TALLY STUDY MATERIALS

Swastick Youth Computer Training Centre, Paschim Sridharpur

Sankar Prasad Das

spdinfo@swastick83.com

Table of Contents

Introduction

Accounting is a process of identifying, recording, summarizing and reporting economic information to decision makers in the form of financial statements. Financial statements will be useful to the following parties:

- Suppliers
- Customers
- Employees
- Banks
- Suppliers of equipments, buildings and other assets
- Lenders
- Owners

Accounting Terms

To help you understand accountancy better, a few commonly-used accounting terms are explained below:

Transaction

A transaction is a business activity that involves the transfer of money or money's worth between two accounts.

A transaction can be of two types:

- Cash transaction: A cash transaction is one where money is immediately received or paid in the form of cash.
- Credit transaction: A credit transaction is one where money is paid later, but the benefits are enjoyed immediately.

Purchases

A 'purchase' is the amount of goods bought by a business for further use or for reselling. Goods purchased with immediate payment of cash are cash purchase. Goods purchased on credit are credit purchases.

Purchase returns

Goods that have been purchased but are returned to the seller before consumption due to reasons like poor quality and damage are called 'purchase returns'.

Sales

Sales' refer to the amount of goods sold by a business. Sales made against immediate payment of cash are cash sales. Sales on credit means payment receive is due for future and that is what credit sales.

Sales returns

Goods that have been sold but are returned by the buyer before consumption, due to reasons like poor quality and damage, are called 'sales returns'.

Debtor

A 'Debtor' is a person who receives benefits from the business immediately, but is obligated to pay for the same in future. For example, a buyer who purchases goods from business on credit, becomes debtor to the business.

Creditor

A person who provides benefits without receiving immediate payment for the same, and who will claim the payment in future, is called a 'creditor'. For example, when the business purchases goods on credit from a supplier, the supplier becomes a creditor to the business.

Stock

Unsold goods, raw material, etc. that lie with the business are collectively known as 'stock'.

Revenue

The earnings of a business through its activities and operations, is called 'revenue'.

Definition of Account

An 'account' is a statement of transactions relating to one of the two aspects of a business transaction. Based on the aspect being recorded, an account can be 'debited' or 'credited'.

Accounts are classified based on the three categories of business transactions:
* Transactions involving individuals or other business entities
* Transactions involving assets, goods, cash
* Transactions involving incomes, expenses, losses and gains.

In effect, there are three types of accounts maintained for transactions:

Personal Accounts

These are accounts relating to individuals, firms, and institutions.
Example: Mr. Rajat Ghosh (Individual account), SBI bank (an institution's account), Gopal & Shyam (a partnership firm).

Real Accounts

These are accounts relating to the property or assets and cash belonging to a business concern.

Example: Land and Building (assets), Cash-in-hand (assets), Goodwill (assets) etc.

Nominal Accounts

These are accounts relating to the incomes, expenses, losses and gains of a business concern.

Example: Salary accounts, discount allowed, discount received etc.

The golden Rules of Accounting

The Golden Rules of Accounting are guidelines that every accountant should follow while recording business transactions.

The Rules are:

Golden Rules of Accounting		
Type of Account	**Debit Aspect**	**Credit Aspect**
Personal	The receiver	The giver
Real	What comes in	What goes out
Nominal	All expenses and losses	All incomes and gains

Accounting Assumptions and Concepts

Assumptions

Accounting Entity Assumption

As per this assumption, a business is considered as a separate unit or entity from its owner. That is, the proprietor and his business are treated as two distinct entities. Therefore, the transactions of the business are separate from its owner's personal transactions. All the business transactions are recorded in the Books of Accounts from the business's perspective.

Example: A vehicle purchased by the business owner for his personal use, should not be recorded in the business' Books of Accounts.

Money Measurement Assumption

According to this assumption, only those business transactions that can be measured in terms of money are recorded.

Example: The sales made by a business during a particular day will be recorded in its books of accounts, as it can be expressed in terms of money. However, aspects like employee satisfaction will not be recorded in the books of accounts, as they cannot be accounted in terms of money.

Concepts

Accrual Concept

This concept requires that income or expenditure are recorded when they become receivable or payable rather than when they are collected or paid i.e. transactions are recorded on the basis of income earned or expense incurred irrespective of actual receipt or payment.

Example: A seller bills the buyer at the time of sale and treats the bill amount as revenue, even though the payment may be received later.

Matching Concept

As per this concept, the revenue earned and the cost incurred to earn such revenue, need to belong to the same period, and hence they need to be 'matched'. This will help ascertain the result of the business operations. This concept serves as the basis for calculating accurate profit earned during a period.

Source Documents of Accounting

The following are the most common source documents:

- **Bill/Invoice**

  When a trader sells goods to a buyer on credit (agreeing to a delayed payment by a buyer), he provides a 'sales invoice' with the details of the name and address of the buyer, the name of the goods, the amount, terms of payments, etc.

- **Cash Memo**

  When goods are sold for cash, the seller issues a 'Cash Memo' to the purchaser. The cash memo contains details of quantity of goods sold, rate per unit of goods sold, and total value of the sale.

- **Cheque**

  Cheques' issued by a buyer become source documents for recording transactions in the Books of Accounts of both the buyer and the seller.

- **Credit Note**

  A 'credit note' is recorded by the seller, when goods sold by him are returned to him by the buyer. It contains details of the goods returned, the buyer's details, and the amount involved. A 'credit note' is also used to increase the value of the previous invoice sent by the supplier and credit note will be issued by the customer to the supplier.

- **Debit Note**

  A 'debit note' is recorded by a buyer when goods purchased by them are returned to the seller. It contains details of the goods being returned, the seller's details, and the amount involved.

  A 'debit note' is also recorded to adjust an under billed invoice. Debit note is issued by the supplier to the customer.

- **Receipt**

  A trader issues a 'receipt' to a buyer, when payment is in the form of cash. It contains details of date, amount of cash received, and the buyer's details.

- **Voucher**

  Vouchers' are prepared by the accountant, and signed by the designated person in the organization and they contain detailed information regarding the payee, monetary value of payment, a description of the transaction, and more.

The Accounting Equation

The double entry system of accounting is based on accounting equations where the relationship between assets, liabilities and capital can be expressed in the form of equations. The accounting equation signifies that the assets of a business are always equal to the total of its liabilities and capital (owner's equity).

The equation reads as follows:

Assets = Liabilities + Capital

The above can be presented in the following forms:

Assets – Liabilities = Capital

Assets – Capital = Liabilities

As the accounting equation depicts the fundamental relationship among the components of the balance sheet, it is also called the balance sheet equation.

Double Entry System of Book Keeping

As per Double Entry System of book-keeping, all the business transactions recorded in accountshave two aspects - Debit aspect (receiving) and Credit aspect (giving).

Features of Double Entry System of Book Keeping

- Every business transaction affects two accounts.
- Each transaction has two aspects i.e. debit and credit.
- Helps to check the accuracy of the accounting transactions, by preparation of trial balance.
- Helps ascertaining profit earned or loss occurred during a period, by preparation of Profit and Loss Account.
- Helps ascertaining financial position of the concern, by preparation of Balance Sheet.
- Minimizes the possibilities of fraud due to its systematic and scientific recording of business transactions.

Ledger

A ledger is a book which contains all the accounts whether personal, real or nominal. In a ledger, the transactions of the same nature are classified and grouped together in the form of accounts.

Trial Balance

Trial balance is a statement which shows debit balances and credit balances of all Ledgeraccounts. As per the rules of double entry system, every debit should have a correspondingcredit, the total of the debit balances and credit balances should agree.

Financial Statements

Financial statements are final result of accounting work done during the accounting period. Financial statement serves a significant purpose to users of accounting information in knowing about the profitability and financial position of the organization. Financial statements normally include -

- Trading Account
- Profit and Loss Account
- Balance Sheet

Trading Account

Trading refers to buying and selling of goods. The trading account displays the transactions pertaining to buying and selling of goods. The difference between the two sides of the Trading Account indicates either Gross Profit or Gross Loss. If the credit side total is in excess of the debit side total, the difference represents Gross Profit. On the other hand, if the total of the debit side is in excess of the credit side total, the difference represents Gross Loss.

Profit and Loss Account

The profit and loss account helps to ascertain the net profit earned or net loss suffered during a particular period after considering all other incomes and expenses incurred over a period.

Balance Sheet

The balance sheet is a statement that summarizes the assets and liabilities of a business. The excess of assets over liabilities is the net worth of a business.

The balance sheet provides information that helps in assessing
- A company's Long-term financial strength
- A company's Efficient day-to-day working capital management
- A company's Asset portfolio
- A company's Sustainable long-term performance

Fundamentals of Tally Prime

Introduction

Tally Prime is the world's fastest and most powerful concurrent Multi-lingual business Accounting and Inventory Management software. Tally Prime, designed exclusively to meet the needs of small and medium businesses, is a fully integrated, affordable and highly reliable software. Tally Prime is easy to buy, quick to install, and easy to learn and use.

Why Tally is important?

The demand for Tally courses in India is increasing day by day. We are aware of the term Tally, but what is Tally, what are its importance.

Tally Prime is the only accounting software which is considered worldwide. From individuals to business corporates use Tally software to maintain their accounts which shows the importance of tally. Therefore, Accountants must learn tips and tricks taught in Tally courses in India. The training in tally can help businesses to maintain a record for every transaction they make. Tally is the most capable software in handling all kind of businesses.

Tally is a important tool in **calculating monetary terms, accountancy, tax and GST calculating, managingcommercial transactions effectively and efficiently**. Tally helps you to manage all your data in a proper way and can be efficiently accessed whenever needed. It allows you to all your data in well-mannered way.

How to open Tally?

Start --- All Programs --- Tally Prime --- Educational Mode (T) --- Create your company.

If you have opened the Tally software first time after installation, you have to create a company soon; otherwise you will not be able to move forward. In case, this is not the first time it is opened then surely it already has companies in it and you will be transferred to Gateway of Tally.

Educational mode in Tally has a restriction regarding dates.
You can use 1st, 2nd and 31st (if available) of a month. You are not allowed to apply any other dates.

Creation/ Setting up of Company in Tally Prime

The first step towards understanding Tally Prime is to create a company in Tally Prime. Create a company using the **Company Creation** screen.

How to create a company -

Gateway of Tally--- **Company (Alt + K) --- Create**
Name --- Type your company name (i.e. ABC Ltd.)
Mailing Name --- ABC Ltd.
State --- Select 'West Bengal'
Country --- India
Financial Year beginning from --- 1.4.2022
Books beginning from --- 1.4.2022
[*Financial Year beginning from: This refers to the 12 months accounting period of the company.*]
[*Books beginning from: The provided in the aforesaid field will be automatically displayed here. However, if you have started with maintaining your books of accounts with Tally Prime mid-year, the required date can be set accordingly.*]
--- Accept --- Features window opens next --- Accept this screen too.

There is a shortcut key to accept any screen in Tally --- **CTRL + A**.

Company Name	: ABC Ltd.	Financial year beginning from	: **1-Apr-22**
		Books beginning from	: **1-Apr-22**
Mailing Name	: **ABC Ltd.**		
Address	:		
State	: **West Bengal**		
Country	: **India**		
Pincode	:		
Telephone	:		
Mobile	:		
Fax	:		
E-mail	:		
Website	:		
Base Currency symbol	: ₹		
Formal name	: **INR**		

Features window opens next ---

Company: ABC Ltd.

Show more features   : No

Accounting		Taxation	
Maintain Accounts	: Yes	Enable Goods and Services Tax (GST)	: Yes
Enable Bill-wise entry	: Yes	Enable Tax Deducted at Source (TDS)	: No
Inventory			
Maintain Inventory	: Yes		
Integrate Accounts with Inventory	: Yes		

First 4 features options are very important if you want to maintain stock-in-trade along with accounts. They are by default kept enabled.
You can disable **'Enable Goods and Service Tax (GST)'** for now.

 --- Accept this screen too.
There is a shortcut key to accept any screen in Tally --- **CTRL + A**.

Some important shortcut keys –

To change period --- **Alt + F2**.
To change date – **F2**
To move from one step to another, press **'Enter'**.

To go out of a screen, press '**Esc**'.

To activate and deactivate calculator in Tally Prime --- Press **CTRL + N.**

Select a Company

By 'selecting' a company, you are essentially opening it in Tally Prime.

Go to **Gateway of Tally --- Company (Alt + K) --- Select (Alt + F3)** --- List of companies is available --- Select yours.

Shut a Company

By 'shutting' a company, you are essentially closing a company.

Go to **Gateway of Tally --- Company (Alt + K) --- Shut (CTRL + F3)** ---- Select the company you want to shut --- Enter.

Alter Company Details

By 'Altering' a company, you are modifying the details which you have provided in the Company Creation screen.

Go to **Gateway of Tally --- Company (Alt + K) --- Alter** --- Edit or add information --- Accept.

The main thing you have to work on Tally properly is to post your daily transactions.

To post voucher entries, you have to make ledgers.

Ledger in Tally

A ledger is **the actual account head to identify your transactions and is used in all accounting vouchers.** For example, purchase, payments, sales, receipts, and others accounts heads are ledger accounts. Without a ledger, you cannot record any transaction.

There are 2 pre-defined ledgers in Tally.

1. Cash

2. Profit & Loss

Apart from these 2 default ledgers, you have to create ledgers as per your requirement.

Accounting Group

Tally Groups are **collection of ledgers of the same nature**. Account groups are maintained to determine the hierarchy of Ledger Accounts, which is helpful in determining and presenting meaningful and compliant reports.

Tally software automatically creates 28 groups which are used in the creation of ledger. Out of 28 predefined groups in tally, 15 groups are primary groups and 13 groups are Sub-groups.

You can create your own group also.

An example of entry -

1.4.2022 - Rs. 400000 has been received as capital and the cheque is deposited in SBI bank.
Dr. SBI bank
Cr. Capital

Now create these 2 ledgers – **Capital** and **SBI bank**.

Ledger Creation

Gateway of Tally --- Masters --- Create --- Accounting Masters --- Ledger –
Name --- Capital A/C
Under --- Select 'Capital Account' --- Accept.
Name --- SBI A/C
Under --- Select 'Bank Accounts' --- Accept.

After the creation of 2 ledgers, go back to the Gateway of Tally.

When you have come to the Vouchers first time, you will find the entry format is set to **'Single Entry'** --- To make it changed into '**Double Entry**' --- **Configure (F12)** ---
Use single entry mode for payment/receipt/contra voucher --- Yes
Use Cr/Dr instead of To/By during entry --- Yes --- Accept.

Vouchers --- Receipt (F6)

Date is already set as 1.4.2022

After the amount received to the bank ledger in debit column --- A bank allocation window opens up, where you can type the cheque number in '**Inst No**', **Inst Date** – This is the date the cheque contains in it. you can type the bank name the cheque originally issued from, in 'Bank Name' field --- First, **Select 'Specify Bank Name'** --- Type the bank name. (Remember, this is not your ledger, just an information) --- Accept the entry.

Bank Allocations for: SBI A/C
For: 4,00,000.00

Transaction Type	Amount
Cheque/DD	4,00,000.00

Inst No.   : 000123   Inst Date   : 1-Apr-22
Bank Name   : HDFC Bank

After accepting the screen, you can recheck it by pressing Page Up on your keyboard.

Or, you can go to 'Day Book'. Day Book contains all the entries you have posted for your alteration or deletion.

Daybook

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.

GOT --- **Day Book** or
GOT --- **Display More Reports** --- **Day Book.**
Day Book always opens with the entries of most recent date.
To view all entries from the beginning of book keeping, you can change the period by pressing **Alt + F2**.

From – 1.4.2022
To – 31.3.2023

To delete anything in Tally, you can use **Alt + D** but it only works in Alter mode.

