Contents

Preface ..... **v**

Acknowledgements ..... **vii**

I Manual Accounting **1-38**

1. Accounting **3-38**

Need for Accounting 4

Types of Accounts 5

Rules of Debit & Credit 6

Accounting Principles or Standards 6

Accounting Concepts 6

Accounting Conventions 7

Accounting Systems 7

Some Important Definitions & Terms 8

Recording Transactions in a Journal 11

Ledger 22

Trial Balance 30

Final Accounts 32

Adjustment Entries 33

II Computerised Accounting **39-369**

1. Tally 9 Installation & Language Setup **41-56**

Features of Tally 42

Requirements for Installing Tally 9 42

Procedure for Installing Tally 9 43

Running/Loading Tally 47

Tally Licenses 47

Single User License: TallySilver for Single-User 47

Multi User License: TallyGold for Multi-User 47

Configuring Tally License Server 48

Configuring Tally License Clients 48

Licensing Menu 48

Single-User 48

Multi-User 49

Tally Upgradation 49
Upgrading from Tally 8.1 to 9 49
Upgrading from Tally 6.3/7.2 to Tally 9 49
Downloading New Releases Online 51
Language Setup 51
Language Configuration 51
Configuring F12 for Multilingual Activation 52
Configuring Masters for Multilingual 53
Multi language Ledger/Master Creation 53
Voucher Entry in Multi Language 55

2. Introduction to Tally 57-78
Opening Screen of Tally (Gateway of Tally) 58
Creating Company 59
Loading/ Selecting a Company 64
Shutting a Company 65
Altering/Modifying Existing Company 65
Buttons on the Button Panel 65
Configuring Company 72

3. Accounting Information 79-109
Menu Related to Accounts 80
Groups 81
Some details related to Pre-Defined/Reserved Groups 83
Managing Groups 85
Creating New Groups (Other than Pre-Defined) 85
Creating a Sub-Group 87
Displaying Groups 89
Altering Groups 90
Changing Default Sort Order of Groups 90
Deleting a Group 91
New Buttons on the Button Panel 91
Expert Usage (Multiple Groups) 92
Creating Multiple Groups 92
Displaying Multiple Groups 93
Altering Multiple Groups 93
New Buttons on the Button Panel 93

Ledgers....94
Working with Ledgers....94
Single Ledger Creation....94
Advanced Usage of Ledgers: [Single Ledger]....96
Displaying Ledgers....97
Altering Ledgers....98
Deleting a Ledger....98
Setting Credit Limit for a Ledger....99
Expert Usage of Ledgers (Multiple Ledgers)....99
Creating Multiple Ledgers....99
Displaying Multiple Ledgers....100
Altering Multiple Ledgers....100
New Buttons on the Button Panel....100
Ledgers for Illustration 3....100
Cost Categories and Cost Centres....102
Creating Cost Categories....103
Displaying Cost Categories....104
Altering a Cost Category....104
Deleting a Cost Category....104
Expert Usage (Multiple Mode)....104
Creating Cost Category in Multiple Mode....104
Displaying Cost Category in Multiple Mode....105
Altering Cost Category in Multiple Mode....105
Cost Centres....105
Creating a Cost Centre....105
Displaying a Cost Centre....107
Altering a Cost Centre....107
Deleting a Cost Centre....107
New Buttons on the Button Panel....107
Expert Usage: (Multiple Cost Centres)....107
Creating Multiple Cost Centres....107
Under Cost Centre....108
Displaying Multiple Cost Centres....108
Altering Multiple Cost Centres....108

4. Vouchers in Tally 111-146
Vouchers in Tally 112
New Buttons on the Button Panel 112
Configuring Vouchers 113
Creating/Customizing Vouchers 114
Displaying Vouchers 117
Altering Vouchers 117
Duplicating a Voucher 117
Cancelling a Voucher 117
Pre-Defined Vouchers 117
Contra Voucher 117
Purchases 118
Sales 119
Payment Voucher 120
Receipt Voucher 121
Journals 122
Memo Voucher 125
Memorandum Voucher 125
Optional Vouchers 125
Reversing Journals 126
Post-dated Vouchers 126
Vouchers for the transactions in Illustration 3 126
Modifying Vouchers 132
Voucher Configuration 133

