

Introduction of Tally:

Tally ERP 9 is the world's fastest and most powerful concurrent Multi-lingual business Accounting and Inventory Management software. Tally ERP 9, designed exclusively to meet the needs of small and medium businesses, is a fully integrated, affordable and highly reliable software. Tally ERP 9 is easy to buy, quick to install, and easy to learn and use. Tally ERP 9 is designed to automate and integrate all your business operations, such as sales, finance, purchasing, inventory, and manufacturing.

Versions of Tally:

- **Tally 4.5** - Tally 3.0 to Tally 4.5 version was a DOS based software. It was unable to run in Windows Operating system. We cannot create multiple ledgers & groups. We also cannot use multiple currencies in this software. We cannot maintain inventories. We cannot backup multiple companies. In this stock adjustment is not proper.
- **Tally 5.4** - Tally 5.4 version introduced its operating in windows Operating System. In this we can create multiple ledgers & groups. We can use multiple currencies. We can maintain inventories also as well as accounts. We can backup multiple (according to choice) companies. In this stock (Opening & Closing) adjustment is proper. In this period changing is necessary
- **Tally 6.3** - It is also windows based software like tally 5.4 all options of that version was available in it. It can maintain accounts through the network.
- **Tally 7.2** - This is also a windows based program. Networking is also possible in this. We can calculate VAT, Service Tax, and TDS in this software.
- **Tally 8.1**- It is first accounting software in India having multilingual capabilities. It supports Multi -Lingual, FBT (Fringe Benefit Tax), Excise and VAT returns.
- **Tally 9.0**- International Taxation and Payroll has been introduced in Tally 9.
- **Tally ERP 9** – Tally ERP 9 launched with series A in year 2009. Excise for Manufactures and Remote Login feature Launched in this.

Account: Account is a summarized record of all the transactions relating to every person, everything or property and every type of service.

Accounting: - Accounting is the systematic recording of daily transaction, classification and summarization.

Types of Accounts

Personal Account: Personal accounts are the accounts of persons, firms, concerns and institutions which the businessmen deal.

Principles: Debit : The receiver

Credit : The giver

Real Account: These are the accounts of things, materials, assets & properties. Ex. Cash, Sale, Purchase, Furniture etc.

Principles: Debit : What comes In

Credit : What goes Out

Nominal account: Nominal account is the account of services received (expenses and Losses) and services given (income and gain) Ex. Salary, Rent, Wages, Stationery etc.

Principles: Debit : All expense/losses

Credit : All income/ gains

Basic terms used in Accounting:-

Capital: Capital is the amount invested for starting a business by a person.

$$\text{Capital} = \text{Assets} - \text{Liabilities}$$

Drawing: Drawings are the amounts withdrawn (taken back) by the businessman from his business for his personal, private and domestic purpose. Drawings may be made in the form cash, goods and assets of the business.

Assets: Assets are economic resources which will enable the firm to get cash or benefit in future. They are classified into two types.

Fixed Assets: These are those assets which are kept for a long period. Such as land, buildings, furniture, machinery, motor cars etc.

Current Asset: It is converted into cash within a year. Ex. Bills receivable

Sundry Debtors: The person who is the receiver or customer

Sundry Creditors: The person who gives or supplier.

Expenses: Amount used to produce and selling goods which produce the revenue. For Example - Payment of salary, wages etc.

Direct Expenses: Those expenses which are directly related to manufacturing of goods. Ex. Wages, factory rent, heating, lighting etc.

Indirect Expense: Those expenses which are indirectly related to manufacturing of goods. Ex. Salary, rent, stationery, advertisement, printing etc.

Purchase: Purchase means goods purchased by a businessman from suppliers.

Purchase Return: Purchase return means the return of the full or a part of goods purchased by the businessman to his suppliers.

Sales: Sales is goods sold by a businessman to his customers.

