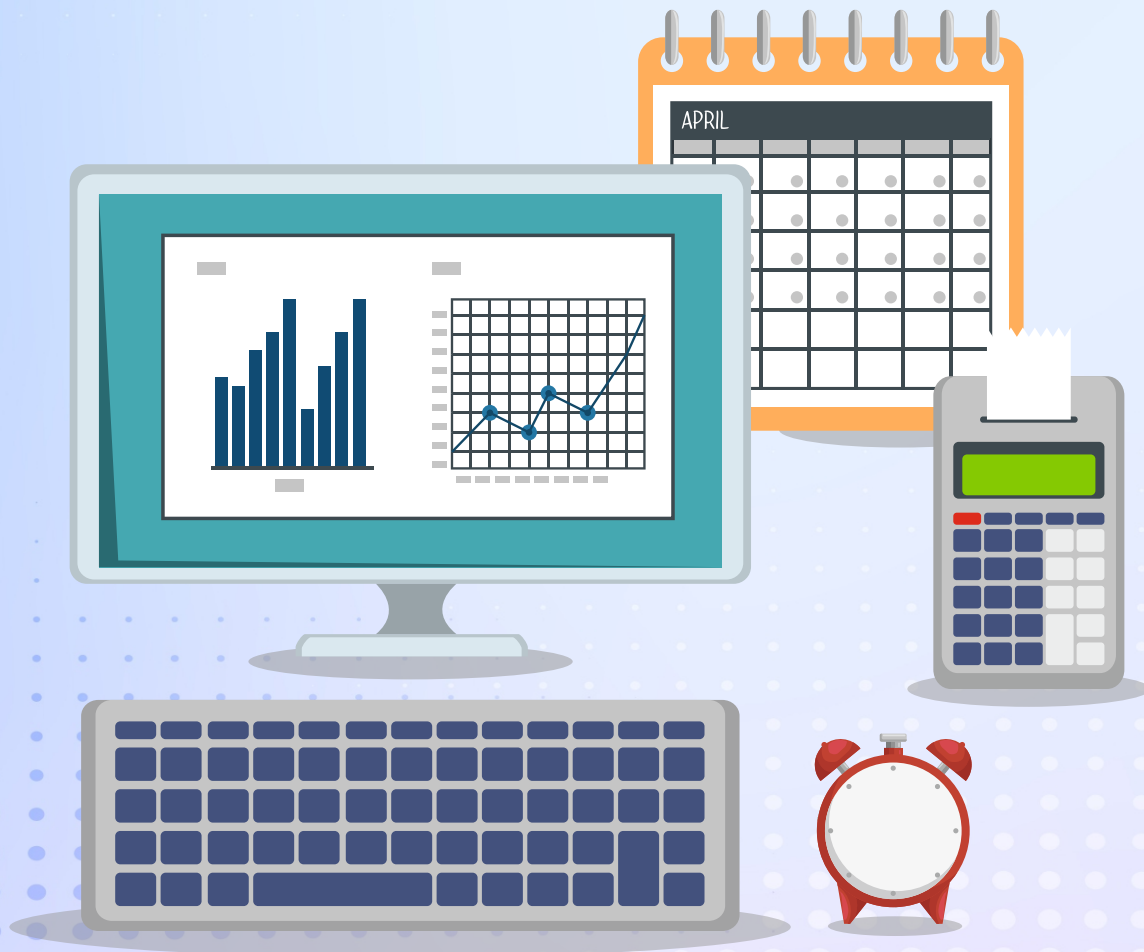


**BBA
SEMESTER - 3
BBASEC306
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Message for the Students

Dr. Babasaheb Ambedkar Open (University is the only state Open University, established by the Government of Gujarat by the Act No. 14 of 1994 passed by the Gujarat State Legislature; in the memory of the creator of Indian Constitution and Bharat Ratna Dr. Babasaheb Ambedkar. We Stand at the seventh position in terms of establishment of the Open Universities in the country. The University provides as many as 54 courses including various Certificate, Diploma, UG, PG as well as Doctoral to strengthen Higher Education across the state.



On the occasion of the birth anniversary of Babasaheb Ambedkar, the Gujarat government secured a quiet place with the latest convenience for University, and created a building with all the modern amenities named 'Jyotirmay' Parisar. The Board of Management of the University has greatly contributed to the making of the University and will continue to this by all the means.

Education is the perceived capital investment. Education can contribute more to improving the quality of the people. Here I remember the educational philosophy laid down by Shri Swami Vivekananda:

“We want the education by which the character is formed, strength of mind is Increased, the intellect is expand and by which one can stand on one’s own feet”.

In order to provide students with qualitative, skill and life oriented education at their threshold. Dr. Babaasaheb Ambedkar Open University is dedicated to this very manifestation of education. The university is incessantly working to provide higher education to the wider mass across the state of Gujarat and prepare them to face day to day challenges and lead their lives with all the capacity for the upliftment of the society in general and the nation in particular.

The university following the core motto ‘ॐ ध्यायः परमम ० तपः’ does believe in offering enriched curriculum to the student. The university has come up with lucid material for the better understanding of the students in their concerned subject. With this, the university has widened scope for those students who

are not able to continue with their education in regular/conventional mode. In every subject a dedicated term for Self Learning Material comprising of Programme advisory committee members, content writers and content and language reviewers has been formed to cater the needs of the students.

Matching with the pace of the digital world, the university has its own digital platform Omkar-e to provide education through ICT. Very soon, the University going to offer new online Certificate and Diploma programme on various subjects like Yoga, Naturopathy, and Indian Classical Dance etc. would be available as elective also.

With all these efforts, Dr. Babasaheb Ambedkar Open University is in the process of being core centre of Knowledge and Education and we invite you to join hands to this pious *Yajna* and bring the dreams of Dr. Babasaheb Ambedkar of Harmonious Society come true.



Prof. Ami Upadhyay
Vice Chancellor,
Dr. Babasaheb Ambedkar Open University,
Ahmedabad.

BBA

SEMESTER - 3

BBASEC306

TALLY-1

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BBA SEMESTER-3

Tally - 1

BLOCK: 1

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- 1.1 Introduction**
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❖ Exercise

1.1 Introduction

Centuries ago, the desires and needs of humans were very limited, time passes and a single individual became a group and a group became a society. The needs and desires of people increased day by day, as a result, humans became interdependent. Accounting began to fulfil the needs each other. Only then the barter system and its limitations lead to the use of money as a medium in the financial system. Over the time, the social and economic needs of society

change. According to historians of India and the West, the concept of accounting is given by Chanakya in economics and by Luca Pacioli in statistics. Accounts are record of receipts and payments as well as of income and expenditure. Accounts are also known as bookkeeping. Bookkeeping is used as a synonym for accounting term.

1.2 Meaning of Accounting

Accounting is a written record that provides a detailed record of transactions. These transactions are financial and keep records of all the transactions made by a business or individual over a period of time.

Concepts of **Bookkeeping**, **Accounting** and **Accounting process**:

These three are sometimes considered synonymous, they have the same meaning. However,

1. Bookkeeping: “Bookkeeping is the art of recording the financial aspects of a business’s financial transactions in the books of accounts.” – Northcott.

It is mainly concerned with the record keeping of the books of accounts. The maintenance of books of accounts involves the following four activities:

- A. Identifying transactions of a financial nature from various transactions.
- B. Measuring the identified transactions in monetary terms.
- C. Recording the transactions in the main book.
- D. Classifying them in the ledger.

The work of bookkeeping is routine and clerical in nature and can be done by a person with limited knowledge of accounting. At present, this work is increasingly being done by computers.

2. Accounting: Accounting begins where bookkeeping ends. It involves the following activities:

- A. Presenting a summary of classified transactions in the form of profit and loss account and balance sheet.
- B. Analysing and interpreting the summary of results. In other words, presenting meaningful information from the profit and loss- account and balance sheet.
- C. Communicating information to interested parties.

Thus, the work of accounting goes beyond accounting system. However, in actual practice, the accounting process also involves accounting because on the basis of accounting entries, the accountant periodically prepares financial statements such as profit and loss account and balance sheet etc. In some enterprises, the accountant also does accounting work.

3. Accounting System and Accounting Process: It refers to the systematic knowledge of accounting related to the principles and techniques applied in accounting. It tells us how to prepare accounting books, how to summarize accounting information, and how to communicate it to the interested parties.

1.3 Objectives of Accounting

Accounting plays an important role. It helps in recording transactions honestly, accurately and correctly. Accounting is used for various purposes in the accounting system. Some of the main objectives are given below:

- **Helps in identifying transactions:** The main purpose of the accounting is that it helps in identifying accounting transactions. A unique name is given to each accounting activity or transaction, which distinguishes it from other transactions. For example, bank deposit, sale, purchase, etc.
- **For classification of transactions:** With the use of names, financial transactions can be classified into various sections, such as income, expenses, etc. This classification can be easily understood from the financial details.
- **Permanent record of accounting transactions:** Every transaction is properly recorded in written form in accounting documents. Apart from this, it is also saved permanent in a computer or ledger book. So that the transparency of transactions is ensured, and any kind of mistakes or fraud can be avoided.
- **Transparency and Verification:** Transparency in financial transactions can be maintained through the use of ledgers. In this way, any person or auditor can easily assess to whom or from whom, how much money has been transferred.

- **Financial Report:** Accounting is useful for preparing a report showing the financial position of the organization. This report remains reliable and accurate, which makes the information more valuable and useful for business decisions.
- **To know the accounting impact of transactions:** Every transaction of a business directly affects its financial position and profitability. So information about it can be obtained through ledgers.
- **To know the factors affecting the business:** Through accounting, the factors affecting the profit and loss on the financial position of the business can be known.
- It is helpful for reviewing the financial position and flow.
- Accounting is useful in determining tax liability.
- Accounting is used to know the amount of debt and receivables.
- An estimate of the economic and financial situation of the business can be known.

1.4 Advantages of Accounting

- **Availability of accounting information:** Accounting information is prepared by the business owner. If this information is ready, the owner can use it whenever needed. For example, if a business wants to attract new partners, he can present the prepared accounting information of the business and show the profit and loss and financial position of the business, so that the new partners can invest with confidence.
- **To know profitability:** To know the profit and loss of the business, information is available from the profit and loss account of the accounting system.
- **To know the financial position:** The financial position of the business can be known by knowing the amount of liabilities at the end of the year.
- **Tax planning:** Business units have to pay fixed taxes based on the nature and size of their income and transactions. Tax calculation is done based on detailed accounting of the financial transactions of the businesses. It becomes possible to determine the tax payable at that time on the basis of the profit, expenses and other financial activities made by the business. This accounting information can be used to properly plan for taxes

payable during the year, which increases efficiency and streamlines financial administration.

- **Business Valuation:** In business transactions, sometimes the owner sells his business to someone else, at this time it is necessary to decide sales price and other decisions regarding the sale of the business, in which the accounting system proves useful for valuation.
- **Decision Making:** Different forms of business, such as sole proprietorship, partnership firm and company, prepare their own accounts. Accounts are especially important for companies, as they help different parties such as shareholders, investors and creditors to make their financial decisions. The system that provides accounting information is important for assessing the allocated resources and profitability of the business and plays a structural role in the decision making process.
- **As evidence:** Accounts are prepared on the basis of rules and principles, which make them reliable. During disputes, these accounts are used as evidence. For example, accounts can form the basis for litigation in disputes between partners or shareholders.
- **Comparison with past performance:** Accounts are based on accounting rules and principles, which do not allow for any changes. Accounts are useful for evaluating the development and planning for the future by comparing the current and past profitability and financial position of the business, as well as for getting a firm estimate by comparing it with the accounts of competitors.
- **Moral control:** Since accounts are useful as evidence, the chances of financial embezzlement are reduced. Accounting system also plays an important role in maintaining moral control over employees, which maintains credibility in the business.
- **Corrective action:** Since accounts show the impact of past wrong decisions, business owners learn from them and take necessary corrective action to prevent such mistakes from happening again.

Accounting system has carved a unique place for itself as a part of social science. It operates on the basis of its own rules and principles, but it is also subject to

limitations due to changes in society and the principles set. These limitations affect the use of the accounting system and its efficiency, which are discussed below.

1.5 Limitations of the Accounting

- **Non-monetary transactions:** Only transactions having monetary value are entered in the accounts, such as purchase, sale or assets related transactions. Non-monetary matters like honesty, loyalty and devotion of employees, which are important in the growth of the business, are not recorded in the accounts. This is an accounting limitation that ignores the evaluation of non-monetary issues.
- **Constant value of money:** The accounting system considers the value of money to be constant, which has an impact on the evaluation of long-term value. For example, a machine purchased for ₹30,000 three years ago will cost ₹50,000 in the market today. The value of money changes due to inflation, but the accounting system does not include it. For this reason, the assumption of constant value of money can be considered a limitation of the accounting system.
- **Historical Transactions-Events:** Only historical transactions are recorded in the accounting system, that means, only those transactions that have occurred in the past are documented. For example, if goods were sold at a loss before five months, it is shown in the accounts, but it is not possible to correct that loss. These details are useful in making appropriate decisions in the future and encouraging profitable transactions.
- **Ignoring market value:** Changes in the market value of business assets are not taken into account in the accounting system. Entries are made only on the basis of the original purchase price, which cannot reflect the actual market situation.
- **Use of estimates:** In the accounting system, estimates are made for number of issues, such as doubtful debts. If the estimate is wrong, it reflects clear in the accounts. However, these estimates are based on past experience and logical conclusions, so that the possibility of errors is low.
- **Double standards:** The two main components of the accounts include the profit and loss account and the balance sheet. The profit and loss

account is prepared at current prices, while the balance sheet is based on old (historical) prices. Therefore, discrepancies are seen.

Despite the above limitations, the accounting system is useful for business owners, for the government and for various parties.

1.6 Basic Terminologies of Accounting

(1) Business Transaction: A business transaction is an activity carried out for the exchange of goods or services for business, which can be measured in money.

- **Cash Transaction:** Money is given or received directly. Example: Goods sold on cash worth ₹5000.
- **Credit Transaction:** Money is received in the future, but its value is determined in the present.

The purpose of a business transaction is that its economic value is represented by money.

(2) Liability (debt): Liability (debt) is classified into two types, time and relation. Which are as follows.

On the basis of relation:

- Internal liability
- External liability

On the basis of time:

- Current liability
- Non-current liability

(3) Internal liability and external liability: The business and the owner are considered separate in the accounting system. The capital provided by the owner is an internal liability of the business, while the amount to be paid to third parties is considered an external liability.

(4) Current liability and non-current liability: Liability is of two types on the basis of time:

1. **Current liability:** Amount that is due in one year. Example: Goods borrowed from Raman, outstanding rent, furniture purchased on credit.
2. **Non-current liability:** Amount that is due in more than one year. Example: Amount borrowed from Bhavnaben, bank loan, debentures.

(5) Assets: In a business entity, assets are visible or invisible things owned by the business, which have a monetary value and will provide economic benefits in the future. The classification of assets is important in accounting.

Liabilities and assets are related to:

- **Liabilities:** Amounts owed by the business.
- **Assets:** Items or financial instruments owned by the business.

Classification of assets:

1. **Tangible assets:** Land, buildings, machines.
2. **Intangible assets:** Patents, copyrights, brand names.

(6) Non-current assets: Non-current assets are those assets that are held for more than one year. These are known as long-term assets and fixed assets. Non-current assets include land, buildings, machinery, furniture, trademarks, copyrights, patents, etc. Non-current assets can be divided into tangible and intangible assets.

(7) Tangible assets: Tangible assets are those assets that have a physical existence. Which can be seen and touched. E.g. land, buildings, plants, machinery, furniture.

(8) Intangible assets: Intangible assets are those assets that do not exist in physical form and which cannot be seen or touched. These assets are a type of non-current assets. Assets like trademarks, copyrights, patents, goodwill are considered as intangible assets.

(9) Current assets: These are those types of assets whose duration is less than one year. These assets can be converted into cash. For example, cash balances, bank balances, debtors, bills receivable, raw material stocks, finished goods stocks, etc.

(10) Liquid Assets: Liquid assets are known as a sub-type of current assets. All current assets other than stocks are known as liquid assets. E.g., debtors, bills receivable.

(11) Real assets: Real assets are those which have a cash value. These assets include tangible, intangible, current assets. Cash can be obtained by selling real assets.

(12) Fictitious assets: Fictitious assets do not have a physical form, their cash value is zero and they cannot be converted into cash. This is a non-recurring expense. The benefit of this expense is received for more than one year. Therefore, this amount is shown as an asset as it is to be paid over a period of years.

(13) Incomes: Income is the amount received as a result of transactions made by a business. Incomes can be classified into two types:

1. Regular income: Such as sales income, commission, dividends, which are received regularly by the business from day -to- day activities.
2. Irregular income: Which is not received regularly, such as the amount received from the sale of property.

(14) Capital income: This is irregular income, which is not received regularly. This type of income is received by selling property or issuing debentures. Such income is basically considered as capital income, because it does not arise repeatedly.

(15) Revenue income: Revenue income is the income that is received regularly during the year. This income is also called revenue yield. It includes sales income, commission income, exchange income, rent income, etc. On the basis of this income, the profit or loss of the year is known.

(16) Payments: Payment is the amount paid as a result of transactions made by the business. These expenses can be classified into two types:

1. Regular expenses: those that are paid monthly or regularly, such as rent.
2. Irregular expenses: those that are not paid regularly, but only in special situations, such as the purchase of machinery.

(17) Capital Expenditure: These expenses are not incurred regularly. These include expenses like purchase of property or capital expenditure. For example, purchase of machinery or redemption of debentures.

(18) Revenue Expenditure: These types of expenses are incurred repeatedly. On the basis of which profit and loss is calculated. These include salary, wages, telephone expenses, advertising expenses etc.

(19) Deferred Revenue Expenditure: These types of expenses are known as intangible assets.

(20) Expenses: The amount spent is called an expense, the benefit of which is to be received in the accounting/current year. For example, salary expenses, labour expenses, brokerage expenses, commission expenses, depreciation expenses etc.

(21) Revenue: When goods or services are sold for cash or credit, the business is considered to have revenue.

(22) Profit: Revenue profit is the difference between the regular income (revenue) and regular expenditure (payment) during the year. In which accounts are calculated from the profit and loss account. When profit is made from irregular income and expenditure, it is called capital profit.

(23) Loss: Loss is the excess of regular payment over regular income during the year. On the other hand, capital loss is the loss of goods due to burning, theft, road accidents or sale at a price lower than the book value.

(24) Gain: Profit and Gain are known as synonyms.

(25) Purchase: The goods that a trader trades and buys are called purchases in accounting.

(26) Sale: The goods that a trader trades and sells are called sales in accounting. The income generated by a trader of farsan by selling farsan is called sales.

(27) Stock of goods: Goods remaining after purchase and sales.

(28) Debtors: Debtors are customers to whom goods are sold on credit by the merchant. The amount of money the merchant owes for the goods sold is considered a current asset.

(29) Bills of exchange: A bill of exchange is a document in which the acceptor of the bill promises to pay a specified amount at a specified time.

(30) Bills receivable: A bill receivable is a document in which the acceptor of the bill pays the drawer the amount stated in the bill on a specified date.

(31) Receivable: An amount that is due from a merchant in the future from other persons. Debtors and bills receivable are also considered as trade receivable. Other receivable include commission, rent, interest, and prepaid expenses. All of these are considered as current assets. Some receivables are considered as long-term assets, such as loans and advances.

(32) Creditors: Just as a merchant sells goods on credit, he can also buy goods on credit. The person from whom the goods are purchased on credit becomes a creditor of the business. For that person, he becomes a creditor for the amount of goods purchased on credit. These creditors are considered as current liabilities.

(33) Bills payable: A bill payable is a written document in which the acceptor of the bill promises to pay a certain amount of money on a specified date in the future. In this document, it becomes a debt for the acceptor of the bill, and on a specified date, the amount written in the bill is paid to the drawer of the bill.

(34) Payables: Payable is the amount that is to be paid by the merchant in the future, such as creditors, promissory notes, salaries, wages, and expenses incurred.

(35) Cost: Cost are the expenses that are incurred in making a product or providing a service. It includes the cost of materials, labour costs, and other supporting costs.

(36) Voucher: A voucher is a written evidence of a business transaction, based on which the type of transaction is determined, such as cash, credit, purchase, sale, bank, expense, income, asset, and liability transaction.

(37) Discount: Discount is the amount that is deducted from the total amount of a sale or purchase. The main types of discount are:

1. Trade Discount: At the time of sale, some percentage or fixed amount is deducted from the total price. This type of discount is not recorded in the books. For example, if goods worth ₹10,000 are sold with a 2% discount, the sale will be recorded at ₹9,800 after deducting ₹200.
2. Cash Discount: To receive quick collection of credit sales, some money is deducted from the amount of the sales to attract the customers. This discount is recorded in the books. For example, if ₹200 is deducted in cash on ₹9,800, the customer will pay ₹9,600.

(38) Discount received: If a merchant purchases goods and has to pay an amount less than the amount payable, then it is called discount received. This is the income of the business. For example, if a merchant gets a discount of 2% on goods worth ₹10,000, then he has to pay ₹200 less, so ₹200 will be considered as discount received.

(39) Discount given: When a merchant sells goods and has to receive a lesser amount from the customer, then it is called discount given. This is considered as an expense of the business. For example, if a merchant gives a 2% discount on goods worth ₹15,000, then ₹300 will be considered as discount given.

(40) Depreciation: Depreciation is an expense of the business, which is deducted from the value of the asset every year at a decided rate and method. This is considered as a non-cash expense of the business. Before paying taxes to the government, depreciation is deducted from income.

(41) Bad Debt: When a business debtor fails to make payment after selling the goods on credit, and the amount cannot be recovered despite the efforts of the business, then this amount is called bad debt.

(42) Solvent: A person who pays his financial obligations (debts) regularly and whose assets are more than his debts is called a solvent person.

(43) Insolvent: A person who cannot pay his financial obligations (debts) regularly and whose assets are less than his liabilities is called an insolvent person. An insolvent person is a person who is not considered bankrupt until he is declared bankrupt by a court.

(44) Debit and Credit:

Debit Side:

- The left side of the account is known as the debit side.
- When a debit is made to an account, an entry is made on the debit side (left side) of that account.

Credit Side:

- The right side of the account is known as the credit side.
- When a credit is made to an account, an entry is made on the credit side (right side) of that account.

Rule:

- An entry on the debit side is treated as a receivable or expense, while an entry on the credit side is treated as an income or liability (payable).

(45) Account (Ledger): Transactions involving persons or products of a business are frequent. These transactions may have the effect of debit or credit. All the transactions involving that person or product are recorded in one place in

the books of accounts, so that the summary of those transactions can be easily known. This process is called account.

Example:

Pushpaben is a customer of the business. Credit sales are made to her. Suppose, during the year, 20 times credit sales are made to her, then all the transactions relating to her will be recorded in Pushpaben's account.

1.7 Documentary evidence

For every business transaction, written or printed documents are used, which provide evidence of the transaction. These documents are called documentary evidence. Documentary evidence forms the basis for entries in the accounting ledgers.

- Cash Receipt: Proof of receipt of cash.
- Purchase Invoice: A bill for the purchase of goods.
- Sales Invoice: A bill for the sale of goods.
- Credit Note: A note of a sum of money borrowed.
- Debit Note: A note of a sum of money deposited.
- Bills of Exchange: A written promissory note for the payment of a specified sum of money.
- Cheque: A written document of payment by a bank.
- Voucher: A proof of a transaction for accounting purposes.
- Payment Receipt: A proof of a sum of money paid.
- Bank Statement: A report of all transactions in a bank account.
- Agreement: A written agreement between two parties.
- Delivery Challan: A proof of delivery of goods.
- Wage Receipt: Proof of wages received by workers.
- Property Documents: Proof of ownership rights to property.

1.8 Methods of Book-keeping

1. Deshi Nama System:

This ancient system was used by sole traders or partnership firms. This system was prevalent in ancient times to keep accounts in a simple manner.

Example:

For the record of the goods sold on credit, the trader makes an entry in only one book and it is called Deshi Nama System.

2. Double Entry System:

In double entry system, every transaction has a double effect, i.e. debit and credit. This system was developed by Luca Pacioli.

Features:

- Both sides (debit and credit) are shown in the accounts.
- Every transaction has a definite debit-credit effect.

Example:

If a merchant sells goods worth ₹ 1,000 and the amount is due, then:

- ₹ 1,000 will be added to the debtor's account (debit side).
- ₹ 1,000 will be shown in the sales account (credit side).

Basis of double entry system:

1. Accrual or Mercantile Basis:

This system includes all transactions in the year in which the accounts are prepared, whether they are made in cash or not.

Features:

- Current year's pending income and expenses are included.
- Cash transactions of the previous or next year are not included.

Example:

If a merchant has sold goods worth ₹ 50,000 to a customer on credit, and it is still outstanding, then it is mentioned in today's accounts.

2. Cash Basis: This method includes only cash transactions of that year.

Features:

- Cash transactions of the previous or next year are included.
- Credit transactions are not mentioned.

Example:

If ₹ 25,000 is received from a customer, this amount is recorded in the accounts, even if it was outstanding for the year.

3. Hybrid Method:

This method is a combination of mercantile and cash basis. In the hybrid method, income is recorded as mercantile basis and expenses as cash basis.

Features:

- The hybrid method is generally considered to be messy in accounting books.
- This method is rarely used.

