

VINOD
COMPUTER
INSTITUTE
TALLY PRIME
BOOK
8303120438.

COURSE CONTENT OF TALLY PRIME.

CHAPTER-1.....	5
Concept and Convention.	5
Purpose of Accounting.	6
Owner.	6
Government.	6
Bank / Financial Institutions Etc.	6
Labour.....	6
Creditors.	6
Public.....	6
CHAPTER-2.....	15
CHAPTER-3.....	22
CHAPTER-4.....	31
CHAPTER-5.....	44
CHAPTER-6.....	46
CHAPTER-7.....	48
CHAPTER-8.....	52
ASSIGNMENT SET- (1).	53
CHAPTER-9.....	55
GST Rates on Goods.	64
CHAPTER-10.....	82
CHAPTER-11.....	87
CHAPTER-12.....	90
CHAPTER-13.....	96
ASSIGNMENT SET- (2).	102
CHAPTER-14.....	106
CHAPTER-15.....	124
CHAPTER-16.....	127
CHAPTER-17.....	130
CHAPTER-18.....	134
CHAPTER-19.....	138
CHAPTER-20.....	141

Vinod Computer Institute Mehnagar Azamgarh UP.

CHAPTER-21.....	144
CHAPTER-22.....	148
ASSIGNMENT SET- (3).....	149
CHAPTER-23.....	152
CHAPTER-24.....	156
CHAPTER-25.....	161
CHAPTER-26.....	162
CHAPTER-27.....	163
CHAPTER-28.....	164
CHAPTER-29.....	165
CHAPTER-30.....	166
CHAPTER-31.....	167
CHAPTER-32.....	168
CHAPTER-33.....	169
CHAPTER-34.....	170
CHAPTER-35.....	171
CHAPTER-36.....	172
CHAPTER-37.....	173
CHAPTER-38.....	174
CHAPTER-39.....	175
CHAPTER-40.....	176
CHAPTER-41.....	177
ASSIGNMENT SET- (4).....	182
TALLY PRIME SHORTCUT KEYS.....	188
LEDGER & UNDER GROUP.....	190
QUESTION PAPER OF TALLY.....	198

PART. (I)

ACCOUNTING

&

INVENTORY

TRANSACTION

CHAPTER-1.

INTRODUCTION TO ACCOUNTING.

In This Chapter.

- ❖ Basic Accounting Term.
- ❖ Type of Account.
- ❖ Golden Rules of Account.
- ❖ Debtors & Creditors.
- ❖ Some Topics.

Basic Accounting Term. Accounting is a language of business which involves identifying measuring and presenting economy information about business in such a way that the use of the information can form opinion about the business judge its performance and take certain decision. Accounting is summarized recording of a monetary transaction.

History of Accounting. Accounting is an ancient art or document. Michail russell in his article. "Evolution of accounting" points out that as early as 8500 b.c. Accounting was existing archaeologists have found clay token as old as 8500 BC. In Mesopotamia which were usually cones, disks, spheres and pellets. These tokens correspond to such commodities like sheep, clothing or bread. In 1494, the first systematic record keeping was formulated by Fra Luca Pacioli a Franciscan monk and one of the most celebrated mathematicians to this day. Paciloi is considered as the father of accounting and given the seven key for the creation of double-entry book – keeping.

Financial Accounting v/s Accounting. It was observed by an eminent author on accounting that Accounting was first practiced and its theory was developed later on. Certain rules and guidelines were framed in the beginning which arose out of conventions. Moreover such concepts and conventions or simply rules and guidelines are necessary for recording business transactions in order to achieve some uniformity in the preparation of financial statements that is the balance sheet and profit and loss account.

Concept and Convention.

1. **Concept.** A concept is a basic assumption on the basis of which financial statements of Business. Enterprises are prepared. An assumption is something that is accepted as true without proof.
2. **Convention.** A convention is a basic assumption is defined as a practice based on general Agreement between the accounting bodies, accounting convention are therefore methods or procedures which have recognized as common for accounting work. Accounting principles are defined as general rules and guidelines based on the experience, usages or customs, statements by individual or professional bodies and regulations by government agencies.

Need of Accounting. Every individual, trading and non-trading organizations are performing some kinds of economic activity. They perform any economic activity which a man does is primarily to earn profits. The main motive of a businessman is to earn profit through buying

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and selling of goods and services. ** If a businessman wants to survive, grow and diversity in the business world, his profiles or suffering a loss. ** Profit leads to increase in funds and losses lead to reduction in the available funds. The businessman therefore, has to spend the money wisely example to use the available resources in the best possible manner. Not only this he would be also interested is knowing the capital his firm has, the nature and value of his assets and liabilities, the customer who owe the businessman and the suppliers to whom the firm owes at the end of the year.

Purpose of Accounting.

Note. Accounting has emerged for two person.

Owner.

1. To get true profits.
2. To get liability to the outsiders.
3. To get growth in capital.
4. Planning for business.
5. Cost determination and cost control.
6. Price fixation.
7. Replacement of money.

Government.

1. Whether the taxes example. Goods & Service Tax, income tax, any other tax have been Duty determined and paid by the enterprises or not.
2. Whether the enterprise has complied withal the legal requirement.
3. Compiling statistics and National Accounts for national planning, resource mobilization.

Bank / Financial Institutions Etc.

1. Whether or not, the enterprise to which they have lent money.
2. Whether the enterprise is earning adequately to repay its loan and interest in time.
3. Whether the assets of the enterprise are sufficient to secure and repay the loan given by them to the enterprise.

Labour.

1. To ascertain the profits earned by the enterprise, so that they can get salaries, bonus or wages Revision or other benefits fixed on that basis.
2. Whether in view of present financial health of the enterprise their job is secured and permanent.

Creditors.

1. Whether they will be paid in time.
2. Whether their money is secured in such enterprise.
3. Whether to continue supplying goods on credit or and allow higher credits.

Public.

1. Whether it is worthwhile to invest in the enterprise or withdraw their investment as debenture Holder or other person who have given loans to enterprise.

2. Whether the business concern is working in, or against, the interest of the public at large.
3. To conduct research in business conditions, accounting theory, business affairs and Practices.

Limitation of Accounting. Accounting does not record those transactions which cannot be measured in terms of money. For example. – extent of competition faced by the business, Technical innovations possessed by the business, loyalty and efficiency of the employees, honest workers, high morale of workers, a clash between employee and employer, changes in value of money etc.

Process of Accounting. Accounting process begins with the identification of business transaction followed by recording, classification and summarization of business transactions and preparation of trial balance and financial statements.

- Identification of transaction.
- Preparation of vouchers.
- **Recording in books of original entry/journal:-** It is the recording procedure under double entry book-keeping
- **Posting to ledger: -** It is the process of transferring transactions into various ‘accounts’. An account is the basic unit of accounting that classifies diverse economic events into a homogeneous group.
- **Preparation of trail balance: -** A trial balance is the list of the balances of accounts arranged according to debits and credits such that the aggregate of the debit balances equals to the aggregate of credit balances. This is an apparent proof of the arithmetical accuracy of the balances of the accounts
- **Preparation of Balance Sheet: -** The last stage in the accounting cycle is the preparation of final accounts. This involves two steps-the first step is the closing of the temporary accounts (i.e., revenues and expenses) which need not be carried forward to the next accounting period. The accounting stage for closing of the accounts is called income statement. The second step involves preparation of balance sheet with the remaining balances of accounts which are not to be closed during the year to the income statement.
- Analysis, interpretation and communicate to the user.

Business Entity Concept. The concept states that, for accounting purposes, the business enterprise and its owner are two separate entities. In this way the business and private transactions are not mixed-up. For example. When the owner invests money in the business, The business entity receives the asset cash and capital of the business is treated as a liability of the business towards the owner, similarly, when the owner takes cash for his personal use, the accounts show that the cash in the business has been reduced even through there is no reduction in the personal cash of the owner. “It is very difficult to apply entity concept in the case of a limited liability company and even more so in the case of a sole trader or one man business but the accounting ignores this legal position and maintains the distinction between business and its owner income or profit is the property or asset of the business unless distributed to owners. The entity concept has enabled the development of responsibility of accounting so that it is possible to evaluate the results of not only the business enterprise on the whole but also its various department.

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The Monetary Concept. This concept requires that all the business transaction must be in terms of money that is in the currency of the country, example. Rupees in India or dollar in U.S.A and so on. Money is common unit of recording transactions relating to assets, liabilities and capital and therefore, very helpful in preparing the financial statements. In the absence of money, it will not be possible to add or subtract items given in different or unlike units like kilograms, square etc. But this concept ignores the fact that under inflationary conditions, the purchasing power of rupee constantly changes unlike of physical measure such as kilometre, a litre etc. Another limitation with the money concept is that it does not take into account the quality of its management or its products. For example. Purchased goodwill or trade-mark is included in the accounting records, but goodwill or trade-mark resulting from the successful running of the business is ignored.

The Going Concern Concept. This concept assumes that the business firm will continue to carry on its activity for an indefinite period of time. It simply means that every business entity has continuity of life and it will not be dissolved in the near future. This assumption provides a logical basis for treating certain items as assets and not expenses because the business unit would get benefits from their use in future as a going concern.

The Dual Aspect Concept. The concept emphasizes the fact that every transaction has a two-fold effect and is commonly expressed in the form of a fundamental accounting equation: Assets=Equities. As a result of this Dual aspect concept, total assets must equal total equities or claims. It is from this relationship that the term “Balance Sheet” is derived.

$$\text{Asset} = \text{equities.}$$

$$\text{Cash Rupee 10,000/-} = \text{Owner equity rupee 10,000/-}$$

This indicate that the business was started by Mr. Reddy, the owner by a contribution of Rs. 10,000/- since there is difference between the claims by the owners and claims by creditors, The accounting equation can be expanded to take into consideration these difference if then becomes.

$$\text{Assets} = \text{Liabilities} + \text{capital.}$$

$$\text{Liabilities} = \text{Creditors.}$$

$$\text{Capital} = \text{Owner's claims.}$$

Accounting Period Concept. This concept requires that a balance sheet and profit and loss account should be prepared at regular intervals, this is necessary for different purposes example. In calculation of profit financial position, Tax, computations etc. since the business entity is presumed to be a going concern the true income can be known when the business firm is closed by comparing the capital at the end with the capital in the beginning after making necessary adjustments for drawings in cash and introduction of additional capital by the proprietor but the owners cannot wait until the business is closed to know how much income has been earned. In accounting this interval of time is called accounting period which is normally of one year beginning on a specific date and ending 12 months later. The income tax act and the companies act require the annual statements. This concept enables the business firms to distribute their income at regular intervals.

The Cost Concept. The cost is the amount or money spent in purchasing the asset, amount spent in installing and all expenses paid in making the asset ready for use. The concept means that fixed assets like building, plant and machinery, furniture etc. are recorded in the books of

accounts at a price of paid for them. Finding the actual cost of any fixed asset after depreciation and appreciation according to market value is also coming under the cost concept.

The Realisation Concept. This concept requires that revenue from any business transaction should be included in the accounting records only when it is realized. Realization means as to when a transaction gives legal right to the receipt of money. As the profit means as to when a transaction gives legal right to the receipt of money as the profit means excess of revenue over expenses, the realization concept is related to the point of time of which revenue is to be recognized in the accounts of the firm. For this purpose three condition must be fulfilled. The increase in asset can be objectively measured.

There must be an independent money transaction between the business firm and some third or unrelated party. The earning process has been completed to a large extent, that is, the creation of goods and services is almost completed to a large extent that is the concern creation of goods and services is almost complete in the sense that goods meant for sale have been either purchased or manufactured as the case may be.

The Accrual Concept. According to this concept, revenues are recognized when they simply becomes receivable through cash is not received, and the expenses are recognized when they simply become payable through no cash is paid immediately and both are recorded in the accounting period to which they relate. It's mean that a promise by a customer to pay cash in future for sale of goods and services is considered as revenue and simply a promise on the part of the firm to make payments in future for goods and services acquired is regards an expense. The accrual concept therefore makes a distinction between the actual receipt of cash and the right to receive cash as regards revenue and actual payments of cash and obligation to pay cash as regards expenses. So the accrual concept requires that revenue is recognized when realized and expenses are recognized when they become due and payable without regard to the time of cash receipt or cash payment.

The Consistency Convention. Accounting information is useful if it can be compared with the similar information between two or more firms for the same period but this is possible only when the business firms use same methods in respect of inventory valuation, depreciation of fixed assets, provision for doubtful debts etc. for preparing the balance sheet and profit and loss account. Consistency convention requires that same Accounting methods will be used for similar items over a period of time.

The Materiality Convention. In order to made financial statements more meaningful and to minimize cost, only important and relevant information should be provided to the users. Thus only material information should be supplied materiality cannot be defined precisely. The general rule is that an item should be considered as material if the knowledge of that item could affect the users of the financial statements in taking some decisions such as to invest or not to invest in the enterprise or to give loan or not to give loan to the firm etc. For example. A pair of scissors in an office could be used for a number of years but still it is treated as an expense for the accounting period in which they are purchased since the clerical cost of recording depreciation on such an item would exceed the cost of the item.

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Type of Account.

Personal A/C. Personal account is account dealing with an individual. Firm or recognize as person in business dealings. E.g. Customer, owner, creditor, debtor, bank, firm, capital, trust, govt. organization.

- a. **Natural.** It means one whom god has made like “Human being” so any person’s account will be natural account for example. Mohan A/c, Sonali A/c.
- b. **Artificial.** It means which is made and controlled by human being so any firm, company, Education society or bank will be Artificial Account. For example. HDFC, SBI, Expert Academy, Web expert Pvt. Ltd.
- c. **Representative.** Any income which is earned but not received or any expense which is due but not paid such account represent specific name. For example. Salary A/c, Rent A/c, Interest A/c, B/R, B/P.

Real A/C. Account where properties & possessions are recorded like fixed are current assets are termed as real account. The balance in this account show the worth of the assets as on a particular dare. E.g. Furniture, computer, machinery, Etc.

Nominal A/C. Nominal account is dealing with expenses, loss and income gain. E.g. in a business rent paid for landlord, commission to salesman, salary to employees, Etc.

Golden Rules of Account.

<u>Dr./Cr.</u>	<u>Personal Account.</u>	<u>Real Account.</u>	<u>Nominal Account.</u>
Debit.	The Receiver.	What Comes In?	All Expenses And Loss.
Credit.	The Giver.	What Goes Out?	All Income Gain Or Profit.

Debit & Credit.

Debit. An account has two parts, example debit and credit. The left side is the debit side while the right side is the credit side. If an account is to be debited, then the entry is posted to the debit side of the account. In such an event, it is said that the account is debited. It has been derived from UN Italian word ‘debito’.

Credit. Credit is the right side of an account. If an account is to be credited, then the entry is posted to the credit side of the account. In such an event, it is said that the account is credited. It has been derived from an Italian word ‘credito’.

Debtors & Creditors.

Debtors. Debtor is a person who woes amount to the business against credit sales of goods and services is called debtors. For example, when goods are sold to a person on credit that person called a debtor.

Creditors. Creditor is a person to whom and enterprises owes amount against credit purchase of goods or service taken. For example, Mohan is a creditor of a firm when goods are purchase from him on credit.

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Some Topics.

Account. Account is a summarized record of transaction relating to particular head one place not only record transaction but also their effect and direction.

Transaction. An event involving some value between two or more entities. It can be a purchase of goods, receipt of money, payment to a creditor, incurring expenses, etc. It can be a cash transaction or a credit transaction.

Expenses. Cost incurred by a business in the process of earning revenue are known as expenses. Generally, expenses are measured by the cost of assets consumed or services used during an accounting period. The usual items of expenses are depreciation, rent, salary etc.

Assets. An assets is value of only thinks there are three types of assets are available in a company.

A Fixed Assets. Fixed assets are those currents which used for long term in firm just like furniture, land, building, machinery, office equipment.

Current Assets. The currents assets are those assets which change according to transaction in business like cash balance, bank balance, stock production & goods. Ex. Bank account, deposit account, cash in hand, petty cash, stock in hand, stock, sundry debtor.

Fictitious Assets. Fictitious assets are those assets which are neither tangible nor intangible assets. They are losses not write off in the year in which they are incurred but in more than one accounting period. In case off company an example of fictitious assets is deferred revenue expenditure. Discount on issue of share and loss on issue of debenture.

Liability. Liabilities means amount payable by the business. Liability towards the owner of the business is termed internal liability another outsider liability.

A Current Liability. Liability is a short term liability it's for a short period not for more than 12 month like bill pay, loan bank, over draft, duties & taxes, sale tax, sundry creditor, tax deducted at source, loan liabilities, secured loan, mutual trust loan.

Long Term Liability. It is not for short term period that for one year.

Capital. I refuse to the amount which invested by the owner in the firm. Opening balance equity share capital. It may be in the firm of money or assets having the monetary value. It is liability of business.

Sundry Debtor. They are person for the firm when firm sale any goods on the credit.

Sundry Creditor. This is the amount which by the firm of purchase of any goods or any services but by any person or firm.

Ledger. Ledger is the principal book of account which contain all information according business transaction it is very part of account ledger keep record of person which assets liability available in a firm.

Voucher. Voucher is an account providing evidence of business transaction. Ex. Voucher or cash memo invoice or bill, receipt debit, credit.

Bad Debts. Bad debts is the amount that has become irrecoverable it is a business loss and is debited to profit and loss account.

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Solvent. Solvent is a person which is in a position to pay its debts.

Insolvent. Insolvent is a person which is in a position to not pay its debts.

Drawing. It is the amount withdraw or goods taken by proprietor partner for Personal use.

Revenue. Amount receive sale of goods rendering of service.

Expenditure. Expenditure is the amount spent or liability incurred for acquiring assets goods or services. Or Expenditure is the amount spent or liability is decreasing or assets are increasing.

Goods. It refer to the products in which the business units is dealing, i.e. In terms of which it is buying and selling or producing and selling. The items that are purchased for use in the business are not called goods.

Stock. Stock (inventory) is a measure of something on hand-goods, spares and other items in a business. It is called stock in hand. In a trading concern, the stock on hand is the amount of goods which are lying unsold as at the end of accounting period is called closing stock ending inventory.

Sale. The term sale is associated with or used for sale of goods that are dealt with by the firm. The term sales includes both cash and credit sales. When goods are sold for cash, they are termed as cash sales and when sold on credit, they are termed as credit sales.

Purchase. The term purchase is associated with or used for purchase of goods. Goods are articles purchased for resale or for producing the finished products which are also to be sold. The term purchase includes both cash and credit purchases of goods. Goods purchased for cash or termed as cash purchases and goods purchased on credit are term as credit purchases.

Profit. Profit means the excess of revenue over its related expenses during an accounting period. It increases owner equity. It is a two type of profit.

Gross Profit. Gross profit is the difference between revenue from sale or services rendered over its direct cost.

Net Profit. Net profit is the profit earned after allowing for all expenses.

Loss. Loss is excess of expenses of a period over its related revenues which may arise from normal business activities. It decrease the owners' equity. It also refer to money or money worth lost against which the firm receive no benefit. For example cash or good lost in theft. It also arise from events of non- recurring nature, e.g., loss on sale of fixed assets.

Trade Discount. Trade discount refer to the discount given for purchasing amount of goods services not show in the book of account.

Cash Discount. Cash discount refer to the discount given for encourage payment amount of goods services discount is deducted show in the book of account.

Drawing. Drawing means the amount withdraw in cash or in kindly by partner. For their personal use. Interest is not charged from the partners if the partnership deed does not provide for charging interest on drawing. In case interest is charged it is credited to the profit and loss appropriation account and debited to partners' capital account.

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Entity. Every trading and non-trading industry that performs economic activities is called entity. The entity may be a business enterprises, an educational or charitable organization, a government unit etc.

Event. These are Occasion which causes due to economic activities in the organization. For example. Interest accrued, raw material for manufacturing etc.

Business Financial Transaction. It is an economic event that relate to business entity involving transfer of money or money's worth.

Source Documents or Vouchers. A document serving as evidence for some claimed transaction, as the receipt or expenditure of money. For eg. Cash purchase, cash memo etc.

Journal Entry. The record of transaction or event in the books of account is known as Journal Entry.

Trading Goods. It refers to tangible property held for sale in the business or for consumption in the production of goods or services for scale.

Opening Stock. The unsold goods at the beginning of the current accounting period.

Closing Stock. The unsold goods at the end of the current accounting period.

Capital Goods. Owned by individual organization, or governments to be used in the production of other goods or commodities. For example. Factory, Machinery etc.

Depreciation. When the value of any tangible assets like furniture, machinery etc. is reduced from its actual cost then that reduced amount will be called depreciation. For e.g. Cost of furniture is 1, 00,000/- and depreciation 10% on furniture. Its mean actual cost is 1, 00,000/- but current cost is 90,000/- & depreciation is 10,000/- .

Outstanding / Post-Paid. When any expense like Rent, wages etc. is due but not paid then that rent will be called outstanding rent.

Pre-Paid / Paid in Advance. When expense is not due paid for next month or future deduction is called pre-paid. For e.g. Due rent for this month is 20,000/- but paid 30,000/-. Means 10,000/- is pre-paid rent.

Accrued. When any income is due but not received on time then it will be called accrued income.

Un-Accrued. When any income is not due but we receive in advance it will be un-accrued income.

Income Tax. Income tax is an expense or liabilities for any individual, proprietor-ship firm or any Ltd. Firm which is duty for all citizen of any country to pay it to Government.

Balance Sheet. It is a statement of financial position of an individual or enterprise at a given date, which exhibits its assets, liabilities, capital, reserve book value.

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Gain. Gain is a profit of irregular or non-recurrent nature. It is the profit that arises from transactions which are incidental to business such as the profit on sale of fixed assets or investment.

Cost. It is the amount of expenditure incurred on or attributable to a specify article product or activity.

Receipts. Receipt is the amount received or receivable for selling assets, goods or services. There are two type of receipt.

Revenue Receipts. It is the amount received or receivable in the normal course of business. For example, amount received or receivable against sale of goods or rendering of services.

Capital Receipts. It is the amount received or receivable against transactions which are not revenue in nature. For example, amount received or receivable for sale of machinery, furniture, building, investment, loan, etc.

What Are The Components Of GST?

There are 3 taxes applicable under this system: CGST, SGST & IGST.

CGST. Collected by the Central Government on an intra-state sale (Example. transaction happening within Delhi).

SGST. Collected by the State Government on an intra-state sale (Example. transaction happening within Delhi).

IGST. Collected by the Central Government for inter-state sale (Example. Delhi to Punjab).

Difference Between Nil Rated, Exempt, Zero Rated and Non-GST supplies.

<u>Supply Name.</u>	<u>Description.</u>
Zero Rated.	Exports Supplies made to SEZ or SEZ Developers.
Nil Rated.	Supplies that have a declared rate of 0% GST. Example: Salt, grains, jaggery etc.
Exempt.	Supplies are taxable but do not attract GST and for which ITC cannot be claimed. Example: Fresh milk, Fresh fruits, Curd, Bread etc.
Non-GST.	These supplies do not come under the purview of GST law. Example: Alcohol for human consumption, Petrol etc.

CHAPTER-2.

INTRODUCTION TO TALLY PRIME.

In This Chapter.

- ❖ Feature of Tally Prime.
- ❖ Enhance of Tally Prime.
- ❖ Installation of Tally Prime.
- ❖ Opening Tally Prime.
- ❖ Create A Company.
- ❖ Tally Version & Full Form.

Introduction about Tally and Financial Accounting to the Students.

1. Create a company “Web Expert Pvt. Ltd” [Your Name] with the following details.

Company Data Path.	C:\Users\Public\Tally Prime\Data	Financial Year Beginning From.	01-04-2021.
Company Name.	Web Expert Pvt. Ltd.	Books Beginning From.	01-04-2021.
Mailing Name.	Same As Above	Security.	
Address.	<Your Personal Address>	Set Tally Vault Password.	<Blank>
State.	Delhi.	Control User Access to Company Data.	No.
Country.	India.	Base Currency Symbol.	₹
Pincode.	110041.	Formal Name.	INR.
Telephone.	011-6543210.	Suffix Symbol To Amount.	No.
Mobile No.	8386031345.	Add Space Between Amount And Symbol.	Yes.
Fax No.	123FX.	Show Amount in Millions.	No.
E-mail.	webexpert@gmail.com.	Number of Decimal Places.	2.
Website.	www.webexpert.com	Word Representing Amount After Decimal.	Paise.

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TALLY. Total Accounting Leading List Year.

Tally Introduction. Tally is an accounting software and used to business purpose or account maintain. Tally is an accounting software this is used to record our daily transaction. Tally is an accounting package use to operate accounts on computer. Tally is financial accounting and inventory management system development by Plantronics Pvt. Ltd. Tally not has the capacity of maintaining books of accounts but it can also maintain inventory register, control the overall financial condition of company by the means of budgets facility cost centre more facility available in tally.

Feature of Tally. Tally is an accounting software and some of the features are as follows.

Business Entity. A business is considered a separate entity from the owner's and should be treated separately. Any personal transactions of its owner should not be recorded in the business accounting book, vice versa. Unless the owner's personal transaction involves adding and withdrawing resources from the business.

Going Concern. It assumes that an entity will continue to operate indefinitely. In this basis, assets are recorded based on their original cost and not on market value. Assets are assumed to be used for an indefinite period of time and not intended to be sold immediately.

Monetary Unit. The business financial transactions recorded and reported should be in monetary unit such as inr, us, dollar, Canada dollar, euro, etc. Thus any non-financial or non-monetary information that cannot be measured in a monetary unit are not recorded in the accounting books, but instead, a memorandum will be used.

Historical Cost. All business resources acquired should be valued and recorded based on the actual cash equivalent or original cost of acquisition, not the prevailing market value or future value. Exception to the rule is when the business is in the process of closure and liquidation.

Matching Concept. This principle requires that revenue recorded, in a given accounting period should have an equivalent expense recorded in order to show the true profit of the business.

Accounting Period. This principle details a business to complete the whole accounting process of a business over a specific operating time period. It may be monthly, quarterly or annually for annual accounting period, it may follow a calendar or financial year.

Conservatism. This principle states that given two options in the valuation of business transactions, the amount recorded should be the lower rather than the higher value.

Consistency. This principle ensures consistency in the accounting procedures used by the business entity from one accounting period to the next. It allows fair comparison of financial information between two accounting periods.

Materiality. Ideally, business transactions that may affect the decision of a user of financial information are considered important or material thus, must be reported properly. This principle allows errors or violations of accounting valuation involving immaterial and small amount of recorded business transaction.

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Objectivity. This principle requires recorded business transactions should have some form of impartial supporting evidence or documentation. Also it entails that bookkeeping and financial recording should be performed with independence, that's free of bias and prejudice.

Connect Multi Language Capacity. Support almost all the major Indian and international language view report another language and print report.

Data Reliability. Perform the data and save all the latest modification.

User Defined Security Levels. Support the multiple level security user work on a system at various levels user define his/her own level requirement.

Import/Export of Data. Facility available importing and exporting data between tally and other software.

Print Preview. Allow view to report to view report there layout prior to actual printing.

Enhancement in Tally.

Remote Login Access. Allow user to access data from anywhere. User can access Database Company and home.

Support Centre. Allow the user send their query and technical help centre of tally.

Tax Deducted At Source (TDS). Enable TDS option for the ledger group under the fixed assets, current assets, duties and tax, direct income, indirect income and current liabilities group.

User Interface in Tally. The tally interface displays in the language selected as initial start-up language, at the time of installation. For example, if you have selected Hindi as initial start-up language the tally interface displays as shown.

Title Area. Title area contains the tally copyright and tally website link. You can access the tally Website directly from the tally screen. You must have access to the internet and internet explorer, web browser installed on your computer. The product type tally gold, tally silver, tally bronze or educational and tally serial number appears on the upper-right corner. The software serial number is usually a unique number.

Horizontal Button Bar. The button, print (**Alt + P**) export (**Alt + E**) import (**Alt + O**) go to (**Alt + G**) Display Language (**Ctrl + K**) and help (**F1**) can be seen in the horizontal button bar.

Bottom Pane. The bottom pane contains the version number, release details (every time a new release of tally is made, it is identified with a different release name like release 6.4) and the current date (the date configured in the computer). The name of the day, date, month and year is displayed in DD, MM and YYYY format on the right-hand side.

Close Button. The close button in the upper right corner functions similar to the use of 'Esc' in tally. It brings you to back to the gateway of tally from any screen.

Minimize Button. The minimize button performs the standard windows operating system's function (windows 10 onwards), allowing you to minimize tally and work on other applications. To restore tally, click on the tally icon on the taskbar.

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Hot Keys. Hot keys are capitalized and are red in colour on all the menu screen. Using the hot keys in the company info screen will take you to that particular screen or display the sub – menu within that option.

Creating a Company. Please double click on Tally Prime icon or select and press enter on Tally Prime icon to start the Tally Prime program. Creating a company involves providing basic information about the company whose books of accounts are to be maintained in Tally Prime. **Go to Gateway of Tally > (Alt+F3) Company Info. > Create Company.**

Directory. The data path where you want the company to be created is specified in the directory Field. For example, the default Tally Prime data directory could be **C:\ Users \Public\Tally Prime\Data**. You may now wish to create a new company on **c:\tally.Prime\personal**, and some other companies on **c:\tally.Prime\branches**. The next time, the default directory displays **c:\tally.Prime\data**, and if you wish to work on the data of your branches, press backspace and enter **c:\tally.Prime\branches** for the directory name. This display the company whose data is stored in that location in the list of companies. You can even give the path of a network server or any other storage device.

Name. Enter the name of the company whose books are being opened. If you are a professional accountant and are maintaining the books of your clients give the client company's name.

Mailing & Address. In addition to the company name, Tally Prime provides the facility to enter the mailing name field. It displays the company name by default. You may change it as required, if the mailing name is different from the company name. The mailing name and address details are picked up for inclusion in any report that needs the company name and address as heading. For example: balance sheets, statement of accounts and so on.

Statutory Compliance For. Select the country from the list of countries. The statutory features and base currency symbol are enabled in accordance with the country selected. For example, if the accounts belong to a company in India, the base currency would be “Indian Rupees”. The base currency will appear with respect to the country selected.

State. You can select the appropriate “State” from the predefined list.

PIN Code. Specify the PIN Code (Postal Index Number) of the specified address.

Telephone No. Enter the “Telephone Number”.

Mobile No. Enter the “Mobile Number” of the company.

E-mail Address. Enter the “E-mail” address that will be used to e-mail documents, reports and data from Tally Prime.

Enable Auto Backup. Set this to yes, if you want to enable the automatic backup of Tally Prime data (per company). Else, set this to no. The data backup is stored in the data folder of the respective company. The auto backup data can be restored by pressing “**Ctrl+Alt+K**” from company info menu or gateway of tally.

Currency. Currency symbol is the symbol of the base currency that is the currency that will be used to maintain the books of account. The symbol appears by default in case India for India/SAARC Companies and the field is left blank for International Companies.

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Maintain. Tally Prime displays a drop down for the type of company with two options accounts only and accounts with inventory. Select accounts only if you do not have any inventory transactions (suitable for professionals and corporate offices). However, at a later date (if required) you can choose to alter the information as accounts-with inventory. Select accounts-with inventory, to maintain both financial accounts and inventory in tally old version.

Financial Year From. In most countries, the books of accounts of a company are maintained for a stipulated period like, 12 months, 17 months, and so on. This stipulated period is referred to as the financial year. The stipulated period of the financial year is 12 months in most countries. Tally Prime automatically considers 12 months from the date you give here as the financial year. Tally Prime allows you to maintain data for multiple years by changing the period (**Alt+F2**) at the gateway of tally. In addition, you can also specify the date of actual establishment of the company date of incorporation.

Books Beginning From. Tally Prime presumes that you wish to maintain books from the beginning of the financial year. Hence, Tally Prime display the date given in financial year from field automatically. The date for books beginning from can be changed in case of companies, which are incorporated in the middle of the year. If your company is new, you can opt to start the books of accounts from the date of actual establishment of the company (date of incorporation) but close Books according to the financial year as specified by you. Tally Prime provides the required flexibility in such a case by allowing you to give the date when the books of accounts actually began. Tally Prime will open books from this date and close as on the last day of the financial year.

Tally Vault Password. Tally Vault is an enhanced security system, which allows for encryption of the company data. Encryption involves converting normally accessible Tally information into unrecognizable information, which can only be reconverted by authorized persons. Give a password here and repeat the same in the repeat field. This basically results in the creation of an encrypted company whose information is not accessible to users other than the password holder.

Password Strength. Password strength indicator is available in Tally Prime from release 6.4 onwards. Now, strength is displayed while creating and altering passwords under security control, tally vault, and control centre. Also when password policy is enabled, password strength is indicated in the change password screen that appears for first time login. Let us understand the logic used by Tally Prime.

Use Security Control. Set this to “yes” if you want to initiate a password-protected system to control access to Tally Prime data. Else, set this to no. If you opt for security control, Tally Prime offers a comprehensive password based access control to different features of Tally Prime based on authority.

Use Tally Audit Features. Tally audit allows the administrator or an auditor profile user to track changes in accounting information. If you wish to use this facility, select yes. Tally audit will be available only to the administrator/auditor, through display of statements of accounts. For more information refer data management in Tally Prime.

Disallow Opening In Educational Mode. Set this option to “yes” if you don't want the company to be opened in educational mode of Tally Prime. Else, set this to no. On accepting the

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company creation screen, if you have specified tally vault password, Tally Prime prompts you to enter the tally vault password as appears.

Base Currency Information. The base currency information is found in the bottom frame of the company creation screen. Base currency is the currency in which your accounts would be maintained. Financial statements are prepared in the base currency by default and these are normally required to be submitted to local statutory authorities. The base currency information in Tally Prime varies with the country selected for statutory compliance. You can record transactions and raise invoices in foreign currency, and also maintain bank accounts or ledgers in foreign exchange, when required.

Base Currency Symbol. The currency symbol given earlier in the company creation screen is displayed here automatically. Tally Prime uses this currency symbol in reports, wherever necessary. To read about Indian rupees symbol conversion.

Number of Decimal Places. The number of decimal places for the base currency is set to 2, by default. However, you have the option of specifying up to 4 decimal places. Indian currency has 2 decimal places whereas certain other countries require 3 decimal places and so on.

Is Symbol Suffixed to Amounts? For countries, which specify the symbol after the amount (value) – this facility is provided. For example, yen is specified after the amount (5000 yen) unlike in India where the symbol is specified before the amount (Rs.5000).

Show Amounts in Millions. This is useful for companies, which require reporting the financial statements in millions. This is possible only if allow multi-currency is enabled in (F11+F1) accounting features.

Put A Space Between Amounts And Symbol. This facility is provided to users who require a space between the amount and the symbol. However, putting a space between the amount and symbol could give an opportunity for misuse in case of cheque printing. Hence, the flexibility to turn this option on and off as required is provided.

Loading a Company. In order to load a company using the select company option, disable the default loading of a company in tally.ini file. Set default companies to no or place a semi-colon before load = 00001 (company number - placing a semicolon means that the words following it in that line would not be executed. Each line is a separate command.

Select Company. You can use the select company option in two ways, from the company (Alt+K). Menu or by using the button (Alt+F3) select company (available on the gateway of tally screen). Select company option allows you to load another company from the list of companies listed which you may have created earlier.

Shut A Company. Shut a company is to unload it. It does not mean that you have deleted it. Simply select it again to load and work on it again. You can shut a company in two ways either using the button **F3: Shut Company (Ctrl+ F3)** or pressing enter on shut company menu option on the company Menu (Alt+K).

Alter A Company. This option allows you to alter information about the existing company, you can modify any information at any time that is set while creating a company. Go to gateway of tally. **Select F3: Company (Alt+K)** from the button bar. Select alter and press enter

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and the screen appears as shown below. Select the company from the list of companies and press enter to view the company alteration screen.

Delete A Company. This option allows you to delete an existing company. To delete a company, you have to load the company first. **Select F3: Company (Alt+F3)** from the gateway of tally to proceed to the company information menu. Select alter and press enter. Select the company to be deleted. The company alteration screen is displayed. Use **(Alt + D)** to delete. Tally Prime will prompt for a confirmation on deleting the company.

Pre-Defined Groups In Tally Prime. By default, Tally Prime provides a list of groups called pre-defined groups. The user can create any number of primary groups and sub groups which are again grouped under a primary group/sub group. There are **34** pre-defined groups in Tally Prime out of which **15** are primary groups and **13** are sub-groups. Out of the **15** primary groups, **9** primary groups appear in the balance sheet which are capital in nature and **6** primary groups appear under profit & loss account which are revenue in nature.

Change Tally Vault. Data security is a matter of concern to the business owner because so many businesses depend on the secrecy of the data. Tally vault is a kind of security feature built in tally. An advanced level security feature in Tally Prime to keep up confidentiality of information by encrypting the data. Tally vault uses a password with an advanced algorithm to validate a new user without any prior understanding of the password and the form of data is not located on the device. A combination of such formulas helps to ensure that tally vault becomes one of the very most secure means of data storage.

Split Company Data. Tally recommends the split from date to be based on the existing data. It is recommended that the split from date is set as the beginning of the current financial year, even though tally permits any date.

Pre-Defined Ledgers In Tally Prime. There are two pre-defined ledgers available in Tally.

Backup. Tally has a flexible backup mechanism where in you can take a backup of the data from virtually any storage medium into any other medium. The more commonly used media are compact disk drive, hard disk drive, pen drive, tape drive etc. installed either locally or on a network. In the screen, the source of the backup and the destination of where it has to be stored have to be given and tally will do as required.

Restore. Restore literally means to bring back. Similar to backing up of data, tally allows restoring of data from any medium into any other storage medium. The restore companies on disk screen is displayed as shown below.

Quit. Using the “Quit” option a specific company information after working.

CHAPTER-3.

GROUP, LEDGER WITH BALANCE SHEET, CREATION.

In This Chapter.

- ❖ Accounting Masters.
- ❖ Group.
- ❖ Ledger with Balance Sheet.
- ❖ Voucher Type.
- ❖ Quit.

Account Information. Accounts master menu lists the masters through which you can provide tally the details of your company's accounts. You can also manage groups, ledger and vouchers from this menu. **Go to Gateway of Tally > Account Info.**

Introduction to Groups. Tally follows the modern way of managing accounts called 'single ledger' concept of accounting. This is in direct contrast to subsidiary ledger accounting. All financial entries are made using ledgers or account heads. Ledger accounts are created to identify transactions. The single ledger concept avoids the need for sub-ledgers and corresponding control accounts in general ledger. Tally allows you to group ledger information to generate meaningful reports that are compliant with laws. Groups in tally classify and identify account heads according to their nature. This helps in presenting summarized information.

Classification of Account Heads. You can group the ledger accounts while creating them. Tally will enable your reports and statements to reflect the desired classification at any point. In tally, you can also regroup the ledgers (with some minimal restrictions) if re-classification is necessary. Re-grouping becomes necessary whenever there is a change in the nature of information, however, regrouping can be done only by users who have authorized rights. At the highest level of grouping, accounts are classified into capital or revenue – specifically into assets, liabilities, income and expenditure. Based on mercantile accounting principles, tally provides a set of reserved groups and allows you to modify their names or create sub-groups.

Sub-Groups. Groups have a hierarchical structure. The main group of accounts that determine the entire accounting and their presentation are the asset, liability, income or the expenditure. Their main groups ascertain whether a ledger affects profit & loss account as a revenue item or if it affects the balance sheet.

Capital Account. This records the capital and reserves of the company. The ledgers that belong to capital accounts are share capital, partner's capital a/c, proprietor's capital account and so on. Reserves and Surplus [retained earnings] this contains ledgers like capital reserve, general reserve, reserve for depreciation and so on.

Current Assets. Current assets record the assets that do not belong to either bank accounts or cash-in-hand sub-groups.

Bank Accounts. Current account, savings account, short term deposit accounts and so on.

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Cash-In-Hand. Tally automatically create cash A/c in this group. You can open more than one each account if necessary. Note: an account under cash-in-hand group or bank account/bank occ A/c group is printed as separate cash book in the traditional cash book format and does not form part of the ledger.

Deposits (Asset). Deposits contain fixed deposits, security deposits or any deposit made by the company (not received by the company, which is a liability). Loans & advances (asset) this records all loans given by the company and advances of a non-trading nature (example: advance against salaries) or even for purchase of fixed assets. We do not recommend you to open advances to supplier's account under this group.

Stock-In-Hand. This group contains accounts like raw materials, work-in-progress and finished goods. The balance control depends on whether you have selected integrated account-cum inventory option while creating the company.

Integrated Accounts-Cum-Inventory. This option has a significant effect on the balance sheet and profit & loss account. If set to "yes" it brings the stock/inventory balance figures from the inventory records and provides a drill down to the stock registers from the balance sheet.