Sales Return: Sales return means the return of the full or a part of the goods sold by the customer to the businessman.

Liabilities: All the amounts payable by a business concern to outsiders are called liabilities.

$$\text{Liabilities} = \text{Assets} - \text{Capital}$$

Long term Liabilities Those liabilities which are payable after a long term for e.g. Long term loans, Debentures etc.

Current Liabilities Those liabilities which are payable after a short period of one year for Example - Bills payable, short term loans etc.

Stock: Stock is the unsold items on a particular date. It can be of two types.

Opening Stock: This means goods which remain unsold at the beginning of the accounting year.

Closing Stock: This means goods which remain unsold at the end of the accounting year.

Discount: When customer is allowed any type of reduction in the prices of items.

Loss: Loss is the gross decreases in the assets or grows increases in the liabilities. It is the excess of expenses over revenues.

Gains: Gain is the change in the net worth arising from change in the form and place of goods and assets over a period of time.

Profit/loss A/C: It is prepared to ascertain actual profit or loss of the business.

Trial Balance: It is a statement of all the ledger account balances prepared at the end of particular period to verify the accuracy of the entries made in books of accounts.

Balance Sheet: To ascertain the financial position of the business. It is a statement of assets and liabilities.

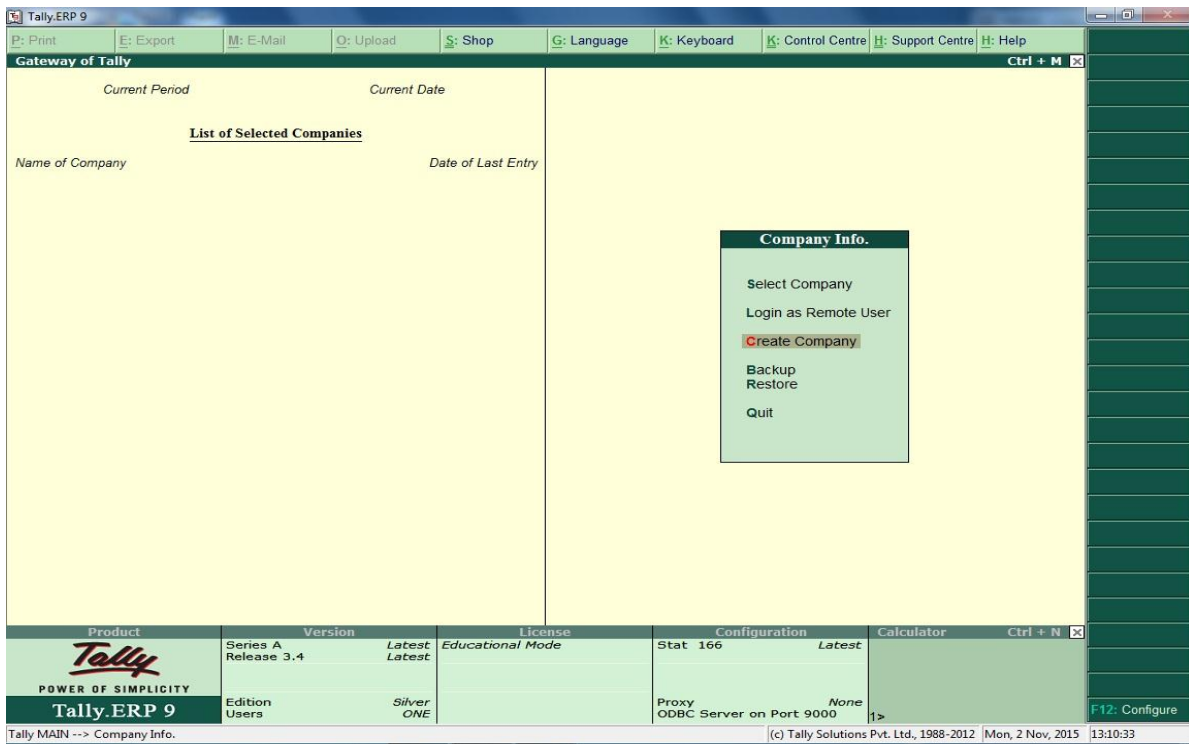
S. No.	Ledger Name(A/C)	Ledger Group	CR/DR
1	Boxes & Labels	Direct. Ex.	Dr.
2	Royalties Based On Production	Direct. Ex.	Dr.
3	Manufacturing Expenses	Direct. Ex.	Dr.
4	Carriage Inward	Direct. Ex.	Dr.
5	Freight Inward	Direct. Ex.	Dr.
6	Carriage	Direct. Ex.	Dr.
7	Wages	Direct. Ex.	Dr.
8	Wages & Salary	Direct. Ex.	Dr.
9	Cartage	Direct. Ex.	Dr.
10	Octori	Direct. Ex.	Dr.
11	Dock Charges	Direct. Ex.	Dr.
12	Custom Duty In Import	Direct. Ex.	Dr.
13	Motive Power, Coal	Direct. Ex.	Dr.
14	Gas Water & Bill	Direct. Ex.	Dr.
15	Grease	Direct. Ex.	Dr.
16	Fuel Heating & Lighting	Direct. Ex.	Dr.
17	Factory Expenses	Direct. Ex.	Dr.
18	Factory Expenses & Insurance	Direct. Ex.	Dr.
19	Discount On Debtors	Indirect Ex.	Dr.
20	Electric Bill	Indirect Ex.	Dr.
21	Income Tax	Indirect Ex.	Dr.
22	Miscellaneous	Indirect Ex.	Dr.
23	Salary	Indirect Ex.	Dr.
24	Stationary & Printing	Indirect Ex.	Dr.
25	Postage & Telegram	Indirect Ex.	Dr.
26	Audit Expenses	Indirect Ex.	Dr.
27	Legal Charges & Law Fees	Indirect Ex.	Dr.
28	Telephone Expenses	Indirect Ex.	Dr.
29	Insurance	Indirect Ex.	Dr.
30	Entertainment Expenses	Indirect Ex.	Dr.
31	Repair & Renewals	Indirect Ex.	Dr.
32	Depreciation	Indirect Ex.	Dr.
33	Interest	Indirect Ex.	Dr.
34	Sundry Trade Expenses	Indirect Ex.	Dr.
35	Conveyance	Indirect Ex.	Dr.
36	Charity	Indirect Ex.	Dr.
37	Bank Charges	Indirect Ex.	Dr.
38	Office Expense	Indirect Ex.	Dr.