Example:

If we take the entire year as the basis for preparing the profit and loss account and consider the expenses incurred only in cash, then it is called hybrid method.

Basis	Definition	Example
Mercantile Basis	Includes all borrowings and outstanding transactions.	₹ 1,000 outstanding borrowings are added to the account.
Cash Basis	Includes only transactions made in cash.	Enters ₹ 2,000 cash received in the account.
Hybrid Basis	A combination of mercantile and cash basis.	Calculates income on mercantile basis and expenses on cash basis.

Accrual or Mercantile basis of accounting is widely used in India. This method helps in removing accounting constraints.

1.9 Classification of Transactions

The classification of business transactions is divided as follows:

1. Economic Transactions: Economic transactions are those transactions whose value can be measured in money and which are recorded in the books of business.

In terms of cash/credit transactions:

1. Cash Transactions:

Characteristic: Cash transactions are transactions where money is paid immediately.

Example:

- Furniture purchased for ₹ 10,000.
- Goods worth ₹ 15,000 were sold for cash.

2. Credit Transaction:

Characteristic: Credit transaction in which money is paid in future in exchange for goods or services.

Example:

- Goods worth ₹ 12,000 were purchased from Meera on credit.
- Goods worth ₹ 22,000 were sold to Kalpana on credit.

3. Other Transaction:

Characteristic: Special situations that are not included in cash or credit transactions.

Example:

- Goods are stolen.
- Asset is damaged by a natural disaster.

2. In terms of internal/external transactions:

1. Internal transactions:

Characteristic: Internal transactions of a business, which do not require other parties.

Example:

- Obsolescence of a machine.
- Depreciation of assets.

2. External transactions:

Characteristic: Which include transactions that take place between the business and other parties.

Example:

- Sale of goods to a customer.
- Payment of salary to an employee.

3. Non-economic transactions:

Non-economic transactions are those whose value cannot be measured in money and which are not recorded in the books.

Example:

- An order was received to sale goods after a month.
- A meeting was organized for business expansion.

Identifying transactions with examples:

Example 1: Economic or non-economic?

1. Recording the purchase of a machine for ₹ 10,000 in the ledger.
 - Economic, because the value can be measured in money.
2. Organizing a meeting with office staff.
 - Non-economic, because this is not recorded in the accounts.

Example 2: Cash or Credit?

1. Sold goods for ₹ 500 in cash.
 - Cash, because the money was received immediately.
2. Purchased goods for ₹ 800 (to be paid later).
 - Credit, because the money is to be paid in the future.

1.10 Types of Accounting Transactions

Main types of accounting transactions:

1. Cash Transactions:

Feature: In these transactions, money (cash or cheque) is transferred immediately.

Example:

- Paid ₹ 15,000 cash to buy furniture.
- Received cash from customer for sale of ₹ 20,000.

2. Credit Transactions:

Feature: In these transactions, goods or services are sold/purchased, but the money is not paid immediately. Payment is to be made in the future.

Example:

- Purchased goods worth ₹ 12,000 from Meera on credit.
- Sold goods worth ₹ 18,000 to Kalpana on credit.

3. Financial Transactions:

Feature: These transactions involve transactions related to credit, capital, interest, or the stock market.

Examples:

- Obtaining a loan of ₹ 50,000 from a bank.
- Investing ₹ 1,00,000 in capital through partners.

4. Property Transactions:

Feature: These transactions involve the purchase, sale, or destruction of physical property.

Examples:

- Buying a machine for ₹ 40,000.
- Machine destroyed in a natural disaster.

5. Revenue Transactions:

Feature: These types of transactions are related to the day-to-day running of the business and contribute to the immediate economic benefits of the business.

Examples:

- Receiving ₹ 25,000 from the sale of goods.
- Paying ₹ 10,000 for brokerage.

6. Capital Transactions:

Feature: These types of transactions are related to the long-term capital gains or losses of the business.

Examples:

- Spending ₹ 5,00,000 to construct a new building.
- Receiving an investment of ₹ 2,00,000 in capital from the shareholders of the company.

7. Internal Transactions:

Feature: No third party is required in these transactions. These transactions take place within the business itself.

Example:

- Depreciation on a machine.
- Obsolescence of goods due to lack of systematic use.

8. External Transactions:

Feature: These transactions take place between the business and other parties.

Example:

- Sale of goods to a customer.
- Payment to the seller in exchange for goods.

9. Miscellaneous Transactions:

Feature: These types of transactions are associated with special situations.

Example:

- Missing goods.
- Donating unused goods.

1.11 Types of Accounts

1. What is an account?

An account is a statement showing the entries of debit and credit in a fixed format as per the rules of ledger to keep a record of the financial transactions of a business during a particular accounting period.

2. Main types of accounts:

Accounts are mainly classified into two types:

1. Personal Accounts
2. Impersonal Accounts

1. Personal Accounts:

These accounts are related to individuals or entities with whom business is being done.

- Natural person: such as Hetal's account, Dharmendra's account.
- Legal entity: such as Bank of Baroda's account, Reliance Limited.

Rules:

- Debit: The person who receives benefits from the business. (Receiver)
- Credit: The person who gives benefits to the business. (Giver)

Example:

1. If goods are purchased from Himanshi, then "Himanshi's account" will be credited.
2. If money is paid to Himanshi, then "Himanshi's account" will be debited.

2. Impersonal Accounts:

These are divided into two types:

1. Real Accounts:

These accounts are related to the assets of the business.

Rule:

- Debit: What comes in.
- Credit: What goes out.

Example:

1. Land account.
2. Furniture account.

2. Nominal Accounts:

These accounts are related to the profit and loss of the business.

Rule:

- Debit: Every expense or loss.
- Credit: Every income or profit.

Example:

1. Wages account (expense).
2. Interest received account (income).

Classification of accounts in tabular form:

Account Name	Account Type	Example
Hetal Account	Personal Account	Natural person.
Bank of Baroda Account	Personal Account	Legal entity.
Land Account	Real Account	Immovable property of the business.
Wages Account	Nominal Account	Wages is an expense of the business.
Interest Received Account	Nominal Account	Interest received is the income of the business.
Furniture Account	Real Account	Furniture is a non-current asset of the business.

Example:

1. Hitesh paid wages of ₹10,000.

Account: Wages Account

Type: Nominal Account (Expense).

Debit: Wages Account ₹10,000.

Credit: Cash Account ₹10,000.

2. Dharmendra purchased goods and had to pay an amount ₹5,000.

Account: "Dharmendra's Account".

Type: Personal Account.

Debit: Purchase of goods ₹5,000.

Credit: Dharmendra's Account ₹5,000.

1.12 Types of Branches of Accounting

Now-a-days, management requires detailed information to perform its duties effectively and efficiently. To meet these requirements, there are many specialised branches of accounting. These are as follows:

1. Financial Accounting: The main objective of this branch of accounting is to record the business transactions properly, to determine the profit or loss of the business by preparing the profit and loss account and to know the financial position of the business by preparing balance sheet. This branch of accounting gives the information to interested parties, Such as management, shareholders, bankers, creditors and government agencies etc.

2. Cost Accounting: The main objective of cost accounting is to ascertain the cost of a product and help the management in the control of costs. It records and determines scientifically the accurate cost per unit of a product, job or process. It also helps in estimation of cost and to control it.

3. Management Accounting: The main purpose of this branch of accounting is to present the accounting information in such a way so as to assists the management in planning and controlling the operations of a business. The management accountant uses different techniques and concepts to make the

accounting information more beneficial for managerial decision making. These techniques include Ratio Analysis. Budgetary Control, Fund Flow and Cash Flow Statement etc.

4. Tax Accounting: This branch of accounting is used for tax purposes. It helps in the determination of Income Tax, Sales Tax, Value Added Tax and Professional Tax etc.

5. Social Responsibility Accounting: This branch of accounting is the process of identifying, measuring and communicating the contribution of a business to the society. The contribution of a business to the society consists of providing employment, financial and manpower support for public programmes, environmental contribution, product durability and consumer satisfaction etc. In this branch of accounting many techniques have been developed for measuring the cost of these contributions and the gain to the society.

6. Human Resource Accounting: This branch of accounting is quite new. Generally, we treat all the expenses incurred on employees as revenue expenditure. As a result of this treatment, the balance sheet of any business concern does not disclose human assets. This system of treating the expense incurred on employees as revenue expenditure is not proper, because benefits of these expenses accrue in more than one accounting period. So, this branch of accounting is in favour of showing a part of expense on employees as an independent asset in the balance sheet. Thus, this branch of accounting i.e. HRA is the art of valuing, recording and presenting systematically the worth of human resources in the book of account of the business.

1.13 Rules of Debit and Credit

Every financial transaction of a business has a dual effect in the accounting system:

1. Debit Effect
2. Credit Effect

To understand these two aspects of the transaction, accounts are divided into three main types:

1. **Personal Accounts:**

Transactions with any person (natural or legal person) come under this section.

Rules:

- Benefit Receiver's Account: Debit (Debit the Receiver)
- Benefit Giver's Account: Credit (Credit the Giver)

Example:

- Sold goods worth ₹20,000 to Jayshree.

Receiver: Jayshree Account (Debit)

Goods go out (Real A/c): Sales Account (Credit)

2. **Real Accounts:**

The goods and property that come in or go out of the business come under this type of account.

Rules:

- Debit what Comes In
- Credit what Goes Out

Example:

- Bought furniture worth ₹10,000.

Comes in: Furniture (Debit)

Goes out: Cash (Credit)

3. **Nominal Accounts:**

These types of accounts show the income and expense of the business.

Rules:

- Debit the Expense and Loss
- Credit the Income and Gain

Example:

- Paid ₹3,000 for rent.

Rent Expense Account: Debit

Cash Account: Credit

Transaction Analysis and Examples:

Here are some examples of business transaction to understand which account to debit and which account to credit in each transaction:

Sr. No.	Transaction	Debit Effect	Credit Effect
1	Ranchhod started a business with a capital of ₹50,000.	Cash Account	Capital Account
2	Deposited ₹20,000 in the bank.	Bank Account	Cash Account
3	Purchased goods worth ₹2,000 by cash.	Goods Account	Cash Account
4	Sold goods worth ₹6,000 to Radha.	Cash Account	Goods Account

Steps required in the accounting process:

1. Determine whether a transaction is economic or non-economic:

- Only economic transactions are entered in the accounts.

2. Determine the related accounts:

- Each transaction is linked to two or more related accounts.

3. Follow the debit-credit rules:

- Record debit and credit in the accounts according to the two determined effects of the transaction.

The debit-credit rules provide the basic direction and supporting structure for the day-to-day accounting management of a business. These rules make it easy to calculate and analyse the economic impact of each transaction, making the financial results clearer and more accurate.

1.14. Various Accounting Formulas:

Different types of formulas are used in accounting, which help in understanding the profit and loss and financial position of the business. The main accounting formulas are as follows:

1. Basic Accounting Equation:

$$A = C + L$$

Here:

- A = Assets
- C = Capital
- L = Liabilities

$$\text{Assets} = \text{Capital} + \text{Liabilities}$$

Effects of accounting transactions:

(1) Effect on asset (A) only:

- One asset increases and another decreases.

Example: Buying goods with cash.

(2) Effect on asset (A) and capital (C):

- Asset increases or decreases and capital increases or decreases.

Example: Making a profit or incurring a loss.

(3) Effect on Asset (A) and Liability (L):

- Both assets and liabilities change.

Example: Buying an asset by borrowing money.

(4) Effect on Capital (C) and Liability (L):

- Both capital and liabilities increase or decrease.

Example: Raising borrowed money to purchase goods.

This equation shows the financial position of the company.

This equation should always be balanced in any transaction.

In this way, the effect of each transaction is shown in the accounting equation ($A = C + L$), and finally the financial statements are prepared.

2. Profit and Loss Formula:

$$\text{Net Profit or Loss} = \text{Total Revenue} - \text{Total Expenses}$$

Net Profit: If revenue is more than expenses.

Loss: If expenses are more than revenue.

1.15 Conclusion

An accounting is an important method of documenting and analysing the financial transactions of a business. It helps in understanding the profit and loss, assets and liabilities and provides the basis for future business decisions. Accounting is not only to provide a picture of the financial system but also to serve as a strong pillar for maintaining the dynamism of the business and its growth.

❖ Exercise

❖ State whether the following statements are true or false:

1. Accounting is the language of business.
2. Accounting records the qualitative aspects of business.
3. Accounting is as old as money.
4. Accounting is a service function.
5. Bookkeeping is a part of an accounting.
6. Accounting begins at the end of the bookkeeping.
7. Accounting involves recording only business transactions.
8. Bookkeeping and accounting are the same thing.
9. Identifying business transactions is the first step in accounting.

❖ Theoretical, big questions and short questions.

1. Explain the meaning and objectives of accounting.
2. Explain the need and purposes of accounting.
3. Discuss the advantages of accounting.
4. Discuss the limitations of accounting.
5. Explain in detail about documentary evidence.
6. Explain the different methods of bookkeeping.
7. Write a note on the classification of transactions.
8. Explain the types of accounting transactions.
9. Explain the meaning of accounts and types of Accounts
10. Discuss the rules of debit and credit.
11. Explain any Ten Terminologies of Accounting.

UNIT-2

COMPUTERIZED ACCOUNTING SYSTEM AND PRELIMINARY INTRODUCTION TO TALLY SOFTWARE

- 2.1 Introduction**
- 2.2 Meaning of Computerized Accounting System: (Detailed explanation of differences between human-based and computer-based accounting)**
- 2.3 Accounting Characteristics or Identification of Computerized Accounting System**
- 2.4 Responsible Factors for Computerized Accounting System**
- 2.5 Essential Requirements of Various Types of Accounting Equipment and Machines for Computerized Accounting System**
- 2.6 Development of Computerized Accounting System and Personal Computer System and Online (Connected) Computer System**
- 2.7 Advantages-Importance of Computerized Accounting System**
- 2.8 Disadvantages-Limitations of Computerized Accounting System**
- 2.9 Specific Features of Computerized Accounting System with Reference to Accounting**
- 2.10 Various Types of Frauds According to Computerized Accounting System**
- 2.11 Internal Control in Computerized Accounting System - Importance, Components, and Maintenance Functions**
- 2.12 Grouping and Codification of Accounts According to Computerized Accounting System**
- 2.13 Systematic Sequential Maintenance of Ledgers and Accounting Reports According to Computerized Accounting System**
- 2.14 Different Accounting Software (Packaging) and their Selection under Computerized Accounting System**
- 2.15 Brief Preliminary Introduction about Tally Accounting Software: (Meaning-Characteristics-Writing Accounts using Tally)**
- 2.16 Conclusion**

2.1 Introduction

In the present times, a computerized accounting system is the process of using computers through various software to keep accounts. It is more efficient, faster, safer, and more accurate than a human-based accounting system. Among the different accounting software, Tally is a popular accounting software used by small and large businesses, industries, and commercial enterprises to maintain accounts.

In this unit, we will learn about the computerized accounting system and Tally software.

2.2 Meaning of Computerized Accounting System- Detailed Explanation of Differences Between Human-Based and Computer-Based Accounting

Both human-based accounting, means manual accounting, and computer software-based accounting fundamentally hold the same importance according to the solid principles of accounting and the accounting rules and provisions applicable to the business unit, as per practice and tradition.

A computerized accounting system is the process of using a computer under an accounting software program to maintain accounts. It is more efficient and accurate than a human-based accounting system. In a computerized accounting system, economic financial accounting information is entered into the computer through appropriate software, and then it is stored, analyzed, managed, and controlled by the computer.

A detailed analysis of the differences between computerized accounting and manual accounting (human-based accounting) can be done according to the following points:

(1) Accuracy:

Computerized accounts are more accurate than manual accounting accounts. This is because computerized systems use automated calculations and data entry, which reduces the risk of human error.

(2) Speed and Velocity:

Computerized accounting systems are much faster than manual accounting systems. This is because computerized systems can process large amounts of data quickly and easily.

(3) Cost and Burden:

Setting up computerized accounting systems can be more expensive than human-based (manual) accounting systems. However, in the long run, computerized systems can save time and cost burden commercially and professionally by reducing the need for human labor.

(4) Safety and Security:

Computerized accounting systems can be more safe and secure than manual accounting systems. This is because computerized systems can be password-protected, and data can be backed up regularly. This ensures that accounting information remains safe and its use is also secured.

(5) Permanent Availability of Information:

Computerized accounting systems can be accessed (viewed, modified, and transmitted) from anywhere with an internet connection. This makes it easy for businesses to manage their financial accounting details from anywhere in the world, at any time.

(6) Reporting:

Computerized accounting systems can generate various reports that can help businesses track and obtain a link of responsibility based on the displayed information of their financial economic accounts.

(7) Compliance with Rules:

Computerized accounting systems can help businesses comply with accounting standards, accounting principles, and accounting rules, etc.

(8) Accounting Scalability:

Computerized accounting systems are based on understanding the diverse needs of businesses of all sizes, making this accounting method very useful for meeting the scalability of details required for necessary accounting comparisons.

2.3 Accounting Identification/Characteristics of Computerized Accounting System

Fundamentally, from the perspective of preparing, maintaining, and presenting accounts, a computerized accounting system is different from a human-based accounting system. Therefore, there are some identification-related essential aspects for using this accounting method. These can be shown as the characteristics of a computer-based accounting system as follows:

(1) Computer and Software:

To use a computerized accounting system, a computer and appropriate accounting software suitable for the business are required.

(2) Training:

Providing training related to accounting as well as the computer operating system to employees is extremely essential for using a computerized accounting system.

(3) Data Entry:

Entering accounting information into the computer (data entry) is primarily necessary. This work should be done carefully and accurately.

(4) Accounting Machines:

Various types of accounting machines are used to maintain accounts, which include the following:

* Calculator: A calculator is used for calculations.

* Accounting Machine: An accounting machine is used for writing accounts.

* Computer: Which is used for maintaining and analyzing accounts.

* Printer Machine: This printer (printing) machine is useful for obtaining physical information in the form of records of accounting details residing within the computer.

(5) Efficiency:

A computerized accounting system is more efficient than a human-based accounting system. It can do more work in less time.

(6) Accuracy:

A computerized accounting system is more accurate than a human-based accounting system. There is less possibility of human error in it.

(7) Ease of Use:

A computerized accounting system is easy to use. No special knowledge is required to learn it.

(8) Security:

In a computerized accounting system, accounting information is kept safe and secure for various purposes. It is also protected from unauthorized access.

2.4 Factors Responsible for Computerized Accounting System

Many factors are responsible for the computerized accounting system, which include the following:

(1) Development of Technology: Due to the development of computer science, digital and e-commerce, as well as technology, a computerized accounting system has become necessary today.

(2) Size of Businesses: With the increase in the scope and size of businesses, the work of keeping accounts has become more complex. The computerized accounting system helps in solving this problem.

(3) Competition: With the increase in various types of competition in the market, businesses need to keep their accounts more accurately and efficiently, and the computerized accounting system helps in fulfilling these requirements.

2.5 Essential Matters for Computerized Accounting System and Various Types of Accounting Equipment and Machines

Adopting a computerized accounting system as a necessity, the essential matters to be considered regarding the use of various accounting machines-equipment as a system arrangement are as follows:

(1) Computer Hardware: Hardware with sufficient processing power, memory, and storage is very important for computerized accounts. Here is information about some of the main hardware components: All this type of information is considered important when selecting computer hardware for computerized accounts.

✓ Central Processing Unit (CPU):

- * This is called the "brain" of the computer.
- * It processes all calculations and instructions.
- * For accounts, a fast and efficient CPU is important.

✓ Random Access Memory (RAM):

- * This is the computer's "working memory".
- * It stores currently used data and programs.
- * More RAM will make the computer work faster.

✓ Hard Disk Drive (HDD) or Solid-State Drive (SSD):

- * Which stores data for the long term.
- * Accounting data and software are stored here.
- * SSD is faster than HDD, but more expensive.

✓ Monitor:

- * Which actually displays data and programs visually.
- * A clear and comfortable monitor simplifies work.

✓ Keyboard and Mouse:

- * These are used to input data into the computer.
- * A comfortable and effective keyboard and mouse make work more efficient.

✓ Motherboard:

- * The motherboard is the main part that connects all parts of the computer.
- * It connects the CPU, RAM, and other hardware components.

✓ Network Card:

- * This connects the computer to a network.
- * Data sharing and backup become easier through networking.

✓ Cabinet:

- * Which protects the various internal components of the computer.
- * A well-ventilated cabinet keeps the computer cool according to the environment.

Every accounting department should especially consider the following for computerized accounts:

- Business needs
- Capital investment (budget)
- Quality and reliability of hardware
- Upgradeability of hardware (ability to bring higher level, higher standard).

All this information helps in selecting suitable computer hardware to meet new requirements for computerized accounts.

(2) Printer: A printer is an essential tool for computer accounts. The right printer should be selected for all business or personal needs.

Some additional factors to consider when selecting a printer for computer-based accounts are as follows:

✓ **Types of Printers:**

Laser Printer: Known for fast and high-quality printing.

Ideal for printing large volumes of documents. They are generally more expensive than inkjet printers.

✓ **Inkjet Printer:** These printers are excellent for color printing. Ideal for printing photos and other color documents. And less expensive than laser printers.

✓ **Dot Matrix Printer:** These printers are especially used for printing bills and other types of internal accounting documents. Ideal for making carbon copies. They are slower than other types of printers.

✓ **Additional Features of Printer:** Such as,

Wireless printing, known as duplex printing machine.

✓ **Factors to consider when selecting a printer:**

According to the need to print accounts, planning should be done on which and what kind of accounts will be printed, how often and in what quantity. Accounting statements, reports, the quality of print for audit or investigation of accounts requires colored or black and other colored ink printing, when high-quality printing is required, the speed of the printer and the cost of the printer should also be considered.

✓ **Document Handling:**

The printer should be able to handle different sizes and types of paper and should have a system for easy printing.

✓ **Connectivity:**

The printer should be able to connect easily to a computer or network. So that direct and easy use for accounting information is possible.

✓ **Printer Maintenance:**

It is necessary to maintain the printer for printing accounting documents. It can be maintained based on the needs and use of accounting details.

(3) UPS: UPS stands for Uninterruptible Power Supply, which is an available device to protect data against sudden power outages or accidents or power failures against computer-based accounts. It provides power to your computer or other electronic devices when the power goes out or there is a voltage fluctuation. Special caution is required in this regard during computer-based accounting, its detailed discussion is given below.

(I) Main Functions of UPS:

- ♣ Protection against power outage: When the power goes out, the UPS provides power from the battery, so that the work done can be saved and the computer can be shut down safely.
- ♣ Voltage Regulation: UPS regulates voltage fluctuations, which prevents damage to devices.
- ♣ Surge Protection: UPS provides protection against sudden voltage increases, which prevents devices from burning out or being destroyed.

(II) Types of UPS:

There are three types:

- (i) Standby UPS: This is the most common type of UPS. It usually provides power from the battery only when the power goes out.
- (ii) Line-interactive UPS: This UPS regulates voltage fluctuations and provides power from the battery when the power goes out.
- (iii) Online UPS: This is the most expensive and most reliable UPS. It always provides power from the battery, so there is no delay when the power goes out.

(III) The following points should be considered when selecting a UPS:

- (a) Power Capacity: You should choose a UPS with the power capacity required to run your devices.
- (b) Battery Backup Time: Decide how long you need backup power and choose a UPS accordingly.
- (c) Number of Outlets: A UPS with enough outlets should be selected to connect devices as needed.
- (d) Surge Protection: A UPS with surge protection should be selected to protect various machines and equipment against accidental power fluctuations.

In this way, UPS is a very important device to protect computers and other electronic devices from various power problems.

(4) Computer Software and Accounting Software:

In computerized accounting systems, various computer software as well as accounting software such as Tally, Tally9PM, Wings, Shri 1/4 Mahetaji, Profit, SAP, Miracle, Zoho Books etc. can be used for accounts.

The following steps should be taken sequentially to make the accounting process easier according to the accounting software.

* Operating System: Operating systems like Windows, Linux etc. are required.

* Accounting Knowledge -Understanding: Based on computer-based accounts, the accountant must have the ability to properly interpret and analyze financial statements and reports.

* Regarding Knowledge -Training Assistance for Computer Maintenance: Knowledge of computer and software should be there, proficiency in using it is also very important. This includes knowledge of data entry, data management and report generation, understanding -preparation of data security, knowledge related to data backup and especially data recovery processes, training and assistance on taking security measures to protect data against unauthorized data access. For systematic accounting implementation, necessary training should also be given to the employees for the use of the software.

(5)Other Matters to Consider Regarding Other Accounting Machines - Equipment:

The various types of accounting machines-equipment are as follows:

- Manual Accounting Machine:

In this type of machine, data is entered manually by the operator, so it is used for simple accounting tasks.

- Electronic Accounting Machine:

This machine uses electronic components. It performs faster and more accurate accounting work.

- Computerized Accounting System:

In modern times, computer-based accounting systems are used. It uses accounting software, which helps in storing data, performing calculations, and generating reports. For example, Tally, SAP, QuickBooks, etc.

- Calculator:

This is a simple accounting tool used for calculations.

- Tabulating Machine:

This machine is used to arrange data in tabular format.

- Point of Sale (POS) System:

This system is used to record sales transactions. It includes a barcode reader, scanner, cash drawer, and printer. In this way, there are many other types of accounting machines, which are used according to different industries and needs.

In addition, a systematic understanding and attention to the following matters can make the computerized accounting system more effective and efficient.

