



Maharaja Education Trust ®
MIT First Grade College

(Affiliated to University of Mysore)
Industrial Suburb, Manandavadi Road, Mysuru -570008

VISION OF THE INSTITUTE

Empower the individuals and society at large through educational excellence; sensitize them for a life dedicated to the service of fellow human beings and mother land.

MISSION OF THE INSTITUTE

To impact holistic education that enables the students to become socially responsive and useful, with roots firm on traditional and cultural values; and to hone their skills to accept challenges and respond to opportunities in a global scenario.

Syllabus of Add-on course “Accounting with Tally” for BCOM/BBA Students

Module/Topic	Details	Duration
Course: AccountingwithTally		30hours
Module1: User Interface and Company Management	Introduction to Tally, Installing Tally ERP,Creating a Company,Data Path for Tally ERP,Altering and DeletingCompanyandGatewayof TallyandUserInterface.	03hours
Module 2:Ledgers	Understanding Ledgers,CreatingLedgers,CreatingMultipleLedgers,Altering and Deleting Ledgers andPracticalExamples.	05hours
Module 3:Groups	Understanding Groups,Creating Groups,Altering and DeletingGroups and PracticalExamples.	03hours
Module4: PaymentVouchers & ReceiptVouchers	Understanding DefaultVouchers, Payment inSingle Entry Mode(Examples),PaymentinDouble Entry Mode(Examples),UnderstandingReceipt Vouchers and PracticalExamples.	06hours
Module5: Contra and JournalVoucher	Understanding Contra forBanking, PracticalExamples on ContraVouchersandPractical Examples on JournalVouchers.	05hours
Module 6:Inventory	Understanding Inventory,Integrating Accounts andInventory, Practical onStock Group, Practical onStockCategory,Practical on Units of Measure andPracticalonStockItems.	08hours

Module - 1

User Interface and Company Management

Introduction to Tally:

Tally.ERP 9 is one of the most widely used financial software. Tally.ERP 9 reports can help a business owner make informed decisions to increase efficiency, reduce costs, and organize business operations.

With Tally.ERP 9, accurate, up-to-date business information is available at your fingertips anytime. It provides a Comprehensive solution for the accounting and inventory needs of a business.

It provides the capability to generate fully accurate tax returns in a matter of minutes and is also capable of extracting, interpreting and presenting financial data.

Creating a Company in Tally ERP 9 :

The first step towards working with Tally.ERP 9 is to create a 'company'. A 'company' in Tally.ERP 9 is a central repository where you can maintain all the financial records of your business, and from where you can extract the required financial reports and statements.

The procedure to create a company is explained below :

Go to Gateway of Tally > Company Info. > Create Company

The fields in the company creation screen and the information to be filled in each of them are explained below. To navigate between the fields, use the Enter/Tab/Arrow Keys, or Mouse clicks.

Directory: The path to the location of Tally.ERP 9 data is displayed here. By default, the path provided while installing Tally.ERP 9 will be displayed. However, you can press backspace and specify the location in which you want the data to be stored.

Name: Provide a name for the company that is being created.

Primary Mailing details: The mailing name and address details are picked from here for any report such as balance sheet and statements of accounts.

Mailing Name: The name provided for the company in the name field is automatically displayed here. However, you can change it as per requirements. The name specified here will be used for mailing purposes.

Fill in the company's address.

Country: Select the country in which the company is located. This will allow users to choose the statutory capabilities available for that country. In this example, the country selected is India.

Fill in the relevant numbers in the **Telephone No.** and **Mobile No.** fields.

E-Mail: Fill in the company's official e-mail ID here. This will be used while e-mailing reports and statements from Tally.ERP 9.

