure

Now in the bill wise details screen accept all the bills as shown in the figure

Tally.ERP 9

P: Print E: Export M: E-Mail O: Upload S: TallyShop G: Language K: Keyboard K: Control Centre H: Support Centre H: Help

Bill-wise Details Poso 9999 Ctrl + M

Journal No. 2 1-Apr-2018 Sunday

Bill-wise Details for : Niharika Upto: ₹ 31,40,000.00 Cr			
Type of Ref	Name	Due Date, or Credit Days (wef. 1-Apr-2018)	Amount Dr/ Cr
Agst Ref	Bill-01	31-Mar-2018	1,25,000.00 Cr
Agst Ref	Bill-03	31-Mar-2018	40,000.00 Cr
Agst Ref	Salemiha/18-19/01		29,75,000.00 Cr
			31,40,000.00 Cr

Q: Quit A: Accept

As we can see the report even displays the opening balances also besides the sales figures accept the same as a result the screen shall be displayed as follows.

Accounting Voucher Creation Poso 9999

Journal No. 2

1-Apr-2018 Sunday

Particulars	Debit	Credit
Dr Bills Receivable	31,40,000.00	
Cur Bal: 32,60,000.00 Dr		
Cr Niharika		31,40,000.00
Cur Bal: 0.00 Cr		
Agst Ref Bill-01 31-Mar-2018 1,25,000.00 Cr		
Agst Ref Bill-03 31-Mar-2018 40,000.00 Cr		
Agst Ref Sale/roja/18-19/01 29,75,000.00 Cr		

Narration:

31,40,000.00

Accept ?

Yes or No

Now go back to gate way of tally→display→statements of accounts→outstandings→bills receivables.

Bills Outstanding Poso 9999

For 1-Apr-2018

Date	Ref. No.	Party's Name	Pending Amount	Post-Dated Amount	Final Balance	Due on Overdue by days
31-Mar-2018	Bill-01	Lahari	1,25,000.00		1,25,000.00	31-Mar-2018
31-Mar-2018	Bill-02	Lahari	35,000.00		35,000.00	31-Mar-2018
1-Apr-2018	sale/lahari/18-19/01	Lahari	30,00,000.00		30,00,000.00	1-Apr-2018
1-Apr-2018	sale/niharika/18-19/01	Niharika	25,000.00		25,000.00	1-Apr-2018
1-Apr-2018	sale/roja/18-19/01	Roja	30,00,000.00		30,00,000.00	1-Apr-2018
			61,85,000.00		61,85,000.00	

61,85,000.00 61,85,000.00 Dr

Now press alt+f7 to view the report as per party balances outstanding.

Tally.ERP 9

P: PrintE: ExportM: E-MailO: UploadS: TallyShopG: LanguageK: KeyboardK: Control CentreH: Support CentreH: Help

Bills Outstanding

Poso 9999

Ctrl + M

Bills Receivable

For 1-Apr-2018

Date	Ref. No.	Party's Name	Pending Amount	Post-Dated Amount	Final Balance	Due on	Overdue by days
Lahari							
31-Mar-2018	Bill-01		1,25,000.00		1,25,000.00 Dr	31-Mar-2018	1
31-Mar-2018	Bill-02		35,000.00		35,000.00 Dr	31-Mar-2018	1
1-Apr-2018	sale/laha/18-19/01		30,00,000.00		30,00,000.00 Dr	1-Apr-2018	0
			31,60,000.00		31,60,000.00 Dr		
Niharika							
1-Apr-2018	Sale/nih/18-19/01		25,000.00		25,000.00 Dr	1-Apr-2018	0
			25,000.00		25,000.00 Dr		
Roja							
1-Apr-2018	sale/roja/18-19/01		30,00,000.00		30,00,000.00 Dr	1-Apr-2018	0
			30,00,000.00		30,00,000.00 Dr		
			61,85,000.00		61,85,000.00 Dr		

Q: Quit

R: Remove LineU: Restore LineU: Restore AllSpace: Select

And use alt+f1 to see the report in a detailed manner

Tally.ERP 9

P: PrintE: ExportM: E-MailO: UploadS: TallyShopG: LanguageK: KeyboardK: Control CentreH: Support CentreH: Help

Bills Outstanding

Poso 9999

Ctrl + M

Bills Receivable

For 1-Apr-2018

Date	Ref. No.	Party's Name	Pending Amount	Post-Dated Amount	Final Balance	Due on	Overdue by days
Lahari							
31-Mar-2018	Bill-01		1,25,000.00		1,25,000.00 Dr	31-Mar-2018	1
	31-Mar-2018 Opening Balance		1,25,000.00				
31-Mar-2018	Bill-02		35,000.00		35,000.00 Dr	31-Mar-2018	1
	31-Mar-2018 Opening Balance		35,000.00				
1-Apr-2018	sale/laha/18-19/01		30,00,000.00		30,00,000.00 Dr	1-Apr-2018	0
	1-Apr-2018 Sales 2		30,00,000.00				
	90 PCS Computers		30,000.00				
	10 PCS Computers		30,000.00				
			31,60,000.00		31,60,000.00 Dr		
Niharika							
1-Apr-2018	Sale/nih/18-19/01		25,000.00		25,000.00 Dr	1-Apr-2018	0
	1-Apr-2018 Sales 1		30,00,000.00				
	90 PCS Mobile		30,000.00				
	10 PCS Mobile		30,000.00				
	1-Apr-2018 Journal 2		29,75,000.00				
			25,000.00		25,000.00 Dr		
Roja							
1-Apr-2018	sale/roja/18-19/01		30,00,000.00		30,00,000.00 Dr	1-Apr-2018	0
	1-Apr-2018 Sales 3		30,00,000.00				
	90 PCS Sony Tv		30,000.00				
	10 PCS Sony Tv		30,000.00				
			30,00,000.00		30,00,000.00 Dr		
			61,85,000.00		61,85,000.00 Dr		

Q: Quit

R: Remove Line

U: Restore Line

U: Restore All

Space: Select

F1: Condensed

F2: Period

F3: Company

F4: Payable

F6: Age wise

F7: Bill-wise

F8: Related Reports

F9: Inventory Reports

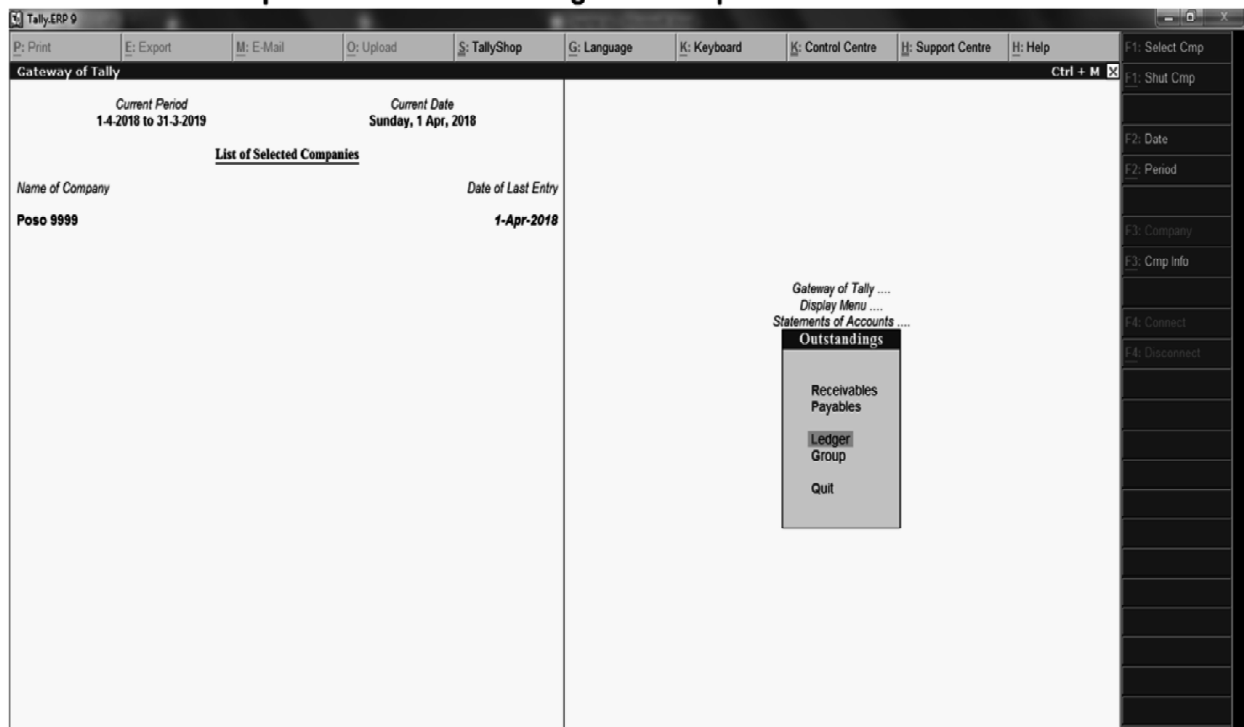
F10: A/c Reports

F11: Features

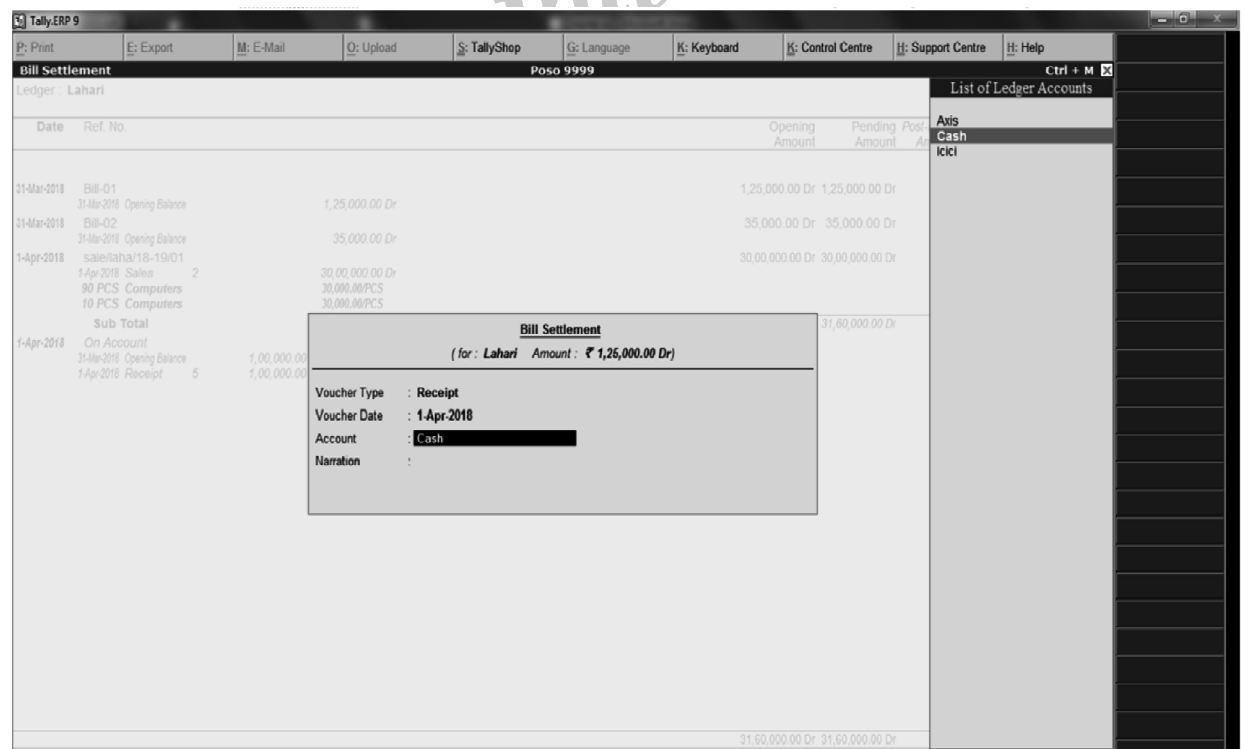
F12: Configure

F12: Range

Now in the same reports if we look at a ledger wise report it would be as follows.



Now select a debtor or a creditor depending upon the requirement.



All the pending bills can be seen in the report alt+f1 for details.

Tally ERP 9									
P: Print	E: Export	M: E-Mail	O: Upload	S: TallyShop	G: Language	K: Keyboard	K: Control Centre	J: Support Centre	H: Help
Ledger Outstandings									
Ledger : Lahari									
Poso 9999									
Ctrl + M									
For 1-Apr-2018									
Date	Ref. No.		Opening Amount	Pending Amount	Post-Dated Amount	Final Balance	Due on	Overdue by days	
31-Mar-2018	Bill-01								
	31-Mar-2018	Opening Balance	1,25,000.00 Dr	1,25,000.00 Dr		1,25,000.00 Dr	31-Mar-2018	1	
31-Mar-2018	Bill-02								
	31-Mar-2018	Opening Balance	35,000.00 Dr	35,000.00 Dr		35,000.00 Dr	31-Mar-2018	1	
1-Apr-2018	sale/taha/18-19/01								
	1-Apr-2018	Sales 2	30,00,000.00 Dr	30,00,000.00 Dr		30,00,000.00 Dr	1-Apr-2018	0	
	90 PCS Computers		30,000.00 PCS						
	10 PCS Computers		30,000.00 PCS						
	Sub Total		31,60,000.00 Dr	31,60,000.00 Dr		31,60,000.00 Dr			
1-Apr-2018	On Account								
	31-Mar-2018	Opening Balance	1,00,000.00 Dr						
	1-Apr-2018	Receipt 5	1,00,000.00 Cr						
			31,60,000.00 Dr	31,60,000.00 Dr		31,60,000.00 Dr			

4.6 ADVANCES

Q9. What do you mean by advance ? Explain with an example.

Ans :

(Dec.-18, Imp.)

Advance

Advance method is selected when we receive or pay money in advance. When the sale or purchase entry is made then 'Advance' option will be available for the adjustment.

Mostly, whenever a bill is raised, part of the bill is adjusted against advance and the balance amount is carried as new Ref during entry of sale or purchase.

Example : We make a bank payment for ? 15,000 via CH.NO: 13256 against a purchase order PO/012/ 2018-19 raised on labtech computers. Show the necessary procedure required for making advance to labtech computers.

Sol :

Creating Bank Payment Voucher

The steps for creating bank payment voucher are as follows,

Step 1 - Open Tally ERP 9.

Step 2- Click on 'Select company' and select any company of your choice which is already created and gateway of Tally will be displayed.

Step 3 - Select 'Accounting Vouchers' under 'Transactions'.

Step 4 - Press 'F5' or Click 'F5: payment' which is on right side of accounting voucher creation screen.

Step 5 - A list of ledger accounts will be shown, select labtech computers from the list.

Step 6 - Enter 15,000 in the 'Debit' column you will get the bill-wise details dialog box as shown below,

Bill-wise Details for Labtech Computers Upto: ₹ 15,000.00 Dr			
Type of Ref	Name Method of Adj.	Due Date, or Credit Days (1-Apr-2018)	Amount Dr/ Cr
On Account	Advance Agst Ref New Ref On Account		15,000.00 Dr
			15,000.00 Dr

Step 7 - Select advance, enter PO/012/2018-19 under 'Name' field, enter 15,000 in the amount column and press enter to accept.

After entering the details, bank account ledge will automatically selected. Keep pressing enter till you get bank allocation dialog box as shown below,

Bank Allocations for: Bank Accounts For: 15,000.00	
Transaction Type	Amount
Cheque	15,000.00
Cheque range :	
Inst. no.	Inst. date : 1-Apr-2018

Step 8 - Enter 13256 in 'Inst. No field' and press enter.

Accounting Voucher Creation		Universal Traders		Ctrl + M
Payment		No. 2		1-Apr-2018 Sunday
Particulars	Debit	Credit		
By Labtech Computers		15,000.00		
Cur Bal: 15,000.00 Dr				
Advance PO/012/2018-19	15,000.00 Dr			
To Bank Accounts			15,000.00	
Cur Bal: 21,000.00 Cr				
Narration: Being Advance paid to Labtech Computers				
		15,000.00	15,000.00	

Accept ?
 Yes or No

The steps for creating purchase voucher are as follows,

Step 2 - Select 'V' as voucher which is on the right side of the screen.

Step 3 - Enter LTC 22 in the 'Supplier invoice no.' field.

Step 4 - After entering the invoice number, you will get the list of ledger accounts, select labtech computers from the list.

Step 5 - After selecting labtech computers, supplier's details dialog box will appear, you can enter the supplier's details or skip by pressing enter.

Step 6 - Enter 27,000 in the 'credit' column' and press enter.

You will get the bill-wise details dialog box as shown below,

Bill-wise Details for: Labtech Computers Upto: ₹ 27,000.00 Cr				
Type of Ref	Name	Due Date, or Credit Days	Amount	Dr/ Cr
New Ref	Method of Adj	(1-Apr-2018)		
	Advance			
	Agst Ref			
	New Ref			
	On Account			
			27,000.00 Cr	
			27,000.00 Cr	

Step 7 - Select 'Agst Ref' from the list and press enter.

You will get pending bills dialog box as shown below,

Bill-wise Details for: Labtech Computers Upto: ₹ 27,000.00 Cr																								
Type of Ref	Name	Due Date, or Credit Days	Amount	Dr/ Cr																				
Agst Ref	LTC22																							
<table border="1"> <thead> <tr> <th colspan="5">Pending Bills</th> </tr> <tr> <th>Name</th> <th>Date</th> <th>Balance</th> <th colspan="2">Final Balance</th> </tr> </thead> <tbody> <tr> <td>LTC22</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>PO/012/2018-19</td> <td>1-Apr-2018</td> <td>15,000.00 Dr</td> <td colspan="2">15,000.00 Dr</td> </tr> </tbody> </table>					Pending Bills					Name	Date	Balance	Final Balance		LTC22					PO/012/2018-19	1-Apr-2018	15,000.00 Dr	15,000.00 Dr	
Pending Bills																								
Name	Date	Balance	Final Balance																					
LTC22																								
PO/012/2018-19	1-Apr-2018	15,000.00 Dr	15,000.00 Dr																					
			27,000.00 Cr																					

Step 8 - Select PO/012/2018-19 from the pending bills.

Step 9 - After pressing enter, select purchases from list of ledger accounts you will get inventory allocations dialog box.

Step 10 - Select 'HP 680 catridges' from list of stock items under 'Name of item' field. Enter 30 in the 'Quantity' field, 900 in rate per field, under amount field, amount will calculated automatically. After filling the details, the dialog box which will appears is shown below,

Inventory Allocations for Purchases			
Name of Item	Quantity	Rate per	Amount
HP 680 Cartridges	30 NOS	900.00 Nos	27,000.00
30 NOS			27,000.00

Step 11 - You can enter information related with the transaction in the narration field or skip by pressing enter. The final dialog box which will appear is shown below,

Accounting Voucher Creation		Universal Traders		1-Apr-2018 Sunday	
Purchase No 2		Supplier Invoice no.: LTC22		Date : 1-Apr-2018	
Particulars		Debit	Credit		
To Labtech Computers			27,000.00		
Cur Bal: 12,000.00 Cr					
Agst Ref PO/012/2018.19		27,000.00 Cr			
By Purchases		27,000.00			
Cur Bal: 49,500.00 Dr					
HP 680 Cartridges 30 NOS 900.00/NOS		27,000.00			
Narration:		27,000.00	27,000.00		
				Accept ?	
				Yes or No	

Step 12 - Press Y or enter to accept.

Displaying Ledger Outstanding Statement

The steps for displaying ledger outstanding statement are as follows,

Step 1 - At the 'Gateway of Tally', select 'Display'.

Step 2 - Select 'Statements of Accounts' under 'Display menu'.

Step 3 - Select 'Outstandings' under 'Statement of accounts'.

Step 4 - Select 'Ledger' under 'Outstandings'.

Step 5 - A list of ledgers will be shown, select labtech computer from the list. You will get the ledger outstandings screen as shown below,

Ledger Outstandings		Universal Traders		Ctrl + M	
Ledger: Labtech Computers		For 1-Apr-2018			
Date	Ref. No.	Opening Amount	Pending Amount	Due on	Overdue by days
1-Apr-2018	PO/012/2018-19 (advance)	15,000.00 Dr	12,000.00 Cr	1-Apr-2018	0
1-Apr-2018	Payment 2	15,000.00 Dr			
1-Apr-2018	Purchase 2	27,000.00 Cr			
	30 NOs HP 680 Catridges	900.00/NOs			
		15,000.00 Dr	12,000.00 Cr		

4.7 ON ACCOUNT

Q10. What do you mean by on account ? Explain with an example.

Ans :

On Account

On account is one of the method of adjustment which is selected when we are not able to mark a payment or receipt against particular pending references. Mostly, this option is used in cases of lump sum payments, where many bills are pending but we are not instructed against which bill the money needs to be adjusted.

Example

We raises following sales invoices for items HP 803 cartridges @ ` 1,300 on info logic computers, 01-04-2018, 15 Nos Bill/001

01-04-2018, 20 Nos Bill/002

02-04-2018, 30 Nos Bill/003

02-04-2018, 25 Nos Bill/004

We received ` 40,000 via CH.No.16501 from info logic computers for their purchase. Show the necessary procedure required for adjusting ` 40,000 through on accounts method.

Sol.:

Creating Sundry Debtor Ledger

The steps for creating sundry debtor ledger are as follow,

Step 1 - Open Tally ERP 9.

Step 2 - Click on 'Select company' and select any company of your choice which is already created. Gateway of Tally will be displayed.

Step 3 - At 'Gateway of Tally', select 'Accounts Info' under 'Masters'.

Step 4 - Select 'Ledgers' under 'Accounts info'.

Step 5 - Select 'Create' under 'Single ledger'.

You will get ledger creation dialog box.

Step 6 - Type Info logic computers under 'Name' field.

Step 7 - While entering data in 'Under' field, a list of groups will be shown, select sundry debtors from the list. The final dialog box which will appear is shown below,

Ledger Creation		universal traders		Ctrl F12	
Name : Info Logic Computers (alias)			Total Opening Balance		
Under : Sundry Debtors (Current Assets)		Mailing Details			
Name : Info Logic Computers		Address			
Maintain balances bill-by-bill ? Yes Default credit period Check for credit days during voucher entry ? No Inventory values are affected ? No		Country : India State : Telangana Provide bank details : No Pincode			
		PAN/IT No. : Tax Registration Details			
Opening Balance (on 1-Apr-2018) :			Accept ? Yes or No		

Step 8 - Press Y or enter to accept.

Creating HP 803 Cartridges

The steps for creating HP 803 cartridges are as follows,

Step 1 - At 'Gateway of Tally', select 'Inventory Info'.

Step 2 - Select 'Stock items' under 'Inventory Info'.

Step 3 - Select 'Create' under 'Single stock item' you will get stock item creation dialog box.

Step 4 - Type HP 803 cartridges in 'Name' field.

Step 5 - While entering data in 'under' field, a list of groups will be shown, select printers from the list.

Step 6 - Select 'nos' in units field. The final dialog will appear as shown in the step 7,

Step 7 - Enter 100 in 'Quantity' field, 950 in 'Rate' per field amount in 'Value' column will be automatically calculated the final dialog box which will as shown below,

Stock Item Creation		Universal Traders	
Name : HP 803 Cartridges (a/alias)			
Under	Printers	<u>Statutory Information</u>	
Units	NOs	Rate of Duty (eg 5)	0
Opening Balance		Quantity 100 NOs	Rate per 950.00 NOs 95
		Accept ? Yes or No	

Step 8 - Press Y or enter to accept.

Creating Sales Invoices

The steps for creating sales invoice are as follows,

Step 1 - At 'Gateway of Tally', select 'Accounting Vouchers' under 'Transactions'.

You will get accounting voucher creation screen.

Step 2 - Press 'F8' or select 'F8: Sales' which is on the right side of accounting voucher creation screen.

Step 3 - Enter bill/001 'Reference No. field.

Step 4 - In 'Party A/c name' field select info logic computers from list of ledger accounts.

You will get dispatch details dialog box, you can enter the details or skip by pressing enter.

Step 5 - In 'Sales Ledger' field, select 'Sales' from list of ledger accounts.

Step 6 - Select HP 803 cartridges' from list of stock items under 'Name of Item' field.

