

# TALLY ACCOUNTING PACKAGE

## **Introduction:**

Tally Software is developed by Tally Solutions India Pvt. Ltd.

Tally is complete business solution, which provides the solution of accounting needs for business for all types and it supports many currencies as well as multi user interface.

It is user friendly accounting package for computerized accounting software.

It contains accounting, Book – Keeping; inventory Accounting, Management Information System (MIS) and Payroll (Only Tally 9) etc.

## **Tally software versions:**

Tally solution India Private Ltd. has developed Tally software in the year 1988.

The first version of Tally is 4.5 (DOS Based) 1988

Later they developed 5.0 (windows Based) in 1992.

Tally 5.4 version developed in 1994

Tally 7.2 version developed in 2005

Tally 8.1 & 9 version developed in 2006

## **Tally Features:**

### **General features**

- Simple Installation
- Codeless system
- Quick entry / alteration of masters
- E- Mail capability
- Web publishing
- Export of data

- Distributed data
- Multiple year of accounting
- Security control
- Backup & restore
- Printing

#### **Accounts features:**

- No closing of accounts
- Multi currency accounting
- Single mode voucher entry
- Income & Expenditure statements
- Receivables and payables
- Cheque printing
- Interest calculation
- Bank Reconciliation
- Cash and funds flow statements

#### **Inventory Features:**

- Automatically set closing stock
- Sales & Purchase orders
- Supports stock group, stock category and stock items
- Multi units of measures
- Godowns
- Duties and Taxes computation in sales invoice
- Value added tax (VAT)
- Tax deduction at source (TDS)
- Service tax

### **Starting a Tally**

Tally can be opened can be as follows.

From Desktop shortcut of Tally.

Start → Programs → Tally 9

## Gateway of Tally

Tally shows the first screen as Gateway of Tally

The Gateway of Tally screen contains 5 major areas. (Parts)

1. Product information
2. Current status
3. Tally main menu
4. Button bar
5. Tally calculator/ command line

### Product Information:

At the top part of the Gateway of Tally screen, the product info as following information.

- Copyright notice
- Version & Release
- System Date
- User Version
- User serial number
- System Time

### Current Status:

At left part of Gateway, you get the following information about current working status.

- Current period.
- Current Tally voucher date
- Active company (Current working company)
- List of selected companies (current opening companies list)

### Tally Main Menu

At right part of the Gateway of Tally menu appears showing the list of menu options or menu items.

Select a menu item to invoke a particular task

You can select a menu option by using mouse click or by using keyboard control keys with enter key and by keyboard shortcut keys.

Keyboard short cut keys are shown in bold red color letters. You may have to drill down several levels of menu (Sub menu).

### **Button Bar**

At right most part of the Gateway, the button bar shows several buttons vary according to screen in work area.

These buttons provide quick and direct access to various options and tasks.

You may invoke buttons in three ways.

**By Mouse:** Click the mouse at the button bar.

**By Function key:** some buttons are named by function keys (F1 to F12).

### **Tally calculator**

Used to calculate an expression and can be pasted into any numeric field

To activate tally calculator press Ctrl + N

To copy the numeric field, press Alt +C from the numeric field.

### **Create company information**

The very first time you start Tally, you would require to 'create' a company. 'Create company' simply means giving basic information about the company whose books of accounts Tally is to maintain for you. Tally is smart, but it does not need an introduction to your company.

#### **To create a company:**

Go to Gateway of Tally → Company information → Create

Short cut key → Alt + F3

Fill required fields such as company name, address, sales tax no, account type etc.

### Alter/ Delete a company:

To Alter a company, go to company information menu, and select alter.

To delete a company, from alter mode Press Alt + D.

### Accounting Groups:

Normally there are four types of accounting groups. They are

1. Assets
2. Liabilities
3. Expenses
4. Incomes

Also some account books are used in addition to these Groups.

1. Sales Account Group
2. Purchase Account Group

These accounts are used to store outgoing and incoming stock details.

### Tally accounting Basics

Before creating a ledger account, we need to know about the transaction rules.

In every transaction, there are a minimum of two entries for Debit (Dr) and Credit (Cr) for ledger accounts.

**Debit:** what comes in.

**Credit:** What goes out.

All purchases are recorded in Purchase account

All sales are recorded from sales account

All expenses are recorded under Debit side

All incomes are recorded Under Credit side.

### Purchase Voucher General Rules:

**Purchase voucher:** F9 (for all types of purchases)

**Cr:** Supplier A/c or Cash A/c or Bank A/c

**Dr.** Purchase A/c

[**Credit:** Cash discount received (Incomes)]

**Note:** Supplier A/c ledger creates under Sundry creditor.

Purchase A/c ledger creates under Purchase accounts.