The Company Creation screen appears as per Figure

Company Creation		Books and Financial Year Details	
Directory	: <input type="text"/>	Financial year begins from	: 1-4-2016
Name	: <input type="text"/>	Books beginning from	: 1-4-2016
Primary Mailing Details		Security Control	
Mailing name	:	TallyVault password (if any)	:
Address	:	Repeat password	:
Country	: India	<i>(Warning: Forgetting TallyVault password will render your data inaccessible.)</i>	
State	: [Not Applicable	Use security control	? No
Pincode	:	<i>(Enable security to avail TSS features)</i>	
Contact Details			
Phone no.	:		
Mobile no.	:		
Fax no.	:		
E-mail	:		
Website	:		
Base Currency Information			
Base currency symbol	: ₹	Number of decimal places	: 2
Formal name	: INR	Word representing amount after decimal	: paise
Suffix symbol to amount	? No	No. of decimal places for amount in words	: 2
Add space between amount and symbol	? Yes		
Show amount in millions	? No		

Module - 2

Ledgers

Ledgers :

A 'Ledger' is an account head. For instance, the sales account head will be called a 'Sales Ledger' in Tally.ERP 9. Similarly, a customer would be an account head, and will be called a 'party ledger'.

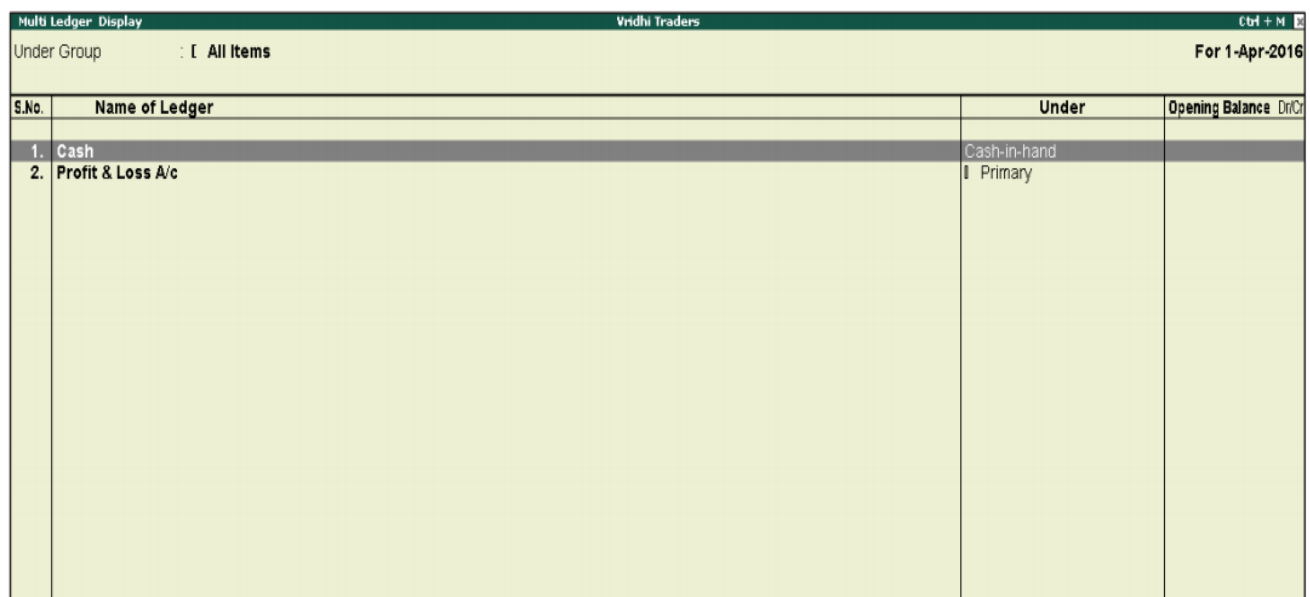
You can create ledgers specific to your business transactions.

For a newly created company, there are two pre-defined ledgers available in Tally.ERP 9:

Cash and Profit & Loss A/c

To view the list of ledgers, go to **Gateway of Tally > Accounts Info. > Ledgers > Display (Multiple Ledgers) > Select All Items.**

The Multi Ledger Display Screen appears as per Figure



S.No.	Name of Ledger	Under	Opening Balance	Dr/Cr
1.	Cash	Cash-in-hand		
2.	Profit & Loss A/c	Primary		

Creating Ledgers

In Tally.ERP 9, we can create the ledgers in two ways given below:

- I. **Single Ledger Creation:** Here we can create one ledger at a time.
- II. **Multiple Ledger Creation:** Here we can create different ledgers at one go and also ledgers which belong to particular group.