Some Basic Voucher types, their usage and shortcut keys

Voucher Types	Shortcut Keys
Receipt **F6**	
Payment **F5**	
Contra **F4**	

[*Contra voucher type is used to post only bank*
And cash related transactions i.e., cash deposited
Into bank, cash withdrawn from bank or interbank
Transfer.]

Journal **F7**

[*Journal voucher type is used to post non-cash and bank*
Related entries, credit purchase or sales. Actually it has
wide scope apart from that. We will discuss about it later.]

Purchase **F9**

Debit Note (Purchase Return) .... **Alt + F5**

Sales **F8**

Credit Note (Sales Return)... **Alt + F6**

It is really important to choose proper account group for each of your ledgers. Otherwise the entry you will be posting in Vouchers window is bound to be incorrect.

Ledger and Accounting Group

Some logical examples of ledgers and account groups are given below

Ledger Name	Account Group / Under
1. Any Capital Ledger	Capital Account
2. Any Bank Ledger (Saving, Current)	Bank Account
3. Any Credit Card Bank Account	Bank OD Account

4. Any Supplier Ledger	Sundry Creditors
5. Any Customer Ledger	Sundry Debtors
6. Any Fixed Assets Ledger i.e. Furniture, Land-Building	Fixed Assets
7. Purchase Ledger	Purchase Accounts
8. Purchase return Ledger	Purchase Accounts
9. Sales Ledger	Sales Accounts
10. Sales return Ledger	Sales Accounts
11. Any trading A/C expenses Ledger	Direct Expenses
12. Any Profit & Loss A/C incomes Ledger	Indirect Incomes
13. Any Outstanding Expenses	Current Liabilities
14. Any Prepaid Expenses	Current Assets
15. Any Investment (Fixed Deposit, Mutual Fund, Recurring Deposit)	Investments
16. Any Reserve	Reserve & Surplus
17. Loan taken	Secured Loans / Unsecured Loans (Loans (Liability)
18. Loan given	Loans (Advances)
19. Any Tax (GST, TDS, TCS)	Duties & Taxes

How to check Balance Sheet?

GOT --- **Balance Sheet** --- **Detailed (Alt+F5**).

2.4.2021 --- 50000 is withdrawn from SBI bank.

Dr. Cash A/C
Cr. SBI Bank A/C

GOT – Vouchers --- Contra (F4)

Contra	No.	1		2-Apr-22
				Saturday

Particulars	Debit	Credit
Cr SBI A/C		50,000.00
Cur Bal: 3,50,000.00 Dr		
Dr Cash	50,000.00	
Cur Bal: 50,000.00 Dr		

Bank Allocations for: **STATE BANK OF INDIA**

For: **50,000.00**

Transaction Type	Amount
Cheque	50,000.00

Cheque range   : ♦ **Not Applicable**

Inst No.   : **000145**   Inst Date   : **2-Apr-21**

A screenshot of Balance Sheet report is given below -

TallyPrime	MANAGE									
EDU	K: Company	Y: Data	Z: Exchange	G: Go To	O: Import	E: Export	M: E-mail	P: Print	F1: Help	

Balance Sheet   ABC Ltd.

Liabilities	ABC Ltd. as at 2-Apr-22	Assets	ABC Ltd. as at 2-Apr-22
Capital Account	4,00,000.00	**Current Assets**	4,00,000.00
Capital A/C	4,00,000.00	*Closing Stock*	
Loans (Liability)		*Cash-in-Hand*	50,000.00
Current Liabilities		*Bank Accounts*	3,50,000.00
Profit & Loss A/c			
Opening Balance			
Current Period			
Total	4,00,000.00	**Total**	4,00,000.00

Right panel keys: F2: Period, F3: Select Company, F4, F5: Condensed, F6, F7, F8, F9, F10, B: Basis of Values, H: Change View, J: Exception Reports, L: Save View, C: New Column, A: Alter Column, D: Delete Column, N: Auto Column, F12: Range

Ledger Alteration

If there is any error in ledgers, you can alter them later.

Gateway of Tally --- Masters --- **ALTER** ---- Ledger --- The ledger list is there --- Select one and opens it with pressing ENTER --- You can simply view it or change the setup if needed --- Accept it again.

Also there is a scope you can alter the ledgers at the time of entry. Add the ledger in ledger selection field --- Press **CTRL + ENTER** --- It will open ledger alteration mode --- Make changes --- Accept.

Ledger Deletion

Gateway of Tally --- Alter --- Ledger List --- Select the ledger you want to delete ---Enter on it --- Press Alt + D

Voucher Alteration

After accepting the entry, press PAGE UP key on keyboard --- Last entry will come up --- You can go back the voucher entries following the same date.
Or
Gateway of Tally --- Transactions --- **Day Book** ---- Set date **(F2)** or Period **(ALT + F2)** --- Select the entry and open it on Voucher Alternation --- Make changes --- Accept.

Voucher Deletion

After accepting the entry, press PAGE UP key on keyboard --- Last entry will come up --- You can go back the voucher entries following the same date --- Press Alt + D

Gateway of Tally --- Transactions --- **Day Book** ---- Set date **(F2)** or Period **(ALT + F2)** --- Select the voucher you want to delete --- Press Alt + D.

Accounting Group Creation

Apart from predefined groups, you need sometimes new groups such as we have a customer in North India and another is in South India.

To maintain the entire Customers' entries we create customer ledger each for the one under the group of '**Sundry Debtors'**.

You can create new Groups named like **Debtors – North**, **Debtors – South**.

Go to **Gateway of Tally --- Masters --- Create --- Accounting Masters ---- Group ---**
Name --- Debtors – North
Under --- Sundry Debtors (Current Assets) ---- Accept.

Now, use this group for the Customer named, Nidhi Sales Pvt. Ltd.

Go to **Gateway of Tally --- Masters --- Create --- Ledger ---**
Name --- Nidhi Sales Pvt. Ltd
Under --- Select 'Debtors – North'
Maintain balances bill-by-bill --- Yes

You can give address details also --- Accept.


```
Ledger Creation                                                    ABC Ltd.
Name          : Nidhi Sales Pvt. Ltd.
(alias)       :


                                                                        Mailing Details
Under                    : Debtors - North          Name       : Nidhi Sales Pvt. Ltd.
                           (Sundry Debtors)          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      : West Bengal
                                                    Provide bank details  ? No
```

Compound Entry

A compound journal entry is **an accounting entry in which there is more than one debit, more than one credit, or more than one of both debits and credits**. It is essentially a combination of several simple journal entries; they are combined for either of the following reasons.

An example of compound entry is given below.

Ledger Name	Account Group / Under
Rent	Indirect Expenses
Carriage Inward	Direct Expenses
Carriage Outward	Indirect Expenses
Wage	Direct Expenses
Staff Tea & Tiffin	Indirect Expenses
Cleaning Charges	Indirect Expenses
SBI	Bank Accounts
Cash (Default ledger)	Cash-in-hand

Payment	No. 2		2-Jul-2022
			Saturday
Particulars		**Debit**	**Credit**
Dr **Rent**		3,500.00	
Cur Bal: 3,500.00 Dr			
Dr **Carriage Inward**		1,500.00	
Cur Bal: 1,500.00 Dr			
Dr **Carriage Outward**		1,200.00	
Cur Bal: 1,200.00 Dr			
Dr **Wages**		6,500.00	
Cur Bal: 6,500.00 Dr			
Dr **Staff Tea & Tiffin**		500.00	
Cur Bal: 500.00 Dr			
Dr **Cleaning Charges**		1,000.00	
Cur Bal: 1,000.00 Dr			
Dr **Printing & Stationery**		450.00	
Cur Bal: 450.00 Dr			
Cr **SBI**			5,000.00
Cur Bal: 22,200.00 Dr			
Cr **Cash**			9,650.00
Cur Bal: 10,350.00 Dr			

Maintaining Stock and Keeping units

Introduction

Inventory is an asset that is intended to be sold in the ordinary course of business. Inventory may not be immediately ready for sale.

In accounting, inventory is typically broken down into three categories, which are:

- Raw Materials: Includes materials intended to be consumed in the production of finished goods.
- Work-in-process: Includes items that are in the midst of the production process, and which are not yet in a state ready for sale to customers.
- Finished goods: Includes goods ready for sale to customers. May be termed merchandise in a retail environment where items are bought from suppliers in a state ready for sale.

26

In Tally Prime, the inventory system operates in much the same way as the accounting system. In the place of accounting groups, 'Stock Groups' and 'Stock Categories' are used, and in the place of ledgers, 'Stock Items' are used.

Inventory Masters

Stock Group

A Stock Group is similar to the Groups created for accounting in Tally Prime. Stock Items of similar nature, brand, etc. can be classified under a single Stock Group. For example the Stock Group for 'Television' can be the brand, like 'Sony', 'LG', 'Philips' etc.

Units

Stock Items are purchased and sold on the basis of quantity. The quantity in turn is measured by units. In Tally, such goods are quantified using 'Units'. Units of measure are of two types:

1. **Simple Units of Measure** is Numbers, Meters, Kilograms, Box and Pieces etc.
2. **Compound Units of Measure:** A Compound Unit is a combination of two simple units. For Example: 1 Box = 12 Pieces.

Stock Item

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

Godowns/Locations

A place where Stock Items are stored is referred to as a 'Godown'. For example, a warehouse. You can obtain stock reports for each Godown and account for the movement of stock between Locations/Godowns.

Stock Category

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

The advantage of categorizing items is that you can classify the stock items (based on functionality) together – across different stock groups which enable you to obtain reports on alternatives or substitutes for a stock item.

Inventory Creation

Q. Manage your stock items group wise, unit wise, category wise and godown wise.
Stock Group: SAMSUNG, LG, AOC.
Stock Category: CRT, LCD
Unit: Pcs
Godown: DAS NAGAR, SHANTIPUR.
Stock Items: SMG633NW (CRT), SMG643NW (LCD), LG550GI (CRT), LG560GI (LCD), AOC411FL (CRT), AOC412FL (LCD).

Stock Group

GOT – Create --- Inventory Masters --- Stock Group – Name – Samsung -- Under – Primary – Should quantities of items be added -- Yes – Accept.

To delete any item or ledgers or entry in tally – Go to GOT --- Alter --- Stock Group – Press Alt+D

Stock Categories

GOT – Create --- Inventory Masters– Stock Categories – Name – LCD – Under – Primary – Accept.

Units

GOT – Create --- Inventory Masters --- Unit – Type – Simple – Symbol – Pcs, Formal Name – Pieces, Number of decimal places – 0 – Accept.

Godowns / Location

GOT – Create --- Inventory Masters – Location --- Name – Das Nagar – Under – Primary – Accept. There is a default godown in Tally – Main Location.

Stock Items

GOT – Create --- Inventory Masters --- Stock Item ---
To add Stock Category option in Stock Item---
Configure (F12) --- Use stock category for stock items – Yes --- Accept.

Name	: SMG633NW		
(alias)	:		

Under	: SAMSUNG	Statutory Information
Category	: CRT	Rate of Duty (eg 5) :
Units	: Pcs	

	Quantity	Rate per	Value
Opening Balance :			

Purchase Entry

1/5/2022 – Purchase the following items from **TRISTAR MEGASHOP** and store them in Shantipur Location. Supplier invoice number – TR/78.

ITEMS	QTY	Rate
SMG633NW	4	3500
SMG643NW	3	3700
AOC411FL	6	4200
AOC412FL	5	4500

This is an example of credit purchase. We have already made inventory details. Now, it is time to purchase them and grow our stock quantity. There are two options to grow stock quantity in a business. 1. Purchase from others 2. Manufacture them yourself.

Create 2 ledgers.
1. Purchase

2. Tristar Megashop

GOT --- Masters --- Create --- Ledger ----
Name --- Purchase
Under --- Purchase Accounts
Inventory values are affected --- Yes---- Accept.

Name --- Tristar Megashop
Under --- Sundry Creditors
Maintain balances bill – by – bill --- Yes --- Accept.

After creation of two these ledgers, come back to **GATEWAY OF TALLY**.
Gateway of Tally ---- Transactions ---- Vouchers ---- Purchase (F9)
To change date (F2) --- 1/5/2022

Supplier Invoice No – TR/78

After adding the supplier, Tristar Megastar, an additional window of Supplier Details opens next --- You can fill up necessary details and accept it.

Add stock item's name under 'Name of Item' ---- Item allocations window comes up --- add godown name (Shantipur) --- Quantity and rate --- Total amount gets calculated --- Follow the same steps for other items too.

Accounting Voucher Creation		ABC Ltd.			Ctrl + M ☒
Purchase No. 1					1-May-2022
Supplier invoice no.: TR/78	Date : 1-May-2022				Sunday
Party A/c name : Tristar Megashop					
Current balance :					
Purchase ledger : Purchase A/C					
Name of Item				Quantity Rate per	Amount
SMG633NW				4 Pcs 3,500.00 Pcs	14,000.00
SMG643NW				3 Pcs 3,700.00 Pcs	11,100.00
AOC411FL				6 Pcs 4,200.00 Pcs	25,200.00
AOC412FL				5 Pcs 4,500.00 Pcs	22,500.00
					72,800.00

After adding all items' name and quantity, Bill wise details window opens up ---

You can give a due date also under 'Due Date or Credit Days' like 7 days. The date will be captured accordingly --- Come out of the window and accept the entry.

Activating Bill – Wise Details Screen

This is an important window to track bill numbers of credit purchase and sales entry. It depends on two options.

1. Ledgers --- Maintain balances bill – by – bill – Yes
2. Purchase (F9) --- Configure (F12) --- Use Defaults Bill wise details for Bill Allocations --- No.

Bill Adjustments

There are 4 types of Bill Adjustments in Tally.

New Ref: This option is default selection at the time of purchase or sales entry. It means the new purchase or sales entry has generated a new reference number to use for later.

Agst Ref: This option gets selected at the time of payment to the supplier against the reference number or receiving the amount from customer against sales reference number.

Advance: This option is to be used when you are paying to the supplier before purchase or receiving amount from customer before sales.

On Account: This is automatically selected at the time payment or receipt in case no reference number is found.

2/5/2022 — Purchase the following items from MNC & Co. and store them in Das Nagar Location. Supplier Invoice Number – MNC/12.

ITEMS	QTY	RATE
SMG633NW	3	3500
SMG643NW	7	3700
LG550GI	6	3000
LG560GI	4	4100

Gateway of Tally --- Vouchers --- Purchase (F9)
Date (F2) --- 2/7/2022

Purchase	No. 2				1-Jul-2022
Supplier invoice no.: AB/12		Date : 2-May-2022			Friday
Party A/c name : MNC & CO.					
Current balance :					
Purchase ledger : Purchase A/C					
Name of Item			Quantity	Rate per	Amount
SMG633NW			3 Pcs	3,500.00 Pcs	10,500.00
SMG643NW			7 Pcs	3,700.00 Pcs	25,900.00
LG550GI			6 Pcs	3,000.00 Pcs	18,000.00
LG560GI			4 Pcs	4,100.00 Pcs	16,400.00
					70,800.00

Purchase Return - Debit Note

31.5.2022 – Returned the following quantity to MNC & CO. due to poor quality of delivered goods.

ITEMS	QTY	RATE
SMG633NW	1	3500
LG550GI	2	4200

Gateway of Tally --- Vouchers ---

This is the entry of purchase return. The voucher type we need to use here is DEBIT NOTE.

Shortcut Key --- **ALT + F5**

There is an option of **Other Vouchers** (**F10**) --- You can come to this option and check all the shortcut keys for each of the predefined voucher types.

Some voucher types are needed to be activated in this window.

Debit Note is used when our business is returning goods to the supplier.