Step 7 - Enter '15' in the 'Quantity' field, 1,300 in 'Rate Per' field,

Under 'Amount' column, amount will be calculated automatically. The final dialog box which will appears is shown below,

Accounting Voucher Creation		Universal Traders		Ctrl + M	
Sales No. 2				1-Apr-2018	
Reference no.: Bill/001				Sunday	
Party A/c name: Info Logic Computers					
Current balance:					
Sales ledger: Sales					
Name of Item	Quantity	Rate per	Amount		
HP 803 Cartridges	15 NOs	1,300.00 NOs	19,500.00		
End of List					
Narration:		15 NOs		Accept ?	
				Yes or No	

Step 8 - Press Y or enter to accept.

Similarly create 3 more sales invoice with following information

1-4-2018, 10 Nos, Bill/002

2-4-2018, 30 Nos, Bill/003

2-4-2018, 25 Nos, Bill/004

Creating Receipt Voucher

The steps for creating receipt voucher are as follows,

Step 1 - At 'Gateway of Tally', select 'Accounting vouchers' under 'Transactions'.

You will get accounting voucher creation screen.

Step 2 - Press 'F6' or click 'F6: Receipt', which is on right side of accounting voucher creation screen.

Step 3 - Select 'Info logic Computer' from list of ledger accounts under particulars field.

Step 4 - Enter 40,000 in 'Credit' column you will get bill-wise details dialog box as shown below,

Bill-wise Details for: Info Logic Computers			
Upto: ₹ 40,000.00 Cr			
Type of Ref	Name	Due Date, or Credit Days	Amount Dr/ Cr
	Method of Adj.		
	Advance		
Agst Ref	Agst Ref		
	New Ref		
	On Account		

Step 5 - Select 'On Account' from list and press enter.

Step 6 - List of ledger accounts will be shown, select 'Bank Accounts' and press enter. You will get bank allocations dialog box as shown below,

Bank Allocations for : Bank Accounts	
For: 40,000.00	
Transaction Type	Amount
Cheque/DD	40,000.00
Inst. date : 2-Apr-2018	
Bank,	

Step 7 - Keep pressing enter to accept.

Step 8 - Enter 'Ch. No. 16501' in 'Narration' field and press enter. The final dialog box which will appear is shown below,

Accounting Voucher Creation		Universal Traders		Ctrl + M	
Receipt No 2				2-Apr-2018 Monday	
Particulars	Debit	Credit			
To Info Logic Computers		40,000.00			
Cur Bal: 77,000.00 Dr					
On Account	40,000.00 Cr				
By Bank Accounts		40,000.00			
Cur Bal: 19,000.00 Dr					
Narration:				40,000.00	40,000.00
ch.no. 16501					
				Accept ?	
				Yes or No	

Step 9 - Press Y or Enter to Accept.

Bill-Wise Outstanding Report

The steps for displaying bill-wise outstanding report are as follows,

Step 1 - At 'Gateway of Tally', select 'Display'.

Step 2 - Select 'Statements of Inventory' under 'Display Menu'.

Step 3 - Select 'Outstandings' under 'Statements of Accounts'.

Step 4 - Select 'Ledger' under 'Outstandings'.

Step 5 - Select 'Info logic computers' form list of ledgers you will get ledger outstandings screen as shown below,

Ledger Outstandings		Universal Traders		Ctrl + M	
Ledger: Info Logic Computers		1-Apr-2018 to 2-Apr-2018			
Date	Ref. No.	Opening Amount	Pending Amount	Due on	Overdue by days
1-Apr-2018	2	19,500.00 Dr	19,500.00 Dr	1-Apr-2018	1
1-Apr-2018	3	26,000.00 Dr	26,000.00 Dr	1-Apr-2018	1
2-Apr-2018	4	39,000.00 Dr	39,000.00 Dr	2-Apr-2018	0
2-Apr-2018	5	32,500.00 Dr	32,500.00 Dr	2-Apr-2018	0
Sub Total		1,17,000.00 Dr	1,17,000.00 Dr		
2-Apr-2018	On Account	40,000.00 Cr	40,000.00 Cr		
		77,000.00 Dr	77,000.00 Dr		

Step 6 - You can view details of any bill by clicking and pressing enter on it. The final view of ledger outstandings screen which will appear is shown below,

Ledger Outstandings		Universal Traders		1-Apr-2018 to 2-Apr-2018	
Ledger Info Logic Computers					
Date	Ref. No.		Opening Amount	Pending Amount	Due on Overdue by days
1-Apr-2018	2		19,500.00 Dr	19,500.00 Dr	1-Apr-2018 1
	1-Apr-2018 Sales 2		19,500.00 Dr		
	15 NOs HP 803 Cartridges	1,300.00/NOs			
1-Apr-2018	3		26,000.00 Dr	26,000.00 Dr	1-Apr-2018 1
	1-Apr-2018 Sales 3		26,000.00 Dr		
	20 NOs HP 803 Cartridges	1,300.00/NOs			
2-Apr-2018	4		39,000.00 Dr	39,000.00 Dr	2-Apr-2018 0
	2-Apr-2018 Sales 4		39,000.00 Dr		
	30 NOs HP 803 Cartridges	1,300.00/NOs			
2-Apr-2018	5		32,500.00 Dr	32,500.00 Dr	2-Apr-2018 0
	2-Apr-2018 Sales 5		32,500.00 Dr		
	25 NOs HP 803 Cartridges	1,300.00/NOs			
	Sub Total		1,17,000.00 Dr	1,17,000.00 Dr	
2-Apr-2018	On Account		40,000.00 Cr	40,000.00 Cr	
	2-Apr-2018 Receipt 2	40,000.00 Cr			
			77,000.00 Dr	77,000.00 Dr	

4.8 STOCK CATEGORY REPORTS

Q11. Write briefly about stock category report.

Ans :

The Stock Category Summary lists out the Closing Balances of all items belonging to the selected category. Stock Item refers to goods that a company manufactures or trades. It is the primary inventory entity or material in which the company deals with on a day-to-day basis. Stock Category offers a parallel classification of stock items. At gate way of tally press f11→inventory features and activate the option "maintain stock categories" : "yes".

Company: Poso 9999

Inventory Features

Category	Feature	Value
General	Integrate accounts and inventory	? Yes
	Enable zero-valued transactions	? Yes
	Maintain multiple Godowns	? Yes
Storage and Classification	Maintain stock categories	? Yes
	Maintain batch-wise details	? No
	Set expiry dates for batches	? No
	Use separate actual and billed quantity columns	? Yes
Order Processing	Enable purchase order processing	? Yes
	Enable sales order processing	? Yes
	Enable job order processing (Enables the options 'Maintain multiple godowns' and 'Use material in and out vouchers')	? No
Invoicing	Enable invoicing	? Yes
	Record purchases in invoice mode	? Yes
	Use debit and credit notes	? Yes
Purchase Management	Record credit notes in invoice mode	? Yes
	Record debit notes in invoice mode	? Yes
	Use separate discount column in invoices	? Yes
Sales Management	Track additional costs of purchases	? No
	Use multiple price levels	? No
Other Features	Use tracking numbers (enables delivery and receipt notes)	? Yes
	Use rejection inward and outward notes	? Yes
	Use material in and out vouchers	? No
	Use cost tracking for stock item	? No

Bottom bar: F1: Accounts F2: Inventory F3: Statutory F6: Add-Ons

As a result stock categories option shall be displayed in the inventory info screen as below.

Gateway of Tally

Current Period: 1-4-2018 to 31-3-2019
Current Date: Sunday, 1 Apr, 2018

List of Selected Companies

Name of Company	Date of Last Entry
Poso 9999	1-Apr-2018

Gateway of Tally

- Stock Groups
- Stock Categories**
- Stock Items
- Units of Measure
- GoDowns
- Reorder Levels
- Voucher Types
- Copy Allocation Details
- Quit

Bottom bar: Product (Tally ERP 9), Version & Updates (Series A Release: 6.4.6), License & Services (Educational Mode), Configuration (Gateway ODBC Server, localhost:9999, 9000), Calculator

By using single or multiple options we can create a stock category.

Tally.ERP 9									
P: Print	E: Export	M: E-Mail	O: Upload	S: TallyShop	G: Language	K: Keyboard	C: Control Centre	H: Support Centre	H: Help
Stock Category Summary									
Poso 9999									
Ctrl + M									
Particulars						Poso 9999 For 1-Apr-2018			
						Closing Balance			
						Quantity	Rate	Value	
Mobile Communication						192 PCS	7,187.50	13,80,000.00	
Mobile						192 PCS	7,187.50	13,80,000.00	
Televisions						192 PCS	14,375.00	27,60,000.00	
Sony Tv						192 PCS	14,375.00	27,60,000.00	
Computers						192 PCS	11,879.17	23,00,000.00	
Hyderabad						142 PCS	16,197.18	23,00,000.00	
Secunderabad						50 PCS			
Grand Total						576 PCS		64,40,000.00	

In the same stock category report we can see the report based on gross profit if we have activated then we can use the function key f7 show gross profit as a result the screen shall be displayed as follows.

Tally.ERP 9									
P: Print	E: Export	M: E-Mail	O: Upload	S: TallyShop	G: Language	K: Keyboard	C: Control Centre	H: Support Centre	H: Help
Stock Category Summary									
Poso 9999									
Ctrl + M									
Particulars						Poso 9999 For 1-Apr-2018			
						Outwards			
						Quantity	Rate	Value	Consumption
								Gross Profit	Perc %
						Closing Balance			
						Quantity	Rate	Value	
Mobile Communication						192 PCS	7,187.50	13,80,000.00	
Mobile						192 PCS	7,187.50	13,80,000.00	
Televisions						192 PCS	14,375.00	27,60,000.00	
Sony Tv						192 PCS	14,375.00	27,60,000.00	
Computers						192 PCS	11,879.17	23,00,000.00	
Hyderabad						142 PCS	16,197.18	23,00,000.00	
Secunderabad						50 PCS			
Grand Total						576 PCS		64,40,000.00	

The same f7 can be used for hiding the profit also

We can also purchases order outstanding or sales order outstanding by using the function key alt+f7 and then select the report options based on the requirements.

Stock Category Summary				Poso 9999			Ctrl + M		
Particulars				Poso 9999 For 1-Apr-2018			Closing Balance		
				Quantity	Rate	Value			
Mobile Communication				192 PCS	7,187.50	13,80,000.00			
Televisions				192 PCS	14,375.00	27,60,000.00			
Computers				192 PCS	11,979.17	23,00,000.00			
Grand Total				576 PCS		64,40,000.00			

Modify Variables				Poso 9999			Ctrl + M		
Particulars				Change Type of Values			Type of Values		
				Type of Values	Stock in Hand		Nett Stock	(Stock in Hand + Purchase Order - Sales Order)	Value
Mobile Communication									
Televisions									
Computers									
Grand Total									

In the same stock category report if we use f12 configuration it would be as below.

Tally.ERP 9

</

By activating the required options we can configure the stock category report still further as shown below.

Tally.ERP 9

P: Print

E: Export

M: E-Mail

O: Upload

S: TallyShop

G: Language

K: Keyboard

K: Control Centre

H: Support Centre

H: Help

Stock Category Summary

Poso 9999

Ctrl + M

Particulars	Poso 9999 For 1-Apr-2018												
	Opening Balance			Inwards			Outwards			Closing Balance			
	Quantity (Alt Units)	Rate	Value	Quantity (Alt Units)	Rate	Value	Quantity (Alt Units)	Rate	Value	Gross Value	Consumption	Gross Profit	Pec %
Mobile Communication	100 PCS			92 PCS	15,000.00	13,80,000.00							
Mobile	100 PCS			92 PCS	15,000.00	13,80,000.00							
Hydrosat	50 PCS			92 PCS	15,000.00	13,80,000.00							
Secunderabad	50 PCS												
Televisions	100 PCS			92 PCS	30,000.00	27,60,000.00							
Sony Tr	100 PCS			92 PCS	30,000.00	27,60,000.00							
Hydrosat	50 PCS			92 PCS	30,000.00	27,60,000.00							
Secunderabad	50 PCS												
Computers	100 PCS			92 PCS	25,000.00	23,00,000.00							
Hydrosat	50 PCS			92 PCS	25,000.00	23,00,000.00							
Secunderabad	50 PCS												
Grand Total	300 PCS			276 PCS		64,40,000.00							

Q: Quit

R: Remove Line

U: Restore Line

U: Restore All

Space: Select

F1: Condensed

F2: Period

F3: Company

F4: Category

F6: Monthly

F7: Hide Profit

F7: Orders

F9: Godown Type

C: New Column

A: Alter Column

D: Delete Column

N: Auto Column

F8: Related Reports

F9: Inventory Reports

F10: A/C Reports

F11: Features

F12: Configure

F12: Range

4.9 CHANGING THE FINANCIAL YEAR IN ERP

Q12. Explain briefly about financial year in ERP.

Ans :

(Imp.)

Gate way of tally

- Accounts info
- Changing the Financial Year in ERP.

The Financial Year from 1 April to 31 March, currently in vogue nationally, was adopted in 1867 principally to align the Indian fiscal with that of the British government. Till then, the financial year in India used to commence on 1 May and end on 30 April of the following calendar year.

Financial Year refers to the accounting period. The Financial Year is generally a 12 month period from April 1 to March 31.

Enter the financial year beginning date of the company in this data field. You cannot leave this data field blank. At the time of creation of company only. It is a one time setup once the financial year entered transactions are entered from that day onwards.

Company Alteration

Name : Krishna Enterprises

Primary Mailing Details

Mailing name : Krishna Enterprises

Address : DV CASCADE
HYDERABAD

Country : India

State : Telangana

Pincode : 500040

Contact Details

Phone no. : 0402222222

Mobile no. : 9848032919

Fax no. :

E-mail : KE@GMAIL.COM

Website : WWW.KE ENT.COM

Books and Financial Year Details

Financial year begins from : 1.4.2018

Books beginning from : 1.4.2018

Security Control

Use security control ? No
(Enable security to avail TSS features)

Base Currency Information

Base currency symbol : ₹

Formal name : INR

Suffix symbol to amount ? No

Add space between amount and symbol ? Yes

Show amount in millions ? No

Number of decimal places : 2

Word representing amount after decimal : paise

No. of decimal places for amount in words : 2

As shown above financial year started on 01-04-2018 as it ends on 31-3-2019 enter all the transactions as shown in the day book below.

Tally.ERP 9

P: Print

E: Export

M: E-Mail

Q: Upload

S: TallyShop

G: Language

K: Keyboard

K: Control Centre

H: Support Centre

H: Help

Day Book

Day Book

Krishna Enterprises

Ctrl + M

1-Apr-2018 to 31-Mar-2019

Date	Particulars	Vch Type	Vch No.	Debit Amount Inwards Qty	Credit Amount Outwards Qty
1 ... 3 more					
2-4-2018	PURCHASES	Journal	2	15,000.00	
1-5-2018	KRISHNA	Debit Note	2	2,500.00	
1-6-2018	PURCHASES	Journal	3	26,000.00	
1-6-2018	PURCHASES	Journal	4	26,000.00	
1-6-2018	PURCHASES	Journal	5	26,000.00	
1-6-2018	PURCHASES	Journal	6	26,000.00	
1-6-2018	PURCHASES	Journal	7	26,000.00	
1-6-2018	KRISHNA	Debit Note	3	3,300.00	
1-7-2018	icici	Contra	1		25,000.00
1-7-2018	Cash	Contra	2		25,000.00
1-7-2018	SALARIES	Payment	1	2,500.00	
1-7-2018	Rishi	Receipt	1		30,000.00
1-7-2018	RAJU	Credit Note	1		10.00
1-7-2018	KRISHNA	Debit Note	4	600.00	
1-7-2018	KRISHNA	Debit Note	5	800.00	
1-7-2018	Rishi	Sales	1	12,000.00	
1-7-2018	Lohita	Sales	2	65,00,000.00	
1-7-2018	Lohita	Purchase	2		2,50,000.00
1-7-2018	Lohita	Purchase	3		12,000.00
1-7-2018	Lohita	Purchase	4		12,000.00
1-7-2018	Lohita	Purchase	5		12,000.00
1-8-2018	PURCHASES	Journal	8	26,000.00	
1-8-2018	RAJU	Credit Note	2		25.00
1-8-2018	KRISHNA	Debit Note	6	900.00	
1-9-2018	PURCHASES	Journal	9	26,000.00	
1-9-2018	KRISHNA	Debit Note	7	50.00	
1-10-2018	PURCHASES	Journal	10	26,000.00	
1-10-2018	RAJU	Credit Note	3		10.00
1-11-2018	PURCHASES	Journal	11	26,000.00	
1-11-2018	RAJU	Credit Note	4		1,000.00
1-12-2018	PURCHASES	Journal	12	26,000.00	
1-12-2018	RAJU	Credit Note	6		5,600.00
1-2-2019	KRISHNA	Debit Note	8	25,000.00	
1-3-2019	RAJU	Credit Note	6		250.00
1-3-2019	RAJU	Credit Note	7		120.00
1-3-2019	RAJU	Credit Note	8		100.00
1-3-2019	KRISHNA	Debit Note	9	35,000.00	

F1: Detailed

F2: Date

F2: Period

F3: Company

F4: Change Voucher

F5: Columnar

F6: Extract

F7: Show Profit

F8: Related Reports

F9: Inventory Reports

F10: A/c Reports

F11: Features

F12: Configure

F: Post Dated Rep

Now press alt + f2(change the financial year) as shown.

Tally.ERP 9

P: Print
E: Export
M: E-Mail
Q: Upload
S: TallyShop
G: Language
K: Keyboard
K: Control Centre
H: Support Centre
H: Help

Change Period Krishna Enterprises

Ctrl + M

Day Book

1-Apr-2018 to 31-Mar-2019

Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount	Inwards Qty	Outwards Qty
1-... 3 more							
2-4-2018	PURCHASES	Journal	2	15,000.00			
1-5-2018	KRISHNA	Debit Note	2	2,500.00			
1-6-2018	PURCHASES	Journal	3	26,000.00			
1-6-2018	PURCHASES	Journal	4	26,000.00			
1-6-2018	PURCHASES	Journal	5	26,000.00			
1-6-2018	PURCHASES	Journal	6	26,000.00			
1-6-2018	PURCHASES	Journal	7	26,000.00			
1-6-2018	KRISHNA	Debit Note	3	3,300.00			
1-7-2018	icici	Contra	1		25,000.00		
1-7-2018	Cash	Contra	2		25,000.00		
1-7-2018	SALARIES	Payment	1	2,500.00			
1-7-2018	Rishi	Receipt	1		30,000.00		
1-7-2018	RAJU	Credit Note	1		10.00		
1-7-2018	KRISHNA	Debit Note	4	600.00			
1-7-2018	KRISHNA	Debit Note	5	800.00			
1-7-2018	Rishi	Sales	1	12,000.00			
1-7-2018	Lohita	Sales	2	65,00,000.00			
1-7-2018	Lohita	Purchase	2		2,50,000.00		
1-7-2018	Lohita	Purchase	3		12,000.00		
1-7-2018	Lohita	Purchase	4		12,000.00		
1-7-2018	Lohita	Purchase	5		12,000.00		
1-8-2018	PURCHASES	Journal	8	26,000.00			
1-8-2018	RAJU	Credit Note	2		25.00		
1-8-2018	KRISHNA	Debit Note	6	900.00			
1-9-2018	PURCHASES	Journal	9	26,000.00			
1-9-2018	KRISHNA	Debit Note	7	50.00			
1-10-2018	PURCHASES	Journal	10	26,000.00			
1-10-2018	RAJU	Credit Note	3		10.00		
1-11-2018	PURCHASES	Journal	11	26,000.00			
1-11-2018	RAJU	Credit Note	4		1,000.00		
1-12-2018	PURCHASES	Journal	12	26,000.00			
1-12-2018	RAJU	Credit Note	5		5,600.00		
1-2-2019	KRISHNA	Debit Note	8	25,000.00			
1-3-2019	RAJU	Credit Note	6		250.00		
1-3-2019	RAJU	Credit Note	7		120.00		
1-3-2019	RAJU	Credit Note	8		100.00		
1-3-2019	KRISHNA	Debit Note	9	35,000.00			

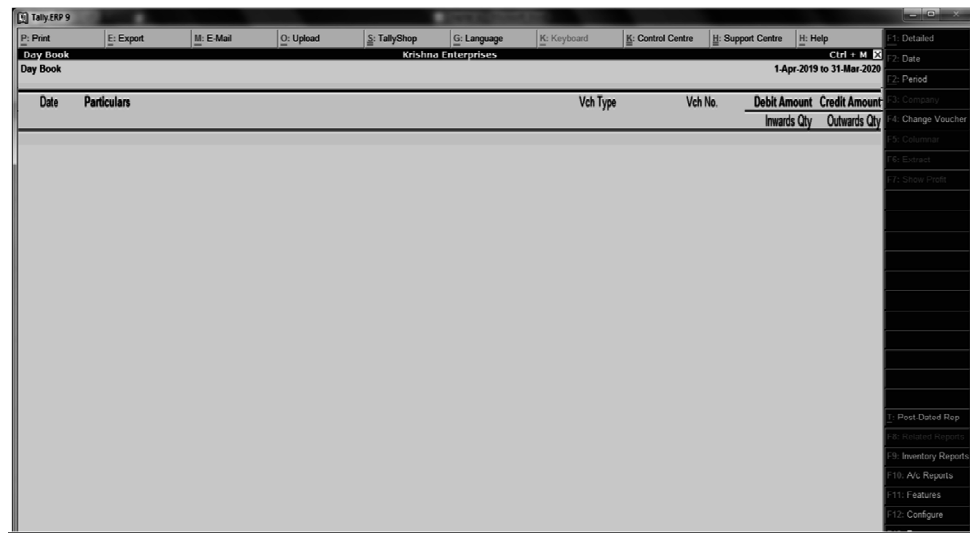
Change Period

From : 1-4-2019

To : 31-3-2020

Q: Quit

Now instead of creating a new company for the next financial year one can continue in the same company as shown below.as we have changed the financial year hence the day book is blank.



After passing the entries the day book will shown as below press f2 (date) and change the date to 1-4-2019 and start passing the entries.

Now open balance sheet and change the financial year from 1-4-2018 to 31-3-2019 by using the function key (alt+f2) and now use the function key alt+c for new column as shown below.

And enter the financial year period as 1-4-2019 to 31-3-2020

From date beginning:1-4-2019

To end date: 31-3-220

Method of stock valuation:default

Type of value to show:actuals

Liabilities	Column Details	List of Valuation Methods	Balance Sheet
Capital Account	From (blank for beginning) : 1-4-2019	At Zero Cost	
CAPITAL	To (blank for end) : 31-3-2020	At Zero Price	45,000.00
Loans (Liability)	Method of stock valuation: Default	Avg. Cost	58,000.00
Bank OD A/c	Type of value to show : Actuals	Avg. Price	1,29,90,885.00
Current Liabilities		Default	
Sundry Creditors		FIFO	52,60,000.00
BILLS PAYABLE		FIFO Perpetual	29,885.00
Excess of income over expenditure		Last Purchase Cost	69,44,000.00
Opening Balance		Last Sale Price	5,02,000.00
Current Period		LIFO Annual	6,50,000.00
		LIFO Perpetual	
		Monthly Avg. Cost	
		Std. Cost	
		Std. Price	
Total			1,30,90,885.00

As a result balance sheet can be seen for two(2) financial years in two separate columns

The above said procedure can be even applied for profit and loss a/c and trial balance.

Short Question and Answers

1. What do you mean by Accounts Payable ?

Ans :

Accounts Payable is a liability due to a particular creditor when it order goods or services without paying in cash up front, which means that you bought goods on credit Definition: When a company purchases goods on credit which needs to be paid back in a short period of time, it is known as Accounts Payable.

2. What is the difference between accounts payable and accounts receivable?

Ans :

Accounts payable are amounts a company owes because it purchased goods or services on credit from a supplier or vendor. Accounts receivable are amounts a company has a right to collect because it sold goods or services on credit to a customer. Accounts payable are liabilities. Accounts receivable are assets.

