Dr. Ambedkar Institute of Technology, Bengaluru – 560056

MBA Programme

Lab Manual

MBAL208 – Accounting Applications (Tally)

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Dr. Ambedkar Institute of Technology, Bengaluru-56
Department of MBA
Scheme and Syllabus- CBCS 2024 Onwards

Course Title	**Tally Lab**						
Course Code	**MBAL208**						
Category	**Professional Core Course- Lab**						
Scheme and Credits	No. of Hours/Week					Total teaching hours	Credits
	L	T	P	SS	Total		
	00	00	02	00	02	26	01
CIE Marks: 50	**SEE Marks: 50**		**Total Max. marks=100**		**Duration of SEE: 03 Hours**		

COURSE OBJECTIVES:

1. To acquaint the student about the fundamentals of accounting and exposure of Tally.
2. Application of tally software to create a masters & generating the reports.
3. Creating the individual Company, generating & printing the reports.

Exp. No.	Experiment Contents	No. of Hrs
1.	Fundamentals of Accounting - Introduction to Tally, Company Formation, Configuration, Creating Masters in Tally and Voucher Entries.	2
2.	Groups: Groups, Multiple Groups, Understanding F11 and F12 features	2
3.	Ledgers: Ledgers and Multiple Ledgers	2
4.	Maintaining Chart of Accounts - Storage and Classification of Inventory	2
5.	Recording and Maintaining Accounting Transactions - Accounting	2
6.	Inventory Management	2
7.	Bill-wise details: Invoicing Cost Centres & Cost Categories, Interest calculations, Budget and controls	2
8.	Point of sale- Different, Actual, and Billed quantities.	2
9.	Accounts Receivable and Payable Management - Goods and Services Tax, TDS Reports	2
10.	Tally vault: Security controls, Backup and restore, Split company data, Import and export of data	2
11.	Generating Financial Statement and MIS Report - Generating and Printing Reports. Trading Account, Profit & Loss Account, Balance Sheet	2
12.	Accounts Books and Reports, Inventory Books and Reports, Exception Reports and Statutory Reports	2

TEACHING LEARNING PROCESS: Practicing Computer Lab using Tally Prime (ERP)

TEXT BOOKS:

1. Computerised Accounting – Neeraj Goyal, Rohit Sachadev – kalyani publishers, 2018
2. Learn Tally ERP-9 with GST and E way Bill – Rajesh Chedda –Paperback, 2018

E- BOOKS/ ONLINE RESOURCES:
https://tallysolutions.com/tally/how-to-use-gst-in-tally-erp-9/

Note: The aforesaid links and study material are suggestive in nature, they may be used with due regards to copy rights, patenting and other IPR rules.

COURSE OUTCOMES:

Sl. No	Description	Blooms Level
CO 1	Understand and acquire knowledge & skill of traditional accounting practices with Tally exposure.	**L1, L2**
CO 2	Prepare accounting and inventory vouchers with purchase and sales orders using Tally	**L2, L3**
CO 3	Exposure to prepare the financial statements with various GST rates using Tally	**L2, L4**
CO 4	Printing the Financial Statements from Tally application for the analysis and interpretation	**L5**

SCHEME FOR EXAMINATIONS

There will be 2 practical experiments having 1 major and 1 minor experiment carries 30 marks, Procedure and write up carries 10 marks, Viva-voce carries 10 marks, in total 50 Marks.

MAPPING of COs with POs and PSOs

	PO1	PO2	PO3	PO4	PO5	PSO1	PSO2	PSO3	PSO4
CO1	**3**	**3**				**2**			
CO2	**2**								
CO3	**2**	**1**					**2**		
CO4	**1**	**3**				**1**	**3**		**2**
Strength of Correlation: High–3, Moderate–2 & Low –1									

1. Introduction to Tally, Company Formation, Configuration, Masters and Voucher Entries

Tally is accounting and business management software used to record, classify, summarize, and report financial transactions. Tally is widely used by businesses for accounting, inventory management, taxation, payroll, banking, and financial reporting.

Objectives of Learning Tally

After studying this unit, students should be able to:

- Understand the fundamentals of computerized accounting.
- Create and configure a company in Tally.
- Create accounting and inventory masters.
- Record business transactions using vouchers.
- Prepare basic accounting reports.
- Understand the relationship between accounting principles and computerized accounting.

Manual Accounting vs. Computerized Accounting

Basis	**Manual Accounting**	**Computerized Accounting**
Recording	Physical books	Software
Speed	Relatively slow	Fast
Calculations	Manual	Automatic
Error checking	Difficult	Easier
Reports	Time-consuming	Generated quickly
Data storage	Physical records	Digital database
Modification	Difficult	Easy
Backup	Physical copies	Digital backup

Fundamentals of Accounting in Tally

Before using Tally, students should understand the basic accounting concepts.

Accounting Equation

The fundamental accounting equation is:

Assets = Capital + Liabilities

For example:

If the owner invests ₹1,00,000 in a business:

Assets = ₹1,00,000

Capital = ₹1,00,000

Therefore:

₹1,00,000 = ₹1,00,000 + ₹0

2.2 Golden Rules of Accounting

Personal Account

Debit the receiver, Credit the giver

Example: Paid ₹10,000 to Ravi.

- Ravi A/c → Debit
- Cash A/c → Credit

Real Account

Debit what comes in, Credit what goes out
Example: Purchased furniture for cash.

- Furniture A/c → Debit
- Cash A/c → Credit

Nominal Account
Debit all expenses and losses, Credit all incomes and gains
Example: Paid salary ₹20,000.

- Salary A/c → Debit
- Cash A/c → Credit

Introduction to Tally
Tally provides an integrated environment for recording and processing business transactions.
Major Functions

1. Accounting
2. Inventory management
3. Purchase management
4. Sales management
5. Receivables and payables
6. Banking
7. Taxation
8. Payroll
9. Financial reporting
10. Budgeting and analysis

Common Accounting Reports

- Day Book
- Trial Balance
- Profit and Loss Account
- Balance Sheet
- Cash Flow Statement
- Fund Flow Statement
- Outstanding Receivables
- Outstanding Payables

Company Formation in Tally
A **company** in Tally represents a business entity whose financial transactions are recorded and maintained.
Information Required for Company Creation
Before creating a company, collect:

- Company name
- Mailing name
- Address
- Country
- State
- PIN code
- Financial year beginning
- Books beginning from
- Base currency
- Contact details
- Tax registration details, wherever applicable

General Procedure
Open Tally → Create Company → Enter Company Details → Configure Features → Save

Example
Create the following company:
Company Name: ABC Enterprises
Address: Bengaluru, Karnataka
Financial Year Beginning: 1 April 2026
Books Beginning From: 1 April 2026
Currency: Indian Rupee (₹)
Important Points

- The financial year generally covers 12 months.
- The financial year and books beginning date may be different depending on the business situation.
- Company details can be altered later.
- Appropriate security and backup practices should be followed.

Company Configuration
Configuration determines how Tally operates according to the requirements of the business.
Configuration may include:

- Accounting settings
- Inventory settings
- Invoice settings
- Taxation settings
- Security settings
- Voucher numbering
- Printing options
- Display options

Accounting Configuration
Accounting configuration can be used to control features such as:

- Maintain accounts
- Bill-wise details
- Cost centres
- Interest calculation
- Invoicing
- Budgets and scenarios

Inventory Configuration
Inventory-related configuration may include:

- Maintain inventory
- Integrate accounts with inventory
- Multiple godowns
- Stock categories
- Batch-wise details
- Units of measurement

Masters in Tally
A **master** contains basic information that is repeatedly used while recording transactions.
The major masters are:
Accounting Masters

- Groups
- Ledgers
- Cost Centres
- Cost Categories

Inventory Masters

- Stock Groups
- Stock Categories
- Stock Items
- Units of Measurement
- Godowns/Locations

Groups

A **Group** is a collection of similar ledgers.

Examples

Group	Example Ledgers
Capital Account	Capital
Current Assets	Cash, Bank
Current Liabilities	Creditors
Sundry Debtors	Customer accounts
Sundry Creditors	Supplier accounts
Direct Expenses	Wages, Carriage Inward
Indirect Expenses	Salary, Rent
Direct Income	Manufacturing Income
Indirect Income	Commission Received
Fixed Assets	Furniture, Machinery

Importance of Groups

Groups help Tally:

- Classify accounts.
- Prepare financial statements.
- Calculate profit or loss.
- Prepare the Balance Sheet.
- Analyze business performance.

Ledger Creation

A **ledger** is an individual account used to record transactions relating to a particular person, asset, liability, income, or expense.

Examples

- Cash A/c
- Bank A/c
- Capital A/c
- Purchases A/c
- Sales A/c
- Rent A/c
- Salary A/c
- Ravi A/c
- ABC Suppliers A/c

Example: Creating a Sales Ledger

Ledger Name: Sales

Under: Sales Accounts

Example: Creating a Customer Ledger

Ledger Name: Ravi Traders

Under: Sundry Debtors

Example: Creating an Expense Ledger

Ledger Name: Rent
Under: Indirect Expenses

Inventory Masters
Inventory masters are used when the business maintains stock.
Stock Group
A stock group classifies similar products.
Example:
Stock Group: Electronics

- Mobile Phones
- Laptops
- Tablets

Stock Item
A stock item represents an individual product.
Example:
Stock Item: Samsung Mobile
Unit of Measurement
Units specify how inventory is measured.
Examples:

- Nos
- Kg
- Litre
- Metre
- Box
- Dozen

Godown
A godown represents a physical location where inventory is stored.
Example:
Main Godown

Voucher Entries in Tally
A **voucher** is a document or electronic entry used to record a business transaction.
Voucher entry is one of the most important activities in computerized accounting.
Common Accounting Vouchers

Voucher	**Purpose**
Contra	Cash and bank transactions
Payment	Payments made
Receipt	Money received
Journal	Adjustment and other entries
Sales	Sales transactions
Purchase	Purchase transactions
Credit Note	Sales return/credit adjustment
Debit Note	Purchase return/debit adjustment

Contra Voucher
A Contra voucher records transactions involving **cash and bank accounts**.
Examples

- Cash deposited into bank.
- Cash withdrawn from bank.
- Cash transferred between cash accounts.

Example
Deposited ₹20,000 cash into bank.
Entry:
Bank A/c Dr. ₹20,000
To Cash A/c ₹20,000

Payment Voucher
A Payment voucher records money paid by the business.
Examples
- Salary paid
- Rent paid
- Electricity bill paid
- Payment to suppliers

Example
Paid rent ₹15,000 by cash.
Entry:
Rent A/c Dr. ₹15,000
To Cash A/c ₹15,000

Receipt Voucher
A Receipt voucher records money received by the business.
Examples
- Cash received from customer
- Commission received
- Interest received

Example
Received ₹25,000 from Ravi Traders.
Entry:
Cash A/c Dr. ₹25,000
To Ravi Traders A/c ₹25,000

Journal Voucher
A Journal voucher is generally used for adjustment and accounting entries that are not directly recorded through routine payment, receipt, sales, purchase, or contra vouchers.
Examples
- Depreciation
- Outstanding expenses
- Prepaid expenses
- Transfer entries
- Adjustments

Example
Depreciation on furniture ₹5,000.
Entry:
Depreciation A/c Dr. ₹5,000
To Furniture A/c ₹5,000

Purchase Voucher

Purchase vouchers are used to record purchases of goods or services.

Example

Purchased goods worth ₹50,000 on credit from ABC Traders.

Entry:

Purchases A/c Dr. ₹50,000

To ABC Traders A/c ₹50,000

For inventory-based businesses, the purchase invoice can also include:

- Stock item
- Quantity
- Rate
- Amount
- Tax details, where applicable

Sales Voucher

Sales vouchers record sales of goods or services.

Example

Sold goods worth ₹75,000 on credit to Ravi Traders.

Entry:

Ravi Traders A/c Dr. ₹75,000

To Sales A/c ₹75,000

For inventory transactions, the voucher can include:

- Customer
- Stock item
- Quantity
- Rate
- Amount
- Applicable tax details

Debit Note

A Debit Note is generally used to record **purchase returns** or other situations where the supplier's account needs to be debited.

Example

Goods worth ₹5,000 returned to ABC Traders.

Entry:

ABC Traders A/c Dr. ₹5,000

To Purchase Return A/c ₹5,000

Credit Note

A Credit Note is generally used to record **sales returns** or other situations where the customer's account needs to be credited.

Example

Ravi Traders returned goods worth ₹3,000.

Entry:

Sales Return A/c Dr. ₹3,000

To Ravi Traders A/c ₹3,000

Practical Exercise – Creating a Company

Practical 1

Create a company with the following details:

Company: ABC Enterprises
Location: Bengaluru
Financial Year: 2026–27
Books Beginning: 1 April 2026
Create the following ledgers:

1. Capital A/c
2. Cash A/c
3. Bank A/c
4. Purchases A/c
5. Sales A/c
6. Rent A/c
7. Salary A/c
8. Ravi Traders
9. ABC Suppliers
10. Furniture A/c

Practical Exercise – Voucher Entries
Enter the following transactions:

No.	Transaction	Voucher
1	Started business with cash ₹2,00,000	Receipt/Journal as appropriate
2	Deposited ₹50,000 into bank	Contra
3	Purchased goods for cash ₹30,000	Purchase
4	Purchased goods on credit from ABC Suppliers ₹40,000	Purchase
5	Sold goods for cash ₹45,000	Sales
6	Sold goods on credit to Ravi Traders ₹60,000	Sales
7	Paid rent ₹10,000	Payment
8	Paid salary ₹15,000	Payment
9	Received ₹25,000 from Ravi Traders	Receipt
10	Paid ABC Suppliers ₹20,000	Payment
11	Returned goods to ABC Suppliers ₹5,000	Debit Note
12	Ravi Traders returned goods ₹4,000	Credit Note
13	Recorded depreciation ₹3,000	Journal

Basic Accounting Reports in Tally
After entering transactions, students should learn to generate and interpret:
Day Book
Shows transactions recorded during a specified period.
Trial Balance
Shows the balances of various ledger accounts and helps check the arithmetical accuracy of bookkeeping.
Profit and Loss Account
Shows:
Income – Expenses = Profit/Loss
Balance Sheet
Shows the financial position of the business through:
Assets = Capital + Liabilities
Stock Summary

Provides information about:

- Opening stock
- Purchases
- Sales
- Closing stock
- Quantity
- Stock value

2. Groups, Multiple Groups, F11 and F12 Features in Tally

A **Group** in Tally is a collection of similar ledger accounts. Groups help classify accounts according to their nature and are essential for preparing financial statements such as the **Profit & Loss Account** and **Balance Sheet**.

For example:

- Cash A/c → Cash-in-Hand
- SBI Bank A/c → Bank Accounts
- Ravi Traders → Sundry Debtors
- ABC Suppliers → Sundry Creditors
- Rent A/c → Indirect Expenses
- Sales A/c → Sales Accounts

Purpose of Groups

Groups help to:

- Classify similar accounts.
- Organize ledger accounts.
- Determine where an account appears in financial statements.
- Calculate income, expenses, assets and liabilities.
- Generate meaningful accounting reports.
- Facilitate financial analysis.

Predefined Groups in Tally

Tally provides predefined groups based on standard accounting classifications.

Major Primary Groups

Primary Group	Examples
Capital Account	Capital, Drawings
Current Assets	Cash, Bank, Debtors
Current Liabilities	Creditors, Outstanding Expenses
Fixed Assets	Land, Building, Machinery
Investments	Shares, Bonds
Loans (Liability)	Bank Loan, Long-term Loan
Sales Accounts	Sales
Purchase Accounts	Purchases
Direct Expenses	Wages, Carriage Inward
Indirect Expenses	Salary, Rent, Advertisement
Direct Incomes	Direct operating income
Indirect Incomes	Commission, Interest Received
Suspense Account	Temporary/uncertain balances

Primary Groups and Sub-Groups

Tally groups can broadly be understood as:

Primary Groups

These are the main accounting classifications.

Example:

Current Assets

Sub-Groups

These provide further classification under a primary group.
Example:
Current Assets → Bank Accounts
Current Assets → Cash-in-Hand
Current Assets → Sundry Debtors
This hierarchical structure helps Tally organize accounts systematically.