I. Single Ledger Creation

Creation of Proprietor's Capital Account ledger from single ledger creation screen.

1. Go to **Gateway of Tally > Accounts Info. > Ledgers > Create (Single Ledger Creation)**
2. Enter **Name** as **Proprietor's Capital Account**
3. Select **Capital Account** from the **List of Groups**
4. Press **Y** or **Enter** to accept the screen

The **Ledger Creation Screen** appears as per Figure

Ledger Creation		Vridhi Traders		Total Opening Balance
Name : Proprietor's Capital Account (alias) :				25,000.00 Cr
				Difference 25,000.00 Cr
Under : Capital Account	Inventory values are affected ? No	Name : Proprietor's Capital Account Address :	Mailing Details	
		Country : India State : Karnataka Provide bank details : No	Pincode :	
		PAN/IT No. :	Tax Registration Details	
Opening Balance (on 1-Apr-2016) : 25,000.00 Cr				Accept ? Yes or No

II. Multiple Ledger Creation

Now let us create the following ledgers using the Multi Ledger Creation option:

To create Multiple Ledgers at once, follow the below given steps:

1. Go to **Gateway of Tally > Accounts Info > Ledgers > Multiple ledgers > Create**
2. From **Under Group** field select **All Items**
3. Under **Name of Ledger**, enter the name
4. Select as **Sundry Creditors** from the **List of Groups**
5. Press **Enter** and **move to next line** as there is no **opening balance**
6. Similarly, select the other ledgers as shown in figure

Multi Ledger Creation		Vridhi Traders		Ctrl + M	
Under Group : All Items			For 1-Apr-2016		
S.No.	Name of Ledger	Under	Opening Balance	Dr	Cr
1.	Kaltronic Ltd	Sundry Creditors Sales Accounts Purchase Accounts Bank Accounts Indirect Expenses Indirect Incomes	35,000.00	Dr	
2.	Local Sales				
3.	Local Purchases				
4.	SBI Bank				
5.	Conveyance				
6.	Bank Interest				

Altering and Displaying Ledgers

Now, go to **Gateway of Tally >Accounts Info>Ledgers > Select Display** under single ledger, you will see that the **List of Ledgers**.

You can also Alter ledgers from **Accounts Info. > Ledgers > Alter** (Multiple Ledgers). Deleting Ledgers

You can **delete a ledger**, by pressing **Alt + D** in the **Ledger Alteration** screen.

You will not be able to delete a ledger, once the financial transactions (vouchers) have been entered (excluding the Opening Balance). If there is a need to delete a ledger with any financial transactions, all the transactions must be deleted first by pressing **Alt+ D**.

Module - 3 Groups

Groups:

A 'Group' is the accounting group under which ledgers of the same nature can be classified. For instance, Tally.ERP 9 has a default Group 'Sales Accounts', under which all the sales ledgers will be classified.

There are **28** pre-defined **groups** in Tally.ERP 9, which feature in the chart of accounts of many organizations. Out of these, **15 groups** are **primary groups** and the remaining **13 are sub-groups**.

Among the 15 primary groups, 9 groups are **balance sheet** items and the remaining 6 groups are **Profit & Loss A/c** items. You can use these groups to build your chart of accounts, as well as create and used group's specific to your business transactions.

However, you may also alter the nomenclature of these 28 groups.

To view the list of the 28 groups, known as the **List of Accounts**, go to **Gateway of Tally > Accounts Info. > Groups > Display (Multiple Groups) > Select All Items**.