3. What do you mean by new reference?

Ans :

When a new bill is raised by us or when an new bill is raised on us it carries a ref no which is used for tracking in the future to avoid any confusion or discrepancy such a reference is termed as new reference it is used primarily in case of credit sales or credit purchases. If two purchases or sales raised with same reference no then while making payment or receipt these reference numbers will help tracking.

4. What do you mean by against reference?

Ans :

At the time of cash received or cash paid when a particular bill is being referred it is termed as against reference. Under this method with reference to a already raised bill amount can be received or paid in full and final settlement or partially.

5. What do you mean by advance?

Ans :

before to the commencement of an actual transaction cash received as advance or it can be paid as advance. the term advance refers to incomes received in advance or payments paid in advance advance cannot be considered as income because sooner or later we need to make a sale. Hence all advance receipts are considered as liability and all advance payments are considered as assets.

6. What do you mean by on account ?

Ans :

When the cash is received or paid in those cases where the bill details are not available it is termed as on account. In this case it is also possible for a full and final settlement even though bills are available.

7. Stock category reports.

Ans :

The Stock Category Summary lists out the Closing Balances of all items belonging to the selected category. Stock Item refers to goods that a company manufactures or trades. It is the primary inventory entity or material in which the company deals with on a day-to-day basis. Stock Category offers a parallel classification of stock items.

8. Explain about changing the financial year in ERP.

Ans :

The financial year from 1 April to 31 march, currently in vogue nationally, was adopted in 1867 principally to align the Indian fiscal with that of the British government. till then, the financial year in India used to commence on 1 may and end on 30 April of the following calendar year. financial year refers to the accounting period.

The financial year is generally a 12 month period from April 1 to March 31. Enter the financial year beginning date of the company in this data field. You cannot leave this data field blank at the time of creation of company only. It is a one time setup once the financial year entered transactions are entered from that day onwards.

9. Receivable Management.

Ans :

Definition

Accounts Receivable (AR) is the proceeds or payment which the company will receive from its customers who have purchased its goods & services on credit. Usually the credit period is short ranging from a day or a week or an year.

Description

The word receivable refers to the payment not being realised. This means that the company must have made sales to its customers both goods and services cash as well as on credit. When a company extends credit to the customer, the sale is realised when the invoice is generated, but the company extends a time period to the customers to pay the amount after sometime.

The amount of account receivable depends on the line of credit which the customer enjoys from the company. Usually, this is offered to customers who are frequent buyers.

10. Bills of Exchange.

Ans :

A bill of exchange is a binding agreement by one party to pay a fixed amount of cash to another party as of a predetermined date or on demand. Bills of exchange are primarily used in international trade. Their use has declined as other forms of payment have become more popular. There are three entities that may be involved with a bill of exchange transaction. They are as follows:

- i) **Drawee:** This party pays the amount stated on the bill of exchange to the payee.
- ii) **Drawer:** This party requires the drawee to pay a third party (or the drawer can be paid by the drawee).

- iii) **Payee:** This party is paid the amount specified on the bill of exchange by the drawee.

11. Maintain bill wise details.

Ans :

- Bill wise detail is used to know about party outstanding detail.
- Bill wise details are involved with debtors and creditors
- Bill wise details are regarded to credit sales and services
- Bill wise details are regarded to credit purchases and services

There are four types of bill wise detail :

- i) **New reference:** When a new bill is raised by us or when a new bill is raised on us it carries a ref no which is used for tracking in the future to avoid any confusion or discrepancy such a reference is termed as new reference. It is used primarily in case of credit sales or credit purchases. If two purchases or sales raised with same reference no then while making payment or receipt these reference numbers will help tracking.
- ii) **Against reference:** At the time of cash received or cash paid when a particular bill is being referred it is termed as against reference. Under this method with reference to a already raised bill amount can be received or paid in full and final settlement or partially.
- iii) **Advance:** Before to the commencement of an actual transaction cash received as advance or it can be paid as advance. The term advance refers to incomes received in advance or payments paid in advance. Advance cannot be considered as income because sooner or later we need to make a sale. Hence all advance receipts are considered as liability and all advance payments are considered as assets.
- iv) **On account:** When the cash is received or paid in those cases where the bill details are not available it is termed as on account. In this case it is also possible for a full and final settlement even though bills are available.

Choose the Correct Answer

1. What is the journal entry for a bill received from party(debtor) [a]
(a) bills receivable a/c dr to party a/c (b) party a/c dr to bills receivable a/c
(c) cash a/c dr to sundry debtors a/c (d) bank a/c dr to party a/c
2. What is the journal entry for a bill issued to party(creditor) [d]
(a) bills receivable a/c dr to party a/c (b) party a/c dr to bills receivable a/c
(c) cash a/c dr to sundry debtors a/c (d) party a/c dr to bills payable a/c
3. Bills receivable will be displayed under [a]
(a) Current assets (b) fixed assets
(c) bank a/c (d) current liability
4. Bills payable will be displayed under [d]
(a) Current assets (b) fixed assets
(c) bank a/c (d) current liability
5. Bill wise details can be categorized into how many types [d]
(a) 1 (b) 2
(c) 3 (d) 4
6. When no bills are available for selection we choose [a]
(a) on account (b) agst reference
(c) new ref (d) advance
7. How many secondary groups are present in tally [a]
(a) 13 (b) 24
(c) 60 (d) 11
8. Bill wise details is a feature of _____ [a]
(a) accounting features (b) inventory features
(c) taxation (d) none of the above
9. Bills receivable entry is passed using _____ [a]
(a) f7 (b) f6
(c) f4 (d) f2
10. Bills payable _____ entry is passed using [a]
(a) f7 (b) f6
(c) f4 (d) f2

Fill in the blanks

1. Accounts payable and receivable can be maintained by enabling _____ feature in tally.
2. _____ option is used when there are no bills available for selection.
3. _____ option enables tracking of every transaction made on debtors and creditors.
4. _____ refers to income received in advance or payments made in advance _____.
5. _____ is the used for adjusting a particular bill.
6. How many pre-defined groups are in tally _____.
7. Bill wise details option is a feature of _____.
8. To change period in tally we use _____.
9. Bill wise details are widely used by _____ and _____.
10. Bills receivable is displayed under _____.
11. Bills payable is displayed under _____.

ANSWERS

1. Bill wise detail
2. On account
3. Bill wise detail
4. Advance
5. Agst reference
6. 15
7. f11
8. Alt+f2
9. Drs and Crs
10. Current assets
11. Current liability

UNIT V

MIS REPORTS : Introduction-Advantages of Management Information Systems-MIS Reports in ERP - Trial Balance - Balance Sheet-Profit and Loss Account-Cash Flow Statement-Ratio Analysis-Books and Reports - Day Book-Receipts and Payments-Purchase Register-Sales Register-Bills Receivable and Bills Payable.

5.1 INTRODUCTION AND ADVANTAGES OF MANAGEMENT INFORMATION SYSTEM

Q1. What is MIS ?

Ans : (July-19, Dec.-19, Dec.-18)

Management Information Systems (MIS), referred to as Information Management and Systems, is the discipline covering the application of people, technologies, and procedures collectively called information systems, to solving business problems.

'MIS' is a planned system of collecting, storing and disseminating data in the form of information needed to carry out the functions of management.

Academically, the term is commonly used to refer to the group of information management methods tied to the automation or support of human decision making, e.g. Decision Support Systems, Expert Systems, and Executive Information Systems.

Management

Management is art of getting things done through and with the people in formally organized groups. The basic functions performed by a manager in an organization are: Planning, controlling, staffing, organizing, and directing.

Information

Information is considered as valuable component of an organization. Information is data that is processed and is presented in a form which assists decision maker.

System

A system is defined as a set of elements which are joined together to achieve a common objective.

The elements are interrelated and interdependent. Thus every system is said to be composed of subsystems. A system has one or multiple inputs, these inputs are processed through a transformation process to convert these input(s) to output.

The Management Information System (MIS) is a concept of the last decade or two. It has been understood and described in a number ways. It is also known as the Information System, the Information and Decision System, the Computer based information System.

The MIS has more than one definition, some of which are give below.

1. The MIS is defined as a system which provides information support for decision making in the organization.
2. The MIS is defined as an integrated system of man and machine for providing the information to support the operations, the management and the decision making function in the organization.
3. The MIS is defined as a system based on the database of the organization evolved for the purpose of providing information to the people in the organization.

Q2. Explain the objectives of MIS.

Ans :

1. **Data Capturing:** MIS capture data from various internal and external sources of organization.

Data capturing may be manual or through computer terminals.

2. **Processing of Data:** The captured data is processed to convert into required information.
Processing of data is done by such activities as calculating, sorting, classifying, and summarizing.
3. **Storage of Information:** MIS stores the processed or unprocessed data for future use. If any information is not immediately required, it is saved as an organization record, for later use.
4. **Retrieval of Information:** MIS retrieves information from its stores as and when required by various users.
5. **Dissemination of Information:** Information, which is a finished product of MIS, is disseminated to the users in the organization. It is periodic or on-line through computer terminal.

Q3. Explain the characteristics of MIS ?

Ans :

1. **Systems Approach:** The information system follows a systems approach. Systems approach means taking a comprehensive view or a complete look at the interlocking subsystems that operate within an organization.
2. **Management Oriented:** Management oriented characteristic of MIS implies that the management actively directs the system development efforts. For planning of MIS, top down approach should be followed. Top down approach suggests that the system development starts from the determination of management's needs and overall business objective. To ensure that the implementation of system's policies meet the specification of the system, continued review and participation of the manager is necessary.
3. **Need Based:** MIS design should be as per the information needs of managers at different levels.
4. **Exception Based:** MIS should be developed on the exception based also, which means that in an abnormal situation, there should be immediate reporting about the exceptional situation to the decision makers at the required level.
5. **Future Oriented:** MIS should not merely provide past of historical information; rather it should provide information, on the basis of future projections on the actions to be initiated.
6. **Integrated:** Integration is significant because of its ability to produce more meaningful information. Integration means taking a comprehensive view or looking at the complete picture of the interlocking subsystems that operate within the company.
7. **Common Data Flow:** Common data flow includes avoiding duplication, combining similar functions and simplifying operations wherever possible. The development of common data flow is an economically sound and logical concept, but it must be viewed from a practical angle.
8. **Long Term Planning:** MIS is developed over relatively long periods. A heavy element of planning should be involved.
9. **Sub System Concept:** The MIS should be viewed as a single entity, but it must be broken down into digestible subsystems which are more meaningful.
10. **Central database:** In the MIS there should be common data base for whole system.

Q4. Explain the advantages and disadvantages of MIS ?

Ans : (July-19, Dec.-19, Dec.-18, Imp.)

The following are some of the benefits that can be attained using MIS

Companies are able to identify their strengths and weaknesses due to the presence of revenue reports, employees' performance record etc. Identifying these aspects can help a company improve its business processes and operations.

1. Giving an overall picture of the company.
2. Acting as a communication and planning tool.
3. The availability of customer data and feedback can help the company to align its business processes according to the needs of its

customers. The effective management of customer data can help the company to perform direct marketing and promotion activities.

4. MIS can help a company gain a competitive advantage.
5. MIS reports can help with decision-making as well as reduce downtime for actionable items.

Disadvantages

1. Highly sensitive requires constant monitoring.
2. Budgeting of MIS extremely difficult.
3. Quality of outputs governed by quality of inputs.
4. Lack of flexibility to update itself.
5. Effectiveness decreases due to frequent changes in top management.

Data Quality Issues

One of the problems with an MIS framework is that the quality of the system depends largely on the quality of its data. If the data is insufficient, incorrect or misplaced, the decisions that managers make based on that data can be faulty. For example, a business owner finds a client order of 100,000 units in the MIS system. He orders additional components from his suppliers to meet that order. However, the actual order was only for 10,000 units. The owner unwittingly over-orders the components, costing the company thousands of dollars.

Security Issues

Another issue surrounding MIS processes involves data security. Hackers, identity thieves and corporate saboteurs target sensitive company data. Such data can include vendor information, bank records, intellectual property and personal data on company management. The hackers distribute the information over the Internet, sell it to rival companies or use it to damage the company's image. For example, several retail chains were targeted recently by hackers who stole customer information from their MIS systems and distributed Social Security numbers and credit card data over the Internet.

Expensive

Installing a management information system can be expensive for a company. Information technology-while cheaper today than previous years - can represent a significant expense, especially for larger organizations. These systems may also require ongoing support or upgrade fees, which can represent future fixed cash outflows. Companies must create a budget to pay for these items to ensure the information system stays current with business technology. Attempting to integrate these systems with technology currently in use can also increase expenses.

Maintenance

Companies may need to hire maintenance individuals to help keep an electronic information system running smoothly. These individuals often need experience in computer science functions and other business topics. Not only does this increase labor costs, but it also requires additional training and ongoing education for these individuals. Business technology can change frequently, creating an environment where companies must have trained individuals who can properly maintain computers, websites, servers and other equipment in use by the management information system.

Q5. MIS reports helps Management in Decision Making Process - Explain.

Ans : (Dec.-20, Imp.)

Management Information System (MIS) has played an important role in the organization from last two decades by providing the information generation tool. It also helps the top management in decision making in crucial business decisions. Businesses in the developed countries are of dynamic nature and it has to get the information from all sources with minimum time and with most proper way having maximum good characteristics of information.

The Indian business scenario is also changing at a very fast rate in all the aspects and in all the areas, using advanced software tools like MIS, DSS and Expert System. MIS provides regular

information to managers to allow them to make decisions based on data rather than guesses. Certain data and analysis can play a very useful role in making good decisions about where and when to use human and other resources to achieve the mission of an organization.

5.2 MIS REPORTS IN ERP

Q6. What are the different types of MIS reports in Tally ERP 9 ?

Ans :

The MIS reports prepared in Tally. ERP 9 are of different types. They are,

1. **Accounting Reports:** Accounting reports are prepared to gather information relating to financial position, operational performance and economic activities of the business.
2. **Inventory Reports:** Inventory reports are prepared to effectively manage inventory as reports provide actual status of stock items.
3. **Management Control Reports:** Management control reports are prepared to control activities by using budgets, cost centre reports, scenario reports, etc.
4. **Financial Reports:** Financial reports are prepared to analyze the financial condition of an organization which is utilized by shareholders, creditors and government units. Some of the financial MIS reports are as follows,
 - a) **Receivables:** Bills receivable are those on which payment should be received in future date. This report exhibits all outstanding receivables invoice till due date.
 - b) **Payables:** Bills payable are those bills which are due for payment at a future date. This report exhibits all outstanding payables till future date.
 - c) **Cost Centre Reports:** Cost centre reports are basically performance reports which provide different perspectives to transactions.
 - d) **Ratio Analysis Report:** Ratio analysis report involves principal groups and

principal ratios. It enables the analysts to measure the liquidity position of the firm.

- e) **Cash Flow Report:** Cash flow report exhibits the inflow and outflow of cash during an accounting period. It is useful for non-profit organizations.
- f) **Fund Flow Report:** Fund flow report exhibits the movements in funds during accounting period. It involves sources of funds and application of funds.
- g) **Exception Reports:** Exception reports are useful in tracking transactions or balances which are not usual in nature. Exception reports are of different types such as negative stock, negative ledgers, overdue receivables, overdue payables, memorandum vouchers, reversing journals, optional vouchers and post-dated vouchers.

Q7. What are the various types of Accounting Reports available in Tally? Explain them.

Ans :

(July-21, Dec.-20, Imp.)

1. **Balance Sheet in Tally.ERP 9:** The Balance Sheet gives a complete glance of the financial position of a business. The Balance Sheet in Tally.ERP 9 shows the assets and liabilities of a company. From the Gateway of Tally screen, a business owner can access the Balance Sheet. The Balance Sheet can be configured using F12 configuration in Tally.ERP 9. Tally.ERP 9 also offers Schedule VI Balance Sheet for businesses. The Balance Sheet can be viewed for any given dates. Multiple valuation types are given for defining stock valuations such as FIFO, LIFO, Average Cost, Average Price and many more.
2. **Profit & Loss Account in Tally.ERP 9:** The Profit & Loss report in Tally.ERP 9 shows a company's net profit or loss in a given period. By default, this Tally report considers the period starting from the date when the books begin to the entry date of the last voucher. The Profit & Loss report in Tally.ERP

9 can be configured with F12 configuration available within the report. A business owner can see Schedule VI Profit & Loss account or P&L statement in vertical format based on the requirements.

3. **Cash Flow/Fund Flow Report in Tally.ERP 9:** The Cash Flow report in Tally.ERP 9 has been provided to help get a view of cash inflow and outflow during an accounting period. This report makes it easy for business owners to understand the cash flow situation for a specific period and helps make decisions.

Similarly, the Fund Flow report in Tally.ERP 9 provides details on the sources of funds and their net flow status on a monthly basis.

4. **Ratio Analysis Report in Tally.ERP 9:** The Ratio Analysis report is a powerful report for financial analysis in Tally.ERP 9. The multiple ratios in the report give a clear understanding of the financial position of a business. These are Debt Equity Ratio, Quick Ratio, Return on Working Capital, Return on Investment and so on. This is one of the key Tally report.

5. **Outstanding Report in Tally:** A business owner can see receivables ledger-wise and bill-wise in Tally.ERP 9. He can see ageing analysis which can be applied based on due dates or as per the bill dates. Based on the time that has passed (ageing), a business can accordingly connect with parties or manage funds to make payments. With the billwise ageing details, the user can see and understand the details of bills for which payment is pending.

6. **Inventory Reports in Tally.ERP 9**

- a) **Stock Summary Report in Tally.ERP 9**

The Stock Summary report displays the current position of stocks or stock in hand for a particular date. From this Tally report a business owner can view item-wise rates, quantity and value of stocks available. The Stock Summary report in Tally.ERP 9 also enables business owners to view gross profit at each item level based on landing cost

and sales price. It also shows the status of stocks available across various godowns. The user can see the net stock position by considering purchase and sales orders which are yet to be processed.

- b) **Stock Ageing Analysis Report in Tally.ERP 9**

This report in Tally.ERP 9 helps businesses understand their slow moving goods versus fast moving goods. This Tally report helps business owners to take decisions based on procurement of stocks, or whether to liquidate stocks based on their age. Tally.ERP 9 gives the flexibility to define various periods like 0-30 days, 31-60 days and so on based on business requirement. Business owners can see stock valuations as well from within this report.

5.3 TRIAL BALANCE

Q8. What is a trial balance ?

Ans :

A trial balance is a bookkeeping worksheet in which the balances of all ledgers are compiled into debit and credit account column totals that are equal. A company prepares a trial balance periodically, usually at the end of every reporting period. The general purpose of producing a trial balance is to ensure the entries in a company's bookkeeping system are mathematically correct.

Preparing a trial balance for a company serves to detect any mathematical errors that have occurred in the double-entry accounting system. If the total debits equal the total credits, the trial balance is considered to be balanced, and there should be no mathematical errors in the ledgers. However, this does not mean there are no errors in a company's accounting system. For example, transactions classified improperly or those simply missing from the system could still be material accounting errors that would not be detected by the trial balance procedure.

Ledger Accounts

Companies initially record their business transactions in bookkeeping accounts within the general ledger. Depending on the kinds of business transactions that have occurred, accounts in the ledgers could have been debited or credited during a given accounting period before they are used in a trial balance worksheet. Furthermore, some accounts may have been used to record multiple business transactions. As a result, the ending balance of each ledger account as shown in the trial balance worksheet is the sum of all debits and credits that have been entered to that account based on all related business transactions.

Debits and Credits

At the end of an accounting period, the accounts of asset, expense or loss should each have a debit balance, and the accounts of liability, equity, revenue or gain should each have a credit balance. However, certain accounts of the former type may have also been credited and certain accounts of the latter type may have also been debited during the accounting period when related business transactions reduce their respective accounts' debit and credit balances, an opposite effect on those accounts' ending debit or credit balances. On a trial balance worksheet, all the debit balances form the left column, and all the credit balances form the right column, with the account titles placed to the far left of the two columns.

Undetectable Errors

After all the ledger accounts and their balances are listed on a trial balance worksheet in their standard format, add up all debit balances and credit balances separately to prove the equality between total debits and total credits. Such uniformity guarantees there are no unequal debits and credits that have been incorrectly entered during the double-entry recording process. However, a trial balance cannot detect bookkeeping errors that are not simple mathematical mistakes. If equal debits and credits are entered into the wrong accounts, a transaction is not recorded or offsetting errors are made with a debit and credit at the same time, a trial balance would still show a perfect balance between total debits and credits.

In tally trial balance is a pre defined option once the ledgers are prepared.

Gate way of tally → display → trial balance

Krishna Enterprises		1-Apr-2018 to 1-Jul-2018	
Closing Balance		Debit	Credit
Capital Account			33,25,200.00
Loans (Liability)			2,50,000.00
Current Liabilities			4,87,000.00
Fixed Assets	1,03,000.00		
Current Assets	1,02,61,500.00		
Sales Accounts			70,47,000.00
Purchase Accounts	7,37,000.00		
Indirect Incomes			70,000.00
Indirect Expenses	77,700.00		
Grand Total		1,11,79,200.00	1,11,79,200.00

A trial can be viewed in detailed mode by pressing alt + f1.

Krishna Enterprises		1-Apr-2018 to 1-Jul-2018	
Closing Balance		Debit	Credit
Capital Account			33,25,200.00
CAPITAL			33,25,200.00
Loans (Liability)			2,50,000.00
Bank OD A/c			2,50,000.00
Current Liabilities			4,87,000.00
Sundry Creditors			4,27,000.00
BILLS PAYABLE			60,000.00
Fixed Assets	1,03,000.00		
FURNITURE	45,000.00		
MACHINERY	58,000.00		
Current Assets	1,02,61,500.00		
Opening Stock	25,15,000.00		
Sundry Debtors	37,000.00		
Cash-in-Hand	65,57,500.00		
Bank Accounts	5,02,000.00		
BILLS RECEIVABLE	6,50,000.00		
Sales Accounts		70,47,000.00	
SALES		70,12,000.00	
S RETURNS		35,000.00	
Purchase Accounts	7,37,000.00		
P RETURNS	25,000.00		
PURCHASES	7,12,000.00		
Indirect Incomes		70,000.00	
COMMISSION RECEIVED		45,000.00	
RENT RECEIVED		25,000.00	
Indirect Expenses	77,700.00		
RENT	25,000.00		
SALARIES	17,500.00		
TELEPHONE BILL	35,200.00		
Grand Total		1,11,79,200.00	1,11,79,200.00

5.4 BALANCE SHEET

Q9. What is a balance sheet ?

Ans :

(July-21, Dec.-19, Imp.)

A balance sheet reports a company's assets, liabilities and shareholders' equity at a specific point in time, and provides a basis for computing rates of return and evaluating its capital structure. It is a financial statement that provides a snapshot of what a company owns and owes, as well as the amount invested by shareholders.

Breaking down 'balance sheet'

The balance sheet works to the following equation, where assets on one side, and liabilities plus shareholders' equity on the other, balance out:

$$\text{Assets} = \text{liabilities} + \text{shareholders' equity}$$

If the company takes 100,000 from investors, its assets will increase by that amount, as will its shareholders' equity. All revenues the company generates in excess of its liabilities will go into the shareholders' equity account, representing the net assets held by the owners. These revenues will be balanced on the assets side, appearing as cash, investments, inventory, or some other asset. Assets, liabilities and shareholders' equity are each comprised of several smaller accounts that break down the specifics of a company's finances. These accounts vary widely by industry, and the same terms can have different implications depending on the nature of the business. broadly, however, there are a few common components investors are likely to come across.

Financial analysts often forecast income statements, balance sheets, and cash flow statements using financial modeling techniques.

Assets

Within the assets segment, accounts are listed from top to bottom in order of their liquidity, that is, the ease with which they can be converted into cash. They are divided into current assets, those which can be converted to cash in one year or less; and non-current or long-term assets, which cannot.

