

Meaning of “Accounting”

“Accounting is process for recording day-to-day transactions in a systematic manner”

“Golden Rules of Accounting “

- 1> **Personal accounts** : **Debit** = The Receiver
: **Credit** = The Giver
- 2> **Real accounts** : **Debit** = What comes in
: **Credit** = What goes out
- 3> **Nominal account** : **Debit** = Expenses or losses
: **Credit** = Incomes or gains

Trial balance

Trial balance is the list of all debit and credit balances of accounts taken out from the ledger at any given date

Profit \ Loss Account

Profit\loss account is a summarised expenses and incomes which shows net profit or net loss made by a business during the year “

Balance sheet

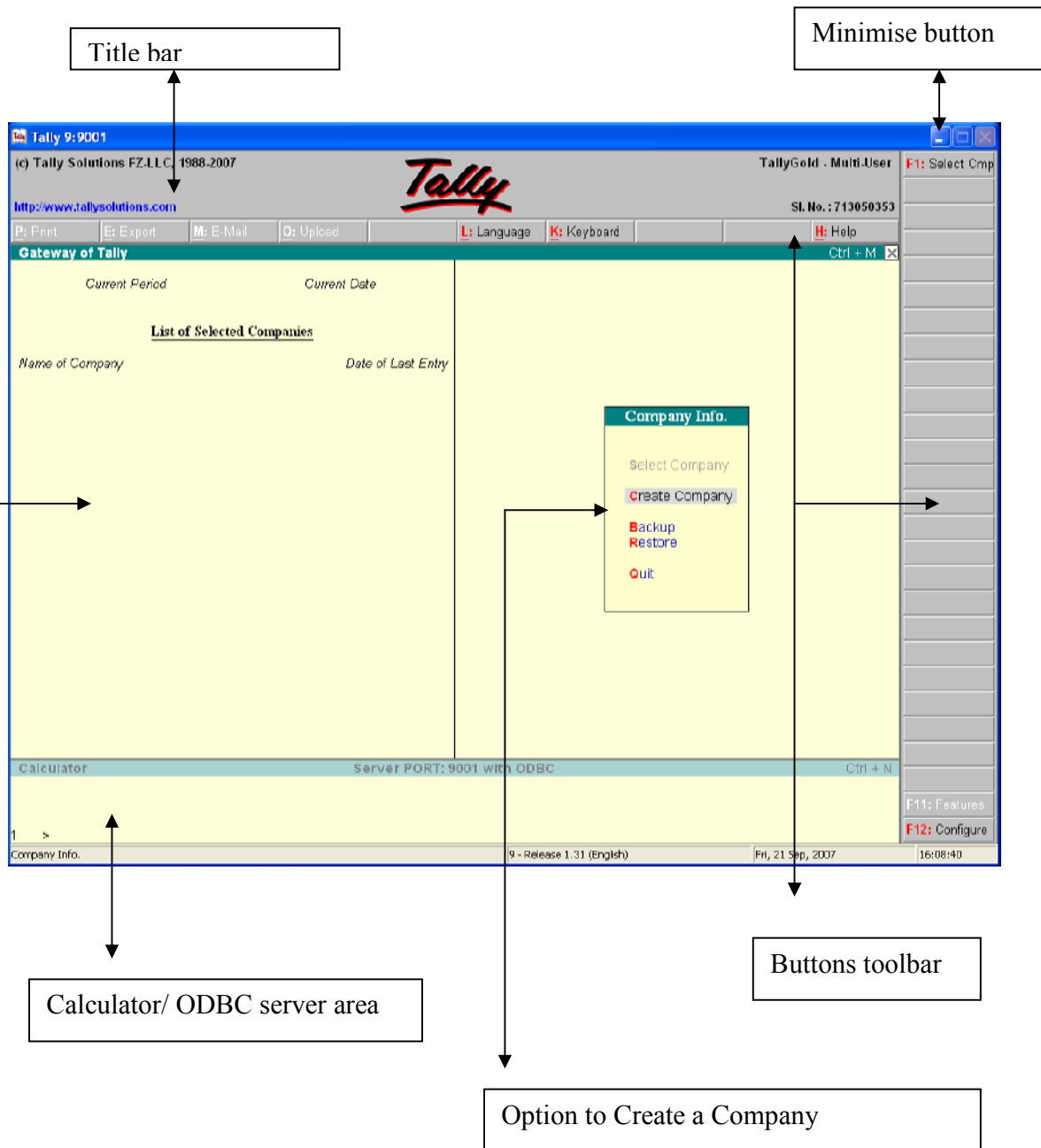
Balance sheet is a “ statement of assets and liabilities “