- Suitable space for the computer.
- Constant internet connection.
- Adequate training for employees.
- Regular data backup.
- Regular software updates.
- Assistance from software vendor or IT experts.

2.6 Development of Computerized Accounting System and Personal Computer System and Online (Connected) Computer System

Initially, the use of computers for preparing and maintaining accounts was limited to large businesses. However, now, from preparing accounts to their various uses, it has become common even for small and medium-sized businesses.

There are two main types of computerized accounting systems:

(1) Personal Computer System:

According to this system, each employee individually prepares and maintains accounts on their assigned computer according to their assigned tasks. For example, a sales clerk may be given a separate program and computer for sales records, and similarly, a storekeeper for inventory may be given a separate program and a separate computer. In the same way, an accounts clerk is given a separate program and a separate computer. In such circumstances, while preparing accounts, information about different individuals and their departments

has to be obtained, and financial accounts can be prepared under a separate program. In this way, when accounting processes occur through individual computer data entry and data management, the auditor should obtain systematic information about it. Especially in small-scale sole proprietorship and partnership businesses, accounts are prepared through this individual computer system.

(2) Online (Connected) Computer System:

According to this system, most employees prepare and maintain accounts using the same computer system through a LAN. By keeping all computers connected to a single cable online, any information added or reduced in any such connected computer can be easily accessed in all connected computers using any of them. This arrangement is also called a computer link system. According to this, the data entry, data management, and data storage security system are different from the individual computer system. In large-scale government and public enterprises and all types of government offices, railways, banks, insurance, electricity companies, other corporations, trusts, NGOs, private companies, etc., involved in similar accounting operations and public utility services, the online (connected) computer accounting system is used.

2.7 Advantages-Importance of Computerized Accounting System

A Computerized Accounting System (CAS) is a modern accounting method that uses computers and software to record, maintain, and analyze financial transactions. This method offers several advantages compared to traditional manual accounting. The importance of a computerized accounting system becomes clear based on its advantages shown below:

(1) Speed and Efficiency:

Computerized accounting systems automate tasks such as data entry and calculations, saving time and effort. Similarly, reports and financial statements can be generated in minutes, whereas manual systems can take hours or days.

(2) Accuracy:

The possibility of human errors is low in computerized systems, which increases the accuracy of financial data. Also, the software has built-in checks and balances that help in finding and correcting accounting inconsistencies in the data.

(3) Data Security:

Computerized systems provide data backup and recovery options, which protect data from being lost. Security features such as user rights and passwords prevent unauthorized access.

(4) Real-Time Information:

Computerized accounting systems provide real-time financial information, which helps business owners make informed decisions. With the help of a computerized accounting system, important market-based price financial indicators such as income, expenses, profit, and loss can be viewed at any time.

(5) Reporting and Analysis:

Computerized systems can generate various types of reports and financial statements, which help in analyzing the financial performance of the business. Trends, patterns, and unusual deviations can be identified, which helps in taking necessary steps to improve the business.

(6) Scalability:

A computerized accounting system can be easily scaled with the growth of the business. Additional users, features, and modules can be added as business needs change over time.

(7) Cost-Effectiveness:

A computerized system can prove to be cost-effective and saving in the long run. It reduces the human labor and stationery costs required compared to manual accounting.

(8) Improved Compliance:

According to a computerized accounting system, the calculation and payment of taxes become easier, thus helping in complying with tax-related rules. It helps in maintaining proper records and filing and storing various purpose reports on time.

(9) Improved Customer Service:

A computerized accounting system helps in providing faster and more accurate information to customers. It helps in tracking customer invoices, payments, and account balances against receipts.

(10) Remote Access:

Current cloud-based computerized accounting systems provide the convenience and permission to access your financial data anytime and from anywhere. This is ideal for remote cloud-based teams and businesses that operate in multiple locations.

(11) Operation Improvements and Saving:

By adopting a computerized accounting system, businesses can improve their financial operations as well as overall operations, save time and money, and make more improved decisions.

2.8 Disadvantages-Limitations of Computerized Accounting System

Despite the various advantages of a computerized accounting system, some of its disadvantages, given below, can be shown as limitations of this accounting method:

(1) Initial Cost and Maintenance Expenses:

The initial cost of computer hardware, software, and training associated with implementing a computerized accounting system as a system can be significant. Moreover, system maintenance costs are also considerable. This cost can be a barrier for small businesses.

(2) Complexity:

Some accounting software can be complex and requires time and effort to learn. Training the staff involved and operating the system properly can be challenging.

(3) Technical Issues:

Technical issues such as computer viruses, hardware failures, or software errors can cause data loss or system shutdowns. These types of problems can disrupt business operations and also jeopardize data security.

(4) Accounting Fraud, Scams, and Privacy and Lack of Data Security:

If security measures are not taken properly and at the right time, adopting a computerized accounting system can make the situation sensitive for privacy and hacking - data theft due to accounting fraud, accounting scams, and lack of data security. Moreover, the lack of a strong security system to protect some sensitive and important financial information can create problems.

(5) Human Error:

Although software fundamentally reduces errors, human errors can occur during data entry or system setup. These errors can affect the accuracy of financial data.

(6) Software Dependency:

When businesses become too dependent on accounting software, it can create problems in the short term if the software fails or becomes obsolete. In these circumstances, replacing or switching to new software or updating the system can be difficult and expensive.

(7) Training and Support:

The accounting staff needs special training to use the software properly, and in case of technical problems or other questions, the availability of reliable and adequate support is important. The lack of which can increase difficulties.

(8) Internet Dependency:

Cloud-based accounting systems require an internet connection, and slow, weak, inadequate, as well as unreliable internet connections can also create problems for accounting operations.

(9) Data Backup:

Regular data backup is necessary to prevent loss of accounting data, but it can require time, space, and device management.

(10) Lack of Personal Touch, Mental Retardation, Workload, and Work Stress:

A computerized system can create a lack of personal touch, which can significantly affect the thinking and creativity of human resources working in some businesses, hindering personal interest, inclination, and approach. A continuous workload on the computer can become a burden. Ultimately, employees may also experience work stress.

Despite these disadvantages and limitations, with proper planning, necessary training and education, as well as safety and security measures, businesses can cautiously take advantage of the benefits of a computerized accounting system and reduce its limitations.

2.9 Specific Features of Computerized Accounting System with Reference to Accounting

A Computerized Accounting System (CAS) is different and unique in many ways from a traditional manual accounting system. Some of its main features are as follows:

(1) Organization Structure for Data Storage and Management:

Under a computerized accounting system, a business unit has to prepare an organizational structure. According to which:

- * Digital Storage: All financial data is stored in digital format, which is easier, more efficient, and secure compared to paper-based systems.

- * Central Database: All data is stored in a central database, which makes it easy to access and manage data.

- * Data Integrity: That is, the integrity and completeness of accounting information, which ensures that the data remains accurate and consistent, thereby maintaining overall accounting effectiveness.

(2) Automation and Speed:

CAS performs the following functions regarding automation and speed:

- * Automated Transaction Processing: CAS automatically processes transactions using various codes, which determine the name and details about the transaction, thereby saving time and labor.

- * Fast Report Generation: CAS can generate various types of reports quickly and accurately.

- * Real-Time Updates: In CAS, data is updated in real-time as soon as a transaction occurs.

(3) Accuracy and Reliability:

- * Fewer Human Errors: There is less possibility of human errors in CAS, which makes accounting data more accurate.

- * Built-in Checks and Balances: CAS has built-in checks and balances, which help in detecting inconsistencies in the data.

(4) Reporting and Analysis:

CAS can generate various types of financial reports, including the Balance Sheet, Profit and Loss Statement, and Cash Flow Statement, etc.

(5) Analytical Tools:

CAS provides various purpose analytical tools that help in analyzing economic financial data in the business.

(6) Security, Storage, and Control:

* Access Control-Audit Trail: CAS provides control over access. Due to access power (authority) under program control and data security arrangements and storage, only authorized persons or users of the unit can access the data based on the use of passwords. Similarly, CAS maintains a visible audit trail, which keeps a record of all transactions in the computer. When the basic evidence of accounting details seen on the computer screen is sequentially stored internally, if the auditor wants to go to the root of the information and obtain verification and proof about any transaction, the audit trail is the way to know it. For example, if the outstanding amount of an asset is on the screen, then starting from the accounting entry and purchase procedure of that amount, including approval-acceptance, asset depreciation, and details of the account, the detailed verification-evaluation process of each transaction along with the outstanding balance can be viewed and checked visually on the computer itself. This is the audit trail.

Data Backup and Recovery: CAS provides the facility of data backup and recovery, which helps in preventing data loss.

(7) Scalability:

Adaptation with Business Development: CAS can easily measure and draw conclusions about the progress of accounting details with the growth of the business, and in this way, accounting adaptation can be achieved.

(8) Integration and Consistency with Coordination and Intensive Operations:

Coordination, Integration, and Unification with Other Systems: CAS can easily coordinate with other systems within the business system, such as the logical coordination and integration of sales, inventory, and payroll systems, thereby bringing consistency to accounting matters.

Due to these features, a computerized accounting system has become an essential tool for modern businesses.

2.10 Various Types of Frauds Under Computerized Accounting System

Various types of frauds can occur in a computerized accounting system, which are as follows:

(1) Financial and Property-Related Frauds in Data Entry:

- * Entering wrong entries: Fraud can be committed by entering incorrect invoices, receipts, or other financial documents.
- * Modifying entries: Fraud can also be committed by altering previously entered correct entries.
- * Deleting entries: Entries can be deleted to conceal financial transactions.

(2) Frauds with Software:

- * Hacking the software: Data can be altered by hacking the accounting software.
- * Using malware: The system can be infiltrated, and data can be stolen or damaged by using malware.
- * Using fake software: Fraud can be committed by using fake or counterfeit accounting software.

(3) Frauds with Network:

- * Hacking the network: Data can be stolen or damaged by hacking the network.
- * Phishing: Sensitive information such as usernames and passwords can be obtained through phishing.
- * Cyberattack: The system can be damaged or data can be stolen through cyberattacks.

(4) Other Frauds:

- * Frauds by employees: Fraud can be committed by company employees by creating fake invoices, bills, receipts, etc., or by stealing money.
- * Frauds by customers: Fraud can be committed by customers by giving fake checks or providing false information.

* Frauds by vendors: Fraud can be committed by vendors by creating fake bills or supplying less goods.

Measures or Control Systems to Prevent Fraud:

* Use strong passwords: Strong passwords should be used for accounting software and systems so that any type of information in the computer cannot be easily altered or defrauded in any way, individually or collectively, or through cyber fraud.

* Take regular backups: Data should be backed up regularly so that it can be restored even if data is lost.

* Use antivirus and anti-malware software: Antivirus and anti-malware software should be used to protect the system from viruses and malware.

* Keep accounting software updated: Accounting software should be updated regularly so that security-related issues can be resolved.

* Train employees: Employees should be trained on accounting procedures and security.

* Conduct EDP audit: Electronic Data Processing audit should be conducted regularly to reduce the possibility of fraud.

In addition, companies should strengthen internal controls and continuously monitor to detect fraud.

2.11 Internal Control in Computerized Accounting System – Importance, Components, and Maintenance Functions

The Importance and utility of internal control in a computerized accounting system are undeniable. Internal control is a process implemented by an organization's management, a system adopted to ensure the reliability of financial reports, the effectiveness and efficiency of operations, and compliance with applicable laws and regulations. This becomes clear based on the following detailed discussion.

(1) Accuracy and Reliability of Financial Information: Internal control ensures that financial information is accurate, complete, and reliable.

(2) Prevention of Fraud and Errors: A strong internal control system helps prevent fraud and errors, which can lead to financial loss and damage to reputation.

(3) Protection of Assets: Internal control helps protect the organization's assets from theft, misuse, and damage.

(4) Legal and Regulatory Compliance: Internal control ensures that the organization complies with applicable laws and regulations.

(5) Efficiency and Effectiveness of Operations: Internal control helps improve the effectiveness and efficiency of the organization's operations.

The components of internal control in a computerized accounting system are as follows:

(1) Control Environment: Promoting integrity and ethical values among the organization's employees. For which officers-employees

(2) Risk Assessment: Identifying and evaluating risks that affect the organization's objectives.

(3) Control Activities: Policies and procedures implemented to mitigate risks.

(4) Information and Communication: Providing the organization's employees with the information they need to perform their duties.

(5) Monitoring Activities: Regularly evaluating the effectiveness of the internal control system.

Internal Control Maintenance Functions in Computerized Accounting System:

(1) Data Entry Controls: Using validation checks and other controls to prevent errors during data entry.

(2) Access Controls: Granting access to sensitive data and system functions only to authorized employees.

(3) Audit Trails: Maintaining a record of all transactions and system activities.

(4) Backup and Recovery Procedures: The ability to recover data in case of data loss or system failure.

(5) Regular System Audits: Conducting independent audits at regular intervals to evaluate the effectiveness of the internal control system.

Thus, a strong internal control system in a computerized accounting system is an essential function for the financial reliability and success of an organization.

2.12 Grouping and Coding of Accounts According to Computerized Accounting System

Grouping and coding of various accounts is an important process in a computerized accounting system. This process helps in managing financial data in an organized and easy manner.

Grouping of Accounts (Grouping):

Here, based on the key fundamental rules of the accounting system, accounts are arranged under appropriate groups according to their inherent nature, with the purpose of classifying them according to their type and nature. This makes ledgers, journals, voucher entries easier and simplifies the preparation of financial statements (such as the profit and loss account and balance sheet) based on them.

According to the grouping process, it becomes easier to analyze and interpret financial data from the accounting information used to prepare financial statements.

- According to the grouping process, accounts are divided into main groups, such as:
 - Assets
 - Liabilities
 - Equity
 - Revenue
 - Expenses

Each main group can be further divided into subgroups. For example, assets can be classified as Current Assets, Non-Current-Fixed Assets, and Fictitious Assets.

Similarly, Liabilities can be grouped into Current Liabilities and Non-Current-Long-Term Liabilities.

- **Benefits of Grouping/*Samuhkaran*:**

Clarity and consistency of financial-accounting data are maintained. Easy preparation of financial statements is possible. Effective analysis of financial data becomes possible.

- **Coding (*Sagnakaran*):**

This means assigning a unique code to each account, which is usually a combination of numbers or letters. The purpose of this is for the computer to recognize each account with a specific code and follow this identification during data entry. Therefore, the coding process is done to create Head, Sub-Head, and Sub-Sub-Head groups to bring speed, accuracy, and consistency to data entry and processing. This makes it easy to maintain the accuracy and information of the data entry operator. The coding process is designed as a system that reflects the type and subtype of the account.

- **Coding (*Sagnakaran*) Example:**

Assets: 1000 to 1999.

Liabilities: 2000 to 2999.

Expenses: 4000 to 4999.

Revenues: 3000 to 3999.

- **Benefits of Coding (*Sagnakaran*):**

Speed and accuracy in data entry are achieved. Efficiency in data processing increases. Easy analysis and reporting of data can be done.

Importance of Grouping and Coding in Computerized Accounting System:

- In a computerized accounting system, grouping and coding form the basis of database management.
- It helps in storing, retrieving, and analyzing financial data in an organized manner.
- It helps in automating the preparation and analysis of financial reports.
- It makes financial accounts more streamlined.

2.13 Systematic Sequential Maintenance of Ledgers and Accounting Reports According to Computerized Accounting System

The systematic sequential maintenance of ledgers and accounting reports in a computerized accounting system is as follows:

After the grouping process and coding, according to the business needs, the operation of making each ledger, journal, ledger account, and head groups, sub-groups, suitable for voucher entry after symbolic arrangement for italic or any other identifying naming and sub-naming of various types of ledgers through head groups, sub-groups, is called systematic sequential maintenance of ledgers, through which effective control can be maintained, and desired reports or accounting information will be available. The following points need to be considered for systematic sequential maintenance of ledgers.

- **Data Entry:** In a computerized system, it is necessary to accurately enter the data of financial transactions. Each transaction is debited and credited to the appropriate account. According to the classification of accounts, various accounts are classified in the ledger, such as income, expenses, assets, and liabilities. Each account is given an appropriate code, which simplifies data entry and reporting.
- **Database Management:** In a computerized system, financial data is stored in a database. It is necessary to back up the database regularly to avoid data loss.
Regular Update: It is necessary to update the ledgers regularly so that financial information is always up-to-date. The system should have an automatic update facility.

- **Audit Trail:** In a computerized system, it is necessary to have an audit trail for every transaction so that transactions can be easily investigated. An audit trail means a sequential chain of evidence from the last entry of when and by whom which transaction was made, back to every previous sequential supporting document.

Accounting Reports in Computerized Accounting System:

The systematic sequential maintenance of ledgers and accounting reports in a computerized accounting system can be obtained as follows:

(1) Trial Balance:

The trial balance shows the debit and credit balances of all accounts in different ledgers as closing balances. It is useful for checking the equality of debit and credit balances based on the ledgers.

(2) Profit and Loss Account:

The profit and loss account shows the profit or loss derived by deducting business expenses and other expenses from the business's sales and other revenues for a specific period. It shows the details of various incomes and various expenses in the form of notes based on specific heads, sub-heads, as well as sub-sub-heads from the balances of various ledgers.

(3) Balance Sheet:

The balance sheet shows the financial position of the business on a specific date. It shows the details of equity, liabilities, and various assets.

(4) Cash Flow Statement:

The cash flow statement shows the inflow and outflow of cash-bank from the business's operating activities, investing activities, and financing activities during a specific period. It helps in analyzing the positive and negative impact on the cash flow due to various activities of the business.

(5) Accounting Other Reports:

In a computerized system, various other types of reports can also be prepared, such as the list of debtors, the list of other receivables, the list of creditors, the

list of other payables, sales ledger reports, purchase ledger reports, tax-related reports (including GST), etc.

In this way, the systematic sequential arrangement and maintenance of ledgers, through a computerized accounting system, helps in maintaining and analyzing the financial information of the business in the form of organized accounts.

2.14 Computerized Accounting System: Different Software (Packaging) and its Selection

The selection of various software (packaging) under a computerized accounting system depends on the size, needs, and budget of the business. Detailed information about some useful and popular software and how to choose them is given below:

(1) Tally ERP 9:

This is a very popular and widely used software. It is suitable for small and medium-sized businesses. It offers various features including accounting, inventory management, taxation, and payroll.

(2) Busy Accounting Software:

This software is also suitable for small and medium-sized businesses. It offers various features including accounting, inventory management, production, and sales management.

(3) Marg ERP 9+:

This software is specially designed for businesses in the pharmaceutical, retail, and distribution sectors. It is a useful and popular software that offers various features including inventory management, sales management, taxation, and reporting.

(4) Zoho Books:

This is a cloud-based accounting software suitable for small businesses and freelancers. It offers various features including invoicing, expense tracking, bank reconciliation, and reporting.

(5) QuickBooks:

This is also a popular accounting software suitable for small and medium-sized businesses. It offers various features including accounting, payroll, inventory management, and reporting.

Things to consider when selecting software:

- * Determine the needs of the business.
- * Plan for the accounting-related operations according to the specific needs of the business.
- * Decide which key/important features are needed, such as – payroll, inventory management, taxation, cost accumulation, investment management, loan management, profit planning, etc.
- * Consider the cost-budget of the software, the validity of the software license, ease of use, and support costs.
- * Staff will need training and support to use the software.
- * Good support and training should be provided by the software vendor. They should be helpful in resolving technical issues.
- * Cloud-based or Desktop: Cloud-based or desktop software should be selected according to business needs.
- * Cloud-based software can be accessed from anywhere, while desktop software can only be installed on one computer.
- * Other features: Consider whether the software offers additional features such as mobile applications, bank integration, and integration with other business tools.

In this way, before selecting accounting software, it is important to compare the various available options and use a demo or trial version.

2.15 Brief Preliminary Introduction about Tally Accounting Software: (Meaning – Characteristics – Writing Accounts using Tally):

Tally Accounting Software is a comprehensive and popular accounting software used in small and large businesses to manage financial transactions.

(1) Meaning and Development of Tally:

TALLY is an acronym for “Transactions Allowed in a Linear Line Yards”. It is very famous as an accounting software and extremely popular in the accounting world. Tally accounting software was first created and made available in the market in 1988. Its main objective was to uniformly, easily, and efficiently record (record) and control (manage) economic financial transactions in the form of accounts according to the sound principles of the double-entry bookkeeping system, accounting rules and standards, applicable legal provisions, and customs-practices.

The journey of Tally accounting software has been marked by various versions, each new Tally version bringing its own unique features, improvements, and specific uses. Here is an outline of some of the main versions of Tally’s development:

Various Versions:

- * Tally 4.5: This was the initial version of Tally, which provided basic accounting functions.
- * Tally 5.4: Inventory management and other features were introduced in this version.
- * Tally 6.3: In this version, the Windows interface was introduced, which made Tally more user-friendly.
- * Tally ERP 9: This was a comprehensive version of Tally, which provided a wide range of features for accounting, inventory, taxation, and other business functions. It was regularly updated with updates to comply with GST and other legal requirements. This version became very popular in India.
- * Tally Prime: This is the latest version of Tally, which focused on simplifying and improving the user experience. It has a simpler and more intuitive interface,

making it easier for new users to learn. It offers improved features for reporting and data management. Tally Prime is constantly updated, and new improvements are added to it.

✓ **Key Differences According to Tally Versions:**

- * **User Interface:** Tally Prime has a more modern and user-friendly interface compared to older versions.

- * **Functionality:** With each new version, Tally has added more features and functions, which helps businesses manage their financial transactions more effectively.

- * **Legal Compliance:** Tally is regularly updated to be consistent with Indian tax laws and other legal requirements.

Thus, Tally software is constantly being updated, so the classes using it should always be updated with it. Currently, Tally Prime 9 is the latest revised version.

(2) Characteristics of Tally:

Under the computerized accounting system, Tally accounting software has the following various characteristics:

- * **Comprehensive Accounting:** Tally has tools available to record sales, purchases, income, expenses, taxes, banking, and other financial transactions.

- * **Inventory Management:** Tally is also useful for stock, inventory, and production management.

- * **Taxation:** GST, TDS, and other taxes can be easily calculated and reported according to Indian tax laws.

- * **Payroll Management:** Tally helps in managing employee salaries, allowances, and deductions.

- * **Reporting:** Tally can prepare various types of financial reports, such as trading and profit & loss account, balance sheet, cash flow statement, and tax returns, etc.

* Data Security: Tally provides various security arrangements and security features to keep data secure.

* Ease of Use: Tally's user interface is simple, secure, and user-friendly.

(3) Writing Accounts Using Tally:

Accounts can be prepared using Tally accounting software by keeping the following primary sequential points in mind:

1) Creating a Company:

In Tally, first, it is necessary to create a company by entering the company information. The points for creating a company in Tally are as follows:

* Start Tally: Open the Tally software on the computer.

* Create Company: In the main menu of Tally, select the "Create Company" option.

* Select Directory: Select the folder where this company's data is to be saved.

* Now Enter the Company Details: Including,

* Company Name.....

- Mailing Name....

- Address....

- Country....

- State....

- Pin Code....

- Telephone Number....

- Mobile Number....

- Fax Number....

* Email Address.....

* Financial Year Begin From

* Books Beginning From

* Now Enter the Books Details: Including,

* Currency Symbol

* Formal Name of Currency

* Security Control: Data security control can be enabled. For this, set the “Security Control” option to “Yes” and enter a username and special password.

* Other Features: Such as,

* Use the Tally Vault Password.

- Use Security Control.
- Use Tally Audit Features.
- Add Base Currency Symbol.
- Show Amount in Add Space Between Amount & Symbol.

* Show Amount in Millions.

- After entering all the details, click on the “Accept” button.

Tally will create the company in this way and take you to the main menu of the company. By following these steps, in short, a company can be easily created in Tally.

2) Creating Ledgers:

In Tally accounting software, various types of ledgers (accounts) are created according to the company’s form and needs, which are useful for recording the financial transactions of the business. Here is a list of some important ledgers as follows:

- Assets:
- Cash Account
- Bank Account
- Furniture And Fittings

- Machinery
- Land and Building
- Debtors
- * Stock etc.
- Liabilities:
- Creditors
- Loans
- * Unpaid Expenses Payable
- * Equity/Capital Account
- * Income:
- * Sales Account
- Commission Income
- Interest Income
- * Etc.
- Expenses:
- Purchase Account
- Salary Account
- Rent Account
- Electricity Expenses
- Advertisement Expenses
- * Travelling Expenses
- Taxes:
- GST Account
- * TDS Account

- Other Ledgers:
- Drawings Account
- Discount Account
- Round Off Account

Apart from these ledgers, other ledgers can also be created as per the needs of the business. In Tally, ledgers are classified into groups, which makes it easier to prepare financial reports.

3) Entering Vouchers:

Entering vouchers in Tally is the basic process of recording financial transactions. Here are the steps to enter vouchers in Tally and information on various types of vouchers.

How to Enter Vouchers in Tally:

- * Start Tally: First, open the Tally software and select your company.
- * Go to Voucher Entry: On the Gateway of Tally, select the “Vouchers” option.
- * Select the Appropriate Voucher: Select the appropriate “Voucher Type and Corresponding Key” according to the transaction to be recorded. (Explanation of which is given separately below.)
- * Enter Details: Enter the date, party name, ledger accounts, amount, and other necessary details in the voucher.
- * Accept: After entering the details, click on the “Accept” button to save the voucher.