Creating a Group
A group can be created when the predefined groups do not provide the required classification.
General Procedure
Gateway of Tally → Create → Group
Enter:

- Name of Group
- Under
- Group behaves like a sub-ledger – Yes/No, where applicable
- Nett Debit/Credit balances, where applicable

Example
Suppose a business wants to classify different types of administrative expenses.
Create:
Group: Administrative Expenses
Under: Indirect Expenses
Then create ledgers such as:

- Office Expenses
- Telephone Expenses
- Printing Expenses
- Internet Expenses

All these ledgers can be placed under **Administrative Expenses**.

Multiple Groups
Multiple Groups means creating, altering, or displaying several groups together instead of working with one group at a time.
This is particularly useful when a company has many accounting classifications.
Example
A company may have:
Expenses

- Administrative Expenses
- Selling Expenses
- Financial Expenses
- Office Expenses

Instead of creating each group separately through individual screens, multiple-group facilities make group management easier.

Creating Multiple Groups
The general approach is:
Gateway of Tally → Chart of Accounts → Groups → Create Multiple
The user can then enter several groups under appropriate parent groups.
Example

Group Name	**Under**
Administrative Expenses	Indirect Expenses

Group Name	Under
Selling Expenses	Indirect Expenses
Financial Expenses	Indirect Expenses
Office Expenses	Administrative Expenses
Marketing Expenses	Selling Expenses

Advantages of Multiple Groups

- Saves time.
- Reduces repetitive work.
- Makes group creation easier.
- Useful for large organizations.
- Helps maintain a systematic chart of accounts.

Group Hierarchy

The concept of group hierarchy is important in Tally.

Example:

Indirect Expenses

↓

Administrative Expenses

↓

Office Expenses

↓

Printing Expenses

This hierarchy determines how accounts are classified and presented in reports.

Practical Example

Suppose the company maintains:

- Salary
- Rent
- Advertisement
- Bank Charges
- Telephone Expenses

A suitable classification could be:

Ledger	Group
Salary	Indirect Expenses
Rent	Indirect Expenses
Advertisement	Selling Expenses
Bank Charges	Financial Expenses
Telephone Expenses	Administrative Expenses

Understanding F11 Features

F11 is used to access **Company Features** in Tally.

These features determine which major accounting, inventory, taxation and business functions are enabled for the company.

Depending on the Tally version, the exact options and presentation may vary.

Major Areas Controlled Through F11

- Accounting features
- Inventory features

- Statutory and taxation features
- Invoicing
- Cost centres
- Budgets
- Bill-wise details
- Interest calculation
- Payroll-related functionality
- Other business-specific features

Accounting Features

Accounting features control the way accounting transactions are maintained.

Examples include:

Maintain Accounts

Determines whether the company maintains accounting records.

Bill-wise Details

Useful for tracking individual invoices and outstanding amounts of customers and suppliers.

Example:

A customer owes:

- Invoice 101 → ₹20,000
- Invoice 102 → ₹15,000

Bill-wise details help track these outstanding invoices separately.

Cost Centres

Used to allocate income and expenses to different departments, projects or responsibility centres.

Example:

- Marketing Department
- Production Department
- Administration Department

Interest Calculation

Can be used where interest needs to be calculated on outstanding balances or transactions according to configured conditions.

Inventory Features in F11

Inventory features control stock-related functionality.

Important areas include:

- Maintaining inventory
- Integration of accounts with inventory
- Multiple godowns
- Stock categories
- Batch-wise details
- Purchase and sales order processing
- Additional inventory-related tracking

Example

A business dealing with garments may maintain:

Stock Group: Garments

Stock Items:

- Shirt
- Trouser
- Saree
- T-shirt

Inventory features help track the quantity and value of these items.

Statutory and Taxation Features

F11 can also be used to enable relevant statutory and taxation features applicable to the business.

Depending on the company's requirements and current Tally version, these may include:

- GST
- TDS
- TCS
- Other statutory requirements

Important: Tax features should be configured according to the business's actual registration status and applicable law.

Understanding F12 Features

F12 is generally used to access **Configuration** options.

While **F11 controls major company features**, **F12 controls configuration and presentation/entry preferences**.

A simple way to remember:

F11 = What features does the company use?

F12 = How should those features behave or be displayed?

F12 Configuration

F12 configuration can be used to customize various aspects of Tally's:

- Data entry
- Screen display
- Voucher entry
- Reports
- Printing
- Invoice presentation
- Accounting information display

The exact configuration options depend on the screen being used and the Tally version.

Examples of F12 Configuration

While entering a voucher, F12 may provide options related to:

- Displaying additional details.
- Showing particular information during entry.
- Allowing or restricting certain fields.
- Configuring voucher-entry behaviour.

When viewing reports, F12 may provide options related to:

- Display format.
- Additional information.
- Level of detail.
- Presentation of figures.

Difference Between F11 and F12

Basis	**F11**	**F12**
Purpose	Company Features	Configuration
Main function	Enable/disable business features	Customize behaviour/display

Basis	F11	F12
Scope	Company-level features	Screen/report/entry configuration
Example	Enable inventory	Configure inventory display
Example	Enable bill-wise details	Configure how details are displayed
Example	Enable cost centres	Configure information shown
Usage	Functional setup	Presentation/operational setup

3. Ledgers and Multiple Ledgers in Tally

A **Ledger** is an account used to record all transactions relating to a particular person, asset, liability, income, or expense.

In Tally, ledgers are the basic accounting masters through which business transactions are recorded.

Examples of Ledgers

- Cash A/c
- SBI Bank A/c
- Capital A/c
- Purchases A/c
- Sales A/c
- Rent A/c
- Salary A/c
- Ravi Traders A/c
- ABC Suppliers A/c
- Furniture A/c

Importance of Ledgers

Ledgers help to:

- Record individual business transactions.
- Classify transactions under appropriate accounts.
- Determine account balances.
- Prepare the Trial Balance.
- Prepare the Profit & Loss Account.
- Prepare the Balance Sheet.
- Track amounts receivable from customers.
- Track amounts payable to suppliers.
- Analyze income and expenses.

Ledger and Group Relationship

A ledger must be placed under an appropriate **Group**.

Example

Ledger: Rent A/c
Group: Indirect Expenses
Ledger: SBI Bank A/c
Group: Bank Accounts
Ledger: Ravi Traders
Group: Sundry Debtors
Ledger: ABC Suppliers
Group: Sundry Creditors

The **Group determines how the ledger is classified and reported** in Tally.

Types of Ledgers

Ledgers can broadly be classified into:

Personal Ledgers

These relate to persons or organizations.

Examples:

- Ravi Traders
- ABC Suppliers

- Customer A
- Supplier B

Real/Asset Ledgers

These relate to assets.

Examples:

- Furniture
- Machinery
- Building
- Land
- Computer

Nominal Ledgers

These relate to income, expenses, gains and losses.

Examples:

- Salary
- Rent
- Advertisement
- Commission Received
- Interest Received

Common Ledgers in a Trading Business

A typical trading company may require:

Ledger	**Group**
Capital A/c	Capital Account
Cash A/c	Cash-in-Hand
SBI Bank A/c	Bank Accounts
Purchases A/c	Purchase Accounts
Sales A/c	Sales Accounts
Purchase Return A/c	Purchase Accounts/appropriate classification
Sales Return A/c	Sales Accounts/appropriate classification
Rent A/c	Indirect Expenses
Salary A/c	Indirect Expenses
Furniture A/c	Fixed Assets
Ravi Traders	Sundry Debtors
ABC Suppliers	Sundry Creditors
Commission Received	Indirect Incomes

Creating a Ledger in Tally

A ledger can be created through the **Chart of Accounts** or while entering a transaction, depending on the Tally version and configuration.

General Procedure

Gateway of Tally → Create → Ledger

Enter the required information:

1. Ledger Name
2. Under
3. Opening Balance, if applicable
4. Other relevant details
5. Save the ledger

Example: Creating Cash Ledger

Ledger Details

Name: Cash

Under: Cash-in-Hand

Cash is normally available as a predefined ledger in a newly created company, but the student should understand its classification.

Example: Creating Bank Ledger

Ledger Details

Name: SBI Bank

Under: Bank Accounts

Additional bank details may be entered when required for banking and reconciliation purposes.

Example: Creating Expense Ledger

Create:

Ledger Name: Office Rent

Under: Indirect Expenses

If the business pays ₹20,000 as office rent:

Office Rent A/c Dr. ₹20,000

To Cash/Bank A/c ₹20,000

Example: Creating Customer Ledger

Create:

Ledger Name: Ravi Traders

Under: Sundry Debtors

If goods worth ₹50,000 are sold to Ravi Traders on credit:

Ravi Traders A/c Dr. ₹50,000

To Sales A/c ₹50,000

The ledger will help track the amount receivable from Ravi Traders.

Example: Creating Supplier Ledger

Create:

Ledger Name: ABC Suppliers

Under: Sundry Creditors

If goods worth ₹40,000 are purchased from ABC Suppliers on credit:

Purchases A/c Dr. ₹40,000

To ABC Suppliers A/c ₹40,000

The supplier ledger helps track the amount payable to ABC Suppliers.

Opening Balance of a Ledger

An **opening balance** is the balance carried forward from the previous accounting period.

Example

Suppose a customer owes ₹25,000 at the beginning of the year.

Ravi Traders – Opening Balance: ₹25,000 Dr.

Similarly, if the business owes a supplier ₹30,000:

ABC Suppliers – Opening Balance: ₹30,000 Cr.

Important

Opening balances should be entered carefully because incorrect opening balances affect:

- Trial Balance

- Balance Sheet
- Outstanding reports
- Financial statements

Multiple Ledgers

Multiple Ledgers refers to creating or managing several ledger accounts together instead of creating each ledger individually.

This feature is particularly useful when a business has a large number of accounts.

Example

Instead of creating these ledgers one by one:

- Office Rent
- Salary
- Telephone Expenses
- Electricity Expenses
- Printing Expenses

multiple-ledger creation allows them to be entered together under an appropriate group.

Creating Multiple Ledgers

The general procedure is:

Gateway of Tally → Chart of Accounts → Ledgers → Create Multiple

The screen allows several ledger names to be entered under selected groups.

Example

Create the following ledgers under **Indirect Expenses**:

Ledger Name	**Group**
Office Rent	Indirect Expenses
Salary	Indirect Expenses
Telephone Expenses	Indirect Expenses
Electricity Expenses	Indirect Expenses
Printing Expenses	Indirect Expenses

This saves time compared with creating each ledger separately.

Multiple Ledger Creation – Example

Suppose **ABC Enterprises** wants to create the following customer accounts:

Customer	**Group**
Ravi Traders	Sundry Debtors
Kumar Stores	Sundry Debtors
Bangalore Agencies	Sundry Debtors
Sri Lakshmi Stores	Sundry Debtors
Metro Traders	Sundry Debtors

These can be created using the **Multiple Ledgers** facility.

Multiple Ledgers – Advantages

1. Saves Time

Several ledgers can be created in one operation.

2. Reduces Repetitive Work

The user does not have to repeatedly open the ledger-creation screen.

3. Useful for Large Businesses

Businesses with many customers, suppliers and expense accounts can create ledgers efficiently.

4. Better Organization

Ledgers can be created systematically under appropriate groups.

5. Faster Data Entry

It improves the speed of initial company setup.

Altering a Ledger

If an existing ledger needs modification, the user can open the ledger and alter its details.

Examples:

- Change ledger name.
- Change group.
- Modify contact details.
- Change opening balance.
- Update tax-related details where applicable.

Important

Changes to accounting masters should be made carefully because they can affect existing transactions and financial reports.

Displaying Ledger Information

Ledger reports help the user understand transactions associated with an account.

A ledger report may show:

- Date
- Particulars
- Voucher type
- Voucher number
- Debit amount
- Credit amount
- Running balance

Example

Ravi Traders Ledger

Date	Particulars	Debit ₹	Credit ₹	Balance
01-04-2026	Opening Balance	25,000	–	25,000 Dr
05-04-2026	Sales	50,000	–	75,000 Dr
15-04-2026	Receipt	–	30,000	45,000 Dr

The balance of ₹45,000 represents the amount still receivable from the customer.

Difference Between Single and Multiple Ledger Creation

Basis	Single Ledger	Multiple Ledgers
Number of ledgers	One at a time	Several together
Time required	More	Less
Best suited for	Occasional ledger creation	Large-scale ledger creation
Data entry	Individual	Grouped

Basis	Single Ledger	Multiple Ledgers
Efficiency	Lower	Higher
Example	Create one customer	Create 20 customers

Practical Exercise – Single Ledgers

Create the following ledgers in a company named **ABC Enterprises**:

1. Capital A/c
2. Cash A/c
3. SBI Bank A/c
4. Purchases A/c
5. Sales A/c
6. Rent A/c
7. Salary A/c
8. Furniture A/c
9. Ravi Traders
10. ABC Suppliers

Assign the correct group to each ledger.

Practical Exercise – Multiple Ledgers

A. Create Customer Ledgers

Create the following under **Sundry Debtors**:

- Ravi Traders
- Kumar Stores
- Metro Agencies
- Bangalore Traders
- Sri Lakshmi Stores

B. Create Supplier Ledgers

Create the following under **Sundry Creditors**:

- ABC Suppliers
- XYZ Enterprises
- Kumar & Co.
- National Traders
- Modern Agencies

C. Create Expense Ledgers

Create the following under **Indirect Expenses**:

- Office Rent
- Telephone Expenses
- Electricity Expenses
- Printing Expenses
- Advertisement Expenses

Practical Transaction Exercise

After creating the ledgers, enter the following transactions:

No.	Transaction	Voucher
1	Started business with cash ₹2,00,000	Journal
2	Deposited ₹50,000 into SBI Bank	Contra
3	Purchased goods on credit from ABC Suppliers ₹40,000	Purchase

No.	Transaction	Voucher
4	Sold goods on credit to Ravi Traders ₹60,000	Sales
5	Paid office rent ₹10,000	Payment
6	Paid salary ₹15,000	Payment
7	Received ₹30,000 from Ravi Traders	Receipt
8	Paid ₹20,000 to ABC Suppliers	Payment

After recording the transactions, display:

- Cash Ledger
- SBI Bank Ledger
- Ravi Traders Ledger
- ABC Suppliers Ledger
- Rent Ledger
- Salary Ledger
- Trial Balance

4. Maintaining Chart of Accounts & Storage and Classification of Inventory

A **Chart of Accounts (COA)** is a systematic list of all accounts used by a business for recording and classifying its financial transactions.

In Tally, the Chart of Accounts provides a structured view of:

- Groups
- Ledgers
- Stock Groups
- Stock Categories
- Stock Items
- Units
- Godowns/Locations
- Other relevant masters

Example

A trading company may have the following Chart of Accounts:

Assets

- Cash
- Bank
- Furniture
- Machinery
- Sundry Debtors

Liabilities

- Capital
- Bank Loan
- Sundry Creditors

Income

- Sales
- Commission Received
- Interest Received

Expenses

- Purchases
- Salary
- Rent
- Advertisement
- Electricity

Importance of Chart of Accounts

A properly maintained Chart of Accounts helps to:

1. Organize financial information.
2. Classify transactions correctly.
3. Reduce duplication of accounts.
4. Improve accuracy of accounting records.
5. Generate meaningful financial reports.
6. Facilitate preparation of Trial Balance.
7. Facilitate preparation of Profit & Loss Account.
8. Facilitate preparation of Balance Sheet.
9. Support financial analysis and decision-making.

Components of Chart of Accounts

The major components include:

Accounting Masters

- Groups
- Ledgers
- Cost Centres
- Cost Categories

Inventory Masters

- Stock Groups
- Stock Categories
- Stock Items
- Units of Measurement
- Godowns/Locations

Example of Hierarchy

Indirect Expenses
↓
Administrative Expenses
↓
Office Expenses
↓
Printing Expenses

Similarly, inventory can be organized as:

Electronics
↓
Mobile Phones
↓
Samsung Galaxy

Maintaining Chart of Accounts in Tally

The Chart of Accounts can be accessed through the relevant **Chart of Accounts** menu in Tally. It allows the user to:

- View accounts.
- Create accounts.
- Alter accounts.
- Display accounts.
- Delete accounts where permitted.
- Search and filter accounts.
- Review account classifications.