Non- Integrated Accounts-Cum-Inventory. If integrated account-cum-inventory option is set to no, it ignores the inventory books figures and picks up manually entered closing stock balances from the ledger account created. This provides the facility to maintain accounts separately and inventory separately. You are not allowed to pass transactions if your accounts that come under this group. It allows you to hold opening and closing balance only. Since no vouchers can be passed for these accounts, they are the only accounts for which the closing balances can be directly altered (by an authorized user only).

Current Liabilities. Accounts like outstanding liabilities, statutory liabilities and other minor liabilities can be created directly under this group. Sub- groups under current liabilities are duties and taxes, provisions and sundry creditors.

Duties and Taxes. Duties and taxes contain all tax accounts like GST, sale and other trade taxes and the total liability (or asset in case of advances paid) and the break-up of individual items.

Provisions. Accounts like provision for taxation, provision for depreciation and so on are recorded under provisions.

Investments. Group your investment accounts like investment in shares, bonds, govt. Securities, long term bank deposit accounts and so on. This allows you to view the total investments made by the company.

Loans (Liability). Loans that a company has borrowed, typically long-terms loans.

Bank OD Accounts Bank OCC Accounts. Tally provides you with distinct types of bank accounts.

Bank OCC A/C. To record the company's overdraft accounts with banks. For example, bill discounted a/c and hypothecation a/c etc. Note: an account under bank occ a/c group is printed as separate cash book in the traditional cash book format and does not form part of the ledger.

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Secured Loans. Term loans or other long/medium term loans, which are obtained against security of some asset. Tally does not verify the existence of the security. Typical accounts are debentures, term loans, and so on.

Unsecured Loans. Loans obtained without any security. Example: loans from directors/partners or outside parties.

Suspense Account. In modern accounting many large corporations use suspense ledger to track the money paid or recovered, the nature of which is not yet known. The most common example is money paid for traveling advance whose details will be known only upon submission of the TA bill. Some companies may prefer to open such accounts under suspense account.

Loans and Advances (Asset) Group. The suspense account is a balance sheet item. Any expense account even if it has 'suspense' in its name, it should be opened under revenue group like indirect expenses and not under suspense account group.

Miscellaneous Expenses (Asset). This group is typically used for legal disclosure requirements such as schedule VI of the Indian companies act. It should hold incorporation and pre-operative expenses. Companies would write off a permissible portion of the account every year. A balance remains to an extent that cannot be written off in profit & loss account. Tally does not show loss, carried forward in the profit & loss account, under this group. The profit & loss account balance is displayed separately in the balance sheet.

Branch/Divisions. This maintains ledger accounts of all your company's branches, divisions, affiliates, system concerns, subsidiaries and so on. Tally permits sales and purchase transactions to take place with accounts. Just treat them as any other party accounts. If you wish to maintain the books of a branch/division on your computer, you must open a separate company. Tally allows maintenance of multiple company accounts. Revenue- primary groups.

Sales Account. You can classify your sales accounts based on tax slabs or type of slabs or type of sales. This also becomes a simple mechanism for preparation of tax returns. Domestic sales, export sales, now under domestic sales open the following ledgers: sales (5%), sales (12%), sales (exempt). You can even open an account as sales returns under the group domestic sales to view your net sales after returns (or the returns may be directly passed through journal against the specific sales account).

Purchase Account. You can classify your purchase accounts based on tax slabs or type of slabs or type of purchase. This also becomes a simple mechanism for preparation of tax returns. Domestic purchase, export purchase, now under domestic purchase open the following ledgers: purchase (5%), purchase (12%), and purchase (exempt). You can even open an account as purchase returns under the group domestic purchase to view your net purchase after returns (or the returns may be directly passed through journal against the specific purchase account).

Direct Income & Income Direct. These are non-trade income accounts that affect gross profit. All trade income accounts fall under sales accounts. You may also use this group for accounts like servicing, contract change that follow sales of equipment. For a professional services company, you may not use sales account group at all. Instead, open accounts like professional fees under this group.

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Indirect Income. These are miscellaneous non-sale income accounts. Example: rent received and interest received.

Direct Expenses. These are manufacturing or direct trading expenses. These accounts determine the gross profit of the company.

Indirect Expenses. All administrative, selling or non-direct expenses. Profit & loss account is a reserved primary account in tally. You can use this account to pass adjustment entries through journal vouchers. For example, transfer of profit or loss account to capital or reserve account.

Creating a Group. You can create multiple or single group from create option. In multiple group creation, the sub-groups will automatically inherit the characteristics of their parent groups. **Go to Gateway of Tally > Master > Create > Groups** the group creation screen display

Name of Group. Enter the name of the group to be created. For example, O/s expenses.

Alias. Enter an alias name to allow access to the group using the alias in addition to its name of leave it blank. For example, for administrative expenses, you can enter office expense or even an alphanumeric code, say e001, as an alias.

Under. Specify under which existing (parent) group the sub-classification is required. If it is a new primary group, select primary (requirement of a new primary group is very rare, but the option exists). You can also create a new parent group by using **(Alt+C)**. Note: creation of new primary group is not allowed if allow advanced entry in masters is set to no in **F12**: configure.

Altering A Single Group. **Go to Gateway of Tally > Master > Alter** (under single group) **34** select the group that you wish to alter from the list of groups. Make the necessary changes and click (Yes) to save the changes.

Altering Multiple Group. **Go to Gateway of Tally > Charts of Accounts > Groups > Multi Master (Alt+H) > Multi Alter** (under multiple group) select the group for which you want to alter from the list of groups. In multiple group alteration screen, make the necessary changes and click (Yes) to save changes.

Deleting a Group. **Gateway of Tally > Master > Alter > Groups > single/alter** the delete function is performed through the single alteration mode. You cannot delete groups from the multiple alteration mode. Select the group to be deleted. Press **(Alt+D)** to delete. Note: you cannot delete a group if it is a reserved group or a group has sub-groups or ledgers in it.

Introduction To Ledgers. A ledger is the actual account head to which you identify a transaction. In tally, you pass all accounting vouchers using ledgers. However, all ledgers have to be classified into groups. Hence a thorough understanding of account classifications is important for working with ledgers **2**.

Creating A Ledger. Ledgers can be created in single and multiple modes. In multiple mode you can create multiple ledgers at a time. **Go to Gateway of Tally > Master > Create > Ledgers.**

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Creating A Single Ledger. The creation of ledger depends on the features you opt for in the **F11**: configure screen before creating any ledgers. You may configure or set your ledgers to enable or disable advanced mode. Tally automatically creates two ledger accounts namely, cash (under cash in hand) and profit and loss account (direct primary account). You need to create all other accounts heads. There are no restrictions in ledger creation except that you cannot create another profit & loss a/c. Any number of cash accounts may be created in any other name like petty cash.

Name. Enter the name of the account. You can provide the full name of the account. Tally fits it All in. Press enter to move to the next field. Tally does not allow entry of duplicate names. The uniqueness check is made here itself. Note that punctuation and other non-relevant information are ignored by tally in its recognition of a name. Thus GST. Are all considered as same. Tally converts the first letter of all relevant words to upper case, which helps you; speed up data entry. You need not both about changing the case every time it is a different word.

Alias. Enter an alias name if required. You can access the Ledgers using the original name or the alias name.

Under. All accounts must be classified under their appropriate groups. Select the group under which the ledger is created from the list of groups. To create a new group from this field press **[Alt+C]** a group is not important by itself, but because it controls the usage of ledger accounts. A wrong classification would affect the treatment of the ledger account in final statements and during voucher entry. You can, alter a ledger account to change its group classification at any time.

Opening Balance. If yours is an existing company whose books you are entering onto tally, opening balance would be applicable in circumstances such as when the ledger is an asset or a liability and if it has a balance in the account as on the date of beginning of books in tally. Tally recognizes normal accounting principles of debit balances for assets and credit balances for liabilities. It accepts the reverse for obverse balances. Revenue accounts normally do not have balances. Tally, however, permits you to give balances even for such accounts – you may be transferring your books on to tally in the middle of the year and may not have closed them in your earlier system. Hence, you may specify whether the balance is debit or credit. Simply Dr. or Cr. also would suffice. Note: use **(Ctrl + A)** at the field following which the information in other fields do not need to be changed.

Creating Multiple Ledgers. You can create multiple ledgers at a time in this mode. You can first create a ledger under each group in single ledger mode and then the rest of the ledgers in multiple mode. Tally will set the settings of the ledger created as default for other ledger to be created in multiple mode. **Go to Gateway of Tally > Charts of Accounts > Ledger > Multi Master (Alt+H) > Multi Create.**

Under. This field defaults to the parent group selected in under group. The selected group in under group gets displayed here automatically and the cursor skips this column. However, if you select all items in under group field, the cursor does not skip this column and you have the option to select the group. You can even create a new group from this field by pressing **(Alt+C).**

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Opening Balance. This is the balance remaining when you first enter your books on tally, i.e., the date of beginning of books. If you have opted to maintain balances bill-by-bill, you must give the bill details.

Alter A Ledger Account. Information in display and alter is the same, hence only alter is discussed. Display option does not permit any modification. Alter option is accessible only to authorized users.

Deleting A Ledger Account. You can delete a ledger from the alteration mode by pressing (Alt+D). Tally does not allow deletion of accounts that have transactions. Therefore, should you wish to delete an account, which has transactions, you must first delete all its voucher entries.

Introduction To Voucher. A voucher is the primary online document for recording transactions. Transactions recording and analysis are greatly facilitated by having specific formats for different types of transactions. Tally provides **22** different predefined voucher formats or what it calls predefined types of vouchers. These are used for recording various transactions. A payment voucher is used for all types of payments, a receipt voucher for all types of money receipts, a sales voucher for recording sales transactions, and so on. These predefined vouchers fulfil your normal transaction needs. They pertain to both accounting and inventory. Some of these vouchers can also be used differently according to the situation, e.g., sales vouchers can be used as invoices, vouchers can be post-dated, etc. Such use can be decided at the time of voucher entry by selecting the appropriate button. The predefined voucher types can be displayed as follows: **Gateway of Tally> Master > Create > Voucher Type.**

Alter A Predefined Voucher Type. Even if you do not need extra voucher types, you would normally alter the predefined voucher types to customize them according to your needs, e.g., to control their numbers. Display or alter each voucher type (by pressing enter or double clicking) after **Gateway of Tally> Display> List of Accounts> (Ctrl+V) Voucher types** we shall create a new voucher type to explain the different features. It would also be applicable to alteration of voucher types including predefined types.

Creating A Voucher Type. Go to **Gateway of Tally> Master > Create > Voucher Type.**

Note: A new voucher type must assume the functions of a predefined voucher type the voucher type creation screen is divided into three sections depending on the various setting.

Name. Give the name of the new voucher type, e.g. POS Invoice.

General.

Type of Voucher. The type of voucher should be any one of the predefined voucher types (already listed in introduction). The new voucher type would inherit the properties of this predefined voucher type. It would function exactly like the predefined voucher.

Abbreviation. An abbreviation is required particularly for unformatted reports, which do not use compressing techniques. (Tally allows printing of both formatted and unformatted reports). Even if the abbreviation is not specified, tally automatically sets a default name to the voucher. In this example, give 'sale' as the abbreviation. Though there is no restriction on the length of the abbreviation, it should preferably be five characters or less.

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Method of Voucher Numbering. This is, perhaps, one reason for your option for a new voucher type. There are three methods available.

None. This will disable numbering of such vouchers. If you select this method, no further information is required.

Manual. This method will allow you to number vouchers of this type yourself. It does not check for sequence of the numbers and permits you to specify anything you wish in the voucher number field. However, you may choose to prevent entry of duplicate numbers. If you do, enable the next field 'prevent duplicates'.

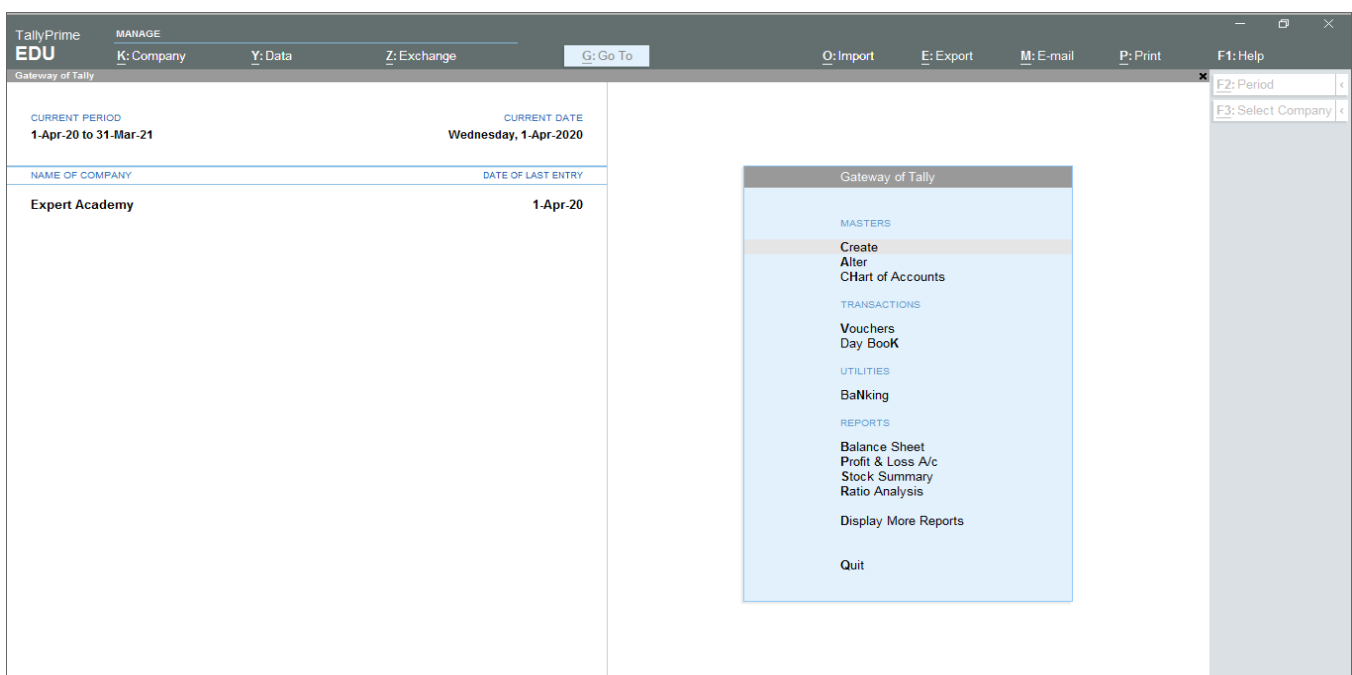
Automatic. This method is both flexible and exhaustive. Use it carefully to give you your desired numbering system. Select this option to let tally number the vouchers automatically for you.

Use Advance Configuration. If the method of voucher numbering is set to automatic, then an additional field to set the advanced configuration for the voucher type appears. Setting this field to (Yes), voucher type creation (secondary) screen appears.

Use Effective Dates For Vouchers. Select yes if you want to enter effective dates for vouchers. You would opt for this if you have instances where a transition under consideration for overdue/ageing analysis is recorded currently but will take effect from another date. If effective date is entered, the overdue/ageing will be considered from the effective date and not from voucher date.

Make Optional As Default. Setting this option to yes, will set your voucher to optional voucher by default.

Use Common Narration. Select (Yes) to give a common narration for the entire voucher. Tally vouchers can have multiple entries. Hence, you may wish to give a common narration for all the entries of the voucher or a separate narration for each entry or both. Select yes even when you want both. Select no if you do not want a common narration.



Vinod Computer Institute Mehnagar Azamgarh UP.

2. Create the Following General Ledgers with Their Opening Balance & Proper Grouping.

Balance Sheet for the Year Ending 31-03-2021.

<u>Liabilities.</u>	<u>Amount</u>	<u>Assets.</u>	<u>Amount</u>
<u>Capital.</u>		<u>Fixed Assets.</u>	
Equity Share Capital.	12,21,900.	Godown @ 10%.	2,72,300.
Preference Share Capital.	3,00,000.	Goodwill.	25,000.
<u>Reserves & Surplus.</u>		Furniture @ 10%.	20,000.
Capital Reserve.	45,000.	Land.	70,000.
General Reserve.	65,000.	Building @ 10%.	65,000.
<u>Secured Loan.</u>		Machinery @ 17%.	50,000.
Loan Taken From ICICI.	40,000.	Plant @ 17%.	40,000.
Loan Taken From Vicky Finance.	10,000.	<u>Investment.</u>	
<u>Unsecured Loan.</u>		Bonds At SBI.	60,000.
Loan From Radha & Co.	15,000.	Debenture At Axis Bank.	55,000.
Loan-From-Praveen Enterprises.	17,000.	Shares Of Wipro.	41,700.
<u>Current Liabilities.</u>		<u>Sundry Debtors.</u>	
Provident Fund.	15,000.	Chhaya & Co.	25,000.
Pre-Received (Commission).	17,000.	Puneet Singh.	35,000.
<u>Sundry Creditors.</u>		Pawan Enterprises.	25,000.
Arjun & Co.	1,00,000	Amit & Co.	1,00,000
Rakesh Webtech.	25,000.	<u>Loan & Advance.</u>	
Aarti & Co.	40,000.	Advance Rent.	25,000.
Manju & Co.	55,000.	<u>Current-Assets.</u>	
<u>Outstanding Exp. (C.L).</u>		Closing Stock	3,41,000.
O/S Electricity Bill.	30,000.	<u>Bank Accounts.</u>	
O/S Salary.	25,000.	ICICI Bank.	3,00,000.
O/S Rent.	19,100.	Axis Bank.	2,50,000.
<u>Profit And Loss. (Primary).</u>	60,000.	<u>Cash-in-hand.</u>	
		Cash.	3,00,000.
	21,00,000.		21,00,000.

Vinod Computer Institute Mehnagar Azamgarh UP.

Update Dues of the Parties [Debtors & Creditors] According To the Given Bill Details:-

Vendor's Bill Details.

Arjun & Co.

<u>Date.</u>	<u>Name.</u>	<u>Due Date.</u>	<u>Amount.</u>	<u>Dr. / Cr.</u>
01-04-2021.	AR/C001.	01-05-2021.	50000.00.	Cr.
01-06-2021.	AR/C002.	01-07-2021.	50000.00.	Cr.

Rakesh Webtech.

<u>Date.</u>	<u>Name.</u>	<u>Due Date.</u>	<u>Amount.</u>	<u>Dr. / Cr.</u>
01-04-2021.	RA/W001.	01-05-2021.	15000.00.	Cr.
01-06-2021.	RA/W002.	01-07-2021.	10000.00.	Cr.

Aarti & Co.

<u>Date.</u>	<u>Name.</u>	<u>Due Date.</u>	<u>Amount.</u>	<u>Dr. / Cr.</u>
01-04-2021.	AA/C001.	01-05-2021.	25000.00.	Cr.
01-06-2021.	AA/C002.	01-07-2021.	15000.00.	Cr.

Manju & Co.

<u>Date.</u>	<u>Name.</u>	<u>Due Date.</u>	<u>Amount.</u>	<u>Dr. / Cr.</u>
01-04-2021.	MA/C001.	01-05-2021.	15000.00.	Cr.
01-06-2021.	MA/C002.	01-07-2021.	40000.00.	Cr.

Customer's Bill Details.

Chhaya & Co.

<u>Date.</u>	<u>Name.</u>	<u>Due Date.</u>	<u>Amount.</u>	<u>Dr. / Cr.</u>
01-04-2021.	CH/C001.	01-05-2021.	15000.00.	Dr.
01-06-2021.	CH/C002.	01-07-2021.	10000.00.	Dr.

Puneet Singh.

<u>Date.</u>	<u>Name.</u>	<u>Due Date.</u>	<u>Amount.</u>	<u>Dr. / Cr.</u>
01-04-2021.	PU/S001.	01-05-2021.	25000.00.	Dr.
01-06-2021.	PU/S002.	01-07-2021.	10000.00.	Dr.

Pawan Enterprises.

<u>Date.</u>	<u>Name.</u>	<u>Due Date.</u>	<u>Amount.</u>	<u>Dr. / Cr.</u>
01-04-2021.	PA/E001.	01-05-2021.	10000.00.	Dr.
01-06-2021.	PA/E002.	01-07-2021.	15000.00.	Dr.

Amit & Co.

<u>Date.</u>	<u>Name.</u>	<u>Due Date.</u>	<u>Amount.</u>	<u>Dr. / Cr.</u>
01-04-2021.	AM/C001.	01-05-2021.	50000.00.	Dr.
01-06-2021.	AM/C002.	01-07-2021.	50000.00.	Dr.

CHAPTER-4.

STOREGE & CLASIFICATION CREATION.

In This Chapter.

- ❖ Inventory Masters.
- ❖ Stock Groups & Stock Item.
- ❖ Unit of Measure & Godowns.
- ❖ Quit.

Inventory Master. The inventory Master menu lists the masters, through which you can provide tally the details of your company's inventory. **Go to Gateway of Tally > Create > Inventory Master.** Note: the inventory info menu is displayed in gateway of tally, only select maintain accounts with inventory format the type of company list in the company creation screen.

Stock Groups. Stock groups in inventory are similar to groups in accounting masters. They are helpful in the classification of stock items. Classifications is based on some common behaviour. Stock group enable easy identification and reporting of stock items in statements. You can group stock items under different stock group to reflect their classification based on some common functionality. Grouping enables you to locate stock items easily and report their details in statement. **Go to Gateway of Tally > Create > Inventory Master > Stock Group.**

Creating a Stock Group. Go to **Gateway of Tally > Create > Inventory Master > Stock Group** (under single stock group).

Name. Enter the name of the stock group to be created. For example electronics materials.

Under. Specify whether it is a primary group or a sub-group of another group, by selecting from the list. For example, primary. Press (**Alt + C**) to create a parent group, if you do not have it in the list.

Creating Multiple Stock Groups. Go to **Gateway of Tally > Master > Charts of Account > Stock Groups > Multi Masters (Alt+H) > Multi Create** (under multiple stock groups). Select the parent groups under which you want you want the new groups to be created from the list of groups. The group selected is displayed in the under group field.

Altering Single Stock Group. Go to **Gateway of Tally > Create > Inventory Master > Stock Groups** (under single stock group) select the stock group from the list of groups. The stock group alteration screen displays. Make the necessary changes and accept yes to save. You can delete a stock group only from the stock group alteration screen. Select a stock group from the list and press (**Alt+D**) to delete it.

Altering Multiple Stock Groups. Go to **Gateway of Tally > Master > Charts of Account > Stock Groups > Multi Masters (Alt+H) > Multi Alter** (under multiple stock group) the multi stock group alteration screen displays. Make the necessary changes and accept yes to save.

Stock Categories. The concept of stock categories is similar to that of cost categories. Refer the section on cost categories to understand the similarity/differences. Note: this option becomes available in the inventory info. Stock categories offers a parallel classification of stock items. You can create stock categories like L.G, Sony and Samsung etc. Go to **Gateway of Tally > Create > Inventory Master > Stock Categories.**

Creating a Stock Category. You can create stock categories and sub categories of stock categories to organize your information. Go to **Gateway of Tally > Create > Inventory Master > Stock Categories** (under single stock categories).

Name. Enter the name of the stock category. Example. LG.

Under. Specify whether it is a primary category or a sub-category of another category. Select primary from the list, if you do not have a parent group. Use **(Alt+C)** to create a parent if you do not have the required category in the list.

Creating Multiple Stock Categories. Go to **Gateway of Tally > Master > Charts of Account > Stock Categories > Multi Masters (Alt+H) > Multi Create** Under multiple stock categories.

Under Category. Select the parent category under which you want the new categories be created. If you select any category other than all items, all the categories being created will be created under the selected category. The column under is filled in automatically with the selected category and the cursor skips this column, which in turn speeds up data entry. Selecting all items gives you the flexibility of specifying the parent of each new category created.

Altering Single Stock Category. Go to **Gateway of Tally > Alter > Inventory Master > Stock Categories** (under single stock categories) select the category for which you want to alter from the list of categories. The stock category alteration screen displays. Make the necessary changes and accept (Yes) to save.

Deleting a Stock Category. You can delete a stock category only if it does not have any sub categories or stock items under it. Select a stock category from the list and press **(Alt+D)** to delete it.

Altering Multiple Stock Categories. Go to **Gateway of Tally > Master > Charts of Account > Stock Categories > Multi Masters (Alt+H) > Multi Alter** (under multiple stock categories) select the category for which you want to alter from the list of categories. The multiple stock category alteration screen displays. You can make changes in the masters of the selected category and also of the sub categories. Select all item to make changes in any desired category master as all the categories created are displayed in this screen.

Delete A Stock Category. You can delete a stock category only if it does not have any children under it. The children could be stock category or stock item or both. **Gateway of Tally > Alter > Inventory Master > Stock Categories** single Alter press **(Alt+D)** to delete the stock category.

Stock Items. Stock item refers to goods that you manufacture for trade. It is the primary inventory entity and the lowest level of information on your inventory. You have to create a stock item in tally for each inventory item that you want to account for. In other words, you

have to create a stock ledger account for each item and tally calls it stock item. Go to **Gateway of Tally > Create > Inventory Master > Stock items**.

Creating a Stock Item. If you are creating stock items for the first time. You may configure your groups to enable/ disable advanced mode. Go to **Gateway of Tally > Create > Inventory Master > Stock items** under single stock item.

Name. Specify the name of the stock item. Ex. Computer, Pen-Drive etc.

Under. Select the group from the list of groups. If you do not want to categories it under any particular group that you created, choose primary. Press **(Alt+C)** to create a parent group from this field.

Creating Multiple Stock Items. You can create multiple stock items at a time using this option. Go to **Gateway of Tally > Master > Charts of Account > Stock Categories > Multi Masters (Alt+H) > Multi Create**.

Under Group. Select the parent group under which you want the new items to be created. If you select any category other than all items, than all the new items being created, will be created under this group. Selecting all items gives you the flexibility of specifying the parent of each new item created.

Altering A Single Stock Item. Go to **Gateway of Tally > Alter > Inventory Master > Stock items** (under single stock item) select the stock item you want to alter from the list of items. The stock item alteration screen display. Make the necessary changes and accept (Yes) to save. You can delete a stock item only if you have not used it in any transaction entry. Press **(Alt+D)** from the stock item alteration screen to delete the stock item.

Altering Multiple Stock Items. Go to **Gateway of Tally > Master > Charts of Account > Stock Categories > Multi Masters (Alt+H) > Multi Alter** (under multiple stock item) select a group to alter the stock item under the selected group. The multiple stock item alteration screen display. Make the necessary changes and accept (Yes) to save.

Locations/Godowns. Locations/Godowns are places where stock items are stored. You can specify names where stock items are stored such as warehouse, shelf, and so on. In a business, it always becomes necessary to distinguish between the stock held onsite and in the warehouse. You can do this by creating two separate Godowns.

Creating Locations/Godowns. You can create locations/Godowns in single mode and multiple mode.

Creating A Single Location/Godowns. Go to **Gateway of Tally > Create > Inventory Master > Locations / Godown** (Single Godown).

Name. Specify the name of the location / Godown.

Alias. Enter an alias name for the location / Godown name, if required.

Under. Specify the location / Godown under which the location / Godown is to be categorized. Use **(Alt+C)** to create the parent location/Godown if it is not in the list. Select primary, if it is not a sub location/Godown of any location/Godown.

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Allow Storage of Materials. Tally permits you to create a location/Godown, where you may not store materials but treat it as a virtual location/Godown is useful in cases like head office, which may have many different stock points under it that store materials. Hence, head office acts like a primary Godown. For instance, designate India as a virtual Godown with Delhi warehouse, harrow warehouse and Mumbai warehouse as sub-Godowns. These sub-Godowns will allow storage of materials.

Creating Multiple Locations / Godowns. Go to **Gateway of Tally > Master > Charts of Account > Locations / Godowns > Multi Masters (Alt+H) > Multi Create** (under multiple Godowns).

Under. Select the parent group under which you want the new Godown to be created. If you select any Godown other than all items, than all the new Godown being created, will be created under this Godown. Selecting all items gives you the flexibility of specifying the parent of each new Godown created.

Units of Measure. Stock items are purchased or sold on the basis of quantity. The quantity is measured by units. Hence, it is necessary to create units of measure. You need to create units of measure for all the stock items. You can have simple units such as numbers, meters, kilograms, and pieces or compound units like box, where, say, one box equals ten pieces. Go to **Gateway of Tally > Create > Inventory Master > Units of Measure.**

Creating A Unit of Measure. Go to **Gateway of Tally> Create > Inventory Master > Units.**

Type. Symbols are of two types: Simple and Compound. Simple units are considered as specified by you; tally just checks for duplication. Tally defaults to simple, and if you want to change to compound, use [Backspace] to go back and select compound from the types of units list.

Symbol. Define the symbol of the unit, e.g. nos. This symbol is used in all displays and printouts.

Formal Name. Specify the formal name of the symbol, e.g. Numbers. This explains the symbol, which is also used during the consolidation of data of different companies, where the symbols might be the same but are assigned to different units. The formal name will be used to match them.

Number of Decimal Places. If you want to use the unit in fractions, say for a kilogram you may have to use grams as well, specify the number of decimal places. For kilogram, you would give three decimal places to accommodate up to 999 grams. You do not normally want a decimal place for units like numbers; you can specify 0 in such cases. Note: you can specify 0 to 4 decimal places. The unit of measure cannot be translated or transliterated but will appear in the language created.

Compound Unit. A compound units is a relation between two simple units. Hence, before you create a compound unit, ensure that you have already created two simple units. For example, there are two simple units' nos (numbers) and doz (dozen). Now define the relation between nos and doz, as one dozen equals twelve numbers. Note: use the up arrow or backspace key to highlight the type field. Select compound from the popup menu.

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To Alter Units Of Measure. Go to Gateway of Tally > Alter > Inventory Master > Units of Measure select the unit of measure you want to alter from the units list. The unit alteration screen display. Make the necessary changes and accept (Yes) to save. You can delete a unit of measure from this screen by pressing (Alt+D). However, you cannot delete a unit of measure that is part of a compound measure. You must delete the compound measure first.

1. Create The Following Godowns With The Details Given.

<u>Godowns Name.</u>	<u>Address.</u>	<u>Under.</u>
Delhi.	I/81Shivram Park Nangloi New Delhi.	Primary.
Noida.	Sector-12 Atta Market Noida NCR.	Primary.
Gurugram.	B- Block Honda City Centre Metro Station Gurgaon.	Primary.

2. Update the following Stock Items as on 01-04-2021 with proper Stock Groups and Item detail.

GODOWN/LOCATION: - DELHI GODOWN.

<u>Stock Details.</u>				<u>Opening Balance.</u>				
<u>Group.</u>	<u>Category.</u>	<u>UOM</u>	<u>Item.</u>	<u>Qty</u>	<u>Rate.</u>	<u>Batch No.</u>	<u>Mfg. Date.</u>	<u>Exp. Date.</u>
Electronics	LG.	Pcs.	Computer	8.	32000	CO/E/01.	1/04/2021.	1/04/2022.
Electronics	Sony.	Pcs.	D.V.D.	5.	1500.	DV/E/02.	1/04/2021.	1/04/2022.
Electronics	Samsung.	Pcs.	Pen Drive	10.	600.	PD/E/03.	1/04/2021.	1/04/2022.
Electronics	Logitech.	Pcs.	Keyboard	5.	500.	KB/E/04.	1/04/2021.	1/04/2022.
Electronics	HCL.	Pcs.	Lap Top.	3.	45000	LT/E/05.	1/04/2021.	1/04/2022.

GODOWN/LOCATION: - NOIDA GODOWN.

<u>Stock Details.</u>				<u>Opening Balance.</u>				
<u>Group.</u>	<u>Category</u>	<u>UOM</u>	<u>Item.</u>	<u>Qty.</u>	<u>Rate.</u>	<u>Batch No.</u>	<u>Mfg. Date.</u>	<u>Exp. Date.</u>
Electronics	LG.	Pcs.	Computer.	2.	32000	CO/E/06.	1/04/2021.	1/04/2022.
Electronics	Sony.	Pcs.	D.V.D.	5.	1500.	DV/E/07.	1/04/2021.	1/04/2022.
Electronics	Samsung.	Pcs.	Pen Drive.	10.	600.	PD/E/08.	1/04/2021.	1/04/2022.
Electronics	Logitech.	Pcs.	Keyboard.	7.	500.	KB/E/09.	1/04/2021.	1/04/2022.
Electronics	HCL.	Pcs.	Lap Top.	4	45000	LT/E/10.	1/04/2021.	1/04/2022.

GODOWN/LOCATION: - GURUGRAM GODOWN.

<u>Stock Details.</u>				<u>Opening Balance.</u>				
<u>Group.</u>	<u>Category</u>	<u>UOM</u>	<u>Item.</u>	<u>Qty.</u>	<u>Rate.</u>	<u>Batch No.</u>	<u>Mfg. Date.</u>	<u>Exp. Date.</u>
Electronics	LG.	Pcs.	Computer.	5.	32000	CO/E/11.	1/04/2021.	1/04/2022.
Electronics	Sony.	Pcs.	D.V.D.	5.	1500.	DV/E/12.	1/04/2021.	1/04/2022.
Electronics	Samsung.	Pcs.	Pen Drive.	10.	600.	PD/E/13.	1/04/2021.	1/04/2022.
Electronics	Logitech.	Pcs.	Keyboard.	8.	500.	KB/E/14.	1/04/2021.	1/04/2022.
Electronics	HCL.	Pcs.	Lap Top.	3.	45000	LT/E/18.	1/04/2021.	1/04/2022.

Standard Rate How Can Apply In The Item.

<u>Items.</u>	<u>Standard Buying Rate.</u>	<u>Standard Selling Rate.</u>
Keyboard.	500.	800.
Mouse.	500.	800.

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TRANSACTION No. 1 – PAYMENT VOUCHER ENTRY. Payment voucher record all the payment mode bank and cash. It is also used for payment of fixed assets, purchase, dues to creditor's, loan and advantage given, payment of loans and advance given to you earlier. Detailing the transaction to the receiver cash-direct income & bank (cheque) - indirect income. A document which can be used as proof that a monetary transaction has occurred between two parties. In business, a payment voucher can be used for a variety of purposes, sometimes taking the place of cash in a transaction, acting as a receipt, or indicating that an invoice has been approved for payment.

Bill Wise Adjustment. You can use this voucher entry only if you activate the bill wise details option in company feature.

Advance. Advance option if you making a receipt or payment as an advance for future sale or purchase.

Against Reference. Against reference option if you to adjust a transaction against an existing amount. Outstanding bill, pending bills, earlier advance bill.

New reference. New reference option you are making a new party new recipient or payment entry.

On Account. On account option to enter all the transaction for which you do not have reference you can offer entries later when you get the reference for them.

Go To Gateway of Tally – Transactions - Vouchers - (Payment) F5 Cash (Cr.).

<u>DATE.</u>	<u>PARTICULAR.</u>	<u>AMOUNT.</u>
01-04-2021	Purchase Car On Cash.	100000.
02-04-2021	Purchase Goods On Cash.	5000.
03-04-2021	Purchase Furniture For Cash.	8000.
04-04-2021	Paid Rent Cash.	7000.
05-04-2021	Paid To Creditors Cash.	6000.
06-04-2021	Paid To Salary Cash.	10000.
07-04-2021	Paid For Rent In Cash.	12000.
08-04-2021	Paid Wages In Cash.	16000.
09-04-2021	Paid For Machinery.	18000.
10-04-2021	Paid Shyamlal To Cash.	18000.
11-04-2021	Paid For Salary.	19000.
12-04-2021	Paid For Advance Rent.	20000.
13-04-2021	Paid To Krishna.	21000.
14-04-2021	Paid For Water Bill.	14000.
15-04-2021	Paid Cash For Advertisement.	12000.
16-04-2021	Paid Salary To Ram.	11000.
17-04-2021	Paid Interest On Loan.	19000.

Vinod Computer Institute Mehnagar Azamgarh UP.

18-04-2021	Paid Wages For Cash.	7000.
19-04-2021	Paid To Mohan.	8000.
20-04-2021	Paid To Ram Cash.	22300.
21-04-2021	Paid To Advertisement On Cash.	3800.
22-04-2021	Paid Cash For Newspaper.	3900.
23-04-2021	Purchase Cash Book & Ledger, Pen Etc.	7800.
24-04-2021	Paid Tea Bill On Cash.	8900.
25-04-2021	Paid Taxi Fare On Cash.	7600.
26-04-2021	Paid To Ramesh On SBI Bank.	5500.
27-04-2021	Paid Sethi Brother Cheque.	4500.
28-04-2021	Paid For Postage On Cash.	6300.
29-04-2021	Paid For Electric Charges SBI Bank.	5200.
30-04-2021	Paid Cash For Rent.	3400.
01-05-2021	Purchase Computer By Cash.	18000.
02-05-2021	Paid Coffee Bill On Cash.	8200.
03-05-2021	Paid Train Fare On Cash.	7400.
04-05-2021	Paid Geeta Brothers By Cheque.	4600.
05-05-2021	Paid For Salary By PNB Bank.	6800.
06-05-2021	Paid For Labour Charges On Cash.	5400.
07-05-2021	Paid For Water Charges On Cash.	8600.
08-05-2021	Paid Table Charge By SBI Bank.	2000.
09-05-2021	Paid To Ram Kumar Interest.	5000.
10-05-2021	Paid To Car Fare On Cash.	600.
11-05-2021	Paid To Light Charge By Cash.	5000.
12-05-2021	Paid To Mobile Bill By Cash.	6000.
13-05-2021	Paid To Telephone Bill By Cash.	4000.
14-05-2021	Paid Cash For Stationery.	2000.
15-05-2021	Paid Car Fare On Cash.	1123.
16-05-2021	Paid Cab Fare On Cash.	4456.
17-05-2021	Paid Salary to ram.	20000.
18-05-2021	Paid interest on loan	30000.
19-05-2021	Purchased Building by cash	500000.
20-05-2021	Owner cash withdraw for domestic purpose.	1000.
21-05-2021	Paid For Bills Payable.	5000.

Vinod Computer Institute Mehnagar Azamgarh UP.

TRANSACTION No. 2 – RECEIPT VOUCHER ENTRY. Receipt voucher is to record all receipts into bank or cash accounts. Such receipt from debtors any income refund of loans or advance given earlier sale of fixed assets etc., detailing the transaction to the receiver cash-direct income & bank (Cheque) - indirect income. Receipt entry in tally should know what is a receipt? As such sale, receipt is equally important in a business. We use receipt when someone pay us a certain some of money towards the consideration of sale, service or any other repayment & payment like loan, advance etc. In such cases we issue printed receipt as an acknowledgement of money receipt. Receipt is a legal document that we receipt cash, cheque from other party. Let's start entering receipt voucher in Tally Prime.

Go To Gateway of Tally – Transactions - Vouchers - (Receipt) F6 Cash (Dr).

<u>DATE.</u>	<u>PARTICULAR.</u>	<u>AMOUNT.</u>
01-04-2021	Received Rent From Krishna by Cash.	200000.
02-04-2021	Sold Goods For Cash.	45000.
03-04-2021	Received Interest From Harsh & Company.	78000.
04-04-2021	Received Commission From A.B & Company.	75000.
05-04-2021	Company Taken Loan From Rakesh.	60000.
06-04-2021	Received Salary From Hari.	10000.
07-04-2021	Received Cash From Chaudhary & Brothers.	17000.
08-04-2021	Received Cash From Dinesh.	11000.
09-04-2021	Received Cash From Deshbandhu.	18000.
10-04-2021	Received Cash From Ramji Lal.	18000.
11-04-2021	Received Cash From Karan.	12000.
12-04-2021	Received Cash From Accrued Rent.	22000.
13-04-2021	Received Cash From Accrued Interest.	20100.
14-04-2021	Received Cash From Gaurav.	10400.
15-04-2021	Received Cash From Sumit.	1200.
16-04-2021	Sold Goods For Cash.	1100.
17-04-2021	Received Cash From Raj.	1900.
18-04-2021	Received Cash From Kamal.	71000.
19-04-2021	Received Cash from Machinery.	8000.
20-04-2021	Received Cash from Land.	2300.
21-04-2021	Received Cash from Advertisement.	2800.
22-04-2021	Subhash Started Business With Cash.	9900.
23-04-2021	Received Cash From S.K.Aggarwal.	9800.
24-04-2021	Received Cash From Arun.	8800.
25-04-2021	Received Cash From Aman.	7700.

Vinod Computer Institute Mehnagar Azamgarh UP.