Types of Vouchers and F Keys in Tally:

- * Contra Voucher (F4): Used for bank and cash transactions. Example: Depositing cash into a bank or withdrawing cash from a bank.
- * Payment Voucher (F5): Used for payment-related transactions. Example: Making payments to creditors or paying expenses.

* Receipt Voucher (F6): Used for income-related transactions. Example: Receiving money from debtors or receiving income.

* Journal Voucher (F7): Used for adjustment entries and other non-cash transactions. Example: Bad debts, write-offs, or depreciation entries.

* Sales Voucher (F8): Used for sales-related transactions. Example: Selling goods.

* Purchase Voucher (F9): Used for purchase-related transactions. Example: Purchasing goods.

* Debit Note: That is, this voucher is used when goods purchased are returned or are damaged.

* Credit Note: That is, this voucher is used when goods sold are returned or are damaged.

Things to Keep in Mind While Making Voucher Entries:

- * Select the specific ledger accounts.
- * Enter the correct amount.
- * Enter the date and other details correctly.
- * Select the appropriate voucher type for each transaction.

Entering vouchers in Tally systematically records financial transactions, in addition to which tax calculations and tax-related accounts can be prepared. It simplifies the preparation of financial statements according to accounting financial statements (reporting).

2.16. Conclusion

With the trade development of commerce and industry, the branches of accounting have also developed, such as,

- Financial Accounting Branch
- Cost Accounting Branch

- Management Accounting Branch
- Taxation Accounting Branch
- Cloud Accounting Etc.

Based on the Tally accounting system, software related to all three accounting branches is easily available, and in this way, software can be easily changed. In the accounting and auditing fields, the accounts prepared and presented based on Tally have proven to be very easy for preparing, presenting financial reports, and conducting accounting audits through Tally itself. Special software in Tally also helps in analyzing the financial position of a business. In this way, Tally accounting software is an essential tool for small and large businesses, which is a simple and efficient management tool for financial transactions.

❖ Exercise

(I) Theoretical Questions:-

Write detailed answers to the following questions.

1. Discuss the meaning and characteristics of a computerized accounting system.
2. Explain the difference between a computer-based accounting system and a human-based accounting system.
3. Explain the factors responsible for the need for a computerized accounting system.
4. State the necessary aspects for adopting a computerized accounting system and discuss the various types of accounting machines.
5. Describe the development of a computerized accounting system in detail.
6. State the advantages of a computerized accounting system and discuss its importance.
7. State the limitations and disadvantages of a computerized accounting system.
8. Explain fraud in a computerized accounting system and explain the overall internal control system.

9. Explain the specific characteristics of a computerized accounting system with reference to accounting.
10. What is the grouping process and codification of various accounts under a computerized accounting system? Explain.
11. How will you systematically maintain ledgers in a computerized accounting system? Explain.
12. Explain accounting reports according to a computerized accounting system.
13. List various accounting software and discuss the points to consider while selecting software.
14. Give a brief introductory overview of Tally accounting software.
15. Describe the process required to prepare Accounts using Tally.

(II) Short Answer Questions:-

Answer the following short questions.

1. What is a computerized accounting system?
2. What is the main objective of a computerized accounting system?
3. What are the main differences between human-based and computer-based accounts? State two identifications or characteristics of a computerized accounting system.
4. List the factors responsible for a computerized accounting system.
5. Name any five accounting machines-devices for a computerized accounting system.
6. What is the main difference between a personal computer system and an online computer system?
7. List the advantages of a computerized accounting system.
8. State the main limitations of a computerized accounting system.
9. Write the names of three disadvantages of a computer accounting system.

10. How does a computer accounting system simplify accounting?
11. State any four types of fraud under a computerized accounting system.
12. How can one avoid fraud in a computerized accounting system?
13. What are the components for internal control in a computerized accounting system?
14. List the maintenance functions of internal control in a computerized accounting system.
15. Give two examples of grouping (categorization) of accounts according to a computerized accounting system.
16. How are codes assigned to accounts in a computerized accounting system? Briefly explain.
17. What is the maintenance of ledgers according to a computerized accounting system? Briefly state.
18. Briefly describe the importance of accounting reports in a computerized accounting system.
19. Give the names of different software (packaging) under a computerized accounting system.
20. Give the meaning of Tally accounting software.
21. Write the names of the features of Tally accounting software.
22. Write a short note on Tally software.

(III) Multiple Choice Questions (MCQs)-(With Answers):-

MCQs:

- (1) What is the main advantage of a computerized accounting system?
- | | |
|------------------------|----------------------------|
| (A) Speed and accuracy | (B) Less space requirement |
| (C) Easily shareable | (D) All of the above |

Answer: (D) All of the above

- (2) Which problem is more common in human-based accounts?
(A) Possibility of errors (B) More time required
(C) More space required (D) All of the above
Answer: (D) All of the above
- (3) How can information be kept secure in computer-based accounts?
(A) By password (B) By encryption
(C) By backup (D) All of the above
Answer: (D) All of the above
- (4) What type of software is used in a computerized accounting system?
(A) Accounting software (B) Spreadsheet software
(C) Database software (D) All of the above
Answer: (D) All of the above
- (5) How can information be easily shared in computer-based accounts?
(A) By email (B) By cloud storage
(C) By file sharing (D) All of the above
Answer: (D) All of the above
- (6) How is information stored in a computerized accounting system?
(A) On paper (B) In computer files
(C) In books (D) In the mind
Answer: (B) In computer files
- (7) What is the main advantage of a computerized accounting system?
(A) Slow calculation (B) Low accuracy
(C) Fast and accurate Calculation (D) Complex process
Answer: (C) Fast and accurate calculation
- (8) How is data entry done in a computerized accounting system?
(A) By hand (B) By keyboard
(C) By pen (D) By calculation
Answer: (B) By keyboard

(9) Which software is used in a computerized accounting system?

- (A) Paint (B) Word (C) Tally (D) Photoshop

Answer: (C) Tally

(10) How is information secured in a computerized accounting system?

- (A) By writing on paper (B) By password
(C) By keeping it open (D) By forgetting it

Answer: (B) By password

(11) How are reports generated in a computerized accounting system?

- (A) By writing by hand (B) Automatically
(C) By speaking orally (D) By remembering

Answer: (B) Automatically

(12) How can errors be corrected in a computerized accounting system?

- (A) By erasing (B) By rewriting
(C) By editing (D) By forgetting

Answer: (C) By editing

(13) Why is data backup necessary in a computerized accounting system?

- (A) To avoid data loss (B) To forget data
(C) To delete data (D) To change data

Answer: (A) To avoid data loss

(14) What types of reports are generated in a computerized accounting system?

- (A) Financial reports (B) Sales reports
(C) Purchase reports (D) All of the above

Answer: (D) All of the above

(15) What should be kept in mind while entering data in a computerized accounting system?

- (A) Accuracy (B) Speed
(C) Security (D) All of the above

Answer: (D) All of the above

(16) Which of the following is not essential for a computerized accounting system?

- (a) Computer hardware (b) Accounting software
(c) Accounting knowledgeable Employees (d) File cabinet

Answer : (d) File cabinet

(17) Which of the following is not an accounting machine-device?

- (a) Computer (b) Printer (c) Scanner (d) Telephone

Answer : (d) Telephone

(18) Whose data is not necessary to store in a computerized accounting system?

- (a) Various files (b) Data
(c) Calculator calculation (d) Cash reports

Answer : (c) Calculator Calculation

(19) What is the use of a barcode reader?

- (a) To print documents (b) To scan documents
(c) To read the price and other Information of products
(d) To perform calculations

Answer : (c) To read the price and other information of products

(20) What is the use of a cash register?

- (a) To print documents (b) To scan documents
(c) To record cash transactions (d) To perform calculations

Answer : (c) To record cash Transactions

(21) What is the main advantage of a computerized accounting system?

- (a) More expensive than manual accounting
(b) Higher possibility of errors

(c) Speed and accuracy

(d) Less security

Answer: (c) Speed and Accuracy

(22) In a computerized accounting system, where is data stored?

(a) Paper files (b) Computer database

(c) Human mind (d) Notebook

Answer: (b) Computer database

(23) Which function can be automated in a computerized accounting system?

(a) Data entry (b) Preparation of financial Reports

(c) Auditing (d) All of the above

Answer: (d) All of the above

(24) Which tool is important for the security of a computerized accounting system?

(a) Pen and paper (b) Firewall and antivirus Software

(c) Calculator (d) Notepad

Answer: (b) Firewall and Antivirus software

(25) In a computerized accounting system, why is data backup important?

(a) To prevent data loss (b) To slow down data

(c) To make data more Complex (d) To make data irrelevant

Answer: (a) To prevent data Loss

(26) In a computerized accounting system, how can users be controlled?

(a) By usernames and Passwords through

(b) By giving everyone the Same access

(c) Without any control

(d) Through paper files

Answer: (a) By usernames and Passwords through

(27) Which is not an advantage in a computerized accounting system?

- (a) Less time and labor
- (b) Improved accuracy
- (c) Additional security
- (d) High installation cost

Answer: (d) High installation cost

(28) What data is input in a computerized accounting system?

- (a) Financial transactions
- (b) Customer information
- (c) Inventory details
- (d) All of the above

Answer: (d) All of the above

(29) What types of reports can be prepared in a computerized accounting system?

- (a) Financial statements
- (b) Sales reports
- (c) Inventory reports
- (d) All of the above

Answer: (d) All of the above

(30) In a computerized accounting system, how can the accuracy of data be ensured?

- (a) By data validation checks
- (b) By ignoring data
- (c) By changing data
- (d) By deleting data

Answer: (a) By data validation checks

(31) Which of the following is a type of fraud in a computerized accounting system?

- (a) Data fraud
- (b) Program fraud
- (c) Computer file fraud
- (d) All of the above

Answer: (d) All of the above

(32) Which of the following is not a component of internal control in a computerized accounting system?

- (a) Control environment
- (b) Risk assessment
- (c) Control activities
- (d) Cash sales department

Answer: (d) Cash sales department

(33) Which is a maintenance function of internal control in a computerized accounting system?

- (a) Data security
- (b) Program security
- (c) Computer system security
- (d) All of the above

Answer: (d) All of the above

(34) What step should be taken to prevent fraud in a computerized accounting system?

- (a) Take data backup.
- (b) Provide special training to employees.
- (c) Conduct regular audits.
- (d) All of the above

Answer: (d) All of the above

(35) What term is used to group accounts in a computerized accounting system?

- (a) Classification
- (b) Codification
- (c) Coding
- (d) Chart of Accounts

Answer: (d) Chart of Accounts

(36) Which of the following is an example of an account group?

- (a) Cash
- (b) Sales
- (c) Liabilities
- (d) Salary

Answer: (c) Liabilities

(37) What is the main purpose of coding in computerized accounting?

- (a) To make accounts easier to remember
- (b) To quickly identify and retrieve accounts
- (c) To keep accounts secure
- (d) To make accounts beautiful

Answer: (b) To quickly identify and retrieve accounts

(38) Which of the following is an example of coding?

- (a) Cash account
- (b) 1001
- (c) Income
- (d) Bank account

Answer: (b) 1001

(39) What is the importance of account grouping in computerized accounting?

- (a) Helps in preparing financial statements
- (b) Makes data entry faster

- (c) Keeps accounts secure
- (d) Makes accounts beautiful

Answer: (a) Helps in preparing financial statements.

(40) Which coding method uses numbers in computerized accounting?

- (a) Alphabetic coding (b) Numeric coding
- (c) Alpha-numeric coding (d) Symbolic coding

Answer: (b) Numeric coding

(41) Who prepares the chart of accounts in computerized accounting?

- (a) Accountant (b) Auditor
- (c) Management (d) Software developer

Answer: (a) Accountant

(42) What is the main advantage of coding in computerized accounting?

- (a) Reduces errors in data entry
- (b) Makes accounts easier to remember Makes
- (c) Keeps accounts secure
- (d) Makes accounts beautiful

Answer: (a) Reduces errors in data entry

(43) What is the main objective of account grouping in computerized accounting?

- (a) To simplify financial information
- (b) To keep accounts secure
- (c) To make accounts beautiful
- (d) To speed up data entry

Answer: (a) To simplify financial information

(44) Which coding method is used in computerized accounting that uses both letters and numbers?

- (a) Alphabetic coding (b) Numeric coding
- (c) Alpha-numeric coding (d) Symbolic coding

Answer: (c) Alpha-numeric coding

(45) What is the main advantage of maintaining ledgers in computerized accounting?

- (a) Fast retrieval of information
- (b) Saving paper
- (c) Reducing errors in data entry
- (d) All of the above

Answer: (d) All of the above

(46) Which ledger is automatically prepared in computerized accounting?

- (a) Cash ledger
- (b) Sales ledger
- (c) General ledger
- (d) All of the above

Answer: (d) All of the above

(47) What is the importance of accounting reports in computerized accounting?

- (a) Analysis of financial position
- (b) Helpful in decision making
- (c) Evaluation of business performance
- (d) All of the above

Answer: (d) All of the above

(48) Which of the following is an example of an accounting report?

- (a) Profit and loss account
- (b) Balance sheet
- (c) Cash flow statement
- (d) All of the above

Answer: (d) All of the above

(49) Which facility is available in the maintenance of ledgers in computerized accounting?

- (a) Data backup
- (b) Data recovery
- (c) Data audit
- (d) All of the above

Answer: (d) All of the above

(50) In what form can accounting reports be prepared in computerized accounting?

- (a) Printed reports
- (b) Digital reports
- (c) Graphical reports
- (d) All of the above

Answer: (d) All of the above

(51) Which security feature is not available in the maintenance of ledgers in computerized accounting?

- (a) User access control (b) Data encryption
- (c) Audit trail (d) Data subscription

Answer: (d) Data subscription

(52) At what time frequency can accounting reports be prepared in computerized accounting?

- (a) Daily (b) Weekly (c) Monthly (d) All of the above

Answer: (d) All of the above

(53) Which facility in the maintenance of ledgers in computerized accounting simplifies data entry?

- (a) Automatic calculation (b) Data validation
- (c) Templates (d) All of the above

Answer: (d) All of the above

(54) Who can use accounting reports in computerized accounting?

- (a) Management (b) Investors
- (c) Creditors (d) All of the above

Answer: (d) All of the above

(55) What type of software is used in a computerized accounting system?

- (A) Spreadsheet software (B) Database software
- (C) Accounting software like Tally (D) All of the above

Answer: (D) All of the above

(56) What points should be considered while selecting accounting software?

- (A) Company size and needs (B) Software cost and features
- (C) Software ease and Usability (D) All of the above

Answer: (D) All of the above

(57) What type of software is Tally?

- (A) Spreadsheet software
- (B) Database software
- (C) Accounting software
- (D) Presentation software

Answer: (C) Accounting software

(58) What are the advantages of a computerized accounting system?

- (A) Fast and accurate accounting
- (B) Easy availability of information
- (C) Less human effort
- (D) All of the above

Answer: (D) All of the above

(59) What is the limitation of a computerized accounting system?

- (A) Cost of software and hardware
- (B) Lack of data security
- (C) Less Human attempts
- (D) All of the above

Answer: (D) All of the above

(60) What is a limitation of a computerized accounting system?

- (A) Cost of software and hardware
- (B) Lack of data security
- (C) Need for training employees
- (D) All of the above

Answer: (D) All of the above

(61) Which of the following is not an accounting software?

- (A) Tally
- (B) QuickBooks
- (C) Microsoft Excel
- (D) Zoho Books

Answer: (C) Microsoft Excel

(62) What is the advantage of cloud-based accounting software?

- (A) Access to data from anywhere and at any time
- (B) Automatic data backup

(C) Ease of updates and maintenance

(E) All of the above

Answer: (D) All of the above

(63) Which accounting software is suitable for small businesses?

(A) Tally (B) QuickBooks

(C) Zoho Books (E) All of the above

Answer: (D) All of the above

(64) Which accounting software is suitable for large businesses?

(A) SAP (B) Oracle Financial Cloud

(C) Microsoft Dynamics 365 (D) All of the above

Answer: (D) All of the above

(65) What matter should be given the most importance while selecting accounting software?

(A) Cost of the software

(B) Features of the software

(C) Security of the software

(D) Ease of use of the software

Answer: (C) Security of the software

(66) What is Tally among the following?

(a) An accounting software (b) A spreadsheet software

(c) A word processing software (d) A gaming software

Answer: (a) An accounting software

(67) What is the use of Tally?

(a) To manage financial transactions (b) To analyze data

(c) To manage inventory (d) All of the above

Answer: (d) All of the above

(68) What is a voucher in Tally?

- (a) A document of financial transactions (b) A report
- (c) A graph (d) A formula

Answer: (a) A document of financial transactions

(69) How many types of vouchers are there in Tally?

- (a) 2 (b) 5 (c) 8 (d) 10

Answer: (a) 2

(70) What are the two types of vouchers in Tally?

- (a) Accounting voucher and inventory voucher
- (b) Sales voucher and purchase voucher
- (c) Payment voucher and receipt voucher
- (d) Debit voucher and credit voucher

Answer: (a) Accounting voucher and inventory voucher

(71) Which voucher is used to record sales in Tally?

- (a) Sales voucher (b) Purchase voucher
- (c) Payment voucher (d) Receipt voucher

Answer: (a) Sales voucher

(72) Which voucher is used to record purchases in Tally?

- (a) Sales voucher (b) Purchase voucher
- (c) Payment voucher (d) Receipt voucher

Answer: (b) Purchase voucher

(73) Which voucher is used to record payments in Tally?

- (a) Sales voucher (b) Purchase voucher
- (c) Payment voucher (d) Receipt voucher

Answer: (c) Payment voucher

(74) Which voucher is used to record receipts in Tally?

- (a) Sales voucher (b) Purchase voucher
- (c) Payment voucher (d) Receipt voucher

Answer: (d) Receipt voucher

(75) Which voucher is used for physical stock verification in Tally?

- (a) Physical Stock Verification (b) Material In and Material Out Vouchers.
- (c) Delivery Note. (d) Receipt Note

Answer: (a) Physical Stock Verification.

3.1 Introduction**3.2 Definition****3.3 Salient features of GST in India****3.4 Types of GST****3.5 Salient features of GST****3.6 Benefits of GST****3.7 Rate of GST****❖ Exercise**

3.1 Introduction

Goods and services GST was introduced in India to simplify the complex indirect tax structure, replacing several central and state taxes (such as VAT, excise, service tax) with a single unified tax. Its purpose:

1. Elimination of tax cascading through Input Tax Credit (ITC).
2. Removing trade barriers between states by creating a common national market.
3. Enhancing compliance and transparency through the digital GSTN portal.
4. Reduce illegal activity in tax payments from a streamlined, technology-based system.
5. Promote ease of doing business by simplifying tax filing.

Implemented from July 1, 2017, GST accelerates economic growth, makes taxation more efficient, reduces business costs and ensures equitable revenue distribution between Centre and States.

3.2 Definition

Goods and Services Tax according to the Indian Act

Goods and Services Tax in India is a comprehensive, multi-stage, destination-based indirect tax levied on the supply of goods and services across the country. It was enacted by the Constitution (101st Amendment) Act, 2016 and came into effect from July 1, 2017, which replaced several taxes such as VAT, excise duty, service tax, etc.

As per the CGST Act, 2017

As per Section 2 (52) of the Central Goods and Services Tax (CGST) Act, 2017, the definition of GST is as follows:

"Goods and Services Tax means any tax levied on the supply of goods or services, or both, except a tax on alcohol for human consumption."

3.3 Salient features of GST in India

1. The dual GST model.

CGST (Central GST) is levied on intra-state supplies by the central government.

SGST (State GST) is levied on intra-state supplies by state governments.

IGST (Integrated GST) is levied by the central government on inter-state supplies and imports.

2. Multi-stage taxation

GST is levied at every stage of production, distribution and consumption, with a credit for tax paid at an earlier stage (input tax credit).

3. Destination-based tax

Taxes are collected by the state where the goods or services are consumed, not by the state where they are manufactured.

4. Four-tier tax structure

0% (basic requirements)

5% (items of common use)

o 12% and 18% (standard rates)

- o 28% (luxury and harmful products)

5. Input Tax Credit (ITC)

- o Businesses can take credit for GST paid on inputs, thereby reducing the cascading effect of tax.

6. The GST Council.

A constitutional body (Article 279A) that determines tax rates, exemptions and amendments.

3.4 Types of GST

1) Central GST (CGST)

- Provided by: Central Government
- Applicable area: On supplies (intra-state) originating in the same state
- Recovery: Goes to the revenue of the central government.

Example: If the goods are sold from Mumbai to Mumbai only, then CGST + SGST is applicable.

2) State GST (SGST)

- Applicant: State Government
- Applicable area: On supplies (intra-state) originating in the same state
- Reimbursement: Received by the respective state government.

Example: If goods are sold from Ahmedabad to Ahmedabad, SGST + CGST will be charged.

3) IGST (Integrated GST)

- Provided by: Central Government
- Applicable area: On supply (inter-state) and import-export between two different states.
- Recovery: Recovery by the Centre, then distribution to the states.
- Example: If the goods are sent from Gujarat to Maharashtra, only IGST will be charged.

4) Union Territory GST (UTGST)

- Applicants: Union Territories (such as Delhi, Chandigarh)
- Applicable Area: Intra-Territory supply to Union Territories.
- Recovery: Goes to the exchequer of the Union Territory.
- Example: If the service is provided from Delhi to Delhi, CGST + UTGST will be charged.

3.5 Salient features of GST

1. Unified tax structure: GST replaces multiple central and state taxes such as VAT, service tax, excise duty and others, bringing them under one umbrella.
2. Multi-stage tax: GST is levied at every stage of the supply chain from the producer to the consumer. However, it is a destination-based tax, meaning the tax is collected by the state where the goods or services are consumed.
3. Input Tax Credit (ITC) Businesses can claim credit for tax paid on inputs (raw materials, services) which can be set off against tax payable on output (finished goods / services). This prevents the cascading effect of taxes.
4. GST Council: A governing body consisting of representatives of both the central and state governments to ensure a uniform tax structure and resolve any issues related to GST implementation.

3.6. Benefits of GST

1. Simplification of the tax structure

GST It replaces multiple indirect taxes levied by the central and state governments with a single, unified tax, which simplifies the tax structure. Businesses now deal with a single tax authority, reducing the complexity and administrative burden associated with multiple tax filings.

2. Elimination of cascading effect of taxes

GST allows businesses to claim credit for taxes paid on inputs, which can be set off against taxes on output, thus preventing the cascading effect of taxes (tax on tax).

3. Increase transparency and reduce tax evasion

Digital transactions The implementation of GST involves a robust IT infrastructure, which ensures that all transactions are recorded digitally, thereby increasing transparency. The unabated flow of ITC and mandatory reporting requirements make it difficult to evade taxes, leading to better compliance.

4. Creating a unified national market

GST standardizes tax rates across states, removes barriers to interstate trade, and promotes a more integrated national market. The reduction in interstate barriers and checkpoints leads to a reduction in logistics and transportation costs, increasing supply chain efficiency.

5. Boost economic growth.

By eliminating the cascading effect of taxes and reducing compliance costs, GST reduces the overall cost of goods and services, thereby increasing consumption. A stable and predictable tax system creates a favourable environment for domestic and foreign investment.

6. formalization of the economy.

GST encourages businesses to maintain proper records and follow formal accounting practices, leading to greater formalization of the economy. By bringing informal sector businesses into the formal tax system, GST increases the tax base and ensures better compliance.

7. Improved tax revenue.

Increased transparency and reduction in tax evasion leads to higher collection of tax revenue. More businesses and transactions come under the tax net, which contributes to higher revenues.

3.7 Rate of GST

The GST rates in India are divided into five parts:

1. 0% (zero rate)
2. 5%
3. 12%
4. 18%
5. 28%

Also, certain products and services are taxed at certain rates or exempted from GST.

0% GST (zero rate)

Essential commodities: Fresh fruits and vegetables, milk, eggs and bread.

- Healthcare: services provided by hospitals, medical services and certain medical devices.
- Education: services provided by educational institutions and textbooks.
- Public services: services provided by government bodies or agencies.

5% GST

Essential commodities: Packaged food products, edible oils and spices.

- Transport services: services such as cab services, bus fares and rail transport for passengers.
- Travel: services provided by travel agents and tour operators.
- Medical supplies: some medicines and medical devices.

12% GST

Consumer goods: things like hair oil, toothpaste, and packaged food products.

- Automobile parts: parts and accessories for motor vehicles.
- Construction materials: things such as cement and certain types of bricks.
- Services: Restaurants and outdoor catering services, except those with higher rates.

18% of GST.

- Luxury and semi-luxury items: items such as branded apparel, cosmetics, and certain electronics.
- Services: Professional services such as legal, accounting and consultancy services.
- Automobile: motor vehicles and their parts (excluding 28%)
- Banking services: services provided by banks and financial institutions.

28% of GST.

- Luxury Goods: High-end items such as luxury cars, high-end electronics, and certain luxury watches.
- The baggage of sin: tobacco products and certain types of aerated drinks.
- Specific services: such as casino services, race courses and certain high-end services.

The GST Council reviews and updates GST rates from time to time to accommodate changes in economic conditions and sectoral requirements. Adjustments are made to simplify the tax structure, to promote certain areas, or to address specific issues.

