

# Contents

## Part - A

<b>Lesson 1: Basics of Accounting</b> .....	1
1.1 Introduction .....	1
1.2 Accounting Principles, Concepts and Conventions .....	1
1.2.1 Revenue Realisation .....	2
1.2.2 Matching Concept .....	2
1.2.3 Accrual .....	2
1.2.4 Going Concern .....	2
1.2.5 Accounting Period .....	2
1.2.6 Accounting Entity .....	3
1.2.7 Money Measurement .....	3
1.3 Double Entry System of Book Keeping .....	3
1.3.1 Features of Double Entry System of Book Keeping .....	3
1.4 Types of Accounts .....	4
1.4.1 Real Accounts .....	5
1.4.2 Personal Accounts .....	5
1.4.3 Nominal Accounts .....	5
1.5 Rules of Accounting .....	6
1.6 Mode of Accounting .....	6
1.6.1 Voucher .....	7
1.6.2 Receipt .....	7
1.6.3 Invoice or Bill .....	7
1.6.4 Journals and Ledgers .....	7
1.6.5 Account .....	7
1.6.6 Ledger .....	7
1.7 Chart of Accounts .....	7
1.7.1 Posting .....	8
1.7.2 Accounting Period .....	8
1.7.3 Trial Balance .....	8
1.8 Financial Statements .....	8
1.8.1 Trading Account .....	8
1.8.2 Profit and Loss Account .....	9
1.8.3 Balance Sheet .....	9
1.9 Transactions .....	9
1.9.1 Recording Transactions .....	10

<b>Lesson 2: Business Organisations</b>	13
2.1 Introduction	13
2.2 Forms of Business Organisation	13
2.2.1 <i>Sole Proprietorship</i>	13
2.2.2 <i>Partnership</i>	14
2.2.3 <i>Joint Hindu Family</i>	14
2.2.4 <i>Cooperative society</i>	14
2.3 Classification of Business Organisation	15
2.3.1 <i>Service Organisations</i>	15
2.3.2 <i>Trading Organisation</i>	15
2.3.3 <i>Manufacturing Organisation</i>	15
 <b>Lesson 3: Accounting on Computers</b>	 19
3.1 Introduction	19
3.2 Computerised Accounting	20
3.2.1 <i>Components of Computerised Accounting Software</i>	20
3.2.2 <i>Need for Computerised Accounting</i>	21
3.2.3 <i>Requirements of a Computerised Accounting System</i>	22
3.2.4 <i>Difference between Manual accounting and Computerised accounting</i>	22
 <b>Lesson 4: Tally.ERP 9 Fundamentals</b>	 25
4.1 Introduction	25
4.1.1 <i>Salient Features of Tally.ERP 9</i>	25
4.1.2 <i>Technological Advantages</i>	27
4.2 Tally.ERP 9 Start-up	29
4.2.1 <i>Mouse/ Keyboard Conventions</i>	31
4.2.2 <i>Switching between Screen Areas</i>	31
4.2.3 <i>Quitting Tally.ERP 9</i>	31
4.3 Setting up a Company in Tally.ERP 9	32
4.3.1 <i>Creating a Company</i>	32
4.3.2 <i>Altering a Company</i>	36
4.4 F11: Company Features	37
4.4.1 <i>F1: Accounting Features</i>	39
4.4.2 <i>F2: Inventory Features</i>	40
4.4.3 <i>F3 : Statutory &amp; Taxation</i>	41
4.4.4 <i>F4: Tally.NET Features</i>	43
4.5 F12: Configurations	44
4.5.1 <i>General Configuration</i>	44
4.5.2 <i>Numeric Symbols</i>	45
4.5.3 <i>Accts/ Inventory Configuration</i>	46
4.5.4 <i>Voucher Entry Configuration</i>	47

4.6	Setting up Account Heads .....	48
4.6.1	<i>Chart of Accounts</i> .....	48
4.6.2	<i>Pre-defined Groups of Accounts</i> .....	49
4.7	Groups and Ledgers .....	50
4.7.1	<i>Groups</i> .....	50
4.7.2	<i>Ledgers</i> .....	53
4.8	Voucher Types .....	57
4.8.1	<i>Predefined Voucher Types in Tally.ERP 9</i> .....	57
4.9	Accounting Vouchers .....	59
4.9.1	<i>Contra Voucher</i> .....	60
4.9.2	<i>Payment Voucher</i> .....	60
4.9.3	<i>Receipt Voucher</i> .....	61
4.9.4	<i>Journal Voucher</i> .....	62
4.9.5	<i>Sales Voucher</i> .....	63
4.9.6	<i>Purchase Voucher</i> .....	65