The **Multi Group Display Screen** appears as per Figure

S.No.	Name of Group	Under
1.	Capital Account	Primary
2.	Loans (Liability)	Primary
3.	Current Liabilities	Primary
4.	Fixed Assets	Primary
5.	Investments	Primary
6.	Current Assets	Primary
7.	Branch / Divisions	Primary
8.	Misc. Expenses (ASSET)	Primary
9.	Suspense A/c	Primary
10.	Sales Accounts	Primary
11.	Purchase Accounts	Primary
12.	Direct Incomes	Primary
13.	Direct Expenses	Primary
14.	Indirect Incomes	Primary
15.	Indirect Expenses	Primary
16.	Reserves & Surplus	Capital Account
17.	Bank OD A/c	Loans (Liability)
18.	Secured Loans	Loans (Liability)
19.	Unsecured Loans	Loans (Liability)
20.	Duties & Taxes	Current Liabilities
21.	Provisions	Current Liabilities
22.	Sundry Creditors	Current Liabilities
23.	Stock-in-Hand	Current Assets
24.	Deposits (Asset)	Current Assets
25.	Loans & Advances (Asset)	Current Assets
26.	Sundry Debtors	Current Assets
27.	Cash-in-Hand	Current Assets
28.	Bank Accounts	Current Assets

Creating Groups

In Tally.ERP 9, there are 28 predefined groups, this mean that it is not necessary to create the Account Group in Tally.ERP 9. However, considering the different requirement of an organization and its nature, Tally.ERP 9 has also provided flexibility to create the account group, if need be.

Group creation is similar to ledger creation in Tally.ERP 9. As with ledgers, there are two ways of creating groups:

- I. **Single Group Creation:** Involves creation of a single group at a time
 - II. **Multiple Group Creation:** Involves creation of multiple groups at a time
- Single Group Creation

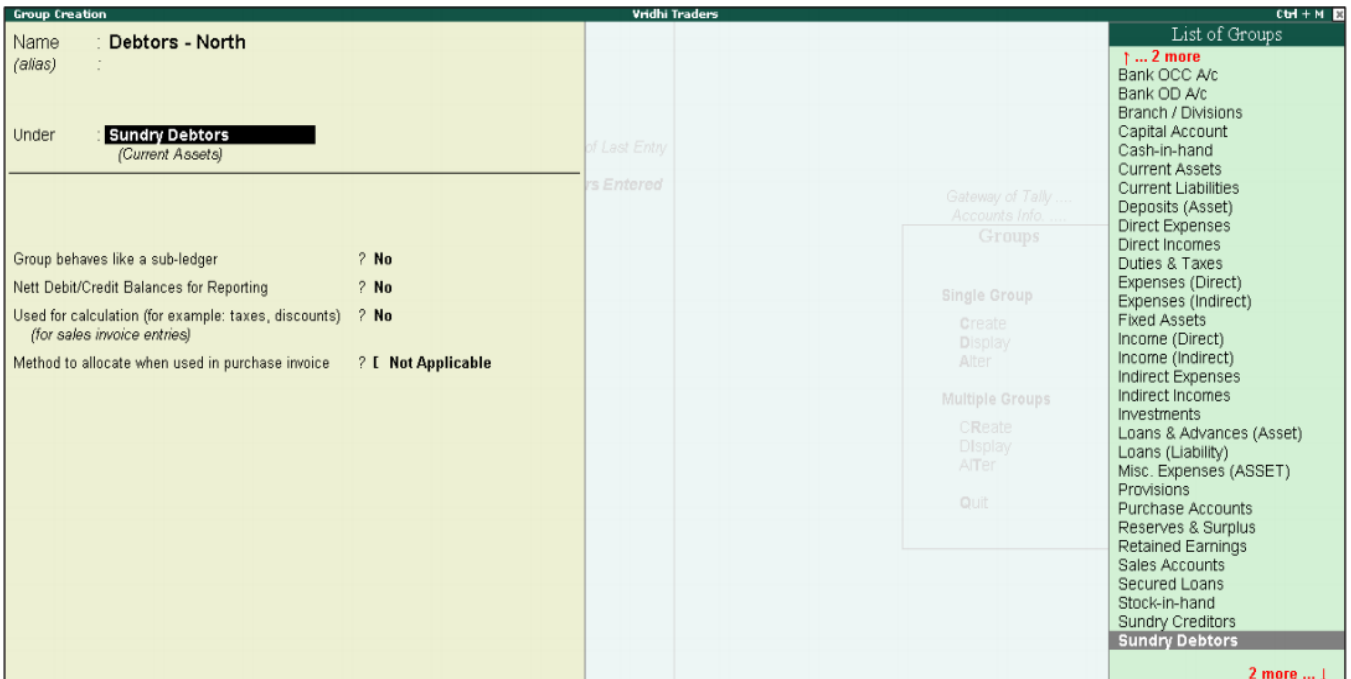
The group to be created, and the primary group under which it has to be classified, is specified in the table below:

Group to be created	Classification
Debtors – North	Sundry Debtors

To create the group,

1. **Go to** Gateway of Tally > Accounts Info. > Groups > Create (Single Group)
2. Enter **Name** as **Debtors**
3. Against the field **Under** select **Sundry Debtors** from the **List of Groups**

The **Group Creation Screen** appears as per Figure



Module - 4

Payment Vouchers & Receipt Vouchers

Vouchers :

In accounting terms, a voucher is a document containing the details of a financial transaction. For example, a purchase invoice, a sales receipt, a petty cash docket, a bank interest statement, and so on. For every such transaction made, a voucher is used to enter the details into the ledgers to update the financial position of the company. This feature of Tally.ERP 9 will be used most often.

Tally.ERP 9 follows the **Golden Rules** of Accounting:

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

Accounting Vouchers

Tally.ERP 9 is pre-programmed with a variety of accounting vouchers, each designed to perform a different job. The standard accounting vouchers are.

Contra Voucher	-	(F4)
Payment Voucher	-	(F5)
Receipt Voucher	-	(F6)
Journal Voucher	-	(F7)
Sales Voucher/Invoice	-	(F8)
Credit Note Voucher	-	(Ctrl+F8)
Purchase Voucher	-	(F9)
Debit Note Voucher	-	(Ctrl+F9)

Payment in Single Entry mode

1. **Gateway of Tally > Vouchers > F5 (Payment).**
Alternatively, **Alt + G (Go To) > Create Voucher > press F5 (Payment).**
2. Press **Ctrl + H (Change Voucher Mode):** to select the **Single Entry** mode.
3. Select the Cash ledger in the **Account** field
4. Under **Particulars**, select the party or expense ledgers, and enter the corresponding amounts.
5. Accept the screen. As always, you can press **Ctrl + A** to save the voucher.

Accounting Voucher Creation		National Enterprises	
Payment No. 64	Voucher class	* Not Applicable	31-Mar-21 Wednesday
Account : Cash			
Current balance : 1,71,600.00 Dr			
Particulars			Amount
Conveyance			3,000.00
Cur Bal: 24,200.00 Dr			
On Account	3,000.00 Dr		
Telephone Deposit			7,000.00
Cur Bal: 9,000.00 Dr			
On Account	7,000.00 Dr		
Narration: Payment for conveyance and telephone deposits			10,000.00
			Accept ?
			Yes or No

Payment in Double Entry Mode

1. Gateway of Tally > Vouchers > F5 (Payment).
Alternatively, Alt + G (Go To) > Create Voucher > press F5 (Payment).
2. Press Ctrl + H (Change Voucher Mode): to select the Double Entry mode.
3. Debit the expense or party ledgers and enter the corresponding amounts.
4. Credit the cash ledgers, and enter the corresponding amounts
5. Accept the screen. As always, you can press Ctrl + A to save the voucher.
Similarly, you can record the transactions in double entry mode for Receipt and Contra vouchers.