39	Establishment Expenses	Indirect Ex.	Dr.
40	General Expenses	Indirect Ex.	Dr.
41	Stable Expenses	Indirect Ex.	Dr.
42	License Fees	Indirect Ex.	Dr.
43	Brokerage	Indirect Ex.	Dr.
44	Upkeep Of Car & Vans	Indirect Ex.	Dr.
45	Office Lighting	Indirect Ex.	Dr.
46	Loss By Theft, Fire	Indirect Ex.	Dr.
47	Commission	Indirect Ex.	Dr.
48	Advertisement	Indirect Ex.	Dr.
49	Freight Out	Indirect Ex.	Dr.
50	Carriage Outward	Indirect Ex.	Dr.
51	Export Duty	Indirect Ex.	Dr.
52	Discount	Indirect Ex.	Dr.
53	Packing Charges	Indirect Ex.	Dr.
54	Traveling Expenses	Indirect Ex.	Dr.
55	Distributive Expenses	Indirect Ex.	Dr.
56	Bad Debts	Indirect Ex.	Dr.
57	Money Order	Indirect Ex.	Dr.
58	Commission On Purchase	Indirect Ex.	Dr.
59	Water Bill	Indirect Ex.	Dr.
60	Rent	Indirect Ex.	Dr.
61	Tax	Indirect Ex.	Dr.
62	Stationary	Indirect Ex.	Dr.
63	Interest In Capital	Indirect Ex.	Dr.
64	Bad Debts (New)	Indirect Ex.	Dr.
65	Prov. For Bad Debts (New)	Indirect Ex.	Dr.
66	Prov. For Bad Debts (Old)	Indirect Ex.	Cr.
67	Furniture & Fitting	Fixed Assets	Dr.
68	Tools	Fixed Assets	Dr.
69	Plant & Machinery	Fixed Assets	Dr.
70	Horses & Carts	Fixed Assets	Dr.
71	Land & Building	Fixed Assets	Dr.
72	Freehold / Leasehold Land	Fixed Assets	Dr.
73	Business Premises	Fixed Assets	Dr.
74	Patents & Trade Mark	Fixed Assets	Dr.
75	Goodwill	Fixed Assets	Dr.
76	Transistor	Fixed Assets	Dr.
77	Outstanding Income	Current Assets	Dr.