Here is the general order of accounts within current assets:

- **Cash and cash equivalents:** the most liquid assets, these can include treasury bills and short-term certificates of deposit, as well as hard currency
- **Marketable securities:** equity and debt securities for which there is a liquid market
- **Accounts receivable:** money which customers owe the company, perhaps including an allowance for doubtful accounts (an example of a contra account), since a certain proportion of customers can be expected not to pay
- **Inventory:** goods available for sale, valued at the lower of the cost or market price
- **Prepaid expenses:** representing value that has already been paid for, such as insurance, advertising contracts or rent

Long-term Assets Include the Following:

- **Long-term investments:** securities that will not or cannot be liquidated in the next year
- **Fixed assets:** these include land, machinery, equipment, buildings and other durable, generally capital-intensive assets
- **Intangible assets:** these include non-physical, but still valuable, assets such as intellectual property and goodwill; in general, intangible assets are only listed on the balance sheet if they are acquired, rather than developed in-house; their value may, therefore, be wildly understated—by not including a globally recognized logo, for example—or just as wildly overstated

Liabilities

Liabilities are the money that a company owes to outside parties, from bills it has to pay to suppliers to interest on bonds it has issued to creditors to rent, utilities and salaries. Current liabilities are those that are due within one year and are listed in order of their due date. Long-term liabilities are due at any point after one year.

Current liabilities accounts might include:

- Current portion of long-term debt
- Bank indebtedness
- Interest payable
- Rent, tax, utilities
- Wages payable
- Customer prepayments
- dividends payable and others

Long-term liabilities can include:

- Long-term debt: interest and principal on bonds issued
- Pension fund liability: the money a company is required to pay into its employees' retirement accounts
- Deferred tax liability: taxes that have been accrued but will not be paid for another year; besides timing, this figure reconciles differences between requirements for financial reporting and the way tax is assessed, such as depreciation calculations some liabilities are off-balance sheet, meaning that they will not appear on the balance sheet. operating leases are an example of this kind of liability.

Shareholders' Equity

Shareholders' equity is the money attributable to a business' owners, meaning its shareholders. It is also known as "net assets," since it is equivalent to the total assets of a company minus its liabilities, that is, the debt it owes to non-shareholders.

Retained earnings are the net earnings a company either reinvests in the business or uses to pay off debt; the rest is distributed to shareholders in the form of dividends.

Treasury stock is the stock a company has either repurchased or never issued in the first place. it can be sold at a later date to raise cash or reserved to repel a hostile takeover.

Some companies issue preferred stock, which will be listed separately from common stock under shareholders' equity. preferred stock is assigned an arbitrary par value - as is common stock, in some cases - that has no bearing on the market value of the shares (often, par value is just \$0.01). the "common stock" and "preferred stock" accounts are calculated by multiplying the par value by the number of shares issued.

Additional paid-in capital or capital surplus represents the amount shareholders have invested in excess of the "common stock" or "preferred stock" accounts, which are based on par value rather than market price. shareholders' equity is not directly related to a company's market capitalization: the latter is based on the current price of a stock, while paid-in capital is the sum of the equity that has been purchased at any price.

Q10. Explain in detail how balance sheet is displayed in tally ERP 9.

Ans :

The balance sheet is a snapshot, representing the state of a company's finances at a moment in time. it cannot give a sense of the trends that are playing out over a longer period. the balance sheet should be compared with those of previous periods. it should also be compared with those of other businesses in the same industry, since different industries have unique approaches to financing.

In tally balance sheet is a predefined option

GATE WAY OF TALLY → BALANCE SHEET

Krishna Enterprises as at 1-Jul-2018		Krishna Enterprises as at 1-Jul-2018	
Liabilities		Assets	
Capital Account	33,25,200.00	Fixed Assets	1,03,000.00
Loans (Liability)	2,50,000.00	Current Assets	80,11,500.00
Current Liabilities	4,87,000.00		
Profit & Loss A/c	40,52,300.00		
Opening Balance			
Current Period	<u>40,52,300.00</u>		
Total	81,14,500.00	Total	81,14,500.00

To view Balance Sheet in Detailed Mode (Use Alt + F1 for Details)

Krishna Enterprises				Krishna Enterprises			
as at 1-Jul-2018				as at 1-Jul-2018			
Liabilities				Assets			
Capital Account		33,25,200.00		Fixed Assets		1,03,000.00	
CAPITAL	33,25,200.00			FURNITURE	45,000.00		
Loans (Liability)		2,50,000.00		MACHINERY	58,000.00		
Bank OD A/c	2,50,000.00			Current Assets		80,11,500.00	
Current Liabilities		4,87,000.00		Closing Stock	2,65,000.00		
Sundry Creditors	4,27,000.00			Sundry Debtors	37,000.00		
BILLS PAYABLE	60,000.00			Cash-in-Hand	65,57,500.00		
Profit & Loss A/c		40,52,300.00		Bank Accounts	5,02,000.00		
Opening Balance				BILLS RECEIVABLE	6,50,000.00		
Current Period	40,52,300.00						
Total		81,14,500.00		Total		81,14,500.00	

We can view a balance sheet vertically by pressing f12 (configuration)

Krishna Enterprises				Krishna Enterprises			
as at 1-Jul-2018				as at 1-Jul-2018			
Liabilities				Assets			
Capital Account		33,25,200.00		Current Liabilities		60,13,000.00	
CAPITAL	33,25,200.00			Sundry Creditors	60,73,000.00		
Loans (Liability)		2,50,000.00		BILLS PAYABLE	(10,000.00)		
Bank OD A/c	2,50,000.00			Fixed Assets		1,03,000.00	
Profit & Loss A/c		40,52,300.00		FURNITURE	45,000.00		
Opening Balance				MACHINERY	58,000.00		
Current Period	40,52,300.00			Current Assets		15,11,500.00	
				Closing Stock	2,65,000.00		
				Sundry Debtors	37,000.00		
					79,500.00		
					4,50,000.00		
					6,50,000.00		
					30,000.00		
Total		76,27,500.00		Total		76,27,500.00	

Show Vertical Balance Sheet :Yes

Profit Or Loss Both As Liability: Yes to View Net Loss Under Liabilities Side Instead of on the Assets Side. This option is not available if we are opting for vertical balance sheet.

Krishna Enterprises		as at 1-Jul-2018
Sources of Funds:		
Capital Account		33,25,200.00
CAPITAL	33,25,200.00	
Loans (Liability)		2,50,000.00
Bank OD A/c	2,50,000.00	
Current Liabilities		4,87,000.00
Sundry Creditors	4,27,000.00	
BILLS PAYABLE	60,000.00	
Profit & Loss A/c		40,52,300.00
Opening Balance		
Current Period	40,52,300.00	
Total		81,14,500.00
Application of Funds:		
Fixed Assets		1,03,000.00
FURNITURE	45,000.00	
MACHINERY	58,000.00	
Current Assets		80,11,500.00
Closing Stock	2,65,000.00	
Sundry Debtors	37,000.00	
Cash-in-Hand	65,57,500.00	
Bank Accounts	5,02,000.00	
BILLS RECEIVABLE	6,50,000.00	
Total		81,14,500.00

5.5 PROFIT AND LOSS ACCOUNT (P & L)

Q11. What is profit and loss account ? Explain in detail how profit and loss account displayed in tally ERP 9 ?

Ans :

(July-21, Dec.-19, Imp.)

The profit and loss statement is a financial statement that summarizes the revenues, costs and expenses incurred during a specified period, usually a quarter or year. P&L statement is synonymous with the income statement.

These records provide information about a company's ability or inability to generate profit by increasing revenue, reducing costs or both. Some refer to the P&L statement as a statement of profit and loss, income statement, statement of operations, statement of financial results or income, earnings statement and expense statement.

In tally profit and loss can be seen in two ways :

- Horizontal profit and loss a/c
- Vertical profit and loss a/c

Gate way of tally profit and loss a/c

Profit & Loss A/c				Profit & Loss A/c			
Particulars		Krishna Enterprises 1-Apr-2018 to 1-Jul-2018		Particulars		Krishna Enterprises 1-Apr-2018 to 1-Jul-2018	
Opening Stock		25,15,000.00		Sales Accounts		70,47,000.00	
Purchase Accounts		7,37,000.00		Closing Stock		2,65,000.00	
Gross Profit c/o		40,60,000.00					
						73,12,000.00	
		73,12,000.00					
Indirect Expenses		77,700.00		Gross Profit b/f		40,60,000.00	
Nett Profit		40,52,300.00		Indirect Incomes		70,000.00	
Total		41,30,000.00		Total		41,30,000.00	

To view the profit and loss a/c in detailed mode press alt+F1

Profit & Loss A/c				Profit & Loss A/c			
Particulars		Krishna Enterprises 1-Apr-2018 to 1-Jul-2018		Particulars		Krishna Enterprises 1-Apr-2018 to 1-Jul-2018	
Opening Stock		25,15,000.00		Sales Accounts		70,47,000.00	
Body Care	15,000.00			SALES	70,12,000.00		
Electronics	25,00,000.00			S RETURNS	35,000.00		
Purchase Accounts		7,37,000.00		Closing Stock		2,65,000.00	
P RETURNS	25,000.00			Body Care	15,000.00		
PURCHASES	7,12,000.00			Electronics	2,50,000.00		
Gross Profit c/o		40,60,000.00				73,12,000.00	
		73,12,000.00					
Indirect Expenses		77,700.00		Gross Profit b/f		40,60,000.00	
RENT	25,000.00			Indirect Incomes		70,000.00	
SALARIES	17,500.00			COMMISSION RECEIVED	45,000.00		
TELEPHONE BILL	35,200.00			RENT RECEIVED	25,000.00		
Nett Profit		40,52,300.00					
Total		41,30,000.00		Total		41,30,000.00	

To view vertical profit and loss a/c we need to configure it by pressing f12

Tally.ERP 9		Krishna Enterprises		Ctrl + M
P: Print	E: Export	M: E-Mail	O: Upload	S: TallyShop
G: Language	K: Keyboard	K: Control Centre	H: Support Centre	H: Help
Profit & Loss A/c		Krishna Enterprises		1-Apr-2018 to 1-Jul-2018
Particulars				
Trading Account:				
Sales Accounts				70,47,000.00
SALES		70,12,000.00		
S RETURNS		35,000.00		
Cost of Sales :				29,87,000.00
Opening Stock		25,15,000.00		
Add: Purchase Accounts		7,37,000.00		
Less: Closing Stock		2,65,000.00		
Gross Profit :				40,60,000.00
Income Statement:				
Indirect Incomes				70,000.00
COMMISSION RECEIVED		45,000.00		
RENT RECEIVED		25,000.00		
				41,30,000.00
Indirect Expenses				77,700.00
RENT		25,000.00		
SALARIES		17,500.00		
TELEPHONE BILL		35,200.00		
Nett Profit :				40,52,300.00

We can see income and expenditure a/c also instead of profit and loss a/c by selecting the option under f11 (company features option)

Tally.ERP 9		Krishna Enterprises		Ctrl + M
P: Print	E: Export	M: E-Mail	O: Upload	S: TallyShop
G: Language	K: Keyboard	K: Control Centre	H: Support Centre	H: Help
Company Operations: Alteration		Krishna Enterprises		1-Apr-2018 to 1-Jul-2018
Particular		Accounting Features		
General		Invoicing		
Maintain accounts only		Enable invoicing	? Yes	70,47,000.00
Integrate accounts and inventory		Record purchases in invoice mode	? Yes	29,87,000.00
Use Income and Expenses A/c instead of Profit and Loss A/c		Use debit and credit notes	? Yes	0.00
Enable multi-currency		Record credit notes in invoice mode	? Yes	0.00
Outstanding Management		Record debit notes in invoice mode	? Yes	40,60,000.00
Maintain bill-wise details		Budgets and Scenario Management		
For non-trading accounts also		Maintain budgets and controls	? No	70,000.00
Activate interest calculation		Use reversing journals and optional vouchers	? No	41,30,000.00
Use advanced parameters		Banking Features		77,700.00
Cost/Profit Centres Management		Enable cheque printing	? Yes	40,52,300.00
Maintain payroll		Set/alter transaction types	? No	
Maintain cost centres		Set/alter banking features	? No	
Use cost centre for job costing		Set/alter post-dated transaction features	? No	
Maintain more than one payroll or cost category		Other Features		
Use pre-defined cost centre allocations in transactions		Enable zero-valued transactions	? Yes	
Show opening balance for revenue items in reports		Maintain multiple mailing details for company and ledgers	? No	
		Set/alter company mailing details	? No	
		Enable company logo	? No	
		Mark changed vouchers	? No	

As result the user can view a income and expenditure account.

Profit & Loss A/c				Krishna Enterprises				Ctrl + M			
Particulars		Krishna Enterprises 1-Apr-2018 to 1-Jul-2018		Particulars		Krishna Enterprises 1-Apr-2018 to 1-Jul-2018					
Opening Stock		25,15,000.00		Sales Accounts		70,47,000.00					
Body Care	15,000.00			SALES	70,12,000.00						
Electronics	25,00,000.00			S RETURNS	35,000.00						
Purchase Accounts		7,37,000.00		Indirect Incomes		70,000.00					
P RETURNS	25,000.00			COMMISSION RECEIVED	45,000.00						
PURCHASES	7,12,000.00			RENT RECEIVED	25,000.00						
Indirect Expenses		77,700.00		Closing Stock		2,65,000.00					
RENT	25,000.00			Body Care	15,000.00						
SALARIES	17,500.00			Electronics	2,50,000.00						
TELEPHONE BILL	35,200.00										
Excess of income over expenditure		40,52,300.00									
Total		73,82,000.00		Total		73,82,000.00					

Press f12 to view vertical income and expenditure account

Configuration				Krishna Enterprises				Ctrl + M			
Particulars		Krishna Enterprises 1-Apr-2018 to 1-Jul-2018		Particulars		Krishna Enterprises 1-Apr-2018 to 1-Jul-2018					
Opening Stock		25,15,000.00		Sales Accounts		70,47,000.00					
Body Care	15,000.00			SALES	70,12,000.00						
Electronics	25,00,000.00			S RETURNS	35,000.00						
Purchase Accounts		7,37,000.00		Indirect Incomes		70,000.00					
P RETURNS	25,000.00			COMMISSION RECEIVED	45,000.00						
PURCHASES	7,12,000.00			RENT RECEIVED	25,000.00						
Indirect Expenses		77,700.00		Closing Stock		2,65,000.00					
RENT	25,000.00			Body Care	15,000.00						
SALARIES				Electronics	2,50,000.00						
TELEPHONE BILL											
Excess of income over expenditure		40,52,300.00									

Configuration

Show Vertical Income & Expense Stmt. ? ☒ Yes

Show Percentages ? ☐ No

Exclude Particulars With Zero Closing Balance ? ☐ No

Appearance of Names : Name Only

Scale Factor for Values : Default

Show base currency symbol ? ☐ No

Tally.ERP 9	
P: Print	E: Export
M: E-Mail	O: Upload
S: TallyShop	G: Language
K: Keyboard	K: Control Centre
H: Support Centre	H: Help
Profit & Loss A/c	
Krishna Enterprises	
Ctrl + M	
Particulars	
Krishna Enterprises	
1-Apr-2018 to 1-Jul-2018	
Trading Account:	
Sales Accounts	70,47,000.00
SALES	70,12,000.00
S RETURNS	35,000.00
Cost of Sales :	29,87,000.00
Opening Stock	25,15,000.00
Add: Purchase Accounts	7,37,000.00
Less: Closing Stock	2,65,000.00
Gross Profit :	40,60,000.00
Income Statement:	
Indirect Incomes	70,000.00
COMMISSION RECEIVED	45,000.00
RENT RECEIVED	25,000.00
Indirect Expenses	41,30,000.00
RENT	77,700.00
SALARIES	25,000.00
TELEPHONE BILL	17,500.00
Excess of Income over Expenditure	35,200.00
	40,52,300.00

Q12. What are the differences between Balance Sheet and Profit and Loss Account ?

Ans :

The following table shows the differences between profit and loss account and balance sheet,

Point of Differentiation		Profit and Loss Account	Balance Sheet
1.	Meaning	It is an account which shows the net results of the business operation during an accounting period.	It is a statement which shows the balance of those ledger accounts which have not been closed till the preparation of trading and profit and loss account.
2.	Nature	It is one of the financial statements which have two sides that is debit side and credit side.	It is also a financial statement which have asset and liabilities sides.
3.	Objective	Its main objective is to ascertain the profit or loss position of the business.	Its main objective is to evaluate the true financial position of the business.
4.	Preparation	It is prepared to know the operational results of business period after a specific period.	It is prepared to know that position of assets and liabilities on a specific period.
5.	Accounts	It includes only nominal accounts.	It includes personal as well as real accounts.
6.	Balancing figure	The balancing figure of profit and loss account is shows as net profit/loss and it get transferred to capital account in the balance sheet.	It does not have any balancing figure, both sides that is the assets and liabilities side must show equal balances.
7.	Suspense account	It does not show the entry of suspense account.	It shows the suspense account, when assets and liabilities does not show equal balances. The balancing figure would be transferred to suspense account.

5.6 CASH FLOW STATEMENT

Q13. What is cashflow statement ? How it is displayed in tally ERP 9 ?

Ans :

In financial accounting, a cash flow statement, also known as statement of cash flows is a financial statement that shows how changes in balance sheet accounts and income affect cash and cash equivalents, and breaks the analysis down to operating, investing and financing activities. Essentially, the cash flow statement is concerned with the flow of cash in and out of the business.

The statement captures both the current operating results and the accompanying changes in the balance sheet. As an analytical tool, the statement of cash flows is useful in determining the short-term viability of a company, particularly its ability to pay bills. International Accounting Standard 7 (IAS 7), is the International Accounting Standard that deals with cash flow statements.

People and groups interested in cash flow statements include :

- Accounting personnel, who need to know whether the organization will be able to cover payroll and other immediate expenses
- Potential lenders or creditors, who want a clear picture of a company's ability to repay
- Potential investors, who need to judge whether the company is financially sound
- Potential employees or contractors, who need to know whether the company will be able to afford compensation
- Shareholders of the business.

The cash flow statement was previously known as the flow of funds statement. The cash flow statement reflects a firm's liquidity.

The statement of financial position is a snapshot of a firm's financial resources and obligations at a single point in time, and the income statement summarizes a firm's financial transactions over an interval of time. These two financial statements reflect the accrual basis accounting used by firms to match revenues with the expenses

associated with generating those revenues. The cash flow statement includes only inflows and outflows of cash and cash equivalents; it excludes transactions that do not directly affect cash receipts and payments. These non-cash transactions include depreciation or write-offs on bad debts or credit losses to name a few.^[3] The cash flow statement is a cash basis report on three types of financial activities: operating activities, investing activities, and financing activities. Non-cash activities are usually reported in footnotes.

The cash flow statement is intended to

1. provide information on a firm's liquidity and solvency and its ability to change cash flows in future circumstances
2. provide additional information for evaluating changes in assets, liabilities and equity
3. improve the comparability of different firms' operating performance by eliminating the effects of different accounting methods
4. indicate the amount, timing and probability of future cash flows

The cash flow statement has been adopted as a standard financial statement because it eliminates allocations, which might be derived from different accounting methods, such as various timeframes for depreciating fixed assets.

The cash flow statement is partitioned into three segments, namely:

1. cash flow resulting from operating activities;
2. cash flow resulting from investing activities;
3. cash flow resulting from financing activities.

The money coming into the business is called cash inflow, and money going out from the business is called cash outflow.

Operating Activities

Operating activities include the production, sales and delivery of the company's product as well as collecting payment from its customers. This could include purchasing raw materials, building inventory, advertising, and shipping the product.

Investing Activities

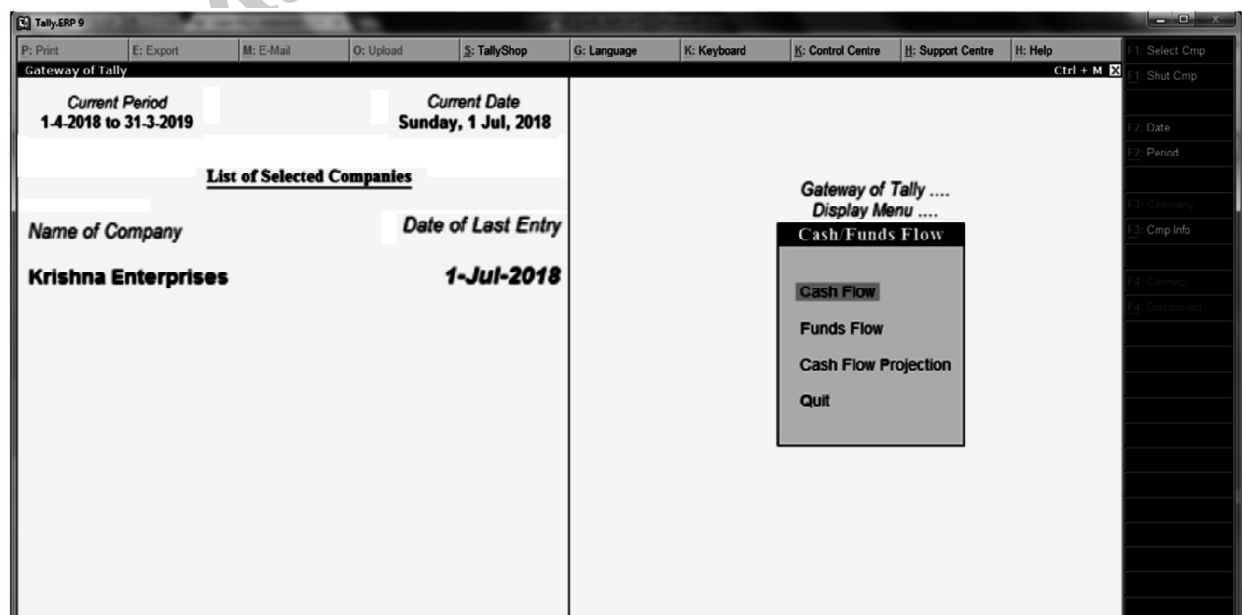
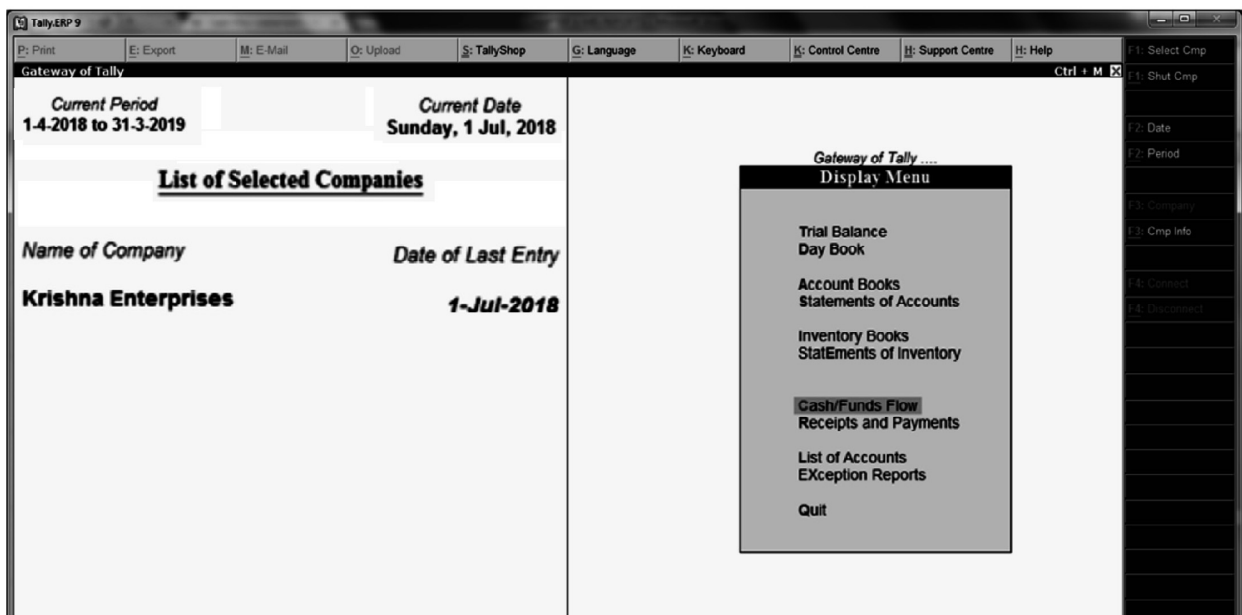
- Examples of Investing activities are

- Purchase or Sale of an asset (assets can be land, building, equipment, market able securities, etc.)
- Loans made to suppliers or received from customers
- Payments related to mergers and acquisition.