Accounting Voucher Creation		National Enterprises	
Payment No. 21			2-Aug-2020 Sunday
Particulars		Debit	Credit
Dr Conveyance		1,800.00	
Cur Bal: 1,800.00 Dr			
On Account	1,800.00 Dr		
Dr Postage		2,500.00	
Cur Bal: 2,500.00 Dr			
On Account	2,500.00 Dr		
Dr Staff Welfare		2,000.00	
Cur Bal: 2,000.00 Dr			
On Account	2,000.00 Dr		
Dr Printing & Stationary		4,000.00	
Cur Bal: 35,734.00 Dr			
On Account	4,000.00 Dr		
Cr Cash Location A			5,150.00
Cur Bal: 19,850.00 Dr			
Cr Cash Location B			5,150.00
Cur Bal: 19,850.00 Dr			
Narration:			10,300.00
			10,300.00
			Accept ?
			Yes or No

Receipt Vouchers

Any money received from debtors against sales Invoices or on Account and for all transactions where money is received are accounted or entered into Tally.ERP 9 using the Receipt Voucher.

To view the Receipt Voucher screen,

1. Go to **Gateway of Tally > Accounting Vouchers.**
2. Select **F6: Receipt** from the button bar or press **F6.**

For example, if your company receives money from a customer for an earlier transaction say sales, and the same is passed through a Receipt Voucher:

3. Credit the customer account and debit the Cash account, if you receive cash or
4. Debit the Bank account where you need to deposit the money, if you receive cheques.

The entry in double-entry mode is displayed as shown:

Accounting Voucher Creation		ABC Company		Ctrl + M
Receipt		No. 1		1-Apr-2008 Tuesday
Particulars		Debit	Credit	
To PQR Debtors			10,000.00	
Cur Bal: 40,000.00 Dr				
Aqst Ref Sales 01	10,000.00 Cr			
By Cash - Location B		10,000.00		
Cur Bal: 35,000.00 Dr				
Name on Receipt : PQR Debtors				
Narration:				
Received cash from PQR Debtors.				
		10,000.00	10,000.00	

Accept ?
 Yes or No

Module - 5

Contra and Journal Voucher

Introduction to Contra Voucher

As per the Accounting Principles, a Contra entry is a transaction involving transfer of cash between one Cash A/c to another or one Cash A/c to another Bank A/c i.e., is a transaction indicating transfer of funds from:

- Cash account to Cash account
- Cash account to Bank account
- Bank account to Cash account
- Bank account to Bank account

To view the Contra Voucher Entry Screen,

- Go to **Gateway of Tally > Accounting Vouchers**
- Select **F4: Contra** from the Button Bar or press **F4** .

Recording Contra Entry in Single Entry Mode.

The **Contra Voucher** can be recorded using **Single entry mode** or **Double Entry mode** . To toggle between Single Entry and Double Entry mode, we need to change the setting **Use Single Entry mode for Payment /Rcpt/Contra** to **Yes/No** in **F12: Configure** .

To view **Contra Voucher creation screen in Single Entry mode:**

1. Go to **Gateway of Tally > Accounting Vouchers > Select F4: Contra**
2. For example, to transfer funds from Cash Account to Bank Account:
 - **Debit** the Bank Account.
 - **Credit** the Cash Account.

The entry will be displayed as shown:

Accounting Voucher Creation		ABC Company	Ctrl + M
Contra		No. 1	2-Apr-2012 Monday
Account : HDFC Bank			
Cur Bal: 15,000.00 Dr			
Particulars		Amount	
Cash	Cur Bal: 90,000.00 Dr	10,000.00	
Petty Cash	Cur Bal: 45,000.00 Dr	5,000.00	
Narration			15,000.00

Recording Contra Entry in Double Entry Mode

The Contra voucher can be recorded using Double Entry mode where we have the options to select multiple Debits and multiple Credits. To select multiple Debit and Credit ledgers in the Double entry mode, set Use Single Entry Mode for Payment/Receipt/Contra to No in F12: Configure.

To enter in Double Entry Mode,

- Go to **Gateway of Tally > Accounting Vouchers.**
- Select **F4: Contra** from the Button Bar or press **F4** .