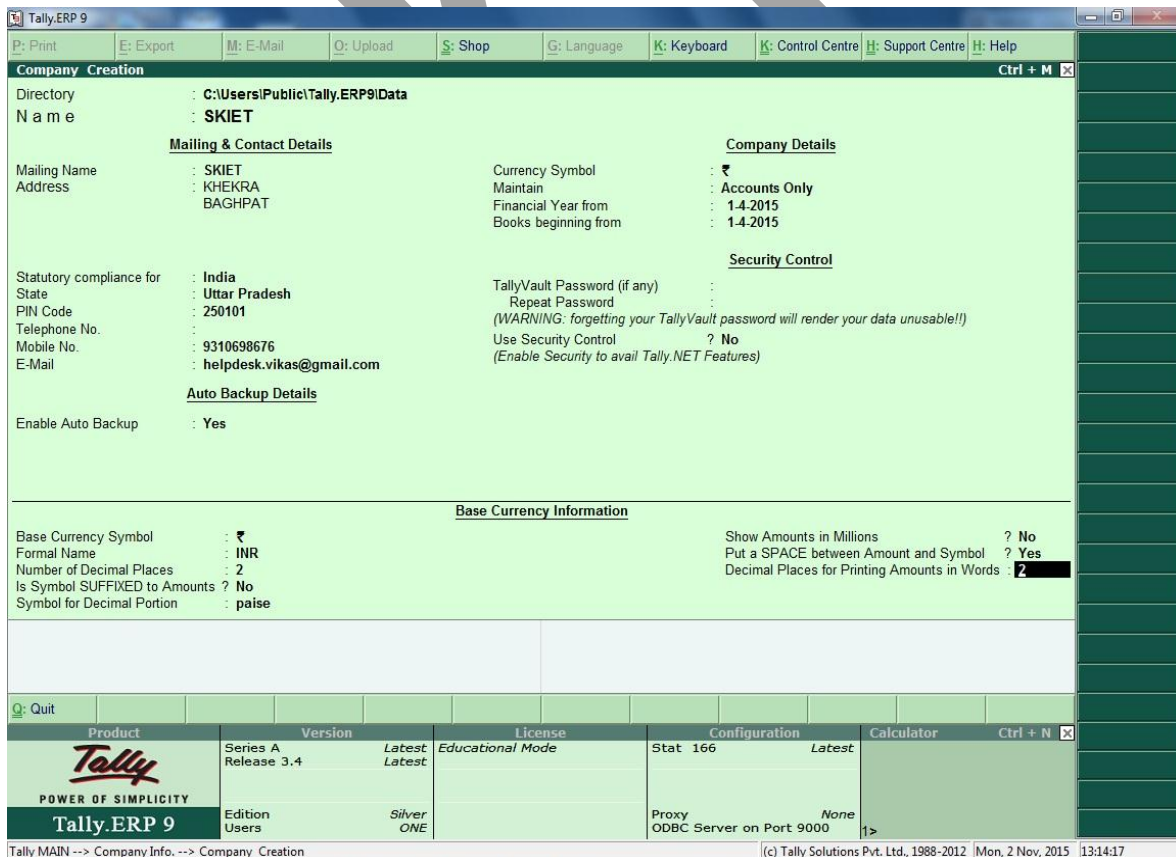
78	Unexpired Insurance	Current Assets	Dr.
79	Bill Receivable (B / R)	Current Assets	Dr.
80	Prepaid Income	Current Assets	Cr.
81	Government Security	Current Assets	Dr.
82	Prepaid Expense	Current Assets	Dr.
83	Cash At Bank	Bank	Dr.
84	Bank	Bank	Dr.
85	Drawing	Capital	Dr.
86	Capital	Capital	Cr.
87	Purchase	Purchase	Dr.
88	V.P.P	Purchase	Dr.
89	Purchase Return	Purchase	Cr.
90	Return Outward	Purchase	Cr.
91	Sales Return	Sales	Dr.
92	Return Inward	Sales	Dr.
93	Sale	Sales	Cr.
94	Rent From Tenants	Indirect Income	Cr.
95	Discount (Cr)	Indirect Income	Cr.
96	Commission (Cr)	Indirect Income	Cr.
97	Interest (Cr)	Indirect Income	Cr.
98	Bad Debts Recovered	Indirect Income	Cr.
99	Sundry Receipts	Indirect Income	Cr.
100	Discount On Creditors	Indirect Income	Cr.
101	Newspaper	Indirect Income	Cr.
102	Discount On Purchase	Indirect Income	Cr.
103	Discount Received	Indirect Income	Cr.
104	Interest On Drawing	Indirect Income	Cr.
105	Rent (Cr)	Indirect Income	Cr.
106	Outstanding Expenses	Currently Liability	Cr.
107	Bill Payable (B/P)	Currently Liability	Cr.
108	Loan (Cr)	Loan Liability	Cr.
109	Bank Overdraft	Bank Overdraft	Cr.
110	Reserve Fund	Reserve & Surplus	Cr.
111	Sundry Creditors	Sundry Creditors	Cr.
112	Sundry Debtors	Sundry Debtors	Dr.
113	Investments	Investment	Dr.
114	Cash In Hand	Cash In Hand	Dr.
115	Stock	Stock In Hand	Dr.
116	Loan (Dr)	Loan & Advances	Dr.