Assets includes fixed assets and current assets and
liabilities includes capital, current liabilities

Tally

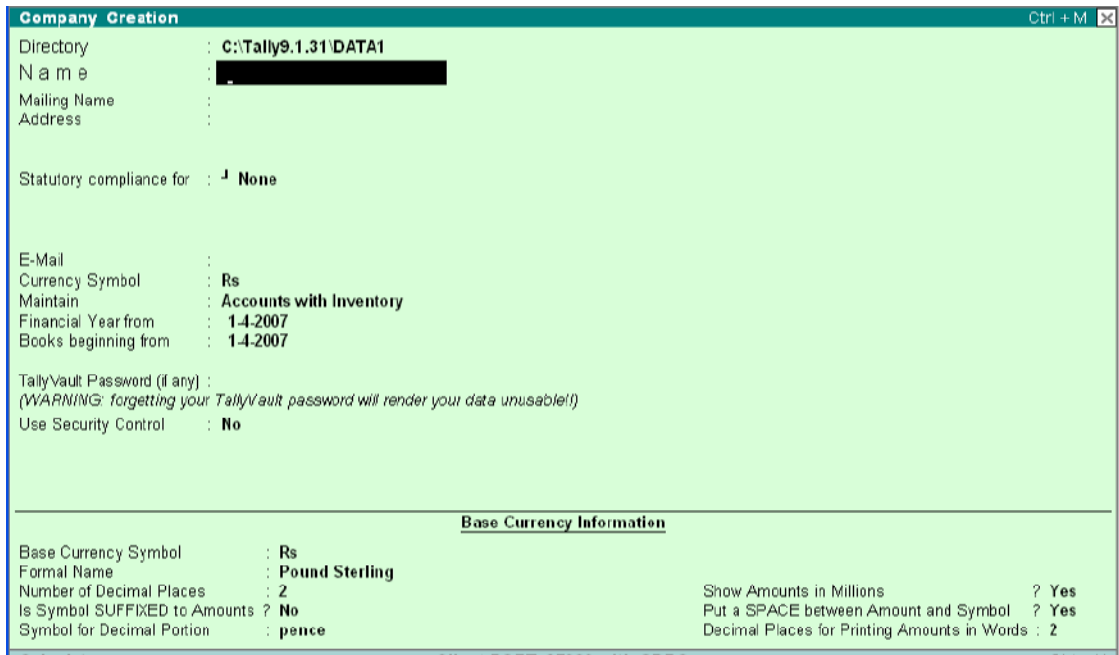
Tally is a accounting software to record the day – to – day business transactions “

The Tally start-up screen Before Creating company



Procedure to Create a company

Select the “Create Company” From Tally start-up Screen



Company Creation Ctrl + M

Directory : C:\Tally9.1.31\DATA1
Name : ██████████
Mailing Name :
Address :