5. Inventory Information 147-177
Stock Groups 149
Creating Stock Groups 149
Expert Usage (Multiple Stock Groups) 150
Creating Multiple Stock Groups 150
Displaying Multiple Stock Groups 150
Altering Multiple Stock Groups 150
New buttons on the Button Panel 150
Stock Categories 151
Creating Stock Categories 151
Displaying Stock Categories 152
Altering a Stock Category 152

Deleting a Stock Category 152
Expert Usage (Multiple Stock Categories) 153
Creating Multiple Stock Categories 153
Displaying Multiple Stock Categories 153
Altering Multiple Stock Categories 153
Stock Item 153
Creating Stock Items 154
Expert Usage (Multiple Stock Items) 159
Creating Multiple Stock Items 159
Displaying Multiple Stock Items 159
Altering Multiple Stock Items 160
Godowns 160
Creating Godowns 160
Displaying Godowns 161
Altering Godowns 161
Expert Usage (Multiple Godowns) 161
Creating Multiple Godowns 161
Displaying Multiple Godowns 162
Altering Multiple Godowns 162
Voucher Types 162
Units of Measure 162
Creating Unit of Measure 162
Displaying Units of Measure 164
Altering Units of Measure 164
Solving Illustration: 3 to maintain Accounts and Inventory 164
Maintaining Accounts-with-Inventory for M/s Albert & Brothers 164

6. Pure Inventory Vouchers 179-186
Types of Inventory Vouchers 180
Receipt Note Voucher 180
Rejections In Voucher 181
Delivery Note Voucher 182
Rejections-Out Voucher 183
Stock Journal Voucher 183
Additional Cost Details 184
Physical Stock Voucher 185

7. Purchase/Sales Orders and Invoices 187-197
Purchase Order 188
Creating a Purchase Order 188
Altering a Purchase Order 191
Deleting a Purchase Order 191
Sales Order 191
Creating Sales Order 191
Altering a Sales Order 192
Deleting a Sales Order 192
Viewing Order Position (Stock Summary) 192
Invoices 193
Invoice Entry 194
Invoice Configuration 194
Configuring Invoice Printing 195
Printing Invoices/Vouchers 195
Cheque Printing 196
New Buttons on the Button Panel (Fig.A-7.12) 197

8. Reports 199-233
Trial Balance 202
Configuring Trial Balance 202
Editing/Hiding Report Lines in Display 207
Data Sorting in Reports 207
Position Index in Reports 207
Balance Sheet 207
Configuring Balance Sheet 208
Profit and Loss Account 220
Stock Summary 221
New Buttons on the Button Panel 221
Ratio Analysis 223
Display Menu 223
Day Book 224
Account Book 225
Cash/Bank Book(s) 225
Statements of Accounts 226
Inventory Books 229
Statements of Inventory 229

Cash/Funds Flow 230
Funds Flow....231
Bank Reconciliation Statement 232

9. Internet Capabilities 235-238
E-Mail....236
Let us E-mail the Purchase Order to the Supplier 236
Web Publishing....237

10. Important Features of Tally 239-263
Multiple Currencies & Foreign Exchanges 240
Creating Foreign Currency Master 240
Displaying Currency....241
Altering Currency 242
Deleting Currency 242
Rates of Exchange....242
Budget....243
Creating Budget....243
Altering a Budget 245
Deleting a Budget....245
Scenario Management....245
Creating a Scenario 245
Altering Scenario....246
Using Scenario in Reports 246
Displaying/Altering Reversing Journal....247
Security Control in Tally 247
Creating New Levels of Security....248
Splitting Company Data....251
Group Companies 252
Creating Group Company 252
Altering Group Company....253
Copying Account Group/Ledger from one Company to another....253
Tally Audit 253
New Buttons on the Button Panel....254
Tally Interface 254
Data Migration....255
Data Import....256
Data Export 257