Basic Maintenance Process

Identify requirement → Create appropriate group → Create ledger → Assign correct classification → Verify → Use in transactions

Good Practices in Maintaining Chart of Accounts

Use Meaningful Names

Instead of:

Expense 1

Use:

Office Rent

Avoid Duplicate Ledgers

Do not create:

- SBI

- SBI Bank
- State Bank
- SBI A/c

for the same bank account unless there is a genuine accounting reason.

Use Correct Groups

For example:

Rent → Indirect Expenses

rather than placing Rent under an unrelated group.

Follow a Consistent Naming Convention

Examples:

- HDFC Bank A/c
- SBI Bank A/c
- ABC Traders
- XYZ Suppliers

Review the Chart of Accounts Regularly

Unused or duplicate masters should be reviewed and managed appropriately.

Storage of Inventory

Inventory refers to goods and materials held by a business for:

- Sale
- Production
- Consumption in production
- Supporting business operations

For a trading business, inventory generally consists of goods purchased for resale.

For a manufacturing business, inventory may include:

- Raw materials
- Work-in-progress
- Finished goods
- Stores and spares

Inventory Storage

Inventory storage refers to the systematic arrangement and maintenance of stock at one or more physical locations.

In Tally, physical storage locations can be represented using **Godowns/Locations**.

Example

A business may have:

Head Office

- Main Godown
- Branch Godown
- Warehouse – Bengaluru
- Warehouse – Mysuru

Tally can be configured to track inventory across multiple locations when required.

Godown/Location

A **Godown/Location** represents a physical place where inventory is stored.

Examples

- Main Warehouse
- Branch Warehouse
- Factory Store
- Retail Store

- Distribution Centre

Example Structure

Bengaluru Warehouse

- Mobile Phones
- Laptops
- Tablets

Mysuru Warehouse

- Mobile Phones
- Laptops
- Tablets

This helps the business know **what stock is available and where it is stored**.

Importance of Inventory Storage Management

Proper inventory storage helps to:

- Know stock availability.
- Identify stock location.
- Reduce stock losses.
- Prevent unnecessary accumulation.
- Improve stock movement.
- Support timely customer deliveries.
- Monitor inventory value.
- Improve warehouse utilization.

Classification of Inventory

Inventory classification means grouping inventory items according to their common characteristics.

Classification makes inventory management easier and improves reporting.

Stock Groups

A **Stock Group** is used to classify similar stock items.

Example

Stock Group: Electronics

- Mobile Phones
- Laptops
- Tablets

Another example:

Stock Group: Garments

- Shirts
- Trousers
- Sarees
- T-shirts

Purpose

Stock Groups help to:

- Classify similar products.
- Analyze stock movement.
- Prepare stock reports.
- Compare inventory categories.

Stock Categories

A **Stock Category** provides another method of classifying inventory based on common characteristics.
For example:
Stock Group
Mobile Phones
Stock Category
Smartphones
Stock Categories can be useful when the business wants an additional classification independent of the primary Stock Group structure.

Stock Items
A **Stock Item** represents an individual inventory product that the business purchases, sells, produces or maintains.
Example
Stock Group: Mobile Phones
Stock Items:

- Samsung Galaxy A Series
- Apple iPhone
- OnePlus
- Xiaomi

Similarly:
Stock Group: Stationery
Stock Items:

- Notebook
- Pen
- Pencil
- File

Units of Measurement
A **Unit of Measurement** defines how an inventory item is measured.
Examples

Inventory	**Unit**
Mobile Phone	Nos
Rice	Kg
Oil	Litre
Cloth	Metre
Shoes	Pair
Paper	Ream
Beverages	Box

Importance
Units help Tally calculate:

- Quantity purchased
- Quantity sold
- Closing stock
- Stock movement

Classification Example

Consider a garment business.

Stock Group

Garments

Stock Categories

- Men's Wear
- Women's Wear
- Kids' Wear

Stock Items

Men's Wear

- Formal Shirt
- Trousers
- T-shirt

Women's Wear

- Saree
- Kurti
- Salwar

Kids' Wear

- Kids Shirt
- Kids T-shirt
- Kids Trouser

Unit

Nos

This classification allows the business to analyze inventory systematically.

Stock Classification Hierarchy

A simple inventory structure can be represented as:

Stock Group
↓
Stock Category
↓
Stock Item
↓
Unit of Measurement
↓
Godown/Location

Example:

Electronics
↓
Mobile Phones
↓
Samsung Galaxy
↓
Nos
↓
Main Godown

Stock Opening Balance

When inventory records are transferred from an existing accounting system or previous accounting period, opening stock may need to be entered.

Opening stock may include:

- Quantity
- Rate
- Value
- Godown/location, where applicable

Example

Opening stock:

Samsung Mobile

Quantity = 20 Nos

Rate = ₹20,000 per unit

Opening stock value:

20 × ₹20,000 = ₹4,00,000

Inventory Classification – Practical Example

ABC Electronics

Create the following structure:

Stock Group: Electronics

Stock Categories:

- Mobile
- Computer
- Accessories

Stock Items:

Stock Category	Stock Item	Unit
Mobile	Samsung Mobile	Nos
Mobile	iPhone	Nos
Computer	Laptop	Nos
Computer	Desktop	Nos
Accessories	Keyboard	Nos
Accessories	Mouse	Nos

Godowns

Create:

- Main Godown
- Branch Godown

The business can then maintain information about the quantity of each item at each location.

Chart of Accounts vs Inventory Classification

Basis	Chart of Accounts	Inventory Classification
Purpose	Organizes accounting information	Organizes stock information
Main elements	Groups and Ledgers	Stock Groups, Categories, Items
Focus	Financial transactions	Physical goods
Reports	Trial Balance, P&L, Balance Sheet	Stock Summary, movement and valuation reports
Example	Rent A/c	Mobile Phone

Basis	Chart of Accounts	Inventory Classification
Classification	Assets, liabilities, income, expenses	Product/category/location

Practical Exercise

Exercise 1 – Chart of Accounts

Create the following groups and ledgers:

Assets

- Cash
- SBI Bank
- Furniture

Liabilities

- Capital
- ABC Suppliers

Income

- Sales
- Commission Received

Expenses

- Purchases
- Rent
- Salary
- Advertisement

Verify that every ledger is placed under the appropriate group.

Exercise 2 – Inventory Classification

Create:

Stock Group: Electronics

Stock Categories:

- Mobile
- Computer
- Accessories

Stock Items:

1. Samsung Mobile
2. iPhone
3. Laptop
4. Desktop
5. Keyboard
6. Mouse

Unit: Nos

Godowns:

- Main Godown
- Branch Godown

Integrated Practical Exercise

Create a company named **ABC Electronics**.

Accounting Masters

Create:

- Capital A/c
- Cash A/c

- SBI Bank A/c
- Purchases A/c
- Sales A/c
- Rent A/c
- Salary A/c
- Ravi Traders
- ABC Suppliers

Inventory Masters

Create:

Stock Group: Electronics

Stock Items:

- Samsung Mobile
- iPhone
- Laptop
- Keyboard
- Mouse

Unit: Nos

Godowns:

- Main Godown
- Branch Godown

Transactions

1. Purchased 20 Samsung mobiles.
2. Purchased 10 laptops.
3. Sold 5 Samsung mobiles.
4. Sold 2 laptops.
5. Transferred 5 Samsung mobiles from Main Godown to Branch Godown.
6. Received payment from a customer.
7. Paid supplier.
8. Paid office rent.

Finally, generate and examine:

- Day Book
- Ledger reports
- Trial Balance
- Profit & Loss Account
- Balance Sheet
- Stock Summary
- Godown-wise stock information

5. Recording and Maintaining Accounting Transactions – Accounting

Accounting transactions are financial events that affect the assets, liabilities, capital, income or expenses of a business.

In Tally, accounting transactions are recorded using **vouchers**. Proper recording ensures that financial statements accurately reflect the financial position and performance of the business.

Examples of Accounting Transactions

- Capital introduced into the business
- Purchase of goods
- Sale of goods
- Payment of expenses
- Receipt from customers
- Payment to suppliers
- Purchase of fixed assets
- Loans taken or repaid
- Bank deposits and withdrawals

Accounting Process

The basic accounting process can be represented as:

Business Transaction
↓
Source Document
↓
Identify Accounts
↓
Apply Debit & Credit Rules
↓
Record Transaction in Tally
↓
Ledger Posting
↓
Trial Balance
↓
Financial Statements

Source Documents

A source document provides evidence of a business transaction.

Common Source Documents

Document	Purpose
Invoice	Sale or purchase
Cash Memo	Cash transaction
Receipt	Money received
Payment Voucher	Money paid
Debit Note	Purchase return/adjustment
Credit Note	Sales return/adjustment
Bank Statement	Bank transactions

Document	Purpose
Cheque	Payment through bank
Purchase Order	Order placed with supplier
Sales Order	Order received from customer

Source documents should be preserved because they provide evidence for accounting records and verification.

Identifying Accounts

Before recording a transaction, identify:

1. **Which accounts are affected?**
2. **What type of accounts are they?**
3. **Which account should be debited?**
4. **Which account should be credited?**

Example

Paid office rent ₹10,000 in cash.

Accounts affected:

- Rent A/c
- Cash A/c

Accounting entry:

Rent A/c Dr. ₹10,000
To Cash A/c ₹10,000

Debit and Credit

The basic principle of double-entry accounting is:

Every transaction has at least one debit and one credit, and total debits must equal total credits.

Traditional Rules

Personal Account

Debit the receiver, Credit the giver

Real Account

Debit what comes in, Credit what goes out

Nominal Account

Debit all expenses and losses, Credit all incomes and gains

Types of Accounting Transactions

Cash Transactions

Transactions where cash is directly received or paid.

Example: Purchased goods for cash ₹20,000.

Purchases A/c Dr. ₹20,000
To Cash A/c ₹20,000

Credit Transactions

Transactions where payment is made or received later.

Example: Purchased goods from ABC Suppliers on credit for ₹40,000.

Purchases A/c Dr. ₹40,000
To ABC Suppliers A/c ₹40,000

Bank Transactions

Transactions involving bank accounts.
Example: Deposited cash into bank ₹30,000.
Bank A/c Dr. ₹30,000
To Cash A/c ₹30,000

Adjustment Transactions
Transactions that adjust accounting balances.
Examples:

- Depreciation
- Outstanding expenses
- Prepaid expenses
- Accrued income
- Bad debts

Voucher Types Used for Accounting Transactions

Voucher	**Main Purpose**
Contra	Cash-bank transfers
Payment	Payments
Receipt	Receipts
Journal	Adjustments/general entries
Purchase	Purchases
Sales	Sales
Debit Note	Purchase returns/adjustments
Credit Note	Sales returns/adjustments

Contra Transactions
A **Contra transaction** involves transfers between cash and bank accounts.
Examples

- Cash deposited into bank.
- Cash withdrawn from bank.
- Transfer between bank accounts.

Example
Cash deposited into SBI Bank ₹50,000.
SBI Bank A/c Dr. ₹50,000
To Cash A/c ₹50,000
Tally Voucher
Contra Voucher

Payment Transactions
A Payment voucher is used when the business makes a payment.
Examples

- Rent paid
- Salary paid
- Electricity bill paid
- Supplier payment

Example

Paid salary ₹25,000 by bank.
Salary A/c Dr. ₹25,000
To SBI Bank A/c ₹25,000
Tally Voucher
Payment Voucher

Receipt Transactions
A Receipt voucher is used when the business receives money.
Example
Received ₹30,000 from Ravi Traders.
Cash/Bank A/c Dr. ₹30,000
To Ravi Traders A/c ₹30,000
Tally Voucher
Receipt Voucher

Purchase Transactions
A purchase transaction occurs when goods or services are acquired for business purposes.
Example
Purchased goods for ₹60,000 from ABC Suppliers on credit.
Purchases A/c Dr. ₹60,000
To ABC Suppliers A/c ₹60,000
Tally
Use:
Purchase Voucher
For inventory transactions, enter:

- Supplier
- Stock item
- Quantity
- Rate
- Amount
- Applicable tax details

Sales Transactions
A sales transaction occurs when goods or services are sold.
Example
Sold goods worth ₹80,000 to Ravi Traders on credit.
Ravi Traders A/c Dr. ₹80,000
To Sales A/c ₹80,000
Tally
Use:
Sales Voucher
For inventory sales, enter:

- Customer
- Stock item
- Quantity
- Rate
- Amount
- Applicable tax details

Purchase Return

When purchased goods are returned to the supplier, the transaction is recorded as a purchase return.

Example

Goods worth ₹5,000 returned to ABC Suppliers.

ABC Suppliers A/c Dr. ₹5,000

To Purchase Return A/c ₹5,000

In Tally, this is generally recorded using a **Debit Note** with the appropriate configuration.

Sales Return

When a customer returns goods previously sold by the business, it is recorded as a sales return.

Example

Ravi Traders returned goods worth ₹4,000.

Sales Return A/c Dr. ₹4,000

To Ravi Traders A/c ₹4,000

In Tally, this is generally recorded using a **Credit Note** with the appropriate configuration.

Journal Transactions

Journal vouchers are used for adjustment and other accounting entries that do not fit routine payment, receipt, sales, purchase or contra transactions.

Example 1 – Depreciation

Depreciation on furniture ₹5,000.

Depreciation A/c Dr. ₹5,000

To Furniture A/c ₹5,000

Example 2 – Outstanding Salary

Salary outstanding ₹10,000.

Salary A/c Dr. ₹10,000

To Outstanding Salary A/c ₹10,000

Maintaining Accounting Transactions in Tally

Maintaining accounting transactions means ensuring that transactions are:

- Recorded correctly.
- Supported by source documents.
- Classified under appropriate ledgers.
- Recorded in the correct accounting period.
- Properly authorized.
- Regularly reviewed.
- Corrected through appropriate adjustment procedures where necessary.

Steps for Recording a Transaction in Tally

Step 1 – Identify the Transaction

Example:

Purchased goods from ABC Suppliers for ₹50,000.

Step 2 – Identify Accounts

- Purchases A/c
- ABC Suppliers A/c

Step 3 – Determine Debit and Credit

Purchases A/c Dr. ₹50,000

ABC Suppliers A/c Cr. ₹50,000

Step 4 – Select Voucher

Purchase Voucher

Step 5 – Enter Details

- Date
- Supplier
- Purchase ledger
- Stock item
- Quantity
- Rate
- Amount
- Applicable tax details

Step 6 – Save the Voucher

Step 7 – Verify the Transaction

Check the voucher and ledger.

Maintaining Ledger Balances

Every transaction recorded through a voucher affects one or more ledgers.

For example:

Transaction

Sold goods worth ₹50,000 to Ravi Traders.

Effect:

Ravi Traders → Debit ₹50,000

Sales → Credit ₹50,000

The customer ledger therefore shows the amount receivable from Ravi Traders.

Bill-wise Accounting

Bill-wise accounting is useful for businesses that sell or purchase goods on credit.

It helps track:

- Invoice number
- Invoice date
- Due date
- Amount receivable
- Amount payable
- Amount settled
- Outstanding balance

Example

Ravi Traders purchases goods:

Invoice 101 = ₹50,000

Later pays:

₹30,000

Outstanding:

₹20,000

Bill-wise details help identify the unpaid amount.

Maintaining Outstanding Receivables and Payables

Receivables

Money that customers owe to the business.

Example:

Ravi Traders → ₹40,000 outstanding

Payables

Money that the business owes to suppliers.

Example:

ABC Suppliers → ₹25,000 payable
Tally can provide reports to monitor these balances.

Correcting Accounting Errors
Errors may occur during transaction entry.
Examples:

- Wrong ledger selected.
- Incorrect amount entered.
- Wrong date entered.
- Wrong quantity entered.
- Incorrect customer or supplier selected.
- Incorrect voucher type used.

Correction Methods
Depending on the situation:

- Alter the voucher.
- Cancel the incorrect voucher.
- Pass an adjustment entry.
- Record a reversal/correction transaction.