❖ Exercise**1. MCQs (Multiple Choice Questions)**

1. What is the full form of GST?

- | | |
|---------------------------|-------------------------|
| A) Goods and Simple Tax | B) General Sales Tax |
| C) Goods and Services Tax | D) Government Sales Tax |

Answer: C) Goods and Services Tax

2. On which date did GST come into effect in India?

- A) 1 January 2017 B) 1 July 2017
C) 15 August 2016 D) 1 April 2016

Answer: B) 1 July 2017

3. How many types of GST are there?

- A) 1 B) 2 C) 3 D) 4

Answer: C) 3 (CGST, SGST, IGST)

4. Between whom is IGST applicable?

- A) Within a state B) Between one state and another
C) For international trade D) For rural areas

Answer B) Between one state and another

2. Answer the Following Questions.

1. Explain the definition of GST.
2. Explain the main features of GST in India.
3. Discuss the types of GST.
4. Explain the main features of GST.
5. Explain the benefits of GST.
6. Explain the tax rates of GST.

4.1 Introduction of Tally Prime

4.2 Concepts of Tally Prime

- **Key Principles of Tally Prime**

4.3 Features of Tally Prime

- ❖ **Exercise**

4.1 Introduction of Tally Prime

Business automation is one of the most fundamental processes for an entrepreneur when they decide to enter the market. Automation not only saves valuable time but also improves business efficiency and effectiveness. The convenience of keeping all your business data in one place and readily available, the ability to manage your payables and receivables, gain control over your stock, and thus strengthen your relationships with customers and suppliers, is a great asset. However, most of the automation tools that exist today come with varying levels of complexity and create barriers in your mind. Often, a person chooses to automate out of compulsion rather than to utilize the true value of automation.

Tally has always strived to simplify the lives of every user by providing the best solutions to make business owners more efficient, empowered, and happy, so they can focus on what matters most for their business. By automating your business with Tally, you not only have a software that understands you and makes your life easier, but it is a joy to use because it absorbs all the complexities and allows you to focus on running your business better. Tally Prime is the complete business management software for small and medium businesses. Tally Prime helps you manage accounting, inventory, banking, taxation, payroll, and much more, getting rid of complexities and, in return, allowing you to focus on business growth. Tally was developed in 1984 in Bangalore by Shyam Sunder Goenka.

4.2 Factors The Concept of Tally Prime

Tally Prime is a comprehensive business management software designed specifically for small and medium-sized enterprises (SMEs). Its core philosophy is to simplify business operations by integrating various functions into a single, intuitive platform. This approach empowers business owners to manage their day-to-day activities more efficiently and focus on strategic growth.

● Key Principles of Tally Prime

1. **Automation and Efficiency:** Tally Prime automates repetitive and time-consuming tasks across different business functions. This not only saves valuable time but also enhances overall operational efficiency and accuracy. By handling things like invoice generation, tax calculations, and data entry automatically, it frees up business owners and their staff to concentrate on more critical tasks.
2. **Unified Data Management:** The software acts as a central hub for all business-related information. It consolidates data from accounting, inventory, payroll, and banking into one accessible location. This unified system provides a holistic view of the business, making it easy to track performance, monitor cash flow, and manage inventory in real time.
3. **Informed Decision-Making:** A crucial aspect of Tally Prime is its ability to transform raw data into actionable insights. It offers a wide array of business reports—over 400 types—that are easily customizable. These reports provide deep, meaningful analysis of business performance, empowering owners to make well-informed and timely decisions.
4. **Simplicity and Ease of Use:** Despite its powerful features, Tally Prime is designed to be user-friendly. It is built to absorb the complexities of business management, offering a simple interface that is easy to navigate. This makes the software accessible to users with varying levels of technical expertise, ensuring a smooth and enjoyable user experience.
5. **Regulatory Compliance:** Tally Prime is equipped to handle statutory requirements, particularly taxation. It simplifies the process of creating GST-

compliant invoices and facilitates the quick filing of tax returns. The software also manages other statutory and payroll-related tasks, ensuring that businesses remain compliant with all legal and financial regulations.

In essence, Tally Prime is more than just an accounting tool; it is an end-to-end business management solution that aims to make business owners more efficient, knowledgeable, and successful.

4.3 Features of Tally Prime

Tally Prime offers a range of advanced features that provide added value to businesses without any extra cost. These features enhance the software's usability, performance, and efficiency, ensuring a smooth accounting and business management experience.

1. Enhanced Inventory Management

Tally Prime has a comprehensive inventory management feature that is extremely useful for simplifying inventory management in your business. It meets the critical needs of the current market. Tally Prime enables quick and easy inventory management, such as organizing and consuming inventory by godown, valuing inventory, monitoring batch, and expiry dates, and generating necessary reports quickly. These qualities ensure that inventory control is efficient and effective, benefiting all standards.

2. Simple Invoice Creation and Recording

Tally Prime simplifies the process of creating and recording invoices, making it convenient for businesses. The software's adaptability helps in meeting your organization's needs. You can customize invoice components, templates, and various invoice types according to your business requirements. This feature of Tally Prime enables businesses to maintain a simple and effective accounting system, ensuring accurate and reliable financial records.

3. Powerful Business Insights through Reports

Tally Prime provides over 400 types of business reports, empowering businesses to make more effective decisions. These reports are accessible and can be customized to suit your organization's unique requirements. With Tally Prime's

incredible flexibility, you can slice and analyse your accounts in various ways, providing deeper and more meaningful insights into your business's performance.

4. Easy GST and Tax Records

Tally Prime makes preparing GST-compliant bills, such as tax invoices and bills of supply, quick and easy. This allows for immediate filing of GST returns. Additionally, Tally Prime offers the convenience of generating e-invoices with an automatically integrated IRN (Invoice Reference Number) and QR code. Besides GST, Tally Prime also provides features for managing other statutory items like TDS, TCS, and payroll-related tasks such as PF, ESI, and employee income tax management.

5. Efficient Credit and Cash Flow Management

Tally Prime proves to be an indispensable tool for enhancing cash flow efficiency by simplifying various aspects of your business, such as managing debtor accounts, creditor accounts, payables, and inventory. With Tally Prime's comprehensive features and functionality, you can increase the efficiency of your cash flow processes. In-depth reports from Tally Prime provide valuable insights, empowering you to stay on top of your cash flow management and make informed decisions.

6. Quick and Easy Multi-tasking Capability

Tally Prime's advanced features and benefits enable you to effectively multitask by managing daily interruptions. Tally Prime allows various situations to be handled seamlessly, and you do not risk losing your work. This capability increases productivity, making Tally Prime a reliable and convenient solution for managing multiple tasks simultaneously.

7. The 'Go To' Feature for Quick Insights

The 'Go To' search feature for discovering insights and hidden functionalities is a strong and powerful aspect of Tally Prime. It helps you quickly find specific tasks, reports, or tools within the software. By using the Go To feature in Tally Prime, you can operate the software more effectively and gain new insights into your business. This feature saves time.

8. Effortless Banking Utilities

Tally Prime provides essential banking features and utilities that simplify the management of all your banking needs. Tally Prime makes banking tasks like bank reconciliation, predefined check formats, and check and e-payment management quick and hassle-free, ensuring smooth banking operations for your business.

9. Convenient Access to Online Business Data

With Tally Prime, you can access business reports from anywhere using a web browser, and the data remains secure and accessible, helping you stay informed and make decisions.

10. Data Security

Business data is paramount and permanent, and Tally Prime allows for complete control over it. With Tally's multi-user access control and feature-based security layers, you can manage and restrict data accessibility based on your preferences, ensuring sensitive information remains secure.

11. User-Friendly Installation Process

Tally Prime streamlines installation by automatically detecting and updating existing files when needed. This saves time and adds to the convenience. It eliminates the need to frequently define TDLs and other components, making the installation process simple and efficient.

12. User-Centric Accessibility

Tally Prime's user-centric design makes it easy for accountants to record entries. Its intuitive interface and comprehensive features enable easy navigation and understanding for users of all levels. Tally Prime's versatile add-on features cover sales, purchases, debtors, creditors, order processing, inventory monitoring, etc., ensuring a systematic and efficient approach to business management.

13. Enhanced Speed and Accuracy

Tally Prime has achieved a new standard in the accuracy of detailed reports and data. Tally Prime prioritizes speed and accuracy, allowing users to quickly generate detailed reports. This speed and accuracy lead to more efficient and reliable accounting.

14. Convenient Keyboard Shortcuts

With new updates, Tally Prime offers convenient keyboard shortcuts that streamline user operations. Shortcuts like ALT + C to create a new account become essential for simple and efficient operations. Such shortcuts save time and increase the use of Tally Prime.

15. Change Voucher Type

Tally Prime's 'Change Mode' feature offers users three types of voucher options: 'Item Invoice,' 'Accounting Invoice,' and 'Invoice.' This feature allows users to quickly change between different voucher types based on their needs. When there is a need to create item-based invoices or accounting-centric vouchers, the 'Change Mode' can be used to quickly record the voucher using the appropriate option. This enhances user flexibility and convenience.

❖ Exercise

1. Multiple Choice Questions (MCQs)

1. Which tool is used to migrate data from Tally ERP 9 to Tally Prime?

- A) Tally Import Tool B) Tally Data Transfer Utility
C) Tally Migration Tool D) Tally Backup Tool

Answer: C) Tally Migration Tool

2. Which type of file is required to run to install Tally Prime on the computer?

- A) .txt B) .exe C) .doc D) .pdf

Answer: B) .exe

3. What is required to be done for the first time after installing Tally Prime?

- A) Data Entry B) Activating License
- C) Viewing Report D) Taking Backup

Answer: B) Activating License

4. From which screen does the configuration process start for license configuration?

- A) Gateway of Tally B) Startup Screen
- C) Company Info Screen D) License Info Screen

Answer: B) Startup Screen

5. What is the main reason for updating license in Tally Prime?

- A) Adding new user B) Changing firm name
- C) Reactivating subscription D) Changing pincode

Answer: C) Reactivating subscription

2. Long Questions:

1. Explain the features of Tally Prime.
2. Explain Concept of Tally Prime.
3. Give Introduction of Tally Prime.

BBA SEMESTER-3

Tally - 1

BLOCK: 2

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5.1 Introduction

Tally is an accounting software program for documenting the day-to-day business data of a company. Tally is the most widely used accounting program in India. Its all-in-one enterprise software is useful for small and medium enterprises. Tally is a good business management system and GST software, which combines control and internal configuration (in-built customization function). Tally Prime is the modern version of Tally.

5.2 Tally Prime

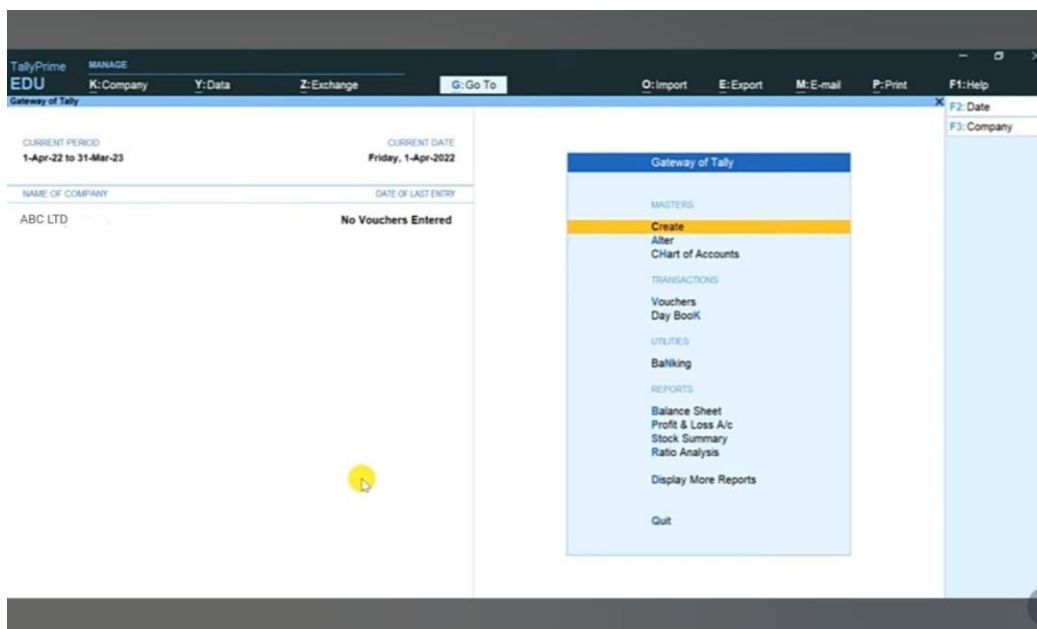
Tally Prime is a powerful accounting program that integrates sales, purchasing, inventory, finance, payroll and all other corporate systems. Many businesses now use Tally to perform accurate calculations to save time. It helps them to conduct business transactions in a unified manner.

5.3 Use of Tally Prime

Tally is a little more than digital banking. You can enter accounting entries like debits and credits in the books to keep track of our accounts. It is a Windows program that calculates Indian VAT, Service Tax and TDS.

5.4 Creating a Company

When you first start Tally, you will need to create a company. ‘Create a company’ means providing basic information about the company whose accounts you want Tally to maintain for you. Tally is smart, but it requires an introduction to your company. The initial screen will look like this:

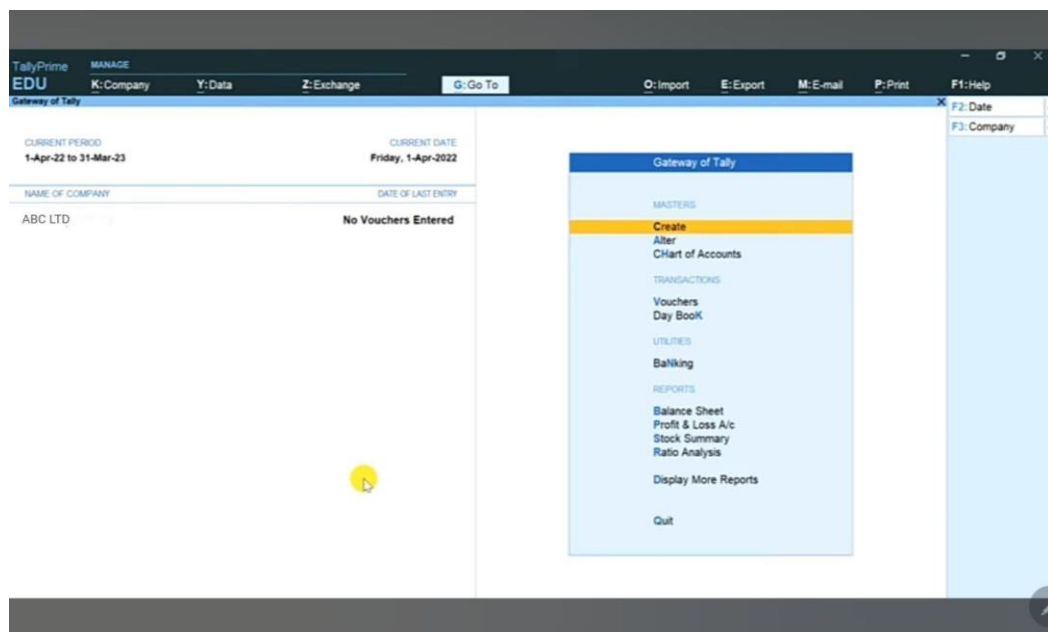


The Tally screen is divided into four sections, - Title area, Main area (Ctrl+M), Calculator area (Ctrl+N) and Button bar. The screen elements of the Tally screen are explained below: Top area The top area contains the version number, release details (each time a new release of Tally is released, it is identified by a different

release name such as Release 3.14) and the current date (the date configured in the computer). The day, date, month and year are displayed on the left in the DD, MM, YYYY format.

To start using Tally, you need to create a company in the program. Even if you are not using Tally professionally, you still need to create a company to use Tally. You can do this by following the steps given below:

1. **Step 1:** Select the 'Create Company' option from the main menu.



2. **Step 2:** Fill in the following information about your company:

- A) Write the name of the form exactly as it appears on the bank record.
- B) Also add the company address, legal entity, phone number, and email.

TallyPrime MANAGE

EDU K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help

Company Creation

Company Data Path : C:\Users\Public\TallyPrime\Data

Company Name : Financial year beginning from : 1-Apr-22
Books beginning from : 1-Apr-22

Mailing Name :
Address :

State : Not Applicable

Country : India
Pincode :
Telephone :
Mobile :
Fax :
E-mail :
Website :

Base Currency symbol : ₹
Formal name : INR

Q: Quit A: Accept F12: Configure

TallyPrime MANAGE

EDU K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help

Company Creation

Company Data Path : C:\Users\Public\TallyPrime\Data

Company Name : ABC LTD Financial year beginning from :
Books beginning from :

Mailing Name : ABC LTD
Address : Shop No.7,Bhumi Plaza,Savarkar Road,
Borivali (West)

State : M

Country : India
Pincode :
Telephone :
Mobile :
Fax :
E-mail :
Website :

Base Currency symbol : ₹
Formal name : INR

List of States

- Not Applicable
- Andaman & Nicobar Islands
- Assam
- Dadra & Nagar Haveli and Daman & Diu
- Himachal Pradesh
- Jammu & Kashmir
- Madhya Pradesh
- Maharashtra
- Manipur
- Meghalaya
- Mizoram
- Sikkim
- Tamil Nadu

New State
Change Country

Q: Quit A: Accept F12: Configure

3. **Step 3:** Turn on 'Auto Backup' so that you can restore the original data even if it is lost.

4. **Step 4:** Select the currency.

TallyPrime MANAGE
 EDU K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help

Company Creation

Company Data Path : C:\Users\Public\TallyPrime\Data

Company Name : ABCLTD Financial year beginning from : 1-Apr-22
 Mailing Name : ABC LTD Books beginning from : 1-Apr-22
 Address : Shop No.7,Bhumi Plaza,Savarkar Road,
 Borivali (West)

State : Maharashtra

Country : India
 Pincode : 400 066
 Telephone :
 Mobile :
 Fax :
 E-mail : itecheducationservices@gmail.com
 Website : www.androidpro.in

Base Currency symbol : ₹
 Formal name : INR

Accept ?
 Yes or No

Q: Quit A: Accept F12: Configure

5. **Step 5:** Enter the start date of your financial year and the date on which you want to start bookkeeping.

TallyPrime MANAGE
 EDU K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help

Company Creation

Company Data Path : C:\Users\Public\TallyPrime\Data

Company Name : ABCLTD Financial year beginning from : 1-Apr-22
 Mailing Name : ABC LTD Books beginning from : 1-Apr-22
 Address : Shop No.7,Bhumi Plaza,Savarkar Road,
 Borivali (West)

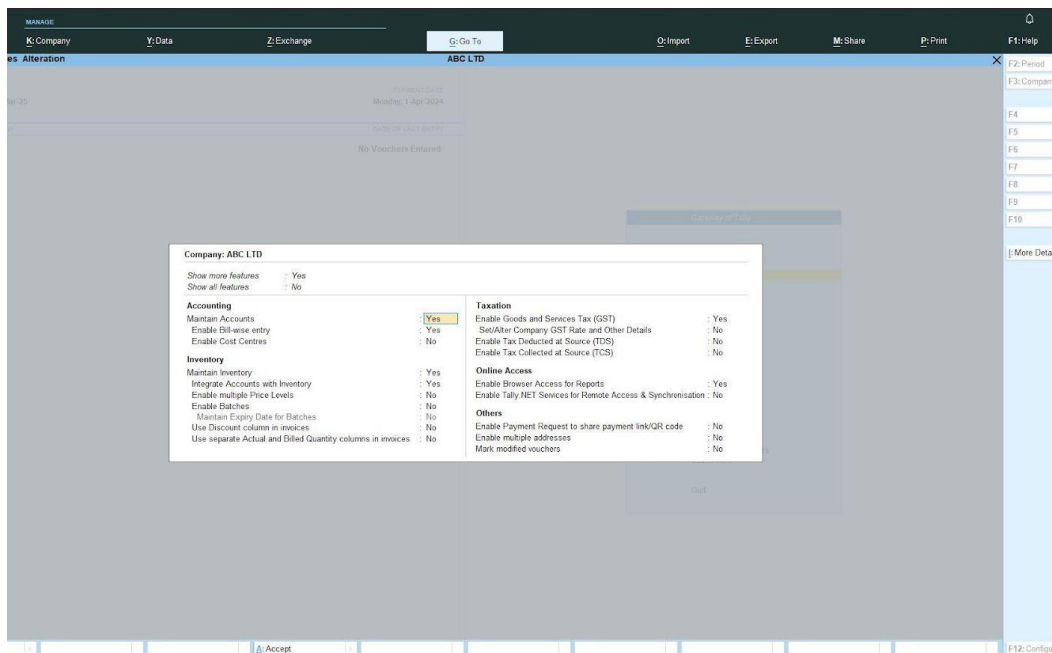
State : Maharashtra

Country : India
 Pincode : 400 066
 Telephone :
 Mobile :
 Fax :
 E-mail : itecheducationservices@gmail.com
 Website : www.androidpro.in

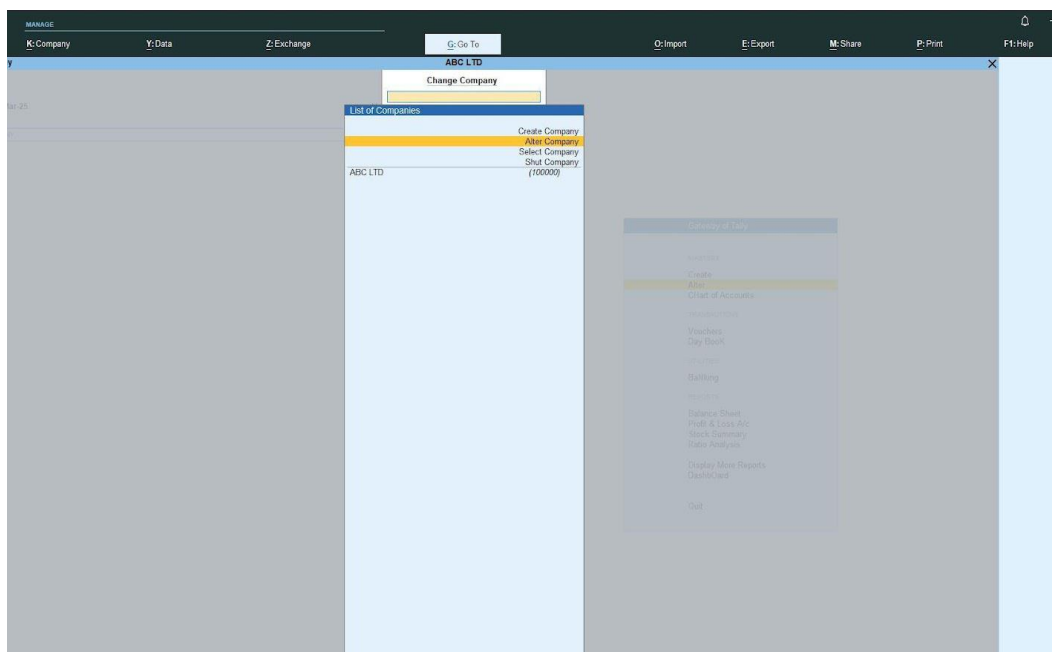
Base Currency symbol : ₹
 Formal name : INR

Accept ?
 Yes or No

Q: Quit A: Accept F12: Configure



After creating the company, this is the first window of the tally and you can see the name of the company created on the tally screen.



5.5 Create Ledgers

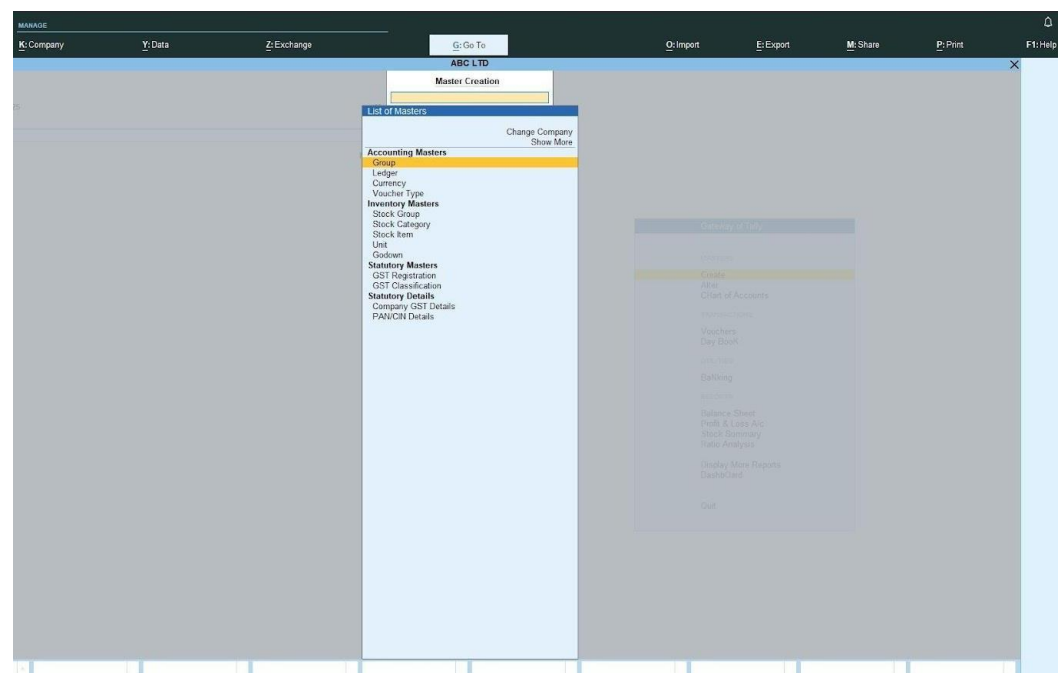
The Tally Ledger keeps track of all the activities of a particular account. For each account you do business with, you will need to create a ledger. Tally comes with 2 ledgers by default: 'Cash' and 'Profit and Loss Account'. You can create additional ledgers by following these steps:

1. **Step 1:** Follow these instructions to open the window to create a ledger: Tally Gateway > Account Information > Ledger > Create.

