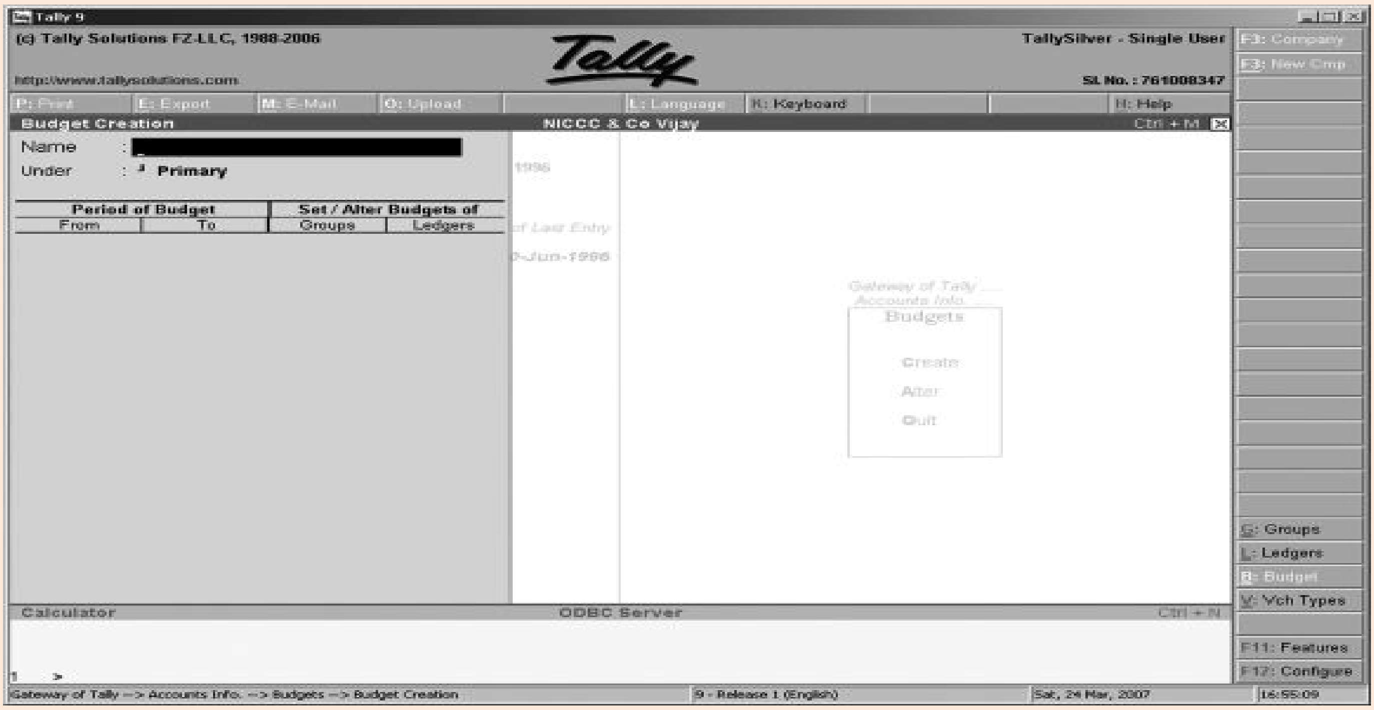
CHAPTER-9
BUDGETING AND SCENARIO

Budgets are prepared to achieve the objectives such as higher profits, better financial position, better position in the market, etc. with the help of Tally, we can prepare different budgets.



STEPS TO ACTIVATE BUDGETS:

Before doing Budgetary preparation we have to activate the budgetary features in Tally. Open 'NICCC & CO' and follow the steps as given below.

- Click F11 (Features).
- Give 'Yes' to 'Budgets and Controls'.
- Accept.

STEPS TO CREATE A BUDGET:

- From Gateway of Tally, click Accounts Info -->Budget --> Create.
- Fill the particulars asked for as given below:

BUDGET-1	
Name	Sales Budget
Under	Primary
Period	1.8.97 to 31.10.97
Ledger	'Yes'
Ledger Name	Sales Account
Type of Budget	On Closing Balance
Amount	Rs. 50,000/-

BUDGET-2	
Name	Purchase Budget
Under	Primary
Period	1.8.97 to 31.10.97
Ledger	‘Yes’
Ledger Name	Purchase Account
Type of Budget	On Closing Balance
Amount	Rs. 30,000/-

BUDGET-3	
Name	Profit Budget
Under	Primary
Period	1.8.97 to 31.10.97
Ledger	‘Yes’
Ledger Name	Profit and Loss Account
Type of Budget	On Closing Balance
Amount	Rs. 20,000/-

Post the following transactions:

DATE	PARTICULARS	RS.
01.08.97	Purchases made	45,000
01.08.97	Salaries paid	1,000
02.08.97	Sales made	1,05,000
01.09.97	Rent paid	1,000
02.09.97	Purchases made from Shanthi for cash	5,000
02.09.97	Commission received	500
01.10.97	Sales made to Madhavan for cash	55,000
01.10.97	Wages paid	3,500
02.10.97	Cash purchases made	10,000

TO DISPLAY THE BUDGET VIEW

- Open the ledger Sales or Purchase or Profit & Loss account.
- To display the budgeted transactions activate Alt+C (New Column) and set period as 1.8.97 to 31.10.97.
- Now we can compare the Actual Ledger with Budgeted Ledger.
- To compare with percentages in F12 (Configuration) give ‘Yes’ to ‘Show Percentages’.