Corrections should preserve a clear audit trail and comply with the organization's accounting procedures.

Practical Exercise
Create a company **ABC Enterprises** and record the following transactions:

No.	Transaction	Voucher
1	Started business with cash ₹2,00,000	Journal
2	Deposited ₹50,000 into bank	Contra
3	Purchased goods for cash ₹30,000	Purchase
4	Purchased goods from ABC Suppliers ₹50,000 on credit	Purchase
5	Sold goods for cash ₹40,000	Sales
6	Sold goods to Ravi Traders ₹60,000 on credit	Sales
7	Paid rent ₹10,000	Payment
8	Paid salary ₹15,000	Payment
9	Received ₹30,000 from Ravi Traders	Receipt
10	Paid ₹25,000 to ABC Suppliers	Payment
11	Returned goods worth ₹5,000 to ABC Suppliers	Debit Note
12	Ravi Traders returned goods worth ₹4,000	Credit Note
13	Depreciation on furniture ₹3,000	Journal

6. Inventory Management in Tally

Inventory Management is the process of planning, purchasing, storing, controlling and monitoring the stock of goods and materials held by a business.

In Tally, inventory management helps an organization maintain accurate information about:

- Stock quantity
- Stock value
- Purchases
- Sales
- Stock movement
- Storage locations
- Stock levels
- Opening and closing stock

Basic Inventory Flow

Purchase → Receipt → Storage → Stock Movement → Sales/Consumption → Closing Stock

Objectives of Inventory Management

The major objectives are to:

1. Maintain adequate stock.
2. Avoid overstocking.
3. Avoid stock shortages.
4. Minimize inventory carrying costs.
5. Monitor stock movement.
6. Maintain accurate stock records.
7. Reduce wastage and losses.
8. Ensure timely availability of goods.
9. Determine inventory value accurately.
10. Support purchasing and sales decisions.

Importance of Inventory Management

Effective inventory management helps a business:

- Meet customer demand.
- Reduce unnecessary investment in stock.
- Prevent stock-outs.
- Identify slow-moving items.
- Identify fast-moving items.
- Reduce inventory losses.
- Improve cash flow.
- Improve warehouse utilization.
- Support profitability.

Inventory Masters in Tally

Inventory management requires the creation and maintenance of appropriate inventory masters. The major inventory masters are:

Stock Groups

Classify similar stock items.

Stock Categories

Provide an additional classification of stock.

Stock Items

Represent individual products.

Units of Measurement

Specify how stock is measured.

Godowns/Locations

Identify where stock is stored.

Stock Opening Balances

Record stock carried forward from the previous period.

Stock Groups

A **Stock Group** classifies similar stock items.

Example

Stock Group: Electronics

- Mobile Phones
- Laptops
- Tablets
- Computer Accessories

Another example:

Stock Group: Garments

- Shirts
- Trousers
- Sarees
- T-shirts

Benefits

- Easy stock classification.
- Better stock reporting.
- Simplifies inventory analysis.
- Helps monitor product groups.

Stock Categories

A **Stock Category** provides an additional method of classifying stock items.

Example

Stock Group: Electronics

Stock Categories:

- Premium
- Standard
- Economy

This allows management to analyze products from another perspective.

Stock Items

A **Stock Item** represents an individual product maintained in inventory.

Example

Stock Group: Mobile Phones

Stock Items:

- Samsung Galaxy
- iPhone
- OnePlus
- Xiaomi

A stock item can have details such as:

- Name
- Stock group

- Category
- Unit
- Opening quantity
- Opening rate
- Opening value
- Other relevant inventory details

Units of Measurement

Units of measurement determine how stock quantity is recorded.

Examples

Product	Unit
Mobile Phone	Nos
Rice	Kg
Oil	Litre
Cloth	Metre
Shoes	Pair
Beverages	Box
Cement	Bag

Types of Units

Simple Unit

A single unit such as:

- Nos
- Kg
- Litre
- Metre

Compound Unit

A combination of two units.

Example:

1 Box = 12 Nos

This is useful where inventory is purchased or sold in different measurement forms.

Godowns/Locations

A **Godown/Location** represents a physical place where stock is stored.

Examples

- Main Godown
- Branch Godown
- Factory Store
- Warehouse
- Retail Outlet

Example

ABC Electronics

Main Godown

- 50 Mobile Phones
- 20 Laptops

Branch Godown

- 20 Mobile Phones
- 10 Laptops

Location-wise inventory tracking helps management determine where stock is available.

Opening Stock
Opening stock represents inventory available at the beginning of an accounting period.
Example
A business has:
100 units × ₹500 = ₹50,000
Therefore:
Opening Quantity = 100 units
Opening Rate = ₹500
Opening Value = ₹50,000
Opening stock must be recorded correctly because it affects inventory valuation and financial statements.

Purchase of Inventory
When goods are purchased for resale, the inventory quantity increases.
Example
Purchased:
50 units @ ₹1,000 = ₹50,000
The purchase transaction increases the stock of that item.
In Tally
Use the appropriate **Purchase Voucher** and enter:

- Supplier
- Stock item
- Quantity
- Rate
- Amount
- Godown/location
- Applicable tax details

Sales of Inventory
When goods are sold, inventory quantity decreases.
Example
Sold:
20 units @ ₹1,500
The quantity of the stock item reduces by 20 units.
In Tally
Use the **Sales Voucher** and enter:

- Customer
- Stock item
- Quantity
- Rate
- Amount
- Godown/location
- Applicable tax details

Stock Transfer
Stock may be transferred from one location to another without buying or selling it.
Example
Transfer:

10 laptops from Main Godown to Branch Godown.
The total stock of the company remains the same, but its location changes.
Inventory Effect
Main Godown: −10 laptops
Branch Godown: +10 laptops
This is useful for businesses operating multiple warehouses or branches.

Physical Stock
Physical stock refers to the actual quantity of goods physically available in the warehouse.
Sometimes the physical quantity differs from the quantity shown in the books due to:

- Damage
- Theft
- Wastage
- Counting errors
- Recording mistakes
- Other operational differences

A **Physical Stock** adjustment can be used to record the verified physical quantity, subject to appropriate authorization and procedures.

Stock Journal
A Stock Journal is used for inventory-related movements and adjustments.
It can be used for:

- Stock transfers
- Material movements
- Consumption
- Production-related movements
- Other inventory adjustments

Example
Transfer 25 units of Product A:
From: Main Godown
To: Branch Godown
The stock quantity is reduced in the source location and increased in the destination location.

Reorder Level
Reorder Level is the stock level at which a new order should generally be placed to avoid a stock shortage.
Example
A company normally maintains:
Minimum desired stock = 100 units
When stock reaches the reorder point, management can initiate a purchase order.
Importance
Reorder levels help:

- Avoid stock-outs.
- Maintain continuous operations.
- Improve purchasing decisions.
- Reduce emergency purchases.

Minimum and Maximum Stock Levels
Minimum Stock Level
The lowest quantity that should normally be maintained.

Maximum Stock Level
The highest quantity that should normally be maintained.
Example

Level	Quantity
Minimum	50
Reorder	100
Maximum	500

When stock falls toward the reorder level, the business may initiate replenishment.

Inventory Valuation
Inventory valuation determines the monetary value of stock.
Common inventory valuation approaches include:

- FIFO
- Weighted Average Cost
- Other methods permitted by the applicable accounting framework and configured in the system

Example – FIFO
Suppose:

- 100 units purchased @ ₹100
- 100 units purchased @ ₹120

If 150 units are sold, FIFO assumes the earliest 100 units are issued first, followed by 50 units from the second purchase batch.
Inventory valuation affects:

- Cost of goods sold
- Closing stock
- Gross profit
- Profit before tax

The valuation method should be selected consistently and in accordance with the applicable accounting requirements.

Batch-wise Inventory
Batch-wise inventory is useful when products are identified by batch numbers.
It is particularly relevant for businesses dealing with products such as:

- Pharmaceuticals
- Food products
- Cosmetics
- Chemicals

Batch information may include:

- Batch number
- Manufacturing date
- Expiry date

Example
Product: Vitamin Tablets

Batch	Quantity	Expiry
B101	500	Dec 2027
B102	300	Mar 2028

This helps businesses monitor expiry and batch movement.

Inventory Reports in Tally

Tally provides various inventory reports for monitoring stock.

Important Reports

Stock Summary

Shows stock position and value.

Stock Item Report

Shows transactions and movement of a particular item.

Godown/Location Report

Shows stock available at different locations.

Movement Analysis

Helps analyze receipts, issues and transfers.

Purchase Analysis

Provides information about purchases.

Sales Analysis

Provides information about sales.

Ageing Analysis

Can help identify the age of inventory where configured and applicable.

Inventory Management Process in Tally

A practical inventory management process can be represented as:

Create Company
↓
Enable Inventory Features
↓
Create Stock Groups
↓
Create Stock Categories
↓
Create Units
↓
Create Godowns/Locations
↓
Create Stock Items
↓
Enter Opening Stock
↓
Record Purchases
↓
Record Stock Transfers/Adjustments
↓
Record Sales
↓
Monitor Stock Levels
↓
Verify Physical Stock
↓
Generate Inventory Reports

Integrated Practical Example

ABC Electronics
Create the following inventory structure.
Stock Group
Electronics
Stock Categories

- Mobile
- Computer
- Accessories

Stock Items

Category	Stock Item	Unit
Mobile	Samsung Mobile	Nos
Mobile	iPhone	Nos
Computer	Laptop	Nos
Computer	Desktop	Nos
Accessories	Keyboard	Nos
Accessories	Mouse	Nos

Godowns

- Main Godown
- Branch Godown

Transactions
Opening Stock
Samsung Mobile:
50 Nos @ ₹20,000
Purchase
Purchase:
20 Samsung Mobiles @ ₹21,000
Sales
Sell:
15 Samsung Mobiles @ ₹25,000
Stock Transfer
Transfer:
10 Samsung Mobiles from Main Godown to Branch Godown
Physical Stock Verification
Physically count the Samsung mobiles and compare the actual quantity with the book balance.
Reports
Generate:

- Stock Summary
- Samsung Mobile Stock Report
- Godown-wise Stock
- Purchase Report
- Sales Report

Inventory Control Techniques
Businesses may use several techniques to control inventory.
ABC Analysis
Classifies inventory according to importance or value:

- **A:** High-value items
- **B:** Medium-value items
- **C:** Low-value items

FIFO

Items received first are assumed to be issued first, subject to the accounting policy and system configuration.

Reorder Level

Identifies when replenishment should be initiated.

Physical Verification

Actual stock is periodically counted and compared with book records.

Stock Ageing

Helps identify old or slow-moving inventory.

Inventory Management vs Inventory Control

Basis	**Inventory Management**	**Inventory Control**
Meaning	Overall management of inventory	Monitoring and regulating inventory
Scope	Broader	More specific
Focus	Planning, purchasing, storage and movement	Quantity, accuracy and stock levels
Objective	Optimize inventory	Prevent shortages and excesses
Example	Deciding how much to purchase	Checking current stock level

7. Bill-wise Details, Invoicing, Cost Centres & Cost Categories, Interest Calculations, Budgets and Controls

Bill-wise details is an accounting feature used to track individual invoices and their settlement status, particularly for **credit sales and credit purchases**.

It helps a business know:

- Which invoices are outstanding.
- How much a customer owes.
- How much is payable to a supplier.
- Which invoices have been partially paid.
- Due dates of outstanding invoices.
- Payment history against individual bills.

Example

ABC Enterprises sells goods to Ravi Traders:

Invoice	Amount	Amount Received	Balance
INV-001	₹50,000	₹30,000	₹20,000
INV-002	₹25,000	₹25,000	Nil
INV-003	₹40,000	₹10,000	₹30,000

Total Outstanding = ₹50,000

Bill-wise details allow each invoice to be tracked separately.

Importance of Bill-wise Details

Bill-wise accounting helps in:

1. Monitoring customer receivables.
2. Monitoring supplier payables.
3. Tracking invoice-wise balances.
4. Identifying overdue invoices.
5. Managing credit periods.
6. Improving collection efficiency.
7. Supporting cash-flow planning.
8. Reducing errors in settlement of invoices.

Bill-wise Transactions

Bill-wise details are generally relevant to:

- Credit sales
- Credit purchases
- Receipts from customers
- Payments to suppliers
- Advance receipts
- Advance payments
- Adjustments against outstanding bills

Example – Credit Sale

Sold goods to Ravi Traders for ₹75,000.

Ravi Traders A/c Dr. ₹75,000

To Sales A/c ₹75,000

The invoice can be recorded as a new bill for ₹75,000.

Subsequent Receipt

Received ₹50,000 from Ravi Traders.

The receipt can be adjusted against the relevant outstanding invoice.

Balance = ₹25,000

Invoicing

Invoicing is the process of preparing a formal document showing the details of goods or services supplied and the amount payable by the customer.

A sales invoice generally contains:

- Invoice number
- Invoice date
- Customer name
- Address
- Product/service details
- Quantity
- Rate
- Amount
- Discount, if applicable
- Tax details, where applicable
- Total invoice value
- Payment terms

Sales Invoicing in Tally

A typical sales invoicing process is:

Select Customer → Select Sales Voucher → Enter Stock/Service Details → Quantity → Rate → Tax/Discount → Verify Total → Save/Print

Example

ABC Enterprises sells:

20 units @ ₹1,500 = ₹30,000

Sales invoice contains:

Particular	**Details**
Customer	Ravi Traders
Product	Mobile Phone
Quantity	20 Nos
Rate	₹1,500
Tax	As applicable
Total	As calculated

The invoice simultaneously records the sales transaction and, where inventory is maintained, updates stock.

Purchase Invoicing

Purchase invoicing records goods or services purchased from suppliers.

Example

Purchased:

50 units @ ₹1,000 = ₹50,000

The purchase invoice may contain:

- Supplier
- Invoice number
- Date
- Stock item/service

- Quantity
- Rate
- Tax details
- Total amount

The transaction updates the supplier's account and, for inventory purchases, the stock records.

Cost Centres

A **Cost Centre** is a unit, department, project, employee or responsibility area for which costs or revenues are separately tracked.

Cost centres help management understand **where costs are incurred**.

Examples

- Marketing Department
- Production Department
- Administration Department
- Sales Department
- Project A
- Project B
- Branch 1
- Branch 2

Example of Cost Centre

Suppose a company pays total salary of ₹1,00,000:

Department	**Salary**
Production	₹50,000
Marketing	₹30,000
Administration	₹20,000
Total	**₹1,00,000**

Instead of recording only the total salary, cost-centre accounting allows management to identify the department responsible for each portion.

Creating Cost Centres

A typical process is:

Enable Cost Centres → Create Cost Centre → Enter Name → Select Parent/Category → Save

Example

Create:

Cost Centre: Marketing Department

Then allocate relevant expenses to this cost centre during voucher entry.

Cost Categories

A **Cost Category** provides an additional classification of cost centres.

It becomes particularly useful when an organization needs to analyze the same expenses from more than one perspective.

Example

A company operates across several branches and departments.

It may want to analyze expenses by:

Department

- Marketing

- Production
- Administration

and simultaneously by:

Location

- Bengaluru
- Mysuru
- Chennai

Cost categories can help organize such multiple dimensions of cost allocation, depending on the configuration and business requirement.

Cost Centre vs Cost Category

Basis	**Cost Centre**	**Cost Category**
Meaning	Specific unit for tracking costs/revenue	Classification for grouping cost centres
Purpose	Track individual responsibility areas	Analyze cost centres under different dimensions
Example	Marketing Department	Department
Another example	Bengaluru Branch	Location
Use	Detailed cost tracking	Multi-dimensional analysis

Simple Understanding

Cost Category → Classification

Cost Centre → Individual responsibility/cost unit

Interest Calculations

Interest calculation in Tally helps calculate interest on outstanding amounts based on defined conditions.