Statutory compliance for : **None**

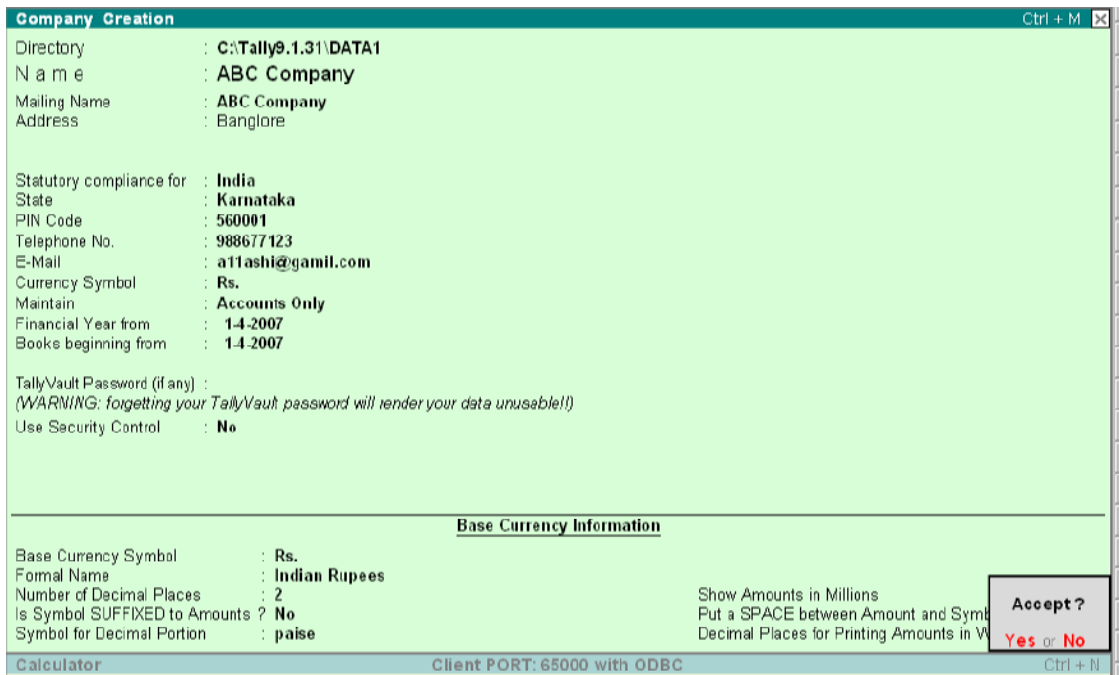
E-Mail :
Currency Symbol : **Rs**
Maintain : **Accounts with Inventory**
Financial Year from : **1-4-2007**
Books beginning from : **1-4-2007**

TallyVault Password (if any) :
(WARNING: forgetting your TallyVault password will render your data unusable!)
Use Security Control : **No**

Base Currency Information

Base Currency Symbol : **Rs**
Formal Name : **Pound Sterling**
Number of Decimal Places : **2**
Is Symbol SUFFIXED to Amounts ? **No**
Symbol for Decimal Portion : **pence**
Show Amounts in Millions ? **Yes**
Put a SPACE between Amount and Symbol ? **Yes**
Decimal Places for Printing Amounts in Words : **2**

Fill the all details in [Company creation screen](#)



Company Creation Ctrl + M

Directory : C:\Tally9.1.31\DATA1
Name : **ABC Company**
Mailing Name : **ABC Company**
Address : **Bangalore**

Statutory compliance for : **India**
State : **Karnataka**
PIN Code : **560001**
Telephone No. : **988677123**
E-Mail : **a11ashi@gamil.com**
Currency Symbol : **Rs.**
Maintain : **Accounts Only**
Financial Year from : **1-4-2007**
Books beginning from : **1-4-2007**

