

CHAPTER 2

TALLY ERP9

INTRODUCTION

Manual Accounts maintaining involves lot of labour and time and even after, the result may not be up to expectations. Working in Tally, which is an Accounting Software, provides a complete solution to the problems of our manual book-keeping and makes the job faster, perfect and elaborative. Moreover, it gives a vast and advanced information about our company. It is a fully secured and reliable Accounting Program.



Tally is one of the Top most Accounting Programs which was developed by Tally Solutions Pvt Ltd., Bangalore. Tally is a User-friendly package having various versions viz. Tally 4.5, Tally 5.4, Tally 6.3, Tally 7.2, Tally 8.1 and the latest Tally 9. Tally 5.4, Tally 6.3, Tally 7.2, Tally 8.1, Tally 9 and Tally ERP9 are working under Windows environment.

HOW TO START

From Desktop, click 'START', point to 'PROGRAMS' and from the Sub-menu, click Tally.ERP 9. Alternatively, double-click Tally.ERP 9 shortcut from Desktop. Tally 9 logo will be shown on the screen and we have to wait till the program loaded.

The first display we get is 'Company Info', which contains the options, 'Select Company, Create Company, Backup, Restore, Quit, etc'.

THREE STEPS

After opening Tally, we follow three steps:

1. Company creation.
2. Ledger (Master) Creation.
3. Voucher Posting.

COMPANY CREATION

From 'Company Info', activate 'Create company' option by either double-clicking the specified option or by pressing highlighted letter which is 'C' or bring the cursor and press <ENTER>..

STEPS TO CREATE A COMPANY

1. Enter into 'COMPANY INFO'.
2. Move the cursor to create and enter. Alternatively, press C for CREATE.
3. Fill particulars called for.
4. Accept by pressing 'Y'.

Under 'Company Creation', give the company's particulars as needed like Name, Address, IT, Sales Tax Numbers, etc. Give Rs. (or any other currency symbol) against 'Currency Symbol', Select type of company as Accounts Only or Accounts with Inventory under 'Maintain'. Financial year always starts from April 1st and ends on 31st March. Even if we start our company in the middle of the year give 1st April with year under 'Financial year from'. Next, under 'Books Beginning from' type the first transaction date.

CURRENCY SYMBOL

We mention the Base Currency Information here, in which our Account would be maintained. The Base Currency in our case is Rs. which will be used in our Reports.

FINANCIAL YEAR FROM

Among three forms of years, Calendar year commences from January first and spreads up to December 31st. Academic year is from first June to May 31st and financial year starts on First April and ends on 31st March. Give First April with year as given in the Exercise.

TALLY VAULT

Tally Vault is an advanced security system which converts normally accessible Tally information into unrecognisable information thereby safeguarding our data from others.

SECURITY CONTROL

It is the regular security feature which avoids the unauthorised access by others without your knowledge. The Administrator can create many user IDs and Passwords. Give the Name of Administrator as 'National' and the password twice as 'abc' for an example.

User IDs may be of two types; viz. Owner and Data Entry. Owner ID will have full access to all reports whereas Data Entry ID will have limited access as fixed by the owner ID. Use Gateway of Tally --> Click Create Company (F3) --> Security Control [Icon] [Icon] [Icon] 'Users and Passwords' and 'Types of Security'.

USE TALLY AUDIT FEATURE?

Type 'Yes' to activate this which enables the Auditor to track changes that are more than 30 days old. This feature is discussed again in the coming pages.

FORMAL NAME

Formal Name is the full name of the currency symbol specified above. Type Indian Rupees for Rs.

SELECT COMPANY

After completing all the particulars, 'Accept' it. Our company will automatically be loaded. Next time, when we like to open the company, use the 'Select Company' option to work with the company.

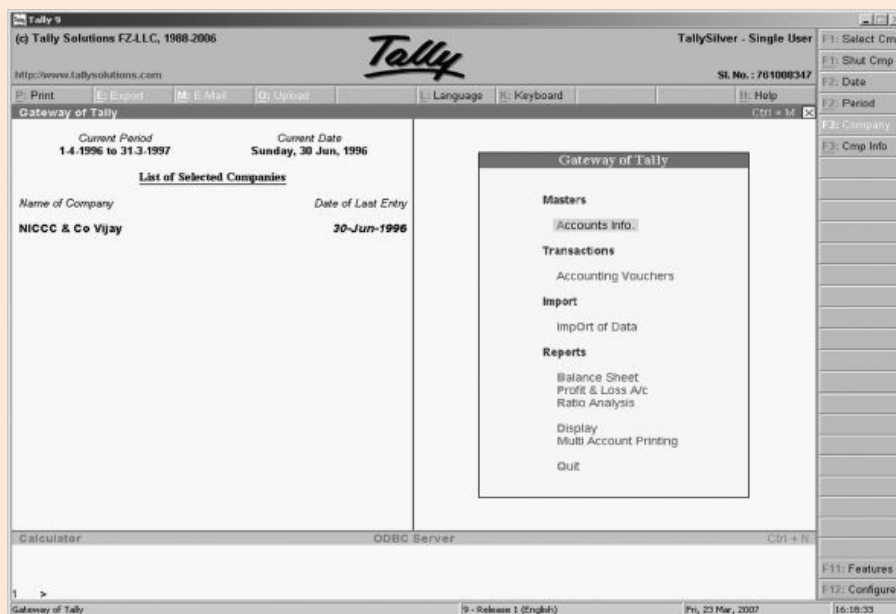
ALTER A COMPANY

To alter the Company Information, follow the steps given below:

1. Gateway of Tally
2. Click CMP INFO (F3)
3. Alter

GATEWAY OF TALLY

The first display we get after entering into our Company is Gateway of Tally. As its name suggests it is the main display to the Company. Gateway of Tally shows two parts. The left side shows the 'Current Period' and 'Current Date'. It also shows the 'Name of the Company' currently working. Right side shows the 'Masters', 'Transactions/Vouchers', 'Reports', etc. and further right with Various Button having various commands



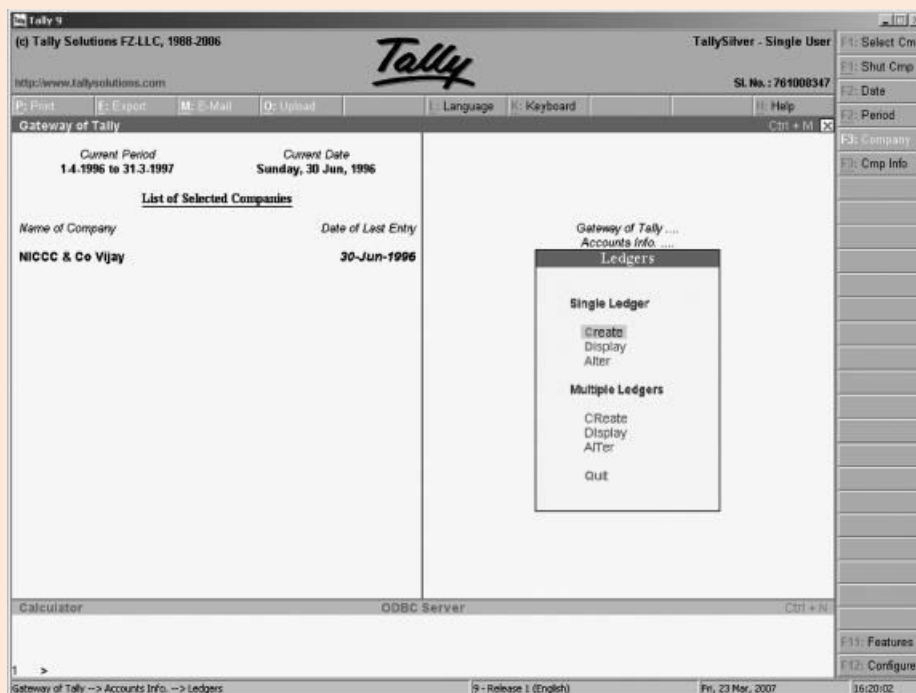
MASTER CREATION

We have to create Masters (Ledgers) before entering the voucher entries.

SINGLE LEDGER CREATION

Ledger creations can be made either by 'Single Ledger' mode or 'Multiple Ledger' mode. Under Single Ledger, Ledgers are created one by one by giving all the particulars and importantly the Group under which we are going to place the Ledger. Type the opening balance of the Ledger and specify whether it is Dr or Cr balance. Finally accept to save the Ledger creation.

If Opening Balances are entered, ensure that the Total of Opening Balances as shown in the Right Top Corner are tallied.



STEPS TO CREATE LEDGER ACCOUNTS

The following steps to be followed to create Ledger in Single Ledger Mode:

1. Select your Company
2. Enter ACCOUNTS INFO
3. LEDGER A/Cs
4. Select CREATE.
5. Fill particulars called for.
6. Place the Ledger a/c under proper GROUP.
7. Accept.

MULTIPLE LEDGER CREATION

All Ledgers are created in a Single Display by giving all the particulars called for. Select 'All Items' under 'Under Group'. Enter the 'Name of the Ledger', 'Under', 'opening Balance', 'Dr/Cr', etc. and at last 'Accept' them.



Multiple Ledgers or Groups can be created using 'Multiple' option in single display (Gateway of Tally --> Accounts Info --> Ledgers/Groups --> Multiple)

DEFAULT LEDGER

Tally allows you to create all Ledgers except two Ledgers viz. Cash and Profit and Loss accounts, as they are automatically created by Tally.