It can be useful for:

- Customer receivables
- Supplier payables
- Loans
- Other applicable accounts

Interest may be based on:

- Rate of interest
- Period
- Due date
- Transaction amount
- Outstanding amount

Example of Interest Calculation

Suppose:

Invoice amount = ₹50,000

Interest rate = 12% per annum

Outstanding period = 30 days

Simple interest:

$$Interest = Principal \times Rate \times Time$$

$$= ₹50{,}000 \times 12\% \times \frac{30}{365}$$

$$\approx ₹493.15$$

Therefore, interest for 30 days is approximately **₹493.15**, assuming a 365-day basis.

Interest Calculation in Tally

The general process involves:

1. Enable interest calculation.
2. Configure the relevant ledger.
3. Specify applicable interest rate.
4. Define the calculation basis.
5. Record transactions.
6. Review the calculated interest.
7. Record/adjust the interest according to business policy.

Important Factors

Interest calculations may depend on:

- Transaction date
- Due date
- Payment date
- Rate
- Calculation period
- Applicable configuration

Budgets

A **Budget** is a financial plan that estimates expected income, expenses, production, sales or other financial activities for a specified period.

Budgets help management compare:

Planned Performance vs Actual Performance

Objectives of Budgeting

Budgeting helps to:

1. Plan future activities.
2. Control expenses.
3. Allocate resources.
4. Set financial targets.
5. Monitor performance.
6. Identify deviations.
7. Improve financial discipline.
8. Support managerial decision-making.

Types of Budgets

Depending on the business requirements, budgets may include:

Sales Budget

Expected sales during a period.

Purchase Budget

Expected purchases.

Expense Budget

Expected expenditure.

Cash Budget

Expected cash receipts and payments.

Production Budget

Expected production quantities.

Departmental Budget

Budget allocated to individual departments.

Example of Budget

Suppose the monthly budget for office expenses is:

Expense	**Budget**
Rent	₹20,000
Electricity	₹10,000
Telephone	₹5,000
Printing	₹5,000
Total	**₹40,000**

Actual expenses during the month:

₹45,000

Variance

$$₹45{,}000 - ₹40{,}000 = ₹5{,}000$$

The business has exceeded the budget by **₹5,000**.

Budget Controls

Budget control is the process of comparing actual performance with planned budget amounts and taking corrective action when significant deviations occur.

Process

Prepare Budget
↓
Record Actual Transactions
↓
Compare Actual with Budget
↓
Identify Variance
↓
Analyze Reason
↓
Take Corrective Action

Budget Variance

Formula

Variance = Actual Amount – Budget Amount

Example

Budgeted advertising expense:

₹50,000

Actual advertising expense:

₹60,000

Variance:

₹60,000 − ₹50,000 = ₹10,000

The business has exceeded its budget by **₹10,000**.

Management should investigate the reason for the difference.

Budget and Cost Centre Integration

Budgets can be associated with organizational units or areas of responsibility.

Example

Cost Centre	Budget	Actual	Variance
Marketing	₹1,00,000	₹1,10,000	₹10,000
Production	₹2,00,000	₹1,90,000	-₹10,000
Administration	₹80,000	₹85,000	₹5,000

This enables management to identify areas where spending differs from the approved budget.

Integrated Example

Consider **ABC Enterprises**.

Transaction

ABC Enterprises sells goods to Ravi Traders:

Invoice = ₹1,00,000

Credit period = 30 days

The transaction is recorded using a Sales Invoice.

Bill-wise Details

Invoice:

INV-101 = ₹1,00,000

After 30 days:

Customer pays:

₹60,000

Outstanding:

₹40,000

Interest

If applicable, interest can be calculated on the overdue amount according to the configured terms.

Cost Centre

The sale may be associated with:

Cost Centre: Bengaluru Sales Department

Budget

The Sales Department has a monthly expense budget of:

₹2,00,000

Actual expense:

₹2,20,000

Variance:

₹20,000

Management can analyze the reason for the excess expenditure.

8. Point of Sale (POS) – Different, Actual and Billed Quantities

Point of Sale (POS) refers to the place or system where a customer purchases goods or services and makes payment.

In a retail business, POS helps the organization:

- Record sales quickly.
- Generate invoices.
- Calculate the amount payable.
- Update inventory.
- Record customer payments.
- Maintain sales records.
- Reduce manual errors.

Basic POS Process

Customer Selects Goods → Quantity Confirmed → POS Entry → Invoice Generated → Payment Received → Stock Updated

POS in Tally

Tally provides POS-related functionality for retail transactions where goods are sold directly to customers.

A POS invoice generally captures:

- Product
- Quantity
- Rate
- Discount
- Tax, where applicable
- Total amount
- Payment mode
- Customer details, where required

POS is particularly useful for:

- Retail shops
- Supermarkets
- Department stores
- Electronic stores
- Garment shops
- Pharmacies, subject to applicable requirements

Meaning of Quantity in Inventory

Quantity refers to the number or amount of units of an inventory item.

For example:

- 10 mobile phones
- 25 shirts
- 50 kg rice
- 100 litres oil

In POS and inventory accounting, quantity is important because it determines how much stock is available and how much has been sold.

Different Quantities

In inventory transactions, different quantities may be relevant depending on the nature of the transaction.

The important concepts are:

1. **Actual Quantity**
2. **Billed Quantity**

These quantities can be different in situations such as free items, samples, promotional offers, shortages, or other business arrangements.

Actual Quantity

Actual Quantity is the physical quantity of goods that is actually supplied, received or moved. It represents the **real physical quantity** involved in the inventory transaction.

Example

A customer purchases:

10 boxes of a product

and receives:

10 boxes

Therefore:

Actual Quantity = 10 boxes

Billed Quantity

Billed Quantity is the quantity for which the customer is actually charged in the invoice.

Example

A customer receives:

10 units

but the business charges for only:

8 units

Then:

Actual Quantity = 10 units

Billed Quantity = 8 units

The difference may arise because the business has provided 2 units free as part of a promotional offer.

Difference Between Actual and Billed Quantity

Basis	**Actual Quantity**	**Billed Quantity**
Meaning	Physical quantity supplied	Quantity charged to customer
Represents	Actual movement of stock	Quantity appearing for billing
Payment	May not be charged separately	Customer is charged
Example	10 units supplied	8 units billed
Difference	Can exceed billed quantity	Can be lower than actual quantity

Simple Formula

Free/Unbilled Quantity = Actual Quantity − Billed Quantity

Example:

Actual = 10

Billed = 8

Therefore:

Free Quantity = 2 units

Why Different Quantities Are Required

The distinction between actual and billed quantities is useful in cases such as:

Free Offers

Buy 10, Get 1 Free
Actual quantity supplied = 11
Billed quantity = 10
Promotional Schemes
A retailer may provide additional goods as a sales promotion.
Samples
A business may provide sample products along with billed products.
Bonus Quantity
Suppliers may provide additional quantities without separate billing.
Special Customer Offers
A customer may receive additional goods without additional charge.

Example – Buy 10 Get 1 Free
Suppose a customer purchases:
10 units of Product A
Offer:
Buy 10, Get 1 Free
Therefore:
Billed Quantity = 10 units
Actual Quantity = 11 units
If the selling price is ₹500 per unit:
Billed Amount = 10 × ₹500 = ₹5,000
The customer receives goods worth 11 units physically, but is billed for only 10 units.

Example – Different Actual and Billed Quantities
Suppose:
Product: Printer Cartridge
Rate: ₹2,000
Actual Quantity: 12
Billed Quantity: 10
Calculation
Billed amount:
10 × ₹2,000 = ₹20,000
Actual quantity supplied:
12 units
Free/unbilled quantity:
12 − 10 = 2 units
The stock movement reflects the physical quantity supplied, while billing reflects the quantity charged.

POS Invoice
A POS invoice is designed to make retail billing quick and efficient.
Typical POS Invoice Information
- Invoice number
- Date
- Product
- Quantity
- Rate
- Discount
- Tax

- Total
- Payment mode
- Customer information, where required

Payment Modes

Depending on the business setup:

- Cash
- Bank
- Card
- UPI
- Other permitted payment methods

POS and Inventory Integration

One of the major advantages of POS is its integration with inventory.

When a sale is recorded:

POS Sale → Sales Recorded → Stock Reduced → Customer Amount Recorded → Invoice Generated

Example

Opening stock:

100 units

POS sale:

15 units

Closing quantity:

100 − 15 = 85 units

If actual quantity supplied is different from billed quantity, the inventory movement needs to reflect the physical quantity according to the configured transaction method.

POS and Accounting Integration

A POS transaction affects both:

Accounting

- Sales account
- Customer/cash/bank account
- Tax accounts, where applicable

Inventory

- Stock quantity
- Stock value
- Stock location

Therefore:

POS = Sales + Accounting + Inventory + Billing

Practical POS Example

ABC Supermarket

A customer purchases:

Product	Actual Qty.	Billed Qty.	Rate
Shampoo	5	5	₹300
Soap	12	10	₹50
Biscuits	6	6	₹40

Calculation

Shampoo:

5 × ₹300 = ₹1,500
Soap:
10 × ₹50 = ₹500
Biscuits:
6 × ₹40 = ₹240
Total Billed Amount
₹1,500 + ₹500 + ₹240 = ₹2,240
Actual quantities supplied:
5 + 12 + 6 = 23 units
Billed quantities:
5 + 10 + 6 = 21 units
Difference:
23 − 21 = 2 units
The 2 unbilled soap units could represent a promotional offer.

Advantages of POS
Faster Billing
Retail transactions can be completed quickly.
Automatic Inventory Update
Stock records can be updated when sales are recorded.
Better Accuracy
Reduces manual calculation errors.
Instant Invoice
Customers can receive an invoice immediately.
Payment Tracking
Cash and other payment modes can be recorded.
Sales Analysis
Management can analyze sales by product and period.
Stock Control
Helps monitor stock availability.

9. Accounts Receivable and Payable Management – GST, TDS & Reports

Accounts Receivable and Payable Management is the process of monitoring money **to be received from customers** and money **to be paid to suppliers and other parties**.
It helps a business maintain control over:

- Customer outstanding balances
- Supplier outstanding balances
- Due dates
- Credit periods
- Collections
- Payments
- GST-related transactions
- TDS deductions
- Ageing of receivables and payables

Basic Flow
Credit Sale → Customer Receivable → Invoice Tracking → Collection
Credit Purchase → Supplier Payable → Bill Tracking → Payment

Accounts Receivable
Meaning
Accounts Receivable represents money owed to a business by its customers for goods or services supplied on credit.
Example
ABC Enterprises sells goods worth **₹1,00,000** to Ravi Traders on credit.
Ravi Traders A/c Dr. ₹1,00,000
To Sales A/c ₹1,00,000
ABC Enterprises now has a **receivable of ₹1,00,000** from Ravi Traders.

Accounts Payable
Meaning
Accounts Payable represents money that a business owes to suppliers or other parties for goods or services purchased on credit.
Example
ABC Enterprises purchases goods worth **₹80,000** from XYZ Suppliers on credit.
Purchases A/c Dr. ₹80,000
To XYZ Suppliers A/c ₹80,000
ABC Enterprises now has a **payable of ₹80,000** to XYZ Suppliers.

Difference Between Receivables and Payables

Basis	**Accounts Receivable**	**Accounts Payable**
Meaning	Money to be received	Money to be paid
Related party	Customer	Supplier
Created by	Credit sales	Credit purchases
Nature	Asset	Liability
Objective	Collect money on time	Pay obligations on time

Basis	Accounts Receivable	Accounts Payable
Example	Ravi Traders owes ₹50,000	ABC Suppliers is owed ₹40,000

Easy Remembering
Receivable → Receive money
Payable → Pay money

Bill-wise Management
Bill-wise accounting helps track individual invoices.
Example

Invoice	Amount	Received/Paid	Balance
INV-101	₹50,000	₹30,000	₹20,000
INV-102	₹40,000	₹40,000	Nil
INV-103	₹25,000	₹10,000	₹15,000

Total Outstanding = ₹35,000
This helps management identify which bills are still outstanding.

Receivables Management
Effective receivables management involves:
1. Setting customer credit limits.
2. Defining credit periods.
3. Recording invoices accurately.
4. Monitoring due dates.
5. Sending payment reminders.
6. Following up overdue accounts.
7. Recording collections promptly.
8. Monitoring customer ageing.
9. Identifying doubtful receivables.
10. Maintaining proper documentation.

Payables Management
Effective payables management involves:
1. Recording supplier invoices.
2. Tracking due dates.
3. Taking advantage of eligible credit terms.
4. Planning payments.
5. Avoiding late-payment consequences.
6. Reconciling supplier statements.
7. Maintaining proper purchase records.
8. Monitoring outstanding supplier balances.

GST – Goods and Services Tax
Meaning
GST (Goods and Services Tax) is an indirect tax levied on the supply of goods and services in India.
GST compliance requires businesses to maintain appropriate records of:
- Taxable sales
- Taxable purchases
- Output tax

- Input tax credit, where eligible
- GST invoices
- Tax payments
- Returns and related records

Note: GST rates, thresholds, return requirements and other compliance rules can change. Actual transactions should follow the applicable current GST provisions.

Types of GST

For transactions within India, GST may involve:

CGST – Central Goods and Services Tax

Collected by the Central Government on applicable intra-State supplies.

SGST – State Goods and Services Tax

Collected by the State Government on applicable intra-State supplies.

IGST – Integrated Goods and Services Tax

Generally, applies to inter-State supplies and certain other specified transactions.

Example – Intra-State Sale

Taxable value:**₹1,00,000**
Assume GST rate = **18%**
CGST = 9% = **₹9,000**
SGST = 9% = **₹9,000**
Total GST = **₹18,000**
Invoice value: **₹1,18,000**

GST in Accounts Receivable

When a business makes a taxable credit sale:

Customer A/c Dr. ₹1,18,000
To Sales A/c ₹1,00,000
To Output CGST A/c ₹9,000
To Output SGST A/c ₹9,000

The customer owes the **total invoice value**, including applicable GST.

GST in Accounts Payable

Suppose a business purchases goods:
Taxable value = **₹80,000**
Assume GST = **18%**
CGST = ₹7,200
SGST = ₹7,200
Total invoice = **₹94,400**
The supplier payable is: **₹94,400**
Eligible input tax credit, where applicable, is separately accounted for according to GST rules.

Input Tax Credit

Input Tax Credit (ITC) refers to eligible credit of GST paid on business purchases that can be utilized against output GST, subject to applicable GST law and conditions.

Simple Example

Output GST on sales: **₹50,000**
Eligible Input GST: **₹30,000**
Potential net GST liability: **₹50,000 − ₹30,000 = ₹20,000**
Actual utilization and liability depend on applicable GST provisions and credit eligibility.

GST Management in Tally

GST-related configuration generally includes:

- GST registration details
- State and place of supply
- GST ledgers
- Tax rates
- HSN/SAC details
- GST classification
- Customer/supplier GST details
- Appropriate invoice settings

GST Transaction Process

Create GST Masters → Record Purchase/Sale → Calculate GST → Generate Invoice → Verify Tax Details → Generate GST Reports → Reconcile → File/Support Compliance

TDS – Tax Deducted at Source

TDS (Tax Deducted at Source) is a mechanism under which tax is deducted at the time of specified payments, subject to applicable provisions of the Income-tax Act and related rules.

TDS may apply to specified payments such as:

- Professional fees
- Contractor payments
- Rent
- Certain interest payments
- Other specified payments

The applicable section, threshold and rate must be determined based on the current tax rules.

Example of TDS

Suppose a company is required to pay a professional fee of: **₹50,000**

Assume, for illustration, applicable TDS is **10%**.

TDS: **₹50,000 × 10% = ₹5,000**

Amount paid to professional: **₹45,000**

TDS payable to the government: **₹5,000**

The actual rate and applicability must be determined under the relevant current TDS provision.

TDS Accounting Entry

Illustrative entry:

Professional Fees A/c Dr. ₹50,000

To Party A/c ₹45,000

To TDS Payable A/c ₹5,000

When TDS is deposited:

TDS Payable A/c Dr. ₹5,000

To Bank A/c ₹5,000

TDS and Accounts Payable

TDS directly affects the amount payable to a party.