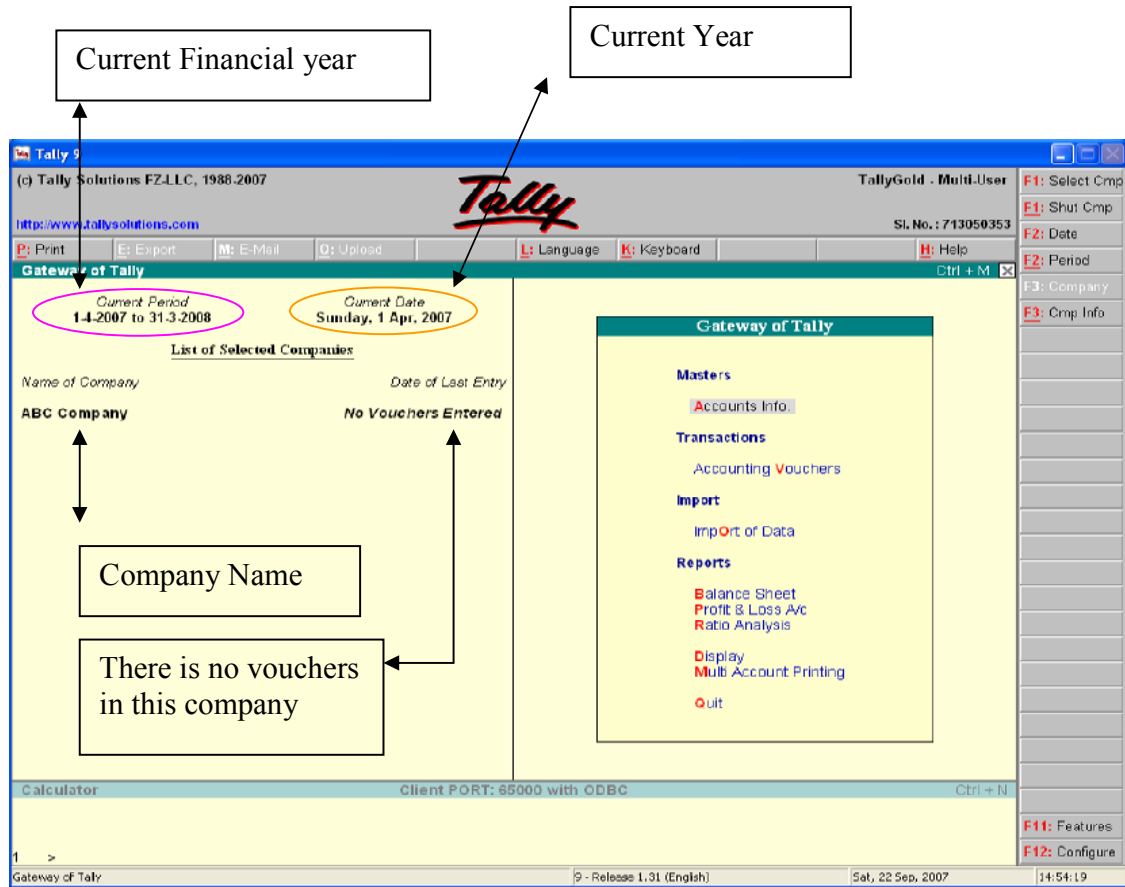
TallyVault Password (if any) :
(WARNING: forgetting your TallyVault password will render your data unusable!)
Use Security Control : **No**

Base Currency Information

Base Currency Symbol : **Rs.**
Formal Name : **Indian Rupees**
Number of Decimal Places : **2**
Is Symbol SUFFIXED to Amounts ? **No**
Symbol for Decimal Portion : **paise**
Show Amounts in Millions :
Put a SPACE between Amount and Symbol :
Decimal Places for Printing Amounts in Words :
Accept ?
Yes or No

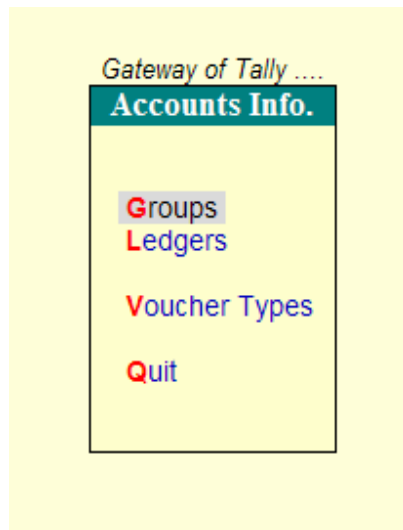
Calculator Client PORT: 65000 with ODBC Ctrl + N

After creating company "Gateway of Tally show this screen"



Note: "Date of last entry"

Account info → is an option to create the masters, like "Group, ledger, voucher type"



Procedure to Create a Group & Ledger

→ Create a “Karnataka Debtors under Sundry Debtors

Go to Gateway of Tally → Accounts info → Group → Create

Gateway of Tally
Accounts Info.

Groups

Single Group

Create
Display
Alter

Multiple Groups

CReate
DiSplay
AlTeR
Quit

Select the “create” to create single Group at a time

This option to create multi Group at a time

-0

Group Creation		ABC Company
Name	: Karnataka Debtors	
(alias)	:	
Under	: Sundry Debtors (Current Assets)	
Group behaves like a Sub-Ledger	? No	
Nett Debit/Credit Balances for Reporting	? No	
Used for Calculation (eg. Taxes, Discounts) (for Sales Invoice Entry)	? No	
Method to Allocate when used in Purchase Invoice	? ↓ Not Applicable	
		Accept ? Yes or No

Create a “Management Expenses” and Production Expenses group under “Indirect Expenses”

Go to Gateway of Tally → Accounts info → Group → Create

Gateway of Tally
Accounts Info.