26-04-2021	D.P. Chandan Started Business With Cash.	5800.
27-04-2021	Received Cash From Mohan Chand.	4400.
28-04-2021	Received Cash From Prakash.	6600.
29-04-2021	Received Cheque From Raju & Sons.	5500.
30-04-2021	Received Cheque From Ramesh.	4100.
01-05-2021	Received Cash From Kiran.	4400.
02-05-2021	Received Cash From Leema.	6700.
03-05-2021	Received Cash From Mohan.	5800.
04-05-2021	Received Cash By Ramu.	4400.
05-05-2021	Received Cash By Ramesh.	5000.
06-05-2021	Received Cash From Computer Repair Charge.	4000.
07-05-2021	Received Cash From Suraj On Account.	45000.
08-05-2021	Received Cheque From Mohan.	50000.
09-05-2021	Ramesh Chandan Started Business With Cash.	400000.
10-05-2021	Commission received in Cash	2000.
11-05-2021	Received Cash From Ram.	20000.
12-05-2021	Sohan Commenced Business with Cash.	50000.
13-05-2021	Ram Started Business With Cash.	40000.
14-05-2021	Started Business With Cash.	60000.
15-05-2021	Receive Cheque from Mahindra.	10000.
16-05-2021	Commenced Business with Cash.	20000.
17-05-2021	Receive Cheque from Mahesh Chand.	45000.
18-05-2021	Receive Cash from Mukesh On Account.	30000.
19-05-2021	Receive Cash from RK & Com In Advance Sale.	50000.
20-05-2021	Receive Cash from Manish Pal.	35000.
21-05-2021	Interest Receive By Bank.	20000.
22-05-2021	Receive Cheque Good Sold.	10000.
23-05-2021	Cash Receive For Sale of Stamp.	15000.
24-05-2021	Receive cash for sale advertisement service.	20000.
25-05-2021	Receive cash from ram advance commission.	3000.
26-05-2021	Receive cash from Deepak co.	1000.
27-05-2021	Receive cash from bill Receivable.	25000.
28-05-2021	Receive cash for bad debt recover from debtor.	12000.

Vinod Computer Institute Mehnagar Azamgarh UP.

TRANSACTION No. 3 – SALE VOUCHER ENTRY. Sale voucher entry is records all entries related to sales including cash & credit. Sale is the most important part of the every business. Sales voucher entry is a part of daily routine. Sale is revenue account in nature hence term as the main income stream of organization. Sale can be classified into two type.

Cash Sale. This does not required much explanation as its name say everything. Goods are sold on cash is called cash sale.

Credit Sale. Goods or service are sold for credit, the consideration of sale not received at time of Selling and customer agree to give the money at a later period.

Go To Gateway of Tally - Transactions - Vouchers – (Sale) F8.

<u>DATE.</u>	<u>PARTICULAR.</u>	<u>AMOUNT.</u>
01-04-2021	Sold Goods To Mahindra.	20000.
02-04-2021	Sold Goods To Jasmine.	46000.
03-04-2021	Sold Goods To Venkat.	77000.
04-04-2021	Sold Goods To Cash.	72000.
05-04-2021	Sold Goods To Rahul.	9000.
06-04-2021	Sale To Hari On Credit.	10000.
07-04-2021	Sold Goods To Choudhary & Brothers.	17000.
08-04-2021	Sold Goods To Raja.	12000.
09-04-2021	Credit Sale To Deshbandhu.	16000.
10-04-2021	Sold Goods To Sohith.	19000.
11-04-2021	Sold Goods On Credit.	12000.
12-04-2021	Credit Sales To Ram & Sons.	72000.
13-04-2021	Sold Goods To Kajal.	30100.
14-04-2021	Sold Goods To Ram Nath.	11400.
15-04-2021	Goods Purchased by Naresh On Credit.	1200.
16-04-2021	Sold Goods For Cash.	1900.
17-04-2021	Credit Sale To Vishwaraj.	71200.
18-04-2021	Sold Goods To Rakesh on Credit.	81000.
19-04-2021	Sold Goods To Raj & Brothers.	2300.
20-04-2021	Credit Sale of Goods.	2200.
21-04-2021	Sold Goods To Ramesh & Co.	3900.
22-04-2021	Sold Goods (Laptop) To Deepak Pvt. Ltd.	8800.
23-04-2021	Sold Goods To Mr. Kapoor.	2800.
24-04-2021	Credit Sale To Khanna Ovt. Ltd.	3700.
25-04-2021	Sale Of Goods On Credit.	8800.

Vinod Computer Institute Mehnagar Azamgarh UP.

26-04-2021	Sold Goods (Computer) To Ram & Sons.	5700.
27-04-2021	Credit Sale To Mamta & Co.	2100.
28-04-2021	Credit Sale To Kavita.	3400.
29-04-2021	Goods Purchased by Nirmal.	4568.
30-04-2021	Sold Goods To Raj.	7852.
01-05-2021	Sold Goods To Ram.	30000.
02-05-2021	Credit Sales.	10000.
03-05-2021	Sale of Goods To Suresh.	25000.
04-05-2021	Sold Goods To Rakesh.	35000.
05-05-2021	Goods purchase by the Wholesaler.	45000.
06-05-2021	Credit Sale To the Pawan.	55000.
07-05-2021	Company Sold Goods on Credit.	65000.
08-05-2021	Sold to Mukesh & Company.	85000.
09-05-2021	Sold Good To Hari.	65000.
10-05-2021	Sold Good Ram on Credit.	40000.
11-05-2021	Sold Good Ramu on Credit.	35000.
12-05-2021	Sold Good To Manohar.	35000.
13-05-2021	Company Sale Goods To Shyam.	26000.
14-05-2021	Goods Purchased by Manufacturing Company.	28000.
15-05-2021	Credit Sale To Mr. Pratap.	38000.
16-05-2021	Company Sale Goods (Table) on Credit.	52000.
17-05-2021	Goods Sold to Jagdish Chand.	35000.
18-05-2021	Sold Goods Amit.	25000.
19-05-2021	Sold Goods to Raj.	15000.
20-05-2021	Sold Goods To the Creditors.	21000.
21-05-2021	Sold Goods to Suman Singh.	32000.
22-05-2021	Goods Purchase by the Creditors.	7400.
23-05-2021	Sold Goods To Debtors.	8900.
24-05-2021	Sold Goods (Fax Machine) To Sohit.	10000.
25-05-2021	Sold Goods To Karan Singh.	25000.
26-05-2021	Sold Goods to Ram & sons on credit	22000
27-05-2021	Sold Goods To Kapil.	1100
28-05-2021	Sold Goods To Neeraj on Credit.	2000
29-05-2021.	Goods Purchased by The Dheeraj.	9000.

Vinod Computer Institute Mehnagar Azamgarh UP.

TRANSACTION No. 4 – PURCHASE VOUCHER ENTRY. Purchase voucher entry is records all entries related to purchase including cash & credit. You need to enter the item details if inventory value gets effected due to purchase. The entries for cash purchase are automatically entered in the cash book or bank book a document detailing the transaction (item name, etc.) Has to the seller (creditor) as proof of purchase by him.

Go To Gateway of Tally - Transactions - Vouchers - (Purchase) F9.

<u>DATE.</u>	<u>PARTICULAR.</u>	<u>AMOUNT.</u>
01-04-2021	Purchase Goods From Mohan.	20000.
02-04-2021	Purchase Goods From The Neetu.	46000.
03-04-2021	Company Purchased Goods On Credit.	7000.
04-04-2021	Bought From Bajaj Com.	2000.
05-04-2021	Bought Goods From Ram & Sons.	9000.
06-04-2021	Bought Goods From Govind.	1300.
07-04-2021	Purchase From Gupta & Pawan.	1700.
08-04-2021	Purchase Goods From Gajendra.	1100.
09-04-2021	Credit Purchase Rs.	1600.
10-04-2021	Purchase Goods From Ram.	1900.
11-04-2021	Bought Good From Shyam.	1200.
12-04-2021	Goods Sold By Mohan.	72000.
13-04-2021	Bought Goods (Stamps) From Ramesh & Bro.	3000.
14-04-2021	Bought Goods From Satish On Credit.	1400.
15-04-2021	Bought Goods On Credit From R.Chand.	9200.
16-04-2021	Sold Goods (Computer) by Geeta & co.	8900.
17-04-2021	Credit Purchase of Goods.	1900.
18-04-2021	Bought Goods on Credit.	21200.
19-04-2021	Purchase Goods (Computer).	41000.
20-04-2021	Sale Goods by the creditors.	5300.
21-04-2021	Purchase UPS as a Goods.	8200.
22-04-2021	Bought Goods From Tony Bros.	7900.
23-04-2021	Purchase Goods From Megha.	8900.
24-04-2021	Bought Goods on Credit.	4800.
25-04-2021	Purchase Goods Without Cash From Nikhil.	3700.
26-04-2021	Goods Sold By the Wholesaler.	5000
27-04-2021	Bought Goods on Credit.	10000.

Vinod Computer Institute Mehnagar Azamgarh UP.

TRANSACTION No. 5 – JOURNAL VOUCHER ENTRY. Journal voucher entry is used for adjustment any two ledger. No outside party, like debtors, creditors, and branches/divisions are involved. There are for rectification entries in which as any kind of adjustment for non – cash or bank transaction are recorded here. The process of recording of transactions in the books of accounts is called primary books of accounting journal. Journal records all daily transaction of a business in the order in which they occur. The recorded transaction in a journal book is called journal entry.

Go To Gateway of Tally - Transactions - Vouchers - (Journal) F7.

<u>DATE.</u>	<u>PARTICULAR.</u>	<u>AMOUNT.</u>
01-04-2021	Purchased Furniture From Manoj On Credit.	10000.
02-04-2021	Purchase Machinery From Abhay On Credit.	12000.
03-04-2021	Purchase Building From Rahul On Credit.	90000.
04-04-2021	Purchase Table From Sushil On Credit.	5000.
05-04-2021	Purchase Land From Suresh On Credit.	60000.
06-04-2021	Salaries Due To Clerks.	3300.
07-04-2021	Goods Has Been Damaged.	4000.
08-04-2021	Income Tax Has To Pay.	2000.
09-04-2021	Interest Charge On Capital.	5000.
10-04-2021	Building Depreciated.	5000.
11-04-2021	Loss Of Goods By Theft.	60000.
12-04-2021	Laptop Destroyed By Fire.	8000.
13-04-2021	Discount Allowed By Creditors.	9000.
14-04-2021	Commssion Has To Receive.	18000.
15-04-2021	Provided Interest On Capital.	12000.
16-04-2021	Given Goods To The Charity.	4000.
17-04-2021	Purchase A Transistor On Credit.	12000.
18-04-2021	Machinery Sold To Mr. Rakesh.	45000.
19-04-2021	Discount Allowed On Debtors.	8000.
20-04-2021	Purchased Sony TV From Mohan On Credit.	4300.
21-04-2021	Sold Old Furniture To Ram On Credit.	6500.
22-04-2021	Withdraw Goods For Private Use.	7200.
23-04-2021	Purchased Laptop From Mohan On Credit.	32000.
24-04-2021	Commission Due To Clerks.	22000.
25-04-2021	Depreciation charge to plant@ 10%	4000.

CHAPTER-5.

COMPOUND VOUCHER ENTRY.

In This Chapter.

- ❖ Payment
- ❖ Receipt
- ❖ Contra Voucher Entry.
- ❖ Write Narration.

Double Journal Entry. Business managers and accountants commonly use double entry bookkeeping to record business transactions and compose financial statements. Journal entries are initial records of the day-to-day transaction that a manager records. This journal data is then, generally, used to construct general ledger entries and more complex reports, such as quarterly or annual financial statements. How many accounts are affected by the transactions entered determines whether the information is deemed a simple or compound journal entry.

Compound Journal Entry. Compound journal entries are those in which more than two accounts are affected. A compound entry may require that two or more accounts be debited or two or more accounts be credited. Suppose a business borrows money to purchase an asset, such as a building. If the company pays cash for a portion of the cost and borrows the remainder, the corresponding entries in the journal could affect cash, in this case credited for the amount paid on the building. Notes payable would also be credited for the balance owed on the building. Real property or, specifically, buildings would be debited for the full purchase price, equalling the amount paid, plus the amount due. Because more than one credit was entered, this would be an example of a compound journal entry.

Contra Voucher Entry. Contra entries are those entries in which same account can be debited and credited in contrary situation. For example we debit bank account when depositing cash. At the same time we credit bank account when withdraw money from bank. Contra entry is recorded in the journal by marking (C) in the particular column after ledger name. Or in other words contra entry is bookkeeping entry that is entered on the opposite side of an earlier entry to cancel its effect on the account balance.

Now Enter The Following Voucher Entries.

1. On 02-04-2021 Owner Introduced Rs. 600000 in ICICI Bank A/c and Rs. 800000 In Axis Bank A/C.
2. On 02-04-2021 Wages paid Rs. 1800 by Cash.
3. On 02-04-2021. Cash Transferred Rs. 10000 into Petty cash book for daily expenses.
4. On 02-04-2021. Commission received Rs. 10000 in cash.
5. On 02-04-2021. Paid warehouse rent Rs. 6000 in cash.
6. On 02-04-2021. Cash withdrawn from ICICI Bank A/C Rs. 10000 (chq. no.985862).

Vinod Computer Institute Mehnagar Azamgarh UP.

7. On 03-04-2021. Outstanding Rent paid by cash.
8. On 03-04-2021. Cash Deposited into ICICI Bank A/C Rs. 9000.
9. On 03-04-2021. Paid Rs. 1200 for Office Stationery from Petty Cash.
10. On 03-04-2021. Owner withdraws cash Rs. 5000 for his personal use.
11. On 03-04-2021. Paid to Rakesh Webtech. Rs. 15000/- against the bill RA/W001 by cash.
12. On 04-04-2021. Payment made by Pawan Enterprises Rs. 24500. By Axis cheque. As full Settlement (chq. no. 9692240).
13. On 04-04-2021. Paid to Manju & Co. Rs. 35000/- against the following bills by cheque of Axis Bank (chq. no. 569256).
 - a. Ma/C001 – 15000.
 - b. Ma/C002 – 20000.
14. On 04-04-2021. Payment made by Chhaya & Co. Rs. 25000/- by Cheque (ICICI) against the Following bills (chq. no. 963256).
 - a. CH/C001 – 15000.
 - b. CH/C002 – 10000.
15. On 05-04-2021. Received from Puneet Singh Rs. 25000/- by cheque (ICICI) against the Following bills (chq. no. 427897).
 - a. PS/S001 – 25000.
16. On 05-04-2021. Rs. 25000 paid to Aarti & Co. against their bill no. AC/C001 by cheque Issued From Axis Bank A/c. Cheque no. (856746).
17. On 05-04-2021. Full amount paid to Rakesh Web Tech by cash with discount @ 3%.
18. On 05-04-2021. Air Conditioner purchased of office use for Rs. 36000 from Sohit & Co. (Bill No. AC/001/002).
19. Paid to Mohan Rs. 9500 in Full Settlement of his Account of Rs. 10000.
20. Received from ram Rs. 12000 in cash and allowed him Discount Rs 100.
21. On 05-04-2021. Bad debts of last year recovered Rs.12000.

ADDITIONAL QUESTION. Export the day book of 02/04/2021 to 05/04/2021 in excel spreadsheet with colour in D:/Drive with expert name and show only accounting entries.

CHAPTER-6.

COMPOUND VOUCHER ENTRY.

In This Chapter.

- ❖ **Payment Voucher Entry.**
- ❖ **Receipt Voucher Entry.**
- ❖ **Contra Voucher Entry.**
- ❖ **Journal Voucher Entry.**
- ❖ **Write Narration.**

Now Enter The Following Voucher Entries.

1. On 06-04-2021. Commission has to pay for this month rs.8000.
2. On 06-04-2021. Paid advance salary Rs. 16000 to Mr. Rohan Kapoor (Including this month Rs. 14000) by ICICI Bank A/c (ch.no.865324) Pass the entry.
3. On 06-04-2021. Paid Rs. 15000 to Aarti & Com. against Bill No. A/C002 through cheque Of Axis Rs. 5000 (chq.no.523146) and ICICI Bank Rs.9500 (chq. no.895665) Rest part of the bill treated Discount.
4. On 07-04-2021. Company paid medical advance Rs.10000 to Mr. Ramu Sharma in cash on 10-04-2021 He submitted medical bill Rs.8000. On 10-04-2021 Company paid salary Rs. 12000 adjust the balance amount medical advance Rs. 2000 his salary and has to be Deducted P.F.@12%. Pass the entry.
5. On 07-04-2021. Clear outstanding electricity bill and outstanding Salary by Axis Bank A/c (chq.no.789654, 456321).
6. On 07-04-2021. ICICI Bank Charged Rs. 450/ and Axis Bank charged Rs. 350/ as Clearing Charges.
7. On 08-04-2021. It was found that expenses made for Office Stationery on 03-04-2021 was actually for Telegram charges. Pass the necessary adjustment entry.
8. On 08-04-2021. An Expense for wages shows the amount Rs. 1800. It should have been Rs. 1820.
9. On 08-04-2021. Received Interest from ICICI Bank Rs. 500/- And Axis Bank Rs. 800.
10. On 08-04-2021. Repair made in cash Rs. 2000 on Plant@15%.
11. On 09-04-2021. Paid Advance income tax Rs. 8000 through ICICI chq. No. 456322.
12. On 09-04-2021. Interest on Loan Charged by Sudha & Co. Rs.1200.
13. On 10-04-2021. Paid Rs. 2000 in cash as repair of machine.

Vinod Computer Institute Mehnagar Azamgarh UP.

14. On 10-04-2021. Company Purchase machinery Rs. 32000 and installation charges Rs. 2000 By ICICI Bank A/c (chq. no.236589).
15. On 10-04-2021. Paid Trade Expenses Rs.4000.by cash.
16. On 11-04-2021. Paid Rs.1200 office stationery by petty cash book.
17. On 11-04-2021. Owner paid Life insurance premium Rs.1200.
18. On 12-04-2021. Paid Trade Discount of Rs.3300.
19. On 12-04-2021. Company Purchase one computer of Rs.30000 payment to SBI Bank.
20. On 13-04-2021. Rent due Rs. 20000 adjust with this month.
21. On 13-04-2021. Telephone bill paid Rs. 5000 by cheque of PNB Bank and included GST 28%.
22. On 14-04-2021. Advertisement expenses paid by cash 10000 to Mr. Naresh Chand.
23. On 15-04-2021. Staff welfare expenses 2000 paid by cash.
24. On 16-04-2021. Courier charges paid for the month of May Rs. 3000 by cash.
25. On 17-04-2021. Purchase a machinery from Ram & sons for Rs. 50000 on credit.
26. On 17-04-2021. Goods costing Rs. 500 were destroy by fire.
27. On 18-04-2021. Receive cash from Ashok Rs. 9750 on his account 10000.
28. On 19-04-2021. Goods costing Rs. 5000 given as charity.
29. On 20-04-2021. Sold goods on credit to Ramesh Rs. 160000 receive cheque for Rs.156000 from settlement of his account.
30. Purchased Goods from sanjeev of Rs 40,000 at terms 10% trade discount and 5% cash Discount. Paid amount at the time of Purchased itself.
31. Purchased Goods of Rs 20000 out of which goods of Rs. 12000 wear on credit from rinku.

ADDITIONAL QUESTION.

Export the day book of 06-04-2021 to 20-04-2021 in “Excel Spreadsheet” without colour D:/Drive with Expert name and show only accounting entries.

CHAPTER-7.

VARIOUS MANAGEMENT VOUCHER ENTRY.

In This Chapter.

- ❖ Cost Centre.
- ❖ Cost Categories.
- ❖ Interest Calculation.
- ❖ Use Advance Parameters.

Cost Centre. A cost centre is any unit of an organization to which transactions (generally, revenue) can be allocated. When only costs or expenses are allocated to these units, they are referred to as cost centres. When profits are also allocated to these units, they become profit centres. You can now obtain a profit and loss account of each such profit centre. Cost centre in tally allows an additional dimension to a transaction where a ledger account indicates the nature of the transaction. It does not readily disclose, except in the narration field, which part of the organization was involved in the transaction. By providing cost centres, a transaction can be allocated to it, which would then enable extraction of all transactions for a cost centre. Tally gives you the cost centre break-up of each transaction as well as details of transactions for each cost centre. Some examples of cost centres are. Departments of an organization – finance, manufacturing, marketing, and so.

Use of Cost Centre. You can classify cost centres just as how you classified group/ledger accounts. You can have primary cost centres and several levels of cost centres under each primary cost centre.

Consider the following example. Primary cost centres - finance, manufacturing, marketing. Under marketing, classify the company's sales executives as cost centres. This will help you track a sales executive's performance, in terms of cost and revenue generated.

Creating A Single Cost Centre. To create a cost centre, set maintain cost centres to (Yes) in (F11) Accounting features. It is advisable not to set more than one payroll/cost category to yes, unless required. But Maintain Cost Centre (Yes). By default, tally activates the cost centre feature for ledger accounts under sales accounts, purchase accounts, expense and income groups.

Go to **Gateway of Tally > Master > Create > Cost Centres** (Single cost centre). The cost centre creation screen displays.

Name. Enter the name of the cost centre in this field. For example. Noida Branch.

Alias. Enter an alternative name, if required. For example, the cost centre can be Noida Branch referred to as head office or by a code number.

Under. Select the parent cost centre under which the cost centre needs to be created from the list of cost centres. If you want the cost centre to be a primary cost centre, select primary from the list. Note: unlike groups, you can allocate transactions to primary cost centre. However, you should do so when you do not have sub cost centres under the primary cost centre. It is suggested that you allocate transactions to the lowest levels (similar to ledgers).

Vinod Computer Institute Mehnagar Azamgarh UP.

Altering A Cost Centre. To alter an existing cost centre. Go to **Gateway of Tally > Master > Alter > Cost Centres** make any modifications (under single cost centre).

How To Show Cost Centre Reports. For faster identification and detailed analysis of how costs are allocated to your business units, Tally Prime provides reports to show complete details of all the cost centre and there.

Cost Category. Cost categories are useful for organizations that require allocation of resources to parallel sets of cost centres. Such organizations would usually be project oriented.

Most organizations would not need cost categories. The proper use of cost centres itself would offer the same benefits. Cost categories could increase data entry work and make it more complicated. Hence, before opting for cost categories, evaluate whether you actually need this option. Always attempt to first use cost centres. The cost category the creation screen display.

Name. Enter the name of cost category. For example branch.

Use of Cost Categories. By using cost categories you may allocate, in parallel, a transaction to more than one set of cost centres. The following example illustrates the use of cost categories. The primary cost centres such as marketing, finance and manufacturing can now be-long to a category - departments.

To Create A Cost Category. Go to **Gateway of Tally > Master > Create > Cost Categories** (under single cost centre).

Note: There is no sub-classification of cost categories and hence you do not find an under option.

Though there is a primary cost category, it is not a parent of other categories.

Alias. Enter an alias if you wish to call the category by another name or even by a code number.

Allocate Revenue Items. Set this options to (Yes) to allocate all sales, purchase, expenses and income related transactions to cost centres that you create under the cost category. Normally, you would enable this option. However, should you need to allocate only capital or non-revenue items only to cost centres in that cost category, set this to no.

Allocate Non-Revenue Items. You would, usually, disable this options by setting it to no as most cost centres need only revenue allocation. However, should you wish to allocate items of nonrevenue (capital) or balance sheet items, you may set it to yes. Organizations increasingly incurred on cost centres and measure them against revenue earned. Recognizing this trend, tally has provided this option.

Note: Enable either revenue or non-revenue items, or both. Do not disable both. Tally sets (Yes) by default, for revenue items and no for non-revenue items.

Altering Single Cost Category. To alter and existing cost category. Go to **Gateway of Tally > Master > Alter > Cost Category** (under single cost category). Select a cost category from the list of categories. The cost category alteration screen displays. Make the changes in the required fields and accept to save.

Deleting A Cost Category. You may delete a cost category that does not have any cost centre under it from the cost category alteration screen. Use (**Alt+D**) to delete it. Tally does not allow deletion of a cost category that has cost centres.

Vinod Computer Institute Mehnagar Azamgarh UP.

Interest Calculation. Interest is a legitimate return on money unvested and chargeable in the business world on loans and also on delayed payments. Interest can be calculated on the simple or compound interest. Tally allows you to obtain reports on interest calculated by Tally based on the instructions you furnish. Interest figures are typically desired in the following situations. On outstanding balance amounts, on outstanding bills/invoices/transactions (Received and payable). Tally gives you an exhaustive capability to obtain interest implications on both.

Activate Interest Calculations. Interest is a legitimate return on money invested and chargeable in the business world on loans and also on delayed payments. Interest can be calculated on the basis of simple or compound interest. On outstanding balance amounts. On outstanding bills/invoices /transactions (receivables and payables). The activate interest calculation field is displayed in the ledger creation screen only if Activate Interest Calculations Is set To (Yes) in (F11) Accounting features. Set this field to (Yes) for each specific ledger account for which interest is to be calculated. Simple mode (where advanced parameters are not applicable). To calculate interest in the simple mode: Go to **Gateway of Tally > F11: Features > Set Activate Interest Calculation to (Yes)** In the ledger creation screen set activate interest calculation to (Yes). The interest parameters sub screen is displayed. Enter the rate and select the interest style from the list.

Entries For Interest On Balances Only. Again, the issues are simple and compound interest.

Compound Interest. Make the following entries in a debit note with compound interest. Voucher class debit bank ltd the amount is automatically filled up with the calculated interest Credit interest received. And nothing needs to be done! The bank account has been increased by the amount of interest due and the income account of interest received also credited.

Simple Interest. Make the same entry as above. However, since it has the effect of increasing the bank ltd account with the amount due (compound effect), you must make a journal entry to reverse it. The reversal entry would be something like this. Debit interest receivable (a current asset account). Credit bank ltd, Use a normal journal voucher for this entry. Go To **Gateway of Tally > Display More Reports > Statement of Account > Interest Calculations > Ledger.**

Interest Calculation Reports. Interest calculation report are automatically produced if the feature is activated in (F11) features and the parameters are set for individual ledger accounts. There are two types of reports, one pertaining to interest on balances of accounts like loans, and the other interest on overdue invoices. Interest reports are available for individual ledger accounts as well as for groups. Interest calculation on ledger balances. You can get a report on the ledger balances for the interest calculated.

Parameters. Calculation of interest is very nice because different type of users need different type of interest calculation parameter. Some may interested to calculate interest on current credit balance or some may interest on total amount but Tally Prime provide both facility in parameters of calculation of interest.

Now Enter The Following Voucher Entries.

1. On 21-04-2021. Salary paid by Cheque (Axis) to the following employee's Cheque no. 986532, 326587).

Vinod Computer Institute Mehnagar Azamgarh UP.

- a) Ravi Kumar. 6000.
- b) Suman Sharma. 7000.
2. On 21-04-2021. Rent paid by Cheque (ICICI) to the following employee's Cheque no. 986533, 326588).
 - c) Raj Kumar. 5500.
 - d) Sonam Sharma. 6500.
3. On 22-04-2021. Wages paid by Cheque. (SBI) to the following employee's Cheque no. 986534, 326589).
 - e) Ramu Singh. 7500.
 - f) Kamal Sharma. 8500.
4. On 22-04-2021. Company purchase 2 Table@ Rs. 9000 for Satya Niketan Branch & Gurugram Branch by Axis Bank A/c (chq.no. 235590).
5. On 22-04-2021. Company purchase 2 Machinery@ Rs. 27000 for Noida branch & Gurugram Branch by ICICI Bank A/c (chq.no. 235545).
6. On 23-04-2021. Company purchase 2 Computer@ Rs. 28000 for Noida branch and Delhi Branch by PNB Bank A/c (chq.no. 235540).
7. On 23-04-2021. Company purchase 2 Acer Laptop@ Rs. 32000 for Noida branch and delhi Branch by Allahabad bank A/c (chq.no. 235550).
8. On 23-04-2021. Company purchase 2 Chair@ Rs. 9000 for Noida branch and delhi branch By Axis Bank A/c (chq.no. 235563).
9. On 24-04-2021. Company purchase 2 Mouse @ Rs. 900 for Noida branch and delhi branch By Axis Bank A/c (chq.no. 235562).
10. On 24-04-2021. Company purchase 2 Keyboard@ Rs. 900 for Noida branch and delhi Branch by Axis Bank A/c (chq.no. 235561).
11. Earned 10% P.M. interest on Axis Debentures up to 02-04-2021 on 01-05-2021 on date.
12. Earned 11% P.M. interest on Bonds at SBI up to 02-04-2021 on 01-05-2021 on date.
13. Earned 12% P.M. interest on Share of Wipro up to 02-04-2021 on 01-05-2021 on date.

CHAPTER-8.

REPORT IN TALLY PRIME.

In This Chapter.

- How to Check Report Day Book Voucher Entry.
- How to Delete, Alter, Day Book Voucher Entry.
- How to Print Day Book Voucher Entry.
- How to Export Day Book in MS Word & Excel.
- How to Check Report Stock Summary.
- How to Check Under Standing Ratio Analysis.
- How to Check Report Trial Balance.
- How to Import Master & Voucher in New Company.
- How to Cancel Day Book Voucher Entry.
- How to Duplicate Day Book Voucher Entry.
- How to Add New Voucher in Day Book.
- How to Insert New Voucher in Day Book.
- How to Remove Day Book Voucher Entry.
- How to Restore and Backup Company.
- How to Filter Direct Any Voucher Entry.
- How to Check Inventory Report.
- How to Check Accounting Report.
- How to Check Range of Information in Report.
- How to Check Profit & Loss Report.
- How to Check Account Book Report.
- How to Check Exception Report.
- How to use Tally Audit Feature.
- How to Set Credit Limits for Party.

Vinod Computer Institute Mehnagar Azamgarh UP.

ASSIGNMENT SET- (1).

1. Create the following general ledger with their opening balance and proper grouping.

<u>Liabilities.</u>	<u>Amount.</u>	<u>Assets.</u>	<u>Amount</u>
Equity Share.	12,21,900.	Godown@ 10%.	2,70,300.
Capital Reserve.	45,000.	Furniture@ 10%.	4,00,000.
Loan Taken From ICICI.	40,000.	Land.	70,000.
Loan From Priyanka & Co.	5,000.	Machinery@ 17%.	50,000.
Provident Fund.	15,000.	Plant@ 17%.	80,000.
Rahul & Co.	40,000.	Bonds At SBI.	60,000.
O/S Electricity Bill.	8,000.	Debenture At Axis Bank.	35,600.
Profit & Loss.	25,100.	Shweta Enterprise.	68,000.
		Closing Stock.	3,41,000.
		Cash.	25,100.
	1400000.		1400000.

2. How to create Godown (Mumbai and Chennai Godown).

<u>Godowns Name.</u>	<u>Address.</u>	<u>Under.</u>
Mumbai.	Andheri East-400069.	Primary.
Chennai.	Chennaswami Stadium, Chennai.	Primary.

3. On 02-04-2021. Owner introduced Rs. 300000 in PNB Bank A/c and Rs.500000 in Axis Bank A/c.
4. On 02/04-2021. Cab Fair paid Rs.2000 by cash.
5. On 04/04-2021. Cash Transferred Rs.100000 in Allahabad Bank.
6. On 04-04-2021. Commission received Rs.200000 in cash.
7. On 06-04-2021. Paid taxi fare Rs.2000.
8. On 06-04-2021. Cash withdraw from HDFC Bank A/c Rs.5000 (chq .no.986861).
9. On 08-04-2021. Outstanding rent paid Rs. 7000 by cash.
10. On 08-04-2021. Cash deposited into PNB Bank A/c Rs.10000.
11. On 08-04-2021. Paid Rs.1000 for office stationery from petty cash.
12. On 09-04-2021. Owner withdraw cash Rs.2000 for his personal use.
13. On 09-04-2021. Paid to Reshma InfoTech. Rs. 17000/- against the bill re/i001 by cash.

Vinod Computer Institute Mehnagar Azamgarh UP.

14. On 10-04-2021. Payment made by Shweta enterprise Rs.63000. By Axis cheque as full Settlement (chq. No.9692240).
15. On 10-04-2021. Payment made by Rahul & Co. Rs. 25000/- by cheque (ICICI) against the Following bills (chq.no. 963256).
16. On 11-04-2021. Received from Sashi Bala Rs.25000/- by cheque (Axis).
17. On 12-04-2021. Rs.25000 Paid to Tinku & Co. against their bill, no. TI/C001 by cheque Issued from Axis bank A/c cheque no. (856745).
18. On 12-04-2021. Owner introduced rs.500000 in ICICI Bank rs.200000 ICICI Bank as cash.
19. On 13-04-2021. All O/S Electricity Bill. Paid by cash.
20. On 13-04-2021. Cashier has transferred cash rs.10000 to petty cash to meet out the daily Expenses & other miscellaneous expenses.
21. On 14-04-2021. Bad debts recovered of last year Rs.500.
22. On 14-04-2021. Bought refrigerator for his personal use Rs.5000.
23. On 15-04-2021. Purchase old car for Rs.2800 in Cash.
24. On 15-04-2021. Paid life Insurance premium Rs.1000.
25. On 16-04-2021. Received commission Rs.1000.
26. On 16-04-2021. Cash deposit into SBI Bank Rs.5000.
27. On 17-04-2021. O/s salary paid Rs.25000 by cheque no.000100.
28. On 17-04-2021 miscellaneous charges paid Rs.130 vide Cheque no 000101.
29. On 18-04-2021 Fees due from Aswani & co paid Rs.10000.
30. On 20-04-2021 made rent due from Manjeet & co. Rs.12000.
31. On 22-5-2021 Company payment Rent Rs 15000 But this Month Rent 10,000 Only
32. On 25-5-2021 Rent Has To Pay This Month 5000 But Company Already Paid Advance Rent Payment Rs. 10,000.

CHAPTER-9.

ORDER PROCESSING, INVOICING, TAXATION.

In This Chapter.

- ❖ Purchase Order.
- ❖ GST.
- ❖ Receipt Note.
- ❖ Purchase Invoice (With GST).
- ❖ Debit Note (With GST Adjustment).
- ❖ Standard Rate Entry.
- ❖ Goods Destroyed Entry.
- ❖ Company GSTIN/UIN No. 07AAAAA1234A1Z4.

Purchase Orders. (Ctrl+F9). Order processing is the placing of orders with suppliers for purchase to be made from the receive orders from customers for the purpose of selling. In tally, order processing is linked to inventories. This allows tracking of the order position for a stock item. Using this you can track arrival of goods ordered and also whether the ordered stock item are delivered on time etc. You can create purchase and sales orders in tally. Purchase orders (Po) can be created, printer and sent to suppliers. Goods received are linked with the POS and invoices. Outstanding purchase orders should be monitored. Stock summary displays order position of any item. The purchase order book lists out all the purchase orders placed.

Enabling Purchase Orders. To enable purchase order vouchers, activate the following in go to **Gateway of Tally > Alter > Voucher Type > Purchase Order > Activate this Voucher Type (Yes) > Allow Zero Value Transaction (Yes).**

Creating A Purchase Order. Purchase order details depend on configuration settings. To create a purchase order. Go To **Gateway of Tally > Vouchers > (Ctrl+F9) Purchase Order.**

Party's A/c Name. Select the supplier's name from the list of ledger accounts. Use **(Alt +C)** to create a new account.

Order No. Enter the purchase order number. Configure the voucher type through Accounts Info > Voucher Types to set prefixes and suffixes for purchase orders. This particular order no. Field is an additional field to record order number if it is different from the voucher number. The voucher number is automatically displayed here; it is also possible to change this number if needed.

Name of The Item. Select the stock item that needs to be purchased from the list of stock items. The item allocations sub-screen is displayed. Enter the details as show below.

Due On. Enter the due date for delivery to the item. This monitors outstanding deliveries. The order can be split for delivery on different dates. If the order is split, give the due date of the first lot to be delivered. After selecting the respective Godown and entering the quantity, rate and amount, specify the due date for the second lot. If the whole lot is delivered at a time, press enter in the due on field to return to the voucher creation screen. The cursor the returns to the

Vinod Computer Institute Mehnagar Azamgarh UP.

item field once again. Now enter another item. If no other item is required, press enter in the blank field to navigate to the next field. Press the space bar to display the list of ledger accounts. You can also specify other expenses like freight, tax to be charged if any in the purchase order. The tax and expense has to exist as a ledger account or it may be created using (**Alt + C**).

Location. This field should be entered with required details if multiple-location feature is enabled, otherwise it does not appear.

Quantity, Rate and Amount. Enter the quantity of the item required and its rate. The amount is calculated, but it can be modified to enable rounding off.

Additional Cost Details. Enter any additional cost incurred on the item here. This can be either entered as a percentage of the item cost or a fixed amount. If not, select end of list. Additional costs increase the value of the item, but they do not appear independently in the nominal ledger account or expense.

Next Item. The cursor comes to the item field once again and you can enter another item to order. If no other item is required, press enter on the blank field to take the cursor to the tax/expense field.

Expense/Tax. Once the item details have been entered, specify tax to be charged and other expenses like freight, if any. The tax or expense has to exist as a ledger account if they do not exist, create it using (**Alt + C**). Here, consider tax @ **5%** that is charged on the item values.

Altering A Purchase Order. To alter a purchase order Go to **Gateway of Tally > Display More Reports > Day Book** or **Go to Gateway of Tally > Display More Reports > Inventory Books > purchase order** book make the necessary alterations and save.

Delete A Purchase Order. To delete a purchase order press (**Alt+D**) in the purchase order alteration screen. This filed is optional. Enter necessary particulars about the order.

What is GST in India? Goods & Services Tax Law Explained.

What is GST? GST is an Indirect Tax which has replaced many Indirect Taxes in India. The Goods and Service Tax Act was passed in the Parliament on 29th March 2017. The Act came into effect on “1st July 2017” Goods & Services Tax Law in India is a comprehensive, multi-stage, destination-based tax that is levied on every value addition. In simple words, Goods and Services Tax (GST) is an indirect tax levied on the supply of goods and services. This law has replaced many indirect tax laws that previously existed in India. GST is one indirect tax for the entire country. Under the GST regime, the tax is levied at every point of sale. In the case of intra-state sales, Central GST and State GST are charged. Inter-state sales are chargeable to Integrated GST. Now let us try to understand the definition of Goods and Service Tax – “GST is a comprehensive, multi-stage, destination-based tax that is levied on every value addition.”

Multi-Stage. There are multiple change-of-hands an item goes through along its supply chain: from manufacture to final sale to the consumer.

Let Us Consider The Following Case.

Purchase of raw materials.

Vinod Computer Institute Mehnagar Azamgarh UP.

Production or manufacture.
Warehousing of finished goods.
Sale to wholesaler.
Sale of the product to the retailer.
Sale to the end consumer.

Value Addition. The manufacturer who makes biscuits buys flour, sugar and other material. The value of the inputs increases when the sugar and flour are mixed and baked into biscuits. The manufacturer then sells the biscuits to the warehousing agent who packs large quantities of biscuits and labels it. That is another addition of value after which the warehouse sells it to the retailer. The retailer packages the biscuits in smaller quantities and invests in the marketing of the biscuits thus increasing its value. GST is levied on these value additions i.e. the monetary value added at each stage to achieve the final sale to the end customer.

Destination-Based. Consider goods manufactured in Delhi and are sold to the final Punjab. Since Goods & Service Tax is levied at the point of consumption. So, the entire tax revenue will go to Punjab and not Delhi.

GST Full Form & GST Meaning.

GST Full Form is Goods and Services Tax. Before learning more about Goods and Service Tax, let's try to understand how taxes in India work. The Government of any country needs money for its functioning and taxes are a major source of revenue for a Government. The taxes thus collected are spent by Govt. on the public. These taxes are broadly classified into two types: Direct Tax and Indirect Tax.

Direct Tax – Direct Tax is imposed on the Income of an individual. The amount of Tax payable varies on the income earned by the individual from various sources such as salary, house rent income etc. So, the more you earn, the more tax you pay to the Government which essentially means the rich pay more tax in comparison to the poor.

Indirect Tax – Indirect tax is not imposed directly on income of individuals. Instead, it is imposed on goods and services, which in turn increase the cost “MRP” of Goods and Services. Unlike direct tax, indirect tax should be borne by the end customer, rich and poor alike. There are many indirect taxes. Some of these are levied by the Central Government whereas some are levied by the State Government making the indirect tax system an extremely complicated system. GST has been introduced to replace multiple indirect taxes levied by State and Central Governments in order to simplify the indirect tax system. GST has replaced almost 17 of the existing state and central indirect taxes (more to come in the future) such as central excise duty, additional customs duty, VAT, entertainment tax, service tax etc.

GST meaning in English	Goods and Services Tax
GST meaning in Hindi	वस्तु एवं सेवा कर

Journey of GST in India. The GST journey began in the year 2000 when a committee was set up to draft law. It took 17 years from then for the Law to evolve. In 2017 the GST Bill was passed in the Lok Sabha and Rajya Sabha. On 1st July 2017 the GST Law came into force.