Example

Professional fee = ₹50,000

TDS = ₹5,000

Gross Liability

₹50,000

TDS Deducted

₹5,000
Net Payment to Party
₹45,000
TDS Payable
₹5,000
Therefore, accounts payable management must consider both:

- Amount payable to the supplier/professional
- Amount payable to the government as TDS

TDS Management in Tally
A typical process includes:

1. Enable appropriate TDS functionality.
2. Configure relevant TDS details.
3. Create/verify applicable ledgers.
4. Record the transaction.
5. Calculate/deduct TDS where applicable.
6. Verify TDS payable.
7. Record payment/deposit of TDS.
8. Generate relevant reports and statements.

Important Reports for Receivables
Tally can provide reports that help management monitor receivables.
Outstanding Receivables
Shows amounts due from customers.
Bill-wise Outstanding
Shows invoice-wise outstanding amounts.
Ageing Analysis
Classifies outstanding amounts according to their age.
Example:

Age	Amount
0–30 days	₹50,000
31–60 days	₹30,000
61–90 days	₹20,000
Above 90 days	₹15,000

This helps identify overdue customers.

Important Reports for Payables
Supplier Outstanding
Shows amounts payable to suppliers.
Bill-wise Payables
Shows individual supplier invoices and balances.
Ageing Analysis
Helps identify bills approaching or exceeding their due dates.
Supplier Ledger
Provides transaction-wise details of a supplier account.

GST Reports
GST-related reports may include information such as:

- Sales transactions
- Purchase transactions
- Output tax
- Input tax
- HSN/SAC summaries
- GST liability
- GST reconciliation information
- Return-related data

The exact reports available depend on the Tally version, configuration and statutory requirements.

TDS Reports

TDS-related reports can help monitor:

- TDS deducted
- TDS payable
- Party-wise deductions
- TDS payments
- TDS-related statutory information
- Return/statement preparation data

Receivable Ageing

Ageing analysis helps classify outstanding customer balances based on the length of time they have remained unpaid.

Example

Total receivables = ₹2,00,000

Period	Amount
Current	₹70,000
1–30 days overdue	₹50,000
31–60 days overdue	₹40,000
61–90 days overdue	₹25,000
Above 90 days	₹15,000

Management should give greater attention to significantly overdue balances.

Payable Ageing

Similarly, supplier liabilities can be classified according to their age.

Period	Payable
Current	₹60,000
1–30 days	₹40,000
31–60 days	₹25,000
61–90 days	₹15,000
Above 90 days	₹10,000

This supports payment planning and cash-flow management.

Receivables and Payables Reconciliation

Reconciliation means comparing accounting records with supporting documents or external statements.

Receivables Reconciliation
Compare:
Customer Statement ↔ Company Ledger
Check:

- Invoice
- Receipt
- Credit note
- Debit note
- Outstanding balance

Payables Reconciliation
Compare:
Supplier Statement ↔ Company Ledger
Check:

- Purchase invoice
- Payment
- Debit note
- Credit note
- Outstanding balance

Integrated Example
ABC Enterprises
ABC Enterprises sells goods to Ravi Traders:
Taxable value = **₹1,00,000**
GST @ 18% = **₹18,000**
Total invoice = **₹1,18,000**
Receivable
Ravi Traders owes: **₹1,18,000**
Later, Ravi pays: **₹70,000**
Outstanding: **₹48,000**

ABC Enterprises purchases professional services:
Professional fee = **₹50,000**
Assume TDS = **10%** for illustration.
TDS = **₹5,000**
Net payment: **₹45,000**
TDS payable: **₹5,000**
Thus, the business must monitor:

- **₹48,000 receivable from customer**
- **₹45,000 payable to professional**
- **₹5,000 TDS payable to government**

10. Tally Vault, Security Controls, Backup & Restore, Split Company Data, Import & Export of Data

Tally provides various facilities to **protect, maintain, transfer and manage company data**. These facilities are particularly important because accounting data contains confidential financial information.
The major data-management and security features include:

1. **TallyVault**
2. **Security Controls**
3. **Backup**
4. **Restore**
5. **Split Company Data**
6. **Import Data**
7. **Export Data**

Basic Data Management Cycle
Create Company → Enter Data → Secure Data → Backup → Restore When Required → Split/Transfer → Import/Export

Tally Vault
Tally Vault is a security feature used to protect company data by encrypting it with a password. The purpose is to prevent unauthorized users from accessing confidential company information.
Simple Understanding
Tally Vault = Protection of Company Data through Encryption

Need for Tally Vault
Accounting data may contain:

- Sales information
- Purchase information
- Customer details
- Supplier details
- Bank information
- Financial statements
- Tax information
- Employee-related financial records

Therefore, protecting accounting data from unauthorized access is important.

Features of Tally Vault
Tally Vault provides:

- Data encryption.
- Password-based protection.
- Protection against unauthorized access.
- Additional confidentiality for company data.

Important Point
The Tally Vault password must be maintained securely. Losing access credentials can create serious difficulties in accessing protected data.

Security Controls

Security Controls are mechanisms used to control who can access company data and what actions they are permitted to perform.
Security controls help an organization maintain:

- Confidentiality
- Integrity
- Controlled access
- Accountability

User-Level Security
In a multi-user business environment, different employees may require different levels of access.
Example

User	Possible Access
Administrator	Full access
Accountant	Accounting transactions
Sales Executive	Sales-related functions
Purchase Executive	Purchase-related functions
Manager	Reports and review

The exact permissions should be configured according to organizational requirements.

Security Levels
A business may create different access levels according to job responsibilities.
Example
Administrator Can:

- Create users
- Modify security settings
- Access company data
- Manage configurations

Accountant Can:

- Record vouchers
- View ledgers
- Generate accounting reports

Sales User Can:

- Create sales invoices
- View relevant sales information

This principle is known as **role-based access control**.

Importance of Security Controls
Security controls help to:

1. Prevent unauthorized access.
2. Protect confidential financial information.
3. Reduce the risk of unauthorized changes.
4. Assign responsibility to users.
5. Improve internal control.
6. Support audit and accountability.
7. Protect sensitive business information.

Password Management

Good password practices include:

- Use strong passwords.
- Avoid sharing passwords.
- Change passwords when necessary.
- Give users only required permissions.
- Remove access for users who no longer need it.
- Keep administrator credentials confidential.

Backup

A **backup** is a copy of company data created and stored separately so that the data can be recovered if the original data is lost, damaged or corrupted.

Backup = Creating a safe copy of accounting data.

Need for Backup

Data may be lost because of:

- Hardware failure
- Software problems
- Accidental deletion
- Malware or ransomware
- Operating system failure
- Power-related problems
- Human error
- Data corruption
- Theft or physical damage

Regular backup reduces the risk of permanent data loss.

Backup Process

A typical backup process is:

Select Company/Data → Select Backup Location → Confirm Backup → Verify Backup

The backup should preferably be stored in a location separate from the primary working data.

Example

Primary Data

Computer A

↓

Backup

External storage / secure server / approved cloud storage

Backup Best Practices

A good backup policy should include:

Regular Backups

Take backups at appropriate intervals based on transaction volume and business requirements.

Multiple Copies

Maintain more than one backup where appropriate.

Separate Storage

Keep at least one backup separate from the main system.

Verification

Periodically verify that backups can actually be restored.

Secure Storage

Protect backup files from unauthorized access.

Restore

Restore is the process of recovering company data from a previously created backup.
Simple Definition
Restore = Recovering accounting data from a backup.

When Restore is Required
Restore may be required when:

- Original data is corrupted.
- Data is accidentally deleted.
- A computer fails.
- Data is lost after a system problem.
- A previous backup needs to be recovered.
- Data needs to be transferred to another system.

Backup vs Restore

Basis	Backup	Restore
Meaning	Creates a copy of data	Recovers data from a copy
Purpose	Data protection	Data recovery
Direction	Working data → Backup	Backup → Working system
Example	Save company data to external storage	Recover company data from external storage

Easy Remembering
Backup = Save
Restore = Recover

Split Company Data
Split Company Data is used to divide company data into separate periods, typically to manage data by financial year or accounting period.
It is useful when historical data needs to be separated from the current period's data.
Simple Example
Suppose a company has accounting data for:
2024–25 + 2025–26 + 2026–27
The company may split the data so that different financial years are maintained separately according to the application's supported split process.

Why Split Company Data?
Splitting data may help to:

1. Manage large volumes of accounting data.
2. Separate financial years.
3. Improve data organization.
4. Reduce the size of active company data.
5. Facilitate easier management of historical records.
6. Improve operational efficiency in appropriate cases.

Important Precautions Before Splitting
Before splitting company data:

1. **Take a complete backup.**

2. Verify the accuracy of financial data.
3. Ensure all transactions for the relevant period are entered.
4. Check outstanding balances.
5. Verify stock balances.
6. Check statutory information where applicable.
7. Review reports before splitting.
8. Perform the split carefully according to the applicable Tally procedure.

Important
Always take a backup before performing a data-splitting operation.

Example of Split Company Data
Suppose: **ABC Enterprises**
has data covering: **1 April 2024 – 31 March 2027**
The business may need to manage the data by financial year.
The split process can result in separate company data for the relevant periods, subject to the application's rules and configuration.

Import of Data
Import means bringing data from an external file or system into Tally.
Simple Definition
Import = External data → Tally

Why Import Data?
Data import is useful when:
- Existing data is maintained in another accounting system.
- Large volumes of transactions need to be transferred.
- Masters are prepared externally.
- Data needs to be migrated.
- Information is received from another business application.

Types of Data That May Be Imported
Depending on the Tally version and supported formats/features, data may include:
Masters
- Ledgers
- Groups
- Stock Items
- Units
- Godowns/Locations
- Other masters

Transactions
- Sales
- Purchases
- Receipts
- Payments
- Journal entries
- Other supported transactions

The exact supported formats and import mechanisms depend on the Tally product/version and configuration.

Import Process

A typical process is:
Prepare Source Data → Check Format → Map Fields → Import → Verify → Reconcile
Example
An organization has customer master data in an external file.
The data may contain:

Customer Name	State	GSTIN
Ravi Traders	Karnataka	XXXXX
ABC Stores	Karnataka	XXXXX

The data can be prepared according to the supported import structure and brought into Tally.

Precautions During Import
Before importing:

- Take a backup.
- Verify the source data.
- Check the required format.
- Avoid duplicate masters.
- Verify ledger names.
- Verify tax details.
- Check dates.
- Verify debit and credit amounts.
- Test with a small dataset where practical.
- Reconcile imported data with the source.

Export of Data
Export means sending data from Tally to another file format or system for further use.
Simple Definition
Export = Tally → External File/System

Uses of Export
Exporting data is useful for:

- Analysis
- Reporting
- Sharing information
- Data migration
- Audit
- Management reporting
- External processing
- Creating supporting documentation

Examples of Data That Can Be Exported
Depending on the Tally version and available functionality:

- Ledger reports
- Trial Balance
- Profit & Loss Account
- Balance Sheet
- Sales reports
- Purchase reports
- Stock reports
- Outstanding reports

- Masters
- Transactions

Export formats may include supported formats such as:

- Excel-compatible formats
- PDF
- XML
- Other available formats

The exact options depend on the report and Tally version.

Import vs Export

Basis	Import	Export
Meaning	Bring data into Tally	Send data out of Tally
Direction	External → Tally	Tally → External
Purpose	Migration/data entry	Reporting/data sharing
Example	Import customer masters	Export Trial Balance
Main concern	Data accuracy and mapping	Format and destination

Easy Remembering
Import → In
Export → Out

Integrated Example
ABC Enterprises
ABC Enterprises has accounting data for several years.
Step 1 – Security
Set up:

- Administrator access
- Accountant access
- Sales-user access

Protect sensitive company data using appropriate security controls and TallyVault where applicable.
Step 2 – Backup
Create a complete backup of company data.
Step 3 – Split
Separate historical and current-period company data using the appropriate split process.
Step 4 – Import
Import required customer and supplier masters from an approved external data source.
Step 5 – Export
Export:

- Trial Balance
- Profit & Loss Account
- Balance Sheet
- Outstanding Receivables
- Stock Summary

for management review.
Step 6 – Restore
If the working data becomes unavailable or corrupted, restore the company data from the verified backup.

11. Generating Financial Statements and MIS Reports

Generating and Printing Reports – Trading Account, Profit & Loss Account and Balance Sheet

Financial statements are formal reports prepared from accounting records to understand the financial performance and financial position of a business.

In Tally, financial statements are generated automatically from the transactions recorded through accounting and inventory vouchers.

The major financial statements are:

1. **Trading Account**
2. **Profit & Loss Account**
3. **Balance Sheet**

Tally can also generate various **MIS (Management Information System) Reports** to support managerial decision-making.

Accounting Information Flow

Transactions → Ledgers → Trial Balance → Financial Statements → MIS Reports → Decision-Making

Meaning of Financial Statements

Financial statements summarize the accounting information of an organization for a particular period.

They help users understand:

- Revenue
- Purchases
- Expenses
- Profit or loss
- Assets
- Liabilities
- Capital
- Cash and bank position
- Outstanding receivables and payables

Objectives of Financial Statements

Financial statements help to:

1. Determine profitability.
2. Determine financial position.
3. Analyze income and expenses.
4. Evaluate business performance.
5. Support management decisions.
6. Assist investors and creditors.
7. Support statutory and tax-related requirements.
8. Compare performance between periods.

Trading Account

A **Trading Account** is prepared to determine the **gross profit or gross loss** from the purchase and sale of goods.

It mainly considers:

- Opening stock
- Purchases
- Direct expenses

- Sales
- Closing stock

Formula

Gross Profit = Net Sales − Cost of Goods Sold

Where:

Cost of Goods Sold = Opening Stock + Net Purchases + Direct Expenses − Closing Stock

Components of Trading Account

Debit Side

Generally includes:

- Opening Stock
- Purchases
- Purchase Returns adjustment
- Direct expenses

Direct Expenses

Expenses directly associated with bringing goods to saleable condition or location may include:

- Carriage inward
- Freight inward
- Import duty
- Wages directly related to production

Credit Side

Generally includes:

- Sales
- Sales Returns adjustment
- Closing Stock

Example – Trading Account

Consider:

Particular	Amount
Opening Stock	₹1,00,000
Purchases	₹4,00,000
Purchase Returns	₹20,000
Direct Expenses	₹50,000
Sales	₹7,00,000
Sales Returns	₹30,000
Closing Stock	₹1,50,000

Net Purchases

₹4,00,000 − ₹20,000 = **₹3,80,000**

Net Sales

₹7,00,000 − ₹30,000 = **₹6,70,000**

Cost of Goods Sold

₹1,00,000 + ₹3,80,000 + ₹50,000 − ₹1,50,000 = **₹3,80,000**

Gross Profit

₹6,70,000 − ₹3,80,000 = **₹2,90,000**

Profit & Loss Account

The **Profit & Loss Account** is prepared to determine the **net profit or net loss** of the business after considering indirect expenses and other incomes.

Formula

Net Profit = Gross Profit + Other Incomes − Indirect Expenses

Indirect Expenses

Indirect expenses are expenses that are not directly attributable to the purchase or production of goods.

Examples:

- Office salary
- Rent
- Advertisement
- Insurance
- Telephone expenses
- Office electricity
- Depreciation
- Administrative expenses
- Selling and distribution expenses

Other Incomes

Other income may include:

- Commission received
- Interest received
- Discount received
- Rent received
- Profit on sale of assets, where applicable

Example – Profit & Loss Account

Suppose:

Gross Profit = ₹2,90,000

Indirect Expenses

Expense	**Amount**
Salary	₹60,000
Rent	₹30,000
Advertisement	₹20,000
Electricity	₹10,000
Depreciation	₹15,000
Total	**₹1,35,000**

Other income:

Commission Received = ₹10,000

Net Profit

₹2,90,000 + ₹10,000 − ₹1,35,000

= **₹1,65,000**

Balance Sheet

A **Balance Sheet** shows the financial position of a business at a particular date.