All purchases are comes to under purchase a/c

### Purchase voucher ( F9 ) Example

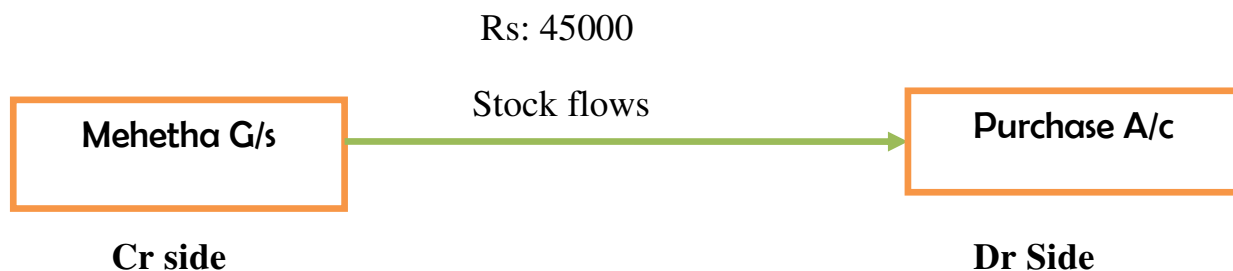
Brought (purchase) stock from “ Mehetha G/s” of Rs. 45000/-

#### **Ledger to be Needed**

Mehetha G/s ( Sundry creditors)

Purchase A/c ( Purchase Accounts)

**Transaction entries as follows:**



**Rule: Transaction Out**

**Rule: Transaction In**

**Note:** All purchases are comes into “Purchase Accounts” Ledgers. Eg. Purchase A/c. Table Purchase A/c. Mobile Purchase A/c, Computer Purchase A/c

**Sales Voucher General Rules:**

**Sales voucher F8 (For all types of sales)**

**Dr:** Customer A/c, or Cash A/c or Bank A/c

**Cr:** Sales A/c

[Dr: Cash Discount allowed (Expenses)]

**Note:**

Customers A/c Ledgers create under Sundry Debtors.

Sales A/c Ledgers create Under Sales Accounts.

All sales are comes to under Sales Accounts.

**Sales Voucher ( F8 ) Examples:**

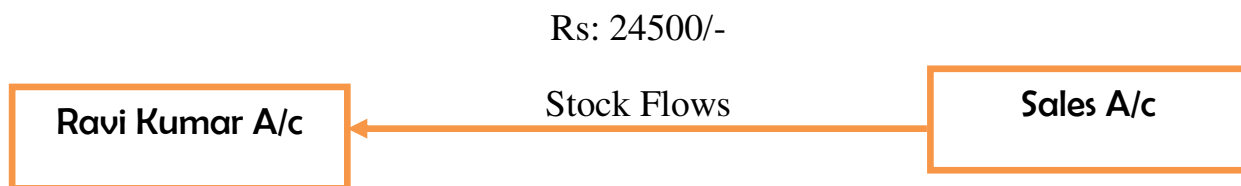
Sold (sales) Goods to “Ravi Kumar” of Rs. 24500/-

**Ledger to be Needed.**

Ravi Kumar ac (Sundry Debtor)

Sales A/c

Transaction Entries as follows:



**Dr. Side**

**Cr. Side**

**Rule: Transaction In**

**Rule: Transaction Out**

**Note:** All sales are comes into “Sales Accounts” Ledgers. Ex: Sales A/c, Table Sales A/c, Mobile Sales A/c, Computer Sales A/c.

**Payment vouchers General Rules:**

Payment Voucher: F5 (All Payments by cash /Bank)

**Dr:** Expenses A/c or supplier A/c or Fixed Asset

**Cr:** Cash or Bank A/c

[Cash discount received (Incomes)]

Expenses are under “**Indirect Expenses**”.

