Contents

What is Tally

Tally is a **powerful accounting and business management software** used by individuals, small businesses, and large enterprises to handle everything from basic bookkeeping to keep and maintain transactions & Accounts.

Transaction in Tally

A **transaction** in Tally is just when you record any money activity—like when you **buy something, sell something, pay someone, or get paid**.

Types of Transaction

Monetary Transactions	Non-Monetary Transaction
Those transactions which are important to keep record of	Those transactions which are not important for our business to record
E.g. paying for goods, selling goods etc.	E.g. miscellaneous cost (Tea, snacks, or refreshments for staff. Small repair charges)

Accounting Terms

1. **Assets**: are the valuable resources your business owns. They are Properties of Our Business / something we Economical Values

Fixed asset	Current asset
These are long term item your business buys not for resale, but to use in operations—like furniture, computers, vehicles, or machinery	A current asset is something your business owns that can be quickly turned into cash or used up within short period of time. Like cash in hand or inventory/stock items.

2. **Liability**: is any amount your business **owes to others**—whether it's to suppliers, banks, employees, or the government. They are borrows of our company

Fixed liability	Current liability
These are **long-term borrows**—not due within a year. E.g. Bank loans	These are **short-term obligations**—due within a year. E.g. shopkeeper’s borrows

3. **Capital amount**: It's the **initial or additional funds** brought in by the owner to start or grow the business. **ledger account** that tracks the amount of money or assets **invested by the owner or owners** in a business is known as **Capital Account.**
4. **Sundry Creditor**: is a person or business from whom you've **purchased goods or services on credit**—meaning you haven't paid them yet. They are considered a **liability**, because you owe them money.
5. **Sundry Debtor**: is a person or business to whom you've **sold goods or services on credit**—meaning they owe you money. It's considered an **asset**, because you expect to receive payment in the future.
6. Balance Sheet: In Tally, a **Balance Sheet** is a key financial report that shows the **financial position/Status** of your business at a specific point in time.

What Does It Show?

Right Side (Liabilities & Capital)	**Left Side (Assets)**
Loans, Creditors, Outstanding Expenses, Capital	Cash, Bank, Inventory, Debtors, Fixed Assets

Profit & loss A/C

If on liability side means we are in loss & if on asset sides means we are in profit

Tools of Tally

Tally offers a robust suite of tools designed to simplify accounting, inventory, payroll, and compliance tasks for businesses of all sizes.

There are 3 tools of Tallt

1. Ledger: is the fundamental building block of accounting—it's where all your financial transactions are recorded under specific account heads.it is an accounting book.

   Tally has two default ledgers

   a. Cash
   b. Profit & loss A/c
2. Groups: are like folders that organize your ledgers based on their nature —making it easier to generate accurate reports and maintain a clean chart of accounts. They help classify transactions under **Assets, Liabilities, Income, and Expenses**, and are essential for structuring your financial data. They define the nature of business in tally. Tally comes with **28 predefined groups**

3. Voucher: is a digital document used to record every financial transaction. Each voucher type corresponds to a specific kind of transaction—like payments, receipts, sales, or purchases—and ensures your books stay accurate and organized. They are proof of our business/Transaction.

Voucher Type	Shortcut Key	Purpose
Contra (F4)	F4	For fund transfers between cash and bank accounts
Payment (F5)	F5	To record payments made (cash, cheque, bank transfer)
Receipt (F6)	F6	For money received from customers or others
Journal (F7)	F7	For adjustments, provisions, or non-cash entries
Sales (F8)	F8	To record sales of goods or services
Purchase (F9)	F9	To record purchases from suppliers
Stock journal	Alt+f7	Used to transfer stocks from location to location

How Accounts Work in Tally

- **Ledgers**: These are individual accounts under the above categories (e.g., "Rent Expense" under Nominal).
- **Groups**: Ledgers are organized into groups like *Indirect Expenses*, *Current Assets*, etc.
- **Vouchers**: Transactions are recorded using vouchers, which affect the relevant accounts.

Accounts in Tally

Accounts refer to the structured system used to record, classify, and summarize financial transactions. It's the backbone of all bookkeeping and reporting in the software.

There are **two main types of accounts** in Tally:

1. **Personal Account**
   - Relates to persons, firms, companies, or institutions.
   - Examples: Debtors, Creditors, Bank Accounts.
   - **Rule**: *Debit the receiver, Credit the giver.*
2. **Impersonal Account**
   - Covers all accounts not related to persons.
   - Subdivided into:
     - **Real Accounts** → Assets (Cash, Machinery, Land).
       - **Rule**: *Debit what comes in, Credit what goes out.*
     - **Nominal Accounts** → Expenses, losses, incomes, gains.
       - **Rule**: *Debit all expenses/losses, Credit all incomes/gains.*

Golden Rules of Accounting in Tally

These rules guide how transactions are recorded:

Account Type	Rule	Example
Personal	Debit the receiver, Credit the giver	Payment to creditor → Debit Creditor, Credit Cash
Real	Debit what comes in, Credit what goes out	Purchase of machinery → Debit Machinery, Credit Cash
Nominal	Debit expenses/losses, Credit incomes/gains	Salary paid → Debit Salary Expense, Credit Cash

Examples of Accounts in Tally

1. Personal Account

- **Rule**: Debit the receiver, Credit the giver
- **Example**:
    - You pay ₹10,000 to **Mr. Ali (Creditor)**.
    - Entry:
        - Debit: Mr. Ali's Account (receiver of money)
        - Credit: Cash Account (money going out)

2. Real Account

- **Rule**: Debit what comes in, Credit what goes out
- **Example**:
    - You purchase **Machinery worth ₹50,000** in cash.
    - Entry:
        - Debit: Machinery Account (asset coming in)
        - Credit: Cash Account (cash going out)

3. Nominal Account

- **Rule**: Debit all expenses/losses, Credit all incomes/gains
- **Example**:
    - You pay **Salary ₹20,000** to employees.
    - Entry:
        - Debit: Salary Expense Account (expense incurred)
        - Credit: Cash Account (payment made)

Modes of Tally

In **Tally**, the software can be used in different **modes/licenses** depending on whether you're learning, working in a single system, or running it across a network. Here's a clear breakdown:

🎓 Education Mode

- Free mode for practice and learning.
- You can create companies, ledgers, vouchers, and reports.
- **Limitation**: Transactions can only be entered for **1st, 2nd, and 31st of every month**.
- Ideal for students and beginners who want to understand accounting without buying a license.

💻 Silver Edition

- Licensed for **single-user** operation.
- Installed and activated on **one computer only**.
- Suitable for small businesses or individuals who don't need multi-user access.
- All features of Tally are available, but restricted to one machine.

🌐 Gold Edition

- Licensed for **multi-user** operation.
- Can be installed on a **LAN (Local Area Network)**, allowing multiple users to work simultaneously.
- Ideal for medium to large businesses where accountants, managers, and staff need access at the same time.
- Provides scalability and collaborative accounting.

Quick Comparison

Mode	Users	Access	Best For
Education	Unlimited	Restricted dates	Students, practice
Silver	1 user	Single PC	Small businesses
Gold	Multiple users	LAN network	Medium/large businesses

In short:

- Use **Education Mode** for practice.
- Choose **Silver Edition** if you're a single-user business.
- Go for **Gold Edition** if you need multi-user access across a network.

Date
Page

TALLY

↳ Tally is an Accounting Software which is used for Bussiness purpose. It comes from a latin word "stick" which means to calculate. It is a very user friendly and popular accounting software that runs on Ms. windows and also computes Indian "VAT" (Value Added TAX), service Tax, TDS (Tax deducted at Source), TCS (Tax collected at Source) and GST (Goods and Service Tax). It can even maintain our accounts and Inventory Simultaneously.
Tally was developed by Bharat Goenka in 1986 in Banglore. The first version of tally is 3.0 and the latest version is Tally ERP9 (prime)

↳ ERP : enterprise resource planning.

-> Versions of Tally :

1. Tally 3.0 (1990)
2. Tally 3.12 (1991)
3. Tally 4 (1992)
4. Tally 4.5 (1994)
5. Tally 5.4 (1996)
6. Tally 6.3 (2001)
7. Tally 7.2 (2005)
8. Tally 8.1 (2006)
9. Tally 9 (2006)
10. Tally. ERP 9 (prime) (2009).

Date
Page

* Accounting : To record and Analyse business transactions.

* Business Transactions : Those transactions on which exchange of goods and Services take place for money are known as business Transaction.

↳ Accounting Terms :

1) Assets : Any resource having an economic value than an individual or corporation controls with the expectation that it will provide a future benefit.

↳ Assests are of two types :

a) Current Asset : It is company's cash and its other Assets that are expected to be converted into cash within one year of the date appearing in the heading of the Company's balance Sheet.

b) Fixed Asset : These are those assets which are purchase for long term use and are not likely to be continued quickly into cash.

2) Liabalitys : It is Something a person or company owes, or liabalities are any debts your company has whether unpaid bills, or bank loan or any other Sum of money that you ones someone else.
e.g : If you have promised to pay someone a Sum of money in the future and haven't paid them yet, that is a liability.

Date
Page

↳ Types of liabality:

a) current liabality: These are often understood as all liabalities of the business that are to be settled in cash within the financial year or the operating cycle of the given firm.
e.g: money owed to Suppliers in the form of Accounts payable.

b) Fixed liabality: Fixed liabalities are a debits or loans that are payable on a term exceeding one year.
e.g: Bank loan.

3) Capital Account: The amount by which we commence our business is known as capital account.