Groups

Single Group

CrEate
DiSplay
AlTer

Multiple Groups

CReate
DiSplay
AlTer

Quit

Select this option to create multi Group at a time

Select the Main Group

Multi Group Creation ABC Company Ctrl + M

Under Group : Indirect Expenses

S.No.	Name of Group	Under
1.	Management Expenses	Indirect Expenses
2.	Production Expenses	Indirect Expenses

Mention Group Name

Here it will show the Main Group

Accept ?
Yes or No

→ Create a Ledger “XYZ&co under “Karnataka Debtors”

Go to Gateway of Tally → Accounts info → Ledger → Create

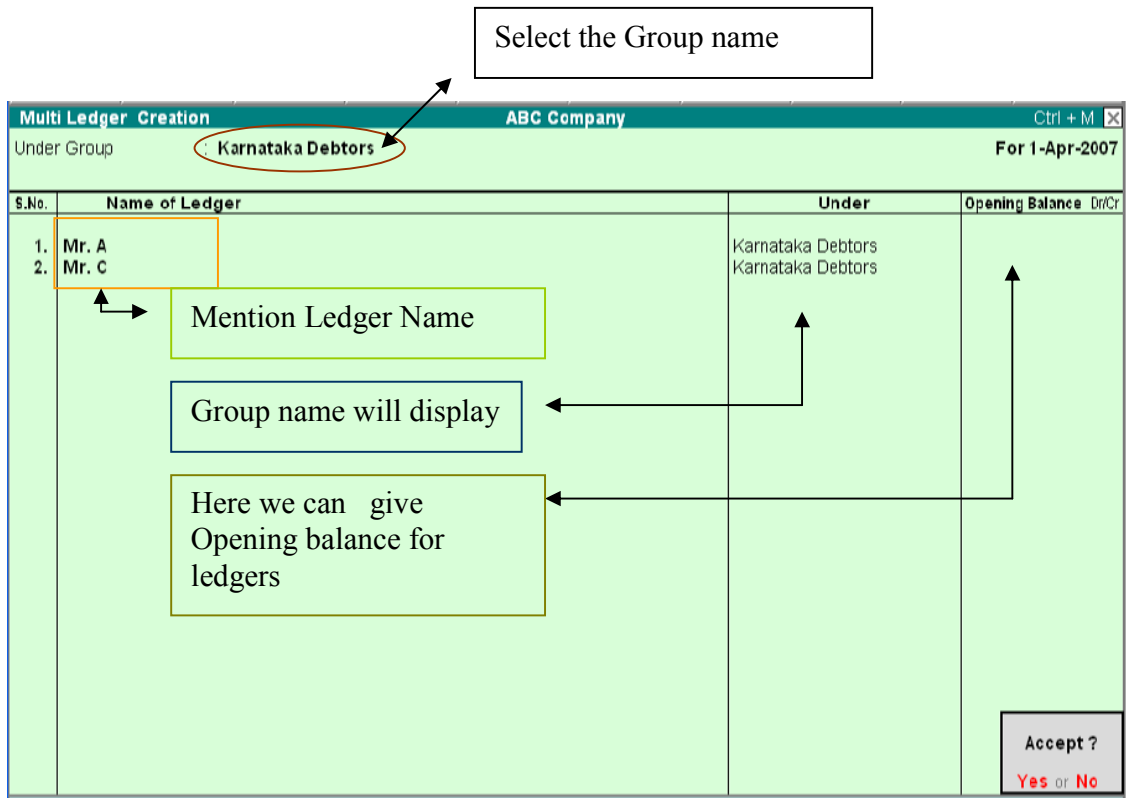
The screenshot shows the 'Ledger Creation' window for 'ABC Company'. The 'Name' is 'XYZ & Co'. The 'Under' category is 'Karnataka Debtors (Sundry Debtors)'. The 'Currency of Ledger' is 'Rs.'. The 'Pricing Level Applicable' is 'Not Applicable'. The 'Maintain balances bill-by-bill' is 'Yes'. The 'Default Credit Period' is blank. The 'Inventory values are affected' is 'No'. The 'Mailing Details' section shows 'Name: XYZ & Co', 'Address: Karnataka', and 'State: Karnataka'. The 'Tax Information' section is empty. The 'Opening Balance (on 1-Apr-2007)' is blank. There is an 'Accept?' button with 'Yes' and 'No' options.