Original Invoice Number --- Type the supplier invoice number against which the return is done --- AB/123

Debit Note	No. 1						2-Jul-2022
Original invoice no.: **AB/123**		Date	: **1-Jul-2022**				Saturday
Party A/c name	: **MNC & CO.**						
Current balance	: *70,800.00 Cr*						
Purchase ledger	: **Purchase A/C**						
Name of Item				**Quantity**	**Rate** per		**Amount**
SMG633NW				1 Pcs	3,500.00 Pcs		3,500.00
LG550GI				2 Pcs	4,200.00 Pcs		8,400.00
							11,900.00

Bill-wise Details window opens up ---

Track the reference number under **'Agst Ref'**.

Bill-wise Details for : **MNC & CO.** Upto: ₹ 11,900.00 Dr				
Type of Ref	Name	Due Date, or Credit Days	Amount	Dr/Cr
		Pending Bills		
		Name	Date	Balance	Final Balance
Agst Ref				
		AB/12	1-Jul-2022	70,800.00 Cr	70,800.00 Cr

---- Accept the entry.

Features

In Tally Prime, when you create a company, the key features required to record your business transactions are set by default. As per your business requirements – such as inventory management, tax-based invoicing, and payroll management – you can set your preferences using the Company Features.

Shortcut key to open Features, Press F11.

Maintain your books of accounts: Depending on your bookkeeping needs for your company, you can enable other accounting features, such as cost center and interest calculations. Additionally, if your sales transactions need to be maintained bill by bill, Tally Prime helps with all such business preferences and many more.

Manage your stock/inventory: If you are using inventory in your business, you can set up your inventory-related preferences. In Tally Prime, you can manage your Inventory independently or choose to update your books of accounts with stock details. You can set up other Inventory features – Price Levels, Batches, Job Work, Job Costing, and so on – depending on your business practices.

Payroll management: Does your business require you to manage salary and pay heads for employees? If yes, you can enable the Payroll feature for your company, including the related statutory features.

Other features: If your business has multiple addresses and you need to use them in invoicing, you can add as many company address as needed. Also, you can keep track of different users' interactions with the vouchers for auditing purposes. All such needs can be set up at the company level.

Configuration

Configurations are application centric configurations that are present across all screens of Tally Prime. These configurations can be changed and managed any number of times to suit changing needs.

Shortcut key to open Configuration, Press F12.

Payment against Purchase

2/5/2021 – Paid the full pending amount to TRISTAR MEGASHOP on the next day by a cheque of SBI bank and adjust the amount with the reference number – TR/78.

After the purchase, it is time to pay the supplier. The ledgers are already created.

Gateway of Tally --- Vouchers --- Payment (F5)
Date (F2) --- 2.5.2022

Dr. Tristar Megastar
Cr. SBI

Here, track the reference number of TR/78 at the time of paying --- Use 'Agst Ref' in 'Type of Ref' column --- Accept.

Sales Entry

Ledgers' creation in direct method

1.6.22 --- Sold the following items' quantity to DATSON TRADERS from the godown where these are stored. Reference Number – DAT/22-23/1

ITEMS	QTY	RATE
SMG633NW	3	4500
SMG643NW	8	4700
AOC411FL	2	5200
AOC412FL	3	5500

Gateway of Tally --- Vouchers --- Sales (F8)
Reference Number – ABC/22-23/1

There is a very interesting point to inform. Supposedly, user did not make the customer ledger or sales ledger. So, at the time of the entry user has a better chance to create them. Place yourself under the field of Party A/C name --- **Press ALT + C** --- You will tailored to the ledger creation window ---- Ledger **Name** --- **Datson Traders** --- **Under – Sundry Debtors** --- Maintain balances bill-by-bill --- Yes --- Accept --- After accepting this screen, you will get back to the previous screen again and newly created ledger is placed. This same process can be followed for stock items also.

Similarly, coming down to Sales Ledger's field --- Press ALT + C --- Ledger creation window opens up --- **Name** - Sales A/C --- **Under --- Sales Accounts** --- Maintain balances bill-by-bill --- Yes.

Party A/C name – Datson Traders

Sales Ledger --- Sales A/C

Sales	No. **1**				2-Jul-2022
Reference no.: **ABC/22-23/1**					Saturday

Party A/c name : **Datson Traders**
Current balance :
Sales ledger : **Sales**

Name of Item	Quantity	Rate per	Amount
SMG633NW	3 Pcs	4,500.00 Pcs	13,500.00
SMG643NW	4 Pcs	4,700.00 Pcs	18,800.00
LG550GI	2 Pcs	4,000.00 Pcs	8,000.00
LG560GI	3 Pcs	5,100.00 Pcs	15,300.00
			55,600.00

⌐ **End of List**

Bill-wise Details for : **Datson Traders**
Upto: ₹ **55,600.00 Dr**

Type of Ref	Name	Due Date, or Credit Days (wef: 2-Jul-2022)	**Amount**	Dr/ Cr
New Ref	**DAT/1**		**55,600.00**	**Dr**

The reference number as **ABC/22-23/1** is to be given to the customer, DATSON TRADERS.
DATSON TRADERS shall use this reference in his Tally at the time of paying to ABC Ltd.
And for our company, at the time of receiving the due the New Ref as **DAT/1** is to be tracked.

Stock Summary

A Stock Summary is **a statement of the stock-in-hand on a particular date**. It is one of the primary inventory statements that updates the stock record in real-time as and when transactions are entered.

Gateway of Tally --- **Stock Summary** --- It shows according to stock group by default --- **Detailed (ALT + F5)**

Stock Summary		ABC Ltd.		Ctrl + M ☒

	ABC Ltd.		
Particulars	1-Apr-2022 to 2-Jul-2022		
	Closing Balance		
	Quantity	Rate	Value
AOC	**11 Pcs**	*4,336.36*	**47,700.00**
AOC411FL	6 Pcs	4,200.00	25,200.00
AOC412FL	5 Pcs	4,500.00	22,500.00
LG	**3 Pcs**	*2,966.67*	**8,900.00**
LG550GI	2 Pcs	2,400.00	4,800.00
LG560GI	1 Pcs	4,100.00	4,100.00
Samsung	**9 Pcs**	*3,633.33*	**32,700.00**
SMG633NW	3 Pcs	3,500.00	10,500.00
SMG643NW	6 Pcs	3,700.00	22,200.00

You can drill down to any of the items by pressing ENTER to view the details of inward and outward supply of the particular stock item.

Select **SMG533NW** --- Press ENTER --- You will find stock details month wise.

Stock Item Monthly Summary		ABC Ltd.					Ctrl + M ☒

	SMG633NW						
Particulars	ABC Ltd.						
	1-Apr-2022 to 2-Jul-2022						
	Inwards		**Outwards**		**Closing Balance**		
	Quantity	Value	Quantity	Value	Quantity	Value	
Opening Balance							
April							
May	4 Pcs	14,000.00			4 Pcs	14,000.00	
June					4 Pcs	14,000.00	
July	2 Pcs	7,000.00	3 Pcs	13,500.00	3 Pcs	10,500.00	
August						10,500.00	
September						10,500.00	
October						10,500.00	
November						10,500.00	
December						10,500.00	
January						10,500.00	
February						10,500.00	
March						10,500.00	

Sales Return – Credit Note

2/6/2022 – Returned the following goods from DATSON TRADERS to us due to manufacturing defects.

ITEMS	QTY	RATE
SMG633MW	1	4500
AOC411FL	1	5200

This is an entry of Sales return.

GOT --- Vouchers --- Credit Note (ALT + F6)

Original Invoice Number --- Type the invoice number ABC Ltd. has issued to DATSON TRADERS (ABC/22-23/1)

Credit Note	No. 1						31-Jul-2022
Original invoice no.: **ABC/22-23/1**		Date	: **31-Jul-2022**				Sunday
Party A/c name	: **Datson Traders**						
Current balance	: **55,600.00 Dr**						
Sales ledger	: **Sales**						
Name of Item				**Quantity**	**Rate** per		**Amount**
SMG633NW				1 Pcs	4,500.00 Pcs		4,500.00
LG560GI				1 Pcs	5,100.00 Pcs		5,100.00
							9,600.00

Bill-Wise Details opens up next --- Track the reference number under **Agst Ref** --- Accept.

Bill-wise Details for : **Datson Traders**
Upto: ₹ **9,600.00 Cr**

Type of Ref	Name	Due Date, or Credit Days	Amount	Dr/ Cr
Agst Ref	**DAT/1**			

Pending Bills

Name	Date	Balance	Final Balance
DAT/1	*2-Jul-2022*	*55,600.00 Dr*	*55,600.00 Dr*

Tally Prime Financial Statements

Trial Balance

A trial balance is a summary of all ledger balances, and helps in checking whether the transactions are correct and balanced. If journal entries are error-free and posted correctly to the general ledger, the total of all debit balances should be equal to the total of all credit balances.

View Trial Balance
Go to **Gateway of Tally** ---- **Display More Reports** ---- **Trial Balance**

Trial Balance Configuration
The Trial Balance shows the flow of the accounts from the opening balance to the effect of transactions on the closing balance.

Trial Balance --- Configuration (F12) ---

```
Configuration

Show Opening Balance          : Yes
Show Transactions             : Yes
  Nett Transactions only      : No
Show Closing Balance          : Yes

Show Percentages              : No
  Type of Percentages         : Of Totals

Type of Grouping              : Group-wise
Format of Report              : Condensed
  Expand all levels in Detailed format : No

Display name for Ledgers and Groups  : Name Only

Show Base Currency            : No

Sorting Method                : Default
```

Profit & Loss Statement

Profit and Loss A/c is one of the primary financial statements that you can use to monitor the health of your business. It summarizes the revenues, costs, and expenses for a specific period, such as a quarter or a year. Thus, you can easily gather the net result of the business operations.

Using the **Profit and Loss A/c** in Tally Prime, you can measure the ability of your business to generate profit. Accordingly, you can take various measures to increase revenue, reduce costs, and so on

View Profit & Loss

By default, the **Profit & Loss A/c** report will be generated as on the date of the last voucher entry. You can change the date to view the report for the required period.

\A screenshot of Profit & Loss report from a company named, National Enterprises is given below

Profit & Loss A/c	National Enterprises			
Particulars	National Enterprises 1-Apr-2019 to 28-Mar-2020	**Particulars**	National Enterprises 1-Apr-2019 to 28-Mar-2020
Opening Stock	12,58,567.00	Sales Accounts	49,11,893.00
Purchase Accounts	52,62,798.00	Indirect Incomes	9,609.31
Indirect Expenses	3,24,009.58	Closing Stock	26,12,263.09
Nett Profit	6,88,390.82		
Total	75,33,765.40	Total	75,33,765.40

You can detail it --- **Detailed (Alt + F5).**

Configure Profit & Loss A/c

You can view **Profit & Loss A/c** for profit and loss statement in a number of formats. Press **F12** to explore and apply the required format.

Vertical format: By default, the **Profit & Loss A/c** appears in the horizontal format. If your business prefers the vertical format, then you can set the option **Show Vertical Profit & Loss** to **Yes**.

In the vertical format of the **Profit & Loss A/c**, you can see that the groups now appear under **Trading Account** and **Income Statements**.

Percentages: If you want to view each line in the **Profit & Loss A/c** as a percentage of the sales accounts, then set the option **Show Percentages** to **Yes**. The sales accounts will be considered as **100%, and the rest of the lines would be represented as a percentage of the sales accounts.**

Gross Profit: If you want to split the Profit & Loss A/c **to see the trading profit, then set** Show with Gross Profit **to** Yes. **This will consider only** Cost of Sales **and** Direct Expenses**.** Indirect Expenses **will be deducted from the** Gross Profit **to show the** Nett Profit**. This option is available only in the horizontal form of the** Profit & Loss A/c**.**

Compare Information using Profit & Loss A/c

You can use the Profit & Loss A/c to compare financial information across companies, time periods, valuation methods, and so on. By comparing time periods, you can easily measure the profits, pattern of expenses, and so on. You can choose different time periods such as daily, weekly, monthly, quarterly, and so on.

1. **Profit & Loss A/c** > **Alt+N** (Auto Column).

2. Select **Quarterly** in the **Auto Column** field.

Income and Expenses Statements

If your organization does not engage in the trading of goods or services, then you can use the **Income & Expense Statement** instead of **Profit & Loss A/c**. For such organizations, the books of accounts generally comprise only the sources of income and the expenditure, which are earned or incurred during a given period. This is useful for non-profit organizations such as trusts, educational institutions, NGOs, hospitals, and so on.

Go to **Gateway of Tally** --- **Alter** --- **Profit & Loss A/c** ---- **Use as Income and Expense A/c** --- Set to **'Yes'**.

Balance Sheet

Balance Sheet is one of the primary financial statements that you can use to monitor the health of your business. It is a picture of your company's financial position – what you own (assets) and what you owe (liabilities) – at a given point in time.

The Balance Sheet in Tally Prime provides you with a neat snapshot of your business. You can also expand the report for a comprehensive view of your assets (such as cash in the bank, inventory, vehicles, equipment, buildings, and accounts receivable) and liabilities (such as taxes, loans, mortgages, and accounts payable). The difference between what you own and what you owe determines the Net Worth (or Owner's Equity) of your business.

View Balance Sheet

The Balance Sheet in Tally Prime will help you monitor the health of your business and also take timely decisions for its growth and betterment.

- **Gateway of Tally** --- **Balance Sheet**. You can see the **Liabilities** for your company on the left and the **Assets** on the right.

A screenshot from a company, named National Enterprises is given below -

- Press **Alt+F5** (Detailed) for a comprehensive view of the **Balance Sheet**. You can see the details of your assets (such as cash in the bank, inventory, vehicles, equipment, buildings, and accounts receivable) and liabilities (such as taxes, loans, mortgages, and accounts payable).

Vertical Balance Sheet

Go to **Gateway of Tally** ---- **Reports ---- Balance Sheet ---- Configure (F12) --- Show Vertical Balance Sheet** --- Set to '**Yes**'.

Compare Information

You can use the **Balance Sheet** as a powerful medium for comparison. You can compare financial information across companies, time periods, valuation methods, and so on. By comparing time periods, you can easily measure the growth rate, pattern of expenses, and so on. You can choose different time periods such as daily, weekly, monthly, quarterly, and so on.

Similarly, if you want to view the Balance Sheet for two or more valuation methods, such as FIFO, LIFO, Average Cost, Average Price, and so on, then you can easily view them in separate columns in the same Balance Sheet.

Go to **Balance Sheet** ---- **Auto Column (Alt + N)**
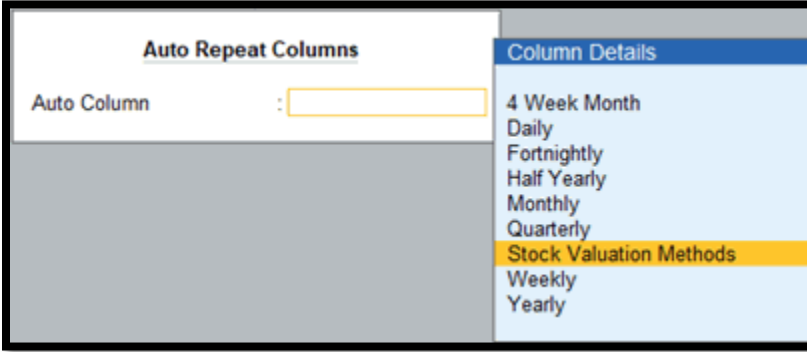
Select **Stock Valuation Methods** in the **Auto Column** field.

Stock Journal

It is an option by which one user can transfer stock quantity from one godown to another without affecting profit and loss or any other report.

2.7.2022 - Transfer the following items' quantity from DAS NAGAR to SHANTIPUR godown.

ITEMS	QUANTITY
LG550GI...2
SMG633NW..1

Shortcut key for Stock Journal – ALT + F7.

Godown Report

GOT – Stock Summary – Detailed (ALT + F5) --- Configure (F12) – Expand all levels in detailed format – Yes.
Or
GOT – Display More Reports – Inventory Books – Godown / Locations – Choose Godown --- ENTER on it.