Steps to Create a Company:-

- Start > Programs > Tally ERP 9 > Tally ERP 9.
- Press Alt+F3 to Open Company Info.



- Select Create Company Option

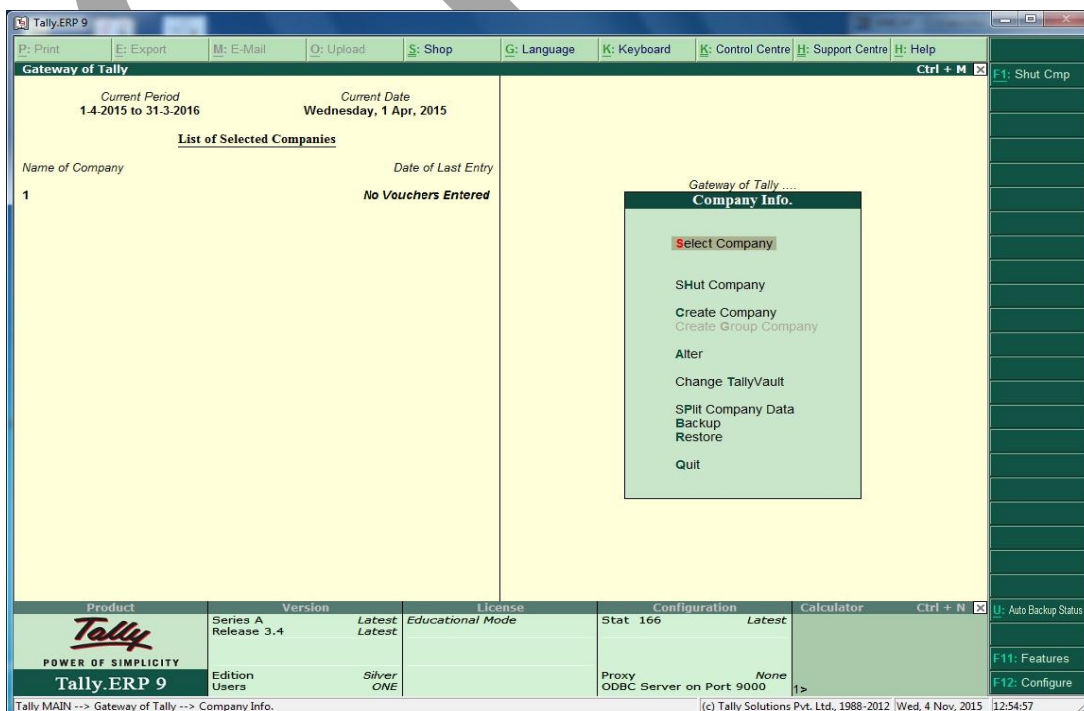


OPTION NAME

FILL THESE INFORMATION

- **Directory** It is that location where the company will be saved.
- **Name** We can enter here the Name of the company here.
- **Mailing Name** Company name will be appearing here but it can be change.
- **Address** Enter the address of the company.
- **Statutory Comp. for State** Select the country of your company.
Select the state of company from given list.
- **Pin code** Enter the pin code of the company's city / state.
- **Telephone No.** You can fill the landline no. of company here.
- **Mobile No.** You can also fill the Mobile no. of company here.
- **E-mail Address** You can enter the E-mail address of the company
- **Enable auto backup** Select yes or no as you wish.
- **Currency Symbol** Rupees symbol will be here.
- **Maintain Account only** Only accounts of the company are maintained.
- **Accounts with Inventory** Accounts and inventory both will be maintained.
- **Financial Year from** Enter the 1st April with year.
- **Books Beginning from** Same as the financial year but we can change it.
- **Tally Vault Password (If any)** You can use it according to you.
- **Use security control** You can also use it according to you.

Company Information Display Features:



Company Info Option:

Select Company This option is used to select a company which already have been created.

Shut Company This option is used to close the currently opened company.

Create Company This option is used to create a New Company.

Create Group Company This option is used create to a group of company under one name.

Alter This option is used for modifies or deletes a selected company.

Change Tally Vault This option is used to change the Tally Vault Password.