2. **Step 2:** Select a Group. In this section, also select the category in which the ledger will be placed. It is important to select the right group, as it will later affect the statistics and sales totals.

3. **Step 3:** Give the ledger a name. Give a name to a ledger (account) to get information about the information it contains without opening it.

4. **Step 4:** Calculate the opening balance (if any). This can be the amount in your bank account, if you are opening a ledger for that. If you are opening a ledger for paying money to a vendor, then the balance will be your opening balance.



5.6 Ledger

All businesses, irrespective of their type, need to maintain accounts. This can be done on the basis of a ledger, which is a book of financial accounts. Using a ledger in Tally Prime means that you can do accounting well, and rarely face any accounting problems. A balance sheet or profit and loss (P&L) statement can be easily generated using the Tally Ledger option. Also, maintaining compliance

with Goods and Services Tax (GST) in Tally is also easy and less time-consuming.

Ledger in Tally:

All the ledgers in Tally are created in a specific group called as Account. In this ledger group, the entries are calculated, from where they can be placed in the balance sheet or profit and loss statement.

In Tally Prime, you already find two predefined accounts, namely:

1. Profit and Loss Account:

This ledger in Tally contains entries, which are helpful in the statement of profit and loss. And that is why it is named like this. Ledger (account) is a primary ledger, where the amount remaining from the statement of profit or loss of the previous year is taken as the opening balance of the ledger. It also includes the total amount of loss or profit made in the previous financial year. In case of new companies, this figure is zero. This figure is shown on the liability side of the statement of profit and loss account in the balance sheet. Ledger entries can be modified but cannot be deleted.

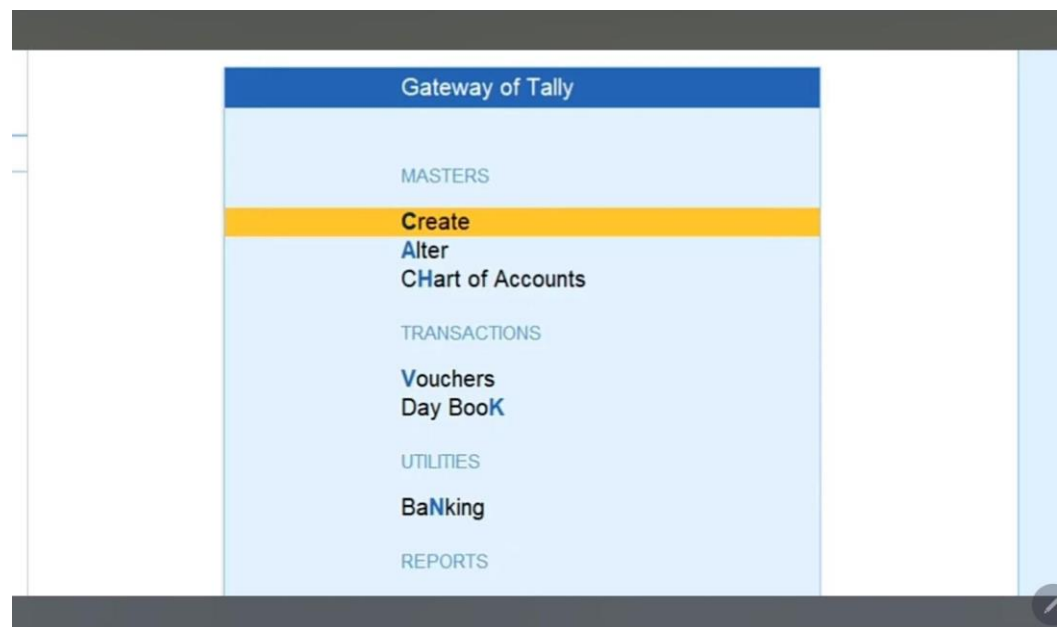
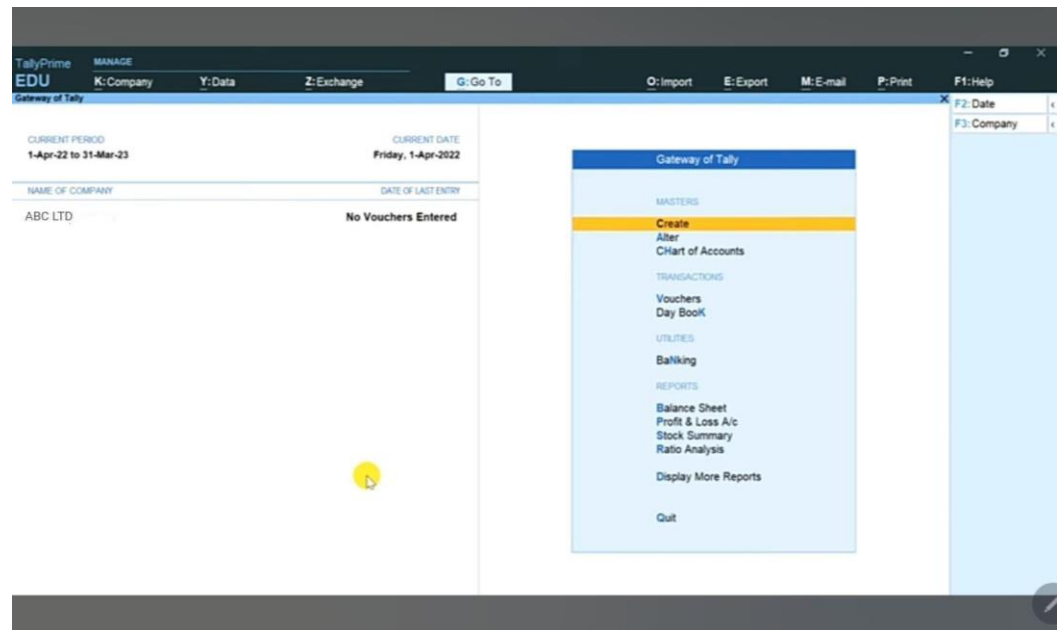
2. Cash Ledger:

This ledger is usually the cash ledger. Where you can enter the cash balance starting from the day the ledger is opened. Entries in the cash ledgers can be deleted or changed. However, in new companies, the value of the P&L ledger is zero. Cash balance (cash-in-hand) always refers to the amount of cash with which you start the company.

All the instructions for creating a ledger in Tally are given below.

- First of all, go to the Gateway of Tally. To create a ledger in Tally, you can do it by double clicking on the Tally icon on the desktop or by using the Alt+F3 shortcut.
- Look under the Account Information tab in the drop-down list for the Ledger tab.
- Under the Ledger tab, select the Create tab from the drop-down list to create a single ledger.

- The screen shown below will appear and is called the Ledger Creation Screen.



- On the Ledger Creator screen, you must name the ledger. Note that for this ledger account, duplicate names cannot be used. You cannot simply call it Capital Account. Try using Capital Account B or A instead. If it does not accept the Capital Account name, name the ledger account using an alias name. You can then access the Capital

Account ledger using the original ledger name (i.e. Capital Account A or B).

- Select the Group category for these ledgers from the Group list.

5.7 Tally Ledger Entry

1. Creating a new Ledger Group

This process is simple, where you press Alt+C to create a new Ledger Group in Tally. Keep in mind that the classification of the account and its group can be changed at any time as per your wish.

Your account entry is made using the opening balance. This field shows the value of the opening profit/loss and is recorded as a liability or asset with its value from the date of opening of the books of accounts. In an existing company, the credit and asset balances are debited to the balance of the account. For example, when you transfer your manual accounts to Tally Prime in the middle of a year, such as on 1 June 2024, you enter the balances as Revenue Accounts and specify whether they should be credited or debited balances.

TallyPrime
EDU

MANAGE

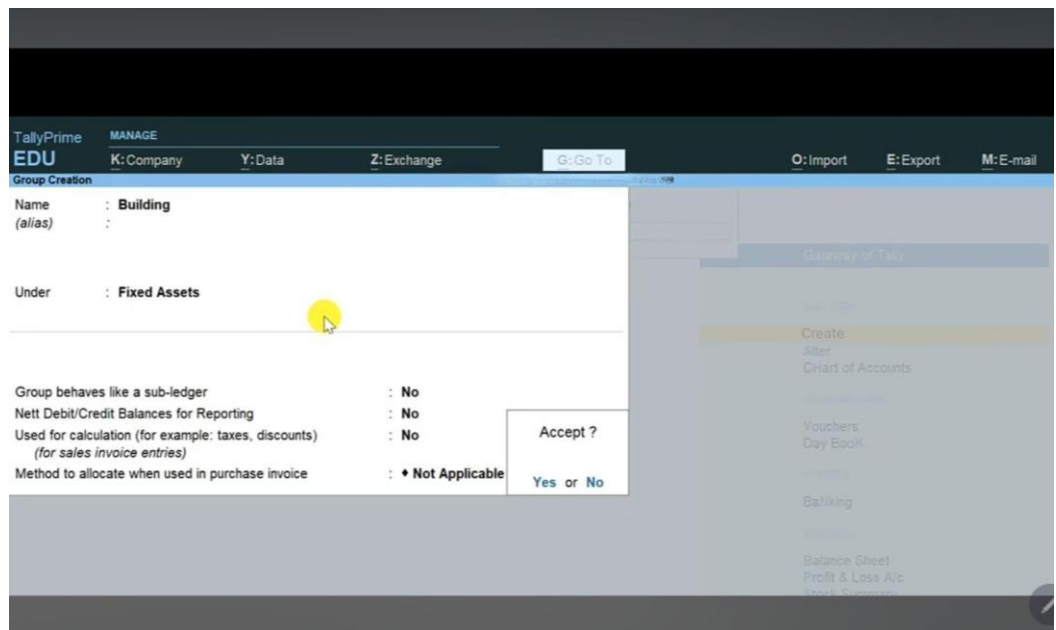
K: Company Y: Data Z: Exchange G: Go To

Group Creation

Name : Building_
(alias) :

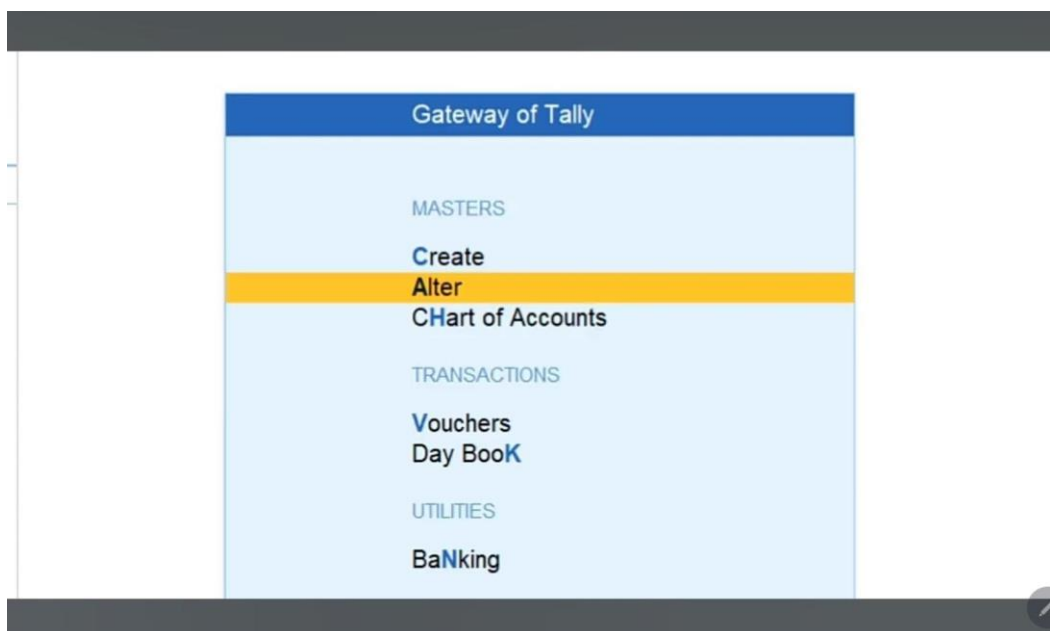
Under : Capital Account

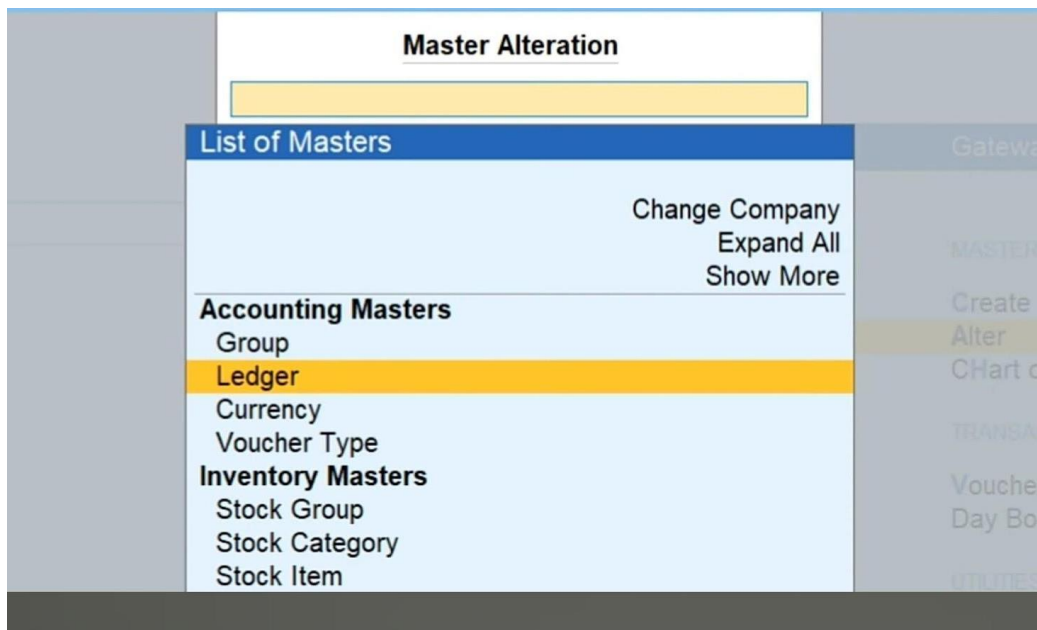
Group behaves like a sub-ledger : No
Nett Debit/Credit Balances for Reporting : No
Used for calculation (for example: taxes, discounts) : No
(for sales invoice entries)
Method to allocate when used in purchase invoice : ♦ Not Applicable



2. Changing, displaying or deleting ledgers in Tally:

If you want to change, display or delete any information, you can use the Master Ledger. Note that the closing balance in the Master Ledger or Stock-in-Hand cannot be changed or deleted under this group.





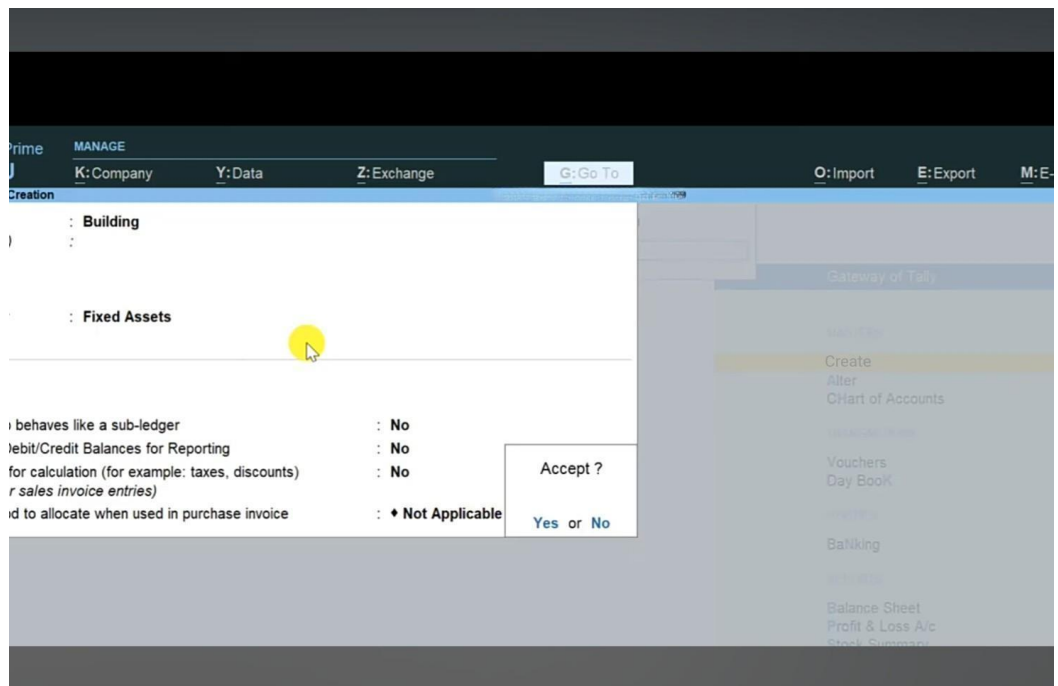
3. **Change or display ledger in Tally:**

The way to do this is, you go to the Gateway of Tally, and in Accounts Info you select the ledger and then go to the Alter or Display tab.

Single and multiple ledgers can be successfully changed using the above selected path. However, remember that not all fields of a multi-account can be changed.

4. **Deleting a ledger in Tally Prime:**

Note that a ledger can be deleted directly without a voucher. If you need to delete a ledger with a voucher, delete all the vouchers in the specific accounts and then delete the relevant ledger.



5.8 Current Liabilities and Assets Ledger

The current liabilities ledger has account heads, such as statutory liabilities, outstanding liabilities, contingent liabilities, etc. while assets are entered or recorded in the current assets ledger.

To create a ledger in Tally Shortcuts To create a fixed assets ledger and its various heads, you need to use the login method in the Gateway of Tally and from there select the Heads of Accounts, Ledger as shown in the Ledger screen below.

TallyPrime **MANAGE**
EDU **K: Company** **Y: Data** **Z: Exchange** **G: Go To**

Group Creation

Name : **Building**
(alias) :

Under : **Capital Account**

Group behaves like a sub-ledger : **No**
Nett Debit/Credit Balances for Reporting : **No**
Used for calculation (for example: taxes, discounts) : **No**
(for sales invoice entries)
Method to allocate when used in purchase invoice : **♦ Not Applicable**

If you maintain an inventory of your stock, you need to enable the Inventory Value option. Accounts like Direct Purchase Expense, Custom Duty etc. can also use this option.

- If you want to post transactions to a specific cost center, you need to use the 'Cost Centers are Applicable' option.
- To enable this option, set the option to maintain cost centers by clicking F11 for Features from the Ledger Creation screen and using the Yes option.
- You can also set up active interest calculation with the Yes option for direct calculation of interest, specifying its rate and style such as half-yearly/quarterly etc.
- If the interest rate changes periodically, use the Yes option to use advanced parameters for automatic calculation of interest.

5.9 Rounding Off Process

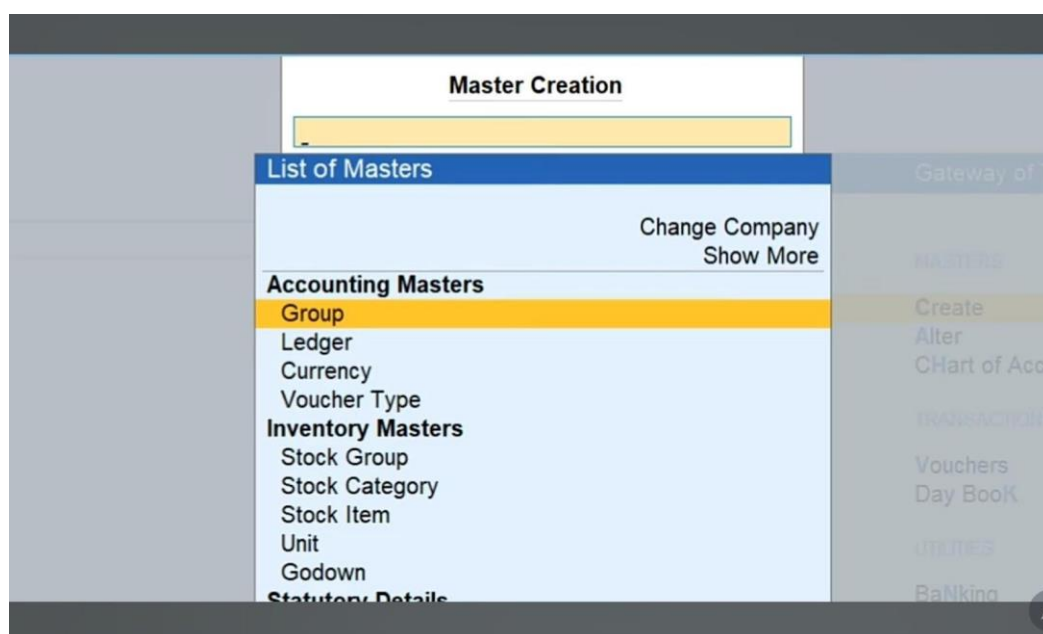
It may be necessary to round off the fee values in ledger creation in Tally. If the default rounding method is set to an empty value in the displayed rounding limit option, rounding can be done up, down or normalized.

5.10 Information about vouchers in Tally Prime

Tally Prime is an accounting software, which is used in many ways in businesses, as it provides various useful features for easy record keeping and data analysis. This software is constantly updated to make business accounting easy for the latest industry developments. Tally Prime provides transaction recording, inventory maintenance and legal compliance. Tally accounting is an important platform for good record keeping of vouchers, and also forms the basis for data analysis. You must have used vouchers in Tally and are familiar with its role.

5.11 Voucher in Tally

Voucher is a document in Tally, which contains all the details of financial transactions and is required to be entered in the books of accounts. It can be easily created and modified. You can find the option of Tally Voucher in 'Gateway of Tally' under 'Transactions'. Tally has some predefined vouchers and can be viewed in Gateway of Tally > Display > List of accounts > Ctrl V (Voucher type). The following screen will appear in the Tally Voucher list:



5.12 Types of vouchers in Tally

There are mainly two types of vouchers in Tally. Which are Accounting Voucher and Inventory Voucher.

Accounting vouchers in Tally can be classified as follows.

1. Sales Voucher
2. Purchase Voucher
3. Payment Voucher
4. Receipt Voucher
5. Contra Voucher
6. Journal Voucher
7. Credit Note Voucher
8. Debit Note Voucher

Inventory vouchers in Tally can be further classified as-

1. Physical Stock Verification
2. Material In and Material Out Vouchers
3. Delivery Note
4. Receipt Note

Let us understand each Tally accounting voucher in depth.

1. Sales Voucher in Tally

Whenever you sell a product or service, you record the sale. This is recorded in Tally through a sales voucher. This is one of the most widely used accounting vouchers in Tally. There are two types of accounting in sales vouchers – invoice method and voucher method. You can use either of the two. You can print your invoices party by party in the invoicing method. In voucher method, you can record transactions for statutory purposes where you do not need to print an invoice document.

With Tally Prime, you get a lot of flexibility. If you want to change the transaction method, you can do so with the help of a toggle button, and your screen will be organized with the relevant data to suit the user. You can provide complete details of the items you sell, along with units, quantity, and rate. You can also enable GST calculation if it is applicable to you.

Example: Sold goods to Sunil for Rs. 40,000.

The screenshot shows the Tally Prime Accounting Voucher Creation screen for a Sales transaction. The voucher is dated 1-Mar-23 (Wednesday) and is for company Meta Minds. The transaction is recorded as follows:

Particulars	Debit	Credit
Dr Sunil Cur Bal: 40,000.00 Dr New Ref 1	40,000.00	
Cr Sales Cur Bal: 40,000.00 Cr		40,000.00

The total amount is 40,000.00. The narration is "being material sold". The screen includes a right-hand menu with options like F2: Date, F3: Company, F4: Contra, F5: Payment, F6: Receipt, F7: Journal, F8: Sales, F9: Purchase, F10: Other Vouchers, F: Autofill, H: Change Mode, I: More Details, O: Related Reports, L: Optional, and T: Post-Dated. At the bottom, there are buttons for Q: Quit, A: Accept, D: Delete, X: Cancel Vch, and F12: Configure, along with an "Accept ?" dialog box with "Yes or No" options.

2. Purchase Voucher in Tally

Whenever you purchase a product or service, you record the purchase. This purchase is recorded in Tally through a voucher. This is one of the most commonly used vouchers in Tally. There are two modes of accounting for purchase vouchers – invoice mode and voucher mode as shown in the sales voucher. You can use either one, whichever suits you best. You can print the party in invoice mode as per your invoice. Whereas in voucher mode, you can record the transactions for statutory purposes, and you do not need to print the invoice document. You can also change the transaction mode in Tally like sales voucher.

Example: Purchase goods worth Rs. 4000 from Mira.