Advantages of GST. GST has mainly removed the Cascading effect on the sale of goods and services. Removal of cascading effect has impacted the cost of goods. Since the GST regime

Vinod Computer Institute Mehnagar Azamgarh UP.

eliminates the tax on tax, the cost of goods decreases. GST is also mainly technologically driven. All activities like registration, return filing, application for refund and response to notice needs to be done online on the GST Portal; this accelerates the processes.

- ☺ **Removing cascading tax effect**
- ☺ **Higher threshold for registration**
- ☺ **Composition scheme for small businesses**
- ☺ **Online simpler procedure under GST**
- ☺ **Lesser compliances**
- ☺ **Defined treatment for e-commerce**
- ☺ **Increased efficiency in logistics**
- ☺ **Regulating the unorganized sector**

What Are The Components Of GST?

There are 3 taxes applicable under this system: CGST, SGST & IGST.

CGST. Collected by the Central Government on an intra-state sale (Example. transaction happening within Delhi).

SGST. Collected by the State Government on an intra-state sale (Example. transaction happening within Delhi).

IGST. Collected by the Central Government for inter-state sale (Example. Delhi to Punjab).

In Most Cases, The Tax Structure Under The New Regime Will Be As Follows:

Transaction.	New Regime.	Old Regime.	
Sale within the State (Delhi).	CGST + SGST	VAT + Central Excise/Service tax.	Revenue will be shared equally between the Centre and the State.
Sale to another State (Delhi to Punjab).	IGST.	Central Sales Tax + Excise/Service Tax.	There will only be one type of tax (central) in case of inter-state sales. The Centre will then share the IGST revenue based on the destination of goods.

What is SGST CGST & IGST? Since GST is a destination based tax, an end user consuming any goods or services is liable to pay the Goods and Services Tax. The tax is received by the

Vinod Computer Institute Mehnagar Azamgarh UP.

State in which the goods or services are consumed and not by the state in which such goods are manufactured. In cases of exports, the seller of the goods or services is exempted from paying the tax.

What Are The Taxes That Got Replaced By GST? Unlike earlier when there were multiple taxes such as Central Excise, Service Tax and State VAT etc., under GST, there is just one tax. GST is categorized into CGST, SGST or IGST depending on whether the transaction is Intra-State or Inter-State.

What Determines If CGST, SGST Or IGST Is Applicable? To determine whether Central Goods & Services Tax (CGST), State Goods & Services Tax (SGST) or Integrated Goods & Services Tax (IGST) will be applicable in a taxable transaction, it is important to first know if the transaction is an Intra State or an Inter-State supply.

Intra-State Supply of Goods or Services. Is when the location of the supplier and the place of supply i.e., location of the buyer are in the same state. In Intra-State transactions, a seller has to collect both CGST and SGST from the buyer. The CGST gets deposited with Central Government and SGST gets deposited with State Government.

Inter-State Supply of Goods or Services. Is when the location of the supplier and the place of supply are in different states? Also, in cases of export or import of goods or services or when the supply of goods or services is made to or by a SEZ unit, the transaction is assumed to be Inter-State. In an Inter-State transaction, a seller has to collect IGST from the buyer.

What is Central Goods and Services Tax (CGST)? Under GST, CGST is a tax levied on Intra State supplies of both goods and services by the Central Government and will be governed by the CGST Act. SGST will also be levied on the same Intra State supply but will be governed by the State Government. This implies that both the Central and the State governments will agree on combining their levies with an appropriate proportion for revenue sharing between them. However, it is clearly mentioned in Section 8 of the GST Act that the taxes be levied on all Intra-State supplies of goods and/or services but the rate of tax shall not be exceeding 14%, each.

What is State Goods and Services Tax (SGST)? Under GST, SGST is a tax levied on Intra State supplies of both goods and services by the State Government and will be governed by the SGST Act. As explained above, CGST will also be levied on the same Intra State supply but will be governed by the Central Government. Note: Any tax liability obtained under SGST can be set off against SGST or IGST input tax credit only.

What is Integrated Goods and Services Tax (IGST)?

Under GST, IGST is a tax levied on all Inter-State supplies of goods and/or services and will be governed by the IGST Act. IGST will be applicable on any supply of goods and/or services in both cases of import into India and export from India. Note: Under IGST,

Exports Would Be Zero-Rated. Tax will be shared between the Central and State Government.

Why The Split Into SGST, CGST, and IGST? India is a federal country where both the Centre and the States have been assigned the powers to levy and collect taxes. Both the Governments have distinct responsibilities to perform, as per the Constitution, for which they need

Vinod Computer Institute Mehnagar Azamgarh UP.

to raise tax revenue. The Centre and States are simultaneously levying GST. The three type's tax structure is implemented to help taxpayers take the credit against each other, thus ensuring "One Nation, One Tax".

Tax Laws Before GST. In the earlier indirect tax regime, there were many indirect taxes levied by both state and centre. States mainly collected taxes in the form of Value Added Tax (VAT). Every state had a different set of rules and regulations. Interstate sale of goods was taxed by the Centre. CST (Central State Tax) was applicable in case of interstate sale of goods. Other than above there were many indirect taxes like entertainment tax, octroi and local tax that was levied by state and centre. This led to a lot of overlapping of taxes levied by both state and centre. For example, when goods were manufactured and sold, excise duty was charged by the centre. Over and above Excise Duty, VAT was also charged by the State. This led to a tax on tax also known as the cascading effect of taxes. The following is the list of indirect taxes in the pre-GST regime:

- ❖ Central Excise Duty.
- ❖ Duties of Excise.
- ❖ Additional Duties of Excise.
- ❖ Additional Duties of Customs.
- ❖ Special Additional Duty of Customs.
- ❖ Cess.
- ❖ State VAT.
- ❖ Central Sales Tax.
- ❖ Purchase Tax.
- ❖ Luxury Tax.
- ❖ Entertainment Tax.
- ❖ Entry Tax.
- ❖ Taxes on Advertisements.
- ❖ Taxes on lotteries, betting, and gambling.

CGST, SGST, and IGST has replaced all the above taxes. However, the chargeability of CST for Inter-state purchase at a concessional rate of 2%, by issue and utilisation of c-Form is still prevalent for certain Non-GST goods such as: (i) Petroleum crude; (ii) High-speed diesel; (iii) Motor spirit (commonly known as petrol); (iv) Natural gas; (v) Aviation turbine fuel; and (vi) Alcoholic liquor for human consumption. In respect of following transactions only:

Resale. Use in manufacturing or processing. Use in the telecommunication network or in mining or in the generation or distribution of electricity or any other power.

What Changes Has GST Brought In? In the pre-GST regime, every purchaser including the final consumer paid tax on tax. This tax on tax is called Cascading Effect of Taxes.

Goods And Services Tax Council Meeting | GST. A single common "Goods and Services Tax (GST) was proposed and given a go-ahead in 1999 during a meeting between the Prime Minister Atal Bihari Vajpayee and his economic advisory panel. Mr Vajpayee set up a committee headed by the then finance minister of West Bengal, Asim Dasgupta to design a GST model. Later, Finance Minister P Chidambaram in February 2006 continued work on the same. It finally was implemented on July 1st, 2017 to be a comprehensive, destination-based

Vinod Computer Institute Mehnagar Azamgarh UP.

indirect tax that has replaced various indirect taxes that were implemented by the State and Centre such as VAT, excise duty, and others. The government of India also formed a GST Council to govern the rules the Goods and Services Tax.

Why Do We Need A GST Council? The GST council is the key decision-making body that will take all important decisions regarding the GST. The GST Council dictates tax rate, tax exemption the due date of forms, tax laws, and tax deadlines, keeping in mind special rates and provisions for some states. The predominant responsibility of the GST Council is to ensure to have one uniform tax rate for goods and services across the nation.

How Is The GST Council Structured? The Goods and Services Tax (GST) is governed by the GST Council. Article 279 (1) of the amended Indian Constitution states that the GST Council has to be constituted by the President within 60 days of the commencement of the Article 279A. According to the article, GST Council will be a joint forum for the Centre and the States. It consists of the following members. The Union Finance Minister, Nirmala Sitaraman will be the Chairperson As a member, the Union Minister of State will be in charge of Revenue of Finance the Minister in charge of finance or taxation or any other Minister nominated by each State government, as members.

GST Council Recommendations. Article 279A (4) specifies that the Council will make recommendations to the Union and the States on the important issues related to GST, such as, the goods and services will be subject or exempted from the Goods and Services Tax. They lay down GST laws, principles that govern the following.

Place of Supply.

Threshold Limits.

GST rates on goods and services. Special rates for raising additional resources during a natural calamity or disaster. Special GST rates for certain States.

Features of GST Council That You Must Know. GST Council office is set up in New Delhi. Revenue Secretary is appointed as the Ex-officio Secretary to the GST Council Central Board of Indirect and Customs (CBIC) is included as the chairperson as a permanent invitee (non-voting) to all proceedings of the GST Council Create a post for Additional Secretary to the GST Council. Create four posts of commissioner in the GST Council Secretariat (This is at the level of Joint Secretary). GST Council Secretariat will have officers taken on deputation from both the Central and State Governments. The cabinet also provides funds for meetings the expenses (recurring and nonrecurring) of the GST Council Secretariat. This cost is completely borne by the Central government.

GST Council Meetings. The GST Council meets to discuss and lay GST laws that will benefit dealers across the nation. The outcome of the previous latest GST Council meet was that the Council decided to implement GST provisions on e-way bills that requires goods of more than Rs.50000. In value to be registered online before they can be moved. They have also extended the deadline to file **GSTR-1**. The Council will also set up anti-profiteering screening committees that will make the National Anti-Profiteering Authority stronger under the GST law. Other than laying GST laws, the GST Council have taken decisions as such. The threshold limit for exemption of GST would be set at **Rs.40 lakh per year** for all States (except for special category states). The threshold for special States is set at **Rs 20 lakh per year**. For composition

Vinod Computer Institute Mehnagar Azamgarh UP.

scheme is set at **Rs. 1.5 crore for all States** (except for the North East States and Himachal Pradesh – Set at **Rs 75 lakh per year**). Ice cream, tobacco, pan masala, and other edible ice manufacturers shall not be eligible for composition levy (except for restaurant services). GST Council also looks into drafting GST rules on registration, payment, valuation, input tax credit, composition, return, refund and invoice, and transitional provisions, among other things.

Exemptions under GST – Goods. Understanding the taxability also involves knowing whether item is exempt or not under GST. Due to the scope of taxable supplies being widened under GST, GST Exemptions have clearly been defined. Not just knowing the Exemption list, but also understanding the implication of item being exempt is important as certain conditions are attached to it like reversing the ITC. Also, what can be Nil rated today may become charged to a higher tax rate in the future. Hence, clearly demarking the various terms such as Nil Rated, Exempt, Zero-rated and Non-GST supplies under GST is important.

What is Exempt Supply? Exempt supplies comprise the following three types of supplies: Supplies taxable at a ‘NIL’ rate of tax* (0% tax); Supplies that are wholly or partially exempted from CGST or IGST, by way of a notification amending Section 11 of CGST Act or Section 6 of IGST Act. Non-taxable supplies as defined under Section 2(78) – supplies that are not taxable under the Act (For Example Alcoholic liquor for human consumption. Tax need not be paid on these supplies. Input tax credit attributable to exempt supplies will not be available for utilization/setoff. *Zero-rated supplies such as exports would not be treated as supplies taxable at ‘NIL’ rate of tax.

Central or the State Governments Are Empowered To Grant Exemptions from GST. Conditions Are.

- ❖ Exemption should be in public interest.
- ❖ By way of issue of notification.
- ❖ Must be recommended by the GST Council.
- ❖ Absolute exemption or conditional exemption may be for any goods and / Or services of any specified description.
- ❖ Exemption by way of special order (not notification) may be granted Exceptional circumstances.
- ❖ Registered person supplying the goods and / or services is not entitled to collect tax higher than the effective rate, where the supply enjoys an absolute exemption.

Classification of Exemptions. Supplier may be exempt – Exemption to the person making supplies-i.e supplier, regardless of the nature of outward supply. Ex: Services by Securities and Exchange Board of India, Services by Charitable entities. Certain Supplies may be exempt – Certain supplies due to their nature and type are exempted from GST. All supplies that are notified would be eligible for the exemption. Here, irrespective of who the the supplier is, exemption is allowed. Not very much relevant. Ex: Services by way of sponsorship of sporting events, Services by way of public conveniences.

Types of Exemptions. Absolute exemption: Exemption without any conditions. Ex: Transmission or distribution of electricity by an electricity transmission or distribution utility, Services by Reserve Bank of India. Conditional Exemption: Exemption subject to certain conditions. Ex: Services by a hotel, inn, guest house, club or campsite, by whatever name

Vinod Computer Institute Mehnagar Azamgarh UP.

called, for residential or lodging purposes, having declared tariff of a unit of accommodation less than ` 1000/- per day”. Conditional or partial exemption: Intra-State supplies of goods and/or services received from an unregistered person by a registered person is exempted from payment of tax under reverse charge provided the aggregate value of such supplies received by a registered person from all or any of the suppliers does not exceed ` 5000/- in a day.

Exemption under One GST Law and the Effect on Another GST Law. Note that the exemption allowed under the CGST Act cannot be deemed to be applicable under IGST Act. In other words, GST Exemption allowed in case of inter-State transactions is not the same as the GST exemptions available in case of Intra-State transactions.

Exemption under CGST Act	Deemed to be exempt under SGST / UTGST Act
	No auto-application of exemption under IGST Act
Exemption under IGST Act	No auto-application of exemption under CGST Act
12/2017 Central Tax (Rate) dated 28.06.2017	Exemption to supply specified services under the CGST Act. More or less, all the exemptions were available earlier under the erstwhile service tax law Amended vide Notification No.21/2017, 25/2017, 32/2017 and 47/2017, 2/2018 – Central Tax (Rate)

What Is A Non-Taxable Supply? “Non-taxable supply” means a supply of goods or services or both which is not leviable to tax under CGST Act or under the IGST Act. A transaction must be a ‘supply’ as defined under the GST law to qualify as a non-taxable supply under the GST. Note: Only those supplies that are excluded from the scope of taxation under GST are covered by this definition – i.e., alcoholic liquor for human consumption, articles listed in section 9(2) or in schedule III. It must also be noted that the following items are not out of scope of GST. That means GST Rate has not yet been announced or notified for them.

- ❖ Petroleum crude.
- ❖ High-speed diesel.
- ❖ Motor spirit (commonly known as petrol).
- ❖ Natural gas and.
- ❖ Aviation turbine fuel.

Negative List Under GST.

- ❖ Services by employee to employer in the course/ relation to employment.
- ❖ Services of funeral, burial, crematorium or mortuary.
- ❖ Sale of land.
- ❖ Sale of completed buildings.
- ❖ Actionable claims (other than lottery, betting and gambling).
- ❖ Services by any court or Tribunal.
- ❖ Functions performed by the MPs, MLAs etc.
- ❖ Duties performed by any person who holds any post in pursuance of the Provisions of the Constitution in that capacity.

Vinod Computer Institute Mehnagar Azamgarh UP.

Difference Between Nil Rated, Exempt, Zero Rated and Non-GST supplies.

<u>Supply Name.</u>	<u>Description.</u>
Zero Rated.	Exports Supplies made to SEZ or SEZ Developers.
Nil Rated.	Supplies that have a declared rate of 0% GST. Example: Salt, grains, jaggery etc.
Exempt.	Supplies are taxable but do not attract GST and for which ITC cannot be claimed. Example: Fresh milk, Fresh fruits, Curd, Bread etc.
Non-GST.	These supplies do not come under the purview of GST law. Example: Alcohol for human consumption, Petrol etc.

GST Rates on Goods.

GST tax rates and slabs in India 2018

GST Tax Structure 2017

The GST council has revised the tax rates under GST as on January 18, 2018. The changes will be effective from January 25, 2018.

GST rates on Goods

Commodities	GST RATE
Essential farm produced mass consumption items like milk, cereals, fruits, vegetable, jaggery (gur), food grains, rice and wheat	NIL
Common use and mass consumption food items such as spices, tea, coffee, sugar, vegetable/ mustard oil; newsprint, coal and Indian sweets	NIL
Silk and jute fibre	NIL
Diamond and Precious Stones	0.25%
Gold, Silver	3%
LPG supplied to Household by Private Distributors	5%
Fertilizers, Biogas	5%
Branded atta, wheat, pulses, maida, gram flour (besan)	5%
Railway freight	5%
Pharma (Life saving drugs)	5%
Footwear up to Rs. 500	5%
Cotton and natural fibre	5%
Small Old and Used Motor Vehicles	12%
Packaged foods like pickles, tomato sauce, mustard sauce and fruit preserves	12%

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Packaged foods like pickles, tomato sauce, mustard sauce and fruit preserves	12%
Ayurvedic and homeopathy medicines	12%
Processed foods	12%
Fruit juices, live animals, meats, butter & cheese	12%
Mobile phones	12%
Readymade garments	12%
Computer printers	18%
Footwear above Rs. 500	18%
All FMCG goods like hair oil, soaps, toothpaste and shampoos; chemical and industrial use intermediaries	18%
LPG stoves, military weapons, electronic toys	18%
Pastries, cakes, pasta, ice creams, soups	12%
Man made fibre and yarn	18%
Medium and Large Old and Used Motor Vehicle	18%
Buses which run on Biofuels	18%
White and brown goods like TV, refrigerator, AC, washing machines, microwave ovens; soft drinks and aerated beverages	28%
Cement, wall putty, paint, wallpaper	18%
Perfumes, revolver, pistols	18%
Chocolates, chewing gum, waffles containing chocolate	18%
Luxury and de-merits goods and sin category items e.g. tobacco, pan masala	28% + cess
Small cars – petrol driven	28% + 1% cess
Small cars – diesel driven	28% + 5% cess
Cigarettes	28% + 5% cess
Luxury cars	28% + 15% cess
Heavy bikes, Luxury yachts, private jets	31%

Receipt Note. By using this voucher you can record the stock received from the parties. If any Purchase order has already you may be bring the entries information within this receipt note by selecting appropriate purchase order. For example stock receive from the party again order. Set the option use tracking numbers to (Yes) in to activate goods in receipt note and goods out delivery note vouchers. Tally will assume that goods are received along with purchase vouchers and goods are delivered along with sales vouchers/invoices. Activating tracking numbers denote that you may receive goods that are not accompanied by a supplier's invoice i.e. the invoice will arrive separately and that you may not deliver the goods along with the invoice but will invoice it later. Note: in a voucher you are allowed to select not applicable when the tracking number sub-screen appears. This would update inventory immediately between delivery notes for stock delivered from different locations you can create vouchers to do this.

Receipt Note Voucher (Alt+F9). This voucher type is used for recording goods received. To view the Receipt Note Voucher. Go to **Gateway of Tally > Alter > Vouchers Types > Receipt Note > Activate This Voucher Type (Yes)**. Press the button **(Alt+F9)** Receipt Note from the button bar. For example, consider the company receives new stock items from a supplier. If a Purchase Order exists for that Supplier, select the Order Number from the List of Orders pop up menu to bring up the order particulars automatically

Purchase Invoice (F9) (With GST). Invoicing purchase invoicing is almost similar to purchase voucher entry. You will use the same voucher but select as invoice option to turn it into a purchase invoice. Purchase invoices are recorded through normal purchase voucher entry and it does not have the provision of being converted into an invoice format for entry purposes, similarly, you can print the purchase voucher as a purchase invoice or even a purchase order. The advantage of using the invoice format for purchase voucher entry is that it enables automatic calculations of taxes and duties. This is possible for only those groups for which used for calculation is enabled under the group duties and taxes. This is also possible for other groups for which the field used for calculation is enabled in the group creation screen. In recording purchase invoice details, you can adjust accounting and inventory balances and account for taxes simultaneously.

Types of Invoice. There are two types of invoices. Purchase item invoice – allows you to select items for invoicing. Purchase account invoice – allows you to select ledger for invoicing. Purchase item invoice. Invoicing is generally used for purchase of stock where the details of the items sold are listed. Selecting the item invoice allows you to select the stock items that need to be invoiced. Trading and manufacturing organizations commonly use this format.

Debit Note (With GST Adjustment). (Alt+F5). A debit note or debit memorandum (memo) is a commercial document issued by a buyer to a seller as a means of formally requesting a credit note. A seller might also issue a debit note instead of an invoice in order to adjust upwards the amount of an invoice already issued (as if the invoice is recorded in wrong value). Debit note are used for debiting party accounts. Set allow Use Debit & Credit Notes, Record Credit Notes in Invoice Mode to (Yes).

Credit Note (With GST Adjustment). (Alt+F6). Credit note are used for giving credit to the party. When a buyer return the goods (sale return) or knows himself credit due to rate difference or discount discount or due to same adjustment. A receipt given by a shop to a customer who has returned goods, which can be offset against future Credit are used for giving credit to the party. When a buyer returns the goods (sale return) or allows himself credit due to rate different or discount or due to same adjustment. Set allow Use Debit & Credit Notes, Record Debit Notes in Invoice Mode to (Yes).

Registered Dealer. This term is used to identify a dealer who is registered either under voluntary registration or compulsory registration under the GST act. Such dealer can issue tax invoice and also claim the tax paid on purchases made from other registered dealers as input tax credit.

Unregistered Dealer. Dealers who are not registered under the GST act are called as unregistered dealers. Such dealers cannot issue tax invoice. They can neither charge tax nor claim input tax credit.

Composite Dealers. The state government may by a notification in the official gazette, provide for a scheme of composition, subject to the tax, conditions and restrictions as may be provided there in of tax payable by the dealers who are engaged in the business, as prescribed, of re-selling at retail, any goods or merchandise.

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Invoicing Under GST.

What is a GST Invoice? An invoice or a bill is a list of goods sent or services provided, along with the amount due for payment.

Who Should Issue GST Invoice? If you are a GST registered business, you need to provide GST-complaint invoices to your clients for sale of good and/or services. Your GST registered vendors will provide GST-compliant purchase invoices to you.

What Are The Mandatory Fields A GST Invoice Should Have? A tax invoice is generally issued to charge the tax and pass on the input tax credit GST Invoice must have the following mandatory fields:

Invoice number and date

Customer name

Shipping and billing address

Customer and taxpayer's GSTIN (if registered) **

Place of supply

HSN code / SAC code

Item details i.e. description, quantity (number), unit (meter, kg etc.), total value

Taxable value and discounts

Rate and amount of taxes i.e. CGST/ SGST/ IGST

Whether GST is payable on reverse charge basis

Signature of the supplier

**If the recipient is not registered AND the value is more than Rs. 50,000 then the invoice should carry:

I. name and address of the recipient,

II. Address of delivery,

III. State name and state code

Here is a sample invoice for your reference:

By When Should You Issue Invoices? The GST Act has defined time limit to issue GST tax invoices, revised bills, debit notes, and credit note.

Following Are The Due Dates For Issuing An Invoice To Customers:

Goods (Normal case)	Goods (Continuous Supply)	Services (General case)	Services (Banks & NBFCs)
<ul style="list-style-type: none">On or before date of removal/ delivery	<ul style="list-style-type: none">On or before date of issue of account statement/ payment	<ul style="list-style-type: none">Within 30 days of supply of services	<ul style="list-style-type: none">Within 45 days of supply of services

How To Personalize GST Invoices? You can personalize your invoice with your company's logo. The ClearTax BillBook allows you to create and personalize GST Invoice free of cost.

What Are Other Types Of Invoices?

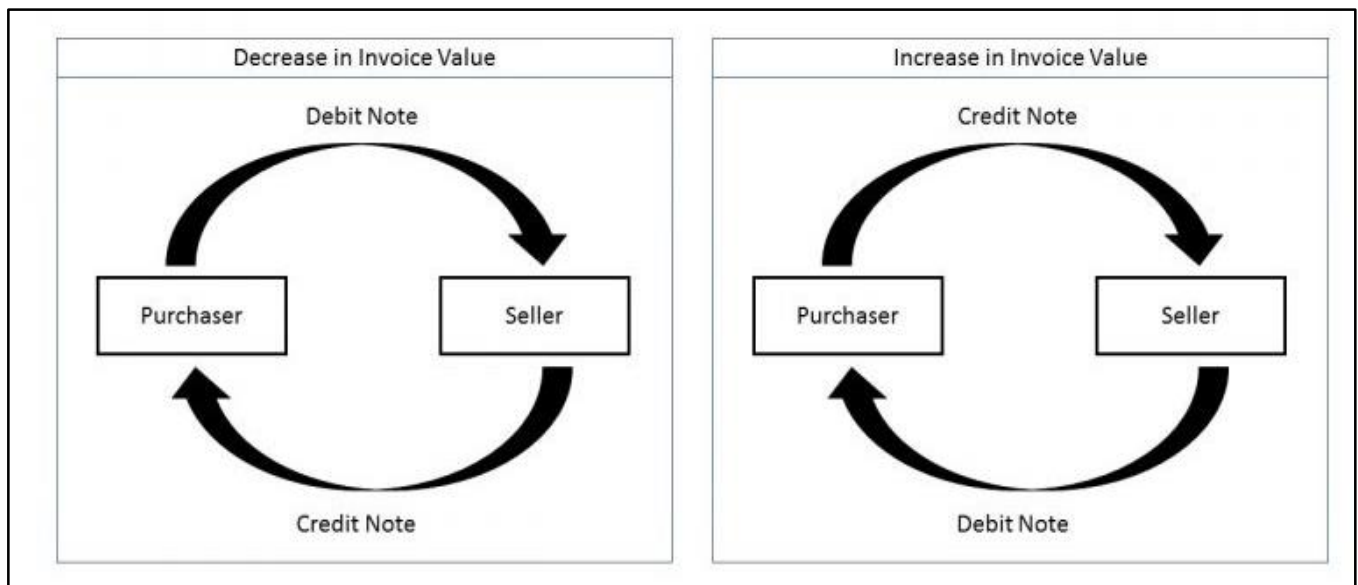
Bill of Supply. A Bill of Supply is similar to a GST invoice except for that bill of supply does not contain any tax amount as the seller cannot charge GST to the buyer. A bill of supply is issued in cases where tax cannot be charged: Registered person is selling exempted goods/services, Registered person has opted for composition scheme

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Invoice-Cum-Bill Of Supply. As per Notification No. 45/2017 – Central Tax dated 13th October 2017 If a registered person is supplying taxable as well as exempted goods/ services to an unregistered person, then he can issue a single “invoice-cum-bill of supply” for all such supplies.

Aggregate Invoice. If the value of multiple invoices is less than Rs. 200 and the buyer are unregistered, the seller can issue an aggregate or bulk invoice for the multiple invoices on a daily basis. For example, you may have issued 3 invoices in a day of Rs.80, Rs.90 and Rs. 120. In such a case, you can issue a single invoice, totalling to Rs290, to be called an aggregate invoice.

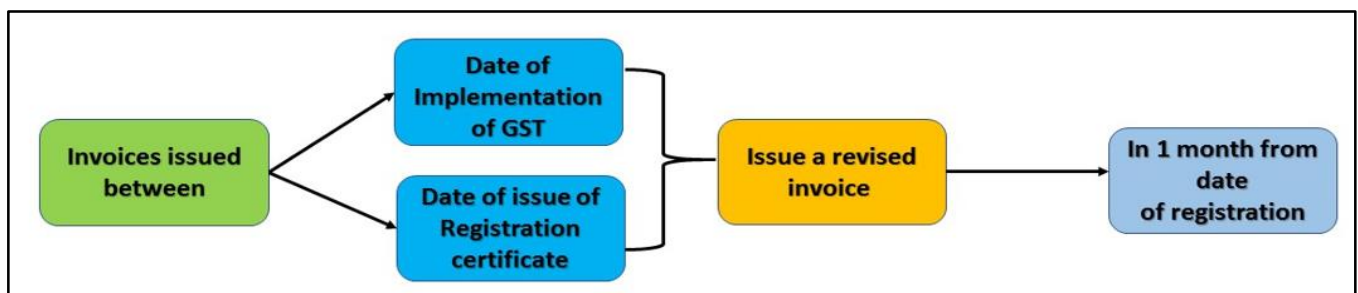
Debit And Credit Note.



A Debit Note. Is issued by the seller when the amount payable by the buyer to seller increases: Tax invoice has a lower taxable value than the amount that should have been charged Tax invoice has a lower tax value than the amount that should have been charged.

A Credit Note. Is issued by the seller when the value of invoice decreases: Tax invoice has a higher taxable value than the amount that should have been charged Tax invoice has a higher tax value than the amount that should have been charged Buyer refunds the goods to the supplier Services are found to be deficient.

Can You Revise Invoices Issued Before GST? Yes. You can revise invoices issued before GST. Under the GST regime, all the dealers must apply for provisional registration before getting the permanent registration certificate. Refer to this image below to understand the protocol of issuing a revised invoice:



This applies to all the invoices issued between the date of implementation of GST and the date your registration certificate has been issued. As a dealer, you must issue a revised invoice against the invoices already issued. The revised invoice has to be issued within 1 month from the date of issue of the registration certificate.

How Many Copies Of Invoices Should Be Issued?

For Goods – 3 Copies.

For Services – 2 Copies.



GST Invoicing Under Special Cases? In some cases, like banking, passenger transport, etc., the government has provided relaxation on the invoice format issued by the supplier.

Tax Invoices in Special Cases under GST. An invoice is an instrument issued by a Supplier to the Recipient of Goods/ Services. GST laws prescribe the definitive rules on how an invoice must look like and when it must be issued. However, there are exceptions too. In some cases, relaxations are available on the format in which invoice is to be issued by a supplier. Let us understand these cases.

Input Service Distributor (ISD). An Invoice or an ISD credit note should contain details slightly different from a GST invoice normally issued. This must contain. Name, address and GST Registration number or the GSTIN of the Input Service Distributor. The serial number of the invoice/credit note numbered consecutively, unique for every financial year. It may contain alphabets, numerals, special characters – hyphen/ dash, or any combination of the above.

Date Of Issue. Name, address, and GSTIN of the person eligible for the credit. The amount of the credit distributed. Authentication by the input service provider or his authorised representative by way of his signature or digital signature.

Exceptions – Where ISD Is a Banking Company Financial Institution NBFC Tax invoice shall be any document containing the details mentioned above, and not necessarily serially numbered. If the registered person has the same PAN and State code as the ISD, he may issue an invoice, a credit or debit note to transfer the credit of common input services to the Input Service Distributor. It shall contain the following details: Name, Address and GSTIN A consecutive serial number not exceeding sixteen characters, containing alphabets or numerals or special characters. It shall be unique for a particular Financial Year.

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Date Of Issue. GSTIN of the supplier of common service and Original invoice number whose credit is sought to be transferred to the Input Service Distributor; Name, address and Goods and Services Tax Identification Number of the Input Service Distributor; Taxable value, rate and amount of the credit to be transferred; and Physical or digital signature of the registered person or of his authorised representative.

Insurance/Banking/Financial Institutions.

A supplier who is –

An Insurer,

A banking company,

A financial institution and

A Non-Banking financial institution

Should issue a consolidated tax invoice or can issue any other document in whatever name instead of a tax invoice for all the supplies made during the month, at the end of the month. The document instead of the tax invoice must contain all other information prescribed for a tax invoice except optional information like serial number and recipients address. The invoice may be made available electronically or physically.

Goods Transport Agency (GTA). In case of a GTA providing services to transport goods by road, the GTA (supplier) should issue a tax invoice or any other document instead of the tax invoice (by whatever name called). The invoice should contain the following details. Gross weight of the consignment Name of the person sending and receiving the goods Registration number of the vehicle in which the goods are transported. Details of goods transported Details of the place of origin and destination GSTIN of the person liable for paying tax whether as a consignor, consignee or goods transport agency other fields as mentioned in the invoice format.

Passenger Transporter Services. A supplier who provides passenger transportation services is required to issue a tax invoice can be a ticket in any form having following details: Optional Information Serial number Address of the recipient of the taxable service Mandatory Information All the other information as required in a tax invoice.

What is e-Way Bill? E-way bill Rules & Generation Process Explained.

What is an e-Way Bill? E-Way Bill is an Electronic Way bill for movement of goods to be generated on the e-Way Bill Portal. A GST registered person cannot transport goods in a vehicle whose value exceeds Rs. 50,000 (Single Invoice/bill/delivery challan) without an e-way bill that is generated on e-way bill gst.gov.in Alternatively E-way bill can also be generated or cancelled through SMS Android App and by site-to-site integration through API. When an e-way bill is generated, a unique E-way Bill Number (EBN) is allocated and is available to the supplier, recipient, and the transporter.

When Should E-Way Bill Be Issued? E-Way bill will be generated when there is a movement of goods in a vehicle/ conveyance of value more than Rs. 50,000(either each Invoice or in (aggregate of all Invoices in a vehicle/ Conveyance) #) –

In relation to a ‘supply’

For reasons other than a ‘supply’ (say a return)

Due to inward ‘supply’ from an unregistered person

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For this purpose, a supply may be either of the following:

A supply made for a consideration (payment) in the course of business

A supply made for a consideration (payment) which may not be in the course of business

A supply without consideration (without payment) in simpler terms, the term 'supply' usually means a:

Sale – sale of goods and payment made

Transfer – branch transfers for instance

Barter/Exchange – where the payment is by goods instead of in money Therefore, e-Way Bills must be generated on the common portal for all these types of movements. For certain specified Goods, the e-way bill needs to be generated mandatorily even if the Value of the consignment of Goods is less than Rs. 50,000: Inter-State movement of Goods by the Principal to the Job-worker by Principal/ registered Job-worker***, Inter-State Transport of Handicraft goods by a dealer exempted from GST registration

Who Should Generate An E-Way Bill?

Registered Person – E-way bill must be generated when there is a movement of goods of more than Rs. 50,000 in value to or from a Registered Person. A Registered person or the transporter may choose to generate and carry e-way bill even if the value of goods is less than Rs 50,000.

Unregistered Persons – Unregistered persons are also required to generate e-Way Bill. However, where a supply is made by an unregistered person to a registered person, the receiver will have to ensure all the compliances are met as if they were the supplier.

Transporter – Transporters carrying goods by road, air, rail, etc. also need to generate e-Way Bill if the supplier has not generated an e-Way Bill.

Unregistered Transporters will be issued Transporter ID on enrolling on the e-way bill portal after which E-way bills can be generated.

<u>Who.</u>	<u>When.</u>	<u>Part.</u>	<u>Form.</u>
Every Registered person under GST	Before movement of goods	Fill Part A	Form GST EWB-01
Registered person is consignor or consignee (mode of transport may be owned or hired) OR is recipient of goods	Before movement of goods	Fill Part B	Form GST EWB-01
Registered person is consignor	Before movement of goods	Fill Part B	The registered person shall furnish the information relating to the

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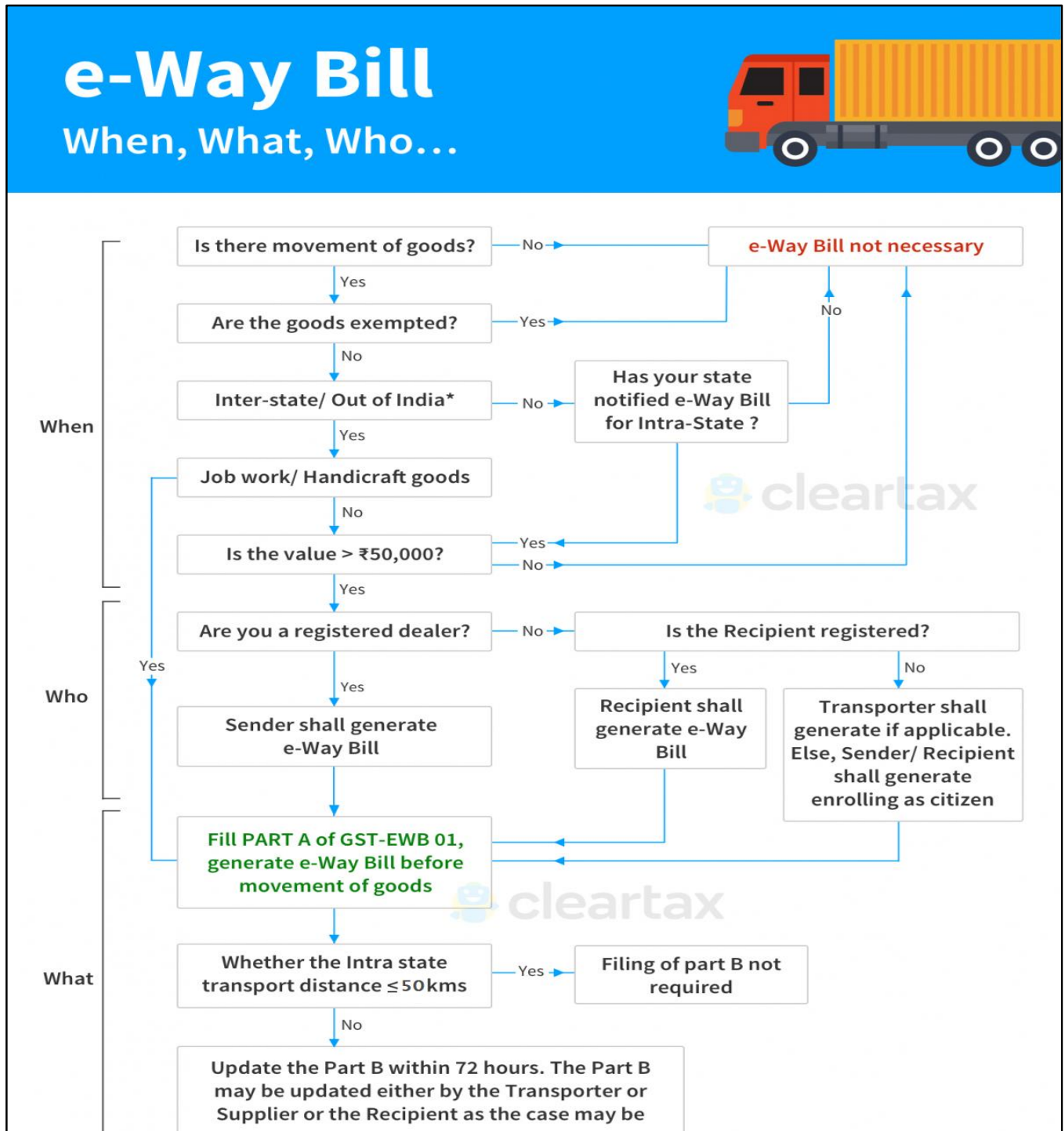
or consignee and goods are handed over to transporter of goods			transporter in Part B of FORM GST EWB-01
Transporter of goods	Before movement of goods		Generate e-way bill on basis of information shared by the registered person in Part A of FORM GST EWB-01
An unregistered person under GST and recipient is registered	Compliance to be done by Recipient as if he is the Supplier.		1. If the goods are transported for a distance of fifty kilometers or less, within the same State/Union territory from the place of business of the consignor to the place of business of the transporter for further transportation, the supplier or the transporter may not furnish the details of conveyance in Part B of FORM GST EWB-01. 2. If supply is made by air, ship or railways, then the information in Part A of FORM GST EWB-01 has to be filled in by the consignor or the recipient

Note: If a transporter is transporting multiple consignments in a single conveyance, they can use the form GST EWB-02 to produce consolidated e-way bill by providing the e-way bill numbers of each consignment. If both the consignor and the consignee have not created an e-way bill, then the transporter can do so * by filling out PART A of FORM GST EWB-01 on the basis of the invoice/bill of supply/delivery challan given to them.

Cases When E-Way Bill Is Not Required. In the following cases it is not necessary to generate e-Way Bill: The mode of transport is non-motor vehicle Goods transported from Customs port, airport, and air cargo complex or land customs station to Inland Container Depot (ICD) or Container Freight Station (CFS) for clearance by Customs. Goods transported under Customs supervision or under customs seal Goods transported under Customs Bond from ICD to Customs port or from one custom station to another. Transit cargo transported to or from Nepal or Bhutan Movement of goods caused by defence formation under Ministry of defence as a consignor or consignee Empty Cargo containers are being transported Consignor transporting goods to or from between place of business and a weighbridge for weighment at a distance of 20 kms, accompanied by a Delivery challan. Goods being transported by rail where the Consignor of goods is the Central Government, State Governments or a local authority. Goods

specified as exempt from E-Way bill requirements in the respective State/Union territory GST Rules. Transport of certain specified goods- Includes the list of exempt supply of goods, Annexure to Rule 138(14), goods treated as no supply as per Schedule III, Certain schedule to Central tax Rate notifications. Note: Part B of e-Way Bill is not required to be filled where the distance between the consigner and consignee and the transporter is less than 50 Kms. and transport is within the same state.