It presents:

Liabilities and Capital
and
Assets
The basic accounting equation is:
Assets = Capital + Liabilities

Components of Balance Sheet
Liabilities
Common examples:

- Capital
- Reserves
- Loans
- Sundry Creditors
- Outstanding Expenses
- Other liabilities

Assets
Common examples:

- Cash
- Bank
- Sundry Debtors
- Closing Stock
- Furniture
- Machinery
- Buildings
- Vehicles
- Investments

Example – Balance Sheet
Suppose:
Capital and Liabilities

Particular	**Amount**
Capital	₹5,00,000
Net Profit	₹1,65,000
Bank Loan	₹2,00,000
Creditors	₹1,00,000
Total	**₹9,65,000**

Assets

Particular	**Amount**
Cash	₹50,000
Bank	₹1,50,000
Debtors	₹2,00,000
Closing Stock	₹1,50,000
Furniture	₹1,00,000
Machinery	₹3,15,000
Total	**₹9,65,000**

Therefore:
Total Assets = Total Capital + Liabilities

Relationship Between Financial Statements
The three statements are interconnected.
Trading Account
Determines:

Gross Profit/Gross Loss
↓
Profit & Loss Account
Determines:
Net Profit/Net Loss
↓
Balance Sheet
Shows:
Financial Position
Flow
Sales & Purchases
↓
Trading Account
↓
Gross Profit
↓
Profit & Loss Account
↓
Net Profit
↓
Balance Sheet

Generating Financial Statements in Tally
Once accounting transactions have been recorded correctly, Tally generates financial statements from the underlying ledger and inventory data.
General Process

Open Company
↓
Select Reports
↓
Financial Statements
↓
Select Required Report
↓
Set Period
↓
View/Analyze
↓
Export/Print if Required

Generating Trading Account

The Trading Account provides information about:

- Opening stock
- Purchases
- Purchase returns
- Direct expenses
- Sales
- Sales returns
- Closing stock
- Gross profit/loss

Uses

Management can determine:

- Gross profit
- Gross margin
- Cost of goods sold
- Trading efficiency

Generating Profit & Loss Account

The Profit & Loss Account provides information about:

- Gross profit/loss
- Indirect expenses
- Other income
- Net profit/loss

Uses

It helps management evaluate:

- Overall profitability
- Expense control
- Income generation
- Operating performance

Generating Balance Sheet

The Balance Sheet provides information about:

- Capital
- Liabilities
- Assets
- Working capital
- Financial position

Uses

It helps management understand:

- What the business owns.
- What the business owes.
- Net worth.
- Liquidity position.
- Long-term financial position.

MIS Reports

Meaning

MIS (Management Information System) Reports provide organized information to management for planning, controlling and decision-making.

Unlike financial statements, MIS reports may focus on specific operational or managerial areas.

Examples of MIS Reports in Tally

Depending on the configuration and Tally version, management can generate reports such as:

Financial Reports

- Trial Balance
- Profit & Loss Account
- Balance Sheet
- Cash Flow-related reports
- Fund Flow-related analysis, where available

Receivables Reports

- Outstanding Receivables
- Bill-wise Outstanding
- Ageing Analysis

Payables Reports

- Outstanding Payables
- Supplier Outstanding
- Ageing Analysis

Inventory Reports

- Stock Summary
- Stock Item Analysis
- Godown-wise Stock
- Stock Movement
- Purchase Analysis
- Sales Analysis

Accounting Reports

- Day Book
- Ledger
- Cash Book
- Bank Book
- Group Summary

Importance of MIS Reports

MIS reports help management to:

1. Monitor business performance.
2. Identify problem areas.
3. Control costs.
4. Monitor receivables.
5. Manage payables.
6. Monitor inventory.
7. Analyze sales.
8. Plan cash requirements.
9. Compare actual performance with targets.
10. Make timely decisions.

Generating Reports for Different Periods

Reports can generally be viewed for a selected period.

For example:

Monthly

1 August – 31 August

Quarterly

1 April – 30 June

Half-Yearly
1 April – 30 September
Annual
1 April – 31 March
Period-based comparison helps management identify trends.

Comparative Reports
Comparative reports allow management to compare financial information across periods.
Example

Particular	2025–26	2026–27
Sales	₹10 lakh	₹13 lakh
Purchases	₹6 lakh	₹7 lakh
Gross Profit	₹4 lakh	₹6 lakh
Expenses	₹2 lakh	₹2.5 lakh
Net Profit	₹2 lakh	₹3.5 lakh

Management can evaluate whether performance has improved.

Printing Reports
Tally reports can generally be printed after selecting the required report and configuring the appropriate printing options.
General Printing Process

Open Report
↓
Select Period
↓
Verify Report
↓
Choose Print
↓
Select Printer/Options
↓
Print

Report Configuration Before Printing
Before printing a report, verify:
- Company name
- Report title
- Accounting period
- Date
- Page settings
- Required columns
- Comparative information, if required
- Appropriate grouping
- Print format

This ensures the report is suitable for management, audit or other authorized purposes.

Exporting Financial Reports
Reports may also be exported in supported formats for:

- Management analysis
- Sharing
- Audit
- Documentation
- Further spreadsheet analysis

Commonly supported formats may include:

- PDF
- Excel-compatible formats
- XML
- Other formats available in the relevant Tally version

Practical Example – Complete Financial Statements

ABC Traders

Consider the following information:

Particular	**Amount**
Opening Stock	₹50,000
Purchases	₹2,00,000
Purchase Returns	₹10,000
Direct Wages	₹20,000
Sales	₹4,00,000
Sales Returns	₹20,000
Closing Stock	₹80,000
Salary	₹40,000
Rent	₹20,000
Advertisement	₹10,000
Commission Received	₹5,000

Step 1 – Net Purchases

₹2,00,000 − ₹10,000 = **₹1,90,000**

Step 2 – Net Sales

₹4,00,000 − ₹20,000 = **₹3,80,000**

Step 3 – Cost of Goods Sold

₹50,000 + ₹1,90,000 + ₹20,000 − ₹80,000 = **₹1,80,000**

Step 4 – Gross Profit

₹3,80,000 − ₹1,80,000 = **₹2,00,000**

Step 5 – Indirect Expenses

Salary + Rent + Advertisement

= ₹40,000 + ₹20,000 + ₹10,000 = **₹70,000**

Step 6 – Net Profit

₹2,00,000 + ₹5,000 − ₹70,000 = **₹1,35,000**

The corresponding financial position would then be reflected in the Balance Sheet after considering all relevant assets, liabilities and capital.

Practical Tally Exercise

Create a company named:

ABC Traders

Record the following:

1. Capital introduced – ₹5,00,000
2. Purchase goods – ₹2,00,000
3. Sales – ₹4,00,000
4. Rent paid – ₹20,000
5. Salary paid – ₹40,000
6. Advertisement – ₹10,000
7. Commission received – ₹5,000
8. Purchase return – ₹10,000
9. Sales return – ₹20,000
10. Enter/verify closing stock – ₹80,000, as appropriate to the inventory records.

Generate:

- Day Book
- Ledger
- Trial Balance
- Trading Account
- Profit & Loss Account
- Balance Sheet
- Stock Summary
- Outstanding Receivables
- Outstanding Payables

Finally:

1. Set the required reporting period.
2. Verify the figures.
3. View the reports.
4. Print the Trading Account.
5. Print the Profit & Loss Account.
6. Print the Balance Sheet.
7. Export selected reports for management analysis.

Difference Between Financial Statements and MIS Reports

Basis	**Financial Statements**	**MIS Reports**
Purpose	Financial performance and position	Management decision-making
Users	Management, owners, creditors, other users	Mainly management
Examples	P&L, Balance Sheet	Sales analysis, stock analysis
Focus	Overall financial information	Specific operational information
Frequency	Usually periodic	Can be generated as required
Detail	Standard financial structure	Flexible and analytical

12. Accounts Books and Reports, Inventory Books and Reports, Exception Reports and Statutory Reports

Tally provides a wide range of **Books and Reports** to help businesses record, monitor, analyze and control accounting and inventory information.
These reports can broadly be classified into:

1. **Accounts Books and Reports**
2. **Inventory Books and Reports**
3. **Exception Reports**
4. **Statutory Reports**

Reporting Structure
Transactions → Books → Reports → Analysis → Control → Decision-Making

Accounts Books and Reports
Accounts Books are detailed records of accounting transactions maintained in an organized manner.
They provide transaction-level information about:

- Cash
- Bank
- Sales
- Purchases
- Receipts
- Payments
- Journal entries
- Individual ledgers

Day Book
The **Day Book** is a chronological record of transactions entered during a particular period.
It can show:

- Date
- Voucher number
- Voucher type
- Particulars
- Debit amount
- Credit amount

Example

Date	Voucher	Particulars	Amount
01-04-2026	Receipt	Capital introduced	₹5,00,000
02-04-2026	Purchase	Goods purchased	₹1,00,000
03-04-2026	Sales	Goods sold	₹1,50,000
04-04-2026	Payment	Rent	₹20,000

Uses

- Checking daily transactions
- Finding errors
- Reviewing voucher entries
- Monitoring business activity

Ledger

A **Ledger** contains all transactions relating to a particular account.
Examples:

- Cash Account
- Bank Account
- Sales Account
- Purchase Account
- Rent Account
- Customer Account
- Supplier Account

Example – Ravi Traders Ledger

Date	Particulars	Debit	Credit
01-04-2026	Sales	₹50,000	—
10-04-2026	Receipt	—	₹30,000
Balance			**₹20,000**

The ledger helps determine the amount outstanding from or payable to a particular party.

Cash Book
A **Cash Book** records transactions involving cash.
It helps determine:

- Cash receipts
- Cash payments
- Cash balance

Example

Particular	Receipt	Payment
Opening Cash	₹50,000	—
Cash Sales	₹30,000	—
Rent	—	₹10,000
Salary	—	₹15,000
Closing Cash		**₹55,000**

Bank Book
The **Bank Book** records transactions relating to bank accounts.
It helps monitor:

- Deposits
- Withdrawals
- Cheques
- Bank transfers
- Online payments
- Bank charges

It is useful for **bank reconciliation**.

Purchase Register
The **Purchase Register** provides details of purchase transactions.
It may include:

- Date
- Supplier

- Invoice number
- Purchase amount
- Tax details
- Total amount

Uses

- Monitor purchases
- Verify supplier invoices
- Analyze purchase trends
- Support GST-related reconciliation

Sales Register

The **Sales Register** provides details of sales transactions.

It can contain:

- Invoice number
- Date
- Customer
- Product/service
- Sales value
- Tax
- Total invoice value

Uses

- Monitor sales
- Analyze sales trends
- Review customer transactions
- Support GST-related reporting

Journal Register

The **Journal Register** records journal voucher transactions.

It is useful for adjustments such as:

- Depreciation
- Provisions
- Accruals
- Corrections
- Transfers
- Other adjustment entries

Trial Balance

A **Trial Balance** summarizes the debit and credit balances of ledger accounts.

Fundamental Principle

Total Debit = Total Credit

Example

Account	Debit	Credit
Cash	₹50,000	—
Purchases	₹1,00,000	—
Rent	₹20,000	—
Sales	—	₹1,50,000
Capital	—	₹20,000

Account	Debit	Credit
Total	**₹1,70,000**	**₹1,70,000**

Uses

- Checking accounting accuracy
- Preparing financial statements
- Identifying unusual balances
- Supporting financial analysis

Other Important Accounts Reports

Depending on the Tally version and configuration, accounts reports may include:

- Group Summary
- Group Ledger
- Cash Flow
- Fund Flow
- Receivables
- Payables
- Outstanding Bills
- Ratio Analysis
- Profit & Loss
- Balance Sheet
- Cash/Bank summaries

Inventory Books and Reports

Inventory Books and Reports provide information about the movement, quantity and value of stock.

They help answer:

- What stock is available?
- How much was purchased?
- How much was sold?
- Where is the stock located?
- Which items are moving quickly?
- Which items are slow-moving?

Stock Summary

The **Stock Summary** provides an overview of inventory.

It may show:

- Stock Group
- Stock Item
- Opening quantity
- Inward quantity
- Outward quantity
- Closing quantity
- Stock value

Example

Item	Opening	Inward	Outward	Closing
Shirt	100	50	40	110
T-shirt	80	40	30	90

Item	Opening	Inward	Outward	Closing
Jeans	50	20	15	55

Formula

Closing Stock = Opening Stock + Inward − Outward

Stock Item Report

A **Stock Item report** provides detailed information about an individual inventory item.

Example:

Product: Laptop

It may show:

- Opening balance
- Purchases
- Sales
- Transfers
- Closing balance
- Stock value

This is useful for detailed product-level analysis.

Stock Group Report

Stock items can be classified into groups.

Example

Stock Group: Electronics

- Laptop
- Desktop
- Printer
- Keyboard
- Mouse

A Stock Group report provides summarized information for the group.

Godown/Location Report

If a business maintains inventory at different locations, inventory can be analyzed location-wise.

Example

Location	Stock Value
Bengaluru	₹5,00,000
Mysuru	₹3,00,000
Chennai	₹2,00,000

This helps management monitor stock distribution.

Stock Movement

Stock movement reports show the movement of inventory during a specified period.

Example

Opening Stock → Purchases → Transfers → Sales → Closing Stock

This helps identify:

- Fast-moving products
- Slow-moving products
- High-volume products
- Stock shortages

Batch-wise Reports

Where batch tracking is enabled and relevant, reports can provide information based on batches.

Useful for businesses dealing with:

- Pharmaceuticals
- Food products
- Perishable goods
- Products with expiry dates

Information may include:

- Batch number
- Quantity
- Manufacturing/expiry information, where maintained
- Location

Inventory Ageing

Inventory Ageing classifies stock according to the length of time it has been held.

Example

Age	Stock Value
0–30 days	₹2,00,000
31–60 days	₹1,00,000
61–90 days	₹50,000
Above 90 days	₹75,000

Large quantities of old stock may indicate slow movement and require management attention.

Exception Reports

Exception Reports identify transactions, balances or situations that require special attention.

Instead of showing every normal transaction, exception reports focus on **unusual, incomplete, overdue or potentially problematic items**.

Simple Definition

Exception Report = Report that highlights items requiring management attention.

Importance of Exception Reports

Exception reports help management:

1. Identify unusual transactions.
2. Detect errors.
3. Monitor overdue amounts.
4. Control negative stock.
5. Identify incomplete information.
6. Improve internal control.
7. Reduce financial risk.
8. Take corrective action quickly.

Examples of Exception Reports

Depending on the Tally version and configuration, exception-oriented information can include:

Negative Stock

Identifies inventory items showing negative quantities.

Overdue Receivables

Identifies customers who have not paid within the agreed period.

Overdue Payables

Identifies supplier bills that have become due or overdue.

Unadjusted Advances

Identifies advances that have not been adjusted against bills.

Pending Bills

Identifies outstanding customer or supplier invoices.

Unusual/Exception Transactions

Transactions requiring additional review based on configured controls or reporting criteria.

Negative Stock

Negative Stock occurs when the recorded outward quantity is greater than the available recorded stock.

Example

Opening stock = **10 units**

Sales = **15 units**

Recorded closing stock:**10 − 15 = −5 units**

This indicates a negative stock position.

Possible Reasons

- Sales entered before purchase receipt
- Incorrect stock quantity
- Incorrect date
- Missing purchase entry
- Data-entry error

Negative stock should be investigated and corrected where appropriate.

Overdue Receivables

Suppose:

Customer invoice = **₹1,00,000**

Due date = **30 June**

Current date = **30 August**

The invoice is overdue.

An exception report can highlight this account for collection follow-up.

Overdue Payables

Suppose:

Supplier invoice = **₹80,000**

Due date = **15 July**

Payment has not been made by the due date.

The report can help the finance department plan the payment and avoid unnecessary delays.

Statutory Reports

Statutory Reports are reports prepared to support compliance with applicable laws, regulations and government requirements.

In India, Tally can support various statutory reporting requirements, subject to proper configuration and the applicable law.

GST Reports

GST-related reports may support:

- Sales information
- Purchase information

- Output GST
- Input GST
- HSN/SAC summaries
- Tax liability
- Reconciliation
- Return-related data

Example

A GST summary may classify transactions based on:

- Taxable value
- CGST
- SGST
- IGST
- Applicable tax rates

TDS Reports

TDS-related reports can help monitor:

- TDS deductions
- Party-wise deductions
- TDS payable
- TDS payments
- Relevant statutory information
- Return/statement preparation data

The actual TDS applicability, rates and thresholds depend on current tax provisions.