Multi Creation of Ledgers or Stock Items

Gateway of Tally --- Chart of Accounts --- Ledgers / Stock Items --- Multi-Master (ALT + H) --- Multi-Alter --- All Items --- All the items or ledgers already made will be available there --- To create a new one, press **CTRL + END** --- Create other ledgers or items ---- Accept the screen.

To move to the last field in Tally Screen --- Press **CTRL + END**
To move back to the first field in Tally Screen --- Press **CTRL + HOME**

Bill of Materials (B.O.M.)

It is an option by which one user can predefine the raw materials along with their required quantity which are going to be needed to manufacture a new item.

B.O.M. stands for **Bill of Materials.**

Supposedly, your company is a manufacturing company. It has to produce LCD Monitor. 1 Pcs of LCD Monitor needs SMPS (1 Pcs), Inverter (1 Pcs), CCFL (1 Pcs), LCD Module with Circuit Board (1 Pcs), LCD Controller Board (1 Pcs), LCD Monitor Button Board (1 Pcs), Plastic Chasis (1 Pcs), screw (20 Pcs) to be manufactured.

GOT – Create – Stock Items – Create – Create stock items one by one or use **CHART OF ACCOUNTS** to create all the raw materials at one shot.
Create a new **STOCK GROUP** as '**RAW MATERIALS FOR LCD MONITOR'** for the stock items.

Create all of the stock items. There is no B.O.M. for raw materials. We shall purchase the materials later.

Next, create the finished product which is LCD Monitor in this case. B.O.M. option is applicable to the Finished Product we are going to manufacture.

Go to Stock Item Creation window at first – **Configure (F12) – Enable component list (Bill of Materials) details – Yes.**
Set components -- Yes

After setting the option to 'YES' --- Give a B.O.M. name --- It is better to give the name as per the name of the item.

B.O.M. Name – LCD MONITOR
Components of – LCD MONITOR
Unit of Manufacture --- 1 Pcs [*B.O.M. is always the report of 1 Pcs of unit*]
Godown is important because you are to know the location where all the materials are stored.

Item	Godown	Quantity
SMPS	Das Nagar	1 Pcs
INVERTER	Das Nagar	1 Pcs
CCFL	Das Nagar	1 Pcs
LCD MODULE WITH CIRCUIT BOARD	Das Nagar	1 Pcs
LCD CONTROLLER BOARD	Das Nagar	1 Pcs
LCD CONTROLLER CABLE	Das Nagar	1 Pcs
LCD MONITOR BUTTON BOARD	Das Nagar	1 Pcs
PLASTIC CHASIS	Das Nagar	1 Pcs

After adding all the raw materials in place, come back to **STOCK ITEM** screen and accept it. **B.O.M**. part is done.

But manufacturing of **LCD MONITOR** is still not possible. Because we have made only items. We do not possess the required quantity. If we need to manufacture 5 Pcs of LCD MONITOR, we should have minimum 5 Pcs of each raw material in stock.

Next thing we are to do is purchase all the raw materials of 10 Pcs and store them to **DAS NAGAR** godown.

Now, we are ready to manufacture **LCD MONITOR**.

Manufacture 5 pcs of LCD Monitor with additional cost of labor charges for 2000, freight for 560 and factory overhead for 10% of primary cost.

But, to manufacture an item is needed to use such a voucher type which needs to be generated itself.

Creation of a New Voucher Type

Gateway of Tally --- Create --- Voucher Type

Name --- Manufacturing Voucher
Select type of voucher --- Select 'Stock Journal'
Use as a manufacturing journal --- Yes --- Accept.

We have used a predefined voucher type in creation of Manufacturing Journal.
Manufacturing Journal, an user defined voucher type, now is connected to Stock Journal.
So, the shortcut key will be the same as Stock Journal.

GOT --- Vouchers --- Press ALT + F7 ---
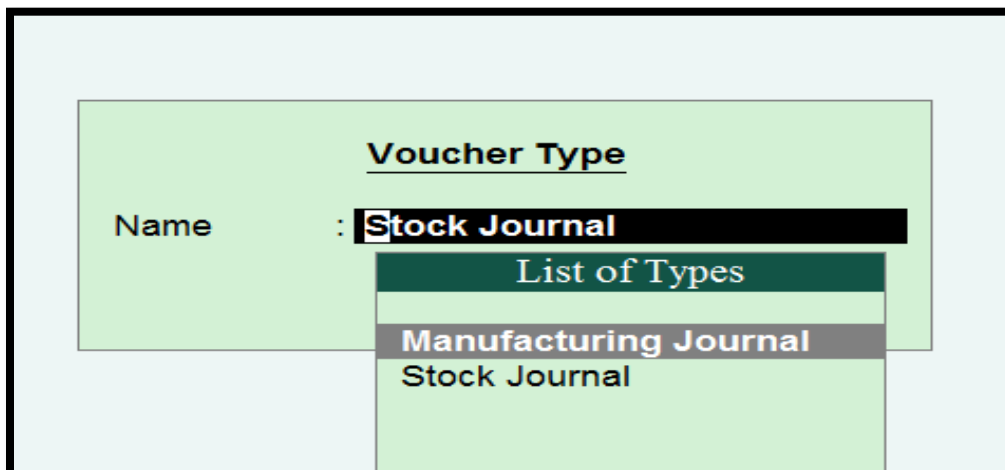
Name of Product --- Select **'LCD MONITOR'**---- BOM will appear below instantly ---- **Location** --- Create a new location (**ALT + C**) where you want to store the manufactured items ---- **Qty** --- Type the number of units you want to manufacture.

Our B.O.M. had 1 Pcs of each material to produce a new item.

When qty is given, the number will multiply B.O.M. quantity.

Costing of total used materials will come up accordingly.

In the next column down you can specify all the additional cost such as **freight**, **factory overhead**,

Monday

Manufacture of Materials

Name of product: LCD Monitor   Location: Hazra   Qty :   5 Pcs
                                %- of Cost allocation   100 %

Components (Consumption)					Co-Product/By-Product/Scrap					
Name of Item	Location	Quantity	Rate	Amount	Name of Item	Location	% of Cost allocation	Quantity	Rate	Amount
SMPS	Das Nagar	5 Nos	1,200.00/Nos	6,000.00						
CCFL	Das Nagar	5 Nos	450.00/Nos	2,250.00						
Inverter	Das Nagar	5 Nos	2,000.00/Nos	10,000.00						
LCD Controller Board	Das Nagar	5 Nos	1,500.00/Nos	7,500.00						
LCD Controller Cable	Das Nagar	5 Nos	300.00/Nos	1,500.00						
LCD Module with Circuit Board	Das Nagar	5 Nos	650.00/Nos	3,250.00	Cost of components:					40,650.00
LCD Monitor Button Board	Das Nagar	5 Nos	1,670.00/Nos	8,350.00	*Type of Additional Cost*	*Percentage*				
Plastic Chasis	Das Nagar	5 Nos	300.00/Nos	1,500.00	Freight					500.00
Screw	Das Nagar	100 Nos	3.00/Nos	300.00	Factory Overhead	20 %				8,130.00
					Wages					6,500.00
					Total Addl. Cost	:				15,130.00
					Effective Cost	:				55,780.00
					Allocation to Primary Item	:				55,780.00
		140 Nos		40,650.00	Effective rate of Primary Item	:				11,156.00/Pcs

Narration:

wages etc. These additional costs are going to be added to the primary cost and we will get the Effective Cost in manufacture of total quantity. It will be clear ultimately the costing of per unit.The screen of *Manufacturing Journal* --

---- Accept the entry.

Go to **STOCK SUMMARY** --- All purchased raw materials are consumed to the output units of **LCD MONITOR**.

How to customize sales voucher number?

GOT --- Alter --- Voucher Type --- Sales --- Define multiple numbering series for vouchers --- Yes
--- Enter Default --- Series Name --- Default --- Method of Voucher Numbering --- Automatic --- Numbering behavior on insertion/deletion --- Retain original voucher number --- Set/Alter additional numbering details --- Yes ---
Starting Number --- 1
Width of numerical part --- 3
Prefill with zero --- Yes
Restart Numbering --- Applicable from --- 1/4/23 --- Periodicity --- Yearly
Prefix Details --- Applicable from --- 1/4/23 --- Particulars --- TAL/
Suffix Details --- Applicable from --- 1/4/23 --- Particulars --- /23-24
--- CTRL + A --- Yes

Buy 1 Get 1 Free

Create stock items i.e. T-shirt, Cap.

GOT --- Features (F11) --- Show More Features --- Yes --- Use separate actual and billed quantity columns in invoice --- Yes.

GOT --- Vouchers --- Sales (F8)
If the sale is done and payment is received instantly in cash or through some banking channel, then we do not need a customer ledger. At the place of PARTY A/C NAME, we can input CASH LEDGER or Company's Bank A/C.
Quantity column is divided in two parts.
1. **Actual** – The total quantity going out of us to be placed here.
2. **Billed** – The units going to be billed to the customer is placed here.
Total 2 Pcs are being received by the customer. But the customer is going to pay for 1 Pcs and that is why 1 Pcs is to be added to 'Billed' column.

Sales	No. SAL/0323			2-Jun-21 Wednesday

Party A/c name : HDFC
Current balance : *21,300.00 Dr*
Sales ledger : **Sales**
Current balance : *71,200.00 Cr*

Name of Item	Quantity		Rate per	Amount
	Actual	Billed		
T-Shirt	2 Pcs	1 Pcs	500.00 Pcs	500.00

If you want to sell 1 Pcs T-shirt with a free 1 Pcs of Cap along with it.

In this case, we cannot give Cap's price in RATE column.

But without assigning price to stock item, entry is not to be accepted.

To make it possible

Gateway of Tally --- Alter --- Voucher Type --- Sales --- Allow zero-valued transactions --- Yes.

Come back to the **VOUCHERS --- Sales** (F8) ---- **Configure** (F12) --- **Provide additional descriptions for stock items --- Yes --- Accept.**

For T-shirt --- Type 1 Pcs in '**Actual**' and '**Billed**' both columns.

For Cap --- Type 1 Pcs in '**Actual**' and '**Billed**' both columns --- But we are not going to add rate to it because this is a free item --- You can type the description as '**Free Item**' --- Accept.

Sales	No. 1			2-Jun-21 Wednesday

Party A/c name : Cash
Current balance : *500.00 Dr*
Sales ledger : **Sales**
Current balance : *71,200.00 Cr*

Name of Item	Quantity		Rate per	Amount
	Actual	Billed		
T-Shirt	1 Pcs	1 Pcs	500.00 Pcs	500.00
Cap	1 Pcs	1 Pcs		
Free Item				
				500.00

Check print preview (**CTRL + P**) --- With Preview (**I**) --- Zoom (**Alt + Z**).

Standard Rate

It is an option by which one user can pre-define an item's cost price and selling rate at the time of stock creation which will help him / her to post transactions faster.

GOT --- Create --- Stock Item --- Configuration (F12) --- Provide standard buying and selling rates --- Yes --- Accept.

```
Stock Item Creation
Name         : AOC412FL
(alias)      :




Under                        : AOC
Category                     : LCD
Units                        : Pcs
Alternate units              : ◆ Not Applicable


Additional Details
Set standard rates           : y
```

Set Standard rates --- Yes ---

There are 2 columns.

1. **Standard Cost** --- Type purchase price date wise. Suppose, on 1st April cost was 4000 per unit but from 1st July it is changed into 4100 per unit.
2. **Standard Selling Price** --- Type selling price date wise. Suppose, on 1st April selling rate was 5000 per unit but from 1st July it is increased to 5100 per unit.

Standard Cost		Standard Selling Price	
Applicable From	Rate per	Applicable From	Rate per
1-Apr-21	4,000.00 Pcs	1-Apr-21	5,000.00 Pcs
1-Jul-21	4,100.00 Pcs	1-Jul-21	5,100.00 Pcs

If we make purchase between 1st April to 1st July, rate will appear automatically.

And on or after 1st July, the rate will be revised automatically. User does not have to input the rate manually.

Same output will happen in case of Sales entry.

How to check ledger view?
GOT --- Account Books --- Ledger --- Select a particular ledger you want to view --- Period (F2) --- Apply date range.

Batch

Batch details are used to identify the movement of inventory in batches of lot.
Hence, Tally Prime monitors the date of manufacture, date of receipt or the date of expected time when it cannot be further used.

Q. On 1st August, 2022 purchased medicine 500 pcs from National Pharmacy @Rs. 5 each with batch number TR/201, having manufacturing date as 1/5/2022 and expiry date as 1/10/2022.

GOT --- Features (F11) ------ Maintain batches --- Yes, Maintain expiry date for batches – Yes --- Accept
Create a stock item --- **GOT --- Masters --- Create --- Inventory Masters --- Stock Items ---- F12 (Configure) --- Use alternate units for stock items --- Yes --- Accept.**

Next, post a **purchase entry** on **F9**.

Purchase	No. 3			1-Aug-2022
Supplier invoice no.: 123		Date : 1-Aug-2022		Monday
Party A/c name	: National Pharmacy			
Current balance	:			
Purchase ledger	: Purchase A/C			

Name of Item		Quantity	Rate per	Amount
Calpol 650		500 Strip	5.00 Strip	2,500.00
		(6,000 Pcs)		
				2,500.00

After adding the item name Calpol 650, item allocation window opens up --- Add godown --- **Batch / Lot No.** --- **New Number** --- **Type TR/201** --- **Quantity** – 500 --- **Rate** --- 5.00 --- **Mfg date** --- 1/8/2022 --- **Expiry date** --- 1/10/2022.

	Item Allocations for : **Calpol 650**			
Godown	**Batch/Lot No.**	**Quantity**	**Rate per**	**Amount**
	Mfg Dt.	**Expiry Date**		
Das Nagar	**TR/201**			
		500 Strip	5.00 Strip	2,500.00
	May-2022	1-Oct-2022	(6,000 Pcs)	

How to check Batch Report?

GOT --- Display more reports --- Inventory Books --- Batch ---Name of Item --- Select the Item Name (Calpol 650) --- Name of Batch --- Select the batch name (TR/201)

Sold 12 Pcs of **Calpol-650** to customer tracking the batch number **TR/201**.

If you want to sell stock items after expiry date, it will not be available at the Lot Number level. But, still, for some goods it is not that risky to sell an item after it is expired, so you can resolve the matter.

VOUCHERS --- Sales (F8) --- Configure (F12) --- Use expired batches for stock items --- yes --- Accept.

Now, the lot number is there to be tracked.

Though after expiry date, items get available in STOCK SUMMARY.

How to remove expired items?

GOT --- Vouchers --- Other Vouchers (F10) --- Show inactive --- Rejection_Out (CTRL + F5)

Date (F2) --- The date should be the same as expiry date for the item (1.10.2022) --- Select **National Pharmacy** --- Select item name (**Calpol 650**) --- Select the **Lot/Batch Number (TR/201)** --- Type the remaining expired quantity you want to exclude (488) --- Rate will come automatically --- Accept.

Check **STOCK SUMMARY**.

Now, Stock Summary has removed the expired quantity.

Price Level and List

*In TallyPrime, you can create **quantity based price list with the required discount structure**. You need to create the required price levels, and assign different price lists to these price levels. You can create price lists for stock items, stock groups and stock categories*

Gateway of Tally --- F11 (Features) --- Enable multiple price levels --- Yes --- More Details (CTRL + I) --- Price Levels --- Type the level of your customers you are working with –
1. **Manufacturers**
2. **Distributors**
3. **Wholesalers**
4. **Retailers**

5. **Consumers**

--- Accept.

Now, create some new **STOCK ITEMS**, to process Price List.
GOT --- Create --- Stock Items --- Name --- LG Monitor --- Under --- Monitors --- Unit – Pcs --- Accept.
Name --- Sony Monitor
Under --- Monitors
Unit – Pcs

-- Accept.