Financing Activities

Financing activities include the inflow of cash from investors such as banks and shareholders, as well as the outflow of cash to shareholders as dividends as the company generates income. Other activities which impact the long-term liabilities and equity of the company are also listed in the financing activities section of the cash flow statement.

Gate way of tally → display → cash/funds flow → cash flow.



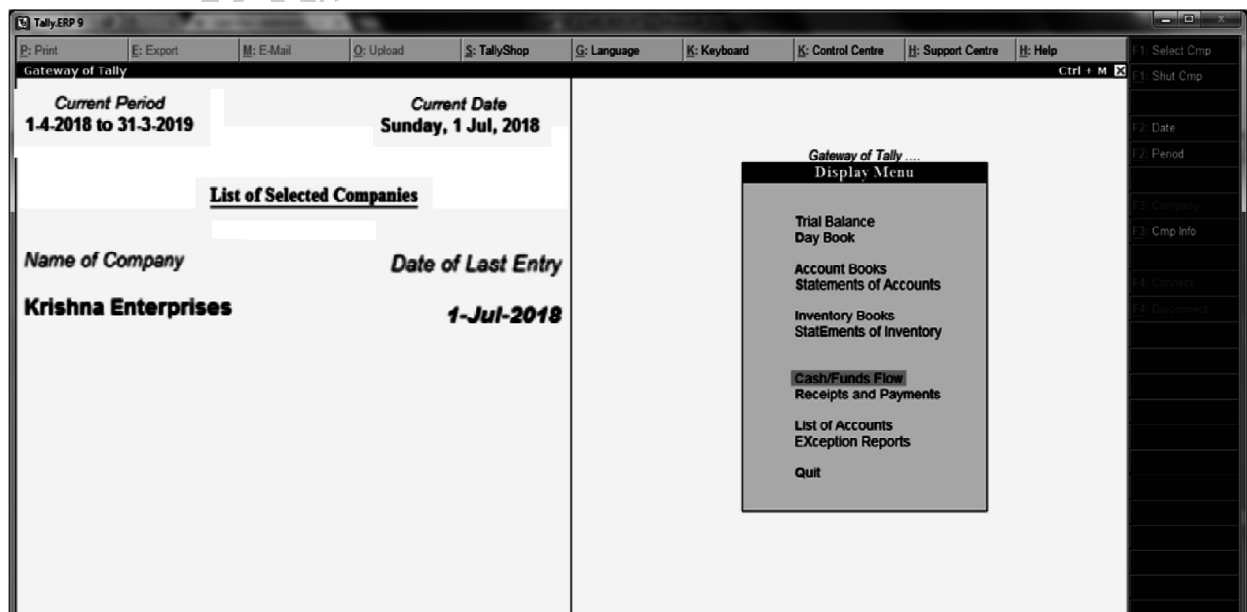
Inflow		Outflow	
Krishna Enterprises 1-Jul-2018 to 31-Jul-2018		Krishna Enterprises 1-Jul-2018 to 31-Jul-2018	
Current Assets	30,000.00	Indirect Expenses	2,500.00
Sundry Debtors	30,000.00	SALARIES	2,500.00
Total	30,000.00	Total	2,500.00
Nett Inflow: 27,500.00			

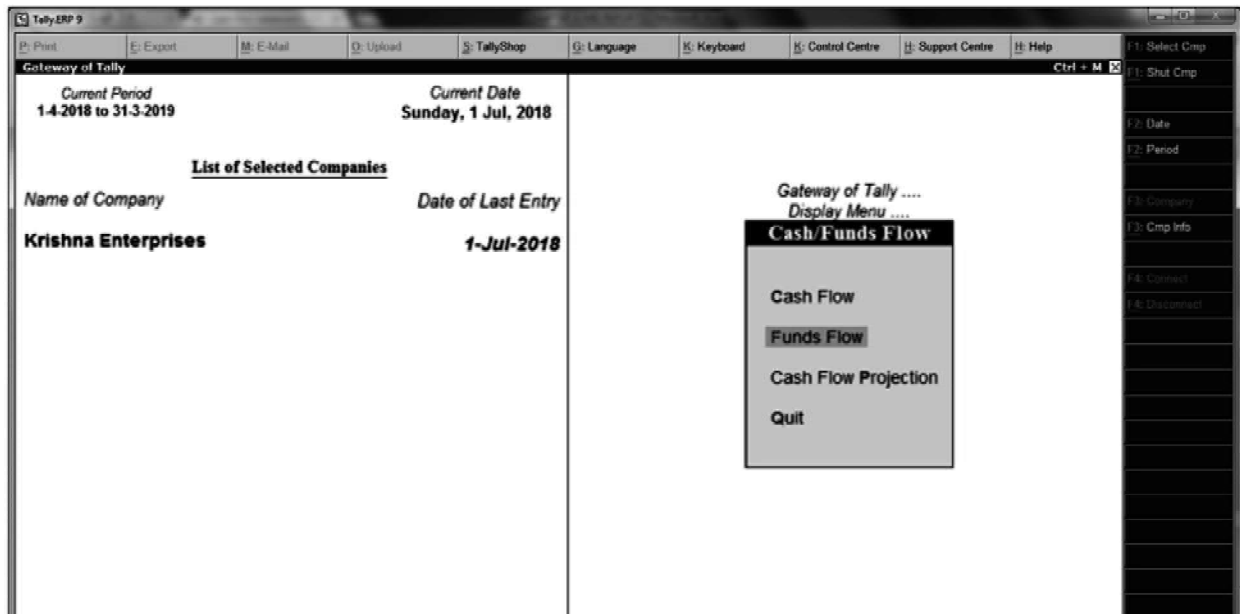
Q14. Explain briefly about Funds Flow Statement.

Ans :

Is a statement prepared to analyse the reasons for changes in the financial position of a company between 2 balance sheets. It shows the inflow and outflow of funds i.e. Sources and applications of funds for a particular period.

Gate way of tally → display → cash/funds flow → funds flow.





Particulars	Working Capital		Funds Flow
	Opening	Closing	
April	35,27,000.00	35,27,000.00	
May	35,27,000.00	35,27,000.00	
June	35,27,000.00	35,27,000.00	
July	35,27,000.00	75,24,500.00	39,97,500.00
August			
September			
October			
November			
December			
January			
February			
March			
Grand Total	35,27,000.00	75,24,500.00	39,97,500.00

5.7 RATIO ANALYSIS

Q15. What is Ratio Analysis ?

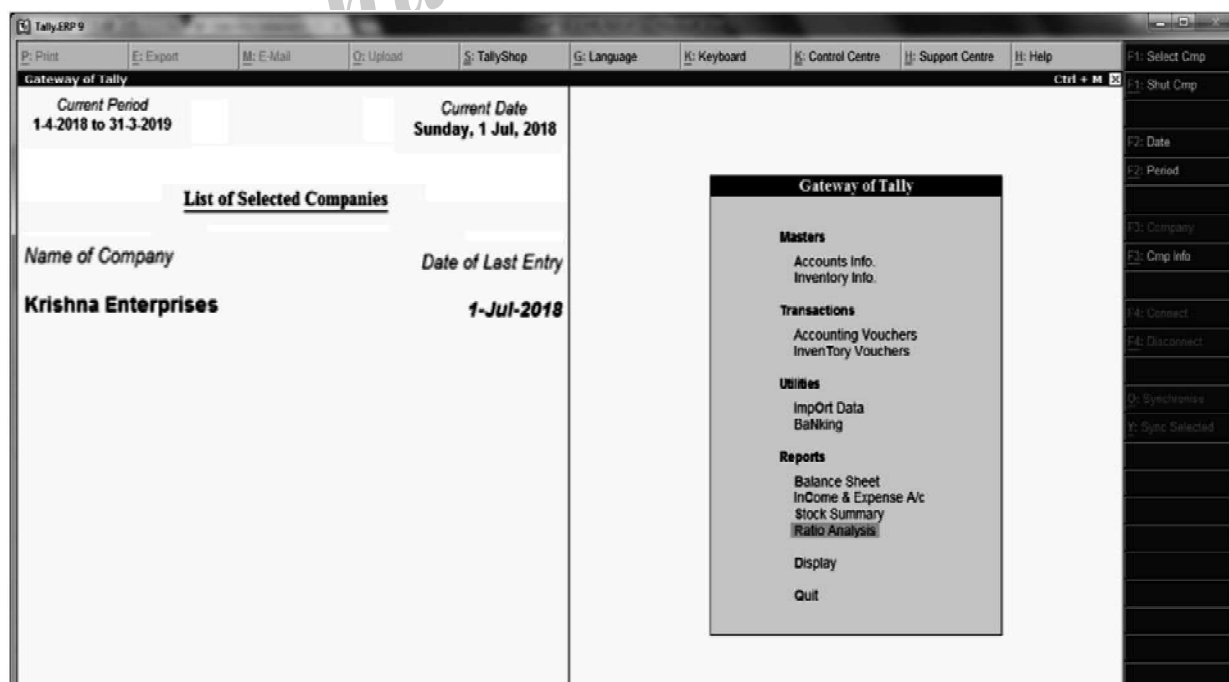
Ans :

A ratio analysis is a quantitative analysis of information contained in a company's financial statements. Ratio analysis is used to evaluate various aspects of a company's operating and financial performance such as its efficiency, liquidity, profitability and solvency.

Most investors are familiar with a few key ratios, particularly the ones that are relatively easy to calculate. Some of these ratios include the current ratio, return on equity (ROE), the debt-equity (D/E) ratio, the dividend payout ratio, and the price/earnings (P/E) ratio. While there are numerous financial ratios, ratio analysis can be categorized into six main groups

1. **Liquidity Ratios:** liquidity ratios measure a company's ability to pay off its short-term debts as they come due using the company's current or quick assets. Liquidity ratios include current ratio, quick ratio, and working capital ratio.
2. **Solvency Ratios:** also called financial leverage ratios, solvency ratios compare a company's debt levels with its assets, equity, and earnings to evaluate whether a company can stay afloat in the long-term by paying its long-term debt and interest on the debt. Examples of solvency ratios include debt-equity ratio, debt-assets ratio, and interest coverage ratio.
3. **Profitability Ratios:** these ratios show how well a company can generate profits from its operations.
4. **Efficiency Ratios:** also called activity ratios, efficiency ratios evaluate how well a company uses its assets and liabilities to generate sales and maximize profits.
5. **Coverage Ratios:** these ratios measure a company's ability to make the interest payments and other obligations associated with its debts.
6. **Market Prospect Ratios :** commonly used ratios in fundamental analysis. Investors use these ratios to determine what they may receive in earnings from their investments and to predict what the trend of a stock will be in the future.

Gate Way of Tally → ratio Analysis(alt+F1 Details)



Principal Groups		Principal Ratios	
Krishna Enterprises 1-Apr-2018 to 1-Jul-2018		Krishna Enterprises 1-Apr-2018 to 1-Jul-2018	
Working Capital		Current Ratio	
75,24,500.00 Dr		16.45 : 1	
<i>(Current Assets - Current Liabilities)</i>		<i>(Current Assets : Current Liabilities)</i>	
Cash-in-Hand		Quick Ratio	
65,57,500.00 Dr		15.91 : 1	
Bank Accounts		<i>(Current Assets - Stock-in-Hand : Current Liabilities)</i>	
5,02,000.00 Dr		Debt/Equity Ratio	
Bank OD A/c		0.03 : 1	
2,50,000.00 Cr		<i>(Loans (Liability) : Capital Account + Nett Profit)</i>	
Sundry Debtors		Gross Profit %	
(due till today)		57.61 %	
37,000.00 Dr		Nett Profit %	
Sundry Creditors		57.50 %	
(due till today)		Operating Cost %	
25,000.00 Dr		42.50 %	
4,27,000.00 Cr		<i>(as percentage of Sales Accounts)</i>	
Sales Accounts		Recv. Turnover in days	
66,65,000.00 Cr		283.67 days	
Purchase Accounts		Return on Investment %	
70,47,000.00 Cr		54.93 %	
Stock-in-Hand		<i>(Nett Profit / Capital Account + Nett Profit)</i>	
Excess of income over expenditure		Return on Wkg. Capital %	
7,37,000.00 Dr		53.85 %	
2,65,000.00 Dr		<i>(Nett Profit / Working Capital) %</i>	
Wkg. Capital Turnover			
<i>(Sales Accounts / Working Capital)</i>			
0.94			
Inventory Turnover			
<i>(Sales Accounts / Closing Stock)</i>			
26.59			

We can view vertical ratio analysis report and notes for the same by using f12(configuration) at ratio analysis screen.

Principal Groups :		Principal Ratios :	
Working Capital		Current Ratio	
75,24,500.00 Dr		16.45 : 1	
<i>(Current Assets - Current Liabilities)</i>		Quick Ratio	
Cash-in-Hand		15.91 : 1	
65,57,500.00 Dr		Debt/Equity Ratio	
Bank Accounts		0.03 : 1	
5,02,000.00 Dr			
Bank OD A/c			
2,50,000.00 Cr			
Sundry Debtors			
(due till today)			
37,000.00 Dr			
Sundry Creditors			
(due till today)			
25,000.00 Dr			
Sales Accounts			
66,65,000.00 Cr			
Purchase Accounts			
70,47,000.00 Cr			
Stock-in-Hand			
7,37,000.00 Dr			
Excess of income over expenditure			
2,65,000.00 Dr			
Wkg. Capital Turnover			
<i>(Sales Accounts / Working Capital)</i>			
0.94			
Inventory Turnover			
<i>(Sales Accounts / Closing Stock)</i>			
26.59			

Ratio Analysis		Ctrl + M
Krishna Enterprises		
		Period: 1-Apr-2018 to 1-Jul-2018
Principal Groups :		
Working Capital		75,34,500.00 Cr
<i>(Current Assets - Current Liabilities)</i>		
Cash-in-Hand		66,57,500.00 Dr
Bank Accounts		5,02,000.00 Dr
Bank OD A/c		2,50,000.00 Cr
Sundry Debtors		37,000.00 Dr
(due till today)		25,000.00 Dr
Sundry Creditors		4,27,000.00 Cr
(due till today)		66,65,000.00 Cr
Sales Accounts		70,47,000.00 Cr
Purchase Accounts		7,37,000.00 Dr
Stock-in-Hand		2,66,000.00 Dr
Excess of income over expenditure		40,52,300.00 Cr
Wkg. Capital Turnover		0.94
(Sales Accounts / Working Capital)		
Inventory Turnover		26.59
(Sales Accounts / Closing Stock)		
Principal Ratios :		
Current Ratio		16.45 : 1
(Current Assets : Current Liabilities)		
Quick Ratio		15.91 : 1
(Current Assets - Stock-in-Hand : Current Liabilities)		
Debt/Equity Ratio		0.03 : 1
(Loans (Liability) : Capital Account + Net Profit)		
Gross Profit %		67.61 %
Net Profit %		57.50 %
Operating Cost %		42.50 %
(as percentage of Sales Accounts)		
Recv. Turnover in days		283.67 days
(payment performance of Debtors)		
		4 more ...

5.8 BOOKS AND REPORTS

Q16. Explain about books and reports of account. How reports are displayed in Tally ERR 9.

Ans :

Books

In Tally ERP 9, after the entry of transactions they are instantly posted to the appropriate ledgers, registers and books, hence assisting in quick reporting and fast decision making.

Books of Account

The transaction details as entered are recorded in the books of account. Usually items are posted to several different ledgers but all the transactions of a specific category are brought into a book of account by Tally ERP 9 to view and print. For instance, sales book records all sales transactions and cash book records all the transactions influencing cash. Few examples of the books of account are sales register (sales day book), purchase register, cash book etc.

Reports Display

Few important reports such as balance sheet, profit and loss statement are accessible at main menu of Gateway of Tally whereas other reports are accessible from Display option at Gateway of Tally menu. Some salient features of reports displayed on screen are discussed as follows:

Operations at Display Screen

To get the respective Reports Display screen, choose the report from the respective menu.

Drill Down

Press <enter> at any record from any on-screen report to drill down level-by-level to see the intermediary reports and finally reach to the lowest level displaying the list of vouchers forming the report.

Trace Back

To trace back to the higher level report in the same route through which user has drilled down press <Esc> key.

Voucher Alteration

A voucher may be selected and altered at lowest level where different operations like deletion or cancellation or alteration etc of voucher can be carried out.

Display Configuration

To get the respective report configuration screen which displays the options to customize the contents of the report as required click F12: Configure at the Report Display screen. In accordance with the report, the configuration options varies.

Q17. How reports are printed in Tally ERP 9 ?

Ans :

Reports Printing

The displayed report can be printed on paper and it is displayed in a format which enables to drill down easily whereas the report which is printed from Display is exhibited in the traditional format of Books of Accounts and Statements. To print the Report which is shown in Display, at Display screen, click P: Print button to get the specific Report Printing Screen. The Report Printing Screen consist of some main sections as follows.

Printing Day Book		
Printer	: Canon LBP6300 (IP_192.168.0.8)	Paper type : A4
Number of copies	: 1	
Print language	: English	(Printing dimensions)
Print format	: Neat Mode	Paper size : (8.27" x 11.69") or (210 mm x 297 mm)
Range of pages to print	: All	Print area : (7.95" x 11.34") or (202 mm x 288 mm)
Report Titles		
Day Book		
Without company phone no., Without company website		
Format	: Condensed	
Show Voucher Numbers also	? Yes	
Show narrations	? No	
Show bill wise details	? No	
Show Cost Centre Details also	? No	
Show inventory details	? No	
Show additional description of Stock item	? No	
Show Bank Details also	? No	
Show Additional Details	? No	
Select vouchers to show	: All Vouchers	
Show Forex Transactions	? No	
		Print ?
		Yes or No

Printing Info

The current Printing Info is displayed in the top section of the screen. These values can be re-set through configuration options/printing buttons.

Report Title

The report title and the title options activated/deactivated are displayed for information at the middle section. Report Title can be re-set by clicking T:Titling Button.

L: Print Language
I: With Preview
T: Titling
G: Page Nos.
R: Pre-Printed
F: Print Format
C: Copies
S: Select Printer

Report Configuration

Similar to the respective display configuration options, the default report printing options are displayed at the lower section of screen. The report will be printed according to the options set as displayed. Change the options as required. To reset the options, click No (or Type N) at Print Yes/No option. Click Yes at Print Yes/No option to print the report according to the current options set.

Print Preview

Print preview option enables to view the exact replica of the report on screen. To get the preview of the report on screen click I : with preview printing button.

5.9 PURCHASE REGISTER

Q18. Explain briefly about purchase register.

Ans :

Purchases Register

A temporary account used in the periodic inventory system to record the purchases of merchandise for resale. (Purchases of equipment or supplies are not recorded in the purchases account.) This account reports the gross amount of purchases of merchandise. Net purchases is the amount of purchases minus purchases returns, purchases allowances, and purchases discounts.

Voucher Register
Krishna Enterprises
1-Jul-2018 to 31-Jul-2018

Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
1-7-2018	Lohita	Purchase	2		2,50,000.00
1-7-2018	Lohita	Purchase	3		12,000.00
1-7-2018	Lohita	Purchase	4		12,000.00
1-7-2018	Lohita	Purchase	5		12,000.00
Total:				2,86,000.00	

5.10 SALES REGISTER

Q19. Explain briefly about sales register.

Ans :

(Dec.-18, Imp.)

Gate Way of Tally → display → Accounts Books → Sales Register/Purchases Register

Gateway of Tally

Current Period: 1-4-2018 to 31-3-2019
Current Date: Sunday, 1 Apr, 2018

List of Selected Companies

Name of Company	Date of Last Entry
Krishna Enterprises	1-Jul-2018

Account Books

- Cash/Bank Book(s)
- Ledger
- Group Summary
- Group Vouchers
- Sales Register**
- Purchase Register
- Journal Register
- Quit

We can also see a extract register by pressing F12 AND CONFUGARATION THE SAME

The screenshot shows the Tally ERP 9 interface. The main window displays the 'List of All Purchase Vouchers' for the period 1-Jul-2018 to 31-Jul-2018. The table lists four purchase vouchers for 'Lohita' on 1-7-2018, all with a 'Purchase' type and a 'Debit Amount' of 12,000.00. A 'Configuration' dialog box is open, showing options for 'Show Extract of Register' and 'Show Inventory-wise Extract', both set to 'Yes'. The 'Format' is set to 'Detailed'. A 'Display Name Style' dropdown menu is also visible, showing options like 'Alias (Name)', 'Alias Only', 'Name (Alias)', and 'Name Only'.

Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
1-7-2018	Lohita	Purchase	2	12,000.00	
1-7-2018	Lohita	Purchase	3	12,000.00	
1-7-2018	Lohita	Purchase	4	12,000.00	
1-7-2018	Lohita	Purchase	5	12,000.00	

Configuration
 Show Extract of Register ? Yes
 Show Inventory-wise Extract ? Yes
 Format : Detailed
 Appearance of Stock Item Names : Name Only
 Appearance of Names : Name Only
 Sorting Method :
 Display Name Style
 Alias (Name)
 Alias Only
 Name (Alias)
 Name Only

Total: 2,86,000.00

Show Extract Register :Yes to View Item Wise Extract

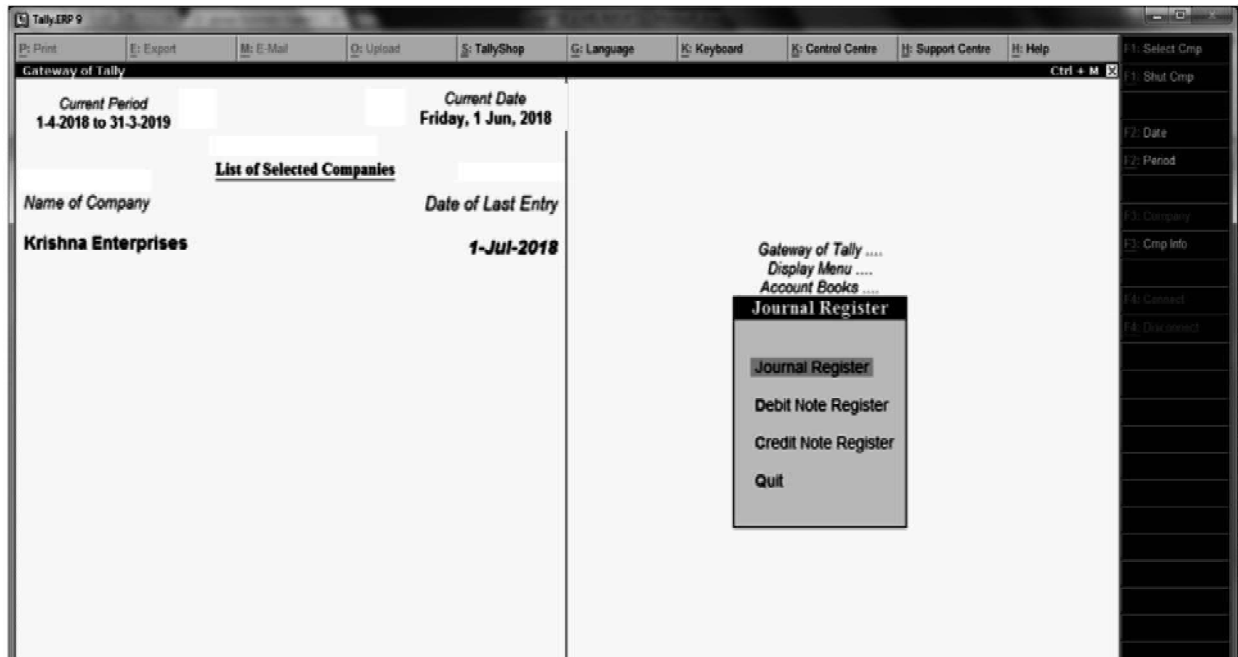
The screenshot shows the Tally ERP 9 'Voucher Register' window for 'Krishna Enterprises' from 1-Jul-2018 to 31-Jul-2018. The table displays the 'Extract of All Purchase Vouchers' with columns for 'Particulars', 'Inwards Qty', 'Rate', 'Amount', 'Outwards Qty', 'Rate', and 'Amount'. The data shows two lines for 'Electronics' with a quantity of 10 pcs, a rate of 25,000.00, and an amount of 2,50,000.00. The 'Grand total' is 10 pcs, 25,000.00, and 2,50,000.00.