How To Generate E-Way Bill. E-Way Bill can be generated on the e-Way Bill Portal. All you need is a Portal login. For a detailed step-by-step guide on e-Way Bill Generation check out our article – Guide to generate e-way Bill Online.



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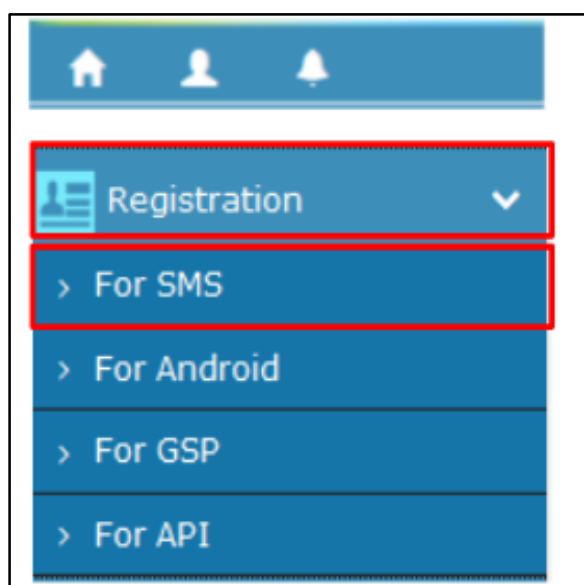
Validity of e-Way Bill. An e-way bill is valid for periods as listed below, which is based on the distance travelled by the goods. Validity is calculated from the date and time of generation of e-way bill- Validity of E-way bill can be extended also. The generator of such E-way bill has to either four hours before expiry or within four hours after its expiry can extend E-way bill Validity.

Type Of Conveyance.	Distance.	Validity Of EWB.
Other than Over dimensional cargo	Less Than 100 Kms.	1 Day
	For every additional 100 Kms. or part thereof	additional 1 Day
For Over dimensional cargo	Less Than 20 Kms.	1 Day
	For every additional 20 Kms. or part thereof	additional 1 Day

Documents Or Details Required To Generate E-Way Bill. Invoice/ Bill of Supply/ Challan related to the consignment of goods Transport by road – Transporter ID or Vehicle number Transport by rail, air, or ship – Transporter ID, Transport document number, and date on the document,

Generate, Modify or Delete E-way Bill using SMS. There are two modes of managing your e-way bill. Web – Based. Via SMS. A person who wants to generate multiple e way bills can use the web-based facility. Users who intend to generate a single e-way bill or users who do not have the facility to access the website can use the SMS facility to generate e-way bills. SMS facility in EWB also helps at times of emergencies or urgency for many big businesses as well.

How To Register For SMS Facility? Login to e-way bill portal, Click on ‘Registration’ appearing on the left-hand side of the dashboard and select ‘For SMS’ from the drop-down.



The mobile number registered for the GSTIN gets partly displayed. Click on ‘Send OTP’. Enter the OTP generated and click on ‘Verify OTP’.



E - WAY BILL SYSTEM

29ckjpm7659c1Z0-test

SMS Registration

Mobile Number of main user: *****28

Enter OTP:

Only those mobile numbers that are registered with the website can be registered for the SMS facility. A maximum of two mobile numbers can be registered against one GSTIN. For multiple user IDs against a single mobile number, following screen appears:



E - WAY BILL SYSTEM

29ckjpm7659c1Z0-test

SMS Registration

Select UserID: --Select User--

Enter Mobile Number:

User ID	Mobile
test_usr1	8123775028
test_usr2	8123775028
test_usr3	8123775028

If your mobile number is being used for more than one User IDs created, then you must select the desired user ID/username and click 'Submit'.

How to Use the SMS Facility for Creating/ Cancelling E-Way Bills? There are a set of SMS codes defined which can be used to work on the e-way bills generation/ cancellation. While using this facility, suppliers or transporter has to ensure that correct information is keyed in, to avoid any errors. For example, EWBG/EWBT for E-way Bill Generate Request for suppliers and transporters respectively; EWBV for E-way Bill vehicle update Request; EWBC for E-way Bill Cancel Request are the codes.

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Cancel E-way Bill. The format of SMS request is as follows: EWBC EWB_NO, Send this SMS to the registered mobile number of the State from which you are operating. Eg: 97319 79899 in Karnataka.

How to generate Consolidated Eway Bills on the E Way Bill Portal? Consolidated E-Way Bill (EWB-02) is a single document that contains details of all the E-Way Bills related to the consignments. If you are a transporter/ supplier who wants to transport multiple consignments of goods in a single conveyance or vehicle, you can use the Consolidated E-Way Bill feature available on the E Way Bill portal.

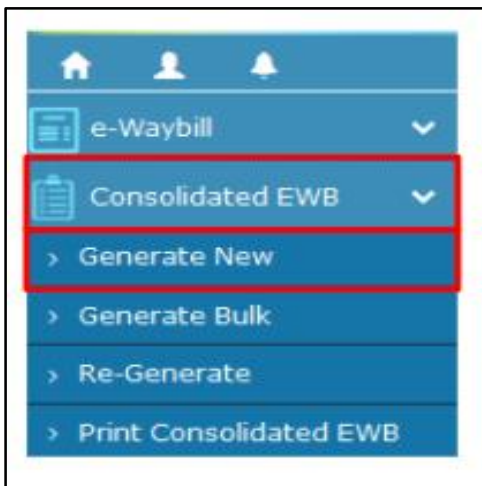
Note: You should be a transporter or should have generated the e-way bills at step-1 yourself to use the consolidated EWBs facility.

Prerequisites: Registration on the EWB Portal You should have the Invoice/ Bill/ Challan related to the consignment of goods. Transporter ID or the Vehicle number (for transport by road). Transporter ID, Transporter document number, and date on the document (for transport by rail, air, or ship). Apart from those, the taxpayer must have all the individual e-way Bill numbers of the consignments, to be transported in one conveyance.

Here Is A Step-By-Step Process To Generate Consolidated E-Way Bills:

Step 1: Login to EWB Portal and Generate individual e-way bills. Here is a step by step guide to Generate e-way bill

Step 2: Select 'Generate new' under 'Consolidated EWB' option appearing on the left-hand side of the dashboard.



Step 3: The following details are required to be entered in this step: Select 'Mode' of transport-Rail/Road/Air/Ship,

Select 'From State' from the drop down

In the 'Vehicle Starts From,' field enter the location from where the goods are being transported.

Enter 'Vehicle No.'

Add the EWB no. (Rest of the fields are auto-populated based on this)

Enter the details and Click on 'Submit'

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E - WAY BILL SYSTEM

29AAACL2836L1Z8-LAWREL NAVIGATION MAURITIUS LTD

Consolidated E-Way Bill Form

Mode Road Rail Air Ship

From State : KARNATAKA Vehicle Starts From : Place Vehicle No. :
(Format: AB12AB1234 or AB12A1234 OR AB121234)

E-Way Bill No.	E-Way Bill Date	Generated By	Inv. No. and Date	Inv. Amount	Source	Destination	Delete
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

On submitting, following screen appears:

E - WAY BILL SYSTEM

29AAACL2836L1Z8-LAWREL NAVIGATION MAURITIUS LTD

Print Consolidated E-Way Bill Form

1. Consolidated E-Way Bill Details

Consolidated E-Way Bill No 171000000115
Date: 05/09/2017
Transporter ID 29AAACL2836L1Z8
Vehicle No AB12AB1234
From BANGALORE-KARNATAKA

2. Item Details

S.No.	E-WayBill No. & Date	E-WayBill By	Document No. & Date	Value	To
1.	121000000839 - 05/09/2017	29AAACL2836L1Z8	123 - 05/09/2017	1000.00	ASDFG - KARNATAKA - 560064
2.	181000000840 - 05/09/2017	29AAACL2836L1Z8	1234 - 05/09/2017	1000.00	ASDFG - KARNATAKA - 560032

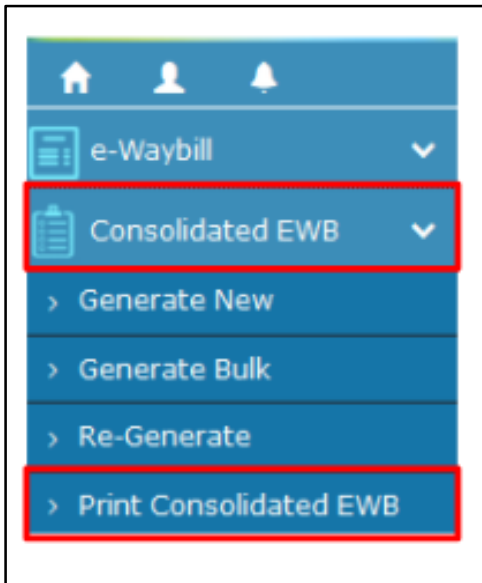
E-way bill in Form EWB-02 with a unique 12 digit number is generated.

Print and carry this for transporting the goods in the selected mode of transport and the selected conveyance.

You can print the Consolidated EWBs as follows:

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Step-1: Click on 'Print EWB' sub-option under 'e-Waybill' option or 'Consolidated EWB' option



Step-2: Enter the relevant e-way bill number/ Consolidated EWB -12 digit number and click on 'Go'

The screenshot shows a form titled 'Print e-Way Bill'. It has a light blue header with the title. Below the header is a text input field labeled 'Enter e-WayBill No.'. To the right of the input field are two buttons: a blue 'GO' button and a red 'Exit' button.

Step-3: Click on 'Print' or 'detailed print' button on the EWB/ consolidated EWB that appears:

The screenshot shows the 'E - WAY BILL SYSTEM' interface. The header is blue with the title 'E - WAY BILL SYSTEM'. Below the header is a blue bar with the text '29AAACL2836L1Z8-LAWREL NAVIGATION MAURITIUS LTD'. Below that is a light blue bar with the title 'Print Consolidated E-Way Bill Form'. The main content area is divided into two sections: '1. Consolidated E-Way Bill Details' and '2. Item Details'. The '1. Consolidated E-Way Bill Details' section contains the following information:

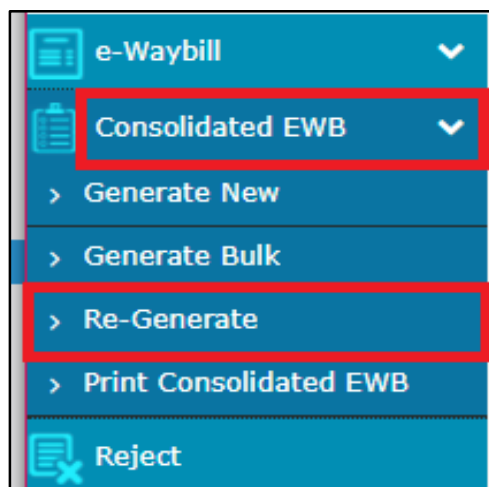
Consolidated E-Way Bill No	171000000115
Date:	05/09/2017
Transporter ID	29AAACL2836L1Z8
Vehicle No	AB12AB1234
From	BANGALORE-KARNATAKA

The '2. Item Details' section contains a table with the following data:

S.No.	E-WayBill No. & Date	E-WayBill By	Document No. & Date	Value	To
1.	121000000839 - 05/09/2017	29AAACL2836L1Z8	123 - 05/09/2017	1000.00	ASDFG - KARNATAKA - 560064
2.	181000000840 - 05/09/2017	29AAACL2836L1Z8	1234 - 05/09/2017	1000.00	ASDFG - KARNATAKA - 560032

At the bottom of the form are two buttons: a blue 'Print' button and a red 'Exit' button.

Re-Generate Consolidated E-Way Bill. Transporters/taxpayers can use this option to update the vehicle details for the particular consolidated E-way bill. Click 'Re-generate' is available under Consolidated EWB option.



You can either enter the consolidated E-way bill number or select consolidated E-way bill by date of generation and click on 'Go'.

Compliance for e-Way Bill by Transporter and Other Important Rules.

What is Transporter ID and How to Enrol for It? Transporter ID is a 15-digit unique identification number allotted to an unregistered Transporter enabling generation of e-Way Bills.

A Brief Introduction.

All Transporters are required to generate e- Way Bill if:

a) Value of consignment/value of goods of a single supplier exceeds Rs 50,000/-

OR

b) Value of all the goods in a vehicle through which goods are transported cumulatively exceeds Rs 50,000/-

Even the unregistered transporters under GST have to note that e-Way Bills are required to be generated by them under the above circumstances.

Since an unregistered Transporters will not have a GSTIN, the concept of Transporter ID had been introduced.

Where and when to use the Transporter ID?

Unregistered Transporters have to mention this ID on every e-Way Bill in place of GSTIN.

Transporters provide this number to the suppliers/consignor to mention it on the e-way bills generated by them which in turn enables the transporter to update the vehicle number later for movements of goods.

Procedure to be followed by Unregistered Transporters to get the Transporter ID?

Every unregistered transporter will be issued a Transporter ID on enrolling themselves on the EWB portal.

By doing enrolment on e-Way Bill portal, the following are the outcome:

i) The transporter gets a unique Transporter ID

ii) A unique Username to operate on the e-Way Bill portal

Here is the step-by-step process for enrolment on the e-Way Bill portal by GST unregistered transporters.

Vinod Computer Institute Mehnagar Azamgarh UP.

Now Enter The Following Voucher Entries.

1. Placed an order to Mr. Rupesh Sharma Traders to deliver the following goods to our Delhi Godown.

Purchase Order (Alt+F4).

Order No: Ru/Ord/001.

Date: 25-04-2021.

Party Mr. Rupesh Sharma.

Party GSTIN/UIN No: 07AAAAA1234A1Z5.

Terms of Payment.

30 Days.

Terms of Delivery.

12 Days.

Dispatch Thru.

Transport.

- a) Computer -- 3 Pcs.
 - b) Laptop -- 2 Pcs.
 - c) Pen-Drive --10 Pcs.
2. Delivery received from vendor in Delhi Godown with challan no. Ru/R/01 against the order No. Ru/Ord/001.

Receipt Note (Alt+F9).

Date: 30-04-2021.

Party: Mr. Rupesh Sharma.

Tracking No: Ru/R/01.

Order No: Ru/Ord/001.

- a) Computer -- 2 Pcs.
 - b) Laptop -- 1 Pcs.
 - c) Pen-Drive -- 5 Pcs.
3. Rest Goods have been received at our Delhi Godown against the order no. Ru/ Ord/001 from Mr. Rupesh Sharma. We have recorded the details as Challan No. Ru/R/02 on 01-05-2021.
 4. On 03-05-2021. Mr. Rupesh Sharma send their Bill against the Challan no. Ru/R/01 & Ru/R/02. As per our records the Bill number recorded as. RU/Bill /01.
 - a) Computer@26000/-
 - b) Laptop@32000/-
 - c) Pendrive@800/-

Additional Charges.

- d) Input GST 18%-
- e) Freight on Purchase Rs. 2000/-

Vinod Computer Institute Mehnagar Azamgarh UP.

5. Company paid salary Rs. 17000/- to Mr. Ajay Kumar & Adjust the amount of advance Salary 3000/- By cheque of Axis (chq. No. 258963) on date.03-05-2021.
6. On 04-05-2021. Rs. 40000/- paid by cheque of Axis Bank to Mr. Rupesh Sharma against Their bill [RU/Bill/01] (chq. No. 2356987).

Standard Rates Entries.

7. On 05-05-2021. Purchased the following goods directly from Pankaj Pvt. Ltd. On 35 days Credit [Bill No. Pa/01] with GST @18%.

<u>Godown.</u>	<u>Item.</u>	<u>Ordered Qty.</u>	<u>Received Qty.</u>	<u>Free Qty.</u>	<u>Rates.</u>
Delhi.	Keyboard.	8.	10.	2.	500.
Delhi.	Mouse.	10.	10.		500.

8. On 05-05-2021. Purchased the following goods directly from Monu Pvt. Ltd. On 35 days Credit [Bill No. Mo/02] with GST @18%.

<u>Godown.</u>	<u>Item.</u>	<u>Ordered Qty.</u>	<u>Received Qty.</u>	<u>Free Qty.</u>	<u>Rates.</u>
Delhi.	Keyboard.	8.	10.	2.	500.
Delhi.	Mouse.	8.	10.	2.	500.

9. On 05-05-2021. 1Pcs Computer have been returned back to Mr. Rupesh Sharma due to poor Quality and the amount has been adjusted with due bill [RU/Bill/01] Debit Note [RU/001/Ret/002].

Note: - (Input GST 18% Will Be Adjusted With Return).

10. On 6-05-2021. Clear all dues to Mr. Rupesh Sharma through Axis Bank against their bill no. [Ru/Bill/01] except 5%. [Chq. No. 235648].
11. On 07-05-2021. one pieces of Laptop destroy by fire purchase @18% at Rs. 32000/- on same date company claim to insurance company, but insurance company accepted only 80% (bill no. Ins/Lap/001). Pass the necessary entries.

Capital Goods Sold.

12. Company sale the machinery (costing value Rs. 17000/-) 10000/- pass the Necessary entry on 07/05/2021.
13. Company sale the computer (costing value Rs. 20000/-) 10000/- pass the Necessary entry on 08-05-2021.

Additional Question. See the GST Report and take a printout From GSTR-2.

CHAPTER-10.

ORDER PROCESSING, INVOICING, TAXATION.

In This Chapter.

- ❖ Sale Order.
- ❖ Delivery Note.
- ❖ Sale Invoice with GST.
- ❖ Rejection In.
- ❖ Rejection Out.
- ❖ Credit Note.
- ❖ GST Adjustment.
- ❖ Output GST.
- ❖ GSTR-1.

Sale Order. (Ctrl+F8). The sales order, sometimes abbreviated as so, is an order issued by a business to a customer. A sales order may be for products and/or services. Given the wide variety of businesses, this means that the orders can be fulfilled in several ways. Likewise, sales orders received are recorded in sales order entry screen. These details will be available during delivery note and invoicing. The order position in the stock summary can be viewed. The sales order book lists all sales order received.

Enabling Sales Orders. To enable sale order vouchers, activate the following in Go to **Gateway of Tally > Alter > Voucher Type > Sale Order > Activate this Voucher Type (Yes) > Allow Zero Value Transaction (Yes)**. Enable use tracking numbers.

Creating A Sales Order. Sales order details depend on configuration settings. To create a sale order. Go To **Gateway of Tally > Vouchers > (Ctrl+F8) Sale Order**.

Party's A/C Name. Select the customer's name. Press (Alt + C) to create a new account.

Order No. The voucher number is automatically displayed. You can change this number if required. Enter the sales order number.

Name of The Item. Select the item for which the order is to be placed from the list of stock items. Here, the item allocations sub-screen is displayed.

Due On. Enter the due date for delivery to the item. This monitors outstanding deliveries. The order can be split for delivery on different dates. If the order is split, give the due date of the first lot to be delivered. After selecting the respective godown and entering the quantity, rate and amount, specify the due date for the second lot. If the whole lot is delivered at a time, press enter in the due on field to return to the voucher creation screen. The cursor the returns to the item field once again. Now enter another item. If no other item is required, press enter in the blank field to navigate to the next field. Press the space bar to display the list of ledger ac-

Vinod Computer Institute Mehnagar Azamgarh UP.

counts. You can also specify other expenses like freight, tax to be charged if any in the purchase order. The tax and expense has to exist as a ledger account or it may be created using (Alt + C).

Location. In case multiple location features are active this field has to be mentioned. Otherwise it does not appear.

Quantity, Rate and Amount. Enter the quantity of the item required and its rate. The amount is calculated, but it can be modified to round it off.

Additional Cost Details. There are no additional cost details for sales orders. They exist only for purchases as the values are added to the cost price. In case of sales, additional cost needs to be entered below the line along with tax.

Next Item. After completion of entering the first item, the cursor comes to item field once aging and you can enter another item to order. If there is no other item, press enter in the blank field to take the cursor to the tax/expense field.

Expense/Tax. Once the item details have been entered, specify tax to be charged and other expenses like freight, if any. The tax or expense has to exist as a ledger account if they do not exist, create it using (Alt + C). Here, consider tax @ 5% that is charged on the item values.

Delivery Note Voucher. (Alt+F8). Definition a document that accompanies a goods shipment and lists details about the goods delivered. A delivery note explains what the contents of a package are. If some goods that were ordered are not enclosed (due to lack of stock, unavailability, etc.) They will also be listed on the delivery note. The delivery note voucher is used for recording goods delivered to a customer. To view the delivery note voucher. Go to **Gateway of Tally > Alter > Voucher Type > Delivery Note > Activate this Voucher Type (Yes)**. Select from the button bar. For example, the company delivers goods from stock to a customer. If a sales order exists for that customer, selecting the appropriate order number from the list of orders pop-up menu will automatically bring up the relevant particulars.

Sale Invoice with GST (F8). Invoicing sales invoicing is almost similar to sales voucher entry. You will use the same voucher but select as invoice option to turn it into a sales invoice. Sales invoices are recorded through normal sale voucher entry and it does not have the provision of being converted into an invoice format for entry purposes, similarly, you can print the sale voucher as a sale invoice or even a sale order. The advantage of using the invoice format for sales voucher entry is that it enables automatic calculations of taxes and duties. This is possible for only those groups for which used for calculation is enabled under the group duties and taxes. This is also possible for other groups for which the field used for calculation is enabled in the group creation screen. In recording both sales invoice details, you can adjust accounting and inventory balances and account for taxes simultaneously.

Rejection In (Ctrl+F6). This voucher is use to record goods received back from a customer after rejection. For example company take back items rejected by customer in to the stock. Go to **Gateway of Tally > Alter > Voucher Type > Rejection In > Activate this Voucher Type (Yes)**.

Rejection Out (Ctrl+F5). This voucher is use to record goods return back that were rejected by the company rejection. For example company return back those item that were rejected by

Vinod Computer Institute Mehnagar Azamgarh UP.

a vendor. Activate the following in Go to **Gateway of Tally > Alter > Voucher Type > Rejection In > Activate this Voucher Type (Yes)**.

Output GST. Output GST is the Goods and Service tax you calculate and charge on your own sales of goods and services if you are registered in the GST register. Output.

Expense/Tax. Once the item details have been entered, specify tax to be charged and other expenses like freight, if any. The tax or expense has to exist as a ledger account if they do not exist, create it using (Alt + C). Here, consider tax @ 5% that is charged on the item values.

Delete A Sale Order. To delete a sale order press (Alt + D) in the sale order alteration screen this filed is optional. Enter necessary particulars about the order.

GST Return.

What is GST Return? A return is a document containing details of income which a taxpayer is required to file with the tax administrative authorities. This is used by tax authorities to calculate tax liability. Under GST a Registered dealer has to file GST returns that include:
Purchases Sales Output GST (On sales) Input tax credit (GST paid on purchases)

Who Should File GST Returns?

In the GST regime, any regular business has to file two monthly returns and one annual return. This amounts to 37 returns in a year. The beauty of the system is that one has to manually enter details of one monthly return – GSTR-1. The other return GSTR 3B will get auto-populated by deriving information from GSTR-1 filed by you and your vendors. There are separate returns required to be filed by special cases such as composition dealers.

What Are The Types Of GST Returns?

Here is a list of all the returns to be filed as prescribed under the GST Law along with the due dates.

Any Regular Business:

As per the CGST Act (Note: subject to change by Notifications /orders)

Return Form.	Particulars.	Interval.	Due Date.
GSTR-1	Details of outward supplies of taxable goods and/or services affected from July 2018 to March 2019 (Taxpayers whose turnover is more than Rs. 1.5 Crores in previous year)	Monthly*	11th of the next month**
GSTR-2	Details of inward supplies of taxable goods and/or services effected claiming input tax credit.	Monthly*	15th of the next month (Suspended now)
GSTR-3	Monthly return on the basis of finalization of details of outward supplies and inward supplies along with the payment of amount of tax.	Monthly*	20th of the next month
GSTR-9	Annual Return	Annually	31st December of next financial year*

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GSTR-3B	Return for the months of up to March 2019	Monthly	20th of the next month
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** Details of outward supplies of taxable goods and/or services affected till June 2018 will be 10th of the next month. ** Taxpayers whose turnover was less than Rs. 1.5 Crores in the previous financial year has the option to file a quarterly GSTR-1 by end of the next month affected July 2018 to March 2019.

A Dealer Opting For Composition Scheme.

A composition dealer will enjoy the benefits of lesser returns & compliance along with payment of taxes at nominal rates. A composition dealer will file only 2 returns:

Return Form.	Particulars.	Interval.	Due Date.
CMP-08	Return for compounding taxable person	Quarterly	18th of the month succeeding quarter**
GSTR-9A	Annual Return	Monthly	31st December of next financial year*

Returns To Be Filed By Certain Specific Registered Dealers:

Return Form.	Particulars.	Interval.	Due Date.
GSTR-5	Return for Non-Resident foreign taxable person	Monthly*	20th of the next month***
GSTR-5A	Return for Non-resident persons providing OIDAR services	Monthly*	20th of the next month***
GSTR-6	Return for Input Service Distributor	Monthly*	13th of the next month***
GSTR-7	Return for authorities deducting tax at source.	Monthly	10th of the next month
GSTR-8	Details of supplies effected through e-commerce operator and the amount of tax collected	Monthly	10th of the next month
GSTR-10	Final Return	Once. When registration is cancelled or surrendered	Within three months of the date of cancellation or date of cancellation order, whichever is later?
GSTR-11	Details of inward supplies to be furnished by a person having UIN and claiming refund	Monthly	28th of the month following the month for which statement is filed

Due Dates To File GST Returns.

Due Dates for filing GST Returns can be extended by issuing Orders or Notifications. Here, we have got for you the list of upcoming GST returns due dates that you must not miss!

GSTR-1

Vinod Computer Institute Mehnagar Azamgarh UP.

Now Enter The Following Voucher Entries.

1. Received an order [PI/Ord/001] from Pooja Industries for the following goods, which will be dispatched from Delhi Godown.

Sale Order (Alt+F5).

Date 10-05-2021.

Party: Pooja Industries.

GSTIN/UIN No: 08AAAAAA123A1Z1.

Dispatch To. Pooja industries. Terms of Payment. 32 days. Terms of Delivery. 12 days. Dispatch Thru. Transport. Destination. Delhi Godown.

- a) Computer -- 2 Pcs.
 - b) Laptop -- 2 Pcs.
 - c) DVD -- 4 Pcs.
2. On 11-05-2021. Company delivered all the good according to the order (PI/Ord/001) form Delhi Godown and recorded as challan (PI/D/001).

Delivery Note (Alt+F8).

Date 11-05-2021.

Party: Pooja Industries.

Dispatch document No: Des/01/02.

Tracking No: {PI/D/001}.

3. Received an order [Sale/Ord/Noo2] from Nirmal Traders for 2 Pcs. Computer which will be dispatched from Delhi Godown (On Date 11-05-2021).
4. 2 Pcs. Computer have been delivered from Delhi Godown to Nirmal Traders against order no Sale/Ord/N/002 on 12-05-2021 (Challan no NT/D/002).
5. On 12-05-2021. 1Pcs. Computer Returned by Nirmal Traders from their first challan due to manufacturing defect.
6. Send a Bill to Nirmal Traders (Bill No. NT/Bill/001) against the pending challan NT/D/002 @ 28000 on 13-05-2021.
 - a) Trade Discount -- 5%.
 - b) Output GST -- 18%.
 - c) Freight on Sale Rs. 1900.
7. On 17-05-2021. Company received the amount from Nirmal Traders, 90% due amount and Rest amount treated as bad debts against the bill no (NT/Bill/001) and same day cheque deposited into ICICI Bank on same day.
8. Paid Freight on sale Rs. 1900 by cash on date 17-05-2021.
9. Owner withdraw Rs. 2000/- and used 1 Pcs Pen-Drive @ Rs.800/- for his personal use on 17-05-2021 [Delhi Godown].

Additional Question.

See the GST report and take a printout Form GSTR – 1.

CHAPTER-11.

STORAGE & CLASSIFICATION, INVOICING, TAXATION.

In This Chapter.

- ❖ Goods Transferred & Multi GST.
- ❖ IGST (Integrated Goods and Service Tax).
- ❖ GST & IGST Adjustment.

Goods Transferred. A stock journal is used to transfer materials or stock from one location to another location. Stocks can also be shown as consumed. It can only be produced without consumption and production. Hence, it is not like other journals where debits and credits match. You can specify quantities that are moved, their rates and amounts. If standard rates are entered in the stock item masters, they will appear. In the target location, you can specify additional costs incurred without actually affecting accounting at all. Only the stock value goes up. Hence, it is technically correct where an expense incurred on production or inward has been accounted for in the cost of that item. To create a stock journal voucher. Go to **Gateway of Tally > Vouchers Select the button (Alt+F7) stock journal** form the button bar or press (Alt+F7). The Stock Journal Screen has three parts. The part at the top accepts general information. The left-hand side accepts the Source Godown or Consumption Part. The right-hand side accepts the Destination Godown or the Production Part. You must furnish the common information required in the field that appears at the top. You may elect to give information for only the left or the right part or both.

Common Information. Reference, date and voucher number. Reference field will be displayed if this is option is activated for the voucher. Give a reference number, if required. Voucher number depends upon the settings in voucher type.

Source (Consumption). Select the name of the stock item and the godown from which it moves or where it is consumed as well as the quantity, rate and amount. If the rate is specified in the stock item master it will be displayed when you indicate the item name. Note: the effect of entry in this part is to reduce stock of the items specified.

Destination (Production). Mention the name of the item and the godown to which the item is moved. If is not necessary that the item names should match the names in the source part. This is because a totally new item could be produced out of the materials consumed. You can specify the rate of the item, quantity and amount. If the rate is specified in the stock item master, it will be brought up when you indicate the item name. Note: the effect of entry in the destination part is of increasing the stock of the items specified in this part.

Additional Cost Details. This is another interesting facility is available for the destination godown (production). You can specify what additional costs were incurrent in moving goods to the godown or for producing them. Thought these costs are strictly accounting heads, they do not get posted in the relevant nominal ledger accounts but add to the cost of the item. In the target godown, you can specify additional costs incurred without actually affecting accounting. Only the stock value goes up. Hence, it is technically correct where and expense incurred on production or inward has been accounted for in the cost of that item. After entering the amount

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for and item, the following additional cost details entry box pops up. You may specify additional costs for transferring or producing the item. The typically additional costs are wages, power, and freight and so on. Ensure that you have ledger accounts opened for the additional cost. Moreover, additional costs entered for the ledgers.

Percentage (%-Age). You can specify the additional cost in percentage of the cost of the item, in which case enter the number, for example, 2 for 2% of the cost of the item. You may, alternatively, skip the percentage field and input an amount directly.

Actuals. This displays the total additional cost for the item and the effective cost per unit of item/product produced.

Multi GST. Item default will be useful while recording sales/purchase invoice for multiple items with different GST/tax rates, as items will be automatically allocated to the ledgers defined in item master. This facilitates the user to pass the entries faster and with ease. You can use multiple ledgers pre-defined with a different GST rate, or choose to select each rate at the time of voucher entry. Setup: Press **(F12) Configure** and change the Following Settings: **Select Common Ledger Account For Item Allocation – (No)**. It is use to only single entry both use two GST just like input **GST@5%** and input **GST@12%** output **GST@5%** and output **GST@12%**.

IGST. Integrated Goods and Service Tax. This option use sale goods and declare charged in **IGST @ 5%, 12, 18, 28**, An act to formulate principles for determining when a sale or purchase of goods takes place in the course of inter-state trade of commerce or outside a state or in the course of imports into or export from India, to provide for the levy, collection and distribution of taxes on sales of goods in the course of inter-state trade of commerce and to declare certain goods to be of special importance in inter-state or commerce and specify the restrictions and conditions to which state laws imposing taxes on the sale or purchase of such goods of special importance shall be subject.

Now Enter The Following Voucher Entries.

1. On. 18-05-2021. Company send a Bill to Pooja Industries (Bill no. Po/Bill/001) against pending Challan no. PI/D/001.
 - a) Computer @ 28000/- GST @18%.
 - b) Laptop @ 32000/- GST @18%.
 - c) DVD @ 7000/- GST@ 18%.
2. On 18-05-2021. Company purchase goods from Aman & sons (Bill no. Aman/S/001) (Noida Godown).
 - a) Sony Color TV 6 Pcs @ 15000 GST@28%.
 - b) TV Table 4 Pcs @ 3200 GST@12%.
3. On 19-05-2021. 6 Pcs Sony Color TV, 4 Pcs TV Table transferred Noida Godown to Delhi Godown. [Ref. no. # trans/001].
4. On 20-05-2021. Company Sale following goods to Kirti Pvt. Ltd. From Delhi Godown (bill no. kirti/sale/001).
 - a) Sony Color TV 6 Pcs. @ 20000 GST@28%.

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- b) TV Table 4 Pcs @ 4000 GST@12%.
5. On 21-05-2021. Company Paid Cheque of ICICI Bank A/c (chq. no.123546) to Aman & Sons against bill no. (Aman/S/001) Except 5% amount paid the all due amount.
6. On 22-05-2021. Payment made by Kirti Pvt. Ltd. against the bill no. (Kirti/sale/001) and Cheque Deposited into Axis Bank same day. (Chq. no. 546987).
7. On 23-05-2021. Pooja Industries Returned 2 Pcs DVD. [Manufacturing defects] against the Bill no. [Po/Bill/001] Pass the Adjustment entries with output GST @18%. (Bill no. Ret/Po/001).

INTEGRATED GOODS SERVICE TAX.

8. Company Sale following goods to Puneet & Brother on 01-06-2021. Goods are declared and Charged IGST @18%. On 01-06-2017 from Delhi Godown Bill no. (Pun/IGST/001).

<u>Item.</u>	<u>Rs.</u>	<u>IGST.</u>
1 Pcs Computer.	32000.	18%

9. Company Purchase (Fixed Assets) Machinery from Pooja & Co. Rs. 20000 with IGST @18%. And Freight Amount Rs. 1900 (Bill no. Pooja/IGST/001) on date 05-06-2021.
10. On 10-06-2021. Company 2 Pcs @ 700 Pen-Drive Purchase GST @18%. Distribute on a free sample From Delhi Godown.
11. On 15-06-2021. Purchase the following goods from Vivek Traders with IGST @18%. Bill no. (Vivek/IGST/001) (Delhi Godown).
- a) 2 Pcs Computer @28000.
- b) 2 Pcs Pen-Drive @900.
12. On 20-06-2021. Company Export 2 Pcs Laptop @52000/ and 3 Pcs Printer @ 9000 from Delhi Godown to China Company. IGST @18% bill no. (Export/bill/ 001).
13. On 25-06-2021 Company Purchase 3 Pcs Computer @28000/-with IGST@18% from karan & Co. (1 Pcs used for Office Use) Bill no. (Kar/IGST/001) (Delhi Godown).
14. On 28-06-2021. Company Purchase 2000 Shares of TATA Co. Ltd. @ Rs.380 through Axis Bank A/c (Chq. No. 125478).
15. Purchase Furniture @ Rs. 20000/- with IGST@28% and paid the amount through Axis Bank (chq.no.258974) on date 29-06-2021.
16. On 1-07-2021. Company Adjust GST amount Payable or refundable month of 01-04-2021 to 01-07-2021.

Additional Question.

Export Day book 25-04-2021 to 01-07-2021 in Excel Spreadsheet D:/Drive with colour **Expert** name and show only Inventory entries.

CHAPTER-12.

GENERAL, ACCOUNT INFO, INVOICING, TAXATION.

In This Chapter.

- ❖ Introduction to Voucher.
- ❖ Type of Voucher.
- ❖ Voucher Classes.
- ❖ Create Voucher Type.
- ❖ Sale with GST.
- ❖ Sale with GST & Freight.
- ❖ Sale with Including GST.
- ❖ Sale No Tax.

Introduction to Voucher. A voucher is the primary online document for recording transactions. Transactions recording and analysis are greatly facilitated by having specific formats for different types of transactions. Tally provides 24 different predefined voucher formats or what it calls predefined types of vouchers. These are used for recording various transactions. A payment voucher is used for all types of payments, a receipt voucher for all types of money receipts, a sales voucher for recording sales transactions, and so on. These predefined vouchers fulfil your normal transaction needs. They pertain to both accounting and inventory. Some of these vouchers can also be used differently according to the situation, e.g. sales vouchers can be used as invoices, vouchers can be post-dated, etc. Such use can be decided at the time of voucher entry by selecting the appropriate button. The predefined voucher types can be displayed as follows.

Examples. Include cash payment vouchers and bank payment vouchers where the relevant predefined voucher is payment voucher. You may have two or more sets of sales vouchers for different kinds of also transactions e.g. Credit sales, cash sales, etc. You would need to alter a voucher type to change default setting for different information appearing in vouchers. Using (F12) configure, you can further configure a voucher.

Alter A Predefined Voucher Type. Even if you do not need extra voucher types, you would normally alter the predefined voucher types to customize them according to your needs, e.g. to control their numbers. Display or alter each voucher type (by pressing enter or double clicking). We shall create a new voucher type to explain the different features. It would also be applicable to alteration of voucher types including predefined types.

Creating A Voucher Type. Go to **Gateway of Tally > Create > Voucher Type > Create** note: a new voucher type must assume the functions of a predefined voucher type. The voucher type creation screen is divided into three sections depending on the various setting.

Name. Give the name of the new voucher type example Sale with GST@18%.

General.

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Type of Voucher. The type of voucher should be any one of the predefined voucher types (already listed in introduction). The new voucher type would inherit the properties of this predefined voucher type. It would function exactly like the predefined voucher.

Abbreviation. An abbreviation is required particularly for unformatted reports, which do not use compressing techniques. (Tally allows printing of both formatted and unformatted reports). Even if the abbreviation is not specified, tally automatically sets a default name to the voucher. In this example, give 'Sale' as the abbreviation. Though there is no restriction on the length of the abbreviation, it should preferably be five characters or less.

Method of Voucher Numbering. This is, perhaps, one reason for your opting for a new voucher type. There are three methods available.

None. This will disable numbering of such vouchers. If you select this method, no further information is required.

Manual. This method will allow you to number vouchers of this type yourself. It does not check for sequence of the numbers and permits you to specify anything you wish in the voucher number field. However, you may choose to prevent entry of duplicate numbers. If you do, enable the next field 'prevent duplicates. Prevention of duplicates is possible if you enable the option at the time of creation. You may enable it later (by alteration) only if there are no transactions of this voucher type. If you face difficulty because transactions now exist, simply create another voucher type for preventing duplicates of subsequent voucher number. No further information is required for manual numbering method.

Automatic. This method is both flexible and exhaustive. Use it carefully to give you your desired numbering system. Select this option to let tally number the vouchers automatically for you.

Use Advance Configuration. If the method of voucher numbering is set to automatic, then an additional field to set the advanced configuration for the voucher type appears. Setting this field to yes, voucher type creation (secondary) screen appears. A further discussion on these options is necessary.

Use Effective Dates For Vouchers. Select yes if you want to enter effective dates for vouchers. You would opt for this if you have instances where a transition under consideration for overdue/ageing analysis is recorded currently but will take effect from another date. If effective date is entered, the overdue/ageing will be considered from the effective date and not from voucher date.

Make Optional As Default. Setting this option to yes, will set your voucher to optional voucher by default.

Use Common Narration. Select yes to give a common narration for the entire voucher. Tally vouchers can have multiple entries. Hence, you may wish to give a common narration for all the entries of the voucher or a separate narration for each entry or both. Select yes even when you want both. Select no if you do not want a common narration.

Narrations for Each Entry. Select yes if you want to give a separate narration for each entry of a voucher. This would be applicable for a multiple entry voucher where you want separate details for each entry. Select no if you do not want separate narration for each entry.

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Printing.

Print After Saving Voucher. If you want to print every voucher after entering it, select yes, else select no. This is suitable for an online environment where you use the tally printed voucher as the formal voucher. Remember, however, that the transaction is already recorded and posted and should you wish to make corrections to the printed voucher, you must alter the tally voucher online and print it out again. Note: depending on the type of voucher you have selected to create or alter, different printing features appear in this field.

Name of Class. You can create classes by entering the class name in this section. If the method of voucher numbering is set to automatic, then an additional field to set the advanced configuration for the voucher type appears. Setting this field to yes, voucher type creation (secondary) screen appears.

Starting Number. Give the number for the first voucher. Usually it is 1. You can set it to any number you want. Tally will auto-increment from this number for subsequent vouchers. However, the numbering of vouchers also depends on other variables supplied by you, which follow hereafter.

Width of Numerical Part. You may leave it blank to let tally automatically adjust the width according to the number. However, for more aesthetically aligned look in reports, you may keep a fixed width, e.g. 3.

Prefill With Zero. When the width is specified, the digits before the number is blank if 'No' and zeroes if 'Yes' E.g. 0011 PEU/001/06-18.