4) Sundry Creditors: Any person who supplies the goods / services or consumable items to a business firm on credit basis will be called as Sundry Creditors by the firm who avails this facility.

5) Sundry Debtors: when a bussiness firm supplies the goods or provides the services to its customer on credit basis then those customes are called as Sundry Debtors.

6) Balance sheet : It is a statement which us the financial position and status of our business.

Tools used in Tally.

↳ These are three tools used in Tally and they are:
1. Ledgers.
2. Groups.
3. Vouchers.

1) Ledger : Book Keeping.
By default 2 ledger are present.
1) Cash 2) profit / loss A/C.

2) Groups : By default 28 groups are there.

3) Vouchers : Bill.
a) Reciept voucher : F6
payment voucher : F5
purchase voucher : F9
Sales voucher : F8
Contra voucher : F4
Journal voucher : F7.

Rules need in Tally.

→ Three rules are used in tally
1) personal rule.
2) Real rule.
3) Nominal rule.

Date

Page

1) personal rule: It is used with persons/organisation.

It states:

Credit the giver.

Debit the receiver.

2) Real rule: It is used with fixed Assets.

This rule states.

Debit what comes in.

Credit what goes out.

3) Nominal rule: Incomes/Expenses:

This rule states.

Dr all expenses and losses

Cr all incomes and gains.

e.g, 1. Dr land

Cr Appreciation.

Dr Depreciation

Cr vehicle

→ 2. Dr. electricity bill.

Cr. cash / Bank.

Date
Page

Q1 How to recieve cash from Investor.

Step1: Go to Accounts info and create a ledger of Investor under capital account.

Step2: Go to Accounting vouchers press F6 for reciept voucher.

Transaction.

Cr investor
Dr cash.

→ To check balance sheet press b for balance sheet and Alt + F1 for detailed balance sheet.

Q2 How to transfer cash in Hand into Bank.

Step1: Go to Accounts info and create ledger of Bank (J&K Bank, HDFC Bank) under Bank account.

Step2: Go to the Accounting vouchers press F4 for contra voucher.

Transaction.

Cr cash
Dr J&K Bank

Cr Cash
Dr HDFC Bank.

Date

Page

Q3 How to transfer cash from Bank to Another Bank.

Step 1: Go to the Accounts info and create ledger of another another Bank / SBI BANK If 2 BANK ledgers are not made under Bank accounts

Step 2: Go to Accounting vouchers, press F4 for contra voucher.

Transaction.

Cr JSK Bank.
Dr SBI Bank.

Q ⇒ How to record transactions of fixed Assets.

Step1: Go to Accounts info and create ledger of fixed assets like (machinery, furniture) etc under fixed assets.

To make payment.

Step2: Go to Accounting vouchers and press F5 for payment voucher.

Dr Machinery
Cr cash / Bank

Dr Furniture
Cr cash / Bank

Note: ctrl + N : calculator on/off.

Date
Page

Q:- How to update fixed Assets.

Step1: Go to Accounts info and create 2 ledgers.
a) Appreciation under Indirect incomes.
b) Depreciation under Indirect expenses.

Step2: Go to Accounting vouchers, press F7 for Journal voucher.

Appreciation	Depreciation
Dr fixed Assets	Dr Depreciation
Cr Appreciation	Cr fixed assets.

NOTE: Alt+F1 : used to shut the company > gateway of tally.

Q: How to purchase Stock Items.

Step1: Go to Accounts info and create 2 ledgers.
1) Supplier Under Sundry creditors.
2) purchase Under purchase Accounts.

Step2: Go to inventory info and create Stock Items:

a) Stock groups (electronics, garments, food Items etc).

b) Units of measure (pcs, No's, Boxes etc).

c) Stock Items (laptops, Mobilephones, T-Shirts etc).

Date
Page

Step 3: Go to Accounting vouchers and press F9 for purchase invoice.

Transaction

Supp. invoice no: 1238.
Party A/c name: Supplier.
purchase ledger: purchase.

Name of Item	Qty	Rate	Amount.
Laptop	10pcs	25,000	2,50,000.

Note: Alt+S: To display price per peice (purchased).

Q: How to Sell Stock Items:

Step 1: Go to Accounts info and create 2 ledgers.
a) customer under Sundry Debtor.
b) Sales under Sales Accounts.

Step 2: Go to Accounting vouchers and Press F8 for Sales Invoice.

Transaction.

Customer Invoice no: 3148
party A/c Name: Customer
Sales ledger: Sales.

Name of Item	Qty	Rate	Amount.
Laptop	5pcs	27,000	1,35,000.

Note: DAL is the shortcut key to check the ledger.

→ F11 : Company features
→ F11 + F1 : Accounting features.
→ F11 + F2 : Inventory features
→ F11 + F3 : Statutory and Taxation.

☆ Inventory features : These are related to the Stock

☆ Accounting features : These are related to Accounts.

☆ Statutory and Taxation : These are related to Taxes.