Particulars	Inwards Qty	Rate	Amount	Outwards Qty	Rate	Amount
Electronics	10 pcs	25,000.00	2,50,000.00			
Ac	10 pcs	25,000.00	2,50,000.00			
Grand total:	10 pcs	25,000.00	2,50,000.00			

Q20. Discuss briefly about journal register.

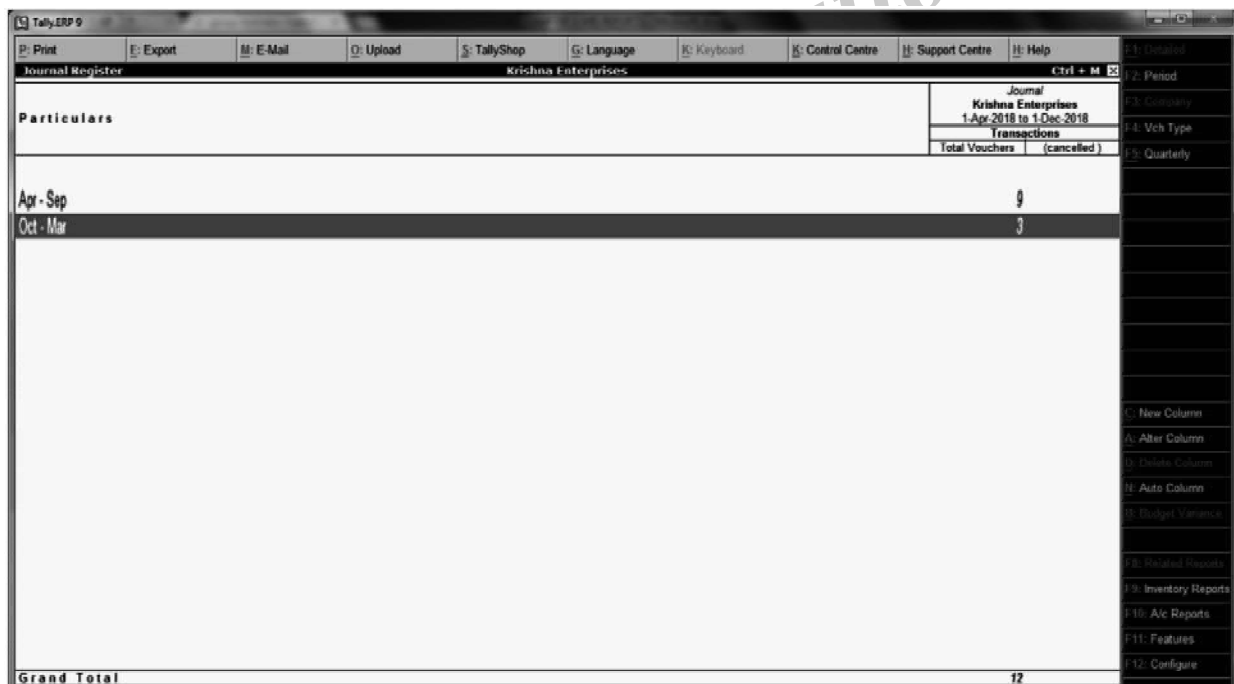
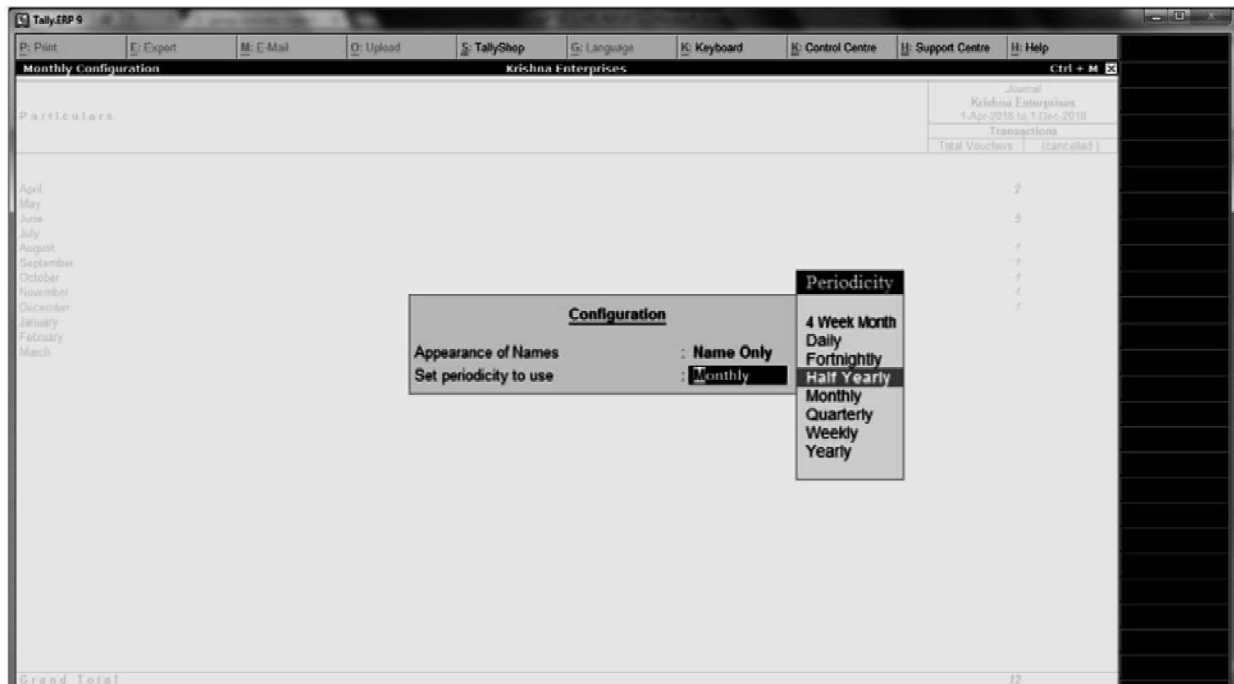
Ans :

Journal Register : A journal register is an extract of all the registers in a general sense it consists of a debit note and a credit note also.



Journal Register	
Krishna Enterprises	
Journal Krishna Enterprises 1-Apr-2018 to 1-Dec-2018	
Transactions	
Particulars	Total Vouchers (Cancelled)
April	2
May	
June	5
July	
August	1
September	1
October	1
November	1
December	1
January	1
February	
March	

We can set the periodicity for the report where we can see the report for 6 months each.



Q21. What is a debit note register ?

Ans :

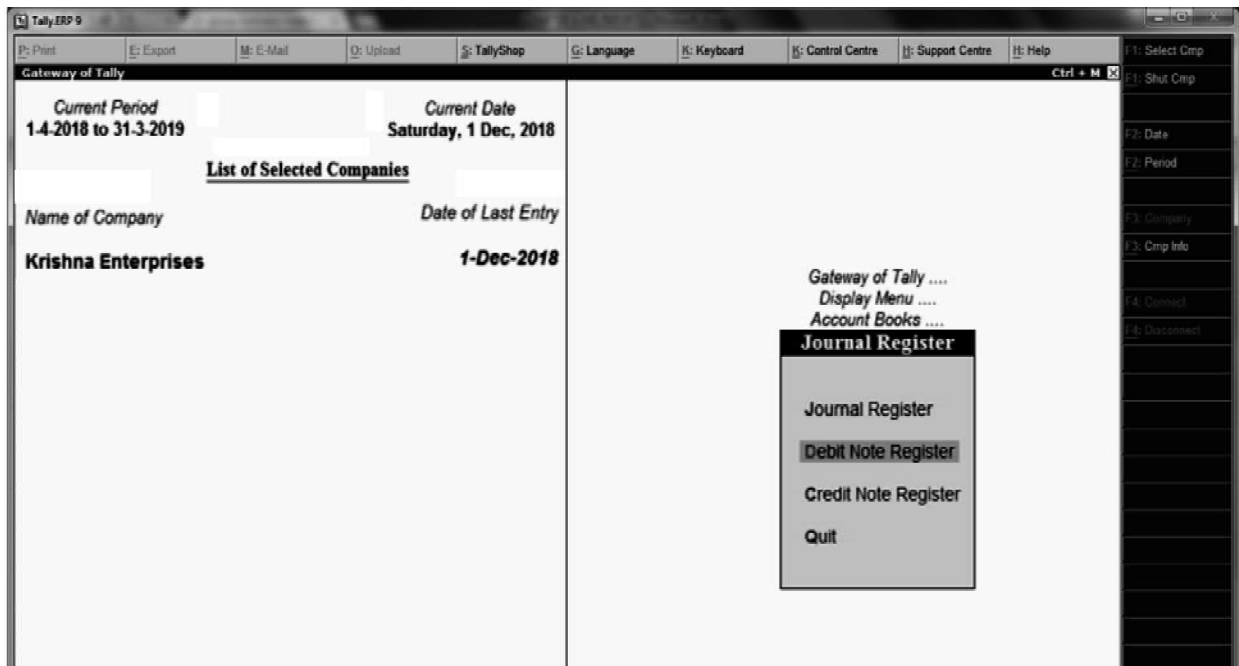
Debit Note Register

A debit note or debit memorandum (memo) is a commercial document issued by a buyer to a seller as a means of formally requesting a credit note. Debit note acts as the Source document to the Purchase returns journal. In other words it is an evidence for the occurrence of a reduction in expenses.

Path :

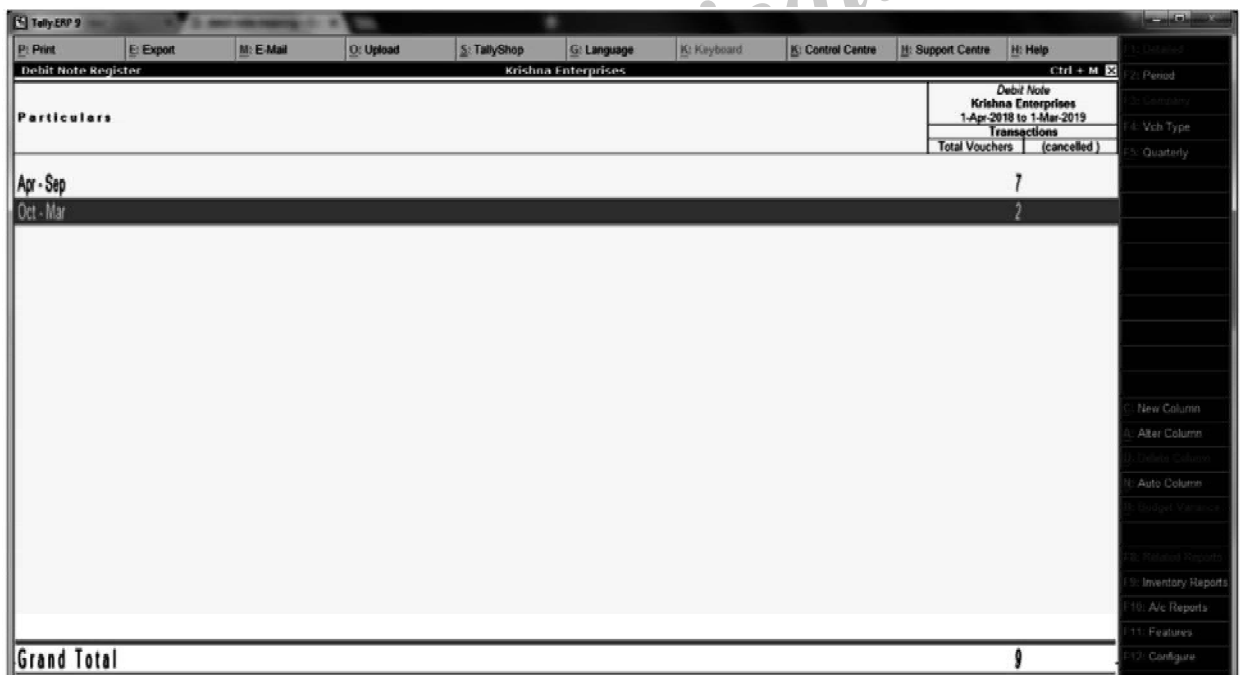
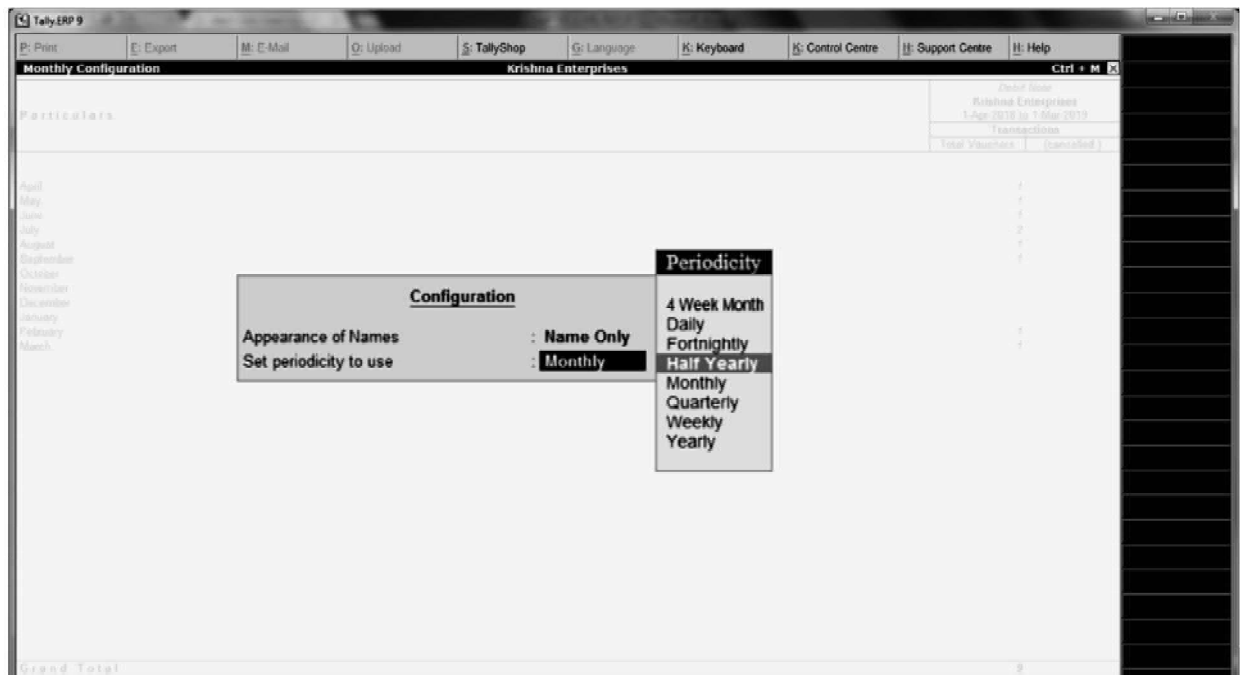
Gate way of tally

→ display accounts books → journal register → debit note.



Particulars		Debit Note Krishna Enterprises 1-Apr-2018 to 1-Mar-2019	
		Transactions	
		Total Vouchers	(cancelled)
April		1	
May		1	
June		1	
July		2	
August		1	
September		1	
October			
November			
December			
January			
February		1	
March		1	
Grand Total		9	

Press f12 to view the report based on periodicity.



Q22. What is a credit note register ?

Ans :

Credit note register: A form or letter sent by a seller to a buyer, stating that a certain amount has been credited to the buyer's account.

A credit note is issued in various situations to correct a mistake, such as when (1) an invoice amount is overstated, (2) correct discount rate is not applied, (3) goods spoil within guaranty period, or (4) they do not meet the buyer's specifications and are returned. Also called credit memo.

Path : gate way of tally → display → accounts books → journal register → credit note.

Credit Note Register		Credit Note Krishna Enterprises 1-Apr-2018 to 1-Mar-2019	
		Transactions	
		Total Vouchers	(cancelled)
Particulars			
April			
May			
June			
July			
August			
September			
October			
November			
December			
January			
February			
March			
Grand Total		8	

Credit Note Register		Credit Note Krishna Enterprises 1-Apr-2018 to 1-Mar-2019	
		Transactions	
		Total Vouchers	(cancelled)
Particulars			
Apr - Sep			
Oct - Mar			
Grand Total		8	

Day book : A day book is a statement which displays all the entries passed for a certain period or for a particular day. To change the period use (alt+f2)

Tally.ERP 9

Print Export E-Mail Upload TallyShop Language Keyboard Control Centre Support Centre Help

Day Book Krishna Enterprises 1-Apr-2017 to 1-Dec-2018 Ctrl + M

Date	Particulars	Vch Type	Vch No.	Debit Amount Inwards Qty	Credit Amount Outwards Qty
1-4-2018	PURCHASES	Journal	1	12,000.00	
1-4-2018	KRISHNA	Debit Note	1	1,200.00	
1-4-2018	Lohita	Purchase	1		12,000.00
2-4-2018	PURCHASES	Journal	2	15,000.00	
1-5-2018	KRISHNA	Debit Note	2	2,500.00	
1-6-2018	PURCHASES	Journal	3	26,000.00	
1-6-2018	PURCHASES	Journal	4	26,000.00	
1-6-2018	PURCHASES	Journal	5	26,000.00	
1-6-2018	PURCHASES	Journal	6	26,000.00	
1-6-2018	PURCHASES	Journal	7	26,000.00	
1-6-2018	KRISHNA	Debit Note	3	3,300.00	
1-7-2018	icici	Contra	1		25,000.00
1-7-2018	Cash	Contra	2		25,000.00
1-7-2018	SALARIES	Payment	1	2,500.00	
1-7-2018	Rishi	Receipt	1		30,000.00
1-7-2018	RAJU	Credit Note	1		10.00
1-7-2018	KRISHNA	Debit Note	4	600.00	
1-7-2018	KRISHNA	Debit Note	5	800.00	
1-7-2018	Rishi	Sales	1	12,000.00	
1-7-2018	Lohita	Sales	2	65,00,000.00	
1-7-2018	Lohita	Purchase	2		2,50,000.00
1-7-2018	Lohita	Purchase	3		12,000.00
1-7-2018	Lohita	Purchase	4		12,000.00
1-7-2018	Lohita	Purchase	5		12,000.00
1-8-2018	PURCHASES	Journal	8	26,000.00	
1-8-2018	RAJU	Credit Note	2		25.00
1-8-2018	KRISHNA	Debit Note	6	900.00	
1-8-2018	PURCHASES	Journal	9	26,000.00	
1-9-2018	KRISHNA	Debit Note	7	50.00	
1-10-2018	PURCHASES	Journal	10	26,000.00	
1-10-2018	RAJU	Credit Note	3		10.00
1-11-2018	PURCHASES	Journal	11	26,000.00	
1-11-2018	RAJU	Credit Note	4		1,000.00
1-12-2018	PURCHASES	Journal	12	26,000.00	
1-12-2018	RAJU	Credit Note	5		5,600.00

Quit Enter: Alter D: Delete X: Cancel Z: Duplicate A: Add Voucher I: Insert Voucher R: Remove Line U: Restore Line U: Restore All Space: Select Space: Select All

1: Detailed 2: Date 3: Period 4: Company 5: Column 6: Change Voucher 7: Column 8: Column 9: Show Photo 10: Post Dated Rep 11: Related Reports 12: Inventory Reports 13: A/c Reports 14: Features 15: Configure 16: Range

In the journal voucher use f4 to change the voucher.

Tally.ERP 9

Print Export E-Mail Upload TallyShop Language Keyboard Control Centre Support Centre Help

Change Voucher Type Krishna Enterprises 1-Apr-2017 to 1-Dec-2018 Ctrl + M

Date	Particulars	Vch Type	Vch No.	Debit Amount Inwards Qty	Credit Amount Outwards Qty
1-4-2018	PURCHASES	Journal	1	12,000.00	
1-4-2018	KRISHNA	Debit Note	1	1,200.00	
1-4-2018	Lohita	Purchase	1		12,000.00
2-4-2018	PURCHASES	Journal	2	15,000.00	
1-5-2018	KRISHNA	Debit Note	2	2,500.00	
1-6-2018	PURCHASES	Journal	3	26,000.00	
1-6-2018	PURCHASES	Journal	4	26,000.00	
1-6-2018	PURCHASES	Journal	5	26,000.00	
1-6-2018	PURCHASES	Journal	6	26,000.00	
1-6-2018	PURCHASES	Journal	7	26,000.00	
1-6-2018	KRISHNA	Debit Note	3	3,300.00	
1-7-2018	icici	Contra	1		25,000.00
1-7-2018	Cash	Contra	2		25,000.00
1-7-2018	SALARIES	Payment	1	2,500.00	
1-7-2018	Rishi	Receipt	1		30,000.00
1-7-2018	RAJU	Credit Note	1		10.00
1-7-2018	KRISHNA	Debit Note	4	600.00	
1-7-2018	KRISHNA	Debit Note	5	800.00	
1-7-2018	Rishi	Sales	1	12,000.00	
1-7-2018	Lohita	Sales	2	65,00,000.00	
1-7-2018	Lohita	Purchase	2		2,50,000.00
1-7-2018	Lohita	Purchase	3		12,000.00
1-7-2018	Lohita	Purchase	4		12,000.00
1-7-2018	Lohita	Purchase	5		12,000.00
1-8-2018	PURCHASES	Journal	8	26,000.00	
1-8-2018	RAJU	Credit Note	2		25.00
1-8-2018	KRISHNA	Debit Note	6	900.00	
1-9-2018	PURCHASES	Journal	9	26,000.00	
1-9-2018	KRISHNA	Debit Note	7	50.00	
1-10-2018	PURCHASES	Journal	10	26,000.00	
1-10-2018	RAJU	Credit Note	3		10.00
1-11-2018	PURCHASES	Journal	11	26,000.00	
1-11-2018	RAJU	Credit Note	4		1,000.00
1-12-2018	PURCHASES	Journal	12	26,000.00	
1-12-2018	RAJU	Credit Note	5		5,600.00

Quit

Voucher Type

All Items
Contra
Credit Note
Debit Note
Journal
Memorandum
Payment
Physical Stock
Purchase
Receipt
Reversing Journal
Sales
Stock Journal

Now we select the report of our choice.

The screenshot shows the Tally ERP 9 interface. The title bar reads 'Tally.ERP 9'. The menu bar includes: P: Print, E: Export, M: E-Mail, O: Upload, S: TallyShop, G: Language, K: Keyboard, K: Control Centre, H: Support Centre, H: Help. The toolbar shows 'Day Book' and 'Krishna Enterprises'. The main window displays 'List of Journal Vouchers' for the period '1-Apr-2017 to 1-Dec-2018'. The table has columns: Date, Particulars, Vch Type, Vch No., Debit Amount, and Credit Amount. The data shows 12 journal vouchers for purchases, all with a debit amount of 26,000.00 and a credit amount of 12,000.00.

Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
1-4-2018	PURCHASES	Journal	1	12,000.00	
2-4-2018	PURCHASES	Journal	2	15,000.00	
1-6-2018	PURCHASES	Journal	3	26,000.00	
1-6-2018	PURCHASES	Journal	4	26,000.00	
1-6-2018	PURCHASES	Journal	5	26,000.00	
1-6-2018	PURCHASES	Journal	6	26,000.00	
1-6-2018	PURCHASES	Journal	7	26,000.00	
1-8-2018	PURCHASES	Journal	8	26,000.00	
1-9-2018	PURCHASES	Journal	9	26,000.00	
1-10-2018	PURCHASES	Journal	10	26,000.00	
1-11-2018	PURCHASES	Journal	11	26,000.00	
1-12-2018	PURCHASES	Journal	12	26,000.00	

Hence the report displays only those vouchers specified or selected.

5.11 BILLS RECEIVABLE AND BILLS PAYABLE

Q23. Explain how bills receivable is displayed in Tally ERP 9 in detail.

Ans :

Display Receivable

Bills receivable is a bill of exchange on which the payment is supposed to be received at a future date.