Restart Numbering. Voucher numbering may be restarted with the starting number (as specified) at intervals selected by you- daily, monthly, never, weekly or yearly. You must give the date whence numbering should restart under the field application from. The date must be the first day of the month. You may specify more than one restart dates. For example, should you wish to renumber your vouchers from 01 June 06 on yearly basis, you must specify it in the next field. This would retain the numbering system in the period. If, however, you want to change the numbers from the beginning from monthly to yearly basis, simply alter the first field itself.

Prefix Details. If you want the voucher numbers to be prefixed with some fixed information, give the information here. Examples of prefix details are. Month of the voucher as given above-'April'. Company info like 'tspl/'. Even fixed number series like '1000'.

Note: The numeric portion begins immediately after the prefix information. Therefore, be sure to give a space or a slash '/' or some such character should you want a separation e.g. we have specified April/. The slash would cause the voucher number to appear as April/001. Otherwise it would be april001. This facilitates simple usage for fixed number series appearing as 200100001 where 2001 is the prefix, and 00001 is the starting number with a width of 5, and with leading zeros. You can choose different prefix information for different periods or let one continue. The prefix continues from the date you mention under 'applicable from 'till the next date that you may give under 'applicable from'. Hence, we have chosen to change the prefix from April to May when the month changes. Please note, however, that if we omit to change the prefix for the subsequent months (i.e. Do not give 'applicable from' date for the month), your voucher numbers for even June, July etc. would contain the prefix 'may/'.

Suffix Details. You can also give fixed suffix information for the voucher number. The same rules and effects as for prefix details apply.

Voucher Classes. Voucher classes are available for all major voucher types and the cost centres can be allocated if classes are used. Automation of cost centre allocation has met the need of 'Percentage allocation' based on predefined figures. Cost centre classes affect all voucher types.

VOUCHER CLASSES FOR PAYMENT, RECEIPT AND CONTRA VOUCHERS. The primary intention of using classes for payment, receipt and contra vouchers is to enable data input in 'single entry' or list rather than in tally's traditional double entry mode. You can also use it to have a separate form for each cash and bank account. Let us take an example of a payment voucher. You can either alter the existing payment voucher type or create a new voucher type based on it. (From Gateway of Tally> Account Info> Voucher Types). The item name of class is below effective dates for voucher and above the numbering table. Give a name to the class by simply typing it, e.g. Barclay's band payment. You may create more than one class. Hence, you might want to have one more for cash payment.

The Class Table.

Exclude These Groups. Groups other than bank or cash groups should not be selected. This is used to exclude cash or bank groups that are not to be used in this class to pay out the money. In our example, we want to exclude cash and credit cards.

Exclude These Groups. Groups other than bank or cash groups should not be selected. You might exclude a top level group but include its sub-group.

Ledger Name. Selecting the ledger account that will be used to pay out the money will eliminate the need to select it during entry. In our case, it is Barclays bank. In a receipt voucher, you will select the ledger account into which monies will be received. You may even select 'not applicable' the purpose of selecting 'not applicable' will be to permit single entry mode and at the same time retaining the option of selecting the account during entry.

Note: Exclude or include groups are irrelevant when you specify a ledger name for which the class is created. They are useful when you select 'not applicable'. In case you do not require split payments, you could create only one class with nothing in include/exclude groups and without any ledger name. A single class does not require class selection and is a rapid way of using single entry mode with full functionality of all ledgers available. Accept the class table and the voucher type alteration. You may use [Ctrl] + [A] combination.

Vinod Computer Institute Mehnagar Azamgarh UP.

Now Enter The Following Voucher Entries.

Prepare the following Voucher Classes in a new voucher type. (Go to - Accounts Info -Voucher Types - Create).

1. Name of Voucher Class: **Sales – GST@18%**.
In default accounting allocation screen select sales ledger and allot 100% & additional Accounting entries: - Output GST @18% on GST Rate.
2. Name of Voucher Class: **Sale - GST@18%/Freight**.
In default accounting allocation screen select sales ledger and allot 100% & Additional accounting entries: - Output GST@18%.
Freight (Sale) – Rs.50 based on quantity.
3. Name of Voucher Class: **Sale - GST@18%/Include**.
Allot 82% of sale value to Sales A/c and 18% of sale value to GST.
4. Name of Voucher Class: **Sale - No Tax**.
No additional charge will be added.
5. Name of Voucher Class: purchase – GST@18%.
In default accounting allocation screen select purchase ledger and allot 100% & additional Accounting entries: - Input GST @18% on GST Rate.
6. Name of Voucher Class: **purchase - GST@18%/Freight**.
In default accounting allocation screen select purchase ledger and allot 100% & Additional accounting entries: Input GST@18%.
Freight (purchase) – Rs.50 based on quantity

Pass The Following Vouchers With The Above Mentioned Billing Terms:-

7. On 2/7/2021. Sold Pen Drive 4 Pcs @Rs. 900 to Vikash Saini with interest rate 5% p.m. Using the Second Voucher Class (Sale – GST@18%/Freight). Allow credit days 18 (Bill no. VS/001) Stock issued from Delhi Godown.
8. On 2/7/2021. All due received in cash from Vikash Singh.
9. On 2/7/2021. Sold Keyboard 4 Pcs @Rs. 900 to Vimal Singh with interest rate 5% p.m. Using the Second Voucher Class (Sale – GST@18%/Freight). Allow credit days 18 (Bill no. VS/001) Stock issued from Delhi Godown.
10. On 2/7/2021. All due received in cash from Vimal Singh.
11. On 2/7/2021. Sold Mouse 4 Pcs @Rs. 900 to Vishal Singh with interest rate 5% p.m. Using the Second Voucher Class (Sale – GST@18%/Freight). Allow credit days 18 (Bill no. VS/001) Stock issued from Delhi Godown.
12. On 3/7/2021. All due received in cash from Vishal Singh.
13. On 2/7/2021. Sold Printer 4 Pcs @Rs. 9000 to Aman Singh with interest rate 5% p.m. Using the Second Voucher Class (Sale – GST@18%/Freight). Allow credit days 18 (Bill no. AM/001) Stock issued from Delhi Godown.
14. On 3/7/2021. All due received in cash from Aman Singh.

Vinod Computer Institute Mehnagar Azamgarh UP.

15. Sold Computer 1 Pcs @ Rs. 29000 to Pankaj Solution Sale including GST @18% from Delhi Godown on 5/7/2021 (Bill No. Pa/S/01).
16. Sold Laptop 1 Pcs @ Rs. 35000 to Pawan Solution Sale including GST @18% from Delhi Godown on 5/7/2021 (Bill No. Pa/S/01).
17. On 10/7/2021. Sold 1 Pcs DVD @ Rs. 8000/- to Seema Electronics Sale with GST@18% Bill no. See/E/01) from Delhi Godown.
18. On 12/7/2021. Purchase 3 Pcs. Mouse from Kavita Electronics and 2 Pcs Keyboard purchase with GST@18% from Delhi Godown and next day Payment cash against the (bill no. Kavita/Sale/001) (As Per Standard Rate).
19. On 2/7/2021. Purchase Mouse 4 Pcs @Rs. 900 to Nazam Pvt. Ltd. with interest rate 5% p.m. Using Voucher Class (Purchase – GST@18%/Freight). Allow credit days 18 (Bill no. NZ/001) Stock issued from Delhi Godown.
20. On 12/7/2021. Sold 3 Pcs. Mouse to Priya Electronics and 2 Pcs Keyboard Sale with GST@18% from Delhi Godown and next day received cash against the (bill no. Pri/Sale/001) (As Per Standard Rate).
21. Punit Singh paid Rs. 9500 for full settlement of their dues through cheque (chq. no.123546) on date 15/7/2021. And the cheque deposited into ICICI Bank on the next day.
22. On 20/7/2021. All due received in cash from Seema Electronic.
23. Create a voucher type (ICICI) for payment mode, voucher class (ICICI payment) payment Made through ICICI Bank only. Use voucher ref. no. automatically (starting with “Pay/ICICI/00...”).
24. On 21/7/2021. Companies paid the due balance to Vivek Traders through above voucher Type and taken a print for payment voucher. (Bill no. Vivek/IGST/001) (chq. No 456987).
25. Payment of Freight on sale through petty cash on date 23/7/2021.
26. Company received insurance amount from insurance company and deposited into ICICI Bank A/c (chq no. 145786) on date 25/7/2021.
27. On 30/7/2021. One piece of Pen Drive @900/- destroyed by mistake of employee (Mr. Amit). The amount of Pen Drive will be adjusted in his next month salary.
28. On 1/8/2021 Co. Paid salary Rs. 12000 to the employee (Mr. Amit) and adjust the amount of destroyed Pen drive by mistake employee his salary by cheque (ICICI). Ch. No.688723.

Additional Question.

See the IGST Report and take a print out.

CHAPTER-13.

BUDGETS & SCENARIO MANAGEMENT SALE MANAGEMENT.

In This Chapter.

- ❖ Non Accounting Voucher.
- ❖ Revering General Voucher.
- ❖ Optional Voucher.
- ❖ Post-dated Voucher.
- ❖ Physical Stock Voucher.
- ❖ Memorandum Voucher.
- ❖ Scenario.
- ❖ Price List.

Revering General Voucher.

Reversing journals are special journals that are automatically reversed after a specified date. They exist only till that date and are effective only when they are included in reports. These are used in interim reporting in the course of the financial year where accruals are to be reported. These accruals are usually short term and are cleared in the subsequent period. However, to get a proper perspective, decision makers require the reports with full impact of all aspects and transactions.

To Activating Reversing Journals. Go To Gateway Of Tally. Go to **Gateway of Tally > Alter > Voucher Type > Reversing Journals > Activate this Voucher Type (Yes)**. Accept the screen to save. An example is – the provision for depreciation. Depreciation is usually provided for at the end of the year. However, including it for monthly reporting would give a more accurate status.

Application Up To. This is the date up to which the reversing journal is available for inclusion in a scenario report. The revering journal can be created as of a particular date and made applicable up to a different date. For example the depreciation entry could be dated October 1, 2021 and applicable up to October 31, 2021. The journal will be available for inclusion in a scenario for any day from October 1, 2021 till October 31, 2021. It will not exist before 1st October and will be reversed automatically after 31st October and consequently unavailable.

Reversing Journal Register. All vouchers are maintained in a reversing journal register. These are no posted to any books of accounts and cannot be included in regular report. They can only be seen through a scenario. Go To **Gateway of Tally > Display More Reports > Exception Reports > Reversing Journals**.

Optional Voucher. This is also a non-accounting voucher. Unlike a memo voucher, this is not a separate voucher type. You can mark an existing voucher (for example, a payment voucher or a receipt voucher) as optional. Press **(Ctrl + L)** or click on optional from the button bar. This button toggles with regular. By marking a voucher optional, the voucher does not get

posted anywhere but remains in the optional register. You can make a voucher type default to optional if you need to create a new voucher type or alter an existing voucher type.

Go To **Gateway of Tally > Create > Voucher Types > Type Voucher Name > Select A Voucher Type > Make this Voucher Type as Optional As Default (Yes)**.

Use of Optional Vouchers. If you do not want a transaction that is incomplete affect the accounts, you can mark this as an optional voucher. Once the transaction is complete, modify the voucher and post it as regular voucher. For example, performs sales invoice. In fact, an optional sales invoice prints as a Performa invoice. Optional vouchers allow you to see the impact of transactions without actually posting them. Optional vouchers can be used to forecast future sales. For example, create a new voucher type – sales forecast. Record future sales projections using this voucher type.

Optional Vouchers Register. You can view all optional vouchers in the optional voucher register Go to **Gateway of Tally > Display More Reports > Exception Reports > Optional Vouchers**. Note: you can view them from the day book as well.

Post-Dated Vouchers. (Ctrl+T). While entering vouchers, you can mark them as post-dated. Tally will not update the vouchers in ledgers until the specified date is approached. This is useful to enter transactions that take place on a regular basis. For example, if you pay for something by instalments, you can set up the payments in advance, and tally will only enter them in the ledgers as they fall due. Mark vouchers post-dated by using **(Ctrl+T)** or click on post-dated button from the Button Bar. This button toggles with current.

Post-Dated Vouchers Register. All post-dated vouchers are maintained in a post-dated voucher register. Go To **Gateway of Tally> Display More Reports > Exception Reports> Post-Dated Vouchers**. Difference in the treatment of post-dated vouchers and other unconventional.

Vouchers. The major difference between post-dated vouchers and other unconventional vouchers is that post-dated vouchers affect regular books of accounts on the date of the voucher. Post-dated vouchers are not available for selection in scenarios.

Physical Stock Voucher (Ctrl+F7). Physical stock voucher is used for recording the actual stock which is verified or counted. It could happen that the book stocks and the physical stock do not match. It is not unusual that the company finds a discrepancy between actual stock and computer stock figure. Physical vouchers will be useful for recording purposes only if you have configured inventory vouchers to ignore physical stock differences. If you have configured the vouchers so that physical stock difference is not ignored, then all transactions subsequent to the physical stock voucher will use the balance as mentioned in that voucher. Physical stock voucher is used for recording actual stock physically verified or counted. To view the physical stock voucher. Go To **Gateway of Tally > Vouchers**. Select the Button **(Ctrl+F7)** Physical Stock form button bar or press **(Alt + F1)**.

Memorandum Voucher. This is a non-accounting voucher and the entries made using memo voucher will not affect your accounts. In other words, Tally does not post these entries to ledgers but stores them in a separate Memorandum Register. Go to **Gateway of Tally > Alter > Voucher Type > Memorandum Voucher > Activate this Voucher Type (Yes)**.

Uses of Memo Vouchers.

Making Suspense Payments. Consider a company gives its employee cash to buy office supplies, the exact nature and cost of which are unknown. For this transaction you can enter a voucher for the petty cash advance, a voucher to record the actual expenditure details when they are known, and another voucher to record the return of surplus cash. However, a simpler way of doing it is to enter a Memo voucher when the cash is advanced, and then turn it into a Payment voucher for the actual amount spent, when the details are known.

Vouchers Not Verified At The Time Of Entry. If you do not understand the details of a voucher you are entering, you can enter it as a memo voucher and amend it later when the details are available.

Items Given On Approval. Generally completed sales are entered into books. Items are given on approval, use a memo voucher to track and convert it into a proper sales voucher. You can delete the memo voucher if the sale is not made.

Memorandum Voucher Register. To view all the memorandum vouchers. Go To **Gateway to Tally > Display More Reports > Exception Reports > Memorandum Vouchers**. Note: you can also view memorandum vouchers from the day book. You can alter and convert a memo voucher into a regular voucher when you decide to consider the entry into your books. Use scenarios to see the effect of memo entries on reports and statements.

Scenario. Scenario management is a management tool that enables different displays of accounts and inventory related information, by selectively including certain types of vouchers without affecting the source data. It is useful in generating provisional reports, where entries are not actually made in the main books. It is also a useful forecasting tool i.e. you can forecast the expenses using provisional vouchers and include them in your reports

Price List. Price lists are useful for orders and invoices. An up-to-date price list helps in decision making even at the lower levels of the organization and quickens the sales process. Tally assists in creating quantity based pricing with complex discount structure. Price lists are available only for inventory items and hence the feature is available only for inventory and invoicing are activated for the company. You can have one or more price lists. You require more than one price list, when you have different price structures/levels for different purposes, usually, different groups of customers requiring different discounts or dealing in different products.

Price Levels. In tally, you can assign specific price lists called price levels to customers, so that only the relevant prices are used during entry of orders and invoices. Before you begin to create price lists, you should decide whether you want different price levels. You might want different price levels for various purposes, such as different types of customers like wholesale customers, retail customers, and export customers and so on. Each customer type could have a different discount structure.

Creating Price Levels. Ensure that you have set the company for accounts with inventory. Set the following fields to (Yes) in **(F11) > Inventory > Enable multiple price levels to (Yes)**. Type out the price levels, one by one, in the company price levels screen. Press **(Ctrl + A)** to accept the screen and return to the company operations.

Assigning Ledger Accounts To Price Levels. Creating price lists in tally provides an option in party (debtor and creditor) ledger accounts, with the help to which you can assign/tag a specific price level to the account. You can assign only one price level to an account. You can choose the price level that you want to assign to the ledger by selecting the price level from the price levels list in the pricing level applicable field. Select not applicable if you do not want to assign any price levels to the ledger. If you want assign price levels to ledgers created earlier, alter the ledger account, tab down to pricing level applicable field and select the applicable price level form the list. Tab down to pricing level applicable and select export. Set the other options required. Accept yes to save. The pricing level can be changed to reflect the current circumstances. For this, simply alter the ledger account and ledger account and select a different pricing level option.

Creating and Using Price Lists. The price list option appears in the inventory info. Menu only if you have already created price levels. Go To **Gateway of Tally > Create > Inventory Master > Price Level**. Select a group from the list of groups.

Under Group. This is the stock group of the stock items for which you want to define the price Lists.

Price Level. Select a price level to assign to the stock group.

Applicable From. Specify the date from which the price list is applicable. The columns you see are as follows.

Sl. No. This column has auto-generated serial numbers to track the number of items in the Price list.

Name of Item. This column has the name of the stock item. You can define the price list for each item.

Quantities – From & Less Than. These fields are repeated for an item and begin with a blank for 0 items and end with a blank for any number of items. This is useful for quantity based pricing and discounts. You can create a staggered quantity price structure, if required. If you do not require quantity based pricing, leave from and less than fields blank.

Rate & Discount (If Any). For each quantity band, give a specific price or maintain the same price for all bands, but define different discounts. You can use different methods for different items.

Historical Details (Rate and Disc %). If you have a different price list on a date before the applicable from date, tally displays it here.

Cost Price. In this column, the cost price (based on the costing method set for it) of the item is displayed to help decide the prices.

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Now Enter The Following Voucher Entries.

1. On 04/8/2021. Company has taken loan from HDFC (Secured Loan) Rs. 200000/- and deposit Into PNB Bank A/C.
2. On 04/8/2021. Company purchase an AC (Air-Condition) with including IGST@28% of Rs. 25000 from Mr. Pawan Electronics (Bill no. Pa/Pur/001) and made down payment of Rs. 20000 through SBI (Chq. no. 526389) and for the rest of the amount the company give one post-dated Cheque of PNB Bank (Rs. 5000) (Chq. no. 258741) for the next month 2/9/2021. The Company passed 1 entry through Memorandum Voucher for this post-dated Cheque and after the date is over the accountant transferred memorandum voucher to payment mode.
3. To perform scenario do the following steps:-
 - a Create a new Voucher type “Purchase for optional” under Purchase Voucher.
 - b Pass the following entry as optional under Voucher Type ‘Purchase for Optional’. Purchase 2 Pcs Keyboard with GST@18% from Hemant Pvt. Ltd. from Delhi Go-down on 5/8/2021 (bill no. He/002).
 - c Create a Scenario named as Purchase Forecast and include only “Purchase for optional” and See the effect of scenario.
4. Make three price levels for the (I) **Merchant** (II) **Wholesaler** (III) **Retailer** (IV) **Distributor**. Turn on Set/Modify other Company Features? “From Company features (F11) then go for the option (“Use Multiple Price Levels for Invoicing”) Date 10/8/2021.

Set The Following Range Of Pen Drive For Wholesaler:-

<u>Slab.</u>	<u>Rate.</u>	<u>Discount.</u>
Less Than 2 Pcs.	Rs. 900.	2%.
2 To Less Than 5 Pcs.	Rs. 800.	4%.
5 To Less Than 10 Pcs.	Rs. 700.	6%.
10 To Less Than 20 Pcs.	Rs. 600.	8%.
Above 20 Pcs.	Rs. 500.	10%.

Set The Following Range Of Keyboard For The Merchant:-

<u>Slab.</u>	<u>Rate.</u>	<u>Discount.</u>
Less Than 2 Pcs.	Rs. 900.	1.5%.
2 To Less Than 5 Pcs.	Rs. 800.	3%.
5 To Less Than 10 Pcs.	Rs. 700.	5%.
10 To Less Than 20 Pcs.	Rs. 600.	7%.
Above 20 Pcs.	Rs. 500.	9%.

Vinod Computer Institute Mehnagar Azamgarh UP.

Set The Following Range Of Mouse For The Retailer:-

<u>Slab.</u>	<u>Rate.</u>	<u>Discount.</u>
Less Than 2 Pcs.	Rs. 900.	1%.
2 To Less Than 5 Pcs.	Rs. 800.	2%.
5 To Less Than 10 Pcs.	Rs. 700.	3%.
10 To Less Than 20 Pcs.	Rs. 600.	4%.
Above 20 Pcs.	Rs. 500.	5%.

Set The Following Range Of Laptop For The Distributor:-

<u>Slab.</u>	<u>Rate.</u>	<u>Discount.</u>
Less Than 2 Pcs.	Rs. 50000.	5%.
2 To Less Than 5 Pcs.	Rs. 48000.	6%.
5 To Less Than 10 Pcs.	Rs. 45000.	7%.
10 To Less Than 20 Pcs.	Rs. 42000.	8%.
Above 20 Pcs.	Rs. 40000.	9%.

- Sold 3pcs Pen Drive with GST@18% (Delhi Godown) to Bharat Industries (Wholesaler) based On Price Levels on 11/8/2021 (Bill No. Ba/I/001).
- Company Charge Depreciation on furniture @10% Company Pass the Entry in Reversing Journal only for Future Plan in the entry Valid Up to - 31/3/2021 pass the entry on 18/8/2021 and See the variance in P/L. A/c. Create a scenario by your Own.
- Count the Pcs of Computer, DVD, Pen Drive, Keyboard and Laptop in the Delhi. Godown and Noida Godown and pass the entry in the Physical Stock Voucher on 20/8/2021.
- Sold 6 Pcs Keyboard with GST@18% (Delhi Godown) to Suraj Industries (Merchant) based on price levels on 21/8/2021 (bill no. Su/I/001).
- On 22/8/2021. All due received in cash from Suraj Industries.
- Sold 11 Pcs Mouse with GST@18% (Delhi Godown) to Navneet Industries (Retailer) Based on price levels on 23/8/2021 (bill no. Na/I/001).
- On 23/8/2021. All due received in cash from Navneet Industries.
- Sold 15 Pcs Mouse with GST@18% (Delhi Godown) to Naman Industries (Retailer) Based on price levels on 23/8/2021 (bill no. Na/I/001).
- On 23/8/2021. All due received in cash from Naman Industries.
- Sold 12 Pcs Laptop with GST@18% (Delhi Godown) to Aman Industries (Distributor) Based on price levels on 25/8/2021 (bill no. Na/I/001).
- On 25/8/2021. All due received in cash from Aman Industries.

Vinod Computer Institute Mehnagar Azamgarh UP.

ASSIGNMENT SET- (2).

Balance Sheet for the Year Ending 31-03-2021.

<u>Liabilities.</u>	<u>Amount</u>	<u>Assets.</u>	<u>Amount</u>
Mr. Abbas Capital.	500000.	Computer.	100000.
Mr. Murari Capital.	500000.	Furniture.	200000.
Mr. Navneet Capital.	500000.	Land And Building.	500000.
Mr. Niraj Capital.	100000.	Plant.	425000.
Loan Taken From Sandeep Finance.	400000.	Share of Reliance Energy	270000.
Loan Taken From SBI.	300000.	Closing Stock.	200000.
Loan From Mr. Monu.	50000.	Prepaid Rent.	40000.
Mr. Prasant Kumar.	75000.	Mr. Bharat. Electronics.	150000.
Mr. Ram Ashish Traders.	45000.	Mr. India. Electronics.	165000.
O/S Salary.	30000.	SBI.	300000.
Profit And Loss.	100000.	CASH.	250000.
	26,00,000.		26,00,000.

- 02/04/2021. O/S Salary Paid By SBI Vide Chq. No.000100.
- 02/04/2021. Deposited Cash in SBI Rs. 150,000.
- Commission has to Pay This Month 3000.
- Company Transfer Cash PNB Bank to SBI Bank Rs 40,000.
- Purchase TV for personal use Rs.30000.
- Placed an order to Mr. Suraj Sharma Traders to deliver the following goods to our Delhi Go down.

Order No: Su/Ord/001.

Purchase Order (Alt+F4).

Date: - 25/04/2021.

Party Mr. Suraj Sharma.

Party GSTIN No: 07BBBBBB1234A1Z5.

Terms of Payment.

30 Days.

Terms of Delivery.

12 Days.

Dispatch Thru. Transport.

- Keyboard -- 3 Pcs.
 - Mouse -- 2 Pcs.
 - Pen Drive -- 10 Pcs.
- Delivery received from vendor in Delhi Godown with challan no. Su/R/01 against the order No. Su/Ord/001.

Vinod Computer Institute Mehnagar Azamgarh UP.

Receipt Note (Alt+F9).

Date: 30/04/2021.
Party: Mr. Suraj Sharma.

Tracking No: Su/R/01.

Order No: Su/Ord/001.

- a) Keyboard -- 2 Pcs.
- b) Mouse -- 1 Pcs.
- c) Pen Drive -- 5 Pcs.

5. Rest Goods have been received at our Delhi Godown against the order no. Su/ Ord/001) From Mr. Suraj Sharma. We have recorded the details as Challan No. Su/R/02 on 01/05/2021.
6. On 03/05/2021. Mr. Suraj Sharma send their Bill against the Challan no. Su/R/01 & Su/R/02. As per our records the Bill number recorded as. Su/Bill /01.
- a) Keyboard@800/-
 - b) Mouse@800/-
 - c) Pendrive@800/-

Additional Charges.

- a) Input GST 18%-
 - b) Freight on Purchase Rs. 1000/-
7. On 04/05/2021. All Amount paid by cheque of Axis Bank to Mr. Suraj Sharma against Their bill [Su/Bill/01] (chq. No. 2356987).
8. Received an order [PI/Ord/001] from Poonam Industries for the following goods, which will be dispatched from Delhi Godown.

Sale Order (Alt+F5).

Date 10-05-2021.

Party: Poonam Industries. GSTIN No: 08AAAAAAA123A1Z1.

<p>Dispatch To. Poonam industries. Terms of Payment. 32 days. Terms of Delivery. 12 days. Dispatch Thru. Transport. Destination. Delhi Godown.</p>

- a) Computer -- 2 Pcs.
 - b) Laptop -- 2 Pcs.
 - c) D.V.D -- 4 Pcs.
9. On 11-05-2021. Company delivered all the good according to the order (PI/Ord/001) form Delhi Godown and recorded as challan (PI/D/001).

Delivery Note (Alt+F8).

Date 11-05-2021.

Party: Poonam Industries.

Dispatch document No: Des/01/02.

Tracking No: {PI/D/001}.

Vinod Computer Institute Mehnagar Azamgarh UP.

10. Received an order [Sale/Ord/Noo2] from Nirmal Traders for 2 Pcs. Computer which will be dispatched from Delhi Godown (On Date 11-05-2021).
11. 2 Pcs. Computer have been delivered from Delhi Godown to Nirmal Traders against order no Sale/Ord/N/002 on 12-05-2021 (Challan no NT/D/002).
12. On 12-05-2021. 1Pcs. Computer Returned by Nirmal Traders from their first challan due to manufacturing defect.
13. Send a Bill to Nirmal Traders (Bill No. NT/Bill/001) against the pending challan NT/D/002 @ 28000 on 13-05-2021.
 - a. Trade Discount -- 5%.
 - b. Output GST -- 18%.
 - c. Freight on Sale Rs 900.
14. On 17-05-2021. Company received the amount from Nirmal traders, 90% due amount and Rest amount treated as bad debts against the bill no (NT/Bill/001) and same day cheque deposited into ICICI Bank.
15. On. 17/05/2021. Company send a Bill Poonam Industries (Bill no. Po/Bill/001) against pending Challan no. PI/D/001.
 - a) Computer @ 28000/- GST @18%.
 - b) Laptop @ 32000/- GST @18%.
 - c) DVD @ 7000/- GST@ 18%.
16. On 18/05/2021. Company purchase goods from Aman & sons (Bill no. Aman/S/001) (Noida Godown).
 - a) Sony Color TV 6 Pcs @ 9500 GST@28%.
 - b) TV Table 4 Pcs @ 3200 GST@12%.
17. On 19/05/2021. 6 Pcs Sony Color TV, 4 Pcs TV Table transferred Noida Godown to Delhi Godown. [Ref. no. # trans/001].
18. On 20/05/2021. Company Sale following goods to Kirti Pvt. Ltd. From Delhi Godown (bill No. Kirti/sale/001).
 - a) Sony Color TV 6 Pcs. @ 12000 GST@28%.
 - b) TV Table 4 Pcs @ 4000 GST@12%.
19. On 21/05/2021. Company Paid Cheque of ICICI Bank A/c (chq. no.123546) to Aman & Sons against bill no. (Aman/S/001) Except 5% amount paid the all due amount.
20. On 23/05/2021. Payment made by Kirti Pvt. Ltd. against the bill no. (Kirti/sale/001) and Cheque Deposited into Axis Bank same day. (Chq. no. 546987).
21. On 24/05/2021. Poonam Industries Returned 2 Pcs DVD. [Manufacturing defects] against The Bill no. [Po/Bill/001] Pass the Adjustment entries with GST @18%. (bill no. Ret/Po/001).

PART. (II)

STATUTORY

&

TAXATION

CHAPTER-14.

STATUTORY AND TAXATION.

In This Chapter.

- ❖ TDS.
- ❖ CHALLAN 281.
- ❖ TAN NO. DFPR45878F.

Introduction to TDS. Tax deducted at source (TDS) is one of the modes of collecting income tax. The buyer (deductor) deducts the tax from the payment made to the seller (deductee) and remits the tax to the income tax department within the stipulated time. The buyers (corporate and non-corporate) make payment (such as salary, rent, interest on securities, dividends, insurance commission, professional fees, commission on brokerage, commission on lottery tickets etc.) to the sellers (services) and deduct the requisite amount from such payments towards tax. The buyer files the TDS returns containing details of the seller and the bank, where the TDS amount is deposited to the income tax department (TDS). The income tax department has prescribed the formats for filling these returns electronically, which the buyer does in a Pen Drive.

TDS In Tally. TDS (Tax Deducted at Source) in tally provides an easy-to-use and flexible interface. It helps you to handle intricate cases and calculate the tax payable to the income tax department. Tally calculates the tax of all parties/suppliers where TDS deduction is mandatory. It calculates the TDS automatically and prints form 16A certificates, forms 26Q, and 27Q for quarterly, annual returns as per statutory requirement. It allows the user to view and print various TDS reports, challans and TDS outstanding statements.

TDS Reports. TDS reports in tally display the tax amount of the concerned party/supplier. Tally generates form 26Q and 27Q also provides the printing option to print this form. You can export the E- TDS forms (form 26/form 27/form 26Q/form 27Q) from tally. The exported file will be saved in the defined path specified in the output file name. You can get the E- TDS file validated through NSDL freely downloadable utility, file validation utility (FVU) to verify whether the E- TDS return file prepared by the deductor conform to the prescribed format. Go To **Gateway of Tally > Display More Reports > Statutory Reports> TDS Reports.**

MIS Reports. The MIS Reports provide you with the TDS Outstanding. To view the TDS Outstanding's, Go to **Gateway of Tally > Display More Reports > Statements of Accounts > TDS Outstanding's.**

TDS Computation. To view the TDS Computation report. Go to **Gateway of Tally> Display More Reports > Statements of Accounts > TDS Outstanding's > TDS Computations.**

1. The particulars column provides you with the name of the party and its TDS ledger names.
2. Amount paid/payable till date column displays the total amount of the bills accounted or Payment made to the party
3. The tax column provides the amount of TDS computed as per the rate specified in the tax Column, which is displayed below the TDS amount.

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4. Total TDS column displays the total TDS amount including all additional taxes.
5. Less: TDS deducted till date column provides the TDS amount deducted till date.

Net TDS to deduct column displays the TDS amount yet to be deducted from the bills accounted or payment made. If TDS is deducted using TDS journal and if the complete amount of TDS Due is deducted. This column will not display any balance. Partial amount deducted will display the balance amount of TDS to be detected in this column.

Basic Concept of TDS. At present income of several sources are subjected to tax deduction at source. Some of such income which are subject to TDS are.

What Is Tan? Tan is the tax deduction account numbers issued by the income tax department to all persons deducting tax at source. Tan has to be quoted in all relevant challahs. Tax deducted certificated deducting TDS return. To obtain tan through form 49b, all persons or organizations are required to apply to the tin-facilitation centres.

Nature of Payment.

S. No.	Income slabs	Income tax rate (%)
1	Up to Rs 2.5 lakh	Nil
2	Between Rs 2,50,001 and Rs 5 lakh	5%
3	Between Rs 5,00,001 and Rs 7.5 lakh	10%
4	Between Rs 7,50,001 and Rs 10 lakh	15%
5	Between Rs 10,00,001 and Rs 12.5 lakh	20%
6	Between Rs 12,50,001 and Rs 15 lakh	25%
7	Above Rs 15 lakh	30%

TDS Rate Chart						
Assessment Year : 2021-2022 Financial Year : 2020-2021						
Particulars		Individual / HUF	Domestic Company / Firm	Individual / HUF	Domestic Company / Firm	
Nature of Payments	Section Code	Rate	Rate	Rate	Rate	
1. Salary	192	As per the prescribed rates applicable to Individual / Women & Senior Citizens				Criteria for Deduction
		Existing Rate of TDS		Reduced Rate from 14/05/2020 to 31/03/2021		Payment in excess of
2. Interest other than Interest on Securities	194A	10	10	7.5	7.5	Banking Rs. 40,000/- p.a. Others Rs. 5,000/- p.a.
3. Winning from Lotteries & Puzzles	194B	30	30	22.5	22.5	Rs. 10,000/- p.a.
4. Payment to Contractors	194C	1	2	0.75	1.5	Rs. 30,000/- per contract or Rs. 1,00,000/- p.a.
4.1 Payment to Advertising / Sub Contractors	194C	1	2	0.75	1.5	
5. Insurance Commission	194D	5	5	3.75	3.75	Rs. 15,000/- p.a.
6. Commission & Brokerage	194H	5	5	3.75	3.75	Rs. 15,000/- p.a.
7. Rent - Land & Building	194I	10	10	7.5	7.5	Rs. 2,40,000/- p.a.
8. Rent - Plant & Machinery	194I	2	2	1.5	1.5	
9. Immovable Property other than Agricultural Land	194IA	1	1	0.75	0.75	Rs. 50,00,000/-
10. Rent Paid by Individual / HUF other than those covered under section 44AB	194IB	5	-	3.75	-	Rs. 50,000/-
11. Professional Fees & Technical Services	194J	10	10	7.5	7.5	Rs. 30,000/- p.a.
12. Professional Fees & Technical Services Engaged in the business of Call Centre	194J	2	2	1.5	1.5	Rs. 30,000/- p.a.

Our Products

- EasyTDS
TDS Management Software
- EasyPAY
Payroll Management Software
- HRMTHREAD
Web based HR & Payroll Software
- AssetExpert
Asset Management Software
- eFormExpert
IT Return e-Filing Software
- InstantXBRL
XBRL Software
- CRMTHREAD
CRM Software

Income Tax in India: Guide, IT Returns, E-Filing Process 2019. Taxes in India can be categorized as direct and indirect tax Direct tax is a tax you pay on your income directly to the

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government. Indirect tax is a tax that somebody else collects on your behalf and pays to the government example. Restaurants, theatres and e-commerce websites recover taxes from you on goods you purchase or a service you avail. This tax is, in turn, passed down to the government.

Direct Taxes. Are Broadly Classified As.

Income Tax. This is taxes an Individual or a Hindu Undivided Family or any taxpayer other than companies, pay on the income received. The law prescribes the Rate at which such income should be taxed.

Corporate Tax. This is the tax that companies pay on the profits they make from their businesses. Here again, a specific rate of tax for corporates has been prescribed by the income tax laws of India.

Indirect Taxes. Take many forms: service tax on restaurant bills and movie tickets, value-added tax or VAT on goods such as clothes and electronics. Goods and services tax, which has recently been introduced is a unified tax that has replaced all the indirect taxes that business owners have to deal with.

<u>31 January.</u>	<u>31 March.</u>	<u>31 July.</u>	<u>Oct – Nov.</u>
Deadline to submit your investment proofs.	Deadline to make investments under Section 80C.	Last date to file your tax return.	Time to verify your tax return.

Direct and Indirect Taxes in India. Tax is a mandatory fee imposed upon individuals or corporations by the Central and the State Government to help build the economy of a country by meeting various public expenses. Taxes are broadly divided into two categories- Direct and Indirect taxes.

What is Direct Tax? It is a tax levied directly on a taxpayer who pays it to the Government and cannot pass it on to someone else.

What Are The Direct Taxes Imposed In India? Some of the important direct taxes imposed in India are mentioned below.

Income Tax. It is imposed on an individual who falls under the different tax brackets based on their earning or revenue and they have to file an income tax return every year after which they will either need to pay the tax or be eligible for a tax refund.

Estate Tax. Also known as Inheritance tax, it is raised on an estate or the total value of money and property that an individual has left behind after their death.

Wealth Tax. Wealth tax is imposed on the value of the property that a person possesses. However, both Estate and Wealth taxes are now abolished.

What Are The Advantages Of Direct Taxes? Direct taxes do have a certain advantage for a country's social and economic growth. To name a few.

It Curbs Inflation. The Government often increases the tax rate when there is a monetary inflation which in turn reduces the demand for goods and services and as a result of descending demand, the inflation is bound to condense.

Social and Economic Balance. Based on every individual's earnings and overall economic situation, the Government has well-defined tax slabs and exemptions in place so that the income inequalities can be balanced out.

What Is The Most Common Disadvantage Of Direct Taxes? Direct taxes come with a handful of disadvantages. But, the very time-consuming procedures of filing tax returns is a taxing task itself.

What is Indirect Tax? It is a tax levied by the Government on goods and services and not on the income, profit or revenue of an individual and it can be shifted from one taxpayer to another. Earlier, an indirect tax meant paying more than the actual price of a product bought or a service acquired. And there was a myriad of indirect taxes imposed on taxpayers.

Let's Discuss A Few Indirect Taxes That Were Earlier Imposed In India.

Customs Duty. It is an Import duty levied on goods coming from outside the country, ultimately paid for by consumers and retailers in India.

Central Excise Duty. This tax was payable by the manufacturers who would then shift the tax burden to retailers and wholesalers.

Service Tax. It was imposed on the gross or aggregate amount charged by the service provider on the recipient.

Sales Tax. This tax was paid by the retailer, who would then shifts the tax burden to customers by charging sales tax on goods and service.

Value Added Tax (VAT). It was collected on the value of goods or services that were added at each stage of their manufacture or distribution and then finally passed on to the customer.

GST as Indirect Tax. With the implementation of GST, we have already witnessed a number positive changes in the fiscal domain of India. The various taxes that were mandatory earlier are now obsolete, thanks to this new reformed indirect tax. Not just that, GST is making sure the slogan "One Nation, One Tax, One Market" becomes the reality of our country and not just a dream. That said, with the dawning of the Good and Services Tax the biggest relief so far is clearly the elimination of the 'cascading effect of tax' or the 'tax on tax' quandary. Cascading effect of tax is a situation wherein the end-consumer of any goods or service has to bear the burden of the tax to be paid on the previously calculated tax and as a result would suffer an increased or inflated price. Under the GST regime, however, the customer is exempted from the tax they would otherwise pay as a result of the cascading effect.

Income Tax Basics. Everyone who earns or gets an income in India is subject to income tax. (Yes, be it a resident or a non-resident of India). Also read our article on income tax for NRIs. Your income could be salary, pension or could be from a savings account that's quietly accumulating a 4% interest. Even, winners of 'Kaun Banega Crorepati' have to pay tax on their prize money. For simpler classification, the Income Tax Department breaks down income into five heads.

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<u>Head of Income.</u>	<u>Nature of Income Covered.</u>
Income from Salary.	Income from salary and pension are covered under here.
Income from Other Sources.	Income from savings bank account interest, fixed deposits, winning KBC.
Income from House Property.	This is rental income mostly.
Income from Capital Gains.	Income from sale of a capital asset such as mutual funds, shares, house property.
Income from Business and Profession.	This is when you are self-employed, work as a freelancer or contractor, or you run a business. Life insurance agents, chartered accountants, doctors and lawyers who have their own practice, tuition teachers.

Taxpayers and Income Tax Slabs. Taxpayers in India, for the purpose of income tax includes.

- ❖ Individuals.
- ❖ Hindu Undivided Family (HUF).
- ❖ Association of Persons (AOP) and Body of Individuals (BOI).
- ❖ Firms.
- ❖ Companies.

Each of these taxpayers is taxed differently under the Indian income tax laws. While firms and Indian companies have a fixed rate of tax of 30% of profits, the individual, HUF, AOP and BOI taxpayers are taxed based on the income slab they fall under. People's incomes are grouped into blocks called tax brackets or tax slabs. And each tax slab has a different tax rate. In India, we have four tax brackets each with an increasing tax rate.