TallyPrime MANAGE
EDU K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help
 Accounting Voucher Creation Meta Minds

Purchase No. 1 Date : 1-Mar-23 Wednesday

Supplier Invoice No.:

Particulars	Debit	Credit
Cr Meera Cur Bal: 4,000.00 Cr New Ref 1		4,000.00
Dr Purchase Cur Bal: 4,000.00 Dr	4,000.00	

Narration:
being material purchased

4,000.00

Accept ?
Yes or No

Q: Quit A: Accept D: Delete X: Cancel Vch F12: Configure

3. Payment Voucher in Tally

All the functions of payment transactions are available in Tally. You can have all the necessary details like instrument number, bank name, required balance etc. After passing the entry in the payment voucher, you can also take a print of the cheque. You can go to banking and click on cheque printing, you can see the list of cheques that need to be printed. Tally Prime supports over 500 banks in India and abroad. Once the payment is made, you can generate and share the payment receipt with your supplier and keep them updated regarding the payment.

Example: Anuj was paid a salary of Rs. 15,000 by HDFC Bank.

TallyPrime MANAGE
EDU K: Company Y: Data Z: Exchange G: Go To O: Import E: Export M: E-mail P: Print F1: Help
 Accounting Voucher Creation Meta Minds

Payment No. 2 Date : 1-Mar-23 Wednesday

Particulars	Debit	Credit
Dr Anuj's Salary Cur Bal: 35,000.00 Dr	15,000.00	
Cr Hdfc Bank Cur Bal: 60,000.00 Cr		15,000.00

Narration:
being salary paid

15,000.00

Accept ?
Yes or No

Q: Quit A: Accept D: Delete X: Cancel Vch F12: Configure

4. Receipt Voucher in Tally

When you receive a payment, you can record the transaction in a receipt voucher. You will also get an indication of the outstanding payment from your customers. When you receive a payment, you can record the transaction, and select the appropriate mode of receiving the payment - cash, cheque or other mode and mention the relevant instrument number. With receipt voucher, you can now effectively maintain transparency of your sales with your customers.

Example: Rs. 22,000 cash received from a kite vendor.

The screenshot shows the TallyPrime Accounting Voucher Creation screen. The voucher is a Receipt Voucher (No. 2) dated 1-Mar-23 (Wednesday). The transaction is recorded as follows:

Particulars	Debit	Credit
Dr: Kiet Traders Cur Bal: 44,000.00 Cr New Ref: 2	22,000.00 Cr	22,000.00
Dr: Cash Cur Bal: 69,000.00 Dr	22,000.00	
	22,000.00	22,000.00

The narration field is empty. The right-hand side of the screen shows a list of functions: F2: Date, F3: Company, F4: Contra, F5: Payment, F6: Receipt, F7: Journal, F8: Sales, F9: Purchase, F10: Other Vouchers, F12: Configure, F: Autofill, H: Change Mode, I: More Details, O: Related Reports, L: Optional, T: Post-Dated, J: Stat Adjustment.

5. Contra Voucher in Tally

Contra voucher is used when both sides of the entry involve cash, bank or multiple banks. Generally, any cash deposit, withdrawal, transfer to different accounts is recorded in contra voucher. You can also generate cash deposit slip and mention the denomination of the invoice included in such transaction.

Example: Withdraw Rs. 15,000 from HDFC Bank account

TallyPrime		MANAGE																			
EDU		K: Company	Y: Data	Z: Exchange	G: Go To	O: Import	E: Export	M: E-mail	P: Print	F1: Help											
Accounting Voucher Alteration (Secondary)										Meta Minds											
Contra		No. 2																			
										1-Mar-23 Wednesday											
Particulars										Debit		Credit									
Cr Hdfc Bank																					
Cur Bal: 45,000.00 Cr												15,000.00									
Dr Cash										15,000.00											
Cur Bal: 47,000.00 Dr																					
Narration: being cash withdrawl										15,000.00		15,000.00									

The screenshot displays the TallyPrime Accounting Voucher Creation interface. The top menu bar includes options like 'MANAGE', 'G: Go To', 'O: Import', 'E: Export', 'M: E-mail', 'P: Print', and 'F1: Help'. The main window is titled 'Journal No. 1' and shows a transaction dated '1-Mar-23 Wednesday'. The transaction details are as follows:

Particulars	Debit	Credit
Dr Bhaskar Singh Cur Bal: 40,000.00 Dr	40,000.00	
Cr Capital Account Cur Bal: 40,000.00 Cr		40,000.00
	40,000.00	40,000.00

The bottom of the screen features a 'Narration' field and a yellow-highlighted area. The right-hand side contains a vertical list of function keys (F2-F12) with their corresponding actions, such as 'F2: Date', 'F3: Company', 'F4: Contra', 'F5: Payment', 'F6: Receipt', 'F7: Journal', 'F8: Sales', 'F9: Purchase', 'F10: Other Vouchers', 'F11: Autofill', 'F12: Change Mode', 'F13: More Details', 'F14: Related Reports', 'F15: Optional', 'F16: Post-Dated', 'F17: Stat Adjustment', and 'F18: Configure'.

7. Credit Note Voucher in Tally

When a sale-back transaction occurs, a credit note is passed. This voucher is usually disabled by default. You can enable it by pressing F11 and configuring the features in Invoicing. You can refer to the original sales invoice against which this note has been passed so that such transactions can be kept track of. When a party is selected, you will be taken to the list of invoices against which this credit note voucher is used. Credit notes can be used in invoice mode or voucher mode, just like sales vouchers.

To enable the credit note and debit note feature, you can select F11 and enable the credit and debit note feature.

8. Debit Note Voucher in Tally

When a purchase is retransmitted, a debit note is passed. This voucher is inactive by default. You can activate it by pressing F11 and configuring its features. You can refer to the original purchase invoice against which this note is passed. So that such transactions are tracked. When a party is selected, you will come to the list of invoices against which this debit note voucher is used. Debit notes can be used in invoice mode or voucher mode, like used in purchase vouchers.

5.13 Inventory Voucher in Tally Prime:

1. Physical Stock Verification Voucher

This voucher keeps the inventory information in the company. Generally, businesses count physical stock verification from time to time and keep a record of it through this voucher. This helps in keeping the inventory under control. You can mention the name, quantity, rate, godown, batch/lot number, production date, expiry date etc. You can easily know how many items are in which godown and of what price. This can help in making management decisions and maintaining the physical inventory and the numbers in the accounting books.

2. Material In and Material Out Voucher

This voucher is mainly used with businesses where workers are involved. It helps in keeping track of the inventory sent and received from the workers. You can activate this voucher by pressing F11 and configuring the features. You can specify details like item name, rate and quantity to maintain records better. You can monitor from time to time for which goods were with the job worker and when they were received. It is also necessary for GST compliance.

3. Delivery Note Voucher

This voucher is used to record the delivery of goods. It is also known as a delivery invoice. It also has additional features, in which you can enter the vehicle number, shipping document number, bill of lading and other details.

4. Receipt Note Voucher

This voucher is used to record the receipt of goods from suppliers. It also has additional features, in which you can enter the vehicle number, shipping document number, bill of lading and other details.

5.14 Tally Shortcut Keys

Tally Prime has shortcuts for almost all the tasks. If you use these Tally shortcuts, you don't need to use the mouse to do any task. This key gives you the option to use the keyboard instead of the mouse.

Hidden keys in Tally Prime

Action	Shortcut Key
To go back to the previous screen by closing the currently open screen	Esc
To remove inputs that is provided/selected for a field	
To open Company Features screen	F11
To move to the first/last menu in a section	Ctrl+ Up/Down
To move to the left-most/right-most drop-down top menu	Ctrl+ Left/Right
To move from any line to the first line in a list	Home & Pg Up
To from any point in a field to the beginning of the text in that field	Home
To move from any line to the last line in a list	End & Pg Dn
To move from any point in a field to the end of the text in that field	End
To move one line up in a list	Up arrow
To move to the previous field	
To move one line down in a list	Down arrow

To move to the next field	
To move:	Left arrow
One position left in a text field	
To the previous column on the left	
To the previous menu on the left	
To move:	Right arrow
One position right in a text field	
To the next column on the right	
To the next menu on the right	
To rewrite data	Ctrl+ Alt +R
To quit the application	Alt+F4
To view the build information	Ctrl +Alt +B
To view TDL/Add-on details	Ctrl +Alt +T
To navigate to the next artifact in the context	+
To increment the Report date or next report in a sequence of reports displayed	
To navigate to the previous artifact in the context	–
To decrement Report date or previous report in a sequence of reports displayed	
To accept or save a screen	Ctrl +A

To expand or collapse a group in a table	Alt+ Enter
To move to the last field or last line	Ctrl+ End
To move to the first field or first line	Ctrl+ Home
To open or hide calculator panel	Ctrl+ N
To exit a screen or the application	Ctrl+ Q

Shortcut keys for reports in Tally Prime:

Actions	Shortcut Key
To insert a voucher in a report	Alt +I
To create an entry in the report, by duplicating a voucher	Alt+2
To drill down from a line in a report	Enter
To delete an entry from a report	Alt +D
To add a voucher in a report	Alt +A
To cancel a voucher from a report	Alt +X
To remove an entry from a report	Ctrl +R
To hide or show the details in a table	Alt +T
To display all hidden line entries, if they were removed	Alt +U
To display the last hidden line (If multiple lines were hidden, pressing this shortcut repeatedly will restore the last hidden line first and follow the sequence)	Ctrl +U

To expand or collapse information in a report	Shift +Enter
To alter a master during voucher entry or from drill-down of a report	Ctrl +Enter
To select/deselect a line in a report	Space bar
To select or deselect a line in a report	Shift +Space bar
To perform linear selection/deselection multiple lines in a report	Shift +Up/Down
To select or deselect all lines in a report	Ctrl +Space bar
To select or deselect lines till the end	Ctrl +Shift +End
To select or deselect lines till the top	Ctrl +Shift +Home
To invert selection of line items in a report	Ctrl +Alt +I

Shortcut keys for vouchers in Tally Prime:

Action	Shortcut Key
<u>Only Vouchers</u>	
To retrieve Narration from the previous ledger	Alt +R
To open the calculator panel from Amount field	Alt +C
To delete a voucher/transaction	Alt +D
To cancel a voucher	Alt +X
To open a manufacturing journal from the Quantity field of a journal voucher	Alt +V
To remove item/ledger line in a voucher	Ctrl +D

To retrieve the Narration from the previous voucher, for the same voucher type.	Ctrl +R
<u>Masters & Vouchers</u>	
To go to the next input field	Tab
To go to the previous input field	Shift +Tab
To remove the value typed	Backspace
To create a master, on the fly	Alt +C
To open the calculator panel	Alt +C
To insert the base currency symbol in an input field.	Alt+4
	Ctrl+4
To open the previously saved master or voucher	Page Up
To scroll up in reports	
To open the next master or voucher	Page Down
To scroll down in reports	
To copy text from an input field	Ctrl +C
	Ctrl +Alt +C
To paste input copied from a text field.	Ctrl +V
	Ctrl +Alt +V

5.15 Conclusion

Tally is the most used and effective accounting software. Which makes the work of an accountant easy. It has been shown how Tally works and provides important information about Tally. Tally Prime is one of the benefits of using Tally. With the help of this software, all small and big industries will benefit. Apart from this, the ease of use also encourages the customers of financial data to actively use Tally as a prime system for their venture. You must have understood the types of vouchers in Tally and their use and importance. It is a good platform to save your records to easily analyse your profits and inventory. Different Tally voucher types make it easy for you to access and modify the data easily.

❖ Exercise

Words:

1. Tally:
Tally is an accounting software program for documenting the day-to-day business data of a company.
2. Voucher:
A voucher is a document that provides information about financial transactions.
3. Ledger :
Tally ledger keeps track of all the activities of a particular account.
4. Journal:
A journal is a book of accounts where financial transactions are recorded from source documents.

Answer the following questions

1. What is a voucher in Tally? What is it used for?
2. What are the different accounting vouchers in Tally?

3. Which vouchers in Tally are included in the inventory voucher?
4. Can more than one ledger be created in Tally Prime?
5. What is the shortcut for ledger creation in Tally Prime?
6. When creating a new group of ledgers, can you mention the Tally resources that help?
7. Explain the process of creating a company.
8. Explain the process of creating ledgers.
9. Explain Tally ledger entries.
10. Explain the process of rounding off.
11. Give information about vouchers in Tally Prime.
12. Explain the types of vouchers in Tally.

Fill in the blank

- (1) When cash is withdrawn from the bank, account is debited and deposited at the bank and this is recorded in the contra voucher.
- (2) When the owner brings his personal cheque to the business, he deposits it at the capital and debits the bank account by voucher.
- (3) The account of the supplier of goods, South Gujarat Trading Company. is created in the group.
- (4) The income goods rent account is created in the group.
- (5) The building account is created in the _____ group.
- (6) The salary expense account is created in the _____group.
- (7) Miscellaneous expenses paid are recorded by _____voucher.
- (8) The rent due but not received is recorded by voucher.
- (9) Computer purchased by cash, is recorded by voucher.
- (10) If a factory building is sold by taking a cheque, it is recorded by..... voucher.

Answer:

- (1) Cash
- (2) Receipts
- (3) Sundry creditors
- (4) Direct
- (5) Fixed assets
- (6) Indirect expenses
- (7) Payments
- (8) Transfers
- (9) Cash
- (10) Receipts

MCQ:

1. To print a voucher from the Tally, press _____.
a) CTRL+P b) SHIFT+P c) ALT+P d) CTRL+M

2. Tally sheets are used to determine _____.
a) Class limit b) Frequency of each class

c) Number of classes d) Continuous series

3. Inventory books are used to view _____.
a) Stock items b) Group summary

c) Both A and B d) None of these

4. Home screen of Tally is also known as _____.
a) Menu bar b) Gateway of Tally

c) Accounts information d) Button tool bar

5. Sales returns are recorded in ____ vouchers
a) Sales voucher b) Debit note
c) Receipt d) Credit note
6. Press ____ key to change the current date from Gateway of Tally.
a) F1 b) F2 c) F3 d) F4
7. Tally supports _____ system of accounting.
(a) Single entry (b) Double entry
(c) No entry (d) Null entry
8. When an account is maintained in Tally, the balance is created _____.
(a) Manually (b) Automatically
(c) Remotely (d) Randomly
9. The Tally package is developed by _____.
a) Tally Solutions b) Tally Corporation
c) Tally Company d) Tata Company
10. Tally is a _____ software.
(a) Spreadsheet (b) Accounting
(c) Publishing (d) Animation
11. Tally supports _____ accounting types.
(a) Cash (b) Payroll (c) Inventory (d) All
12. Tally can maintain _____ accounts.
(a) Tax accounts (b) Liabilities accounts
(c) Both A and B (d) None of them

Answer:

1. c) ALT+P
2. b) Frequency of each class
3. c) Both A and B
4. b) Gateway of Tally
5. d) Credit Note
6. b) F2
7. b) Double Entry
8. b) Automatic
9. a) Tally Solutions
10. (b) Accounting
11. d) All
12. c) Both A and B

- 6.1 Introduction**
- 6.2 Create, Alter, and Delete Ledgers**
- 6.3 Predefined Ledgers in Tally Prime**
- 6.4 Create Ledger**
- 6.5 Creating Ledgers while Recording a Transaction**
- 6.6 Create a Ledger under Primary groups**
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- 6.10 Ledger Vouchers Report**
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- 6.14 F11: Features (Configuration Settings)**
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❖ **Exercise**

6.1 Introduction

Tally Prime is the latest version of Tally, a popular business management software used for accounting, inventory management, taxation, and other business functions. Tally Prime is designed to provide businesses with a more intuitive, flexible, and efficient platform for managing their operations.

Tally Prime is a robust and feature-rich business management software that combines ease of use, powerful functionality, and scalability. Its focus on streamlining accounting, taxation, and inventory management makes it an ideal choice for small and medium-sized businesses looking to improve their operational efficiency and compliance. With its user-friendly interface, enhanced reporting capabilities, and real-time updates, Tally Prime helps businesses stay ahead in an ever-evolving business environment.

6.2 Create, Alter, and Delete Ledgers

A ledger is a date-wise record of all the transactions related to a particular account such as cash, sales, purchase and so on. Learn about the predefined ledgers in Tally Prime, and along with that learn to create ledgers for different contexts. After you create the ledgers, you can alter or delete them. You can track the altered or deleted ledgers. Finally, you can learn to view the report showing the transactions of your ledgers.

In your business, you record each transaction, and later such transactions are classified into separate accounts and get posted to the ledger. Each account has, an opening balance or carry forward balance, transactions recorded either as debit or credit and a closing balance. Ledgers contain the necessary information to prepare financial statements. The ledgers in Tally Prime or in the Books of Accounts affect assets, liabilities, income, or expenses. Once the transactions are posted to the ledgers, considering the closing balance of each account the Trial Balance is prepared. Tally Prime provides flexibility to the users to generate Profit & Loss A/c and Balance Sheet. It can also generate a range of comprehensive financial statements and reports.

In Tally Prime, there are two predefined ledgers, Cash & Profit and Loss accounts. Apart from the predefined ledgers, you can create as many ledgers as required for your business. You can create the ledgers before recording the transactions. In case you come across a new expense head or a new debtor or creditor while recording the transaction, then you can also create the ledger while

you are recording them. Apart from creating a ledger, you can also alter or delete them as per the need.

You can view the Ledger vouchers report in the browser and also view, print, or export the opening balance of all ledgers. In Tally Prime, you also have the option to track changes made to the ledgers through Edit Log.

6.3 fined Ledgers in Tally Prime

In Tally Prime, there are two predefined ledgers, Cash & Profit and Loss accounts. You can record all the cash-related transactions using the Cash account and the Profit and Loss account reflects the previous year's profit or loss as the opening balance of the ledger.

Cash Ledger

- The Cash Ledger is grouped under the Cash-in-Hand group.
- You can enter the opening balance as on the books beginning day.
- This ledger can be altered and deleted.

Profit and Loss Ledger

- The Profit and Loss account ledger is grouped under the Primary group.
- The profit or loss from the previous year is carried forward as the opening balance of the ledger. It is shown in the balance sheet under liabilities.
- This ledger cannot be deleted but it can be altered.

6.4 Create a Ledger

Once the company is created, you can create ledgers to account for the expenses, incomes, assets and liabilities of your business. In Tally Prime, you can create ledgers one at a time or create ledgers in one go.

1. Press Alt +G (Go To) > Create Master > type or select Ledger and press Enter.

Alternatively, Gateway of Tally > Create > type or select Ledger and press Enter.

2. Name: Enter the name of the ledger account you want to create.

You cannot create two ledger accounts with the same name.

3. **Alias:** Enter the alias of the ledger account, if required. You can access the ledgers using the original name or the alias name.

Alias is the alternate name for the ledger accounts. You can create Alias at the time of creation or also can modify the respective ledger later. While selecting the ledger, you can choose the Alias name and the same ledger account gets selected.

4. **Under:** Enter the group from the List of Groups under which the ledger is created.

All the ledgers must be grouped correctly to record the transaction under the proper heads. For example: If you are creating a ledger for Office Expenses, then you need to create the ledger under the Indirect Expenses group.

5. Fill in the other necessary details such as Mailing Details, Banking Details and Tax Registration Details.

6. **Opening Balance:** Enter the carry forward balance from the previous year as the opening balance.

Opening Balance is applicable when the ledger is an asset or a liability, and also if it has a closing balance in the account at the end of the period.

7. As always, press Ctrl +A to save.

Ledger Creation		National Enterprises	
Name : Capital Account		Total Opening Balance	
(alias) :		875,000.00 Cr	
		Difference	
		875,000.00 Cr	
Under : Capital Account	Mailing Details		
	Name : Capital Account		
	Address :		
	State : Karnataka		
	Country : India		
	Pincode :		
	Banking Details		
	Provide bank details : No		
	Tax Registration Details		
	PAN/IT No. :		
Opening Balance (on 1-Apr-22) : 875,000.00 Cr			

6.5 Creating Ledgers while Recording a Transaction

If you come across an expense or income account while entering a transaction that doesn't have a ledger already, you can create it on the spot.

Step 1: Start by recording your transaction, e.g., when entering a sales invoice or a payment.

Step 2: When you encounter a ledger that isn't created yet, simply type the name of the ledger in the respective field.

Step 3: Tally Prime will prompt you to create a new ledger. Select Yes to create the ledger.

Step 4: Enter the required details for the ledger, such as the name and group.

Step 5: Complete the transaction, and the ledger will be created automatically.

6.6 Create a Ledger under Primary groups

Ledgers can be created under the 28 predefined groups but you may not want to create the ledgers under these 28 predefined groups. In such cases, the ledgers can be created under Groups created under the Primary group. While creating the group under Primary Group, you need to select the Nature of Group between Liabilities, Assets, Expenses and Income. As per your selection, your group and the ledgers mapped under that group get classified between Balance Sheet items and Profit & Loss account items.

Below is the procedure for creating a ledger under the group created for expenses.

1. In the Ledger Creation screen, in the field Under, select the group from the List of Groups created already or create a group under Primary group.
Select Create from the List of Groups, to create a new Group.

Ledger Creation		National Enterprises	
Name	: Office Expenses	Total Opening Balance	
(alias)	:	34,900.00 Dr	
		975,000.00 Cr	
		Difference	
		940,100.00 Cr	
Under	: Administrative Expenses	Mailing Details Name : Address :	
Type of Ledger	:	Banking Details Provide bank details : No Tax Registration Details PAN/IT No. :	
Opening Balance (on 1-Apr-22) :			

- In the Group Creation (Secondary) screen, create the group under Primary and select the Nature of Group as Expenses.

Group Creation (Secondary)		National Enterprises	
Name	: Administration Expenses	Total Opening	
(alias)	:	34,900.00 Dr	
		975,000.00 Cr	
		Difference	
		940,100.00 Cr	
Under	: ♦ Primary	Nature of Group Assets Expenses Income Liabilities	
Nature of Group	: Expenses	: Office Expenses	
Does it affect gross profits	:	:	
Group behaves like a sub-ledger	: No	:	
Nett Debit/Credit Balances for Reporting	: No	:	
Used for calculation (for example: taxes, discounts) (for sales invoice entries)	: No	: Karnataka	
Method to allocate when used in purchase invoice	: ♦ Not Applicable	: India	
		Banking Details Provide bank details : No Tax Registration Details PAN/IT No. :	

- Press Ctrl +A to save the Group Creation (Secondary) screen.
- Fill in the other necessary details and press Ctrl +A to save the ledger.

Similarly, you can create ledgers under groups created for Liabilities, Assets and Income.

6.7 Creation of Tax Ledger

Tax Ledgers in Tally Prime should be created under the Duties & Taxes group which contains all tax accounts like GST, VAT, CENVAT, Excise, Sales, and other trade taxes and total liability.

1. In the Ledger Creation screen, specify Duties & Taxes group in the field Under.

2. Enter other details as below.

A. Type of Duty/Tax: Select based on statutory compliance applicable to your Company. For Indian statutory, Others is displayed by default.

B. Percentage of Calculation: Select the rate of tax e.g. 5%, 10%, 12.5%, as applicable.

Once you select Percentage of Calculation, the Method of Calculation field appears.

C. Method of Calculation: Select the tax calculation method from the Type of Duty list.

- Additional Duty: If there is another tax ledger and you want to calculate tax on that tax value then you need to select this option.
- On Total Sales: This method is used to calculate tax on the total item value in the invoice.
- Surcharge on Tax: It is similar to Additional Duty the difference is it is used for the purpose of Income Tax.
- Tax based on Item Rate: This method is used to calculate tax based on the Item rates specified on the items.

D. Rounding Method: Select the Rounding Method to round off the tax values.

For example:

For duty value 123.33 and rounding Limit is 1. In this case:

Downward rounding shows as 123.

Normal rounding shows as 123.

Upward rounding shows as 124.

For Duty value 125.55 and rounding Limit is 1. In this case:

Downward rounding shows as 125.

Normal rounding shows as 126.

Upward rounding shows as 126.

3. Fill in the other necessary details and press Ctrl +A to save the ledger.

6.8 Alter the ledger

After you create the ledgers, you may want to update certain details. For instance, you may update GSTIN/UIN or the Mailing Details, based on the information you receive from your customer or vendor. In Tally Prime, you can alter the details in the ledgers and use them as needed. You can alter the ledger one at a time or you can also alter multiple ledgers from the Multi Alter screen in the Chart of Accounts. However, you cannot alter all fields of ledgers through the Multi Alter screen

1. Press Alt +G (Go To) > Alter Master > type or select Ledger and press Enter.

Alternatively, Gateway of Tally > Alter > type or select Ledger and press Enter.

The Ledger Alteration screen appears.

2. Alter the details, as required, and save the ledger.

You can alter any information provided in the ledger master with the exception of the closing balance under the group Stock-in-Hand.

6.9 Delete the ledger

You can also delete ledgers from your Company Data if you are no longer using the ledgers or you have accidentally created any ledgers. You can delete ledgers one at a time or delete multiple ledgers from the Chart of Accounts.

However, there are certain situations where deleting a ledger has the following dependencies:

- You cannot delete a ledger that is already used in a voucher. Therefore, you need to first delete all the vouchers related to the ledger and then delete that ledger.
- You cannot delete a ledger that is referenced in any voucher class, configurations, or other masters. You need to remove the references of the ledger from all such cases, before deleting that ledger.

To delete a ledger one at a time:

- From the Ledger Alteration screen, press Alt +D to delete the ledger.

6.10 Ledger Vouchers Report

You can view a ledger account with the corresponding voucher details and view this report in the browser too. Tally Prime provides you with the option to configure your ledger vouchers report by using the Basis of Value. You can view Debit or Credit entries, include post-dated vouchers, or include Opening Balance. Tally Prime also allows you to change the view of your report, you can view it in the columnar, daily breakup, or monthly summary and save the preferred view.