Other Statutory Information

Depending on the business, Tally may also support reporting requirements relating to areas such as:

- GST
- TDS/TCS
- Payroll-related statutory information
- Other applicable statutory requirements

The availability of a specific report depends on the Tally product/version, configuration and applicable law.

Statutory Compliance and Accuracy

Statutory reports should be generated only after verifying:

1. Correct company details.
2. Correct registration details.
3. Correct party information.
4. Correct tax classifications.
5. Correct invoice details.
6. Correct tax rates.
7. Correct transaction dates.
8. Proper ledger classification.
9. Reconciliation with supporting records.

Accounts Reports vs Inventory Reports

Basis	Accounts Reports	Inventory Reports
Focus	Financial transactions	Stock transactions

Basis	Accounts Reports	Inventory Reports
Information	Debit, credit, income, expense	Quantity, movement, stock value
Examples	Ledger, Trial Balance	Stock Summary, Stock Item
Main purpose	Financial control	Inventory control
Users	Accounts/Finance team	Stores/Purchase/Sales/Management

Normal Reports vs Exception Reports

Normal Reports	Exception Reports
Provide regular information	Highlight unusual/problematic information
Cover routine transactions	Focus on items requiring attention
Used for monitoring	Used for control and corrective action
Example: Sales Register	Example: Negative Stock
Example: Ledger	Example: Overdue Receivables

Statutory Reports vs Management Reports

Statutory Reports	Management Reports
Prepared for legal/compliance purposes	Prepared for managerial decisions
Follow applicable regulations	Based on management requirements
Tax/compliance focused	Performance/control focused
Example: GST-related reports	Example: Sales analysis
Accuracy and compliance are critical	Decision usefulness is critical

Integrated Example

Consider **ABC Traders**.

The business generates the following reports:

Accounts Books

- Day Book
- Cash Book
- Bank Book
- Sales Register
- Purchase Register
- Ledger
- Trial Balance

Inventory Reports

- Stock Summary
- Stock Item Report
- Godown-wise Stock
- Stock Movement

Exception Reports

- Negative Stock
- Overdue Receivables
- Overdue Payables
- Pending Bills

Statutory Reports

- GST-related reports
- TDS-related reports
- Other applicable statutory reports

Together, these reports provide a complete picture of the organization's:
Accounting + Inventory + Exceptions + Compliance

Practical Tally Exercise
Create a company:
ABC Enterprises
Record:

1. Capital introduced – ₹5,00,000
2. Purchase goods – ₹2,00,000
3. Credit purchase – ₹1,00,000
4. Cash sales – ₹1,50,000
5. Credit sales – ₹2,00,000
6. Payment to supplier – ₹50,000
7. Receipt from customer – ₹1,00,000
8. Rent paid – ₹20,000
9. Salary paid – ₹40,000

Generate Accounts Reports
- Day Book
- Cash Book
- Bank Book
- Sales Register
- Purchase Register
- Ledger
- Trial Balance

Generate Inventory Reports
- Stock Summary
- Stock Item Report
- Stock Group Report
- Stock Movement

Generate Exception Information
- Outstanding Receivables
- Outstanding Payables
- Negative Stock, if any
- Pending Bills

Generate Statutory Reports
- GST-related reports, where applicable
- TDS-related reports, where applicable

Experiment 1

The following details of Reliance Traders as on 31.03.2025
1.4.2025 Cash received by capital Rs.500000 (F6)
1.4.2025 Cash deposited in SBI Bank Rs.200000 (f4)
1.4.2025 Goods purchased from India Traders 300000 (f9)
1.5.2025 Goods sold to Sham & Co Rs. 200000 (f8)
2.5.2025 Goods Sold to Vasanth & Co Rs.300000(f8)
31.5.2025 Goods return by Vasanth & Co Rs.10000(F7)
31.5.2025 Goods return to India Traders Rs.50000(F7)
1.5.2025 DD received (DD no:698799) from Sham & co (F6)
1.5.2025 Paid to India Traders by Cheque

Payment made by Cash

1.5.2025 Furniture 50000
1.5.2025 Computer 30000
1.5.2025 Rent 20000
1.5.2025 Salary 30000
1.5.2025 EB bill 10000
1.5.2025 telephone bill 5000
1.5.2025 advertising exp 20000

Receipts

1.5.2025 discount received rs.10000
1.5.2025 interest received rs.2000

Experiment – 2

2026 Apr 1 Govind commenced business with the following assets and liabilities.
Cash Rs 1,00,000
Stock Rs 75,000
Machinery Rs 90,000
Furniture Rs 5,000
Creditors Rs 1,00,000
Apr 4 Sold goods to Kamal Rs 1,15,000.
Apr 5 Deposited into Bank Rs.50000
Apr 7 Bought goods from Ajay Rs 75,000.
Apr 9 Paid to Ajay Rs 50,000 on account.
Apr 11 Withdraw cash for personal use Rs 3,500.
Apr 13 Received Commission Rs 6,000.
Apr 15 Furniture purchased Rs 9,000.
Apr 17 Brought in additional capital Rs 25,000.
Apr 18 Issued a cheque for rent Rs 6,000.
Apr 19 Drew from bank for personal use Rs 4,000.
Apr 21 Paid insurance premium Rs 1,327.

Experiment 3

Enter the following transactions in the ***voucher entry*** of …… your company

1. Commenced business with cash Rs.180000
2. Deposited into Indian bank Rs.55000
3. Purchased goods for cash Rs.22000
4. Bought Machinery Rs. 50000
5. Bought goods from Siva Rs.72000
6. Cash sales Rs.16200
7. Cash deposited into Bank Rs.23000
8. Purchased furniture for cash Rs.4000
9. Sold goods to Ram Rs.12700
10. Received cash from Ram Rs.12446; Allowed him discount Rs.254
11. Paid to Siva Cash Rs.12000; Discount allowed by him Rs.240
12. Paid Wages Rs.1800
13. Sold goods to Raj Rs.35000
14. Paid cash for trade expenses Rs.150
15. Sold goods to Roja Rs.23280
16. Received from Raj Rs. 21000; Allowed him discount Rs.525
17. Paid Siva cash on account Rs.24000
18. Sold goods for cash Rs.9000
19. Paid cash for stationery Rs.180
20. Paid cash for miscellaneous expenses Rs.150
21. Bought goods from Sri Rs.17870
22. Withdrew Cash for private expenses Rs.1480
23. Depreciation on Machinery @ 10%
24. Create Bad debts @ 5% on Sundry Debtors Rs.25000

Experiment 4

Sl. No	Transactions
1	Mr. Samararth started business with a Capital of Rs.5,00,000
2	Purchase Goods for Cash of Rs.50,000
3	Purchased Machinery Rs.1,00,000
4	Paid for Printing & stationary Rs.1300
5	Purchased office furniture Rs.50,000
6	Octroi paid Rs.1500
7	Wages paid Rs.1000
8	Open Bank Account in SBM Bank with cash Rs.25,000
9	Sold goods for cash Rs.75,000
10	Purchased goods from Arise India on credit Rs.1,25,000
11	Returned goods to Arise India Rs.5000
12	Sold goods on credit to Piyush Rs.1,55,000
13	Return goods from Piyush Rs.5000
14	Cash received from Piyush on account Rs.1,00,000
15	Cash paid to Arise India on account Rs.85,000
16	Electricity bill paid Rs.1000
17	Deposited cash of Rs.5000 to SBM Bank
18	Sold goods on credit to Shuchi Traders Rs.1,55,000
19	Withdraw cash for personal use Rs.5000
20	Commission Received Rs.20,000
21	Telephone bill paid Rs.1500
22	Received loan from Canara Bank Rs.1,00,000
23	Sold goods on credit to Pranav Rs.95,450
24	Cash received from Pranav on account Rs.90,000
25	Purchased goods from Pratham Trader on credit Rs.75,000
26	Cash paid to Pratham Trader on account Rs.45,000
27	Deposited cash of Rs.7000 to SBM Bank
28	Purchased Building for Rs.1,00,000
29	Rent paid Rs.5000
30	Paid for Repair of Machinery Rs.1200
31	Salary Due Rs.15,000

Net Profit	Rs.2,22,950
Balance Sheet	Rs.8,97,950

Experiment - 5

Record the following transactions in proper vouchers and generate financial statements

a. Sri Ram commences a business with a capital of Rs 5,00,000 in the name of Ram Enterprises.
b. Bought goods for Rs 1,00,000.
c. Bought goods from Jain for Rs 75,000.
d. Goods sold to Gupta for Rs 90,000.
e. Goods sold to Lal for cash Rs 60,000.
f. Bought machinery for cash Rs 2,20,000.
g. Paid into State Bank of India Rs 55,000.
h. Bought office furniture from Modern Furn Mart for Rs 45,000.
i. Received rent Rs 3,000.
j. Paid salary to staff Rs 65,000.
k. Paid Ram's insurance premium Rs 3,300.
l. Withdraw from Bank Rs 10,000.
m. Bank collected dividends on investments on our behalf Rs 6,200.
n. Received from Ashok a bill at two months for Rs 25,000.
o. Accepted the bill drawn by Sathyam Rs 55,000.
p. Paid by cheque for an advertisement Rs 7,500.
q. Paid by cheque for rent Rs 11,000.
r. Received commission from Balu and Co. Rs 3,500.
s. Paid for repairs (office Rs 3,000)

Experiment 6

Bill wise Details

Sales Bills

1. Priya Private Ltd.

Bill Number	Amount	Due Days
402	5000	30
414	1500	30

2. Abi & Co.

Bill Number	Amount	Due Days
417	2230	15
431	2650	15

Purchase Bills

1. Aditya & Co

Bill Number	Amount	Due Days
520	455	
525	1000	15

2. Nisha & Co

Bill Number	Amount	Due Days
1006	1430	30
1007	5540	15

Received Cash

1. Priya Private Ltd.

Bill Number	Amount
402	5000
414	1000

2. Abi & Co.

Bill Number	Amount
417	2230
431	1700

Payments Made

1. Aditya & Co

Bill Number	Amount
520	455
525	1000

2. Nisha & Co

Bill Number	Amount
1006	1430
1007	5000

Experiment 7

Accounts with Inventory Voucher

1. Received capital by cash Rs. 5,00,000
2. Cash deposited in SBI Rs. 2,00,000
3. Purchase order made to Ravi Fashion (P.O . No. 101)
    i) Saree 60 numbers at Rs. 500
    ii) Tops 50 numbers at Rs. 400
4. Purchase order made to Kumaran Textiles (P.O. No. 102)
    i) Sarees 75 numbers at Rs. 500
    ii) Tops 60 numbers at Rs. 400
5. Purchase order made to Suman Textiles (P.O. No. 103)
    i) Jeans 100 numbers at Rs. 1,000
    ii) T-Shirts 100 numbers at Rs. 1,500
6. Purchase invoice raised for the order no. 102.
7. Received materials for the purchase order from suman Textiles (P.O. No. 103)
8. Returned T – Shirts 10 numbers; Jeans 5 numbers
9. Purchase invoice raised for the Suman Textiles (Bill No. 5678)
10. Sales Order received from Abi Stores (S.O. No. 111)
    i) Sarees 60 numbers at Rs. 800
    ii) Tops 40 numbers at Rs. 1,000
11. Sales Order received from Gausi Garments store (S.O. No.118)
    i) Jeans 60 numbers at Rs. 1500
    ii) T-Shirts 60 numbers at Rs. 1800
12. Sales invoice raised for the sales order no 111 (Abi Stores) + Tax 4 %
13. Delivery note given to Gausi Garments for sales order number 118 (DN no. 556)
14. Returns from Gausi Garments, T-Shirts 10 numbers, Jeans 5 numbers
15. Sales invoice raised for the delivery note 556.

Experiment 8

1. Commenced business with cash Rs.300000
2. Deposited into Indian bank Rs.55000
3. Purchases goods for cash Rs.22000
4. Purchased goods from Arise India on credit Rs.1,25,000
5. Returned goods to Arise India Rs.5000
6. Sold goods on credit to Piyush Rs.1,55,000
7. Return goods from Piyush Rs.5000
8. Cash received from Piyush on account Rs.1,00,000
9. Cash paid to Arise India on account Rs.85,000
10. Bought goods from Siva Rs.72000
11. Cash sales Rs.16200
12. Cash deposited into Bank Rs.23000
13. Purchased furniture for cash Rs.4000
14. Sold goods to Ram Rs.12700
15. Purchase order made to Kumar Fashion (P.O. No. 101)
    i) Jeans 60 numbers at Rs. 500
    ii) T-Shirt 50 numbers at Rs. 400
16. Sales Order received from Ram Stores ((S.O. No. 111)
    i) Jeans 60 numbers at Rs. 800
    ii) T-Shirt 40 numbers at Rs. 600
17. Purchase Bill Generated Aditya & Co

Bill Number	Amount	Due Days
201	450000	12
202	100000	15

18. Payments Made to Aditya & Co

Bill Number	Amount
201	350000
202	80000

Experiment 9

Enter the following transactions

1. Commenced Business with Cash Rs. 10,00,000
2. Deposited to SBI Rs. 5,00,000
3. Purchased electronic goods from Kumar, Bangalore
    a) Television 10 units @ Rs. 20,000 per unit Applicable GST 18 %
    b) Washing Machine 10 Units @ 25,000 per unit Applicable GST 12 %
    c) Air cooler 10 units @ Rs. 10,000 per unit Applicable GST 18 %
4. Purchased Goods from Mohan & Co, Mumbai
    a) Computer 20 units @ Rs. 30,000 per unit Applicable GST 12%
    b) Laptop 10 units @ Rs. 35,000 per unit Applicable GST 18%
5. Purchased Goods from Ajay, Lucknow
    a) Television 15 units @ Rs. 23,000 per unit Applicable GST 18 %
    b) Laptop 15 units @ Rs. 37,000 per unit Applicable GST 18%
    c) Computer 15 units @ Rs. 32,000 per unit Applicable GST 12%
6. Sold Goods to Prakash, Bangalore
    a) Television 2 units @ Rs. 25,000 per unit Applicable GST 18%
    b) Computer 5 units @ Rs. 35,000 per unit Applicable GST 12 %
7. Sold Goods to Nagaraj & Co, Cochin
    a) Air cooler 5 units @ Rs. 12,000 Applicable GST 18%
    b) Washing Machine 2 units @ Rs. 30,000 per unit Applicable GST 12 %
8. Sold Goods to Kushal. Chennai
    a) Laptop 8 units @ Rs. 45,000 per unit Applicable GST 18%
    b) Washing Machine 5 units @ Rs. 35,000 per unit Applicable GST 12 %
9. Issued cheque for owner’s son car service Rs. 50,000
10. Issued cheque for Salaries to the staff members Rs. 50,000

EXPERIMENT – 10

1. Commenced Business with Cash Rs. 10,00,000
2. Deposited to Canara Bank Rs. 5,00,000
3. Bought goods from Pavan Rs 1,00,000
4. Withdraw cash for personal use Rs 5,000.
5. Received Commission Rs 6,000.
6. Bought Furniture and issued cheque Rs 20,000.
7. Issued a cheque for rent Rs 10,000.
8. Drew from bank for personal use Rs 6,000.
9. Paid life insurance premium Rs 3,000.
10. Purchased goods from Raju, Bangalore
    a) LCD Projectors 5 units @ Rs. 50,000 per unit Applicable GST 18 %
    b) Smart Board 5 Units @ 75,000 per unit Applicable GST 12 %
    c) Air cooler 10 units @ Rs. 40,000 per unit Applicable GST 18 %
11. Sold Goods to Ganesh, Cochin
    a) Air cooler 5 units @ Rs. 50,000 Applicable GST 18%
    b) Smart Board 2 units @ Rs. 90,000 per unit Applicable GST 12 %
12. Purchase order made to Kumaran Textiles (P.O. No. 102)
    i) Sarees 100 numbers at Rs. 800
    ii) Tops 90 numbers at Rs. 600
13. Sold goods to Abi & Co.

Bill Number	Amount	Due Days
417	2230	15
431	2650	15

14. Received Cash from Abi & Co.

Bill Number	Amount
417	2230
431	1700

15. Purchase invoice raised for the order no. 102.