- ❖ Income earners of to 5 lakhs.
- ❖ Income earners of between 5 lakhs and 10 lakhs.
- ❖ Those earning more than Rs. 10 lakhs.

A Word of Note. People often misunderstand that if they earn let's say Rs.12 lakhs, they will be paying a 30% tax on Rs.12 lakhs i.e Rs.360000. That's incorrect. A person earning 12 lakhs in the progressive tax system, will pay Rs.112500+ Rs.60000 = Rs. 172500.

Exceptions to the Tax Slab. One must bear in mind that not all income can be taxed on slab basis. Capital gains income is an exception to this rule. Capital gains are taxed depending on the asset you own and how long you've had it. The holding period would determine if an asset is long term or short term. The holding period to determine nature of asset also differs for different assets. A quick glance of holding periods, nature of asset and the rate of tax for each of them is given below.

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<u>Type Of Capital Asset.</u>	<u>Holding Period.</u>	<u>Tax Rate.</u>
House Property.	Holding More Than 24 Months – Long Term Holding Less Than 24 Months – Short Term.	20% Depends On Slab Rate.
Debt Mutual Funds.	Holding More Than 36 Months – Long Term Holding Less Than 36 Months – Short Term.	20% Depends On Slab Rate.
Equity Mutual Funds.	Holding More Than 12 Months – Long Term Holding Less Than 12 Months – Short Term.	Exempt (Until 31 March 2018) Gains > Rs 1 Lakh Taxable @ 10% 15%.
Shares (STT Paid).	Holding More Than 12 Months – Long Term Holding Less Than 12 Months – Short Term.	Exempt (Until 31 March 2018) Gains > Rs 1 Lakh Taxable @ 10% 15%.
Shares (STT Un-paid).	Holding More Than 12 Months – Long Term Holding Less Than 12 Months – Short Term.	20% As Per Slab Rates.
FMPS.	Holding More Than 36 Months – Long Term Holding Less Than 36 Months – Short Term.	20% Depends On Slab Rate.

Residents and Non-Residents. Levy of income tax in India is dependent on the residential status of a taxpayer. Individuals who qualify as a resident in India must pay tax on their global income in India i.e. income earned in India and abroad. Whereas, those who qualify as Non-residents need to pay taxes only on their Indian income. The residential status has to be determined separately for every financial year for which income and taxes are computed.

Defining Income. Income has been very widely defined in the Income-tax Act. In simple words, income includes salary, pension, rental income, profits out of any business or profession, any profit made out of the sale of any specified asset, interest income, dividends, royalty income etc. The law classifies income under 5 major heads as already mentioned above.

- ❖ Salary Income.
- ❖ House Property income.
- ❖ Profits and Gains from Business or Profession.
- ❖ Capital Gains.
- ❖ Income from other Sources.

The law also allows a taxpayer to claim deductions specific to each such income and hence to avail the appropriate deductions, it is important that you classify income under the right heads.

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Eg. A salaried taxpayer can claim a standard deduction of Rs 40,000 while a taxpayer having rental income from a flat can claim municipal taxes as a deduction.

Income Tax Deductions. There are broad themes to what the government incentivizes. These are either in the form of.

- ❖ Various deductions available under Section 80 of the Income Tax Act which Can be claimed from the Total Income or.
- ❖ Deductions that are specific to each source of income. Some of the key deductions have been discussed here.

Home Ownership.

- ❖ Stamp duty and Registration under Section 80C.
- ❖ Home loan principal and interest.
- ❖ First time homeowner benefit of Rs.50000 under Section 80EE.

<u>Deduction On.</u>	<u>Maximum Allowed (For Self-Occupied House Property).</u>	<u>Maximum Allowed (For Property On Rent).</u>
Stamp Duty And Registration + Principal.	Rs.150000 Within The Overall Limit Of Section 80C.	Rs.150000 Within The Overall Limit Of Section 80C.
Deduction On Home Loan Interest Under Section 24.	Rs.200000.	No Cap (But Rental Income Must Be Shown In The Income Tax Return) Further, Maximum Loss From House Property Capped At Rs 2 Lakhs.
Deduction For First-Time Homeowners Under Section 80EE *Certain Conditions Apply.	Rs.50000.	—

Home Renting. House Rent Allowance or HRA (for salaried only) given how many Indians move cities for work, this is a common allowance most salaried individuals can find in their payslips. If you are renting an apartment, be sure to claim this in your tax return.

Section 80GG (if you are renting and don't get HRA) If you are not salaried, or you are still salaried, but don't get HRA, then you can claim deduction for rent under Section 80GG. Learn more.

Health.

- ❖ Life insurance premium under Section 80C.
- ❖ Medical insurance under Section 80D.
- ❖ Preventative health checkups under Section 80D.
- ❖ Medical bills (for salaried only) (replaced with standard deduction of Rs. 40,000 effective 1 April 2018).

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Tax Deductions For Health Insurance Under Section 80D In FY 2017-18.

<u>Person Insured.</u>	<u>Maximum Deduction Below 60 Years.</u>	<u>Maximum Deduction 60 Years Or Older.</u>
You, Your Spouse, Your Children.	Rs.25000.	Rs.50000.
You're Parents.	Rs.25000.	Rs.50000.
Preventative Health Checkup.	Rs.5000.	Rs.5000.
Maximum Deduction (Includes Preventative Health Checkup).	Rs.50000.	Rs.100000.

Long-Term Savings. Employee provident fund. (For salaried only) Companies cut 12% of your basic salary and put it in a fund managed by EPFO. Public provident fund Individuals can open a PPF account from a post office or a public sector bank like State Bank of India and ICICI Bank. All of these allow you a deduction under Section 80C up to RS 1.5 lakhs Contribution to NPS is also another tax saving avenue for claim of deduction under Section 80CCD.

Business Profits. Running a business and wondering how to go about your taxes? It is simple. Take your gross receipts from your business and reduce various business related expenses from it eg. Telephone, internet, salary you pay to people you have hired, depreciation on the items that you use for your business like computer etc. What you are left with are your profits that you need to offer as your Income from Business. Similar is the method of computing your taxable profits if you are carrying out a profession too. But make sure you maintain proper books of accounts recording all your business transactions as law mandates that you do. However, if you do not want to maintain books, you may opt for Presumptive taxation scheme where you will have to offer a fixed percentage of your gross receipts as your income.

Income Tax Rules. While the Income Tax Act, 1961 is the law enacted by the legislature for governing and administering income taxes in India, Income Tax Rules, 1962 has been framed to help apply and enforce the law contained in the Act. Further, the Rules cannot be read independently. They must be read in conjunction with the Act only. Further, the Rules must be within the framework of the Act and cannot override the provisions of the Act. For example, the Act lays down the law with regard to taxability of perquisites given by the employer to his employees as "salary". However, it does not discuss how the perquisites must be valued. Such valuation is in turn prescribed under Rule 3 of the Income-tax Rules.

Income Tax Calculation. Every income that you receive should form part of your income tax return. Of course, the law does provide for exemption of certain incomes eg. Dividend income from an Indian company, LTCG on listed equity shares upto Rs 1 lakh in any financial year etc. Therefore, here is a quick guideline you can probably follow to compute taxes due on your income.

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- ❖ List down all your income – be it salary, rental income, capital gains, Interest income or profits from your business or profession.
- ❖ Remove incomes that are exempt under law.
- ❖ Claim all applicable deductions available under every source of income. eg Claim standard deduction of Rs 40,000 from salary income, claim municipal Taxes from rental income, claim business related expenses from your Business turnover etc.
- ❖ Claim all applicable exemptions under every head of income eg. amount Reinvested in another house property can be claimed as exemption from capital gains income etc.
- ❖ Claim applicable deductions from your total income eg the 80 deductions Like 80C, 80D, 80TTA 80TTB etc.
- ❖ You will now arrive at your taxable income. Check the tax slab you fall Under and accordingly arrive at your income tax payable.

The government keeps introducing and altering tax slabs, schemes and tax benefits, so it's a good idea to keep up with the Budget.

Income Tax Payment. The Government collects income tax from three channels:

- ❖ TDS.
- ❖ Advance Tax.
- ❖ Self-Assessment Tax.

TDS.

- ❖ TDS exists to help government get tax throughout the year. There's a Prescribed table on how much tax deducted under what circumstances.
- ❖ Your employer cuts TDS based on the information available to him about You. So if you've made investments, but have not declared or if you live in a rented house, but have not shared rent receipts, your finance department will have no choice but to deduct tax based on only thing they know – your CTC.
- ❖ This is why the investment proofs deadline in your office is super important. Save yourself some headache and submit your investment proofs on time.
- ❖ Banks don't know if you're working in a company or if income from fixed Deposits is what you solely rely on. So they deduct a standard 10% tax before they give away the interest. Now if you fall in the 20% or 30% bracket, it's on you to pay the remainder of the income tax. That's why sometimes you may find yourself paying some tax at the time of filing a tax return.
- ❖ Make sure banks have your PAN number. They deduct 20% tax if they don't Have your PAN in their records.
- ❖ Anyone who's receiving an income of a specified nature say salary, interest, Commission, rent, professional income etc. will have some percentage of tax withheld as prescribed by the government.

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Advance Tax. Self-employed people must do the calculation themselves and pay the tax to the Government periodically every quarter. The deadlines are.

<u>Due Date.</u>	<u>Advance Tax Payable.</u>
On Or Before 15th June	15% Of Advance Tax
On Or Before 15th September	45% Of Advance Tax
On Or Before 15th December	75% Of Advance Tax
On Or Before 15th March	100% Of Advance Tax

To Calculate Your Advance Tax.

- ❖ Add up all the invoices received and include future payments you will be receiving till March 31 to estimate your taxable income.
- ❖ Deduct expenses directly related to your business, and any investments you have made under Section 80C in order to arrive at your taxable income.
- ❖ Determine your tax liability for the year.
- ❖ Reduce the Tax already deducted at source from your tax liability as determined above.
- ❖ If the remaining tax payable is greater than Rs 10000 you will have to pay advance taxes based on the rates prescribed in the above table.

Self-Assessment Tax. When you are filing a tax return and you find out that you need to pay additional tax, you'd be paying self-assessment tax. Another way to think about this would be.

- ❖ If you are paying tax for a financial year after the deadline has ended, you Will pay self-assessment tax.
- ❖ If you are paying tax for a financial year during the financial year, you will pay advance tax.

Payment of TDS Advance Tax and Self-Assessment Tax. TDS is deducted by the payer himself and remitted to the government by him. Hence the taxpayer need not worry about this part of his tax liability. As regards advance tax and self-assessment tax, the same can be discharged online using Challan 280. Read our detailed guide on payment of taxes online.

Income Tax Return. An Income Tax Return is a form where a taxpayer discloses details of his income, claims applicable deductions and exemptions and taxes that are payable on the taxable income. Further, details of taxes paid also reflect in the return. Any excess tax paid for a year will be claimed as a refund in the return of income.

Some taxpayers who are into any business or profession disclose details of such business or profession like turnover, expenses relating to business, profits from business etc. All the above information, put together, form part of your return and is filed with the Income Tax Department.

Income Tax Return Filing. Filing of income tax return online has been made mandatory for all classes of taxpayers barring few exceptions.

- ❖ Taxpayers aged 80 and above need not filed return online.

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- ❖ Taxpayers having an income less than Rs. 5 lakhs and not claiming a refund need not file return online.

For the rest, online filing is mandatory. Do note that deadlines for filing of returns have also been prescribed. For most individual taxpayers, the due date for filing return of income is 31 July immediately following the concerned financial year. If you do not file on time, here are some disadvantage.

- ❖ You will be denied carry forward of losses (except house property loss) to Future years.
- ❖ Delay processing of refund claims if any.
- ❖ Difficulty on getting home loans.
- ❖ Levy of late filing fee up to Rs. 10000 under Section 234F.
- ❖ Levy of interest under 234A if there are taxes due as on 31 July. E-filing online is a more complete and better alternative to filing on the income tax website. Also it is for more than just e-filing your income tax return. Clear Tax helps you claim all the deductions you're eligible for and helps you invest.

ITR Forms. ITR forms i.e. the return filing forms have been prescribed differently based on the class of taxpayers and the source of income. See below for further clarity.

ITR-1	ITR-2	ITR-3
Income from < 50 lacs <ul style="list-style-type: none"> • Salary/Pension • One House • Other Sources 	Income from- <ul style="list-style-type: none"> • Everything from ITR-1 > 50lacs • Capital Gains • As a partner in the firm • Foreign Income • Agricultural Income > Rs5000 	Income from- <ul style="list-style-type: none"> • Everything from ITR-2 • Business/Profession
ITR-4	ITR-5	ITR-6
Presumptive Business Income under- <ul style="list-style-type: none"> • Section 44AD • Section 44ADA • Section 44AE 	<ul style="list-style-type: none"> • Firms • LLPs • AOPs • BOIs 	<ul style="list-style-type: none"> • Companies not claiming exemption under section 11
ITR-7		
Persons/Companies under- <ul style="list-style-type: none"> • section 139(4A) • section 139 (4B) • section 139 (4C) • section 139 4(D) 		

Documents Required for ITR Filing. Form 16, Form 26AS, Form 16A, proof of tax saving investments made, bank account details etc. are some of the crucial details / documents that

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you need to be ready with before filing your return. Further the documents you are going to need to file your tax return are largely going to depend on your source of income.

Income Tax Tax Glossary. Form 26AS is a tax summary statement that contains all the tax payments you've made yourself (self-assessment tax/ advance tax) or tax someone deducted (TDS) on your behalf. You're going to need this document when you are doing your income tax e-filing. Form 26AS can be downloaded from www.incometaxindiaefiling.com

Form 16. If you need to know whether or not your company has given you some tax allowance like your offer letter says, or want to see how much tax has been deducted throughout the year, or need to see EPF contributions, wouldn't it be easier if you could see them all in one place? That's your Form 16. Form 16 has.

- ❖ A summary of all the tax deducted by each quarter.
- ❖ All the tax benefits and allowances you've availed as a salaried individual.
- ❖ Section 80C deductions you've claimed through your employer.
- ❖ And your taxable income after allowances and Section 80C deductions.

This is a super important document for all salaried individuals. And having a Form 16 makes e-filing your income tax return very simple. You can upload your Form 16 and e-file your income tax return. No income tax login required.

Form 16A. Form 16A is very similar to a Form 16 in that it contains how much tax was deducted over what income. So how's Form 16A different? Form 16A will never be issued by an employer. They're usually given to you by a bank that's deducting TDS, or a company that's deducted tax on your freelancing service.

Investment Submission Proof Deadline. Depending on how large your company is, you might have two deadlines related to investment proofs. There's one in the beginning of the year (April) that needs you to just declare how much money you're planning to invest in Section 80C. This will give an indication on how much they need to deduct in TDS. Again in the last quarter (roughly between December and February), you will be asked to submit investment proofs. This is when you need to submit all your rent receipts, medical bills (if you're getting medical reimbursement), and investments under Section 80C, 80D.

Assessment Year/ Financial Year. Financial Year runs between April 1 and March 31 of each year. Income tax is calculated for this period. Income tax returns are assessed the year after the financial year has finished. So that's your Assessment Year. During the assessment year, taxpayers file their income tax return. Income tax return and refunds are processed by the I-T Department that year.

ITR-V. ITRV stands for Income Tax Return – Verification. After filing your tax return online, you must print and sign a 1-page document and send it to the Income Tax Department.

Challan 280. Challan 280 is the slip that you will use for online income tax payment. Follow this guide to learn how to pay tax due. This is the link to the Income Tax Department website. If you are a taxpayer, you're going to need to use for.

- ❖ Getting your tax credit statement Form 26AS.

- ❖ Getting your tax records for home loan or visa application.
- ❖ Verifying your income tax return after ITR submission.

Important Passwords. Here we have listed the most frequently downloaded documents and the format for the respective passwords. To understand the application of these passwords better, let's take an example Rohan is a resident individual who has been filing his tax returns for over ten years. His date of birth is 24.02.1988. Rohan's PAN is AAOPK0029P.

House Property and Taxes. Owning a house one day – everybody dreams of this, saves towards this and hopes to achieve this one day. However, owning a house property is not without responsibilities. Paying house property taxes annually is one of them. If you want to learn how to save tax on home loan interest, this guide is for you. It also talks about how to report home ownership in your income tax return.

Basics of House Property. A house property could be your home, an office, a shop, a building or some land attached to the building like a parking lot. The Income Tax Act does not differentiate between a commercial and a residential property. All types of properties are taxed under the head 'income from house property' in the income tax return. An owner for the purpose of income tax is its legal owner, someone who can exercise the rights of the owner in his own right and not on someone else's behalf. When a property is used for the purpose of business or profession or for carrying out freelancing work – it is taxed under the 'income from business and profession' head. Expenses on its repair and maintenance are allowed as business expenditure.

A. Self-Occupied House Property. A self-occupied house property is used for one's own residential purposes. This may be occupied by the taxpayer's family – parents and/or spouse and children. A vacant house property is considered as self-occupied for the purpose of Income Tax. Prior to FY 2019-20, if more than one self-occupied house property is owned by the taxpayer, only one is considered and treated as a self-occupied property and the remaining are assumed to be let out. The choice of which property to choose as self-occupied is up to the taxpayer. For the FY 2019-20 and onwards, the benefit of considering the houses as self-occupied has been extended to 2 houses. Now, a homeowner can claim his 2 properties as self-occupied and remaining house as let out for Income tax purposes.

B. Let Out House Property. A house property which is rented for the whole or a part of the year is considered a let out house property for income tax purposes.

C. Inherited Property. An inherited property i.e. one bequeathed from parents, grandparents etc. again, can either be a self-occupied one or a let out one based on its usage as discussed above.

Steps to Calculate Income From House Property. Here is how you compute your income from a house property.

A. Determine Gross Annual Value (GAV) of the Property. The gross annual value of a self-occupied house is zero. For a let out property, it is the rent collected for a house on rent.

B. Reduce Property Tax. Property tax, when paid, is allowed as a deduction from GAV of property.

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C. Determine Net Annual Value (NAV). Net Annual Value = Gross Annual Value – Property Tax.

D. Reduce 30% Of Nav Towards Standard Deduction. 30% on NAV is allowed as a deduction from the NAV under Section 24 of the Income Tax Act. No other expenses such as painting and repairs can be claimed as tax relief beyond the 30% cap under this section.

E. Reduce Home Loan Interest. Deduction under Section 24 is also available for interest paid during the year on housing loan availed.

F. Determine Income From House Property. The resulting value is your income from house property. This is taxed at the slab rate applicable to you.

G. Loss from House Property. When you own a self-occupied house, since its GAV is Nil, claiming the deduction on home loan interest will result in a loss from house property. This loss can be adjusted against income from other heads.

Note. When a property is let out, its gross annual value is the rental value of the property. The rental value must be higher than or equal to the reasonable rent of the property determined by the municipality.

Tax Deduction on Home Loans.

A. Tax Deduction on Home Loan Interest. Section 24 Homeowners can claim a deduction of up to Rs. 2 lakhs (Rs. 1.5 lakhs, if you are filing returns for FY 2013-14) on their home loan interest, if the owner or his family reside in the house property. The same treatment applies when the house is vacant. If you have rented out the property, the entire interest on the home loan is allowed as a deduction. However, your deduction on interest is limited to Rs. 30,000 instead of Rs 2 lakhs if both the following conditions stand satisfied.

A. The loan is taken on or after 1 April 1999.

B. The purchase or construction is not completed within 5 years from the end of the FY in which loan was availed.

Tax Deduction on Principal Repayment. The deduction to claim principal repayment is available for up to Rs. 150000 within the overall limit of section 80c from FY 2014-15 onwards (Rs. 1 lakh if you are filing returns for last financial year). Check the principal repayment amount with your lender or look at your loan instalment details.

Conditions To Claim This Deduction.

- ❖ The home loan must be for purchase or construction of a new house property.
- ❖ The property must not be sold in five years from the time you took possession. Doing so will add back the deduction to your income again in the year you sell.

Stamp Duty and Registration Charges. Stamp duty and registration charges and other expenses related directly to the transfer are also allowed as a deduction under Section 80C, subject to a maximum deduction amount of Rs. 1.5 lakhs. Claim these expenses in the same year you make the payment on them.

Tax Deduction for First-Time Homeowners. Section 80EE Section 80EE recently added to the Income Tax Act provides the homeowners, with only one house property on the date of sanction of loan, a tax benefit of up to Rs.50000.

- ❖ The amount of deduction you can claim depends on the ownership share you have on the property.
- ❖ The home loan must also be in your name. A co-borrower can claim these deductions too.
- ❖ The home loan deduction can only be claimed from the financial year in which the construction is completed.
- ❖ Submit your home loan interest certificate. To your employer for him to adjust tax deductions at source accordingly. This document contains information on your ownership share, borrower details and EMI payments split into interest and principal.
- ❖ Otherwise, you may have to calculate the taxes on your own and claim the refund, if any, at the time of tax filing. It's also possible that you may have to deposit the dues on your own if there is a tax payable.
- ❖ If you are self-employed or a freelancer, you don't have to submit these documents anywhere, not even to the IT Department. You will need them to calculate your advance tax liability for every quarter. You must keep them safely to answer queries that may arise from the IT Department and for your own records.

Tax Benefits on Home Loans for Joint Owners. The joint owners, who are also co-borrowers of a self-occupied house property, can claim a deduction on interest on the home loan up to Rs 2 lakhs each. And deduction on principal repayments, including a deduction for stamp duty and registration charges under Section 80C within the overall limit of Rs. 1.5 lakhs for each of the joint owners. These deductions are allowed to be claimed in the same ratio as that of the ownership share in the property. You may have taken the loan jointly, but unless you are an owner in the property – you are not entitled to the tax benefits. There have been situations where the property is owned by a parent and the parent and child together take up a loan which is paid off only by the child. In such a case the child, who is not a co-owner is devoid of the tax benefits on the home loan.

Therefore, To Claim The Tax Benefits On The Property.

- 1.** You must be a co-owner in the property.
- 2.** You must be a co-borrower for the loan.

Each co-owner can claim a deduction of maximum Rs. 1.5 lakhs towards repayment of principal under section 80C. This is within the overall limit of Rs. 1.5 lakhs of Section 80C. Therefore, as a family, you will be able to take a larger tax benefit against the interest paid on the home loan when the property is jointly owned and your interest outgo is more than Rs. 200000 per year.

- ❖ It's important to note that the tax benefit of both the deduction on home loan interest and principal repayment under section 80C can only be claimed once the construction of the property is complete.

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What is E Filing? E-filing or electronic filing is submitting your income tax returns online. There are two ways to file your income tax returns. The traditional way is the offline way, where you go the Income Tax Department's office to physically file your returns. The other way is when you e-file through the internet. Over the past few years, e filing has become popular because it is easier, doesn't require prints of documents, and can be done for free.

Am I Required to File Income Tax Returns? It is mandatory to file income tax returns in India if any of the below conditions are applicable to you (as per the Income Tax Act).

❖ Earn gross annual income more than.

<u>Particulars.</u>	<u>Amount.</u>
For Individuals Below 60 Years.	Rs 2.5 Lakhs.
For Individuals Above 60 Years But Below 80 Year.	Rs 3.0 Lakhs.
For Individuals Above 80 Years.	Rs 5.0 Lakhs.

❖ Earn income other than salary like house property, etc.

❖ Want to claim income tax refund from the department.

❖ Earn from or have invested in foreign assets.

❖ Wish to apply for visa or loan applications.

❖ Company or a firm, irrespective of profit or loss.

Difference between AY and FY. Financial Year is the period between 1st April to 31st March. Assessment Year is the next year in which the income is liable to tax. For example, if your financial year is from 1 April, 2018 to 31 March 2019, then it is known as FY 2018-19. The assessment year for income earned during this period would begin after the financial year ends—that is on 1 April 2019 until 31 March 2020.

How Much Tax Should I Pay? Want to check how much income tax you'll pay or see how deductions affect the income tax you owe? Use the income tax calculator to calculate your tax liability for the last 3 financial years.

Has E Filing Tax Returns for 2019 Started? E filing income tax returns for the assessment year 2019-20, which is the financial year 2018-19 has started. The Income Tax Department will release the new ITR forms after 31st March and e-filing for them will be allowed on their website.

What is the Deadline for E-Filing Tax Returns? The last date for e-filing income tax returns for FY 2018-19 is 31st July 2019.

Should I E-File Returns if I Earned Less Than Taxable Income? Yes, it is advisable to e-file your income tax returns even if you don't pay taxes. A zero-return filing will be helpful when you need to get your tax refund or apply for a loan or visa.

How Can I Go About E-Filing Multiple Tax Returns? You don't need to open different accounts on ClearTax to e-file multiple tax returns. You can e-file for returns for the current,

as well as the previous year from the same account. What's more? You can even e-file tax returns for your friends and family from your own ClearTax account.

I have a Form 16, How do I E-File My Income Tax Return?

- ❖ Upload your Form 16.
- ❖ ClearTax automatically prepares your ITR.
- ❖ Verify your tax summary.
- ❖ E-file your tax return to receive acknowledgement number.
- ❖ E-verify your tax return through net-banking.

I Don't Have a Form 16.

- ❖ Enter your income details.
- ❖ Declare investments made under Section 80C.
- ❖ Cleartax auto-detects the relevant ITR Form for you.
- ❖ Verify your tax summary.
- ❖ E-file your tax return to receive acknowledgement number.
- ❖ E-Verify your tax return through net-banking.

I Want to Check the Status of My ITR-V. After successfully submitting your income tax return, you get an acknowledgement from the IT department called the ITR-V or Income Tax Return-Verification. You receive a mail on your registered e-mail ID from the Income Tax Department containing the ITR-V.

How to Recover Your Income Tax E filing Password. So you've lost access to your Income Tax Department account because you don't have the password, and you're afraid you won't be able to e-File or access it again? Don't worry because ClearTax can help you out. You can reset your Income Tax Department password by sending an email to validate@incometaxindia.gov.in with the following details.

- 1.** PAN.
- 2.** PAN Holder Name.
- 3.** Date of Birth.
- 4.** Father name.
- 5.** Registered PAN Address.

It is recommended to link your PAN with Aadhaar and mention it in your IT returns. If you have applied for Aadhaar, you can mention the enrolment number in your returns.

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Now Enter the Following Voucher Entries.

1. On 1-09-2021. Mr. Danveer Sharma (Body of Individual) charged Rent Rs.200000. Company Paid to Danveer Sharma after deducting TDS through ICICI Bank a/c (Bill No. # Rent/Tds/001) (Ch no- 590492).
2. On 2-09-2021. Mr. Dinesh Verma (Body of Individual) charged Insurance Commission Rs.20000. Company paid to Dinesh Verma after deducting TDS through ICICI Bank a/c (Bill No. # Insurance/Tds/001) (Ch no- 590493).
3. On 3-09-2021. Mr. Rakesh Sharma (Body of Individual) charged Commission & Brokerage Rs.30000. Company paid to Rakesh Sharma after deducting TDS through ICICI Bank a/c (Bill No. # Commission & Brokerage /Tds/001) (Ch no- 590496).
4. On 5-09-2021. Vikash & Co. (Body of Individual) charged Rs. 300000. For Accounts Training. Companies make payment after deducting TDS amount through Axis Bank (Bill No. # Vik/Tds/001) (Ch no. 670380).
5. On 10-09-2021. Mr. Rahul Verma (Body of Individual) H/W Eng. of Company submitted a Bill worth Rs. 40000 (Rah/Tds/001) for computer repairing. Company deducted TDS on Technical services and made the payment to Mr. Rahul Verma through ICICI. (Ch no.111).
6. On 12-09-2021. LIC Agent Mr. Roshan Chopra (Body of Individual) charged Rs.30000 for Insurance commission. (Bill no. # Ro/Tds/001) (Ch no. 590392).
7. On 12-09-2021. Company made payment to Mr. Roshan Chopra through Axis Bank after Deducting TDS on Insurance commission (ch no. 550382).
8. On 18-09-2021. Company received Bill worth Rs. 50000 (#Vipin/Tds/001) from Vipin Advertisement agency (Company-Resident) for one month advertisement.
9. Company made the payment to Vipin Advertisement agency through ICICI Bank deducting TDS on 20-09-2021. (Ch no. 480596).
10. On 01-10-2021. Company made the payment of all TDS Dues through Axis Till today (Ch. No. 492295) and see the TDS Challan- ITNS 281 see the Print preview.
11. Take a print out of the following on 01-10-2021.
Form 16A of Vipin.
Form 16A of Mr. Roshan Chopra.
Form 16A of Mr. Rahul Verma.

CHAPTER-15.

STATUTORY AND TAXATION.

In This Chapter.

- ❖ TCS.
- ❖ CHALLAN 281.

TCS Introduction. TCS is the tax collected at source by the seller (collector) from the buyer/lessee (collective/payee). The goods are as specified under section 206c of the income tax act, 1961. If the purchase value of goods is the amount payable by the buyer is $X+Y$ where Y is the value of tax at source. The seller deposits Y (tax collected at source) at any designated branch of banks authorized to receive the payment. The seller, lessor or licensor, is responsible for the collection of tax from the buyer, lessee or licensee. The tax is collected for sale of goods, on transactions, receipt of amount from the buyer in cash or issue of cheque, draft or any other mode, whichever is earlier.

Classification of Seller for TCS. Under TCS a seller is defined as any of the following: Central government, State government, any local authority, any statutory corporation or authority, any company, any partnership firm, any co-operative society, any individual/huf whose total sales or gross receipts exceed the prescribed monetary limits as specified under section 44ab during the previous year.

Classification of Buyer for TCS. A buyer is classified as a person who obtains goods or the right to receive goods in any sale, auction, tender or any other mode. The following are not included: public sector companies, center government, state government, and embassy of high commission, consulate and other trade representation of a foreign state, any club, such as social clubs, sports clubs and the like.

Scope & Applicability. Tax has to be collected at source by the seller, while debiting the amount payable by the buyer to buyer's account (or) at the time of receipt of such amount from the buyer in cash or by issue of Cheque/draft or by any other mode, whichever is earlier.

TCS Nature of Goods. As per section 206c (1), the list of goods covered under TCS and the rate of tax is as shown:

TCS on Transfer of Right. As per sec 206c (1c), every person who grants a lease or license or enters into a contract or otherwise transfers any right or interest, either in whole or in part, in any parking lot or toll plaza or mine or quarry to another person, other than a public sector company (referred as licensee or lessee) for business shall, at the time of debiting of the amount or on actual receipt, whichever is earlier, collect from the licensee TCS at the rates specified in the following table.

Issue of TCS Certificate. As per Sec. 206C (5), any person responsible for collecting the tax is required to issue a certificate of collection of tax at source in Form No. 27D to the buyer (or licensee or lessee) within a period of one month of the end of the month during which the amount is debited to the account of the buyer (or licensee or lessee) or the payment received from the buyer, as the case may be.

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Time & Mode of Payment. All sums collected shall be paid to the credit of the Central Government within one week from the last day of the month in which the collection is made.

TCS Rates (F.Y. 2017-18 – A.Y. 2018-19)

Section	Nature of Payment	TCS Rate
206C	Scrap	1%
206C	Tendu Leaves	5%
206C	Timber obtained under a forest lease or other mode	2.5%
206C	Any other forest produce not being a timber or tendu leave	2.5%
206C	Alcoholic Liquor for hum consumption	1%
206C	Parking Lot, Toll Plaza, Mniing and Quarrying	2%
206C	Minerals, being coal or lignite or iron ore (applicable from july 1, 2012)	1%
206C	Sale of Motor Vehicle of the value exceeding or iron ore (applicable from July 1, 2012)	1%

Credit for Tax Collected at Source. Any amount collected and paid under Section 206C (3) to the credit of Central Government, shall be deemed to be a payment of tax on behalf of the person from whom the amount has been collected and credit shall be given to such person for the amount so collected in a particular assessment year in accordance with the rules as may be prescribed.

Issue of TCS Certificate. As per Sec. 206C (5), any person responsible for collecting the tax is required to issue a certificate of collection of tax at source in Form No. 27D to the buyer (or licensee or lessee) within a period of one month of the end of the month during which the amount is debited to the account of the buyer (or licensee or lessee) or the payment received from the buyer, as the case may be. However, where more than one certificate is required to be furnished to a buyer (or licensee or lessee) for tax collected at source in respect of the period ending on the 30th September and the 31st March in each financial year, the person collecting the tax, may on request from such buyer (or licensee or lessee), issue within one month from the end of such period, a consolidated certificate in Form No. 27D for tax collected during whole of such period.

Returns under TCS. Every person collecting tax in accordance with provisions of section 206C in respect of financial year, is required to furnish returns in the prescribed manner as detailed below (Figure 1.3) with the Income Tax Department. The returns ensure proper checks and balances on TCS collections and subsequent credit taken there of by the collectee / payee.

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Now Enter the Following Voucher Entries.

1. Dated as on 01-10-2021. Purchase Goods from Shrinath Pvt. Ltd. With IGST @5% Bill No. # Pur/Shrinath/001. Apply Job costing facilities.
 - a) Tendu Leaves 500 Kg @Rs.800.
Create a Godown - Jawahar Nagar Store under Delhi (Apply Job Costing).
2. Dated as on 01-10-2021. Purchase Goods from Shriram Pvt. Ltd. With IGST @18% Bill No. # Pur/Shriram/001. Apply Job costing facilities.
 - a) Timber 300 Kg @ Rs.750.
3. Dated as on 05-10-2021. Sold 90 Kg. Timber to Ramesh Timber Ltd. (Company Resident) Cost Rs.900 per Kg. (Apply Job Costing) with T.C.S (Timber obtain under forest Lease) From Jawahar Nagar Store Bill No. # Rt/Tcs/001.
4. Dated as on 10-10-2021. Sold 200 Kg. Tendu Leaves to Divya Pvt. Ltd. (Company Resident Cost 1000) with T.C.S (Tendu Leaves) from Jawahar Nagar store Bill No # Div/Tcs/001.
5. Dated as on 15-10-2021. Paid to Shrinath Pvt. Ltd. With 3% Discount as full settlement Through ICICI Chq no-963516.
6. Dated as on 15-10-2021. Paid to Shriram Pvt. Ltd. With 5% Discount as full settlement Through ICICI Chq no-963517.
7. Dated as on 20-10-2021. Amount received from Ramesh Timber Ltd. Against the (Bill no. Rt/Tcs/001) and deposited into ICICI Chq no.54382.
8. Dated as on 25-10-2021. Amount received from Divya Pvt. Ltd. against the Bill No. (Bill No Div/Tcs/001) except 5% of the Book value and deposited into Axis Bank A/c (Ch. No.111.).
9. Dated as on 26-10-2021. Sold 200kg Scrap To Deepak Pvt. Ltd. (Company Resident Cost 190) T.C.S (Scrap) From Jawahar Nagar Store Bill No # Deep/Tcs/002.
10. Dated as on 26-10-2021. Amount received from Deepak Pvt. Ltd. Against the (Bill No Deep/Tcs/002) and deposited into Axis Bank A/c (Ch. No. 754818).
11. Dated as on 01-11-2021. Paid T.C.S. to the Income Tax Department through Axis With Challan No. #281.Ch.No.3229778).
12. Export the TCS Report D: / Drive in Excel format with expert name without colour.

CHAPTER-16.

STATUTORY AND TAXATION.

In This Chapter.

- ❖ GST on Service.
- ❖ CGST.
- ❖ SGST.
- ❖ IGST.

Goods and Services Tax. A person/firm providing a service that comes under the GST category has to pay GST. GST is to be shown separately in the invoice and is payable based on the payment realized and not on the total amount shown in the invoice. Similarly, when you buy a service that falls under GST category, you avail GST credit based on the payment made. So, you pay GST on the services that you sell and get credit on the GST payable when you buy a service.

Adjusting Credit. While you pay GST on sale of services that come under the GST category, you can adjust service tax credit availed on purchase of services (buyer). This deduction is called adjusting credit against GST. The difference between the GST that you have to pay for selling services and the GST credit on purchases that can be adjusted is the payable GST. GST (sales) that is adjustable against GST credit (purchases) is also called availing input credit. Let us look at an example. Input service tax credit can be adjusted to both output GST and output cess (surcharge on tax). But input cess credit can be adjusted only towards output cess.

Assessable Value. GST is calculated on the assessable value. The assessable value is the service charge value minus abatement and expenses.

Abatement. The government has given a deduction on the value to be considered for GST on a few categories of services. For example, some categories of services include material value. A caterer has to procure materials to prepare food products and sell services. GST is charged on the total amount for the service and does not include the rate of the materials procured. Hence a deduction is provided. This deduction from the service charges to be considered for GST is called abatement. Abatement is either a percentage of the service charges or a lump sum value.

Expenses. Expenses can be deducted from the total service charge to get the taxable amount. E.g. a technical consultant might travel to different locations with respect to work. The invoice is prepared as 'consultancy' and the travel expenses are included in the total service charges. If supported by records, you can deduct the travel expenses are included in the total service charges.

If supported by records, you can deduct the travel expenses from the total service charge to derive the assessable value on which GST is applicable.

Features of GST in Tally. GST integrated in Tally takes care of your GST transactions. It eliminates error-prone information, incorrect remittance, penalties, interests, compliance issues, etc. GST in Tally needs a one-time configuration for GST features to be activated. Tally

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tracks bill-wise (bill-by-bill) detail and automatically calculates GST payable and input credit with the flexibility to make adjustments later. GST is part of a regular transaction. Information on GST is maintained and produced category-wise, which is mandatory in GST returns. Adjusts input credit towards GST payable. Accounts for abatement and expenses. Provision for exemption notification details. Built-in assessable value feature on which GST is calculated. Transfer earlier pending GST payable and available GST input credit in to Tally. Reports are generated as per government suggested format. Print and file. Reports: Management Information Services (MIS) reports: GST Payable Report and Input Credit Form.

Enable GST In Tally. Go to **Gateway of Tally > (F11) > Taxation: - Enable Goods and Services Tax GST (Yes).**

Company GST Details. The Company GST Details screen in where you will enter the GST details. The name of the company is displayed at the top followed by different fields.

Company GST Details. GST registration no. - enter the registration number allotted to you by the service-tax department.

Date of Registration. Enter the date of registration of GST for your service.

Assesse Code. Enter the code given to your company by in GST department.

Type of Organization. In this field select the type of your organization from the list of organizations menu. Major Service category name-here you will find options for different categories that come under the GST net. You might be providing two or more services in a company. In such a situation, select the service category that is the mainstay or forms the major part of your business.

Credit Adjustment (%). By default this field is set to 20. Enter the percentage of credit adjustment that you would like to avail.

Division. Code-enter the code of the division in which your company falls.

Name. Enter name of the division under which your company falls.

Range. Code-enter the code of the range of your company. Name-enter the name of the range under which your company falls.

Commissionerate. Code- this is the code of the commissionerate of GST under whose range the address of your registered premise falls.

Local Bank Details. Local bank code- the commissionerate of GST allots a code to banks nominated for payment of GST in a particular area. This code is available with the commissionerate of GST. Local bank name- this is the name of bank nominated by the commissionerate of GST to receive GST payments in a particular area. This information is available with the commissionerate of GST. Local bank address- enter the address of the branch of the focal bank.

GST Features in Tally Prime. Tally Prime simple yet powerful GST feature enables you to record transactions related to GST with ease. The GST functionality in Tally Prime has the following features.

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GST rates for Services	
Services	GST RATE
Sleeper, metro tickets and seasonal passes	NIL
Outsourcing (in industries such as gems and jewellery, textiles)	5%
Railways (AC)	5%
Restaurants with annual turnover less than Rs. 50 lakhs	5%
Cab aggregators like Ola, Uber	5%
Airlines (Economy class)	5%
Hotels with tariff Rs. 1,000 - 2,500	12%
Non-AC restaurants without liquor license	5%
Real estate (Work contracts)	12%
State run lotteries	12%
Airlines (Business class)	12%
Telecom, financial service	18%
Hotel room tariff Rs. 2,500 - 7,500	5%
Hotel room tariff above Rs.7,500	18%
AC restaurants with liquor license	5%
Movie tickets below Rs. 100	18%
Movie tickets above Rs. 100	28%
5 star hotels	28%
State authorized lotteries	28%
<p>A four tier GST tax structure as above has been proposed by the GST Council. Keeping zero or very low rates for essential food items which makes up the half of the consumer basket will ensure that there is no widespread inflation due to implementation of revised tax slabs under GST. At the same time, luxury goods and negative items would be taxed at a significantly higher rate so as to ensure revenue neutrality for central and state governments once the new GST tax rates are implemented.</p> <p>An additional concessional GST tax slab is likely to be implemented for gold and other precious metals that currently attract only 1% VAT.</p> <p>The proposed GST rates are likely to ease burden on common man as the rates are lower than existing tax on most mass consumption items. Finance Minister Mr. Arun Jaitley has expressed confidence that GST will not be inflationary.</p>	

Now Enter The Following Voucher Entries.