1. Open the Ledger Vouchers report and select the period.
 - Press Alt+ G (Go To) > type or select Ledger Vouchers and press Enter.

Alternatively, Gateway of Tally > Display More Reports > Accounts Books > Ledger and press Enter.

Select the required Ledger.

- Press F2 to change the period as required.

A sample Ledger Vouchers report appears as shown below.

Ledger Vouchers					
National Enterprises					
Ledger: Ramesh Traders		1-Nov-22 to 17-Nov-22			
Date	Particulars	Vch Type	Vch No.	Debit	Credit
16-Nov-22	Purchase	Purchase	1	2,700.00	
16-Nov-22	Purchase	Purchase	2	3,000.00	
14-Nov-22	Purchase	Purchase	3	3,200.00	
14-Nov-22	Purchase	Debit Note	1	540.00	
14-Nov-22	Kotak Bank	Payment	1	2,160.00	
16-Nov-22	Purchase	Purchase	4	7,400.00	
17-Nov-22	Purchase	Purchase	5	5,650.00	
17-Nov-22	Purchase	Debit Note	2	530.00	
17-Nov-22	Kotak Bank	Payment	2	2,670.00	
17-Nov-22	Kotak Bank	Payment	3	3,000.00	
				Opening Balance :	100,000.00
				Current Total :	8,900.00 21,950.00
				Closing Balance :	113,050.00

2. Press Ctrl+ B (Basis of Value) to view the report with either Debit or Credit Values, including post-dated vouchers or the opening balance.

You can also view Altered and Non-Altered vouchers.

National Enterprises	
Basis of Values	
List of Configurations	
Include Opening Balance	Yes
Show Report for	All Vouchers (Altered & Non-Altered)
Type of Voucher entries	All Vouchers
Include Post-dated Vouchers	No

6.11 Cumulative balances for Ledger Voucher report

You can configure your Ledger Voucher report to show the cumulative or running balances.

1. In the Ledger Vouchers screen, press F12 (Configure) > set the option Show Running Balance to Yes to see the running balances for the Ledger Voucher report.

Configuration	
Show Narrations	: No
Format of Report	: Condensed
Show Bill-wise details	: No
Show Inventory details	: No
Show Mode of Payment	: No
Show additional Bank details	: No
Show Cost Centre details	: No
Show Forex details	: No
Display name for Ledgers	: Name Only
Display name for Stock Items	: Name Only
Sorting Method	: Default
Show Running Balance	: Yes

2. Press Enter to save the changes.

A sample Ledger Vouchers report with a running balance column appears as shown below.

Ledger Vouchers		National Enterprises			X	
Ledger: Ramesh Traders		1-Nov-22 to 17-Nov-22				
Date	Particulars	Vch Type	Vch No.	Debit	Credit	Balance
Opening Balance					100,000.00	
10-Nov-22	Purchase	Purchase	1	2,700.00		102,700.00 Cr
11-Nov-22	Purchase	Purchase	2	3,000.00		105,700.00 Cr
14-Nov-22	Purchase	Purchase	3	3,200.00		108,900.00 Cr
14-Nov-22	Purchase	Debit Note	1	540.00		108,360.00 Cr
14-Nov-22	Kotak Bank	Payment	1	2,160.00		106,200.00 Cr
16-Nov-22	Purchase	Purchase	4	7,400.00		113,600.00 Cr
17-Nov-22	Purchase	Purchase	5	5,650.00		119,250.00 Cr
17-Nov-22	Purchase	Debit Note	2	530.00		118,720.00 Cr
17-Nov-22	Kotak Bank	Payment	2	2,670.00		116,050.00 Cr
17-Nov-22	Kotak Bank	Payment	3	3,000.00		113,050.00 Cr
Current Total				8,900.00	21,950.00	
Closing Balance					113,050.00	

You can also access Ledger Vouchers reports by drilling down from different statements, such as Group Summary and Monthly Summary.

6.12 Purchase ledger

1. Gateway of Tally > Create > type or select Ledger > and press Enter.

Alternatively, press Alt+ G (Go To) > Create Master > type or select Ledger > and press Enter.

2. Enter the Name of the purchase ledger.

3. Select Purchase Accounts in the Under field.

4. Set the option Inventory values are affected to Yes.

5. Set the option Type of Ledger to Not Applicable.

Note: The option Type of Ledger is provided based on the state specific requirements of VAT/CST forms and annexures. It appears based on the State selected in Company VAT Details screen. In this example, Bihar is selected as the State.

6. Set Is VAT/CST applicable to Applicable.

7. Press Enter to skip the field Set/Alter VAT Details. The Ledger Creation screen is displayed as shown below:

Ledger Creation		National Enterprises	
Name	: Purchases		
(alias)	:		
		Total Opening Balance 7,75,72,863.00 Dr 7,66,97,863.00 Cr Difference 8,75,000.00 Dr	
Under	: Purchase Accounts	Mailing Details Name : Address :	
Behave as Duties & Taxes ledger	: No		
Inventory values are affected	: Yes		
Type of Ledger	: ♦ Not Applicable		
Cost centres are applicable	: Yes		
Activate interest calculation	: No		
Statutory Details Is VAT/CST applicable : ♦ Applicable Set/Alter VAT Details : No		Banking Details Provide bank details : No Tax Registration Details PAN/IT No. :	
		Accept ?	

8. Accept the screen. As always, you can press Ctrl +A to save.

6.13 Sales ledger

1. Gateway of Tally > Create > type or select Ledgers > and press Enter.
Alternatively, press Alt +G (Go To) > Create Master > type or select Ledger > and press Enter.
2. Enter the Name of the sales ledger.
3. Select Sales Accounts in the Under field.
4. Set Inventory values are affected to Yes.
5. Set the option Type of Ledger to Not Applicable.

Note: The option Type of Ledger is provided based on state specific requirements of VAT/CST forms and annexures. It appears based on the State

7. Press Enter to skip the field Set/Alter VAT Details. The Ledger Creation screen appears as shown below:

8. Accept the screen. As always, you can press **Ctrl +A** to save.

The F11 key is used to configure various features and settings in Tally Prime. By pressing F11, you can access the Features menu, which allows you to enable or disable specific options according to your business requirements. Some of the major configuration settings available under F11 include:

- Enables or disables various accounting functionalities like GST, Inventory, Banking, Cost Centers, and more.
- Controls settings like Voucher Types, Bill-wise Details, Credit/Debit Notes, Taxation, etc.

2. Inventory Features:

- This section lets you configure inventory-related options like Stock Groups, Stock Categories, Stock Items, Godowns, Batch Tracking, Unit of Measure, etc.
- It also controls options like Inventory Valuation, GST for Inventory, etc.

3. Statutory & Taxation Features:

- Here, you can enable and configure settings for taxation (e.g., GST, TDS, TCS).
- It allows you to set up your country-specific taxation rules, such as Tax Ledger Creation, Tax Calculation Methods, etc.

4. Other Features:

- Includes settings for features like Data Synchronization, Security Control, User Roles and Permissions, and Backup/Restore options.

6.15 F12: Configure (Customization of Specific Settings)

The F12 key in Tally Prime is used to access the Configure menu, which allows you to make changes to specific options, reports, and screens. It provides customization options at a granular level. Some of the key areas where F12 is used:

1. Voucher Entry Configuration:

- You can customize the Voucher Entry Screen settings, such as enabling or disabling Auto Post Dated Transactions, Narration (for voucher entries), and more.
- It allows you to set up configurations for Sales, Purchase, Receipt, Payment, and other voucher types.

2. Report Configuration:

- Enables you to configure the way reports like Balance Sheet, Profit & Loss, Trial Balance, Ledger Reports, and Inventory Reports are displayed.

- You can adjust Display Options, Columns to Show, Printing Options, and other reporting preferences.

3. User and Security Settings:

- Under F12, you can configure User Access permissions and security settings, such as setting user roles, access control for various features, and passwords.

4. Data Configuration:

- Provides options for customizing how Data is displayed or handled, such as adjusting the Decimal Precision, Data Entry Formats, and even how Dates are displayed.

6.16 Conclusion

The processes of creation, alteration, and deletion of ledger accounts in Tally Prime are key to keeping your accounting system accurate and adaptable. Proper creation of ledgers ensures organized financial data, alterations allow you to stay aligned with business changes, and deletions help maintain the system's cleanliness. However, each action needs to be executed with caution to prevent errors or loss of important transactional data. These features make Tally Prime a highly flexible and powerful tool for businesses of all sizes.

❖ Exercise

Long Question:

1. Write a short note on Create, Alter, and Delete Ledgers.
2. Explain Predefined Ledgers in Tally Prime.
3. Write a short note on Create Ledger.
4. Discuss Creating Ledgers while Recording a Transaction.
5. Explain Create a Ledger under Primary groups.
6. Discuss Creation of Tax Ledger.
7. Describe Alter the ledger.
8. Describe Delete the ledger.
9. Discuss Ledger Vouchers Report.
10. Explain Cumulative balances for Ledger Voucher report.

11. Write note on Purchase ledger
12. Write note on Sales ledger
13. Discuss F11: Features (Configuration Settings)
14. Discuss F12: Configure (Customization of Specific Settings)

MCQ:

1. In Tally Prime, which of the following is NOT a required detail when creating a ledger?
 - a) Name of the Ledger
 - b) Under Group
 - c) Opening Balance
 - d) Email Address

2. What happens when you alter a ledger in Tally Prime?
 - a) All the transactions linked to the ledger are deleted.
 - b) Only the ledger's name or details are modified without affecting historical transactions.
 - c) The ledger is deleted automatically.
 - d) The ledger becomes inactive and cannot be used.

3. Which of the following is NOT allowed when deleting a ledger in Tally Prime?
 - a) Deleting a ledger with no transactions linked to it.
 - b) Deleting a ledger with pending transactions.
 - c) Deleting a ledger from the wrong accounting group.
 - d) Deleting a ledger from an inactive status.

4. What is the first step in creating a ledger in Tally Prime?
 - a) Assigning a voucher type.
 - b) Selecting the correct group under which the ledger will be created.
 - c) Entering opening balance.
 - d) Selecting the GST category for the ledger.

5. Which action should be performed when you want to change the name of an existing ledger in Tally Prime?
 - a) Create a new ledger.
 - b) Alter the ledger.
 - c) Delete the ledger and create a new one.
 - d) Reset the ledger settings
6. In Tally Prime, which type of ledger is used to record purchases of goods?
 - a) Sales Ledger
 - b) Purchase Ledger
 - c) Bank Ledger
 - d) GST Ledger
7. Which of the following groups would you typically assign the "Purchase Ledger" to in Tally Prime?
 - a) Direct Expenses
 - b) Liabilities
 - c) Current Assets
 - d) Purchase Accounts
8. In Tally Prime, which ledger is used to record income from the sale of goods?
 - a) Cash Ledger
 - b) Purchase Ledger
 - c) Sales Ledger
 - d) Discount Ledger
9. When creating a Sales Ledger in Tally Prime, which group should it typically be placed under?
 - a) Direct Expenses
 - b) Sales Accounts
 - c) Indirect Expenses
 - d) Purchase Accounts

10. When setting up a Purchase Ledger in Tally Prime, which of the following is an optional configuration?
- a) Tax rate (e.g., GST)
 - b) Grouping the ledger under the correct category (Purchase Accounts)
 - c) Setting a default unit of measure for purchased items
 - d) Configuring the opening balance

Answers:

- 1. d) Email Address
- 2. b) Only the ledger's name or details are modified without affecting historical transactions.
- 3. b) Deleting a ledger with pending transactions.
- 4. b) Selecting the correct group under which the ledger will be created.
- 5. b) Alter the ledger.
- 6. b) Purchase Ledger
- 7. d) Purchase Accounts
- 8. c) Sales Ledger
- 9. b) Sales Accounts
- 10. c) Setting a default unit of measure for purchased items

Answer the following statements are True or False:

- 1. You can create a ledger in Tally Prime under any accounting group.
- 2. Once a ledger is created, it cannot be altered in Tally Prime.
- 3. Tally Prime does not allow you to delete a ledger if it has transactions linked to it.
- 4. In Tally Prime, when you delete a ledger, all transactions associated with it are also deleted.
- 5. Tally Prime allows altering the opening balance of a ledger at any time.
- 6. A Purchase Ledger in Tally Prime records expenses related to purchasing goods or services.

7. The Sales Ledger in Tally Prime is used to record expenses related to sales.
8. The Purchase Ledger should be placed under the 'Purchase Accounts' group in Tally Prime.
9. You can use the same ledger for both cash and credit purchases in Tally Prime.
10. In Tally Prime, you can set up multiple Sales Ledgers for different types of sales (e.g., cash sales, credit sales).

Answer:

1. True
2. False
3. True
4. False
5. True
6. True
7. False
8. True
9. True
10. True

7.1 What is a group?**7.2 Purpose****7.3 Groups are of two types****7.4 How to create groups?****7.5 Method for creating a single group: (Single Group Creation)****7.6 Different types of groups in Tally Prime****7.7 Ledgers in Tally Prime****7.8 Ledgers – General Accounts by groups****❖ Exercise**

7.1. What is a group?

It is a type of hierarchical categorization, which is useful for accounting. Whenever you create a ledger, it falls under a specific group.

Groups in Tally Prime: Ledger accounts are classified into a well-organized and disciplined structure. Depending on the nature and purpose of financial transactions, these groups of accounts help in proper planning and classification.

7.2 Purpose

- **Organizational structure:** Groups provide a systematic framework for organizing ledger accounts. They classify accounts into primary groups (e.g., Assets, Liabilities) and sub- groups (e.g., current assets under assets).
- **Reporting and Analysis:** By grouping similar accounts together, businesses can create meaningful financial reports such as balances. Can generate sheets and profit and loss account. This helps in better analysis of financial performance and decision making.

- **Compliance:** In contexts such as tax compliance (e.g., GST in India), regulatory Accounts according to requirements Grouping simplifies the process of creating and reconciling tax-related reports.

7.3 Groups are of two types

1. Primary Groups – Groups that are already available in Tally Prime.
2. Sub-Groups – Custom groups according to business.

"Current Liabilities" is the Primary Group, while "Sundry Creditors" is a Sub-Group within it.

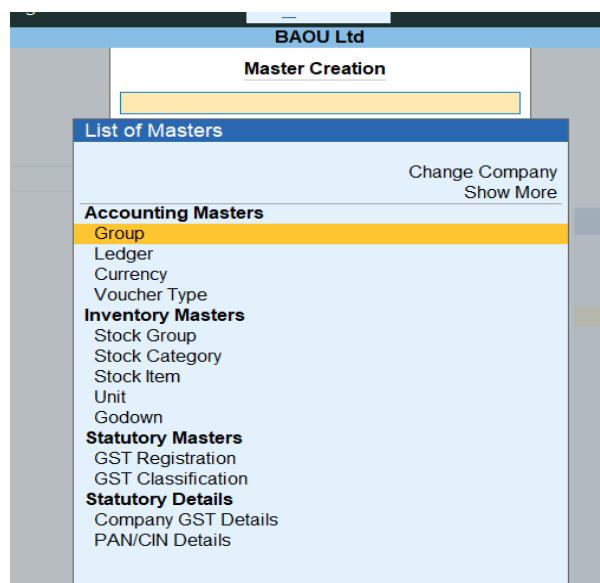
7.4 How to create groups?

Single Group Creation: Each group is created individually, specifying whether it is a primary group or a sub-group under another group.

Creating multiple groups (Multiple Group Creation): However, Tele Prime groups does not support batch creation, businesses can use their accounting groups can be systematically created and organized to suit needs.

7.5 Method for creating a single group: (Single Group Creation)

- Navigate to Tally 's gateway.
- Select " Masters " from the menu on the left.
- Select " Groups " under " Accounting Information".



- Press "Alt + C" or click "Create" at the bottom of the screen.
- Enter the group name (e.g., Sales, Expenses, Current Assets).
- Specify whether it is primary or sub-group.
- If it is a sub-group, select the primary group it falls under using the "Under" field.
- Enter to save the group.

Example:

- “Building A/c” comes under group Fixed Assets.

The screenshot shows the 'Group Creation' window in Tally Prime. The 'Name' field is set to 'Building A/c' and the 'Under' field is set to 'Fixed Assets'. The window includes sections for 'Group behaves like a sub-ledger', 'Statutory Details', and 'GST Rate & Related Details'. A 'List of Groups' window is also visible, showing a hierarchy of groups with 'Fixed Assets' selected.

Method for creating multiple groups: (Multiple Group Creation)

- Follow the steps above to create individual groups one by one.
- Tally Prime does not have a direct batch creation facility for groups, so each group needs to be created individually.

7.6 Different types of groups in Tally Prime

(1) Capital & Liabilities Groups

Group Name	Purpose
Capital Account	Owner's Capital and Reserves
Loans (Liability)	Loan taken from a Bank or other

Current Liabilities	Outstanding Expenses, Taxes, Supplier Payment
Sundry Creditors	Suppliers or Vendors who owe money
Reserves & Surplus	Profit Savings or retained profits

(2) Asset Groups

Group Name	Purpose
Fixed Assets	Building, Machine, Vehicle, Furniture
Investments	Shares, Mutual Funds, Gold, Bonds
Current Assets	Cash, Bank, Stock, Borrowed Money
Sundry Debtors	Customers who owe Money
Cash-in-Hand	Cash Balance
Bank Accounts	Current and Savings Accounts

(3) Income & Expense Groups

Group Name	Purpose
Sales Account	Sales Revenue
Purchase Account	To buy Goods
Direct Incomes	Interest, Rent, Commission
Direct Expenses	Wages
Indirect Incomes	Discount received, Dividend
Indirect Expenses	Advertising, donation,

7.7. Ledgers in Tally Prime

What are Ledgers?

Ledger is extremely important for accounting, because every financial transaction is somehow recorded in special ledger.

Definition:

Ledger represents individual accounts within each group and record specific financial transactions related to income, expense, assets, liabilities etc.

Example:

- Cash Account – will always be under the Cash-in-Hand group.
- Bank Account – Will always come under the Bank Accounts group.
- Salary Expense – will always come under the Indirect Expenses group.

Purpose:

- ☐ **Ledgers for Transaction Recording:** Everyday financial activities, such as sales, purchases, spending, and receipt captures.
- ☐ **Accuracy in accounting:** They keep thorough records of all financial transactions, guaranteeing accuracy in accounting and financial reporting. guarantees adherence to standards.
- ☐ **Integration with groups:** Every ledger has a group connected with it, allowing for the methodical and orderly recording of transactions within a predetermined group structure.

Ledgers in Tally Prime resemble the accounts used in conventional accounting. There are two defaults in the software. includes two ledgers: a profit and loss account and a cash account. Additionally, you can run your company. Additional ledgers, such as those for suppliers/creditors, buyers/debtors, sales (sales accounts), purchases (purchase accounts), and banks (bank accounts), can be created as needed. According to their nature, these ledgers are arranged into the proper groups. For instance, you would put a supplier called "ABC Traders" under the "Sundry Creditors" group if you were to build a ledger for them. This classification guarantees that "ABC Traders" is included in the pertinent transaction fields and is handled as a miscellaneous creditor.

There are already 28 defaults in Tally Prime. The majority of professionals meet the standards for groups, which include indirect charges and bank accounts. You can alter this default to meet particular requirements, though. Under Sales

Accounts, you can also make more subgroups. For instance, you can make "Duty Paid Purchases" under Purchase Accounts or "Export Sales" under Sales Accounts. The system's financial transactions can be precisely organized and managed thanks to this customization feature.

Implementation:

Single Accounts (Single Ledger Creation): Ledgers are created for each specific account (e.g., Sales A/c, Rent Expense) under the appropriate group (e.g. Sales, Expense).

Multiple accounts (Multiple Ledger Creation): When the telly While Prime lacks direct batch ledger creation, businesses Duplication and modification Features can be used to streamline the creation of multiple identical ledgers.

Single Method for Single Ledger:

- ☐ Navigate to the Gateway of Tally.
- ☐ Select " Masters " from the menu.
- ☐ Select " Ledgers " under " Accounting Information".
- ☐ Press "Alt + C" or click "Create" at the bottom of the screen.
- ☐ Enter the name of the ledger (e.g., Sales A/c, Rent Expense).
- ☐ Select the appropriate group from the list.
- ☐ Fill in other details like address, contact information (if required).
- ☐ Enter to save the ledger.

Example:

- "Cash Account " **Cash-in-Hand** Comes under.

Multiple Ledger:

While Tally Prime does not have a direct batch ledger creation feature, you can use the duplicate ledger feature to quickly create multiple ledgers.

After creating a ledger, use " Alt + D" to duplicate and modify for subsequent ledgers.

Advance Ledger Creation:

advanced ledger creation Includes additional details like GST information, bank details, cost centres, etc.

- After creating a basic ledger, select the ledger and press " Alt + E" to make changes.
- Enter GST related information, bank details and other details as required.
- Press Enter to save the changes.

7.8 Ledgers – General Accounts by groups

1) Ledgers for Assets

Ledger Name	Under Group
Cash A/c	Cash-in-Hand
Bank A/c	Bank Accounts
Stock-in-Hand	Current Assets
Machinery A/c	Fixed Assets
Furniture A/c	Fixed Assets

Investments A/c	Investments
Debtors A/c	Sundry Debtors

2) Ledgers for Liabilities

Ledger Name	Under Group
Capital A/c	Capital Account
Drawings A/c	Capital Account
Loan from Bank A/c	Loans (Liability)
Creditors A/c	Sundry Creditors
Outstanding Expenses A/c	Current Liabilities
GST Payable A/c	Current Liabilities

3) Ledgers for Income

Ledger Name	Under Group
Sales A/c	Sales Account
Interest Received A/c	Indirect Incomes
Commission Received A/c	Indirect Incomes
Discount Received A/c	Indirect Incomes

4) Ledgers for Expenses

Ledger Name	Under Group
Purchase A/c	Purchase Account
Salary A/c	Indirect Expenses
Rent Paid A/c	Indirect Expenses
Electricity Bill A/c	Indirect Expenses
Advertisement Expenses A/c	Indirect Expenses

Freight Charges A/c	Direct Expenses
Depreciation A/c	Indirect Expenses

❖ Exercise

1. MCQs

1. What is a "Group" in Tally Prime?

- a) Consolidation of companies
- b) Consolidation of ledgers
- c) Consolidation of leveling transactions
- d) Consolidation of vouchers

Answer: b) Consolidation of ledgers

2. Which of the following is not a type of group in Tally Prime?

- a) Primary group b) Sub group
- c) Secondary group d) Additional group

Answer: d) Additional group

3. What is the benefit of using groups in Tally Prime?

- a) It helps in grouping different company profiles together
- b) It helps in classifying ledgers for financial reporting
- c) It simplifies data entry by eliminating the need for individual vouchers
- d) It helps in automatic tax calculation

Answer: b) It helps in classifying ledgers for financial reporting

4. What are "Ledger Groups" in Tally Prime?

- a) Groups of companies
- b) Groups based on user roles

- c) Groups of ledgers for categorizing financial transactions
- d) Hierarchy of material data

Answer: c) Groups of ledgers for categorizing financial transactions

5. Which special feature is used to categorize ledgers according to their functionality in Tally Prime?

- a) Account groups b) Voucher types
- c) Ledger groups d) Item categories

Answer: c) Ledger groups

2. Answer the Following Questions.

1. What is a group?
2. What is the purpose of a group?
- 3 Explain the types of groups.
- 4 Explain how to create groups.
- 5 Explain different types of groups in Tally Prime.
- 6 Explain ledgers in Tally Prime.
7. Explain the method for Single Ledger.
- 8 Explain Multiple Ledger.
9. Explain general ledgers according to Ledgers Groups.

યુનિવર્સિટી ગીત

સ્વાધ્યાય: પરમં તપ:

સ્વાધ્યાય: પરમં તપ:

સ્વાધ્યાય: પરમં તપ:

શિક્ષણ, સંસ્કૃતિ, સદ્ભાવ, દિવ્યબોધનું ધામ
ડૉ. બાબાસાહેબ આંબેડકર ઓપન યુનિવર્સિટી નામ;
સૌને સૌની પાંખ મળે, ને સૌને સૌનું આત્મ,
દશે દિશામાં સ્મિત વહે હો દશે દિશે શુભ-લાભ.

અભણ રહી અજ્ઞાનના શાને, અંધકારને પીવો ?
કહે બુદ્ધ આંબેડકર કહે, તું થા તારો દીવો;
શારદીય અજવાળા પહોંચ્યાં ગુર્જર ગામે ગામ
ધ્રુવ તારકની જેમ ઝળહળે એકલવ્યની શાન.

સરસ્વતીના મયૂર તમારે ફળિયે આવી ગહેકે
અંધકારને હડસેલીને ઉજાસના ફૂલ મહેંકે;
બંધન નહીં કો સ્થાન સમયના જવું ન ઘરથી દૂર
ઘર આવી મા હરે શારદા દૈન્ય તિમિરના પૂર.

સંસ્કારોની સુગંધ મહેંકે, મન મંદિરને ધામે
સુખની ટપાલ પહોંચે સૌને પોતાને સરનામે;
સમાજ કેરે દરિયે હાંકી શિક્ષણ કેરું વહાણ,
આવો કરીયે આપણ સૌ
ભવ્ય રાષ્ટ્ર નિર્માણ...
દિવ્ય રાષ્ટ્ર નિર્માણ...
ભવ્ય રાષ્ટ્ર નિર્માણ

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