Inventory Features.

☆. General :

1) Integrate Accounting and Inventory :
This feature is on i.e yes by default as it maintains our balance sheet.

2) Allow Zero Value Transactions :
This option is 'No' by default and by making it "yes" it allows us the free products from the Supplier to add in our stock.
i.e, Buy 20 items and get 5 pieces free.

On free items, the rate is not mentioned but that free item is added into our stock.

Date
Page

2) Storage and classification:

a) Maintain multiple godowns:

This feature is 'No' By Default. By turning the option 'yes', it allows us to maintain multiple godowns/locations at different areas (places).

- Go to Inventory Info and create multiple godowns like Kulgam, Srinagar etc.
- Then go to Accounting vouchers and press F9 for purchase.
- While purchasing the goods, we can put them into Inventory voucher or press Alt+F7 in Accounting Vouchers.
- And Accordingly we can sell Items placed in different godowns.
- To check all godowns, go to Display then statements of Inventory and then godowns.

Note: Alt+C: Used for shortcut creation of any stuff.

b) Maintain stock categories:

- By Default: 'No'
- By making it yes it enables us to maintain the stock in different categories such as Brands, colours Sizes etc:

Page

↳ Steps :

⇒ Go to Inventory info and create stock, group, then stock categories, then units of measures and then stock items.

e.g; Stock group as garmets.
Stock Category as green, white, Black, puma, wrangler etc.
Stock Item as Jacket(w) or Jacket(B), Shirt(P) etc.

↳ Then go to accounting Vouchers and purchase the stock Items as per the categories created.

↳ Then make Sale of the Items according to the stock categories avalable.

↳ To check stock categories:
Go to display, then Statements of Inventory and then categories.

C. Maintain Batchwise details :

- By default "No".

- By turning yes, it allows us to set the manufacturing and expiry dates of the food items, Medicines, liquids etc.

- It has a feature related with it as:
Set expiry dates for batches: yes.

Date
Page

Steps:

- Go to inventory info and create stock group as medicines, units of measure as strips and finally stock items as Dolo 650, Zeredol etc.

- As we create the stock item under its groups etc make maintain in batches as yes,
  Track date of manufacturing: yes.
  Use expiry dates: yes.

- Then go to Accounting vouchers and purchase the same stock. As we enter the stock / item name, Enter the new number as any no. (Such as JK108) then quantity, rate etc.

- Make manufacturing and expiry date as well.
  i.e; manufacturing date (1-4-2019)
  expiry date (31-12-2021) or any other dates we can put but within the financial year.

- Then accept the voucher.

Now the sale can be early done till the expiry date. But in order to check the working of expiry date in the sales voucher change the date first by pressing F2 key and make it beyond the early set expiry date which is (31-12-2021).

Now if we want to sell the item lying within the early expiry date that particular item will not be shown in the Sales Voucher.

d) Use Separate Actual and Billed Quantity Columns:

- By Default 'No'.
- This feature is used for free items i.e, Buy 2 get 1 free etc. of the same item.

Steps:

- ~~The~~ Turn this feature yes.
- Go to Accounting vouchers and press F9 for purchase Transaction.

Name of Item	Qty Actual	Qty Billed	Rate	Amount.
Shirts	10	8	300	2400

- Then accept the voucher.

3) Order processing:

a) Enable purchase order processing:
-> By Default: No.

-> On making it yes, Go to 7th feature which is other features and make its 1st feature (use tracking numbers(enables delivery and Reciept Notes)) : yes

Steps :

- Go to Accounting Vouchers and press Alt + F9 for purchase order.

- Then recieve that order via Alt + F9.

- Then after that make Simple purchase (F9).

- To check order status, go to display and then Statements of Inventory and then purchase order outstandings -> All orders.

Similarly purchase Bills pending.

b) Enables Sales order processing :

- By Default : No.

-> On making it yes, do the same as ~~for~~ done for purchase order processing feature.

-> Then press Alt + F5 for Sales order. and then Alt + F8 for delivery note.

-> Then after that make Sales bill (F8).

Date
Page

- If the order given by use was not of that Quality/Brand, which we were looking for, then we can reject that order by pressing Alt + F6 for rejection out, before simple purchase bill.

Similarly ctrl + F6 for rejection in.

4. Invoicing :

a) Enable Invoicing : yes.
Record purchases in Invoice mode : yes.

-> By Default : No.

-> To make the Accounting vouchers in 2 modes i.e, In-voice mode and voucher mode, make the feature No and then accept. After that make it yes again.

-> Then go to Accounting vouchers to check. If the Bill is in voucher mode, press ctrl + v to bring it in Invoice mode and vice-versa

b. Use Debit & credit Notes : yes

Record credit notes in Invoice mode : yes.
Record debit notes in Invoice mode : yes.