## Part - B

<b>Lesson 5: Introduction to Trading Organisations .....</b>	<b>69</b>
5.1 Introduction .....	69
5.2 Nature of Trading Organisations .....	69
5.2.1 <i>Accounting Cycle in Trading Organisations</i> .....	70
5.3 Difference between Trading and Service Organisations .....	70
5.4 Activities in a Trading Organisation .....	70
5.5 Accounting and Commercial Terms .....	71
5.5.1 <i>Cash and Credit Purchases</i> .....	71
5.5.2 <i>Cash and Credit Sales</i> .....	71
5.5.3 <i>Returns / Allowances</i> .....	71
5.5.4 <i>Purchase Returns</i> .....	72
5.5.5 <i>Sales Returns</i> .....	72
5.5.6 <i>Credit Period</i> .....	73
5.5.7 <i>Trade Discount and Cash Discount</i> .....	73
5.5.8 <i>Bills of Exchange</i> .....	73
5.5.9 <i>Price Levels</i> .....	74
5.5.10 <i>Cost of Goods Available for Sale</i> .....	75
5.5.11 <i>Cost of Goods Sold</i> .....	75
5.5.12 <i>Gross Profit</i> .....	75
5.5.13 <i>Operating Expenses</i> .....	75
5.5.14 <i>Operating Profit (PBIT)</i> .....	75

5.5.15	<i>Net Profit</i>	76
5.6	Meaning of Inventory	76
5.6.1	<i>Types of Inventory</i>	76
5.6.2	<i>Cost of Inventory</i>	76
5.6.3	<i>Costs of Purchase</i>	77
5.7	Inventory Valuation	77
5.7.1	<i>FIFO (First In First Out)</i>	77
5.7.2	<i>LIFO (Last in First Out)</i>	77
5.7.3	<i>Weighted Average Cost</i>	78
5.7.4	<i>Standard Cost</i>	78
5.8	Inventory Systems	78
5.8.1	<i>Quantity vs Value Records</i>	78
5.8.2	<i>Perpetual Inventory System</i>	79
5.8.3	<i>Periodic Inventory System</i>	79
5.9	Determining Inventory Levels	79

## **Lesson 6: Accounting for Trading Organisations** ..... 81

6.1	Introduction	81
6.2	Setting up a New Company in Tally.ERP 9	81
6.2.1	<i>Create Company</i>	81
6.2.2	<i>Enabling Value Added Tax (VAT)</i>	83
6.3	Recording Transactions for Trading Organisation	87

## **Lesson 7: Generating & Printing Reports in Tally.ERP 9** ..... 189

7.1	Introduction	189
7.2	Financial Statements	190
7.2.1	<i>Balance Sheet</i>	190
7.2.2	<i>Profit and Loss A/c</i>	193
7.2.3	<i>Trial Balance</i>	194
7.3	Accounting Books & Registers	195
7.3.1	<i>Cash Book</i>	196
7.3.2	<i>Bank Book</i>	197
7.3.3	<i>Purchase Register</i>	199
7.3.4	<i>Sales Register</i>	201
7.3.5	<i>Journal Register</i>	203
7.3.6	<i>Debit Note Register</i>	204
7.3.7	<i>Credit Note Register</i>	205
7.3.8	<i>Day Book</i>	206
7.4	Inventory Books & Reports	207
7.4.1	<i>Stock Summary</i>	207
7.4.2	<i>Stock Item Summary</i>	208
7.4.3	<i>Stock Group Summary</i>	209