Fixed Assets are Under “**Fixed Assets**”

Payment Voucher (F5) Examples

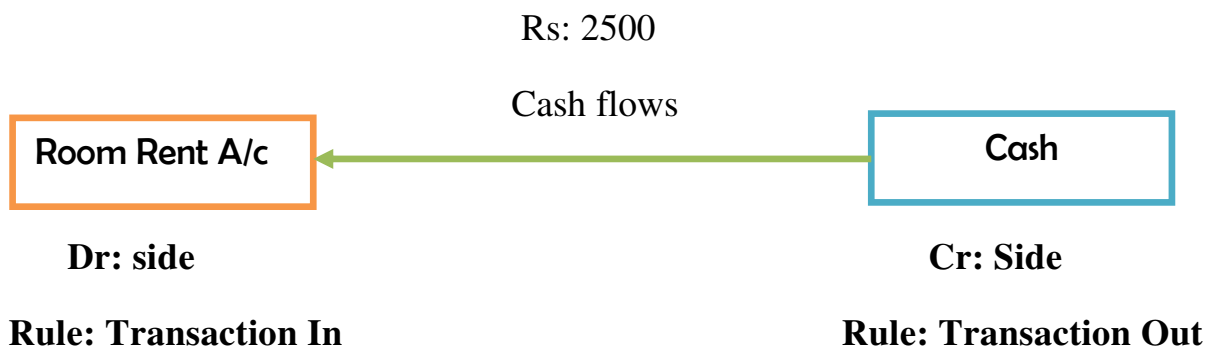
Fr example payment to Room Rent of Rs. 2500/-

**Ledgers to be Needed.**

Room rent A/c (Indirect expenses)

Cash

**Transaction Entries as follows:**



**Receipt Voucher General Rules:**

Receipt Voucher: F6 (All Payments By cash/ Bank)

**Cr:** Incomes A/c or Customer A/c or Liabilities A/c

**Dr:** Cash A/c or Bank A/c



[Dr: Cash Discount Allowed (Expenses)]

Incomes under “Indirect Incomes”

Liabilities are Under “Current Liabilities”

Receipt Voucher: F6 Examples:

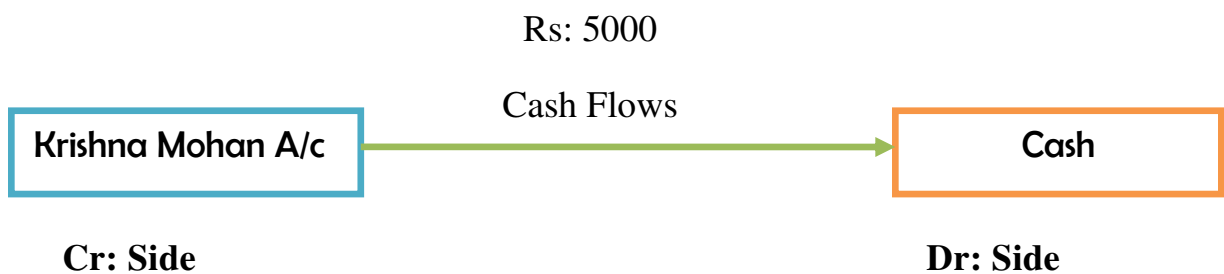
Received cash from “Krishna Mohan” of Rs: 5000/-

Ledger to be Needed:

Krishna Mohan (Sundry Debtors)

Cash

Transaction Entries as Follows:



**Cr: Side**

**Dr: Side**

**Rule: Transaction Out**

**Rule: Transaction In**

**Note:** In Payments Or In Receipts, Cash Bank Account must be affected.

Contra voucher General Rules:

**Contra voucher:** F4 (All payments By Cash / Bank)

**Cr:** Cash A/c or Bank A/c (Source of funds)

**Dr:** bank A/c or Cash A/c (Destination Funds)

**Note:** Bank Accounts are under “Bank Accounts”

**For Deposit:**

Cr: Cash

Dr: Bank

## **For Withdrawals**

Cr: Bank

Dr: Cash

### **Contra Voucher: F4 Examples:**

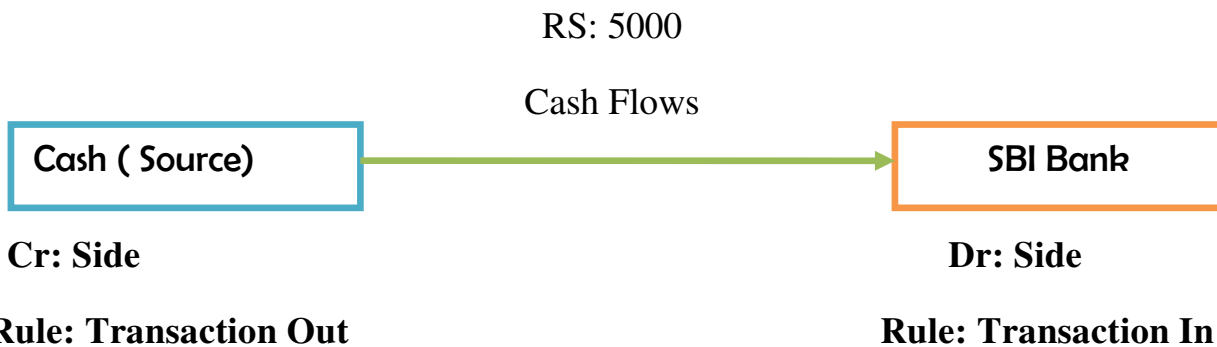
Deposit Cash into SBI Bank Ac of Rs: 5000/-

Ledger to be Needed.