-> By default : No.
This feature allows us to return purchased or sold items

- To return purchased item, Debit note ctrl+F9 is used.
- To take back the sold item, credit note ctrl+F8 is used.
- This feature can be used for simple purchase / sale

C. Use separate Discount column in Invoices : yes.

- By default : No.
- This feature is used for Discount.

Name of Item	Qty	Rate	Disc%	Amount.
Printers	20	18000	5%	342000.

5. Purchase Management:

a) Track Additional cost of purchase : yes.

→ By Default : No.

→ While we use this feature, Invoicing feature should be <u>No</u>.

→ This feature is used to check out the additional cost or effective charges on the purchased items.

Date
Page

Steps :

* Make all the ledgers like purchase, Supplier, customer Sales.

* Also make ledger freight charges under direct expenses.

* Go to Accounting vouchers and press F9 for purchase

Cr – Supplier.
Dr – purchase.

→ Credit the dummy value for the Supplier.
→ Then as we enter the voucher.

Name of Item	Qty	Rate	Amount
laptop	20	30,000	6,00,000.

* The enter :

Type of cost	% age	Amount
Freight charges	5%	30,000.

* Then enter again till the voucher is displayed.
* pressing backspace, credit the same amount as shown below i.e, 6,30,000.

Debit and credit amounts are same.
☆ Then enter and accept.

-> To check the effective rate of an item.

Go to display -> Trial balance -> current liabilities -> Sundry creditors -> Supplier (Double enter) -> Alt + F8 -> make all options yes -> Select all item Automatic column and Accept -> press F8 and select ledger Analysis -> Then select the item and check out the details.

6. Sales management :-

a) Use multiple price levels :-

☆ By default : No.

☆ As we make it "yes", company price levels panel opens create price level as :-
1) Wholeseller.
2) Retailer.
3) Local customer etc.
Then enter and accept.

Steps :-
-> Go to inventory info and create price list for different groups for the above price levels.

Date
Page

i.e, stock group name → electronics
price level → local customer
Applicable from → 1-Apr-2022.

Then enter.

S.No	particulars	from	less than	Rate
1	Laptop		10 pcs	50,000
		10pcs	20 pcs	40,000
		20pcs		30,000.

Then accept.
Similarly, we can create the Same for retailers and wholeseller.

Note: The rate goes on decreasing as the Quantity is Increased

⇒ Order of rate.
Local Customer > Retailer > wholesellers.

☆ Then go to Accounting vouchers and press F8 for Sale.

☆ Select the price level whom we want to sell and as we enter the item on which price level was created, select the Qty and automatically the rate and amount will be autofilled itself.

☆ Accept the vouchers.

→ Other features :

a) Use Tracking Numbers [Enable delivery and reciept notes) : yes.

b) Use Rejection inward and outward Notes : yes.

→ By Default above 2 features are : "NO"

→ This feature is used to reject either the purchased item or Sold item but before making the bills i.e; purchase or Sale.

☆ This feature is used with purchase order or Sale order.

→ Steps :

1☆ Make purchase order [Alt + F4].
☆ Recieve that order [Alt + F9].

And if any of the items is defected etc. Then we use Rejection outward (Alt + F6) in Accounting Vouchers.

2☆ For Sales order (Alt + F5).
☆ Delivery note (Alt + F8).

If the items are defected then we can return those items, by using rejection Inward (ctrl + F6).

Date
Page

☆ Accounting Features

1. General:

a) Maintain Accounts only : yes.
→ By Default : No.
→ This feature is used when we want to maintain accounts only of our Company.

b) Integrate Accounts and Inventory : yes.

→ By default : No.
→ This feature maintains our balance sheet.

c) Use income and expenses A/c instead of profit and loss A/c : yes.
→ By Default : No.
→ If the Company has profit, the name will shown as
(L/S) excess of income over expenditure and If the Company has loss, the name will be shown as excess of expenditure over income - (Asset Side).

d) Enable Multi-currency : yes.

→ By default : No.
→ This feature helps us to make sale to our foreign customes in their currency.
Steps:

☆ Go to accounts info and create the currency such as

Dollar, Dinar etc.
i.e, Symbol : $
Formal name : Dollar.

Then Accept.

-> Then go to Accounting vouchers and press F8 for Sale

Name of item	Qty	Rate	Amount.
charger	2	5$	$10

Then rate of exchange.
@ ₹ 79 / $.
-> Then enter and Accept.

2. outstanding Management.

a) maintain bill wise - details : yes
For non-trading accounts also : yes.

☆ It Shows us the billwise details of the Supplier and it is used with the payment voucher of Supplier.
Steps:

☆ while making the ledger of Supplier make maintain bill-wise details : yes.

* make purchase of different goods in different invoices

* Then in payment voucher.

Dr - Supplier.
Cr - Cash.
As we enter the amount, Type of refrence → Agst refrence.
→ Then enter the bill, we want to make payment.
→ we can make further payments until there are zero bills.

b) Activate Interest calculation : yes.
Use advanced parameters : yes.