Procedure to create multiledger “

Create a “Mr.A, Mr.C “ Under Karnataka Debtors”

Go to Gateway of Tally → Accounts info → ledger

The screenshot shows the 'Gateway of Tally' menu structure: 'Gateway of Tally' > 'Accounts Info' > 'Ledges'. The 'Ledges' menu is expanded, showing options for 'Single Ledger' (Create, Display, Alter) and 'Multiple Ledgers' (Create, Display, Alter, Quit). The 'Create' option under 'Multiple Ledgers' is circled in red. An arrow points from this circled option to a text box that says 'This is an option to create multiledger at a time'.



“Procedure to Create the Vouchers in different vouchers type”

Accounting vouchers → option to create transactions “ like “ Payment, Receipt, Sales, Purchase

Gateway of Tally → Accounting Vouchers

→ In voucher screen **Shortcut key details**

F2 → to change the date

F4 → Contra voucher

F5 → Payment

F6 → Receipt

F7 → Journal

F8 → Sales

F9 → Purchase

F4 → Contra Voucher type

According to accounting rules, Contra Entry is a transaction indicating transfer of funds from:

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

Ex:- ,” to transfer funds from Cash Account to Bank Account”

→ Debit = Bank Account

→ Credit = Cash Account

Accounting Voucher Creation		ABC Company		Ctrl + M
Contra No. 1				10-Apr-2007 Tuesday
Particulars	Debit	Credit		
Cr Cash Cur Bal : 2,500.00 Dr		1,000.00		
Dr Bank Account Cur Bal : 1,000.00 Dr	1,000.00			
Narration:		1,000.00	1,000.00	
		Accept ? Yes or No		

F5 → Payment Voucher type

Payment voucher type will use for “ outflow of fund”

→ cash Paid

→ cheque issued

Ex → ABC company paid Rs.2000.to Mr. XYZ

Debit = Mr. XYZ < Create Under Sundry Creditors >

Credit = Cash Account

Accounting Voucher Creation		ABC Company		Ctrl + M
Payment No. 1		10-Apr-2007 Tuesday		
Particulars		Debit	Credit	
Dr Mr Xyz		2,000.00		
<i>Cur Bal : 48,000.00 Cr</i>				
New Ref 1	2,000.00 Dr			
Cr Cash			2,000.00	
<i>Cur Bal : 500.00 Dr</i>				
Narration:		2,000.00	2,000.00	
		Accept ?		
		Yes or No		

F6 → Receipt voucher type

This voucher will use for “inflow of funds”

→ ABC company received the amount of Rs.2500 From Mr. PQR

Debit = Cash

Credit = Mr. PQR < create under Sundry Debtors >

Accounting Voucher Creation		ABC Company		Ctrl + M
Receipt No. 2		10-Apr-2007 Tuesday		
Particulars	Debit	Credit		
Cr Mr PQR		2,500.00		
<i>Cur Bal : 20,103.00 Dr</i>				
New Ref 2	2,500.00 Cr			
Dr Cash	2,500.00			
<i>Cur Bal : 3,000.00 Dr</i>				
Narration:		2,500.00	2,500.00	
				Accept ? Yes or No

F7 → Journal voucher type

Journal voucher will use for “ Adjustment entries “ like , Depreciation charges “
booking expenses “

→ ABC company charges Depreciation on Machinery of Rs.4000

Accounting Voucher Creation		ABC Company	Ctrl + M
Journal No. 2			10-Apr-2007 Tuesday
Particulars	Debit	Credit	
Dr Depreciation <i>Cur Bal : 58,000.00 Dr</i>	4,000.00		
Cr Machinery <i>Cur Bal : 8,000.00 Cr</i>		4,000.00	
Narration:			
	4,000.00	4,000.00	
			Accept ? Yes or No

F8 → Sales voucher type

This is voucher type will use for “selling items”

→ ABC company sales goods Rs.25000 to Mr. PQR

Voucher Mode

Accounting Voucher Creation		ABC Company	Ctrl + M
Sales No. 2			10-Apr-2007 Tuesday
Ref. :			
Particulars	Debit	Credit	
Dr Mr PQR <i>Cur Bal : 47,500.00 Dr</i> New Ref 2 25,000.00 Dr	25,000.00		
Cr Sales <i>Cur Bal : 51,000.00 Cr</i>		25,000.00	
Narration:			
	25,000.00	25,000.00	
			Accept ? Yes or No