If you record the same entry (passed in single entry mode) in Double Entry Mode, it will be displayed as shown:

The screenshot shows the 'Accounting Voucher Creation' window for 'National Traders' on '2-Apr-2012 Monday'. The voucher is a 'Contra' type, No. 1. The entry is as follows:

Particulars	Debit	Credit
Dr HDFC Bank <i>Cur Bal: 30,000.00 Dr</i>	15,000.00	
ABC Company National Traders Cash <i>Inst. No. :</i> <i>Inst. Date : 2-Apr-2012</i> <i>Bank : HDFC</i> <i>Branch : J.P Nagar</i>	15,000.00 Dr	15,000.00
Cr Cash <i>Cur Bal: 90,000.00 Dr</i>		10,000.00
Cr Petty Cash <i>Cur Bal: 40,000.00 Dr</i>		5,000.00
		<hr/>
		15,000.00 15,000.00

Narration: [Redacted]

Journal Voucher

Introduction to journal Voucher

Journal voucher in Tally is an important voucher which is used to make all kind of adjustment entries, credit purchases or sales, fixed assets purchase entries. In order to pass entries as journal voucher we have to press "**F7**" **shortcut key** from accounting Voucher screen on Gateway of Tally.

This voucher is used for all adjustment or due entries in tally software, or in other words entry which is not made by other accounting vouchers are made by this voucher.

Journal Vouchers are used to adjust the debit and credit amounts without involving the cash or bank accounts. Hence, they are referred to as adjustment entries.

- Go to **Gateway of Tally > Accounting Vouchers.**
- Click on **F7: Journal** on the Button Bar or press **F7** .

For example, there may be entries made for interest accrued or interest due. If you have to receive Interest from a party, the same can be entered using Journal Voucher.

- Debit the **Party.**
- Credit the **Interest Receivable Account.**

The Journal entry is displayed as shown:

Accounting Voucher Creation		ABC Company		Ctrl + M
Journal		No. 1		1-Apr-2008 Tuesday
Particulars		Debit	Credit	
By Debtor A		1,000.00		
Cur Bal: 1,000.00 Dr				
New Ref 1	1,000.00 Dr			
To Interest Receivable			1,000.00	
Cur Bal: 1,000.00 Cr				
Narration: Interest receivable from Debtor A.		1,000.00	1,000.00	

Accept ?
 Yes or No

Module – 6

Inventory

Introduction

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

Stock Item

A Stock Item is a unit of the goods that a business trades in. For instance, deal in electronic goods. 'Television' will be a 'Stock Item' for them.

Units of Measure

Stock items are purchased and sold on the basis of quantity. The quantity in turn is measured in units. In Tally.ERP 9, such goods are quantified using 'Units of Measurement'. Units of Measure can be 'simple' or 'compound'. Examples of simple units of measure are: numbers, meters, kilograms, pieces, etc. Examples for compound units of measure are: a box of 10 pieces, etc.

Stock Group

A Stock Group is similar to the groups we create for accounting. Stock Items of similar nature, brand, etc. can be classified under a single stock group. In the example above, the stock group for 'Television' can be the brand, like 'Sony', 'Videocon', 'Philips', etc.