TallyODBC 258
Outward Connectivity 258
Inward Connectivity 262
Backup and Restore 262
Backup 262
Restore 263

11. TDS Module 265-289
Enabling TDS in Tally 266
Ledgers pertaining to TDS 267
Creating TDS Voucher Types 272
Voucher Entry 274
TDS Reports 287
Challan 287
Reconciliation of Challan Payments 288
TDS Computation 289
TDS Payables 289
Ledger Outstandings 289

12. VAT Module 291-315
Justification of VAT 292
VAT Terminologies 292
Rate of VAT 293
Trader Identification Number 293
Computing VAT 293
Case 1: Sale on MRP 294
How is Input Tax Credit Claimed? 294
Supply Chain Management 295
Enabling VAT in Tally 296
Ledgers Pertaining VAT 297
Ledger Creation 299
Stock Item Creation when VAT is Enabled 303
Voucher Entry when VAT is Enabled 303
VAT Reports 311
VAT Computation 311
VAT Forms 312
Inter State Trade and CST 312

13. Service Tax 317-331
Enabling Service Tax in Tally 318
Ledgers Pertaining to Service Tax 320
Leader Creation 321
Voucher Entry when Service Tax is Enabled 325
Service Tax Reports 330
TR6 Challan 330
Service Tax Payables 331
Input Credit Form 331
ST3 Report 331
ST3A Report 331

14. Payroll Module 233-369
Enabling Payroll Module 334
Payroll Menu 335
Managing Payhead 337
Creating Payhead 337
Displaying Payhead 339
Altering Payhead 340
Managing Employee Groups 340
Managing Employees 340
Creating Employee Head 340
Displaying Employee Master 341
Altering Employees Master 341
Salary Details 341
Salary Details Configuration 342
Managing Units (Works) 342
Displaying Units of Measure 343
Altering Units of Measure 343
Managing Attendance/Production Types 343
Creating Attendance/Production Type 344
Managing Voucher Types 345
Creating Payroll Vouchers (Using Pay Heads) 345
Payroll Reports 346
Statements of Payroll 346
Payslip 347
Configuring Payslip 347

Pay Sheet 347
Configuring Pay Sheet 347
Printing Pay Sheet 348
Buttons on the Button Panel 348
Payroll Statement 348
Configuring Payroll Statement 348
Payment Advice 348
Printing Payment Advice 349
Configuring Bank Advice 349
Payroll Register 350
Configuring Payroll Register 350
Configuring Payroll Voucher List 350
Employee Pay Head Breakup 351
Configuring Employee Pay Head Breakup 351
Pay Head Employee Breakup 351
Configuring Pay Head Employee Breakup 351
Attendance Sheet 352
Configuring Pay Attendance Sheet 352
Attendance Register 352
Configuring Attendance Register 352
Gratuity 352
Formula for calculating Gratuity 352
Creating Gratuity Payhead 353
Setting Gratuity Head in Pay Structure 354
Gratuity Reports 355
Configuring Gratuity Reports 355
Gratuity Payments 355
Accounting of Gratuity 355
Expat Reports 355
Statutory Deductions 355
Provident Fund (PF) 356
PF Number 356
Pay Head Groups 357
PF Ledger Heads 357
PF Related Heads in Pay Structure 359
Payroll Voucher Class 359

Generating a Sample Payslip 360
Employee Loan & Advance Management 361
Creating Loan Payhead 361
Creating Salary Advance Payhead 362
Loan Payment Voucher Entry 363
Loan Recovery Setup in Pay Structure 363
Loan Report 364
Payroll Special Features 364
Expat Reports 364
Keyboard Shortcuts 366
Special Function Key Combination 367
Key Combination used in Navigation 369
About the CD 370