SCENARIO

Reversing Journal

Press 'F11: Feature' and type 'Yes' against 'Use Reversing Journals?' This Voucher Type is used as another type of memo voucher. It has only one day value. For example, if we expect a particular transaction on a future date and if we wish to know the financial report on that date, we can post the transaction on that date. This transaction will affect the Report, only on that date and will have no effect on any other date.

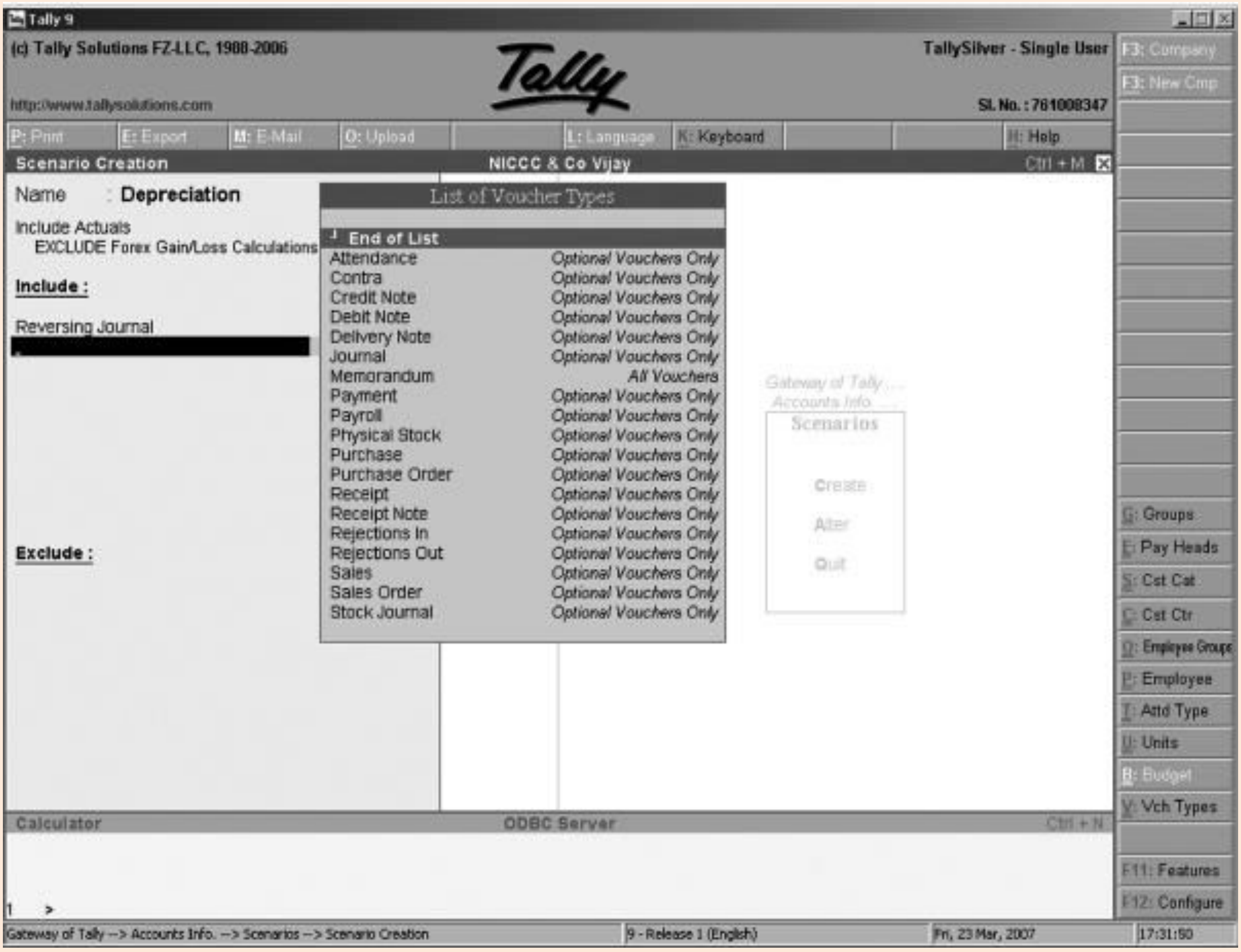
While entering a Reversing Journal, to view the Balance sheet and Profit and Loss A/c we need to create a Scenario. It is a tool that enables different views of our information, both Accounts and Inventory related, by selectively including certain types of Vouchers without affecting the base data.

The Vouchers that are used in Scenario Management are:

1. Optional Voucher
2. Memorandum Voucher
3. Reversing Journal

Creating a Scenario

- Gateway of Tally Accounts info -->Scenario -->Create
- Give a suitable Name to the Scenario. For Example: Depreciation.
- Give 'Yes' to 'Include Actuals' if you want the report with the amount you have already.
- In the 'Include' column, from the list of vouchers select the type of vouchers that you want to affect this scenario. Here select 'Reversing Journal'.
- Accept to create a Scenario.



Viewing a Report

- Now open the Balance Sheet or any other report and Select ‘New Column’.
- In the ‘Column Details’ select ‘Types of Values to show’ and Select ‘Depreciation’.

Now you can see 2 Columns in the report for the Same Date.

To Display or Alter a Scenario

A Scenario can be displayed or altered by following the steps given below:

- Gateway of Tally --> Accounts info -->Scenario → Alter.
- Select the required Scenario to be altered.

Altering a Reversing Journal

- Gateway of Tally -->Display --> Exception of Reports -->Reversing Journal.
- Select the Journal and make required corrections.

Exercise

Open ‘NICCC & Co.’ and post the following entry by using Reversing Journal.

30.9.95	Charge Depreciation to Machinery	Rs.5000

Now view the Profit and Loss A/c for the Financial Year 95-96 before and after incurring this amount.