To view the receivables screen:

From Gateway of Tally

- ⇒ Display
- ⇒ Statements of Accounts
- ⇒ Outstandings
- ⇒ Receivables

The Bills Receivable screen is presented as shown below,

Bills Outstanding			Virani Group of Companies			Ctrl + M		
Bills Receivable			1-Apr-2018 to 2-Jul-2018					
Date	Ref. No.	Party's Name	Pending Amount	Due on	Overdue by days			
31-Mar-2018	CUSTOMER	CUSTOMER X	70,000.00	31-Mar-2018	93			
31-Mar-2018	CUSTOMER	CUSTOMER Y	30,000.00		58			
31-Mar-2018	DIAMOND	DIAMOND PUBLISHERS	1,00,000.00	1-May-2018	62			
31-Mar-2018	UNIVERSAL	UNIVERSAL TRADERS	50,000.00		53			

This report shows all outstanding receivables invoice by invoice till date. This report considers only those accounts which have Bill-by-Bill option activated.

- **Date :** Here, date is the effective date of the invoice and not the actual date. So, if an invoice date is 15th Nov. and the effective date is 30th Nov. then 30-Nov.-08 will be shown. The credit period is measured from the effective date.
- **Reference Number :** Reference Number is the bill reference number which was recorded in the bill-wise details.
- **Party's Name :** In this field, the ledge name is shown.
- **Pending Amount :** Pending amount is the outstanding balance on a specific invoice. Press Shift + Enter, to see the breakup. User can select FI: Detailed button to view breakup of all the bills. It toggles with the button FI: Condensed.
- **Due On :** Due on is the due date of the bill with respect to the effective date mentioned at the time of voucher entry.
- **Overdue by Days :** Overdue by days is the period in days starting from the due date to the end date of the report.
- **Drill-Down :** For more details, user can drill down any invoice.
- **Buttons :** E-mail the report or print it or use other buttons to configure, make a query or alter the format of the report.

- **F12: Configure Bill-wise Outstandings Report** : The F12: Configuration screen display configuration for Bill-wise outstanding report.
- **Include Post-Dated Transactions** : The transactions whose voucher dates are after the end date of the period of display are the post-dated transactions. If this option is set to 'Yes', a list of the post-dated transactions in the outstandings report is displayed with its impact.
- **Show Bills in Foreign Exchange** : If the option 'show bills in foreign exchange' is set to 'Yes', then the bills outstanding report displays only the bills that are raised in foreign currency. The bills which are in base currency will be excluded.
- **Show Over Dues using Bill Dates** : If we want to use invoice dates rather than due dates for calculating overdue days then set the option "show over dues using bill dates" to 'Yes'.

Q24. Explain in detail how bills payable is displayed in Tally ERP 9.

Ans :

Display Payables

Bills payable is a bill of exchange which is due for payment at a later date.

Go to Gateway of Tally ⇒ Display ⇒ Statements of Accounts ⇒ Outstandings ⇒ Payables. F' Payable in the Receivables screen assist in switching to the Bills Payable report.

Note: Payables are regarded exactly same as receivables.

Bills Outstanding		Virani Group of Companies		1-Apr-2018 to 2-Jul-2018	
Bills Payable					
Date	Ref No	Party's Name	Pending Amount	Due on	Overdue by days
31-Mar-2018	CUSTOMER	ALIYA TRADERS	57,000.00	31-Mar-2018	93
31-Mar-2018	GALAXY	GALAXY STATIONERIES	75,000.00	1-Jun-2018	31
31-Mar-2018	CUSTOMER	MUKESH TRADERS	37,000.00	31-Mar-2018	93
31-Mar-2018	PLANET	PLANET PUBLISHERS	80,000.00		63
31-Mar-2018	CUSTOMER	SATISH	75,000.00		66
31-Mar-2018	CUSTOMER	SUBHASH TRADERS	30,000.00	31-Mar-2018	93
			3,54,000.00		

Cost Centre Reports

Cost centre reports are basic performance reports which give a distinct view to transactions.

To have access to cost centre reports.

Go to Gateway of Tally \Rightarrow Display \Rightarrow Statements of Accounts \Rightarrow Cost Centers.

Note: Set 'Yes' for the option 'maintain cost centres' in F11: Features.

Cost Category Summary

Cost category summary shows the information on all cost categories to which voucher transactions are allocated.

For this user must create cost categories and cost centres also.

Go to Gateway of Tally \Rightarrow Display \Rightarrow Statements of Accounts \Rightarrow Cost Centres \Rightarrow Category Summary.

Cost Category Summary			
Virani Group of Companies			
Particulars.	Virani Group of Companies 1-Apr-2018 to 2-Jul-2018		
	Transactions		Closing Balance
	Debit	Credit	
Department	17,500.00		17,500.00 Dr
Finance	15,000.00		15,000.00 Dr
Marketing	2,500.00		2,500.00 Dr

Beside Primary one which is the default category, any number of cost categories can be created. Under each cost category, cost centres are listed. The name which are in normal fonts are the cost centres which are further classified into sub-cost centres and the names in italics are cost centres which does not have any sub-cost centres.

The closing balance and the totals of debit and credit transaction for every cost Category along with their breakdown containing cost centre summaries are displayed.

Note: The report can be configured by selecting the required options in F12: Configure.

Cost Centre Vouchers

For displaying cost centre vouchers, user must prepare accounting vouchers relating to specific cost centres.

1. Go to Cost Category Summary, for monthly breakup of the figures, drill down into a cost centre.
2. Choose a month to display the cost centre vouchers relating to that month.
3. To expand the date range if needed in the cost centre vouchers, use F2: Period.
4. Set the required options in F12: Configure, to display more detailed cost centre vouchers.

From every cost centre report, the cost centre vouchers screen is accessible but the vouchers displayed are only those which are regarding the currently chosen cost centre.

Cost Centre Vouchers		Virani Group of Companies		1-Jul-2018 to 31-Jul-2018	
Cost Centre: Finance					
Date	Particulars	Vch Type	Vch No.	Debit	Credit
2-7-2018	Professional Services	Payment	10	6,000.00	
2-7-2018	Conveyance	Payment	8	3,000.00	
2-7-2018	Professional Income	Payment	9	6,000.00	
				</	

Cost Centre Break-up

Cost centre break-up displays the ledger accounts that are used in vouchers, the cost centre which they were assigned, their total transaction balance and values.

If only revenue accounts are considered, the cost centre break-up becomes the profit or loss statement of activities for the cost centre and therefore becomes a powerful performance statement.

To view the cost centre break-up screen,

1. From the Gateway of Tally

⇒ Display ⇒ Statements of Accounts ⇒ Cost Centres ⇒ Cost Centre Break-Up.

2. Choose a cost centre.

3. To view the ledgers, click FI: Detailed.

The Breakup of cost centre report will be displayed.

Breakup of Cost Centre			
Virani Group of Companies			
Particulars	Cost Centre: Finance Virani Group of Companies 1-Apr-2018 to 2-Jul-2018		
	Transactions		Closing Balance
	Debit	Credit	
Sales Accounts	6,000.00		6,000.00 Dr
Professional Services	6,000.00		6,000.00 Dr
Indirect Incomes	6,000.00		6,000.00 Dr
Professional Income	6,000.00		6,000.00 Dr
Indirect Expenses	3,000.00		3,000.00 Dr
Conveyance	3,000.00		3,000.00 Dr
Grand Total	15,000.00		15,000.00 Dr

On the button bar, use the button F5: Led-wise to see the report in the alphabetic order of ledger accounts. A columnar cost-centre breakup allows comparison of two or more cost centres and examines their comparative performance. To get the data of another cost centre for comparison alongside, use new column (Alt + C)

Breakup of Cost Centre				Virani Group of Companies				1-Jul-18	
Particulars	Cost Centre: Finance Virani Group of Companies 1-Apr-2018 to 2-Jul-2018			Cost Centre: Marketing Virani Group of Companies 1-Apr-2018 to 2-Jul-2018					
	Transactions		Closing Balance	Transactions		Closing Balance			
	Debit	Credit		Debit	Credit				
Sales Accounts	6,000.00		6,000.00 Dr	1,500.00		1,500.00 Dr			
Indirect Incomes	6,000.00		6,000.00 Dr						
Indirect Expenses	3,000.00		3,000.00 Dr	1,000.00		1,000.00 Dr			
Grand Total	15,000.00		15,000.00 Dr	2,500.00		2,500.00 Dr			

5.12 RECEIPTS AND PAYMENTS

Q25. What is receipts and payment statement ? State its features and show how it is displayed in Tally ERP 9 ?

Ans :

Receipts and Payments Statement

Receipts and payments account is a form of report which exhibits cash and bank transactions of a specific period. Instead of income and expenditure statement receipts and payments statement are used which are based on cash transactions without differentiating capital and revenue and without considering accruals.

Features of Receipts and Payments Statement

The following are the special features of receipts and payment statement,

1. It is a combined summary of cash/bank transactions accompanied by opening and closing balances of cash and bank accounts.
2. It considers only the current period payments and receipts without considering the period to which it is associated.
3. It presents the reports depending default primary groups.

Display of Receipts and Payments Statement in Tally ERP 9

To display receipts and payments statement in Tally ERP 9,

From Gateway of Tally ⇒ Select Display ⇒ Click on Receipts and Payments to get the Receipts and Payments Statement.

Receipts		Payments	
Virani Group of Companies For 1-Apr-2018		Virani Group of Companies For 1-Apr-2018	
Opening Balance	10,000.00	Direct Expenses	3,200.00
Cash-in-hand	10,000.00	Factory Expenses	3,200.00
Direct Incomes	5,000.00	Indirect Expenses	4,500.00
Direct Incomes	5,000.00	Office Rent	1,000.00
Indirect Incomes	2,500.00	Tax Paid	500.00
Subscriptions Received	2,500.00	Salaries	9,000.00
Indirect Expenses	2,000.00	Closing Balance	11,800.00
Indirect Expenses	2,000.00	Cash-in-hand	11,800.00
Total	18,500.00	Total	18,500.00

Q26. Discuss about the configuration of Receipts and Payments Statement.*Ans :*

In order to get Receipts and Payments Configuration at Receipts and Payment screen click on F12: Configure or simply press F12 key.

Configuration	
Show Vertical Receipts & Payments	? No
Show Nett Opening & Closing Balance only	? No
Show Nett balance for Ledgers	? No
Appearance of Names	: Name Only
Scale factor for values	: Default
Show base currency symbol	? No
Expand all levels in detailed format	? No

Set the options in receipts and payments configuration as per requirement.

Form

At show vertical receipts and payments :

- i) **Vertical Form** : Set as Yes in order to display Receipts and Payments in vertical format where the details of receipts are followed by payments are shown in one column in vertical form.
- ii) **Normal Form** : Set as No in order to display two column-wise report displaying Receipts and Payments in separate columns.

Balances Type

At show net opening and closing balances only.

- i) In order to display net opening and closing balance of cash and bank account set as Yes.
- ii) In order to display net of debit and credit balances of cash and bank accounts set as No.

Show Net Balance for Ledger

At show Net Balance for ledgers,

- i) In order to display the net balance of each account either in Receipt or Payment set as Yes.
- ii) In order to display both Receipts and Payments separately set as No.

Details Levels

Set F1: Detailed button, at expand all level in detail format.

- i) In order to display all subordinate groups ledger accounts to the lowest level set as Yes.
- ii) In order to display the next level groups/ledgers set as No.

5.13 DAYBOOK**Q27. What is day book? How it is displayed in tally ERP9.***Ans :*

(Dec.-18, Imp.)

The Day Book lists all transactions made in a particular day and by default displays the last voucher entry date of a regular voucher. It could also be set up to list all the transactions made over a certain

period. Transactions include all financial vouchers, reversing and memorandum journals as well as inventory vouchers. You can view this report in browser.

In Tally.ERP 9, the Day Book is by default displayed for the current date (as on the last date of voucher entry). However, you may specify the required period, as per your requirements.

To view the Day Book

1. Go to Gateway of Tally > Display > Daybook . The Day Book will appear as shown below:

Day Book ABC Company Ctrl + M					
Day Book 1-Apr-2008 to 31-Mar-2009					
Date	Particulars	Vch Type	Vch No.	Debit Amount Inwards Qty	Credit Amount Outwards Qty
1-4-2008	Office Expenses	Payment	1	1,550.00	
1-4-2008	Customer A	Retail Invoice	1	61,000.00	
1-4-2008	Bright Industries	Purchase	1		47,500.00
1-4-2008	Unisys Global Systems	Purchase	2		90,900.00
1-4-2008	Supplier C	Purchase	3		18,36,000.00
1-4-2008	Cash	Purchase	4		5,32,500.00
1-4-2008	2 GB RAM Sticks	Physical Stock	1	1,300 Nos	
1-4-2008	Cooling Equipment	Stock Journal	1	2 Nos	
2-4-2008	Customer C	Retail Invoice	2	18,750.00	
2-4-2008	Global Traders	Purchase	5		28,125.00
2-4-2008	Cooling Equipment	Stock Journal	2	2 Nos	
3-4-2008	Customer B	Tax Invoice	1	4,16,000.00	
3-4-2008	Cooling Equipment	Stock Journal	3	2 Nos	
4-4-2008	Customer B	Tax Invoice	2	88,400.00	
5-4-2008	Customer C	Receipt	1		25,000.00
5-4-2008	Customer C	Credit Note	1		12,000.00
5-4-2008	Customer A	Retail Invoice	3	5,25,000.00	
5-4-2008	Customer A	Retail Invoice	4	2,57,250.00	
5-4-2008	Supplier A	Purchase	6		10,12,000.00
5-4-2008	Equipment Sales Corporation	Purchase	7		7,80,000.00
6-4-2008	Global Computech Pvt Ltd.,	Retail Invoice	5	2,10,000.00	
7-4-2008	Customer A	Retail Invoice	6	6,69,500.00	
9-4-2008	Supplier A	Purchase	8		1,10,000.00
10-4-2008	Entry Tax	Payment	2	475.00	
10-4-2008	Customer C	Credit Note	2		1,875.00
10-4-2008	Supplier A	Purchase	9		6,02,000.00
15-4-2008	General Expenses	Payment	3	1,600.00	
15-4-2008	Capital Account	Receipt	2		8,00,000.00
15-4-2008	Cash	Purchase	10		1,44,000.00
15-4-2008	2 GB RAM Sticks	Physical Stock	2	1,300 Nos	
17-4-2008	Customer B	Credit Note	3		55,936.00
				172 more ...	

2. Click F2: Period to change the period for which the Day Book is displayed.
3. Click F4: Change Voucher to view Day Book for a particular voucher type.

Change Voucher Type ABC Company Ctrl + M					
Day Book 1-Apr-2008 to 31-Mar-2009					
Date	Particulars	Vch Type	Vch No.	Debit Amount Inwards Qty	Credit Amount Outwards Qty
1-4-2008	Office Expenses			1,550.00	
1-4-2008	Customer A			61,000.00	
1-4-2008	Bright Industries				47,500.00
1-4-2008	Unisys Global Systems				90,900.00
1-4-2008	Supplier C				18,36,000.00
1-4-2008	Cash				5,32,500.00
1-4-2008	2 GB RAM Sticks			1,300 Nos	
1-4-2008	Cooling Equipment			2 Nos	
2-4-2008	Customer C			18,750.00	
2-4-2008	Global Traders				28,125.00
2-4-2008	Cooling Equipment			2 Nos	
3-4-2008	Customer B			4,16,000.00	
3-4-2008	Cooling Equipment			2 Nos	
4-4-2008	Customer B			88,400.00	
5-4-2008	Customer C				25,000.00
5-4-2008	Customer C				12,000.00
5-4-2008	Customer A			5,25,000.00	
5-4-2008	Customer A			2,57,250.00	
5-4-2008	Supplier A				10,12,000.00
5-4-2008	Equipment Sales Corporation				7,80,000.00
6-4-2008	Global Computech Pvt Ltd.,			2,10,000.00	
7-4-2008	Customer A			6,69,500.00	
9-4-2008	Supplier A				1,10,000.00
10-4-2008	Entry Tax			475.00	
10-4-2008	Customer C				1,875.00
10-4-2008	Supplier A				6,02,000.00
15-4-2008	General Expenses			1,600.00	
15-4-2008	Capital Account				8,00,000.00
15-4-2008	Cash				1,44,000.00
15-4-2008	2 GB RAM Sticks			1,300 Nos	
17-4-2008	Customer B				55,936.00
				172 more ...	

4. Select the required Voucher Type to display. The screen appears as shown below:

Day Book		ABC Company		Ctrl + M	
List of Retail Invoice Vouchers				1-Apr-2008 to 31-Mar-2009	
Date	Particulars	Vch Type	Vch No.	Debit Amount	Credit Amount
1-4-2008	Customer A	Retail Invoice	1	61,000.00	
2-4-2008	Customer C	Retail Invoice	2	18,750.00	
5-4-2008	Customer A	Retail Invoice	3	5,25,000.00	
5-4-2008	Customer A	Retail Invoice	4	2,57,250.00	
6-4-2008	Global Computech Pvt Ltd.,	Retail Invoice	5	2,10,000.00	
7-4-2008	Customer A	Retail Invoice	6	6,69,500.00	
19-4-2008	Customer A	Retail Invoice	7	3,50,200.00	
24-4-2008	Customer B	Retail Invoice	8	6,30,000.00	
30-4-2008	Blue Nile Stationeries	Retail Invoice	10	1,70,000.00	
30-4-2008	Customer C	Retail Invoice	11	96,000.00	
30-4-2008	Blue Nile Stationeries	Retail Invoice	12	64,375.00	
1-5-2008	Global Computech Pvt Ltd.,	Retail Invoice	13	1,75,000.00	
1-5-2008	Global Computech Pvt Ltd.,	Retail Invoice	14	7,45,000.00	
1-5-2008	Customer A	Retail Invoice	15	56,000.00	
1-5-2008	Customer A	Retail Invoice	16	56,000.00	
1-5-2008	UN Diplomatic Mission	Retail Invoice	17	17,50,000.00	
1-5-2008	Customer A	Retail Invoice	18	16,800.00	
30-5-2008	Innovative Solutions Pvt Ltd	Retail Invoice	19	12,500.00	
1-6-2008	Silverline Trading Corporation	Retail Invoice	20	95,000.00	
2-6-2008	Blue Nile Stationeries	Retail Invoice	21	1,25,000.00	
3-6-2008	Silverline Trading Corporation	Retail Invoice	22	2,50,000.00	
4-6-2008	Bank-Saving A/c	Retail Invoice	23	2,50,000.00	
5-6-2008	Cash	Retail Invoice	24	1,25,000.00	
6-6-2008	Customer A	Retail Invoice	25	1,25,000.00	
7-6-2008	Unisys Global Systems	Retail Invoice	26	1,10,000.00	
8-6-2008	Customer C	Retail Invoice	27	8,56,800.00	
9-6-2008	Innovative Solutions Pvt Ltd	Retail Invoice	28	55,000.00	
10-6-2008	Innovative Solutions Pvt Ltd	Retail Invoice	29	1,10,000.00	
11-6-2008	Customer C	Retail Invoice	30	66,000.00	
Total:				96,04,055.00	8 more ...

5. Click T : Post-Dated to view the Post-dated Transactions report for the specified period.

Short Question and Answers

1. What do we mean by MIS Reports?

Ans :

Management Information Systems (MIS), referred to as Information Management and Systems, is the discipline covering the application of people, technologies, and procedures collectively called information systems, to solving business problems.

'MIS' is a planned system of collecting, storing and disseminating data in the form of information needed to carry out the functions of management. the term is commonly used to refer to the group of information management methods tied to the automation or support of human decision making, e.g. Decision Support Systems, Expert Systems, and Executive Information Systems.

2. Define MIS.

Ans :

MIS Definition

The Management Information System (MIS) is a concept of the last decade or two. It has been understood and described in a number ways. It is also known as the Information System, the Information and Decision System, the Computer based information System.

The MIS has more than one definition, some of which are give below.

1. The MIS is defined as a system which provides information support for decision making in the organization.
2. The MIS is defined as an integrated system of man and machine for providing the information to support the operations, the management and the decision making function in the organization.

3. What are the objectives of MIS ?

Ans :

1. Data Capturing

- MIS capture data from various internal and external sources of organization.
- Data capturing may be manual or through computer terminals.

2. Processing of Data

- The captured data is processed to convert into required information.
- Processing of data is done by such activities as calculating, sorting, classifying, and summarizing.

3. Storage of Information:

MIS stores the processed or unprocessed data for future use. If any information is not immediately required, it is saved as an organization record, for later use.

4. Retrieval of Information:

MIS retrieves information from its stores as and when required by various users.

5. Dissemination of Information:

Information, which is a finished product of MIS, is disseminated to the users in the organization. It is periodic or online through computer terminal.

4. Explain the Characteristics of MIS.

Ans :

1. **Systems Approach :** The information system follows a systems approach. Systems approach means taking a comprehensive view or a complete look at the interlocking subsystems that operate within an organization.
2. **Management Oriented :** Management oriented characteristic of MIS implies that the management actively directs the system

development efforts. For planning of MIS, top down approach should be followed. Top down approach suggests that the system development starts from the determination of management's needs and overall business objective. To ensure that the implementation of system's policies meet the specification of the system, continued review and participation of the manager is necessary.

3. **Need Based** : MIS design should be as per the information needs of managers at different levels.
4. **Exception Based** : MIS should be developed on the exception based also, which means that in an abnormal situation, there should be immediate reporting about the exceptional situation to the decision makers at the required level.
5. **Future Oriented** : MIS should not merely provide past of historical information; rather it should provide information, on the basis of future projections on the actions to be initiated.
6. **Integrated** : Integration is significant because of its ability to produce more meaningful information. Integration means taking a comprehensive view or looking at the complete picture of the interlocking subsystems that operate within the company.

5. What is a trial balance ?

Ans :

A trial balance is a bookkeeping worksheet in which the balances of all ledgers are compiled into debit and credit account column totals that are equal. A company prepares a trial balance periodically, usually at the end of every reporting period. The general purpose of producing a trial balance is to ensure the entries in a company's bookkeeping system are mathematically correct.

Simply missing from the system could still be material accounting errors that would not be detected by the trial balance procedure.

6. What is a balance sheet ?

Ans :

A balance sheet reports a company's assets, liabilities and shareholders' equity at a specific point in time, and provides a basis for computing rates of return and evaluating.

7. What is a Profit and Loss Statement (P&L) ?

Ans :

The profit and loss statement is a financial statement that summarizes the revenues, costs and expenses incurred during a specified period, usually a quarter or year. P&L statement is synonymous with the income statement.

These records provide information about a company's ability or inability to generate profit by increasing revenue, reducing costs or both. Some refer to the P&L statement as a statement of profit and loss, income statement, statement of operations, statement of financial results or income, earnings statement and expense statement.

In tally profit and loss can be seen in two ways

- Horizontal profit and loss a/c
- Vertical profit and loss a/c

8. What is a cash flow statement ?

Ans :

In financial accounting, a cash flow statement, also known as statement of cash flows is a financial statement that shows how changes in balance sheet accounts and income affect cash and cash equivalents, and breaks the analysis down to operating, investing and financing activities. Essentially, the cash flow statement is concerned with the flow of cash in and out of the business. The statement captures both the current operating results and the accompanying changes in the balance sheet. As an analytical tool, the statement of cash flows is useful in determining the short-term viability of a company, particularly its ability to pay bills. International Accounting Standard 7 (IAS 7), is the International Accounting Standard that deals with cash flow statements.

9. Funds flow statement

Ans :

Is a statement prepared to analyse the reasons for changes in the financial position of a company between 2 balance sheets. It shows the inflow and outflow of funds i.e. Sources and applications of funds for a particular period.

Gate way of tally → display → cash/funds flow → funds flow

10. What is Ratio Analysis ?

Ans :

A ratio analysis is a quantitative analysis of information contained in a company's financial statements. Ratio analysis is used to evaluate various aspects of a company's operating and financial performance such as its efficiency, liquidity, profitability and solvency.

Most investors are familiar with a few key ratios, particularly the ones that are relatively easy to calculate. Some of these ratios include the current ratio, return on equity (ROE), the debt-equity (D/E) ratio, the dividend payout ratio, and the price/earnings (P/E) ratio. While there are numerous financial ratios, ratio analysis can be categorized into six main groups.