Creating a Stock Group

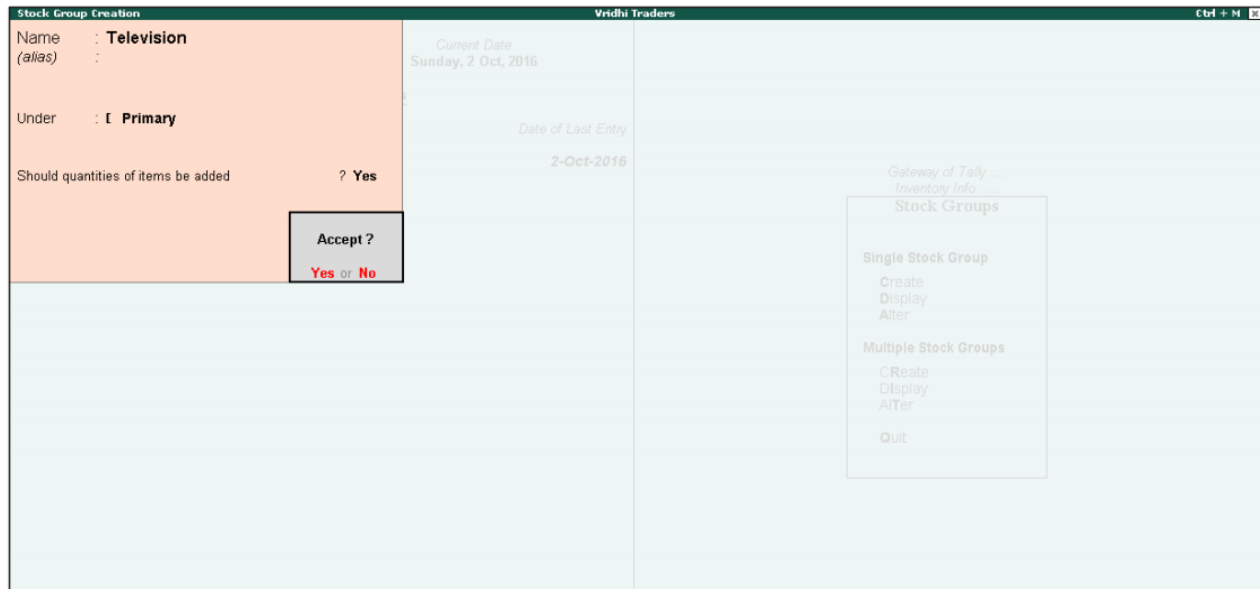
The grouping structure in **Tally.ERP 9** is as follows:

1. **Television** (main stock group, to be grouped under **Primary**)
 - **Sony TV** – stock group under **Television**
 - **Samsung TV** – stock group under **Television**
2. **Music Systems** (main stock group, to be grouped under **Primary**)
 - **Sony Music Systems** – stock group under **Music Systems**

Samsung Music Systems – **stock group under Music Systems** Create the Stock Group – Television under Primary

1. Go to Gateway of **Tally > Inventory Info. > Stock Groups > Create (under the Single Stock Group)**
2. **Enter the Name** for the stock group as Television
3. **Classify** the group under **Primary**
4. **Set** the option **Should Quantities of items be Added** to **Yes**
5. Press **Enter** to Accept the Screen

The **Stock Group Creation** Screen appears as per Figure



Creating a Unit of Measure

As mentioned in the example, the **Unit of Measure** will be **Numbers (Nos)** To create the **Unit of Measure**,

Go to Gateway of **Tally > Inventory Info. > Units of Measure > Create**

1. **Enter** the **Symbol** to be used for the **Unit of Measure**, that is, **Nos**
2. **Enter** the **Formal Name**, that is, **Numbers**
3. **Specify** the **number of decimal places**. Here, it is **zero**
4. Press **Enter** or **Y** to **accept** the screen

Creating a Stock Item

As per the example, create the stock item Sony 29 inch TV. To create the same,

Go to Gateway of **Tally > Inventory Info. > Stock Items > Create**

Press **F12** from stock item creation screen and set the option Allow Advanced entries in Masters to No.

1. **Enter** the **Name** for the **stock item**, that is, **Sony 29 inch TV**
2. **Group** the **Stock Item** under **Sony TV**
3. **Select** the **Units** as **Nos**

The Stock Item Creation Screen appears as per Figure

The screenshot displays the 'Stock Item Creation' window in Tally. The window title is 'Vridhi Traders' and it has a 'Ctrl + H' icon in the top right corner. The main area is divided into several sections:

- Top Left (Orange background):** Name : Sony 29 inch TV, (alias) :
- Middle Left (Orange background):** Under : Sony TV, Units : Nos.
- Bottom Left (Orange background):** Opening Balance : Quantity Rate per Accept? Yes or No
- Top Right (Light Blue background):** Date of Last Entry : 2-Oct-2016
- Right Panel (Light Blue background):** Gateway of Tally..., Inventory Info..., Stock Items, Single Stock Item (Create, Display, Ater), Multiple Stock Items (Create, Display, Ater), Quit