→ This feature is used to check the Interest percent-age on Bank loan or any other Loan (private firm).

Steps :
* make 3 ledgers viz :
1) JK Bank (Savings) under bank accounts.
2) JK Bank (loan) under bank O/D Account.
3) Intrest payable under Indirect expenses.

→ while making JK Bank (loan) ledger make intrest calculation : yes.

For amounts added : yes
For amounts deducted : yes.

Date
Page

→ Rate : 5% per 365 day year on all balances

Cr - JK bank (loan)
Dr - JK bank (Saving)

Transaction type : Bank Transfer.

↳ To check rate of Intrest.

☆ Go to display → Statement of Accounts → Intrest Calculation → Intrest payable → Press F2 for date it shows month wise intreset.

☆ After this journal Voucher F7 is used for Due entry (Nominal rule is used).
Dr → Intrest payable.
Cr → JK bank loan.

☆ Then F5 for payment.
Cr - cash
Dr - JK bank loan.

c) Maintain cost centres : yes.
Maintain more than one payroll or cost category : yes.
→ By Default : No.
→ This feature is used to distribute salaries to our staff.

Date
Page

↳ Steps:

★ Make 2 ledger viz;
-> Salary expenses under Indirect expenses.
-> Salary outstanding under current liabilities.
[cost center applicable: yes].

-> Make cost categories such as manager, Assitant, operator, clerks etc. in Accounts info.

-> Then create cost centres as:

Category	manager
Name	Iqra under primary
Name	Bisma " "

↳ Then go to Accounting vouchers and press F7 for Journal voucher.

Dr = Salary expenses.
Cr - Salary outstanding.

↳ As we due the amount like (50,000).
Cost category.

Name of cost centre	Amount.
Bisma	25000
Iqra	25000.

-> Each category will have its 100% or amount in total equally distributed as shown above.

↳ Similarly we can due the amount for other categ as well.

↳ Then make Simple payment [FS].
Dr - Salary outstandings.
Cr - Cash.

c) Use pre-defined cost centre allocations in transaction : yes.
By Default : No.
↳ This feature is used in accordance with the maintain cost centre feature i.e, previous feature should also be 'yes' and maintained initially.

→ As we make the feature yes the following appears and we need to make the classes as:

Class Name
Class A
Manager
Mr. Muneer Ahmad 100%

Class B
Assisstant
Mr umar 100%

Class C.
Operators.

Miss bisma	25%
Miss Iqra	25%
Miss Iqla	25%
Miss Mehar	25%

Date
Page

Similarly various classes of other categories can be easily made.

↳ Then accept the feature after many clicks required.
↳ Then go to accounting vouchers and press F7.
↳ Maintain the cost centre we want to due the Salary like class A.
Dr – Salary expenses.
Cr – Salary outstandings.

Then make simple ~~voucher~~ payment (F5) of the class A.
Dr – Salary outstandings.
Cr – Cash.

↳ The payment voucher will automatically show us the details of class A.

↳ Budgets and Scenario Management:

a) Maintain budgets and controls : yes.
-> By default : No.
-> This feature allows us to maintain the budget and expenses

Steps :-
-> Go to Accounts info and make the ledger of purchase budget under purchase accounts.

-> Then make budgets in Accounts Info. as:
Name : purchase budget.
Under : primary.

Page

From
1 - Apr - 2021

To
31 - Mar - 2022.

Group → yes
Group name → purchase accounts.

Type of budget → ON Nett transactions
Amount → 2,00,000

→ ledger → yes.
Account name → purchase B.

Type of budget : ON nett transactions.
Amount : 2,00,000.
↳ Then Accept.

☆ Then go to Accounting vouchers and press F9 for purchase using purchase budget ledger.

☆ purchase show stock under the budget balance or upto that balance or above to check the fluctuation of the budget.

☆ At last, to check the budget details.

Go to display → Trial balance → purchase account → F2 to change the date as per the date mentioned earlier → Alt + B → Select purchase budget.

Date
Page

For expenses:

* Go to Accounts info and make the ledger of expenses budget Under Indirect expenses.

* Then create expenses in budgets, under primary
From 1 - Apr - 2021 To 31 - mar - 2022.

↳ Group → yes
Group name → Indirect expenses.

↳ Type of budget → ON Nett Transactions.
Amount → 3,00,000.

↳ ledger → yes.

Powerbill : on Nett transactions.
Amount : 50,000.
water bill : " " "
Amount : 20,000.
miscellaneous exp : " " "
Amount : 70,000.

→ Then go to Accounting vouchers and make payment on. These expenses Such as water bill etc.
Dr - water bill.
Cr - Cash.

Date ____
Page ____

b) Use recieving journals and optional vouchers - yes

↳ By Default : No.
↳ This feature is used to make Temporary Sale to the Known customer till the Actual Confirmation of the items.