You have to purchase the stock items first, otherwise you cannot sell them.
Now, it is time to set Price List.
GOT --- Create --- Price List (Stock Group) ---
Stock Group Name --- Select **'Monitors'**
Price Level – Select '**Wholesalers**'
Applicable From --- 1.4.2022

Price List				Vrinda-Vishal-Paromita
Under Group	: **Monitors**			
Price Level : **Wholesalers**	Applicable From:	**1-Apr-21**		

S.No.	Particulars	Quantities		Rate	Disc. %
		From:	Less than		(if any)
1.	**Lg Monitor**				
			10 Pcs	1,700.00/Pcs	5 %
		10 Pcs	20 Pcs	1,550.00/Pcs	10 %
		20 Pcs		1,600.00/Pcs	15 %
2.	**Sony Monitor**				
			6 Pcs	2,500.00/Pcs	3 %
		6 Pcs	12 Pcs	2,400.00/Pcs	2 %
		12 Pcs		2,000.00/Pcs	3 %

--- Accept.

Do the same steps for other Price Level too.

Create a customer ledger.
GOT --- Create --- Ledgers ---
Name --- Datson Traders
Under --- Sundry Debtors

Maintain balances bill-by-bill --- Yes --- **More Details (CTRL + I)** --- **Price level applicability** --- Enter on it --- Select a price level **(Wholesaler)**
--- Accept the ledger.

Sales with Price Level

Now, it is time for sale.
GOT --- Vouchers --- Sales (F8) --- F11 (Features) --- Use discount column in invoices --- Yes --- Accept.

There is a benefit in Price List like Standard Rate and that is when quantity is specified **rate and discount comes automatically.**

But, there you can face a problem because the rates and discounts which come up automatically cannot be changed by user, to make it possible, go **to Configure (F12) under sales invoice (F8) --- Modify all fields during voucher entry --- Yes** --- Accept.
--- Accept.

			Friday
Party A/c name : **Datson Traders**		Price Level : **Wholesalers**	
Current balance : *37,908.00 Dr*			
Sales ledger : **Sales**			
Current balance : *37,908.00 Cr*			
Name of Item	Quantity	Rate per Disc %	Amount
Lg Monitor	12 Pcs	1,550.00 Pcs 10 %	16,740.00
Sony Monitor	9 Pcs	2,400.00 Pcs 2 %	21,168.00
			37,908.00

Revise Price List

GOT --- Alter --- Price List (Stock Group) --- Select your group --- Change date --- Revise Price (Alt + R)

Compound Unit

*A Compound Unit is a **relation between two Simple Units**. Hence, before you create a Compound Unit, ensure that you have already created two Simple Units. Types of measurement unit we can create in tally are: There are two types of units: **simple and compound**.*

Got – Masters --- Create --- Inventory Masters – Unit – Create –
Type – simple
Symbol – Pcs
Number of decimal places – 0 – yes --- Accept

Type – simple
Symbol – Pac
Number of decimal places – 0 – yes --- Accept

Press backspace – type – Compound
First unit – select 'Pac', Conversion of – 15, Second unit – select 'Pcs' – ok.
Go to item creation –

Create – stock items – create – Name – gel pen
Under – writing goods
Units – select 'Pac of 15 Pcs'
Input some opening qty – 25-0 pac – accept

Next, post some sales entries.
GOT – VOUCHERS --- Sales (F8)

I want to post some cash sales entries that is why I do not need any party ledger (customer).
Party A/C Name – Cash
Sales Ledger --- Select Sales A/C
Name of item --- Gel Pen

There can be 3 probabilities of using compound unit.
7-0 – It means 7 full packets.
0-5 – It means 5 loose pens.
4-6 – It means 4 full packets and 6 single pieces.

GOT – Reports – Stock Summary – Detailed (Alt + F5) – To check godwon, press F12 – Expand all levels in detailed format – yes.

Pro-forma Invoice

A **pro-forma invoice** is a preliminary bill of sale sent to buyers in advance of a shipment or delivery of goods. The invoice will typically describe the purchased items and other important information, such as the shipping weight and transport charges.

To make an entry optional, use the shortcut key of CTRL + L.

GOT – CREATE – VOUCHER TYPE –

```
Name        : Pro-Forma Invoice
(alias)     :


                    General                                    Printing                      Name of Class
Select type of voucher    : Sales        Print voucher after saving      ? Yes
Abbreviation              : Sale

Method of voucher numbering    ? Automatic       Use for POS invoicing      ? No
                                                 Default title to print    : Proforma Invoice
    Use advanced configuration    ? No           Default bank              : ⌐ Not Applicable
Use effective dates for vouchers         ? No    Default jurisdiction      :
Make this voucher type as 'Optional' by default ? Yes
Allow narration in voucher               ? Yes   Set/alter declaration      ? No
Provide narrations for each ledger in voucher  ? No


Enable default accounting allocations    ? No
  Set/Alter Default Accounting Entries   ? No
```

Post a purchase entry in F9 to gather up quantity in your stock items.

GOT --- VOUCHERS --- Sales (F8) --- Select '**Pro forma Invoice**'.

Now post an entry in this voucher type which is now optional by default.
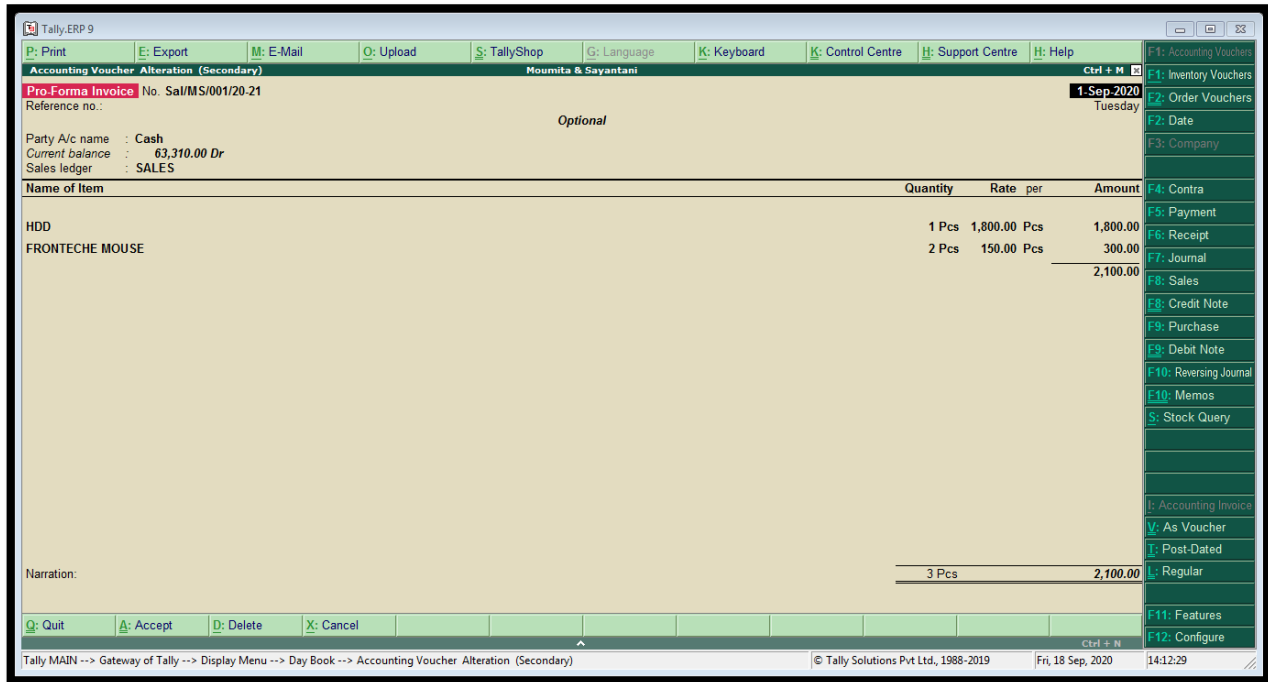
After posting this entry you have to take a print out to hand the document over to the party ---
Press **Alt + P (Print) --- Alt + I (With Preview) --- Zoom (Alt + Z)**

GOT – VOUCHERS –Sales (F8) – SELECT **Pro forma** ---

This entry will not affect your books of accounting.

Now, create a scenario.

GOT – SHOW MORE – SCENARIOS –
Name --- Pro forma
Include Actuals --- Yes
Include --- Sales
Exclude --- End of List --- Accept
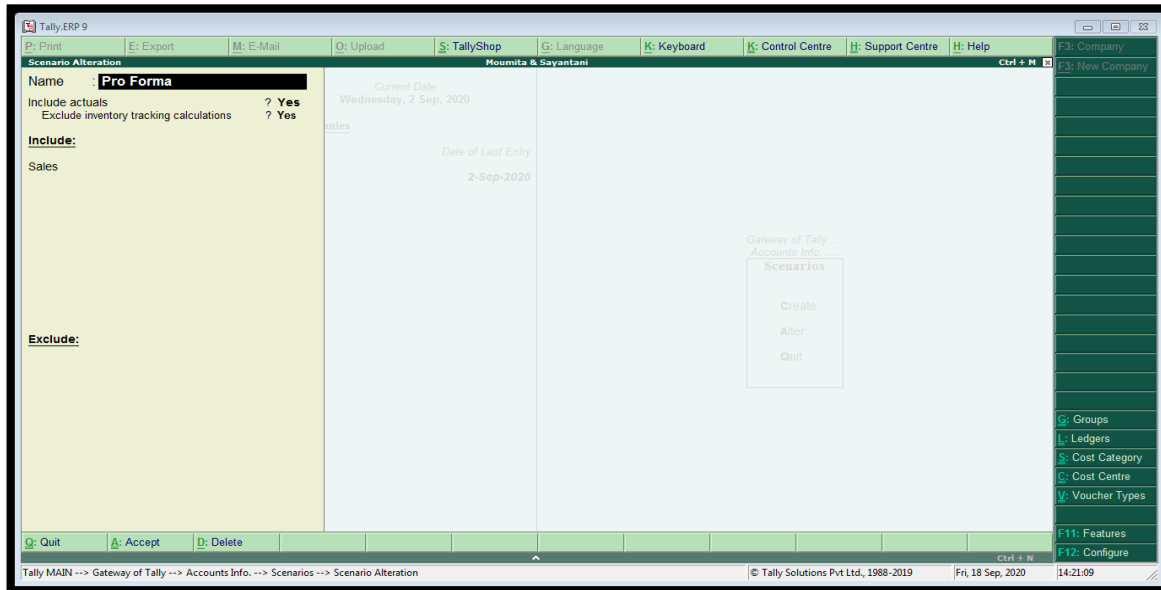
Go to Profit & Loss – **New Column (Alt + C)** --- **Compare the profit between 'Actuals' and 'Pro forma'.**

How to check pro forma report?

GOT – Display More Reports – Exception Report – Optional Vouchers.

If the sales occurs finally, you can alter the entry in 'Optional Voucher' report or in Daybook. Press **CTRL + L** to make it regular and press **F8** to go back to original sales entry type – Accept it again.

Now, it will reflect in any of your report.

Interest Calculation

At the time of credit sale, we can specify the credit period or due date. The customer is bound to pay within that period. But in case, the party fails to pay for the same within the period, our company can charge interest per day after the due date is past. This interest amount is our indirect income.

GOT – Features (F11) – Activate interest calculation – yes – CTRL + A.

GOT – Masters --- Create – Ledger –

Name – XYZ Enterprise
Under – Sundry Debtors
Activate interest calculation – Yes ---
Configure (F12) --- Use advance interest parameters --- Yes

Create a sales ledger also.
Next, post a sales entry on F8 – Date – F2 --- 1/5/2022

Party A/c name	: ABC Ltd.					
Current balance	: 15,000.00 Dr					
Sales ledger	: Sales					
Current balance	: 15,000.00 Cr					
Name of Item				Quantity	Rate per	Amount
Dell Laptop				3 Pcs	5,000.00 Pcs	15,000.00

It is important to define credit days in Bill wise Details window.

Bill-wise Details for : **ABC Ltd.**				
Upto: ₹ **15,000.00 Dr**				
Type of Ref	Name	Due Date, or Credit Days (wef: 1-May-21)	Amount	Dr/ Cr
New Ref	SAL/SWA/001	30 Days (31-May-21)	15,000.00	Dr

Credit period is for 30 Days.

Interest Parameters

Rate :   5 % per 365-Day Year   on **Debit Balances Only**
  Applicability : *Past Due Date* by   *0 days*
  From: **Due Date of Invoice/Ref**   Date: **31-May-21** To: **2-Aug-21**
  Rounding : **Normal Rounding**   Limit :   **1**

Rate :   8 % per 365-Day Year   on **Debit Balances Only**
  Applicability : *Always*
  From: **Date specified during entry**   Date: **2-Aug-21** To:
  Rounding : **Normal Rounding**   Limit :   **1**

Post a receipt entry in F6 on the date of 2.6.2022 for amount receiving 7500.
Another Receipt Entry on 2.7.2022 for the rest of the amount.

Particulars	Debit	Credit
		Wednesday
Cr ABC Ltd.		7,500.00
Cur Bal: 0.00 Cr		
Agst Ref SAL/SWA/001 30 Days 7,500.00 Cr		
(31-May-21)		
Dr Cash	7,500.00	
Cur Bal: 15,000.00 Dr		

How to check interest report?

GOT – Display More Reports – Statements of Accounts – Interest Calculations – Interest

Ledger : **ABC Ltd.**   1-Apr-21 to 2-Jul-21

Date	Ref. No.	Opening Amount	**Pending Amount**	Interest
1-May-21 SAL/SWA/001		15,000.00 Dr		53.00 Dr
15,000.00 Dr 1-Jun-21 2-Jun-21 2 days 5 % 4.00 Dr				
7,500.00 Dr 3-Jun-21 2-Jul-21 30 days 8 % 49.00 Dr				

Receivables – Press enter to know daily interest amount.

Check Balance sheet. The customer is written off. But we know some interest amount is still receivable.

Debit Note for Interest Adjustment

Next, is an adjustment entry which is to be done in Debit Note Voucher Type but Debit Note and Credit Note are now default active types, you do not need to go to Features option to activate them.

But you have to alter some settings in it first.

GOT --- Create – Alter – Debit Note – Name of class – Type 'Interest Calculation' – Use class for interest accounting – yes – Accept.

```
Name        : Debit Note
(alias)     :


                        General                          |                    Printing                    |    Name of Class
                                                         | Print voucher after saving   : No              | Interest Calculation
Select type of voucher          : Debit Note             |                                                |
Abbreviation                    : D/Note                 |                                                |
Activate this Voucher Type      : Yes                    |                                                |
Method of voucher numbering     : Automatic              | Default title to print       :                 |
   Use advanced configuration   : No                     |                                                |
Use effective dates for vouchers              : No       |                                                |
Allow zero-valued transactions                : No       |                                                |
Make this voucher type as 'Optional' by default : No     |                                                |
Allow narration in voucher                    : Yes      |                                                |
Provide narrations for each ledger in voucher : No       |                                                |

Track Additional Costs for Purchases          : No       |                                                |
Enable default accounting allocations         : No       |                                                |
```

Create a ledger.

```
Name      : Interest Received                                          |  Total Opening Balance
(alias)   :


Under                    : Indirect Incomes    | Mailing Details
                                               | Name                    : Interest Received
                                               | Address                 :
Type of Ledger           :                     |
Activate interest calculation  : No            |
                                               | State                   :
                                               | Country                 : ♦ Not Applicable
```

Gateway of Tally --- Masters --- Create --- Name – Interest Received, Under – Indirect incomes – Accept.

Gateway of Tally – Vouchers --- (Debit Note) – Choose 'Interest Calculation' class.