7.4.4	<i>Batch Vouchers</i>	210
7.4.5	<i>Sales Order Book</i>	211
7.4.6	<i>Purchase Order Book</i>	212
7.4.7	<i>Stock Transfer Register</i>	213
7.4.8	<i>Movement analysis</i>	215
7.4.9	<i>Stock Ageing Analysis</i>	217
7.4.10	<i>Stock Valuation Methods</i>	217
7.4.11	<i>Physical Stock Register</i>	219
7.5	<b>Statements of Accounts</b>	220
7.5.1	<i>Bills Receivable</i>	221
7.5.2	<i>Bills Payable</i>	224
7.5.3	<i>Cost Centre Reports</i>	224
7.5.4	<i>Interest Calculation Reports</i>	227
7.5.5	<i>Statistics</i>	230
7.6	<b>Statements of Inventory</b>	231
7.6.1	<i>Godown Summary</i>	231
7.6.2	<i>Stock Categories</i>	232
7.6.3	<i>Stock Query</i>	233
7.6.4	<i>Sales Order Outstandings</i>	236
7.6.5	<i>Purchase Order Outstandings</i>	239
7.6.6	<i>Purchase Bills Pending</i>	242
7.6.7	<i>Sales Bills Pending</i>	243
7.7	<b>MIS Reports in Tally.ERP 9</b>	245
7.7.1	<i>Cash Flow Statement</i>	245
7.7.2	<i>Funds Flow Statement</i>	246
7.7.3	<i>Ratio Analysis</i>	247
7.8	<b>Budgeting &amp; Controls</b>	248
7.9	<b>Scenario Management</b>	251
7.10	<b>Bank Reconciliation Statement</b>	256
7.11	<b>Exception Reports</b>	259
7.12	<b>Printing Reports</b>	261
7.12.1	<i>Display and Print</i>	262
7.12.2	<i>Multi-Account Printing</i>	262
7.12.3	<i>Type of Print Configuration Options</i>	263
7.12.4	<i>Print Format</i>	264
<b>Lesson 8:</b>	<b>Generating Statutory Reports in Tally.ERP 9</b>	267
8.1	<b>Introduction</b>	267
8.2	<b>Value Added Tax (VAT) Reports</b>	267
8.2.1	<i>VAT Computation</i>	267
8.2.2	<i>VAT Forms</i>	268
8.2.3	<i>eVAT Returns</i>	273

8.2.4	<i>VAT Register</i>	274
8.3	Central Sales Tax (CST) Reports	275
8.3.1	<i>Forms Receivable</i>	276
8.3.2	<i>Forms Issuable</i>	277
8.3.3	<i>CST Register</i>	278
8.4	Tax Deducted at Source (TDS) Reports	281
8.4.1	<i>TDS Computation Report</i>	281
8.4.2	<i>Challan Reconciliation</i>	282
8.4.3	<i>TDS Returns</i>	283
8.4.4	<i>eTDS Returns</i>	289
8.4.5	<i>TDS Outstandings Reports</i>	295
8.4.6	<i>TDS Exception Reports</i>	297

## Part - C

<b>Lesson 9: Introduction to Service Organisations</b>	301
9.1 Introduction	301
9.2 Service Organisations	301
9.2.1 <i>Nature of Service Organisations</i>	301
9.2.2 <i>Activities in Service Organisations</i>	302
9.3 Tally.ERP 9's Capability for Service Organisations	303
<b>Lesson 10: Accounting for Service Organisations</b>	305
10.1 Introduction	305
10.2 Setting up a New Company in Tally.ERP 9	305
10.2.1 <i>Create Company</i>	305
10.2.2 <i>Enabling Service Tax</i>	307
10.2.3 <i>Creating Service Masters</i>	310
10.3 Recording Transactions for Service Organisation	311
<b>Lesson 11: Generating &amp; Printing Reports in Tally.ERP 9</b>	355
11.1 Introduction	355
11.2 Financial Statements	355
11.2.1 <i>Balance Sheet</i>	356
11.2.2 <i>Profit and Loss A/c</i>	357
11.2.3 <i>Trial Balance</i>	358
11.3 Accounting Books & Registers	359
11.3.1 <i>Cash Book</i>	359
11.3.2 <i>Bank Book</i>	361

11.3.3	<i>Purchase Register</i>	362
11.3.4	<i>Sales Register</i>	364
11.3.5	<i>Journal Register</i>	366
11.3.6	<i>Day Book</i>	366
11.4	Statements of Accounts	368
11.4.1	<i>Bills Receivable</i>	368
11.4.2	<i>Bills Payable</i>	368
11.4.3	<i>Statistics</i>	369
11.5	MIS Reports in Tally.ERP 9	369
11.5.1	<i>Cash Flow Statement</i>	370
11.5.2	<i>Fund Flow Statement</i>	371
11.5.3	<i>Ratio Analysis</i>	372
11.6	Exception Reports	372
11.7	Printing Reports	373
11.7.1	<i>Display and Print</i>	373
11.7.2	<i>Multi-Account Printing</i>	373
11.7.3	<i>Type of Print Configuration Options</i>	374
<b>Lesson 12:</b>	<b>Generating Statutory Reports in Tally.ERP 9</b>	<b>377</b>
12.1	Introduction	377
12.2	Service Tax Computation	378
12.3	Service Tax Payables	379
12.3.1	<i>Bill Date wise</i>	380
12.3.2	<i>Realisation Date wise</i>	382
12.4	Input Credit Summary	384
12.5	ST - 3 Returns	387
12.6	Exception Reports	395