11. What is a purchases register ?

Ans :

A temporary account used in the periodic inventory system to record the purchases of merchandise for resale. (Purchases of equipment or supplies are not recorded in the purchases account.) This account reports the gross amount of purchases of merchandise. Net purchases is the amount of purchases minus purchases returns, purchases allowances, and purchases discounts.

12. What is a journal register ?

Ans :

A journal register is a extract of all the registers in a general sense it consists of a debit note and a credit note also.

13. What is a debit note Register?

Ans :

A debit note or debit memorandum (memo) is a commercial document issued by a buyer to a seller as a means of formally requesting a credit note. Debit note acts as the Source document to the Purchase returns journal. In other words it is an evidence for the occurrence of a reduction in expenses.

14. What is a Credit note register ?

Ans :

A form or letter sent by a seller to a buyer, stating that a certain amount has been credited to the buyer's account.

A credit note is issued in various situations to correct a mistake, such as when (1) an invoice amount is overstated, (2) correct discount rate is not applied, (3) goods spoil within guaranty period, or (4) they do not meet the buyer's specifications and are returned. Also called credit memo.

15. What is a day book ?*Ans :*

A day book is a statement which displays all the entries passed for a certain period or for a particular day.

16. Cash Book*Ans :*

As per the accounting perspective, a cash book is a special journal which is used for recording all cash receipts and cash payments. The cash book is a book of original entry and a ledger records cash receipts on the debit side and cash payments on the credit side. Therefore, the cash book is both a journal and a ledger. They are divided into four types which are as follows,

1. Single-Column cash book
2. Double-Column cash book/Two-column cash book
3. Triple-Column cash book/Three-column cash book
4. Petty Cash book

Rahul Publications

Choose the Correct Answer

1. Profit and loss a/c can be viewed in detailed mode by pressing [a]
(a) ALT + F1 (b) ALT + F2
(c) F4 (d) F5
2. Balance sheet can be viewed in detailed mode by pressing [a]
(a) ALT + F1 (b) ALT + F2
(c) F4 (d) F5
3. Trial balance can be viewed in detailed mode by pressing [a]
(a) ALT + F1 (b) ALT + F2
(c) F4 (d) F5
4. Part details can be viewed by pressing [a]
(a) shift + enter (b) ctrl + enter
(c) shift + delete (d) alt + d
5. To change a period we use [a]
(a) Alt + f2 (b) alt + f3
(c) alt + f4 (d) alt + f1
6. For using calculator we use [b]
(a) Ctrl + m (b) ctrl + n
(c) alt + c (d) alt + d
7. For using auto value calculator we use [c]
(a) Ctrl + m (b) ctrl + n
(c) alt + c (d) alt + d
8. Stock group can be created in how many ways [d]
(a) single (b) multiple
(c) only single (d) both a and b
9. A day book displays all the _____ passed during a period irrespective of voucher used [a]
(a) entries (b) values
(c) only single (d) both a and b
10. Ratio analysis report involves [c]
(a) principal ratio (b) principal group
(c) both (d) ledger

Fill in the blanks

1. _____ displays all the assets and liabilities of a company.
2. We can view a balance sheet in _____.
3. Stock item can be created in _____ ways.
4. _____ is used to see the list of godowns already created.
5. _____ are used for storage of materials.
6. While creating a godown we can select _____ or _____ location.
7. _____ option is used to create a godown in tally.
8. There are _____.
9. We use _____ to open a sales voucher.
10. A balance sheet is also known as a _____.
11. By using _____ we can know net cash inflows and outflows.
12. Total amount of _____ into and out of the company can be known by cash flow statement.

ANSWERS

1. Balance sheet
2. Detailed and condensed views
3. Single and multiple
4. Display
5. Godowns/locations
6. Primary or main
7. Create
8. Trade and cash discounts
9. F8
10. Financial statement
11. Funds flow
12. Cash flow

FACULTY OF COMMERCE
B.Com. V- Semester (CBCS) Examination

July - 2021

**(Common Paper for General / Computers / Computer Applications /
Advertising / Foreign Trade and Tax Procedure Courses)**

COMPUTERIZED ACCOUNTING

Time : 2 Hours]

[Max. Marks : 80

PART - A (5 × 4 = 20 Marks)

Note : Answer any FOUR questions.

Answer

- | | |
|---|---------------------|
| 1. What is group in Tally ERP? | (Unit-I, SQA. 8) |
| 2. Write about Stock category. | (Unit-II, SQA. 4) |
| 3. Write steps for creating Godowns in Tally. | (Unit-II, SQA. 12) |
| 4. What is a Source Document? | (Unit-III, SQA. 3) |
| 5. What is a Financial Year? Explain the procedure how to change it in tally. | (Unit-IV, SQA. 8) |
| 6. What is Bill of Exchange? List out its uses. | (Unit-IV, SQA. 10) |
| 7. Write the steps to create Units of Measure. | (Unit-II, SQA. 15) |
| 8. Difference between Credit Note Voucher and Debit Note Voucher. | (Unit-III, SQA. 18) |

PART - B (4 × 15 = 60 Marks)

Note : Answer any FOUR Questions

- | | |
|--|-------------------------------|
| 9. Write the difference between Manual Accounting and Computerised Accounting. | (Unit-I, Q.No. 27) |
| 10. Write the steps to be followed to create a Company in Tally ERP? | (Unit-I, Q.No. 12) |
| 11. Explain various types of Inventory Reports in Tally ERP? | (Unit-II, Q.No. 1) |
| 12. Explain the steps to create, select, alter and delete Stock Group. | (Unit-II, Q.No. 3) |
| 13. What is a Purchase Voucher? Explain how transactions are recorded in Purchase Voucher with example. | (Unit-III, Q.No. 11) |
| 14. Explain the various types of Accounting Vouchers in Tally ERP. | (Unit-III, Q.No. 7, 8, 9, 10) |
| 15. Distinguish between Accounts Receivable and Accounts Payable. | (Unit-IV, Q.No. 5) |
| 16. Explain different types of Bill wise details available in Tally. | (Unit-IV, Q.No. 6) |
| 17. What are the different types of Accounting Reports available in Tally? | (Unit-V, Q.No. 7) |
| 18. What is Trading and Profit & Loss Account? Explain the process of preparing Trading and Profit & Loss Account. | (Unit-V, Q.No. 11) |

FACULTY OF COMMERCE
B.Com. V- Semester (CBCS) Examination

November / December - 2020

**(Common Paper for General / Computers / Computer Applications /
Advertising / Foreign Trade and Tax Procedure Courses)**

COMPUTERIZED ACCOUNTING

Time : 2 Hours]

[Max. Marks : 80

PART - A (5 × 4 = 20 Marks)

Note : Answer any FOUR questions.

	<u>Answer</u>
1. Configuration	(Unit-I, SQA. 5)
2. Types of Units of Measure	(Unit-II, SQA. 13)
3. Optional Vouchers	(Unit-III, SQA. 17)
4. Accounts Payable	(Unit-IV, SQA. 1)
5. MIS	(Unit-V, SQA. 2)
6. Journal Register	(Unit-III, SQA. 6)
7. Day Book	(Unit-V, SQA. 15)
8. Contra Voucher	(Unit-III, SQA. 7)

PART - B (4 × 15 = 60 Marks)

Note : Answer any FOUR Questions

9. What is ERP and What are the advantages of ERP?	(Unit-I, Q.No. 1, 4)
10. What are Groups? Explain various options available for Groups in Accounting Software.	(Unit-I, Q.No. 22, 23)
11. What is Stock Item? What options are available for Stock Items in Accounting Software?	(Unit-II, Q.No. 7)
12. How Nesting is helpful in maintaining Stock in Accounting Software.	(Unit-II, Q.No. 11)
13. Explain about various Source Documents for Vouchers used in recording Business transaction.	(Unit-III, Q.No. 2, 3)
14. How are the Fund Transfer Transactions recorded in Accounting Software? Show the related transactions assuming own transactions.	(Out of Syllabus)
15. How are Bill wise details maintained for a Business? What are the features available in Accounting Software for maintaining such details?	(Unit-IV, Q.No. 6)
16. How is the Payable Management is maintained? Explain with examples.	(Unit-IV, Q.No. 3)
17. What are the various types of reports generated in accounting Software for interpreting results from them.	(Unit-V, Q.No. 7)
18. MIS reports helps Management in Decision Making Process - Explain.	(Unit-V, Q.No. 5)

FACULTY OF COMMERCE
B.Com. V- Semester (CBCS) Examination

November / December - 2019

**(Common Paper for General / Computers / Computer Applications /
 Advertising / Foreign Trade and Tax Procedure Courses)**

COMPUTERIZED ACCOUNTING

Time : 3 Hours]

[Max. Marks : 80

PART - A (5 × 4 = 20 Marks)

(Short Answer Type)

Note : Answer any FIVE of the following questions.

	<u>Answer</u>
1. Key Board Conventions	(Unit-I, SQA. 10)
2. Stock Categories	(Unit-II, SQA. 4)
3. Debit Note	(Unit-III, SQA. 12)
4. Receivable Management	(Unit-IV, SQA. 9)
5. Cash Book	(Unit-V, SQA. 16)
6. Deletion of Groups	(Unit-II, SQA. 16)
7. New Reference	(Unit-IV, SQA. 3)
8. Cash Flow Statement	(Unit-V, SQA. 8)

PART - B (5 × 12 = 60 Marks)

(Essay Answer Type)

Note : Answer ALL the following questions.

9. (a) "ERP is a one step solution for all Business requirements" - Elucidate. (Unit-I, Q.No. 3)
- OR
- (b) Explain the advantages of Single and Multi-Ledger Creation with examples. (Unit-I, Q.No. 21)
10. (a) What are the options available in Inventory Masters for maintaining Stock in Accounting Software ? (Unit-II, Q.No. 1)
- OR
- (b) Explain with examples the differences between Stock Categories and Stock Groups. (Unit-II, Q.No. 5)
11. (a) Explain the process of recording Business Transactions in Accounting Software. (Unit-III, Q.No. 4)

OR

- (b) What do you mean by Voucher Types ? Explain any five Voucher Types. (Unit-III, Q.No. 7, 8, 9, 10)

12. (a) What is Accounts Receivable ? Write the advantages of maintaining Bill-Wise details. (Unit-IV, Q.No.1, 6)

OR

- (b) Explain Payable Management in Accounting Software. (Unit-IV, Q.No. 3)

13. (a) What is MIS ? What are the advantages of MIS Reports ? (Unit-V, Q.No. 1, 4)

OR

- (b) What reports can be generated in Accounting Software that infer financial position of Business. (Unit-V, Q.No. 7)

Rahul Publications

FACULTY OF COMMERCE
B.Com. V- Semester (CBCS) Examination

June / July - 2019

(Common Paper for General / Computers / Computer Applications /
Advertising / Foreign Trade and Tax Procedure Courses)

COMPUTERIZED ACCOUNTING

Time : 3 Hours]

[Max. Marks : 80

PART - A (5 × 4 = 20 Marks)

(Short Answer Type)

Note : Answer any FIVE of the following questions.

Answer

- | | |
|---|-----------------------|
| 1. F ₁₂ – Configuration | (Unit - I, SQA. 5) |
| 2. Alteration of Company Details | (Unit - I, SQA. 3) |
| 3. What is Stock Item? | (Unit - II, SQA. 14) |
| 4. Defining of Stock Opening Balance | (Unit - II, SQA. 11) |
| 5. Post - Dated Voucher | (Unit - III, SQA. 15) |
| 6. Steps to generate Trial Balance in Tally | (Unit - V, SQA. 8) |
| 7. Activation of Maintain Bill – Wise Details | (Unit - IV, SQA. 11) |
| 8. Explain Purchase Register. | (Unit - V, SQA. 11) |

PART - B (5 × 12 = 60 Marks)

(Essay Answer Type)

Note : Answer ALL the following questions

- | | |
|---|-----------------------------------|
| 9. (a) Explain how would you create, alter and delete the ledgers in Tally. | (Unit - I, Q.No. 18, 19) |
| OR | |
| (b) Explain the features and benefits of Tally Accounting Software. | (Unit - I, Q.No. 8, 9) |
| 10. (a) Explain the Inventory features available in Tally ERP 9. How to create Inventory Masters? | (Unit - II, Q.No 1) |
| OR | |
| (b) Write steps for creations of Stock Groups in Tally. | (Unit - II, Q.No 3) |
| 11. (a) Explain different types of Accounting Vouchers in Tally. | (Unit - III, Q.No 6, 7, 8, 9, 10) |
| OR | |
| (b) Explain the difference between Credit Note Voucher and Debit Note Voucher. | (Unit - III, Q.No. 15) |

12. (a) Explain the various types of references in bill-wise details features in Tally. (Unit - IV, Q.No. 6)

OR

- (b) Distinguish Accounts Receivables and Accounts Payables. (Unit - IV, Q.No. 5)
13. (a) What is meant by Management Information Systems? Explain its advantages. (Unit - V, Q.No. 1, 4)

OR

- (b) What are the various types of Accounting Reports available in Tally? Explain them. (Unit - V, Q.No. 7)

Rahul Publications

FACULTY OF COMMERCE
B.Com. V- Semester (CBCS) Examination

November / December - 2018

(Common Paper for General / Computers / Computer Applications /
Advertising / Foreign Trade and Tax Procedure Courses)

COMPUTERIZED ACCOUNTING

Time : 3 Hours]

[Max. Marks : 80

PART - A (5 × 4 = 20 Marks)

(Short Answer Type)

Note : Answer any **FIVE** of the following questions.

1. F₁₁ – Company features. (Unit - I, SQA. 11)
2. P₂ P – Procure to page. (Unit - I, SQA. 12)
3. Explain – Unit of measure. (Unit - II, SQA. 3)
4. Source Document for a voucher. (Unit - III, SQA. 3)
5. Creation of Godown. (Unit - II, SQA. 5)
6. Changing of financial year in ERP. (Unit - IV, SQA. 8)
7. Stock category Report. (Unit - IV, SQA. 7)
8. What is Credit Note Register ? (Unit - IV, SQA. 14)

PART - B (5 × 12 = 60 Marks)

(Essay Answer Type)

Note : Answer ALL the following questions

9. (a) What do you mean by company in Tally ? Explain the steps to create a company. (Unit - I, Q.No. 7, 12)

OR

- (b) Explain the main characteristics of Tally ERP 9. (Unit - I, Q.No. 8)
10. (a) Explain the procedure to create, Alter and Delete the Stock Groups. (Unit - II, Q.No. 3)

OR

- (b) Explain the ways to Generate Inventory Reports in Tally ERP9. (Unit - II, Q.No. 1)
11. (a) What is a Voucher? Explain different types of vouchers available in Tally. (Unit - III, Q.No. 2, 6, 7, 8, 9)

OR

- (b) Explain the difference between Credit Note Voucher and Debit Note Voucher. (Unit - III, Q.No. 15)

12. (a) What is Receivable Management? Explain its objectives. **(Unit - IV, Q.No. 1)**
- OR
- (b) How do you Activate the Bill wise Detail features in Tally ERP9? **(Unit - IV, Q.No. 6)**
Explain.
13. (a) Explain the various types of Accounting Reports available in Tally. **(Unit - V, Q.No. 9, 11)**
- OR
- (b) What Management Information Systems ? Explain its advantages **(Unit - V, Q.No. 1, 4, 7)**
and Reports in ERP.

Rahul Publications

MAHATMA GANDHI UNIVERSITY
FACULTY OF COMMERCE AND BUSINESS MANAGEMENT
B.Com. V- Semester (CBCS) Examination

November / December - 2018

**(Common Paper for General / Computers / Computer Applications /
Advertising / Foreign Trade and Tax Procedure Courses)**

COMPUTERIZED ACCOUNTING

Time : 3 Hours]

[Max. Marks : 60

PART - A (5 × 3 = 15 Marks)

(Short Answer Type)

Answer all the questions.

1. What are the Mouse Conventions? (Unit-I, SQA. 13)
2. Define Stock Items. (Unit-II, SQA. 14)
3. What are Supporting Vouchers? (Unit-III, SQA. 16)
4. What is Financial Year? (Unit-IV, SQA. 8)
5. What is Bill of Exchange? List out its uses. (Unit-IV, SQA. 10)

PART - B (5 × 9 = 45 Marks)

(Essay Answer Type)

Answer all the questions.

6. (a) Explain in detail about accounting features of Tally ERP 9. (Unit-I, Q.No. 8)
OR
(b) How to create a single ledger in normal mode and advance mode? (Unit-I, Q.No. 18)
7. (a) How to create stock category in single and multiple mode? (Unit-II, Q.No. 4)
OR
(b) How to create single stock group? (Unit-II, Q.No. 3)
8. (a) What is Source Document/Voucher? Discuss its features and importance. (Unit-III, Q.No. 2)
OR
(b) How to use Journal Voucher to record the entity? (Unit-III, Q.No. 10)
9. (a) What do you mean by new reference? Explain it with an example. (Unit-IV, Q.No. 7)
OR
(b) What do you men by advance? Explain with an example. (Unit-IV, Q.No. 9)

10. (a) What is day book? How it is displayed in Tally ERP 9?

(Unit-I, Q.No. 27)

OR

(b) What are Sales Registers? Explain its/uses and shows how it is displayed in Tally ERP 9.

(Unit-I, Q.No. 19)

Rahul Publications

FACULTY OF COMMERCE
B.Com. V- Semester (CBCS) Examination

Model Paper - I

(Common Paper for General / Computers / Computer Applications /
Advertising / Foreign Trade and Tax Procedure Courses)

COMPUTERIZED ACCOUNTING

Time : 3 Hours]

[Max. Marks : 80

PART - A (5 × 4 = 20 Marks)

(Short Answer Type)

Note : Answer any FIVE of the following questions.

- | | <u>Answer</u> |
|--|---------------------|
| 1. What do you mean by a ledger ? | (Unit-I, SQA. 7) |
| 2. Key board conventions. | (Unit-I, SQA. 10) |
| 3. How to create stock groups in tally ? | (Unit-II, SQA. 2) |
| 4. Deletion of Groups | (Unit-II, SQA. 16) |
| 5. What is a business transaction ? | (Unit-III, SQA. 2) |
| 6. What is a debit note ? | (Unit-III, SQA. 12) |
| 7. Stock category reports. | (Unit-IV, SQA. 7) |
| 8. Define MIS. | (Unit-V, SQA. 2) |

PART - B (5 × 12 = 60 Marks)

(Essay Answer Type)

Note : Answer ALL the following questions.

- | | |
|---|----------------------|
| 9. (a) Discuss the salient features of tally ERP 9. | (Unit-I, Q.No. 8) |
| OR | |
| (b) What do you mean by procure to pay ? Discuss the steps involved in P2P cycle. | (Unit-I, Q.No. 25) |
| 10. (a) How to create stock groups in tally ? | (Unit-II, Q.No. 3) |
| OR | |
| (b) Explain how to create a stock item in tally ? | (Unit-II, Q.No. 7) |
| 11. (a) What is Source document for vouching and why is it important ? | (Unit-III, Q.No. 2) |
| OR | |
| (b) Explain how transactions are recorded in purchase voucher? | (Unit-III, Q.No. 11) |

12. (a) Explain Payable Management in Accounting Software. **(Unit-IV, Q.No. 3)**
OR
(b) What do you mean by advance ? Explain with an example. **(Unit-IV, Q.No. 9)**
13. (a) MIS reports helps Management in Decision Making Process - Explain. **(Unit-V, Q.No. 5)**
OR
(b) What is day book? How it is displayed in tally ERP9. **(Unit-V, Q.No. 27)**

Rahul Publications

FACULTY OF COMMERCE
B.Com. V- Semester (CBCS) Examination

Model Paper - II

(Common Paper for General / Computers / Computer Applications /
Advertising / Foreign Trade and Tax Procedure Courses)

COMPUTERIZED ACCOUNTING

Time : 3 Hours]

[Max. Marks : 80

PART - A (5 × 4 = 20 Marks)

(Short Answer Type)

Note : Answer any FIVE of the following questions.

- | | <u>Answer</u> |
|---|---------------------|
| 1. What do you mean by procure to pay ? | (Unit-I, SQA. 12) |
| 2. Write a short notes on f12 configuration ? | (Unit-I, SQA. 5) |
| 3. Explain how to create a stock item in tally ? | (Unit-II, SQA. 6) |
| 4. Steps involved in creation of units of measure of Tally. | (Unit-II, SQA. 4) |
| 5. Post - Dated Voucher | (Unit-III, SQA. 15) |
| 6. What is Source document for vouching and why is it important ? | (Unit-III, SQA. 3) |
| 7. What do you mean by new reference? | (Unit-IV, SQA. 3) |
| 8. What is a Profit and Loss Statement (P&L) ? | (Unit-V, SQA. 7) |

PART - B (5 × 12 = 60 Marks)

(Essay Answer Type)

Note : Answer ALL the following questions.

- | | |
|--|---------------------|
| 9. (a) How to create a company using Tally.ERP 9. | (Unit-I, Q.No. 12) |
| OR | |
| (b) How do you create a single group creation ? | (Unit-I, Q.No. 22) |
| 10. (a) Explain the basic inventory masters in tally ERP 9. | (Unit-II, Q.No. 1) |
| OR | |
| (b) Explain various Stock category Reports available in tally. | (Unit-II, Q.No. 11) |
| 11. (a) Explain the process of recording Business Transactions in Accounting Software. | (Unit-III, Q.No. 4) |
| OR | |
| (b) Explain about a payment voucher ? | (Unit-III, Q.No. 8) |

12. (a) Explain different types of bill wise details available in Tally. (Unit-IV, Q.No. 6)

OR

- (b) Write briefly about stock category report. (Unit-IV, Q.No. 11)

13. (a) What are the various types of Accounting Reports available in Tally? Explain them. (Unit-V, Q.No. 7)

OR

- (b) Explain briefly about sales register. (Unit-V, Q.No. 19)

Rahul Publications

FACULTY OF COMMERCE
B.Com. V- Semester (CBCS) Examination

Model Paper - III

(Common Paper for General / Computers / Computer Applications /
 Advertising / Foreign Trade and Tax Procedure Courses)

COMPUTERIZED ACCOUNTING

Time : 3 Hours]

[Max. Marks : 80

PART - A (5 × 4 = 20 Marks)

(Short Answer Type)

Note : Answer any FIVE of the following questions.

- | | <u>Answer</u> |
|---|---------------------|
| 1. Mouse board conventions. | (Unit-I, SQA. 13) |
| 2. What is the difference between create display and alter options? | (Unit-I, SQA. 9) |
| 3. Creation of Godowns in Tally. | (Unit-II, SQA. 12) |
| 4. What do you mean by sales order outstandings ? | (Unit-II, SQA. 9) |
| 5. What is the Purpose for source of document give few examples ? | (Unit-III, SQA. 4) |
| 6. Optional Vouchers | (Unit-III, SQA. 17) |
| 7. Bills of Exchange. | (Unit-IV, SQA. 10) |
| 8. Cash Book | (Unit-V, SQA. 16) |

PART - B (5 × 12 = 60 Marks)

(Essay Answer Type)

Note : Answer ALL the following questions.

- | | |
|--|----------------------|
| 9. (a) How do you create a ledger in Tally ERP 9 ? | (Unit-I, Q.No. 18) |
| OR | |
| (b) Explain the advantages of ERP system ? | (Unit-I, Q.No. 4) |
| 10. (a) What are the differences between Stock Categories and Stock Groups. | (Unit-II, Q.No. 5) |
| OR | |
| (b) Explain steps involved in defining stock opening balance in tally ERP9 | (Unit-II, Q.No. 10) |
| 11. (a) Explain the difference between Credit Note Voucher and Debit Note Voucher. | (Unit-III, Q.No. 15) |
| OR | |
| (b) Explain about a receipt voucher. | (Unit-III, Q.No. 9) |

12. (a) Distinguish between Accounts Receivable and Accounts Payable. (Unit-IV, Q.No. 5)
OR
(b) Explain briefly about financial year in ERP. (Unit-IV, Q.No. 12)
13. (a) What is profit and loss account ? Explain in detail how profit and loss account displayed in tally ERP 9 ? (Unit-V, Q.No. 11)
OR
(b) What is cashflow statement ? How it is displayed in tally ERP 9 ? (Unit-V, Q.No. 13)

Rahul Publications