Date should be the same one on which you have completed receiving entire invoice amount.
Date – **F2** -- 2/7/2022
Dr. ABC Ltd.
Cr. Interest Received

```
                Voucher Type
Name    : Debit Note                    | Voucher Class List
Class   : Interest Calculation          | ♦ Not Applicable
                                        | Interest Calculation
```

Debit Note	No. 1			2-Jul-21
	Voucher class	: Interest Calculation		Friday

Particulars		Debit	Credit
Dr ABC Ltd.		53.00	
Cur Bal: 53.00 Dr			
New Ref **Int/001**	53.00 Dr		
Cr Interest Received			53.00
Cur Bal: 53.00 Cr			

Check **Balance Sheet** again.

The party has returned with pending interest amount.
Enter another receipt entry to get the amount.

Receipt	No. 3			2-Jul-21
				Friday

Particulars		Debit	Credit
Cr ABC Ltd.			53.00
Cur Bal: 0.00 Cr			
Agst Ref **Int/001**	53.00 Cr		
Dr Cash		53.00	
Cur Bal: 15,053.00 Dr			

Order, Receipt Note / Delivery Note, Invoice.

Purchase Order

When the order is placed with the suppliers for the supply of goods, the items, quantities, date of receipt, and so on, details are given with the Purchase Order Number. Later, when these goods are received, the Purchase Order is tracked for the Order Details either in the receipt note or in the purchase Invoice.

Receipt Note Voucher (GRN)

A Receipt Note voucher is used to record receipt of goods/items at stores. For example, the Company receives new stock item from a Supplier. If a Purchase Order exists for that supply, selecting the PO reference in the Receipt Note will display its particulars.

The details recorded in the Receipt Note are the PO reference, Ledger account, Supplier's name and address, Name of stock item, Stock location, quantity, rate, amount and the transaction narration.

Purchase Invoice

When a company buys goods on credit or cash, Purchase voucher is used to record all the Purchase transactions of the company. Go to **Gateway of Tally** > **Vouchers --- Click on F9: Purchase** on the Button Bar or press F9. For example, if you are purchasing goods from Supplier A for a value of Rs. 10000/-

Shortcut Keys

VOUCHER TYPES	SHORTCUT KEYS
Order	CTRL + F9
Receipt Note	ALT + F9
Invoice	F9

Order entries neither affect accounts nor inventory.

Receipt Note / Delivery Note entries only affects inventory.

Invoice entries have the capability to influence accounts and inventory both.

Purchase order, sales order, Receipt Note and Delivery Note – these 4 voucher types remain inactive in Tally until user needs to activate them.

Activating Inactive Voucher Types
Go to **Gateway of Tally --- Vouchers ---- Other Vouchers (F10) ---- Inactive Vouchers** --- Select the one you want to activate (Purchase Order, Sales Order, Receipt Note, Delivery Note etc.) --- Enter --- Yes.

How to enter an Entry without Rate

Ideally, it is wrong to enter Stock Item's rate to Order Entries. But, Tally will not accept if you skip rate column. The solution is go to Gateway of Tally --- Alter --- Voucher Type --- Purchase Order --- Allow zero valued transactions --- Yes ---- Accept.

This same step is going to be done for any of the voucher types before you want to post entry to that without mentioning rate.

Purchase the following items from SUNMARG ENTERPRISE and store them in Chandni Location. Order Number --- POD/01, Order reference number – PO/SUN/01, Receipt No. – GRN/1, Receipt Note reference number – SUN/1/12, Purchase No: PUR/1, Supplier's invoice number – SUN/22-23/123.

ITEMS	QTY	RATE
Speaker	12	2000
Amplifier	15	3000
Headphone	14	800

Create 2 ledgers.
1. **Sunmarg Enterprise**
2. **Purchase Ledger**

Name	: Sunmarg Enterprise		
(alias)	:		

Under	: Sundry Creditors (Current Liabilities)
Maintain balances bill-by-bill	: Yes
Default credit period	:
Check for credit days during voucher entry	: No

Mailing Details
Name	: Sunmarg Enterprise
Address	: 44B, Dharamdas Lane Rangan Nagar Kolkata
State	: West Bengal
Country	: India
Pincode	: 799904

Banking Details
Provide bank details	: No

Tax Registration Details
PAN/IT No.	:

Order Voucher Alteration (Secondary) — Study Mats

Purchase Order No. PO/1 — 1-Apr-22 Friday

Party A/c name	: Sunmarg Enterprise		
Current balance	: 80,200.00 Cr	Order no.	: PO/SUN/01
Purchase ledger	: Purchase		
Current balance	: 80,200.00 Dr		

Name of Item	Quantity	Rate per	Amount
Speaker	12 Pcs		
Amplifier	15 Pcs		
Headphone	14 Pcs		

There are two numbering options in **Purchase Order**.
1. **Purchase Order No.**
2. **Order reference No.**

By default, Tally has a voucher numbering system and it maintains serial number.

But an user can add his/her own number system as well. For that, the user has to change some voucher type setting in Purchase Order.

Go to **Gateway of Tally --- Masters ---- Alter ---- Voucher Type ---- Purchase Order ---- Method of Voucher numbering --- Set to 'Manual' --- Prevent duplicates --- Yes ---- Allow zero valued transactions --- Yes** ---- Accept.

Do the same thing for Receipt Note and Purchase Invoice also so that we can have our own voucher numbers for them.

Purchase Order Entry

Come back to **Gateway of Tally --- Vouchers --- Other Vouchers (F10) ---- Show Inactive** --- Yes . Shortcut key for Purchase Order is **CTRL + F9**.

Purchase Order No. – PO/1
Order No – PO/SUN/01

Party A/C name --- Select **Sunmarg Enterprise** --- Order Details window comes up --- **Destination** --- Type Chandni [*This is where we want to store our stocks*.] ---- Next comes **Party Details** ---- The details we have put in ledger window, will appear here.

A picture of Party Details is given below ---

Order Number --- Type **PO/SUN/1** [This number is referred to the particular party and at the time receiving goods this number will be tracked.]

Purchase Ledger --- Select **Purchase A/C**

Next add items with their respective quantity. After adding each item, allocations for the particular item opens up --- This is the screen where we can add quantity. Remember, this window will not open unless we have created Godown. If Godown is added to Purchase Order quantity no impact will come to the stock summary. Because we are only placing order. Stock Summary will be affected when goods are received.

A picture of Item Allocations is given below --

An entire screen picture of Purchase Order is given below ---

----- Accept.

After the purchase order entry, go to **Stock Summary**. But it is empty. No quantity is visible there.

After placing purchase order, **Sunmarg Enterprise** shall deliver us the requested quantity. So, the next entry we should post is a Receipt Note.

Receipt Note Entry

This is another inactive voucher type. Activate it the way we made it for Purchase Order.

Tracking facility

There is an unique facility Tally has provided us with and that is tracking a previous voucher entry to make our work progress faster. In this case we will track the Purchase Order entry at the time of Receipt Note unless we have to feed our system the item names and quantity second time. Tracking system will connect an order, a receipt and an invoice altogether.

Go to **Vouchers --- Alt + F9**

Receipt Note No. – Type GRN/01 [This number is for our company's internal processing.]
Reference No. – Type SUN/1/12 [This is the number Sunmarg Enterprise has given to us with their delivery note.]

Party A/C Name --- Select '**Sunmarg Enterprise'**
Order Details is what we are facing now --- Order No. --- Select PO/SUN/1 [*This is tracking of order entry*]

After that come out of the screen.

Party Details is next to appear.
After coming out of the screen you will notice all the items are appeared following the previous order entry.
Purchase Ledger ---- Select 'Purchase A/C'

A screenshot of tacking window is given below -

Continue with pressing Enter and add the Godown and rate in Item allocation screen for each of the items.

A picture of Item Allocation is given below -

A picture of entire Receipt Note screenshot is given below –

Receipt Note	No.	GRN/1						2-Apr-22
Reference No	: SUN/1/12	Date	:	1-Apr-22				Saturday
Party A/c name	: **Sunmarg Enterprise**							
Current balance	: 80,200.00 Cr							
Purchase ledger	: **Purchase**							
Current balance	: 80,200.00 Dr							
Name of Item						Quantity	Rate per	Amount
Speaker						12 Pcs	2,000.00 Pcs	24,000.00
Amplifier						15 Pcs	3,000.00 Pcs	45,000.00
Headphone						14 Pcs	800.00 Pcs	11,200.00
								80,200.00

Purchase Invoice Entry

After entering Receipt Note, visit **Stock Summary** --- Now the stocks come up.

It is time to have the invoice entry posted. The party Sunmarg Enterprise has given us the sales invoice from his end. This sales invoice will be the basis of our Purchase Invoice entry.

You can track the Receipt Note entry at the time of invoice entry. This time Bill-wise Details window will appear also.

Purchase Invoice is not an inactive voucher type.

Go to **Vouchers** --- **Purchase (F9)**
Purchase No. – PUR/1
Supplier invoice no. – SUN/22-23/123

Party A/C name --- Select 'Sunmarg Enterprise' ---
Track the Receipt Note number --- Order No. comes up with it also.

A screenshot of Receipt Details is given below -

Every details from Order and Receipt Note will come up in Invoice Screen.
Continue with pressing Enter.

After going all of the stock items 'Bill-wise Details' window comes up [*Make sure at ledger of 'Sunmarg Enterprise', the option of 'Maintain balances bill-by-bill' is set to 'Yes' and at Purchase voucher type, under Configuration (F12) --- 'Use default Bill-wise Details for Bill allocations' is set to 'No'.*]

---- Accept the entry.

Check **Balance Sheet**.
Go to **Gateway of Tally --- Balance Sheet --- Detailed (Alt + F5)**

The invoice amount is outstanding showing under Sundry Creditors.
Enter on Sundry Creditors.

The ledger name 'Sunmarg Enterprise' will be there --- Enter on it --- This is the Ledger Monthly Summary.

How to check Outstanding Report?

Go to Gateway of Tally ---- Display More Reports --- Statements of Accounts --- Outstandings --- Receivables and Payables --- You have to enter on 'Payables' ----

A picture of Bills Payable screen is given below –

View the pending amount and the number of days the payment is pending for.

Sales Order

When you receive an order from a customer, you may need to provide the details of items, quantities, date of delivery, and so on, with a Sales Order Number. When these

goods are delivered, this sales order number will be used to track the order details either in the delivery note or in the sales invoice.

Delivery Note

If your business process requires you to record a delivery note for goods dispatched, you can record it in Tally Prime and track it to the sales invoice. You can record a delivery note even without recording a sales order.

Sales Invoice

A sales invoice is **a document issued by a business to outline the goods and services provided to a client**. Sales invoices serve as a record of sale and typically include: A description of the service provided or goods purchased.

Shortcut Keys

Voucher Type	Shortcut Keys
Sales Order	CTRL + F8
Delivery Note	ALT + F8
Sales invoice	F8

The process we followed in Purchase Order, Receipt Note and Invoice, the steps for Sales Order, Delivery Note and Invoice will be almost the same. Only this time we are going to become the customer. So the movement of good will be reverse.

Sales Order and Delivery Note – these two voucher types need to be activated.

Sold the following goods to Ankit Traders from Chandni. Order No. – SO/1, Order Ref No. – ANK/PO/1, Delivery Note Number – ABC/DEL/01, Invoice Number – SAL/ABC/2.

ITEMS	QTY	RATE
Speaker	8	2500
Amplifier	9	3500
Headphone	10	900

Create two ledgers.
1. **Ankit Traders**
2. **Sales**

Sales Order Entry

Go to Gateway of Tally ---- Vouchers ---- Other Vouchers (F10) --- Activate Sales Order.
 Shortcut Key of Sales Order --- CTRL + F8.

Sales Order Number – SO/1

Party A/C Name --- Select 'Ankit Traders' ---- Order Details comes up ---- Destination --- Type 'Burra Bazaar' [Suppose this is Ankit Trader's location where we are going to delivery.]

---- Next comes Party Details --- Details will be populated from the ledger screen.

---- Order No. – Type the Order Reference Number – ANK/PO/1 [This is the order number received from Ankit Traders.]

Sales Ledger --- Select 'Sales Ledger'

Next add items one by one and Items Allocation comes up to put quantity. We do not need to

enter Godown or Rate in Sales Order entry.

---- Accept the entry.

Go to **Gateway of Tally** --- **Stock Summary** --- No effect is there till now.

Delivery Note Entry

We have received the order from Ankit Traders. Now it is our responsibility to deliver the products within the due date.
The entry of goods delivery is done in Delivery Note.

Go to **Gateway of Tally --- Vouchers ---** Activate **Delivery Note**.
Shortcut key for Delivery Note is ALT + F8.

Delivery Note No. – ABC/DEL/01

Party A/C Name – Ankit Traders
---- Order Details window opens up ---

Track the Order Number and come out of the window.

On the front end, the Sales Order details will come up automatically. This has been possible because of tracking facility.

This time the Godown from which the quantity is going out and the selling price both should be applied.

Go to **Gateway of Tally** ---- **Stock Summary** --- **Detailed (ALT + F5)** ---- Enter on 'Speaker' ---- This is the **Stock Summary** outcome right now. The goods supplied are shown in Outwards column.

Sales Invoice Entry

Sales invoice is not an inactive voucher type.

Go to **Gateway of Tally** --- **Vouchers** --- **Sales (F8)**

Sales No. – Type SAL/ABC/2

Party A/C Name – Ankit Traders --- **Dispatch Details** window comes up next --- Track the Delivery Note number.

Every details about Sales Order and Delivery Note will be gathered in Invoice level.

Sales Ledger --- Select 'Sales'

Item Allocations for : **Speaker**				
Godown	**Quantity**	**Rate**	per	**Amount**
Tracking No. : ABC/DEL/01	Order No.: ANK/PO/1		Due on	1-May-22
Chandni	**8 Pcs**	2,500.00	Pcs	20,000.00

Continue with pressing Enter.

After going through all of the items, **Bill-wise Details** window will open up.
We can give our customer a reference number which will be used at the time of receiving payment. [*Make sure at ledger of 'Ankit Traders, the option of 'Maintain balances bill-by-bill' is set to 'Yes' and at Purchase voucher type, under Configuration (F12) --- 'Use default Bill-wise Details for Bill allocations' is set to 'No'.*]

Bill-wise Details for : **Ankit Traders** Upto: ₹ 60,500.00 Dr				
Type of Ref	Name	Due Date, or Credit Days (wef: 2-May-22)	Amount	Dr/ Cr
New Ref	SAL/ANK/1		60,500.00	Dr

---- Accept the entry.

Now go to **Balance Sheet**.

Go to **Gateway of Tally** --- **Balance Sheet** ---- **Detailed (ALT + F5)** ---- Move on to '**Sundry Debtors**' --- Enter on it --- Ankit Trader's ledger appears --- Enter on it --- **Monthly Ledger Summary** is what you will find.

Now it Is time to check Bills Receivable.

Go to **Gateway of Tally** --- **Display More Reports** --- **Statements of Accounts** --- **Outstandings** --- **Receivables** --- Enter on it.

A picture of **Bills Receivable** screen is given below –

Bills Receivable		ABC Ltd			X
Group : ♦ All Items				1-Apr-22 to 2-May-22	
Date Ref. No.	Party's Name			Pending Amount	Due on Overdue by days
2-May-22 SAL/ANK/1	Ankit Traders			60,500.00	2-May-22 0

Rejection_Out

The Rejections Out Voucher records goods that are rejected and returned to a supplier. This type of entry gets only Stock Summary affected. But the Oustanding Report will be left unperturbed.

The following quantity are returned to Sunmarg Enterprise after purchase due to manufacturing defect. Rejection_Out number is Rej_out/Sun/1.

ITEMS	QTY	RATE
Speaker	3	2000

The shortcut for **Rejection_Out is CTRL + F5**.