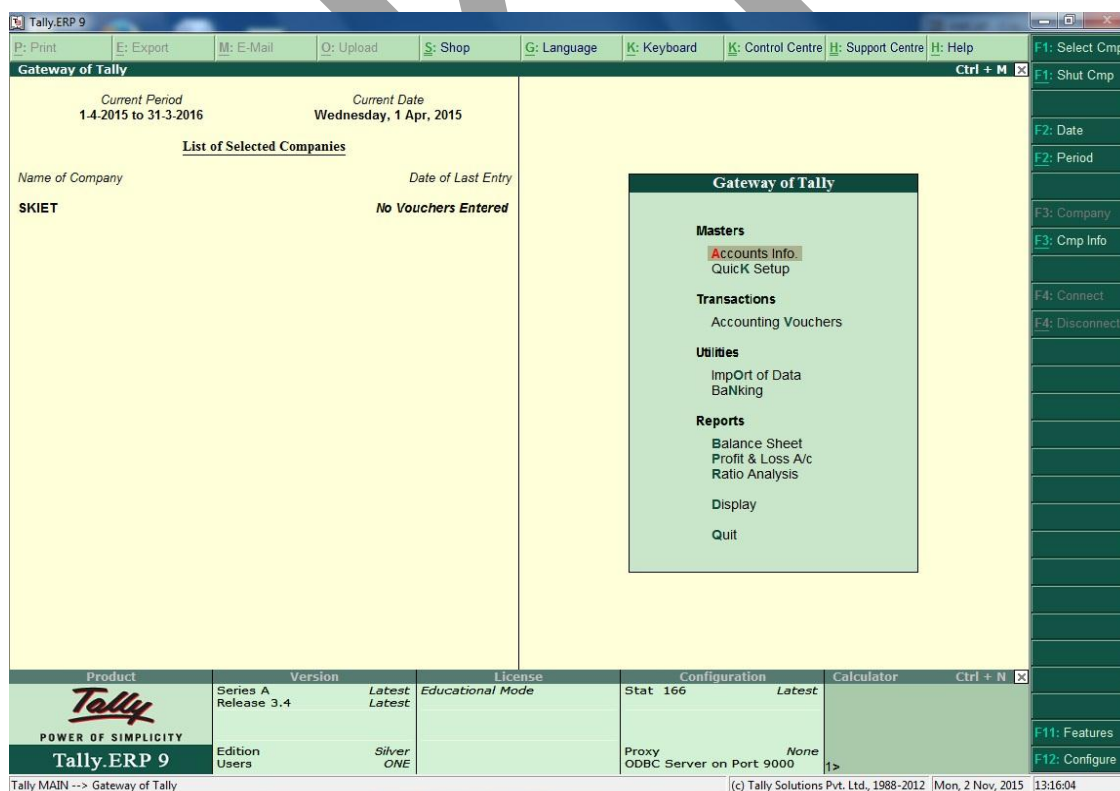
Split Company Data This option is used to split company data.

Backup This option is used to create a backup of your data into another drive.

Restore This option is used to restore the data on the Hard disk.

Quit This option is used to exit from the company Info Screen.

Press Esc for going on Gateway of tally



To Create a Ledger Go to Account Info > Ledgers > Single Ledgers > Create

Q:-1. Prepare the Computerized Trading & Profit/Loss and Balance Sheet.

Ledger Name	Amount	Ledger Name	Amount
Opening Stock	3000	Capital	25000
Machinery	14000	Furniture & Fixtures	6500
Purchases	500	Salaries	2100
Sales	1100		

Q:-2. Prepare the Computerized Trading & Profit/Loss and Balance Sheet.

Ledger Name	Amount	Ledger Name	Amount
Capital	5000	Sundry Debtors	300
Sales	2000	Return Inward	200
Purchase Return	1500	Purchase	3000
Cash at Bank	5500	Bank Overdraft	500

Q:-3. Prepare the Computerized Trading & Profit/Loss and Balance Sheet.

Ledger Name	Amount	Ledger Name	Amount
Salaries	200	Sundry Creditors	600
Stock in Hand	1500	Freight Inward	350
Rent and Taxes	350	Sundry Debtors	2500
Commission (Cr.)	2800	Interest	300
Purchase Return	1800		

Q:-4. Prepare the Computerized Trading & Profit/Loss and Balance Sheet.

Ledger Name	Amount	Ledger Name	Amount
Insurance Premium	3000	Bills Payable	8000
Motor Vehicle	1500	Typewriter	1200
Interest	450	Carriage Inwards	300
Carriage Outwards	500	Bills Receivable	3700
Discount Receive	2650		

Q:-5. Prepare the Computerized Trading & Profit/Loss and Balance Sheet.

Ledger Name	Amount	Ledger Name	Amount
Drawing	500	Tools	800
Prepaid Insurance	1000	Bad Debts Pro. (Cr.)	2100
Outstanding Expenses	1500	Postage	40
Interest Receive	250	Factory Rent	1160
Discount	350		

Q:-6. Prepare the Computerized Trading & Profit/Loss and Balance Sheet.