Steps :

* Go to Accounting Vouchers and press F8 for Sale
* Then press Ctrl + L to make the Sales voucher optional.
* Then do the Sale of Item.

→ As we check our stock there is no decrease in any of the items as the sale was made optionally.
↳ Now to confirm the Sale Go to display → day book → Select the optional Sales voucher → make alteration to it by again pressing Ctrl + L to make it regular and then Accept
↳ Quantity can be either ↑sed or ↓sed or made the Same.

Date
Page

c) Maintain payroll : Yes.
-> By default : No.
-> This feature is used to maintain the net salary (Basic pay, TA, DA, MA, HRA, GP fund, CP fund, provident fund) etc. of an employee.

↳ Steps :

* Go to payroll Info at the gateway of tally.

* Then make employee groups as : manager, Assitant, Accountant, clerks etc under primary with define Salary details : 'No'.

↳ Then create employees as :
Name : Miss Bisma
Under : Manager
Do. J : 1-4-21.
Define Salary
Details : No.

General Information.
Emp No : Emp001
Emp No : Emp --- etc.
Fill other Information as well and then accept.

And similarly other employees can be grouped under different employee groups as well.

Date
Page

↳ Then create units (works) as:
↳ Type Simple
Symbol minute (min) "Accept"
↳ Type Simple
Symbol hr "Accept."
↳ Type compound.
Symbol hr of 60 min "Accept".

☆ Then create Attendance production types as:
Name: present days.
Under: primary.
Attendance: Attendance / leave with pay.
type. "Accept"

Name: Absent days.
Under: primary.
Attendance type: ~~A~~ leave without pay.

↳ Then create pay heads as:

① Name : Basic pay.
pay head type : Earning for employee.
Income type : Fixed.
Under : Indirect expenses

-> Affect net Salary : yes.
-> Use for calculation of gratuity : No.
-> Calculation type : on Attendance.
-> Attendance/leave ē pay : present days.

→ Calculation period : months.
→ Basis of calculation : As per calendar period.
(Per day)
→ Rounding method : Not Applicable.
Then : Accept.

(2) Name : HRA.
Calculation type : As computed value.
Methods of Computation.
On Specified formula.

Pay head → Basic pay.
Amount upto → slab type, value (percentage value)
30,000
30,000 → % age 3 %
30,000 - 50,000 → % age 4 %
50000 → % age 5 %

→ Slab type can be put in values (200, 300 etc or in both % age as well as in values (2%, 300 etc).

→ Similarly other pay heads are created in the same way with different calculation type such as flat rate, as computed value.

For GP or CP Funds:

Pay head type : Deductions from employees.
Under : current liabilities.
Calculation type : Flat rate.
Calculation period : Months.

-> Then create Salary details as:
Click on define.

-> Manager primary
effective from 1-4-21
pay heads:
Basic pay.
MA
CP Fund.
TA etc.

Similarly pay heads can be made for other employee groups in the same way with different head scales.

-> Then individually select the names of employees and do the following:

effective from 1-4-2021 — Pay head
copy from parent value

It will automatically fill the details as created before.

Date
Page

→ At the Gateway of tally, Go to payroll vouchers.

Account → cash

press ctrl + F5 → Attendance.
Then Alt + A → Attendance Autofill.
voucher date → 1-5-21

Employee / Group : All Items.
Attendance / production type : present days.
Default value to fill : 0
Sort by : Employee name / No.

→ Then make the present days of employees.
"Accept".
Again press Alt + A → Absent days.
Attendance type → Absent days.

→ Then type the absent days of employees.
"Accept".

→ Again press ctrl + F4 → payroll vouchers.
→ Account : cash.
press Alt + A : payroll Autofill.
process for : Salary.
from : 1-5-21
To : 31-5-21
"Accept"

→ To check salary details of an employee

press Dpppps (Display, payroll reports, statements of payroll, pay slip, single pay slip) at the gateway of Tally.

→ And for printout press Alt +p.

GST

↳ GST stands for goods and service tax. It is an Indirect Tax which has replaced many indirect taxes in India. The GST act was passed in the parliament on 29th - march - 2017. The act came into effect on 1st - July - 2017. GST law in India is a comprehensive multi-stage destination based tax. i.e levied on every value addition.

In simple words GST is an Indirect Tax levied on the supply of goods and services. This law has replaced many Indirect Tax laws that previously existed in India. GST is one Indirect tax for the entire country.

Journey of GST In India:-

The GST journey began in the year 2000 when a committee was setup to draft law. It took 17 years from then for the law to evolve, In 2017 the GST bill was passed in the Rajya Sabha and lok Sabha. On 1st july 2017, the

Date
Page

Gst law came into force

↳ Advantages of "Gst":-

Gst has mainly removed the cascading effect on the sale of goods and services. Removal of cascading effect his impacted the cost of goods. Since the gst regime eleminates the tax ~~got~~ on tax, the cost of goods decreases. Gst is also mainly technologically driven. All activities like registration, return filling, application for refund and response to notes needs to be done online on the Gst portal.