This is an inactive voucher type to be activated.

Go to **Gateway of Tally --- Vouchers --- Other Vouchers (F10) ---- Show Inactive ---- Rejection_Out** --- Enter --- Yes.

Ledger Account --- Select 'Sunmarg Enterprise' --- **Supplier Name and Address** --- Details will be automatically captured.

Name of Item --- Select Speaker ---- **Tracking Number** --- **New Number** --- Type 'Rej_Out/Sun/1 --- Qty --- Type '3' --- Total amount is going to be calculated having the rate captured --- Accept.

Rejections Out	No. 1		2-May-22
			Monday

Ledger Account	Supplier's Name and Address
Sunmarg Enterprise	**Sunmarg Enterprise** 44B, Dharamdas Lane Rangan Nagar Kolkata

Name of Item			Quantity	Rate per	Amount
Speaker			3 Pcs	**2,000.00 Pcs**	6,000.00
Tracking No. : Rej_out/Sun/1 *Order No.:* ♦ Not Applicable					
		Chandni	3 Pcs	2,000.00 Pcs	6,000.00

Go to **Stock Summary** --- **Detailed (ALT + F5)** --- Enter on 'Speaker'.

There is some change in Inward quantity column ---

Stock Item Monthly Summary		ABC Ltd					X
Particulars	Speaker ABC Ltd 1-Apr-22 to 2-May-22						
	Inwards		Outwards		Closing Balance		
	Quantity	Value	Quantity	Value	Quantity	Value	
Opening Balance							
April	12 Pcs	24,000.00			12 Pcs	24,000.00	
May	(-)3 Pcs	(-)6,000.00	8 Pcs	20,000.00	1 Pcs	2,000.00	
June						2,000.00	
July						2,000.00	
August						2,000.00	
September						2,000.00	
October						2,000.00	
November						2,000.00	
December						2,000.00	
January						2,000.00	
February						2,000.00	
March						2,000.00	

The units of quantity rejected, appeared under inwards column in negative value and the closing balance updated accordingly.
But the Outstanding Report does not get its impact.
The pending amount is there still unchanged.

Bills Payable				ABC Ltd				X
Group : ♦ All Items								1-Apr-22 to 2-May-22
Date	Ref. No.		Party's Name			Pending Amount	Due on	Overdue by days
2-Apr-22 SUN/22-23/123			**Sunmarg Enterprise**			80,200.00	2-Apr-22	30
2-Apr-22 Purchase	PUR/1		80,200.00 Cr					
12 Pcs Speaker			2,000.00/Pcs					
15 Pcs Amplifier			3,000.00/Pcs					
14 Pcs Headphone			800.00/Pcs					

But we know that after rejection the pending amount needs to go down.

That will only happen in Bills Payable report when we post the Debit Note entry. When the supplier will confirm me about the return and deduction on pending amount. A Debit Note entry should be booked on that.

Debit Note Entry

Go to **Gateway of Tally** --- **Vouchers --- Debit Note (ALT + F5)**

Debit Note has different voucher modes.

Change Mode (CTRL + H) --- Item Invoice.

Party A/C Name --- Select '**Sunmarg Enterprise**' ---- **Despatch Details** window comes up --- **Tracking No**.- Select the Rejection_Out Number (Rej_Out/Sun/1) --- Then entire details from Rejection_Out is captured in Debit Note.

		Dispatch Details			
Tracking No(s)	:	List of Tracking Numbers	Name/Agent	:	
Rej_out/Sun/1		New Number	Lading/LR-RR No.:		Date:
		♦ Not Applicable	Vehicle No.	:	
		Rej_out/Sun/1 2-May-22			
		Original Invoice Details			
Original Invoice No.	:		Date	:	

Next Party Details window appears --- Select '**Sunmarg Enterprise**'.

Party Details	
Buyer (Bill to)	: **Sunmarg Enterprise**
Mailing Name	: **Sunmarg Enterprise**
Address	: 44B, Dharamdas Lane
	Rangan Nagar
	Kolkata
State	: **West Bengal**
Country	: **India**

A picture of **Item Allocations** for Speaker is given below –

	Godown	Quantity	Rate	per	Amount
Item Allocations for : **Speaker**					
Tracking No. : Rej_out/Sun/1	Order No.: ♦ Not Applicable				
	Chandni	3 Pcs	2,000.00	Pcs	6,000.00

A picture of entire **Debit Note** screen is given below –

Debit Note	No. 1						2-May-22
							Monday
Party A/c name	: Sunmarg Enterprise						
Current balance	: 80,200.00 Cr						
Ledger account	: Purchase						
Current balance	: 80,200.00 Dr						
Name of Item					Quantity	Rate per	Amount
Speaker					3 Pcs	2,000.00 Pcs	6,000.00

Next, Bill –wise Details window will come ---- **Type of Ref** --- **Agst Ref** --- Track the pending Bill Number ---

Bill-wise Details for : Sunmarg Enterprise
Upto: ₹ 6,000.00 Dr

Type of Ref	Name	Due Date, or	Amount Dr/	
		Pending Bills		
		Name	Date	Balance	Final Balance
Agst Ref		SUN/22-23/123	2-Apr-22	80,200.00 Cr	80,200.00 Cr

---- Accept.

Now, go to **Bills Payable** again --- Detailed (ALT + F5) ---- And see changes.

A picture of **Bills Payable** screen is given below ---

Bills Payable		ABC Ltd				✕
Group : ♦ All Items						1-Apr-22 to 2-May-22
Date Ref. No.	Party's Name				Pending Amount	Due on Overdue by days
2-Apr-22 SUN/22-23/123	**Sunmarg Enterprise**				74,200.00	2-Apr-22 30
2-Apr-22 Purchase PUR/1		80,200.00 Cr				
12 Pcs Speaker		2,000.00/Pcs				
15 Pcs Amplifier		3,000.00/Pcs				
14 Pcs Headphone		800.00/Pcs				
2-May-22 Debit Note 1		6,000.00 Dr				
3 Pcs Speaker		2,000.00/Pcs				

Rejection_In

A Rejections In Voucher is **used to record goods that are rejected and returned by the customer**. This entry does not impact on Bills Receivable but Stock Summary.

Rejection_In is an inactive voucher type that is to activate.

Shortcut key for Rejection_In is **CTRL + F6**

Returned the following quantity from customer Ankit Traders due to manufacturing defects.
Rejection_In No. – Rej/ANK/1

ITEMS	Qunatity	Rate
Speaker 2 2500		

Go to **Gateway of Tally** --- **Vouchers** --- **Other Vouchers (F10)** ---- **Show inactive** --- **Select Rejection_In** --- Enter --- Yes.

Ledger Account --- Ankit Traders
Customer's Name and Address --- It gets populated with the details from the ledger of Ankit Traders.
Name of Item --- Select 'Speaker'
Tracking Number --- **New Number** --- Type 'Rej/ANK/1

After the entry, go to Stock Summary --- Select 'Speaker' --- Enter on it ---- Check 'Outwards' column and see changes.

A picture of **Rejection_In** is given below --

Go to **Receivables** ---- No change is there still now. Because we have not made the Credit Note entry.

A Credit Note entry is to be passed after deduction on receivable is confirmed.

Go to **Gateway of Tally** ---- **Vouchers** ---- **Credit Note (ALT + F6)** ---- **Change Mode (CTRL + H)** --- Item Invoice

Party A/C Name --- Select 'Ankit Traders'

Receipt Details window opens up ---- **Tracking No**. --- Track '**Rejection_In**' number (Rej/ANK/1)

Ledger Account --- Select '**Sales**'.

After tracking of Rejection_In, entire details will be captured from **Rejection_In** into **Credit Note**.

Bill-wise Details window opens up --- **Type of Ref** --- Select '**Agst Ref**' ---- Track the sales invoice number ---- Pressing Enter, come out of the window ---- Accept.

A picture of Bill-wise Details for '**Ankit Traders**' is given below -

Bill-wise Details for : **Ankit Traders** Upto: ₹ 5,000.00 Cr				
Type of Ref	Name	Due Date, or	Amount Dr/	
		Pending Bills		
		Name	Date	Balance	Final Balance
Agst Ref		SAL/ANK/1	2-May-22	60,500.00 Dr	60,500.00 Dr

An entire screenshot of Credit Note is given below.

Credit Note	No. 1				2-May-22 Monday
Party A/c name	: **Ankit Traders**				
Current balance	: 60,500.00 Dr				
Ledger account	: **Sales**				
Current balance	: 60,500.00 Cr				
Name of Item			Quantity	Rate per	Amount
Speaker			2 Pcs	2,500.00 Pcs	5,000.00
◆ End of List					

Now, check the Receivables screen.

Go to Gateway of Tally --- Display More Reports --- Statements of Accounts ---- Outstanding ---- Receivables --- Now, the bills receivable amount from Ankit Traders is affected.

Price Level and List

In Tally Prime, you can create **quantity based price list with the required discount structure**. You need to create the required price levels, and assign different price lists to these price levels. You can create price lists for stock items, stock groups and stock categories.

GOT --- F11 (Features) --- **Enable multiple price levels** --- Yes --- More Details (CTRL + I) --- Price Levels --- Type the level of your customers you are working with –

1. Manufacturers
2. Distributors
3. Wholesalers
4. Retailers
5. Consumers

--- Accept.
Now, create your Stock Items if necessary, to process Price List.
GOT --- Create --- Stock Items
 Name --- LG Monitor
 Under --- Monitors
 Unit – Pcs -- Accept.

Name --- Sony Monitor
Under --- Monitors
Unit – Pcs --- Accept.

You have to purchase the stock items first, otherwise you cannot sell them.
Now, it is time to set Price List.
GOT --- Create --- Price List (Stock Group) ---
Stock Group Name --- Select 'Monitors'
Price Level – Select 'Wholesalers'
Applicable From --- 1.4.2021

Price List — Vrinda-Vishal-Paromita

| Under Group | : Monitors | | | |
| Price Level : Wholesalers | Applicable From: | 1-Apr-21 | | |

S.No.	Particulars	Quantities		Rate	Disc. %
		From:	Less than		(if any)
1.	Lg Monitor				
			10 Pcs	1,700.00/Pcs	5 %
		10 Pcs	20 Pcs	1,550.00/Pcs	10 %
		20 Pcs		1,600.00/Pcs	15 %
2.	Sony Monitor				
			6 Pcs	2,500.00/Pcs	3 %
		6 Pcs	12 Pcs	2,400.00/Pcs	2 %
		12 Pcs		2,000.00/Pcs	3 %

--- Accept.

Do the same steps for other Price Level too.

Create a customer ledger.

GOT --- Create --- Ledgers ---

Name --- Datson Traders

Under --- Sundry Debtors

Maintain balances bill-by-bill --- Yes --- CTRL + I (More Details) --- **Price level applicability** --- Enter on it --- Select a price level.

--- Accept the ledger.

Now, it is time for sale.

GOT --- Vouchers --- Sales (F8) --- F11 (Features) --- Use discount column in invoices --- Yes --- Accept.

After mentioning quantity rate and discount will be automatically specified.

But, there you can face a problem because the rates and discounts which come up automatically cannot be changed by user, to make it possible, go to **Configure (F12)** under sales invoice (F8) --- **Modify all fields during voucher entry** --- Yes --- Accept.

--- Accept.

								Friday
Party A/c name	: Datson Traders					Price Level	: Wholesalers	
Current balance	: 37,908.00 Dr							
Sales ledger	: Sales							
Current balance	: 37,908.00 Cr							
Name of Item					Quantity	Rate per	Disc %	Amount
Lg Monitor					12 Pcs	1,550.00 Pcs	10 %	16,740.00
Sony Monitor					9 Pcs	2,400.00 Pcs	2 %	21,168.00
								37,908.00

How to revise price list?

GOT --- Alter --- Price List (Stock Group) --- Select your group --- Change date --- **Revise Price (Alt + R)**

--- Enter --- Enter --- All the rates and discount are revised.

Fixed Assets Process in Tally Prime

Fixed Assets are purchased for long term and business operations purpose to generate income and which cannot be easily converted into cash, such as furniture, plant, and machinery, land, building and office equipment etc.

Fixed Assets Group

Similar nature of fixed assets will group under one head for easy reporting purpose.

Fixed Assets is predefined group to be used for ledgers like Furniture A/C, Plant and Machinery A/C etc.

But users can also create some Fixed Assets groups as well to contain particular types of fixed assets ledgers like Computer & Peripherals, Furniture, Vehicles, Buildings etc.

Creation of Fixed Assets Group in Tally Prime –

Go to Gateway of Tally ---- Masters ---- Create ---- Group ----

Name – Computer & Peripherals
Under – Fixed Assets – Accept

Name – Furniture
Under – Fixed Assets – Accept

Fixed Assets ledger creation in Tally Prime –
Go to **Gateway of Tally** ---- **Masters --- Create – Ledger**
Name – Desktop Computer
Under – Computer & Perpherals (Fixed Assets) – Accept

Name – Office Tables
Under – Furniture (Fixed Assets) – Accept.

How to record purchase of Fixed Assets on credit—
Purchase a Desktop Computer from E-Zone Tech @ 50000.

Create 2 ledgers to post this entry.

1. Purchase --- Under --- Purchase Accounts
2. E-Zone Tech --- Sundry Creditors

Go to **Gateway of Tally ---- Vouchers ---- Journal (F7)**
Dr. Desktop Computer --- 50000
Cr. E-Zone Tech ----------------------50000 --- Accept

Payment to Vendor

Go to Gateway of Tally --- Vouchers ---- Payment (F5)
Dr. E-Zone Tech --- 50000
Cr. Bank/Cash ---- 50000

Fixed Assets Purchase with Cash

You have to record the following accounting entry, if you purchase fixed assets, paying in cash.

Purchase a Office Table from E-Zone by Cash.
Go to Gateway of Tally ---- Vouchers --- Payment (F5)

Dr. Office Tables --------- 20000
Cr. Cash -----------------------------20000 ---- Accept.

Fixed Assets Report

Go to Gateway of Tally ---- Balance Sheet --- Detailed (Alt + F5) ---- Move to the Assets Column ---- Select on Fixed Assets ---- Enter on it ---- Enter the ledger ---- Monthly Ledger Summary.

How to record depreciation entry in Tally Prime

Depreciation is a systematic reduction of value from fixed asset due to wear and tear. Every year you need to reduce the book value by providing a charge on the asset.

Depreciation Ledger Creation in Tally –

Go to **Gateway of Tally --- Masters ---- Create ---- Ledger** ---
Name --- Depreciation A/C
Under --- Indirect Expenses
Inventory values are affected --- No --- Accept.

Depreciation Entry
Depreciate the Office table @10%.

The closing value of Office Tables is now at 20000.
So, the depreciation amount will be 20000*10% --- 2000.

Go to Gateway of Tally ---- Vouchers ---- Journal (F7)
Dr. Depreciation --------------- 2000
Cr. Office Tables ------------------------- 2000 --- Accept.

Go to Balance Sheet --- Detailed (Alt + F5) --- Move to Assets column ---- Select 'Fixed Assets' ---
Enter ---- Now the WDV of Office Tables is set to (20000 – 2000) --- 18000.

Check Profit & Loss.
Go to Gateway of Tally ---- Reports --- Profit & Loss ---- Depreciation will be found with amount
of 2000/ - on expenses column under 'Indirect Expenses' group.

Cost Center or Profit Center

Cost Center: You can maintain incomes and expenses, as per different business units, employees,
projects, departments and so on, using the Cost Center capability in Tally Prime.
You have one or more Cost Centers of Profit Centers in your company, as needed, and allocate
the breakup of incomes and expenses to different cost centers or profit centers.

Cost Category: Cost Categories are useful for organizations that require allocation of revenue and
non-revenue items to parallel sets of cost centers. Cost Categories facilitate third-dimensional
reporting of expenditure and revenue.