SBI Bank A/c (Bank Accounts)

Cash

### **Transaction Entries as follows:**



### **Journal Voucher F7 Examples**

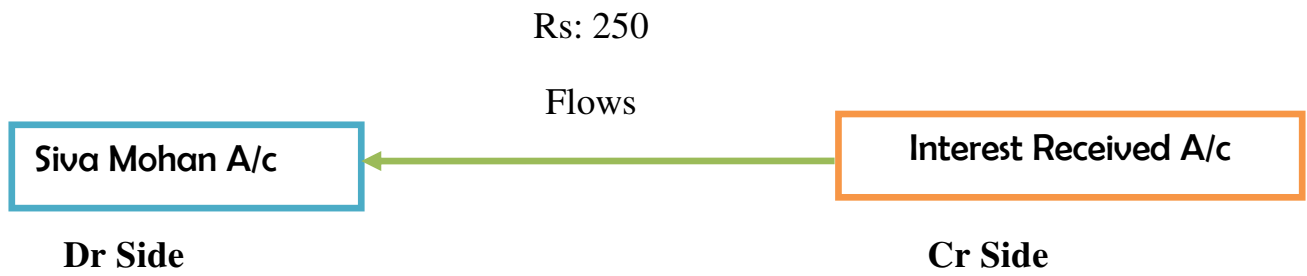
Interest added to Siva Mohan A/c of Rupees 250

### **Ledger to be Needed:**

Siva Mohan A/c

Interest Received A/c (Indirect Incomes)

Transaction entries as follows:



**Rule: Transaction In**

**Rule: Transaction Out**

Debit Note (Ctrl + F9) Example

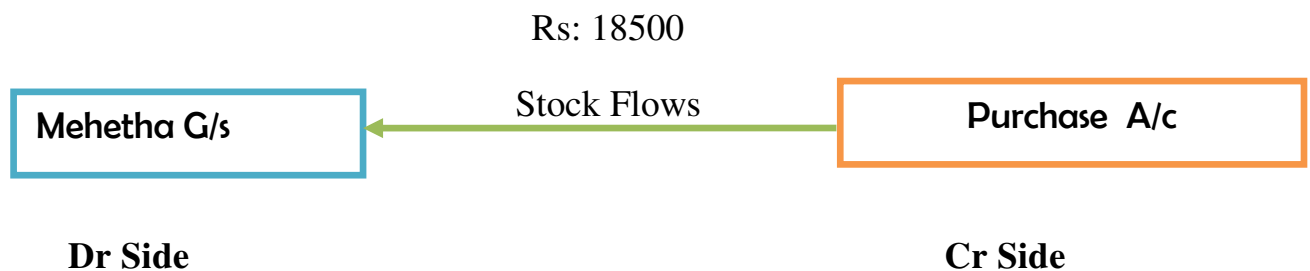
Returns purchase Goods to “Mehetha G/s” For Rs: 18500.

Ledger to be needed:

Mehta G/s

Purchase A/c or Purchase Returns A/c

Transaction Entries As follows:



**Rule: Transaction In**

**Rule : Transaction Out**

Note: Use Debit Note Voucher Purchase Returns Ctrl + F9

**Credit Note (Ctrl +F8) Examples:**

Received Sales Goods from “Ravi Kumar for RS; 2500/-

**Ledger to be Needed:**

Ravi Kumar A/c

Sales A/c or Sales Returns A/c



**Sales Examples:**

**Sales Goods of 5000**

Dr. Cash 5000

Cr. Sales A/c 5000

**Sales Goods to “Ravi Kumar” for 58000/-**

Dr. Ravi Kumar 5800

Cr. Sales A/c 5800

**Sales goods to “Krishna Mohan “for Rs. 8000 with cash Discount of Rs: 250/-**

Dr. Krishna Mohan 8000- 250

Cr sales 8000

Dr. Cash Discount allowed 250

**Payment Examples:**

**Paid salries for 16000**

Dr. Salaries A/c 16000

Cr. Cash 16000

**Paid to Stationary Expenses for 450**

Dr. Stationary expenses 450

Cr. Cash 450

**Paid to Siva Mohan Agency for Rs. 7500 and they give cash discount for Rs. 350/-**

Dr. Siva Mohan Agency 7500

Cr. Cash 7150

Dr. Cash Discount received 3150

**Receipt Example:**

**Received from Interest for Rs: 9000/-**

Cr. Interest A/c 9000

Dr. Cash 9000

**Received from Lakshmi Ganesh for 2450/-**

Cr. Lakshmi Ganesh 2450

Dr. cash 2450

**Received from Siva Mohan for Rs. 7500/- and given discount for 500/-**

Cr. Siva Mohan 7500

Dr. Cash 7000

Dr. Cash Discount allowed 500

**Contra Examples:**

**Cash Deposit into SBI Bank of 5000/-**

Cr. Cash 5000/-

Dr. SBI Bank A/c 5000/-

**Cash withdrawal from Andhra Bank for Rs: 7500/-**

Cr. Andhra bank 7500

Dr. Cash 7500

### Company Information:

1. **Select Co.** : It displays all the list of existing companies
2. **Shut Co.** : It is used to close the existing company temporarily
3. **Create Co.** : It is used create new company
4. **Create Group Co.:** It is used to create a group company name for two or more companies and shows consolidated reports.
5. **Alter:** It is used to change the existing company details except password
6. **Change Tally Vault:** It is used to change the existing tally password with another one.
7. **Security control:** it is used to create new users and password's and work entry facilities to individual users.
8. **Split company data:** It is used to split the existing company data into new different companies with the given dates.
9. **Backup:** copying the data from system to any other devices.
10. **Restore:** copying data from others devices to system.
11. **Quit:** Comes out from company information.

Tally 9

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TallyGold - Multi-User

**Tally**

http://www.tallysolutions.com

SL No. : BM@ - 2007

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

**Gateway of Tally** Ctrl + M

Current Period	Current Date
<b>List of Selected Companies</b>	
Name of Company	Date of Last Entry

**Company Info.**

- Select Company
- Create Company
- Backup
- Restore
- Quit

Calculator | ODBC Server | Ctrl + N

1 >

Company Info. | 9 - Release 1 (English) | Sun, 24 Aug, 2014 | 14:19:07

F11: Features | F12: Configure



### Contra Voucher Rule:

Cr. Source funds

Dr. Destination funds

Example:

**Rs: 5000/- cash withdrawn from Bank of India.**

Cr. Bank of India 5000

Dr. Cash 5000

**Cash Deposited Rs. 3000 to Bank of India and Rs.4000 to Bank of Baroda.**

For this transaction you may make two separate vouchers,.

**1<sup>st</sup> voucher**

Cr. Cash 3000

Dr. Bank of India 3000

**2<sup>nd</sup> voucher:**

Cr. Cash 4000

Dr. Bank of Baroda 4000

**You may make on combined voucher as shown below for above transaction.**

Cr. Cash 7000

Dr. Bank Of India 3000

Dr. Bank of Baroda 4000

### Payment voucher Rule:

Dr. Ledger account paid to

Cr. Cash/ Bank Account

**For example Room rent paid of 4500/- the payment entry as follows.**

Dr. Room Rent paid	4500	
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Cr. Cash		4500
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### Receipt Voucher Rule:

Cr. Ledger Account Received from

Dr. Cash/ Bank Account

**Interest Received of 1500/- The receipt entry as follows.**

Cr. Interest received		4500
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Dr. Cash	4500	
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### Purchase Voucher Rule:

Cr. Ledger Account purchased from

Dr. Purchase Account

**Purchase sarees from Uma Maheswari silk show room of Rs: 25000/-**

Cr. Uma Maheswari silk show Room		25000
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Dr. Sarees Purchase	25000	
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**Purchase Tables from Mehatha Corp. of Rs. 45000/-**

Cr. Mehatha Corp.		45000
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Dr. Tables Purchase	45000	
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### Sales Voucher Rules:

Dr. Ledger Account sales to

Cr. Sales Account

#### **Sales saree to Parvathi of Rs: 5000**

Dr. Parvathi 5000

Cr. Sarees sales 5000

#### **Sales Tables to Siva od Rs. 4000**

Dr. Siva 4000

Cr. Tables sales 4000

### **Journal Voucher Rule:**

Journal entries are used in instances where the company requires to adjust the debit and credit amounts without involving the cash or Bank accounts. Hence they are referred to as adjustment entries.

For example there may be entries made for interest accrued or interest to be paid. If a party is involved in such transaction the entry will be

Dr. Ledger Name 1250

Cr. Interest Account 1250