* Removing cascading tax effects.
* Higher threshold for registration.
* Composition Scheme for small business.
* Online simpler procedure under Gst.
* lesser compliances.
* Defined treatment for e-commerce.
* Increased effeciency in logistics.
* regulating the unorganised sector.

↳ Components of GST.

⇒ There are 3 taxes applicable under this System.

1) CGst 2) SGST 3) IGST.

-1) CGST: It stands for central goods and services Tax. It is collected by the central govt on an Intrastate sale.

Eg; Transaction happening within J and K.

2) SGST: It stands for state goods and service tax. It is collected by the state govt. on an intra-state sale.

Eg; Transaction happening within state.

3) IGST: It stands for Integrated goods and service tax. It is collected by the central govt. for Inter-State Sale.

Eg; transaction happening from Delhi to J&K or from J&K to Delhi.

In most cases, the tax structure under the new regime will be as:

Transaction	New Regime	old R	
Sale within the State	CGST + SGST	VAT + Central excise/Service tax.	Revenue will be shared equally
Sale to another State	IGST	Central tax Sales tax + Excise/ Service tax	There will only one type of tax (Central)

Date
Page

↳ Statutory and Taxation.

> Enable goods and services Tax (GST) : yes
Set/Alter gst details : yes.

> By Default : No.
on making the feature 'yes'.

GST Details.

State J&K
Registration type : Regular.
Gst applicable from : Ist - July - 2017.
Set Gst details : 'yes'
Taxability : Taxable.

Integrated tax : 12%, central tax 6%, State tax 6%.
"Accept".

> Go to account info, make the ledger of Supplier, purchase, customer, Sale, CGST, SGST and IGST as:

1) Ledger of Supplier under Sundry creditors
Registration type : Regular
Set/alter GST details : yes

"Accept."

Date
Page

2. Intrastate purchase under purchase accounts

→ Set/alter Gst details: 'yes'
Nature of Transaction purchase taxable

→ Integrated tax 12%
Central tax 6%, State tax 6%

Type of Supply: Goods.
"Accept"

3. Ledger of customer under Sundry Debtors:

→ Set/Alter Gst details: 'yes'
Registration type: Regular
"Accept"

4. Intrastate Sale under Sales Accounts.

→ Set/Alter Gst details: 'yes'.
Nature of Transaction: Sales taxable

Integrated tax - 12%
Central tax - 6%
State tax - 6%

Type of Supply - Goods.
'Accept'.

5. CGST under Duties and taxes.

Type of duty : Gst.
Tax type : Central tax
% age calculation : 6 %.
"Accept"

6. SGST under Duties and Taxes.

Tax of duty : Gst.
Tax type : State tax.
% age calculation : 6 %.
"Accept"

* Then make some stock in inventory info without setting. Gst details in that.

* Then Go to Accounting Vouchers and press F9 for purchase.

Party Account Name : Supplier.
Purchase ledger : Intrastate purchase.

Name of Item	Qty	Rate	Amt
Mobile phones	100	1500	1,50,000

Then double enter.

CGst 6%. 90,000
SGst 6%. 90,00
"Accept"

Page

→ Then press F7 for journal voucher to due the tax amount.

Dr CGst 30,000.
Dr SGst 〃
Cr Cash 60,000.

→ Interstate purchase and Intrastate Sale:-

→ Make all the ledgers (Supplier, Customer, Interstate, purchase, Intrastate, Sale, IGst, CGst, and SGst).

→ Interstate purchase under purchase Accounts.

→ Nature of Transaction : Interstate purchase taxable.

→ Then make Simple purchase F9.
IGst 12 %.
"Accept"

→ Then F8 for Sales.

CGst 6%.
SGst 6%.
"Accept"

→ Then F7 for journal voucher

Dr
Dr
Cr.

→ point of Sale feature.

Steps.

→ Go to Inventory Info → voucher type (click) → create →

Name : POS.
Select type of voucher : Sales.
print voucher after saving : yes.
Use for pos invoicing : yes.
message to print (1) : Thanks.
message to print (2) : visit again.
Default title to print : Goods once.
Sold cannot be taken bak.
"Accept".

→ Then go to Accounting voucher and press F8 for Sales.
Select voucher type Pos.
pos no 1.
Godown Any.

party A/C Name : Customer.
Sales ledger : Sale.

Name of item	Qty	Rate	Amt
Laptops	5	40,000	2,00,000

Cash : Cash 2,00,000
cash tendered : 2,10,000.

Balance : 10,000.
"Accept"

→ Then Simply print it.

☆ Cash tendered is the actual amount given by the customer.

☆ Customer can either pay by cheque, debit card, both etc.

☆ Point of Sale voucher is used when the customer is not known.