Invoice mode

→ select “As Invoice” mode on Toolbar”

The screenshot shows the Tally 9 Accounting Voucher Creation window. The window title is "Tally 9" and the main title is "Accounting Voucher Creation". The window is for "ABC Company" and is dated "1-Apr-2007 Sunday". The voucher type is "Sales" and the number is "No. 2". The reference field is empty. The window is divided into a header section, a main table area, and a footer section. The main table area has columns for "Particulars", "Debit", and "Credit". The "Particulars" column contains "Dr" and "Narration:". The "Debit" and "Credit" columns are empty. The footer section contains "Calculator", "Client PORT: 45000 with ODBC", and "CTRL + N". The window also has a toolbar with various function keys (F1-F12) and a right-hand side menu with options like "Item Invoice", "As Invoice", "Post-Dated", "Optional", "Features", and "Configure". The "As Invoice" option is circled in red, and an arrow points to it from a box labeled "Select invoice mode".

Windows: Tally 9

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http://www.tallysolutions.com

TallyGold . Multi-User

SI. No.: 713050353

P: Print E: Export M: E-Mail O: Upload L: Language K: Keyboard H: Help

Accounting Voucher Creation ABC Company Ctrl + M

Sales No. 2 1-Apr-2007 Sunday

Ref: [Redacted]

Particulars	Debit	Credit
Dr		
Narration:		

Calculator Client PORT: 45000 with ODBC CTRL + N

1 >

Gateway of Tally --> Accounting Voucher Creation 9 - Release 1.31 (English) Sat, 29 Sep, 2007 11:32:51

Right-hand side menu:

- F1: Accounts Entry
- F1: Inventory Entry
- F2: Date
- F3: Company
- F4: Contra
- F5: Payment
- F6: Receipt
- F7: Journal
- F8: Sales
- F8: Credit Note
- F9: Purchase
- F9: Debit Note
- F10: Rev Jnl
- F10: Memos
- Item Invoice
- As Invoice**
- Post-Dated
- Optional
- F11: Features
- F12: Configure

Accounting Voucher Creation ABC Company Ctrl + M

Sales No. 1 1-Apr-2007 Sunday

Ref. : Party's A/c Name : Mr PQR Select the party ledger

Current Balance :

Particulars	Rate per	Amount
Sales		25,000.00

↑ Select the Sales ledger ↑

Give Amount ←

Narration: Accept ?
Yes or No

F9 → Purchase voucher type

This is voucher type for "Purchasing Goods"

→ ABC company purchased the Goods of Rs.5000 from Mr. XYZ

Voucher Mode

Accounting Voucher Creation ABC Company Ctrl + M

Purchase No. 2 10-Apr-2007 Tuesday

Ref. :

Particulars	Debit	Credit
Cr Mr Xyz Cur Bal : 55,000.00 Cr New Ref 2	5,000.00 Cr	5,000.00
Dr Purchase Cur Bal : 5,000.00 Dr	5,000.00	
	5,000.00	5,000.00

Narration: Accept ?
Yes or No

Invoice mode

Select the option "As Invoice"

Tally 9:9001

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P: Print E: Export M: E-Mail O: Upload L: Language K: Keyboard H: Help

Accounting Voucher Creation ABC Company Ctrl + M

Purchase No. 1 1-Apr-2007 Sunday

Ref. :

Party's A/c Name : Mr XYZ

Current Balance :

Particulars Rate per Amount

Particulars	Rate per	Amount
Purchases		5,000.00

Narration:

Accept ?
Yes or No

Calculator Server PORT: 9001 with ODBC Ctrl + N

1 >

Gateway of Tally --> Accounting Voucher Creation 9 - Release 1.31 (English) Sat, 29 Sep, 2007 13:15:36

Right-hand menu:
F1: Accounts Button
F1: Inventory Button
F2: Date
F3: Company
F4: Contra
F5: Payment
F6: Receipt
F7: Journal
F8: Sales
E8: Credit Note
F9: Purchase
E9: Debit Note
F10: Rev Jnl
E10: Memos
I: Acct Invoice
V: As Voucher
I: Post-Dated
L: Optional
F11: Features
F12: Configure