An entry with Cost center and Cost Category –

Petty Cashier has paid the following expenses.
Printing Paper --- 50/-
Postal Stamp --- 70/-
Pen & Pencil --- 50/-
Stapler Pin – 100/-
Employee Refreshment --- 200/-
Tea & Snacks --- 100/-
Cleaning charges --- 500/-
Travelling Expenses --- 1000/-

We can group different Cost Centers to different Cost Categories.
In this case, we can create **Stationery Expenses**, **Refreshment**, **Travelling expenses** Categories.
And we can link **Printing Paper**, **Postal Stamp**, **Pen & Pencil**, **Stapler Pin** to Stationery Expenses,
Employee refreshment, Tea & Snacks to Refreshment, Cleaning Expenses to Cleaning Expenses,
and Travelling Expenses to Travelling Expenses Category.

Or to make it simpler, we can arrange only one Cost Category like **Petty Cash Expenses** to contain
all petty cash expenses ledger.

How to enable Cost Center option –
Go to Gateway of Tally ---- Features (F11) --- Enable Cost Centers --- Yes ---- Accept (CTRL + A)
Gateway of Tally --- Masters --- Create --- Show More ---- Select 'Cost Category' --- New
There is one predefined Cost Category and that is Primary Cost Category.
But we have to create our own.

Cost Category Creation

Name --- Stationery Expenses
Allocate Revenue Items --- Yes
Allocate Non-revenue items --- No. --- Accept

Name ---- Refreshment

Allocate Revenue Items --- Yes

Allocate Non-Revenue Items --- No ---- Accept

Name --- Travelling Expenses

Allocate Revenue Items --- Yes

Allocate Non-Revenue Items --- No ---- Accept

Name --- Cleaning Expenses

Allocate Revenue Items --- Yes

Allocate Non-Revenue Items --- No --- Accept

Next, we have to create the Cost Centers linking each with suitable Cost Category so that expenses of the same nature (like petty cash exp) can be allocated and maintained and reported properly.

Cost Center Creation

Gateway of Tally ---- Masters ---- Create ---- Cost Centers

Cost Category --- Stationery Expenses
Name --- Printing Paper / Postal Stamp/ Pen and Pencil / Stapler Pin
Under --- Primary --- Accept.

Another Cost Center regarding **Stationery Expenses**

Cost Category ---- Refreshment
Name --- Employee Refreshment / Tea & Snacks
Under --- Primary --- Accept

```
Cost Centre Alteration
Category    : Refreshment
Name        : Tea & Snacks
(alias)     :


Under       : ⌐ Primary
```

Cost Category --- Cleaning Expenses
Name – Cleaning Charges
Under --- Primary --- Accept.

```
Cost Centre Alteration
Category    : Cleaning Expenses
Name        : Cleaning Charges
(alias)     :


Under       : ⌐ Primary
```

Cost Category --- Travelling Expenses
Name --- Travelling Allowances
Under --- Primary --- Accept.

Entire Cost Center and Cost Category list can be seen in Alter window –

Alteration of Cost Category or Cost Center

Go to **Gateway of Tally --- Masters --- Alter --- Show More ---- Cost Center or Cost Category ---**

Now, we can post the entry using Cost Center and Cost Category.

Next, we have to create a ledger that can be named as Stationery Expenses, Refreshment, Cleaning Expenses, Traveling Expenses.

 Go to **Gateway of Tally --- Masters --- Create --- Ledger ---**

Name --- Stationery Expenses
Under --- Indirect Expenses
More Details (CTRL + I)
Cost Center applicability --- Yes --- Accept.

For Profit & Loss expenses and income ledgers, **Cost Center Applicability** is set to **YES** by default.

Name – Refreshment
Under --- Indirect Expenses
More Details (CTRL + I)
Cost Center applicability --- Yes --- Accept.

In the same way, create Cleaning Expenses and Traveling Expenses also.

We shall debit the expenses ledgers i.e. Stationery Expenses, Refreshment, Cleaning Expenses, Traveling Expenses along with respective Cost Category and Centers.

Go to **Gateway of Tally --- Vouchers --- Payment (F5)**

After debiting a ledger amount, Cost Allocation window opens up to add Cost Centers with amounts breakup or without breakup.

An entire entry window with Cost Category and Cost Centers -

Cost Center Report

Go to Gateway of Tally ---- Display More Reports --- Statements of Accounts ---- Cost Centers ----

Cost Center Report has 4 parts –

1. Category Summary
2. Cost Centre Break-up
3. Ledger Break-up
4. Group Break-up

Enter on Category Summary

Particulars	ABC Ltd. 1-Apr-2022 to 1-Aug-2022		
	Transactions		Closing
	Debit	Credit	Balance
Cleaning Expenses	500.00		500.00 Dr
Cleaning Charges	500.00		500.00 Dr
Refreshment	300.00		300.00 Dr
Employee Refreshment	200.00		200.00 Dr
Tea & Snacks	100.00		100.00 Dr
Stationery Expenses	270.00		270.00 Dr
Pen & Pencil	50.00		50.00 Dr
Postal Stamp	70.00		70.00 Dr
Printing Paper	50.00		50.00 Dr
Stapler & Pin	100.00		100.00 Dr
Travelling Expenses	1,000.00		1,000.00 Dr
Travelling Exp.	1,000.00		1,000.00 Dr

You can compare paid amount under 2 Cost Centers side by side.
I want to create a comparison between Printing Paper and Postal Stamp. Both are within same Cost Category (Stationery Expenses).

Display Cost Centers --- Cost Center Break-up ---
Select Printing Paper --- Enter

Within the screen --- Detailed (Alt + F5) ---

It will show you Account Group wise at first (Indirect Expenses) ---- Enter on it ---- You will find ledger level ---- New Column (Alt + C) --- From – 1.4.2022 --- To – 31.3.2023 --- Name of Cost Center --- Postal Stamp --- Name of Group --- Indirect Expenses --- Accept.

Cost Center Class : Branch wise Profit Center

Supposedly, our company has 2 branches i.e. Show Room 1, Show Room 2. Sometimes sales occur from Head Office and some other times from different Show Rooms.

Cost Center Class: The purpose of Cost Center Classes is to facilitate predetermined allocation of cost centers to ledger accounts (like expenses and incomes) during voucher entry. The automation of cost center allocation involves creation of classes and predefining percentages for cost centers.

We normally cost allocate with centers at the time of voucher entry.

But, with Cost Center Class our work will be faster than before, since the allocation is predetermined.

At first, we have to create a head office as Cost Category, for example, Reliance Head Office.
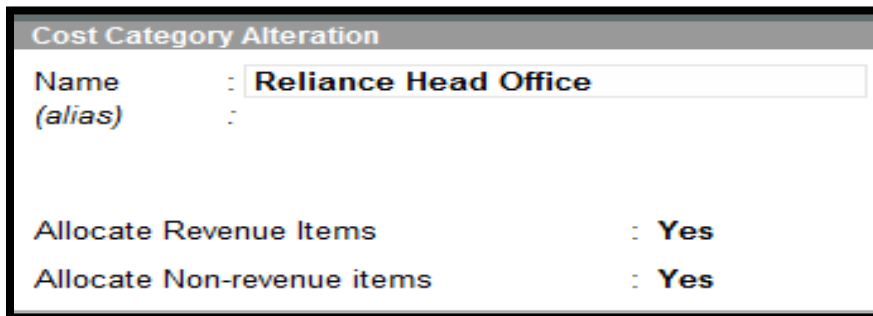
Go to **Gateway of Tally** --- **Features (F11**) --- **Enable Cost Centers** --- Yes --- Accept.

Gateway of Tally --- Masters --- Create ---- Show More ---- Cost Category ---- New ---

Name --- Reliance Head Office
Allocate Revenue Items --- Yes
Allocate Non-revenue Items --- Yes --- Accept.

Next, create Cost Centers.
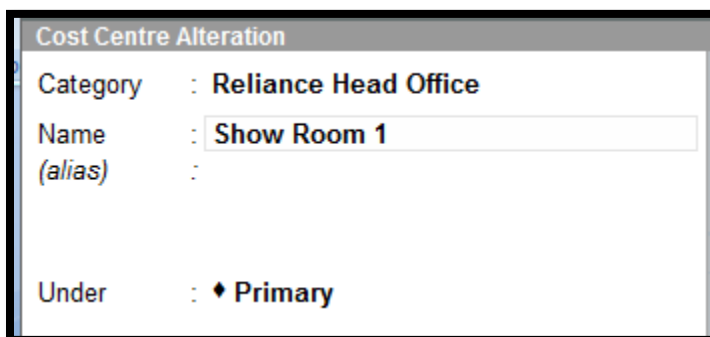
Go to **Gateway of Tally** ---- **Masters** ---- **Create** ---- **Cost Centers** ----
Category --- Reliance Head Office
Name --- Show Room 1
Under --- Primary
--- Accept.

Create another one.

Category --- Reliance Head Office

Name --- Show Room 2
Under --- Primary
--- Accept.

Now, we can create Cost Center Classes.

Go to **Gateway of Tally** ---- **Masters** --- **Create** --- **Show More** --- **Cost Center Class** ----
Class Name --- Terminal 1 ---- Select **Cost Category (Reliance Head Office)** ---- Select **Cost Center** (**Show Room 1**) ---- 100%.
Create another class.
Class Name --- Terminal 2 ---- Select **Cost Category** (**Reliance Head Office**) ---- Select **Cost Center** (**Show Room 2**) ---- 100%.
---- Accept.

This time we will use Cost Centers in Sales entries and in this way Cost Center will be considered as Profit Center because sales generate revenue.

Also If we use Cost Centers at receipt entry, then Cost Centers will be clearly considered as Profit Center.

Go to **Gateway of Tally** --- **Vouchers** ---- **Sales (F8)** ---- **Configure (F12)** --- **Select Cost Center/ Class** --- Yes --- Accept.

At the time of sales entry, we should decide first the sale is occurring from which center and select the class name which is already connected to a specific Cost Center.

No allocation window will come up as before but the entry gets to be assigned to center considering which class name we have selected.

Post another entry with **Terminal 2.**

Next, check Cost Center Report.

Go to **Gateway of Tally** --- **Display More Reports** --- **Statements of Accounts** ---- **Cost Centers** ---- **Cost Center Break-up** ---
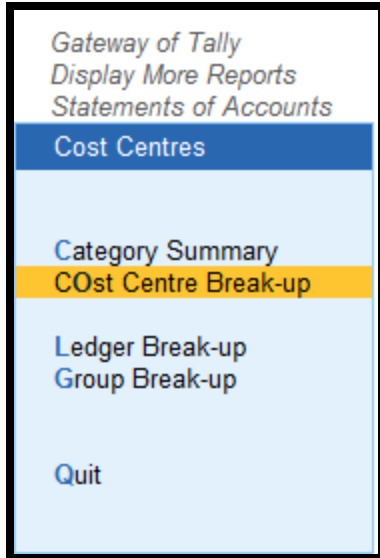
You will find Cost Center list (**Show Room 1, Show Room 2**) ---- Select **'Show Room 2'** ---- See report --- **Detailed (Alt + F5)** --- **F5 (Ledger-wise)**

E-MAIL

Go to **Gateway of Tally** --- **EMAIL (ALT + M**) --- **Configuration** ---

Show More --- **Show CC** --- Yes --- **Show BCC** --- Yes --- **Pre-defined messages** --- Enter --- **Create** --- Type the message name and mail body. See the picture below ---

Accept and come out of the screen.

Pre-defined E-mail profile ---

Create --- Type the E-mail account of your company. You can add more than 1 ID.

Accept and come out of the screen.

Show additional details for Recipient E-mail ID --- Yes.

Come out of the Configuration screen.

Minimize Tally Screen --- Open your Gmail Account.

Click on Google Apps --- Account --- New window opens --- Security --- Scroll down the screen --- By default, it is kept 'NO' – Click on 'Turn on access (not recommended)' --- Allow less secure apps --- OFF --- Set it to 'ON' --- It will be auto-saved, do not worry about it.

Close Google --- Maximize Tally Prime --- Post a sales entry or open any previous one from Day Book ---

Email (ALT + M) ---- **Current (CTRL + M)** ---

E-mail from contains the company E-mail ID.

E-mail to --- Select '**New Address**' or '**Multiple Address**' to type the mail ID of recipient or recipients.

To add E-mail message, press ALT + S --- Add mail body you have saved previously.

Accept the screen.

To change configure, press C where you can change the file format --- Accept it after change.

Send E-mail (M).

BANKING

Cheque Book Creation

Gateway of Tally --- Masters --- Create --- Ledger

Name --- HDFC Bank

Under --- Bank Accounts

A/C holder's name --- Your Company Name

A/C Number --- Type your company's bank account number

IFSC – AAAA0123456 (Format)

Branch --- Type your bank branch

Set/Alter range for Cheque Books --- Yes ---

From Number	To Number	Number of Cheques	Cheque Book Name
000123	000135	13	Ch. Book 1

 --- Accept

Set/Alter Cheque Printing Configuration --- Yes --- Sample Format (Alt+B) --- CTRL + P --- Esc --- Accept the ledger.

Post some entries in F5 and F6 with the bank ledger that you have added a cheque book to.

You can post salary payment, electric bill, internet bill payment, interest received, payment to the party or payment received from the party, bank charges deduction etc.

GOT --- Banking --- Cheque Register --- Select on 'Available Cheques' --- Enter --- You can see the list of unused cheques.

Next, we need to do the reconciliation.

Bank Reconciliation

To view the unreconciled cheques, move to the 'Unreconciled' Column and Enter ---- Go back to the 'Cheque Register' --- ALT + R (Reconcile) --- Type the date in 'Bank Date' column per entry, these dates should be collected from your passbook ---- Change period if necessary (F2) ---- At the end of it, 'Balance as per bank' and 'Balance as per company book' both are to be same.

Cancel a Cheque

Create a cheque book first in your bank ledger --- GOT --- Banking --- Cheque Register --- Enter in the 'Available Cheques' column --- Choose the cheque you want to cancel --- Press spacebar on the cheque --- Alter Status (Alt + S) --- Select 'Cancel Cheque' --- Give a date of cancellation and reason of it --- Accept.
If you have cancelled a cheque by mistake, then go back to the 'Cheque Register' --- Move to the 'Cancelled Cheques' Column --- Enter --- Select the cheque by spacebar --- Alt + A --- Reuse the cancelled Cheque? --- Yes --- Accept.

Issue a Blank Cheque

Cheque Register --- Enter in the '**Available Cheques'** column --- Choose the cheque you want to cancel --- Press spacebar on the cheque --- **Alter Status** (**Alt + S**) --- Blank cheque [**Gateway of Tally** ---**Alter** --- **Voucher Type --- Payment --- Enable zero valued transactions** -- Yes] --- It opens on F5 (Payment Voucher type) --- Complete the entry and accept.

Quick Search

To view every detail about any cheque --- **Cheque Register** --- **Available Cheques** --- Enter --- **Quick Search** (**Alt + Q**).
To filter the cheque list based on status, **Cheque Register** --- **Available Cheques** --- **Cheque Status** (F8)
To create another cheque book in your bank ledger, you do not need to come out of 'Banking' --- **Cheque Register** --- Alter **Cheque Book (Alt + B)**

Deposit Slip: Cheque deposit slip option allows the user to generate the deposit slip for payments received through cheque/DD which needs to be deposited into the bank for any particular date.
GOT --- Banking --- Deposit Slip --- Select Bank ledger --- Press spacebar on the particular receipt entry --- CTRL + P --- Fill up or change details --- Print.

Payment Advice: The payment advice option enables the user to generate payment advice for the cheques that are issued to the suppliers or other party.
Gateway of Tally --- Banking --- Payment Advice --- Select the party ledger you have paid to --- Select entry --- Spacebar --- CTRL + P Fill up or change details --- Print.