CREATE LEDGER WHILE POSTING VOUCHER

Quick Ledgers may be created while posting a voucher by following the steps as below:

1. Press Alt+C while the cursor is on the line.
2. Create a new Ledger.
3. Accept.

CREATE GROUP WHILE LEDGER CREATION

Similarly, quick Groups may be created during voucher posting by following the steps given below:

1. Press Alt+C while the cursor is on the Group line.
2. Create a new Group.
3. Accept.

ALTER LEDGER ACCOUNTS

After creation of Ledgers (Masters), they can be altered by following the steps given below:

1. Enter GATEWAY OF TALLY
2. Select ACCOUNTS INFO
3. Select LEDGER A/cs
4. Select ALTER
5. Alter as you wish
6. Accept.

VOUCHER POSTING

After creation of necessary Ledgers, we can start our day today Voucher entry postings by following the steps:

1. Select ACCOUNTING VOUCHERS from GATEWAY OF TALLY
2. Press F2 to change date
3. Select the Voucher Type
4. Post the voucher with narration
5. Accept.

LEDGER ACCOUNTS AND THEIR GROUPS

LEDGER	GROUP
Capital	Capital Account
Bank	Bank Account
Purchases & Purchase Returns	Purchase Account
Sales & Sales Returns	Sales Account
Wages	Expenses (Direct)
Carriage Inwards	"
Power	"
Freight	"
Coal, Gas and Water	"
Manufacturing Expenses	"
Factory Rent	"
Packing Charges	"
Salaries	Expenses (Indirect)
Rent	"
Advertisement	"
Insurance Premium	"
Taxes	"
Printing and Stationery	"
Carriage Outwards	"
Office expenses	"
Conveyance	"
Cartage	"
Discount Paid	"

Commission Paid	“
Bad Debts	“
Discount Received	Incomes (Indirect)
Commission Received	“
Plant and Machinery	Fixed Asset
Furniture and Fittings	“
Vehicles	“
Land and Buildings	“
Generator	“
Fixtures and Fittings	“
Bills Receivable	Current Asset
Stock	“
Outstanding Income	“
Prepaid Expenses	“
Bills Payable	Current Liabilities
Outstanding Expenses	“
Income received in advance	“
Debtors	Sundry Debtors
Creditors	Sundry Creditors
Loans Received	Loans (Liability)
Loans paid	Loans and Advances

VOUCHER TYPES

Vouchers are posted by selecting the appropriate Voucher types. There are 18 different Voucher Types are available under Accounts and Inventory, out of which 10 are Accounts Voucher Types and the remaining 8 are Inventory Voucher Types.

Accounts Voucher Types

1. Receipt
2. Payment
3. Journal
4. Contra
5. Sales
6. Purchases
7. Debit Note
8. Credit Note
9. Memorandum
10. Reversing Journal

Receipt

All receipts to the Company either by cash or cheque are entered by clicking 'Receipt' button or by pressing F6.

Payment

All payment vouchers are entered by selecting 'Payment' voucher type. Payments made by company by cash or cheque are payment transactions. F5 can be used to select 'payment'.

Journal

Transactions where cash or Bank is not involved are entered by selecting 'Journal Voucher' type.

Contra

Depositing company's cash into Bank and withdrawing cash for office expenses from Bank are entered through 'contra' voucher type.

Sales

All credit sales transactions are posted by selecting 'Sales' voucher type where as cash sales are entered through Receipt.

Purchase

Similarly, all credit purchases are posted through 'purchase' voucher type whereas cash purchases are posted by 'payment' voucher type.

Debit Note

Debit Note is useful when we return the damaged goods to the Supplier or in case of under-charging a customer. This can be prepared by pressing F7: Journal Button. Three options will be shown as Journal, Debit Note and Credit Note. Select Debit Note and enter the details called for.

Credit Note

Credit Note is prepared when the customers return the damaged goods to us or in case of over charging customer. When preparing Debit Note/Credit Note activate them under F11: Features 'Debit Note and Credit



Note'. Select Debit Note and enter the details called for.

Memorandum

This acts as a reminder service during voucher posting. For Example, if we have to pay the Insurance premium on a later date, post the voucher by selecting "Memorandum voucher type" and date. On the respective date, it will remind you of the transaction.

Reversing Journal

This Voucher Type is used as another type of memo voucher. This will be dealt with in the future chapters.

The screenshot shows the Tally 9 Accounting Voucher Creation screen. The voucher type is 'Payment' and the number is 'No. 4'. The date is '30-Jun-2006' and the day is 'Sunday'. The company is 'NICCC & Co Vijay'. The voucher is for 'Salaries' with a debit of 1,00,000.00 and a credit of 1,00,000.00 to 'Cash'. The narration is 'Being salaries paid'. The screen also shows a calculator, ODBC server status, and various menu options on the right side.

Particulars	Debit	Credit
By Salaries Cur Bal : 99,400.00 Dr	1,00,000.00	
To Cash Cur Bal : 25,150.00 Cr		1,00,000.00
	1,00,000.00	1,00,000.00

Narration:
Being salaries paid

Accept ?
Yes or No