Ledger Name	Amount	Ledger Name	Amount
General Expenses	350	Wages	1250
Audit Fee	1000	Coal, Gas and Water	750
Drawings	750	Patents	2100
Computer	2400	Capital	9600
Discount on Purchases	150	Purchases	1150

Q:-7. Prepare the Computerized Trading & Profit/Loss and Balance Sheet.

Ledger Name	Amount	Ledger Name	Amount
Furniture & Fitting	1640	Taxes and Insurance	1250
Bad Debts	1250	Capital A/c	8175
Opening Stock	3460	Sundry Creditors	2500
Purchase	5575	Sales	15500
Computer	8000	Table	5000

Q:-8. Prepare the Computerized Trading & Profit/Loss and Balance Sheet.

Ledger Name	Amount	Ledger Name	Amount
Sales	60000	Salaries	6000
Purchase	17000	General Expenses	45000
Wages	18100	Discount Received.	1100
Factory Rent	30000	Discounts Given	4000
Office Rent	2000	Freight Purchase	3000
Purchase Return	4000	Capital	60000

Q:-9. Prepare the Computerized Trading & Profit/Loss and Balance Sheet.

Ledger Name	Amount	Ledger Name	Amount
Sundry Debtors	15000	Sundry Creditors	31500
Goodwill	660	Patents	500
Coal, Gas and Water	860	Printing and Stationery	950
Postage and Telegram	330	Travelling expenses	1250
Discount (Cr.)	750	Salaries	3700
Opening Stock	9000	Closing Stock	24000

Q:-10. Prepare the Computerized Trading & Profit/Loss and Balance Sheet.

Ledger Name	Amount	Ledger Name	Amount
General Expenses	750	Salaries	6000
Wages	550	Returns Inward	1200
Discounts	950	Bills Payable	23360
Bills Receivable	1150	Motor Vehicles	15000
Capital	9000	Insurance Premiums	4200
Carriage on Sales	450	Repairs	850
Rent Received	2720	Opening Stock	3980

Q:-11. Prepare the Computerized Trading & Profit/Loss and Balance Sheet.

Ledger Name	Amount	Ledger Name	Amount
Purchase	6800	Advertisement	2000
Sales Return	1000	Cash in Bank	6900
Sundry Debtors	1800	Bills Payable	20000
Opening Stock	3000	Capital A/c	10000
Bank Charges	75	Purchase Return	600
Wages	11000	Freight Outward	1200
Buildings	7590	Salaries	3300
Freight Inward	1750	Sales	15815

Answers

Q.1	Balance Sheet	: -	25000
	Trial Balance	: -	26100
	Net Loss	: -	1500
Q.2	Balance Sheet	: -	5800
	Trial Balance	: -	9000
	Net Profit	: -	300
Q.3	Balance Sheet	: -	4000
	Trial Balance	: -	5200
	Net Profit	: -	3400
Q.4	Balance Sheet	: -	9400
	Trial Balance	: -	10650
	Net Profit	: -	1400
Q.5	Balance Sheet	: -	2300
	Trial Balance	: -	3850
	Net Profit	: -	800
Q.6	Balance Sheet	: -	8850
	Trial Balance	: -	9750
	Net Loss	: -	4350
Q.7	Balance Sheet	: -	18100
	Trial Balance	: -	26175
	Net Profit	: -	7425
Q.8	Balance Sheet	: -	60000
	Trial Balance	: -	125100
	Net Loss	: -	60000
Q.9	Balance Sheet	: -	31500
	Trial Balance	: -	32250
	Net Loss	: -	6340
Q.10	Balance Sheet	: -	32360
	Trial Balance	: -	35080
	Net Loss	: -	32230
Q.11	Balance Sheet	: -	30000
	Trial Balance	: -	46415
	Net Loss	: -	10710