1. On 11-12-2021. Owner introduced Cash Rs. 200000 and SBI Bank A/C Rs.300000.

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2. On 12-12-2021. Company Purchase Advertisement Services from Naveen Industries worth Rs. 17000 with GST @ 5% Bill No. (Na/I/001). Company Next day paid the due amount in cash along with GST @ 5% against the Bill No. (Na/I/001).
3. On 13-12-2021. Company Provide the Maintenance Services to Ravinder Industries worth Rs. 30000 with GST @ 28% Bill No. (Ra/I/001) on 23-4-2021.
4. On 15-12-2021. Company Sale the Consultancy Services to Manoj & Company worth Rs.20000 with GST @ 28% Bill No. (Ma/Co/001) and deposited into SBI Bank A/C chq. No. – 551255.
5. On 16-12-2021. Company Received due amount from Ravinder Industries along with GST Bill No. (Ra/I/001) by Cheque (SBI) (724422) and same day deposit into SBI bank.
6. On 17-12-2021. Company purchase Wi-Fi Service from Navneet Industries Rs.30000 with GST 18% Bill No. (N/I/002). Company Next day paid the due amount in cash Along with GST 18% against the Bill No. (Na/I/002).
7. On 17-12-2021. Company send the Computer Cover & Curtains to Mohit Shop for dry cleaning. Mohit Shop send a bill worth Rs.2500 (Bill/M/01) with GST 18%. Next day, Company made the payment with GST through Cash.
8. On 18-12-2021. Company Booked 2 Air ticket (from Delhi to Mumbai) from Rinku Travelling Agent worth Rs. 6000. GST charged 5%. Bill no. (Rinku/02).
9. On 19-12-2021. Company made the payment along with GST to Rinku through ICICI bank. (Cheque no. - 682598). Bill no. (Rinku/02).
10. On 19-12-2021 Company received a telephone bill from B.S.N.L [Bill No. BSNL/01] worth Rs.5000 with GST 28%. Company next day paid the amount with GST against the [Bill No. : BSNL/01] through cash.
11. On 20-12-2021. Company purchase Transport Service from Neelam Industries Rs.40000 with GST 5% Bill No. (Nee/I/002). Company Next day paid the due amount in cash Along with GST 5% against the Bill No. (Nee/I/002).
12. On 20-12-2021. Company purchase Courier Service from Niraj Industries Rs.4000 with GST 18% Bill No. (Ni/I/002). Company Next day paid the due amount in cash Along with GST 18% against the Bill No. (Ni/I/002).
13. On 21-12-2021. Company Sale the Education Services to Mahesh & Company worth Rs.20000 with GST 28% Bill No. (Ma/Co/001) and deposited into SBI Bank A/C chq. No. – 551256.
14. On 21-12-2021. Company Sale the Health Care Services to Mukesh & Company worth Rs.25000 with GST 12% Bill No. (Mu/Co/001) and deposited into SBI Bank A/C chq. No. – 551256.

CHAPTER-17.

COMPONENT LIST DETILS STORAGE & CLASIFICATION.

In This Chapter.

❖ **BILL of Material (BOM).**

❖ **Production.**

Bill of Material (BOM). A bill of materials is a list of constituent items along with quantity details that can be allotted towards manufacturing a certain product, by-product or likewise. This facilitates immediate reduction in stock of the item automatically. This process of listing the items that make up another item is made possible in tally by enabling the bill of materials facility.

Enabling Bill of Materials. This is useful for manufacturing organizations and can be set up through (F12) configure. The bill of materials option now appears in the stock item creation screen only after entering a unit of measure in unit field. Go To **Gateway of Tally > F12: Configuration > Show More Configuration (Yes) > Set component list (Bill of Materials) in Stock Items (Yes)**. A bill of material should be available while manufacturing an item. This is done through a stock journal. It is advisable to create a new voucher type, say, manufacturing journal which is based on stock journal.

Stock Journal as Manufacturing Journal. Stock Journal vouchers have an options Use as a Manufacturing Journal, in the Voucher Type Creation screen which has to be set to (Yes). Go to **Gateway of Tally > Alter > Voucher Types > Stock Journal Voucher** from the Voucher Types. Set the option Use as a Manufacturing Journal to (Yes). When you use a Stock Journal as a Manufacturing Journal, the Stock Journal voucher entry screen will be modified to accept Name and Quantity of the product being manufactured, its list of components and additional costs of manufacture associated with it. for an end-product item, if you have specified a bill of material that contains the list of components, this list will be brought up automatically and filled in for the quantity of the end product.

Creating A Bill Of Material. Bill of material (BOM) is created only for those items that are being assembled in-house. For trading items, you do not need a BOM. Therefore, you need to specify a BOM at the time of creating a stock item or when altering its master. Let us create a new stock item television flatiron and specify its BOM. Go to **Gateway of tally > Create > Inventory Master > Stock items**. Some information like batches, alt. Units etc. Depend upon the company features, configuration and invoicing set-up. For details on fields other than set components (BOM) refer to the stock item creation section under inventory information. Set the option allow component list details (Bill of Materials) to (Yes) in (F12) configure.

Unit of Manufacture. Specify the appropriate number of the finished product items that will be made. While manufacturing and recording through stock/manufacturing journal, record the item in multiples of this unit of manufacture. The components are multiplied by the same factor automatically. You are allowed to alter the components to reflect actual consumption, if there is a change from BoM. Note: Under certain circumstances, it is better to give a larger unit of manufacture, for example, per 8 Pcs of Acer Laptop as raw material consumed for 1 piece of Acer Laptop is significant. Item, Godown (Location) and Quantity. Enter the component name and quantity. If there are multiples Godowns or Locations, specify the storage location for the item. Enter the options for all appropriate fields for the stock item and accept the screen.

Vinod Computer Institute Mehnagar Azamgarh UP.

Manufacturing Journal Entry. Go to **Gateway of Tally > Vouchers > Stock Journal or press (Alt +F7)**. If you are creating a new voucher type Manufacturing Journal, a pop-up menu is displayed with the options default stock journal and manufacturing journal.

Input Fields. Reference number. Enter a reference number, if required.

Name of Product. Enter the name of the stock item to be manufactured.

Location. Enter the location where the item is manufactured. This location will show the stock.

Quantity. Enter the quantity of the item to be manufactured.

Component (Consumption).The component list for manufacturing the product and the proportionate quantity of each component (based on the quantity specified for the product in bom) is produced. For each component, the default location is given as specified in the bom. The entire component list can be altered, components added or removed and locations amended. Note: any change made during this entry will not affect the original bill of material for this product. If you want to make permanent change to the bill of material, alter the stock item master information of the product.

Cost of Components. The base cost of the components are automatically added and displayed on the screen.

Effective Cost. This is the sum of the total cost of components and additional costs.

Effective Rate. Effective cost per unit of item/product produced.

Now Enter The Following Voucher Entries.

1. The following Raw materials are required to manufacture one piece of Acer Laptop (Group Electronic).

<u>Raw Materials.</u>	<u>Group.</u>	<u>Category.</u>	<u>Unit.</u>	<u>Godown.</u>
Led Screen.	Electronic.	Lg.	1. Pcs.	Noida Go Down.
Hard Disk.	Electronic.	Intex.	1. Pcs.	Noida Go Down.
Rom.	Electronic.	Samsung.	1. Pcs.	Noida Go Down.
DVD Writer.	Electronic.	Sony.	1. Pcs.	Noida Go Down.
Mother Board.	Electronic.	Giga Byte.	1. Pcs.	Noida Go Down.

2. Purchase the following items from Mamta Electronic with GST @ 18% on 02-11-2021 and Stored into Noida Godown (Bill No. Mamta/E/001).

<u>Items.</u>	<u>Qty.</u>	<u>Amount.</u>
Led Screen.	9. Pcs.	5500.
Hard Disk.	9. Pcs.	8000.
Rom.	9. Pcs.	5000.
DVD Writer.	9. Pcs.	4500.
Mother Board.	9. Pcs.	17000.

3. On 10-11-2021. Produce 8 Pcs Acer Laptop and store to Noida Godown. Additional Cost:- Labour charges Rs.700 per pcs Laptop, Power Rs.2000, and Carriage-Rs.2000,

Vinod Computer Institute Mehnagar Azamgarh UP.

Manufacturing Prepare a Manufacturing Voucher Type under stock journal. (Ref No, #L/T/001) [Batch no-Lt/E/018] Expiry Date- 01-04-2021].

Note. Make all payment entries for Additional cost from cash.

4. On 10-11-2021 Salary Rs.18000 paid to Mr. Gulshan Sharma by cash after deducting for :-
P.F @12%.
Basic. 50%.
D.A. 30%.
H.R.A. 10%.
T.A. 10%.
5. Company paid to Manju & Co. Rs. 40000 against the Bill No. (Ma/C002) through ICICI Bank cheque (Ch. No -220564) on date 17-11-2021. Deposited cash Rs. 8000 with Reliance for security purpose on 20-11-2021.
6. On 20-11-2021. Company found that the transaction made with Pooja & Co. was actually Made for Aman & Sons Co. (New ref. # AM/Pur/001).
7. On 22-11-2021. Company charges interest to Vikash Saini for Delay payment according Interest slab (5% p.m.) from 17-07-2021 to 22-11-2021 (New ref.#Ins/Vi/001).
8. On 23-11-2021. Vikash Saini clears all the dues, which deposited into Axis Bank Ch. No #863520.
9. On 25-11-2021. Company is supposed to clear the dues of Mr. Pankaj Pvt. Ltd. but Pankaj Pvt. Ltd. (Body of Individual) charged Rs.800 as interest, for delay payment [Bill no. # Int/001] and Company accept the same. Company clear all due next day through Axis Bank A/c (Ch. No. 421271).
10. Sold 5 Pcs Acer Laptop to Samsung Company at Rs.32000 with GST @18% (Bill No Sam/Com/001) on 28/11/2021 from Noida Godown.

Additional Question.

11. Make a sale Invoice above in your firm and take a print out.
Print Title : Tax Invoice.
Party Name : Samsung Computer.
Address : Nehru Place N-50 delhi-110041.
GSTIN : 07AAAAAZ1R12345.
And show the buyer and seller tin no.
12. Set The Company Logo In Sale Invoice And Print.
13. Export All Sale Voucher Entry with Columnner Register.

CHAPTER-18.

GENERAL BUDGETS AND SCENARIO MANAGEMENT.

In This Chapter.

- ❖ Currencies.
- ❖ Rates Of Exchange.
- ❖ Selling Rate – Specified Rate.
- ❖ Buying Rate – Specified Rate.
- ❖ Budgets.
- ❖ Creating Budgets.
- ❖ For Group Budgets.
- ❖ For Ledger Budget.

Currencies. Many organizations have transactions in more than one currency. Such transactions have to be recorded either in the base (home) currency or in the foreign currency. If the transactions are recorded in home currency, the rate at which the foreign currency is exchanged should be recorded as well. At times you need to record the transaction in the foreign currency itself when you maintain the balance of the concerned account in foreign currency. Tally uses the term base currency for the currency in which your account books are kept. Foreign exchange is used interchangeably with foreign currency. The base currency is specified while creating the company. Tally makes it easy to manage multiple currencies, automatic calculations of exchange rates, automatic conversion of any currency used to record a transaction to the currency of the account, etc. The balance sheet and profit & loss account of the company is maintained in the base currency. Conversion of foreign currency account balances is done as per rules set by you.

Enabling Currency in Tally. Enable multi-currency feature to view and enter transactions in multiple currencies. Go to gateway of tally. Go to **Gateway of Tally > Create > Accounting Master > Currency.** to display the company operations alteration screen. Set allow multi-currency? To (Yes) accept to save. Multi-currency feature is now enabled.

Currencies Menu. View the currencies menu from Go to **Gateway of Tally > Create > Accounting Master > Currency.**

Creating A Currency. Use ASCII special characters with [Alt] key combination if our keyboard does not have the symbol. Utilities like character map (start>all programs>accessories>system tools) in windows shows the key combination for most symbols. This might be different on some notebook computers, refer to the computer's user manual or the vendor. You cannot assign a duplicate currency symbol for a company in tally. The key combinations for a few currency symbols are given below. **Alt + 156 – pound sterling - £, Alt + 0165 – Japanese yen - ¥, Alt + 0128 – euro - €**, Use the dollar and the Rs. Symbol from the keyboard. To create a foreign currency. Go to **Gateway of Tally > Create > Accounting Master > Currency.** Enter the currency symbol in symbol. This symbol appears in your reports wherever applicable. Enter the name of the currency in formal name.

Alter Currency. You can modify or delete a currency master using the alter option. Rate of Exchange can also be altered from here. To alter a currency master. Go to **Gateway of Tally > Alter > Accounting Master > Currency**. Select a currency from the currencies list (displayed if there is more than 1 Currency). In the currency alteration screen alter details as required. For details see creating a currency master.

Deleting A Currency. To delete a currency. Go to **Gateway of Tally > Alter > Accounting Master > Currency**. Select a currency from the currencies list (displayed if there is more than 1 Currency). Press (**Alt + D**) in the currency alteration screen to delete. Note: you cannot delete a currency that has been used in a voucher transaction.

Rates Of Exchange. Rate of exchange is a feature wherein you can enter the rate of foreign currency for a specific date. Foreign exchange variations occur every day with different selling and buying rates. Rate of exchange helps you apply the rate for the given date in your transactions. To open Rates of Exchange: Go to **Gateway of Tally > Create > Accounting Master > Rates of Exchange**. The Multi-Currency Alteration screen is displayed. Enter the date for which the exchange rate is applicable. Enter the Standard Rate (optional) which is used to calculate variances from the actual transaction rates. Enter the Setting Rate (your setting rate). Enter the Buying Rate (your buying rate). Accept to Save. Note: Last Voucher Rate is displayed if any voucher has been entered earlier.

Selling Rate – Specified Rate. Selling rate is your selling rate (as opposed to bank's selling rate) used for receipt voucher entry where you receive foreign exchange. This is the rate obtained from the daily newspaper or your banker. If you input this rate before any transaction entry, while entering a foreign transaction, this rate will be brought up by default. (You can still change the actual rate). The actual rate at which the currency was last used is displayed and cannot be changed the specified rate is used for calculating foreign exchange variances only in case there is no standard rate.

Buying Rate – Specified Rate. Buying Rate is your buying rate (as opposed to bank's buying rate) used in payment vouchers. The actual rate at which the currency was last used is displayed and cannot be changed. The specified rate is used for calculating foreign exchange variances only in case there is no standard rate. Note: Tally calculates Gain Loss in foreign exchange transactions automatically using the standard rates, specified rates and actual transaction rates.

Budgets. Budgeting helps a company to keep a track of how much money it has, where its money is going and allocate those funds at any point in time. A proper budgeting system enables a business to keep a track of its expenditures and use its funds effectively. Hence, business owners can compare revenues and expenses with ease, and more importantly, make better future investments. Taking care of the budgeting process is no longer a challenging task with Tally Prime powerful and intuitive budgeting feature. It allows users to create multiple budgets as per their requirements and include these figures in a financial statement. Now, users can compare the actual and budgeted figures along with variance just from one screen. To enable budgets in Tally Prime : Go to Gateway of Tally > (F11). Features (accounting features). Set 'maintain budgets and controls' to (Yes).

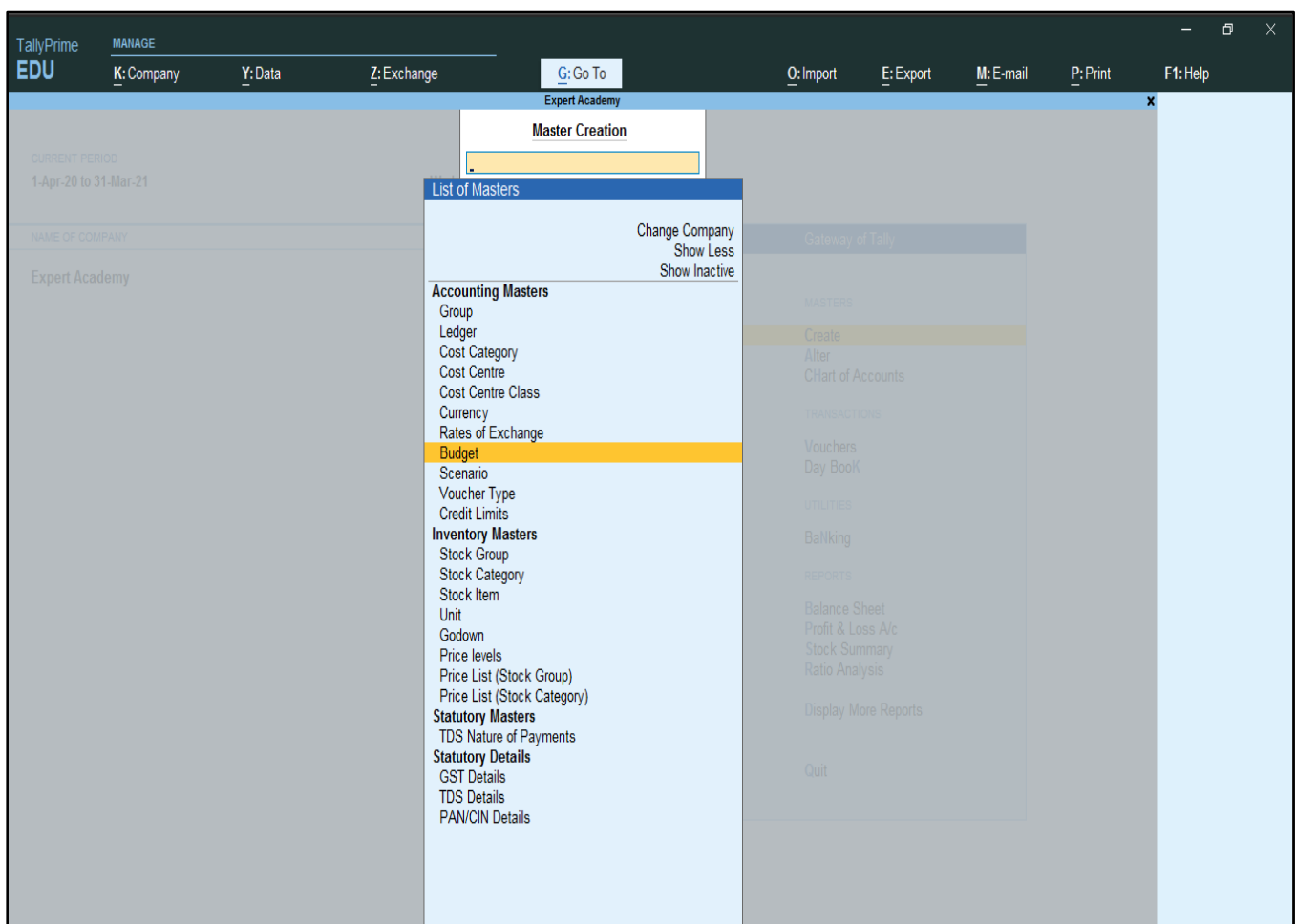
Creating Budgets. Budgets can be created for an individual ledger account, groups of ledger accounts and cost centres or for all of them. For example, we can create budgets for traveling,

Vinod Computer Institute Mehnagar Azamgarh UP.

advertisement, operations etc. To create budgets: Go to **Gateway of Tally > Create > Show More > Accounting Master > Budget** name in 'name'. Select 'primary' in 'under' specify the 'period of budget' in (From) and (To).

For Group Budgets. Set (Yes) under 'group' in 'set/ alter budgets of' > press 'enter' in 'group budgets' screen, select the required group in 'account name'. Select the appropriate 'type of budget'. Enter budget 'amount'. Accept the screen. Note: 'on closing balance' option is used to compare the closing balances of the accounts with the budgets in the final statements. 'On net transactions' is used to monitor the transaction amounts (not the balances) for a specified period. Budgets can be made for a person, a family, a group of people, a business, a government, a country, a multinational organization or just about anything else that makes and spends money.

For Ledger Budget. Just as we have created the group ledger, ledger budget can be created as shown. A budget ledger refers to a completely separate set of transactions that are used to hold another set of values, for example budget values or commitment values. You can define several different budget ledgers for a business unit, depending on the number of budgets you want to maintain.



Vinod Computer Institute Mehnagar Azamgarh UP.

Now Enter The Following Voucher Entries.

1. Create Currency (GO TO) > Accounts Info > Currencies > Create (£). (Alt+156).
Put the Values/Rate of Exchange for the new Currency (Go to Accounts Info > Currencies > Alter).

Standard.

01-12-2021 Rs.89/£.
02-12-2021 Rs.87/£.

Selling.

01-12-2021 Rs.90/£.
02-12-2021 Rs.88/£.

Buying.

01-12-2021 Rs.89/£.
02-12-2021 Rs.86/£.

2. On 01-12-2021, 10 Book Purchased @900 from Vipin Book house stored at Delhi Go-down And Same Day Company paid due through ICICI Bank. (Bill no. # Vi/001), Ch. no-677888.
3. Make a Sundry Debtor, Mr. Joseph having Currency of Ledger as Rs.
4. Make another Ledger, Foreign Bank under Bank Accounts having currency of Ledger as £.
5. Make a sales Invoice on 01-12-2021, Invoice No. Sale/foreign/01, Party A/c Name: Mr. Joseph, Sale Ledger: Sale Accounts (Exempt).

Name of Item.

Book.

Quantity.

6.

Rate.

£20.

Per.

Pcs.

Amount.

£120(rs.5040).

Rate in Forex.

£20.00/Pcs.

Rate of Exchange.

@£1/Rs.90.

Rate in Rs.

Rs.1800.00/Pcs.

6. Check Balance Sheet on 01-12-2021 (Go To) Balance Sheet.
7. Received £120 from Joseph on 02-12-2021 (Go To) > Accounting Voucher) [Foreign Bank Ch. No 464629].
8. Check Balance Sheet against as on 02-12-2021 and do the necessary entries to write of the Balance of Unadjusted Gain/Loss from the Balance Sheet.
9. Create a ledger "Office Expense" and set the budget for the month of 1-4-2021 to 31-3-21 of Rs. 50000 on the type of budget "On Closing Balance" named by "Office Budget".
10. On 10-12-2021. Paid Rs. 5000 for Office Expense through cash.

See The Report & Check The Budget Variance.

CHAPTER-19.

ADDITIONAL FUNCTION IN TALLY.

In This Chapter.

❖ P.O.S. Invoice.

P.O.S. Invoice-[Point Of Sale Invoice]. POS is an acronym for point of sale could means a retail shop a checkout counter in a shop or any other location where a sale transaction takes place .the various pos. Equipment used in retail outlets are cash register card readers and bar-code scanner. It is a computerized cash register which add the sales total computer state sale tax no. GST calculate the change from money tendered and automatically adjustment the store's inventory to debit the amount of inventory sold.

The Advantages of A Point Of Sale. It helps to calculate sales and manage the cash drawer. It manages inventory and facilitates the barcode scanner operations. It offers a flexible and simpler way of querying your inventory and sales database. It helps you track product movement and the cost to push certain brands over others. It tracks and records the date and time of every sale made at your point of sale.

Features of Point of Sale. Generates POS Invoice with date and time of the transaction. Generates POS related reports such as Cash Registers, Sales Registers and Inventory reports Ensures management of gift cards, vouchers, admissions, discounts and so on. Allows multiple mode of payment for a single invoice. Eases Cash and Credit/Debit transactions and tracks balances to be tendered to buyers. Provides quantified tracking of sales and promotions. Allows for real time updating of inventory and the option of quickly matching inventory with floor counts. Helps in identifying consumer-purchasing patterns. Facilitates bar-code scanning of Stock Keeping Units (SKU's) or items. Ensures multi-level security control of cash and Inventory. Increases efficiency and productivity at the point of sale.

Creating POS Voucher Type with Voucher Class. To create a POS invoice voucher type with voucher class, you may create a new POS invoice voucher type or alter an existing sales voucher type with use for POS invoicing option set to (Yes). To create POS voucher type with voucher class, Go to Gateway of Tally > Accounts Info > Voucher Type > Create tab down to name of class field and specify the name of the voucher class. The payments against POS Invoices are generally made by way of Cash, Gift Vouchers, and Cheques/Drafts or through Credit/Debit Cards. To account for receipt of payments from customers by different modes, set the required option to (Yes) and select the required ledger in the respective fields.

1. Set (Yes) in Gift Vouchers field to enable the option during POS Invoice Entry and select The Gift Vouchers under Ledger Name field (if does not exist, create using (Alt+C). The Gift Vouchers ledger should be created under Sundry Debtors group).
2. Set (Yes) in Credit/Debit Card Payment field to enable the option during POS Invoice Entry And select the required Bank Ledger under Ledger Name field.
3. Set (Yes) in Cheque/DD field to enable the option during POS Invoice Entry and select the Required Bank Ledger under Ledger Name field.

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4. Set (Yes) in Cash field to enable the option during POS Invoice Entry and select the required Cash Account under Ledger Name field.
5. **Note:** For Gift Vouchers, the ledgers should be created under Sundry Debtors Group. For Credit/Debit Cards, the respective Bank Ledger should be created under Bank account or Bank OD/OCC. For Payment through Cheque/DD, the respective Bank Ledger should be created under the group Bank Accounts or Bank OD/OCC. For Cash, the Ledger should be under group Cash-in-Hand.

Creating a POS Voucher Type without Voucher Class. To enable POS invoicing in Tally Prime. Create a POS invoice voucher type. You may also alter an existing sales voucher type for this feature to be enabled. Go To **Gateway of Tally > Create > Accounting Master > Voucher Type.**

Creating a POS Voucher Type without Voucher Class. To enable POS Invoicing in Tally Prime. Create a POS Invoice Voucher Type. You may also alter an existing Sales voucher type for this feature to be enabled. Go to **Gateway of Tally > Create > Accounting Master > Voucher Type.**

Name. Enter the name of the Voucher type (for e.g.: POS Invoice).

Type of Voucher. Select the type of Voucher as Sales from the predefined Voucher Types.

Abbreviation. By default, Sales text will appear in the abbreviation field. However, you can enter the abbreviation as per your requirements.

Used for POS Invoicing. On selecting the Sales voucher type from the list, Used for POS Invoicing? Option appears, set this option to (Yes).

Print Message 1 and Print Message 2. These two additional fields for messages appear on enabling the above POS feature, which can be used for custom messages viz., *Thank You* or *Visit Again* and so on as per your requirements. The same will be printed at the bottom of the POS invoice.

Default Print Title. You can specify the printing title of the POS Invoice and the same will be printed in the Invoice.

Note. Once Use POS for invoicing option is set to (Yes) in voucher type, you will not be entitled to set this field to No, if you have passed any POS Invoice. 2. To know about advanced configurations refer detailed information on Use Advance Configuration usage.

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Now Enter The Following Voucher Entries.

- Company create a Voucher with Name- POS Invoice, and allow only Cash, Bank set the following points.
Gift voucher. Not applicable.
Debit/Credit Card Payments. SBI Credit Card.
Cheque No. SBI Bank.
Cash. Cash.
And Set the Cash Discount@ (-5%).
- Company sales to customer Mr. Premchand the details are: - Radio 5 pcs@Rs.5000 with cash discount@-5% from Noida Godown. Customer will pay Rs 9000 from Credit card (no-7785 8789 7854 9857), Rs. 5000 from Chq of SBI bank no785458 and rest of amount cash. Pass the P.O.S Entry in above voucher on 18.10.2021.
- Company Sold goods to Customer Mr. Sahil the details are.

<u>Item.</u>	<u>Qty.</u>	<u>Rs.</u>	<u>Cash Discount.</u>
Nokia.	5pcs.	12000.	-5%.

On 25-12-2021. Customer paid the amount. 20000 by credit card (no-7858 4587 8965 1254). 30000 by cheque of SBI bank no-456587. Rest of amount paid by cash.
- On 26-12-2021. Company sold goods to Customer Mr. Rishi the details are. 5pcs radio @rs.8000 with cash discount @-5% Customer Paid through credit card (no-7858 4587 8246 1254) 20000, Bank-10000 (ch.no.124586), balance paid by cash.
- On 26-12-2021. Company sold goods to Customer Mr. Rohan the details are. 5pcs mouse @rs.500 with cash discount @-5% customer paid through Credit card (no-78584587 8246 1254) 1000, Bank-1000 (ch.no.124586), Balance paid by cash.
- Company Sales 3pcs [Printer@Rs.4000](#) with cash discount -5% to Mr. Nitesh on 27-12-2021, Customer Paid the Full Amount in cash.
- Company Sales 5pcs [Moniter@Rs.10000](#) with cash discount -5% to Mr. Ram on 27-12-2021, Customer Paid the Full Amount in cash.
- Company Sales 4pcs [Mouse@Rs.400](#) with cash discount -5% to Mr. Shyam on 27-12-2021, Customer Paid the Full Amount in cash.
- Company Sales 6pcs [Keyboard@Rs.500](#) with cash discount -5% to Mr. Rahul on 27-12-2021, Customer Paid the Full Amount in cash.
- See POS Report and export to excel format without colour in D\drive pos.xls.
- See the print preview of POS Registers entry wise.

CHAPTER-20.

ADDITIONAL STATUTORY & TAXATION.

In this chapter.

❖ Composition GST.

GST Composition Scheme. Composition Scheme is a simple and easy scheme under GST for taxpayers. Small taxpayers can get rid of tedious GST formalities and pay GST at a fixed rate of turnover. This scheme can be opted by any taxpayer whose turnover is less than Rs. 1.5 crore*.

Who can opt for Composition Scheme? A taxpayer whose turnover is below Rs 1.5 crore* can opt for Composition Scheme. In case of North-Eastern states and Himachal Pradesh, the limit is now Rs 75* lakh. Turnover of all businesses registered with the same PAN should be taken into consideration to calculate turnover.

Who cannot opt for Composition Scheme? The following people cannot opt for the scheme:

1. Taxpayer supplying exempt supplies.
2. Supplier of services other than restaurant related services
3. Manufacturer of ice cream, pan masala, or tobacco
4. Casual taxable person or a non-resident taxable person
5. Businesses which supply goods through an e-commerce operator

What are the conditions for availing Composition Scheme? The following [conditions](#) must be satisfied in order to opt for composition scheme:

1. No Input Tax Credit can be claimed by a dealer opting for composition scheme
2. The taxpayer cannot make any inter-state supply of goods.
3. The dealer cannot supply GST exempted goods
4. Taxpayer has to pay tax at normal rates for transactions under Reverse Charge Mechanism
5. If a taxable person has different segments of businesses (such as textile, electronic Accessories, groceries, etc.) under the same PAN, they must register all such businesses under the scheme collectively or opt out of the scheme.
6. The taxpayer has to mention the words ‘composition taxable person’ on every notice or Signboard displayed prominently at their place of business.
7. The taxpayer has to mention the words ‘composition taxable person’ on every bill of Supply issued by him.
8. Those supplying goods can provide services of up to Rs. 5 lakh,

How Should A Composition Dealer Raise Bill? A composition dealer cannot issue tax invoice. This is because a composition dealer cannot charge tax from their customers. They need to pay tax out of their own pocket. Hence, the dealer has to issue a [Bill of Supply](#). The dealer should also mention “composition taxable person, not eligible to collect tax on supplies” at the top of the Bill of Supply.

What are the GST rates for a composition dealer? Following chart explains the rate of tax on turnover applicable for composition dealers.

Composition Scheme - Applicable GST Rates			
Type of Business	CGST	SGST	Total
Manufacturer and Traders (Goods)	0.5%	0.5%	1.0%
Restaurants not serving alcohol	2.5%	2.5%	5.0%
Other service Providers*	3.0%	3.0%	6.0%

How Should GST Payment Be Made By A Composition Dealer? The GST payment to be made by a composition dealer comprises of the following:

1. GST on supplies made.
2. Tax on reverse charge
3. Tax on purchase from unregistered dealer.

What Are The Returns To Be Filed By A Composition Dealer? A dealer is required to file a quarterly return [CMP-08](#) by 18th of the month after the end of the quarter. Also, an annual return GSTR-9A has to be filed by 31st December of next financial year. Also, note that a dealer registered under composition scheme is not required to maintain detailed records.

What are the advantages of Composition Scheme? The following are the [advantages](#) of registering under composition scheme:

1. Lesser compliance (returns, maintaining books of record, issuance of invoices)
2. Limited tax liability
3. High liquidity as taxes are at a lower rate

What Are The Disadvantages Of Composition Scheme? Let us now see the [disadvantages](#) of registering under GST composition scheme:

1. A limited territory of business. The dealer is barred from carrying out inter-state. Transactions.
2. No Input Tax Credit available to composition dealers.
3. The taxpayer will not be eligible to supply exempt goods or goods through an e-commerce Portal.

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Now enter the following voucher entries.

1. Company Purchase 20 Pcs Video game @ Rs.900 from Ajay & Co. with GST@28% Bill No. (Aj/Com/001) on 01-01-2021. [Noida Godown].
2. Company sales 12 pcs of Video game @Rs.800 to Vikrant & Co. On 02-01-2021 Bill No. (Vik/001) [Noida Godown].
3. On 03-01-2021. Company received all the dues from Vikrant & co. against the Bill No (Rao/001) by cash.
4. Company sales 10 pcs of Keyboard @Rs.500 to Kartika & Co. On 03-01-2021 Bill No. (Kar/001) [Noida Godown].
5. On 04-01-2021. Company received all the dues from Kartika & Co. against the Bill No. (Kar/001) by cash.
6. Company sales 10 pcs of Mouse @Rs.400 to Kiran & Co. On 03-01-2021 Bill No. (Kar/001) [Noida Godown].
7. On 04-01-2021. Company received all the dues from Kiran & Co. against the Bill No. (Kar/001) by cash.
8. Company sales 5 pcs of Sony Led @Rs.17000 to Kajal & Co. On 04-01-2021 Bill No. (Kaj/001) [Noida Godown].
9. On 10-01-2021. Company received all the dues from Kajal & Co. against the Bill No. (Kaj/001) by cash.
10. 12-01-2021. Company paid all the dues to Ajay & Co. against the Bill No. (A/Com/001) by cash.
11. Check the composition GST@1% report and pass the necessary entry.

Set Credit Limits for Party Rs.10000.

10. Company sale 1 pcs of Laptop@32000 to Ravi & Co. from [Grugram Godown] Bill No. Sale/Ri/001 Date on 13-01-2021, and see the credit limit effect.

Set Credit Limits for Party Rs.20000.

11. Company sale 1 pcs of Computer@28000 to Ashok & Co. from [Grugram Godown] Bill No. Sale/as/002 date on 14-01-2021, and see the credit limit effect.

Check the bank reconciliation statement and put the bank date due according to faculty information.

CHAPTER-21.

ADVANCE SECURITY IN TALLY FEATURE.

In This Chapter.

Advance Security and Other Feature.

1. From security control create User and password for the Company:-“Reena” with Password “Reena”.
2. From security controls create Data Operator: - Lima, with Passwords “Lima”.
3. Allows following Facility to Data Operators to view Balance Sheet, Day Books, Create Account Masters, Alter Ledger.
4. Close the company and Open a Company by Lima user, and Pass the following Entry- Depreciation Charged on Building 9000 on 02.01.2021. Close the Lima User. And the Company Owner Open an Original Company and see the entry entered by the Lima user. [By the help of Tally Audit Feature].
5. Carry forward the Company to the next year 01-04-2021 to 31-03-2021.
6. Export the Day book from 01-04-2021 to 31-03-2021 in “D” drive with “HTML” format.
7. Export the Balance Sheet into Excel and Word format in D:\Drive with expert name.
8. Before year ending take a Backup of your Company into D:\ drive with your name.
9. Remove the Company and Restore it from Same Drive.
10. Create Group of the company (Group Name-Manoj).
11. How to Split Company Data.
12. How to change Tally Vault Password.
13. Write a Reminder letter to all debtors for their due amount.
14. Set Checked / verified initials for Vouchers in the time of Printing. And see the effect in the Time of print of any Voucher.

Display Reports. Tally’s Display of information is designed to allow a user get the maximum benefit of the data that is entered. A user gets a holistic picture of the data and is also able to present information using different options. The purpose of compiling data is present it in comprehensible accounting reports. On entering the vouchers, Tally uses the same data and provides you with the management control reports in addition to all books and statements. The display screens of Tally are dynamic and interactive. They are not spooled print files but are specially designed for the screen. Whatever you see on the screen can be printed as well depending upon your printer’s capabilities. To view the Display Menu. Go to Gateway of Tally> Display the following screen displays.

Display Balance Sheet. The Balance Sheet is a report on the status of the financial affairs of a company at a given date. To view Balance Sheet: Go to **Gateway of Tally > Balance Sheet.**

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Press F12: Configuration and set the required parameters to display the Balance Sheet according to your preferences. Note: Balance Sheet gets updated instantly with every transaction voucher that is entered and saved.

Horizontal Form of Balance Sheet. The balance sheet screen is displayed in the horizontal form. See it in a vertical form by activating show vertical balance sheet to yes in (F12) configuration. Extract information from the balance sheet using options available in the button bar. Select (F1) detailed/condensed to explode the summarized information. Change the date of the balance sheet using (F2) period. Add up new columns and. Display a balance sheet for a different date to compare with current one. Display the balance sheet in a different currency. Display budget figures and analyse the variances or see the effect of different stock valuations on the balance sheet.

Effect on Balance Sheet and Profit & Loss Account. Integrate accounts with inventory in (F11) features has a significant effect on the balance sheet and profit & loss account. If accounts with inventory is set to yes in f11: features, it has stock/inventory balance figures are updated from the inventory records, which in turn enables you to drill down to the stock registers from the balance sheet. If the option accounts with inventory is set to no in f11: features, the inventory books figures are ignored and closing stock balances are entered manually. Note: stock records often contain compensating errors caused by wrong allocation to items. This feature of tally enables the finalization of financial books without waiting for reconciliation of stock that might take time.

Display Profit & Loss Account. The Profit and Loss Account shows the operational results over a given period. It lists out the Incomes and Expenditures based on the Primary Groups of Tally and the Profit & Loss Account in Tally is updated instantly with every transaction voucher that is entered and saved. To view the Profit & Loss Account. Go to Gateway of Tally > Profit & Loss Account. Note: The Profit & Loss Account is displayed according to the configuration set up for it in F12: Configure.

Account statements for Non-Trading Organizations. For Non-Trading accounts (e.g. Accounts of Charitable Organizations), the Trading and Profit & Loss Statement are inappropriate. In such cases, you may use Income & Expenditure Account by setting Income/Expense STMT instead of P&L to Yes in F11: Features. The Income & Expenditure Statement displays as shown.

Display Trial Balance. Trial Balance is a report of all account balance for the company sorted by groups, i.e., it is displayed in a grouped form, comprising main groups and their closing balances. You can see that the debit and credit balance match. In Tally, the matching of the Trial Balance is a foregone conclusion since all voucher entries are in Debit – Credit format and must balance at the entry point. To view the Trial Balance. Go to **Gateway of Tally > Display More Reports > Trial Balance** Note: As per accounting principles, the Trial Balance does not list Closing Stock.

Day Book. To view Day Book. Go to **Gateway of Tally > Display More Reports > Daybook.** The Day Book lists all transactions made over a particular day and by default displays the last voucher entry date of a regular voucher. It could also be set up to list all the transactions made

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over a period. Press F2: Period on the button bar or press the keys (Alt+F2). All the transactions include all financial vouchers, reversing and memorandum journals as well as inventory vouchers.

Accounts. The objective of having books and registers in Tally is to pile up similar entries into a single entity so that they are meaningful, e.g., all cash entries in the Cash Book, all sales entries in the Sales Day Book (called Sales Register). The Tally transaction flow a part from the subsidiary books, entries are also filed under each Voucher Type. Therefore, there will be as many registers as there are voucher types.

Journals, Day Book and Registers. Journal, sales register, purchase register, debit note register, credit note register, payment register, receipts register, etc. Are the different kinds of registers? There are three ways to view various types of registers. From the display menu. By changing the type of voucher from within a register. From the statistics page. Consider the sales register which includes most of the options.

Sales Register (Sales Day Book). Go to **Gateway of Tally > Display More Reports > Account books > Sales Register**. The following screen displays. By default, all registers display Monthly Summary with transactions and closing balances. For Balance Sheet Accounts, opening balance is displayed at the top of the screen. Select a month and press Enter to see the Sales Voucher Register. A list of all sales vouchers pertaining to the month you selected displays. You can use the options in the button bar to change the display according to your preferences. You can change the period of the report as well as the depth of information. Use (F12) Configure to see the report with some or all of the following information, namely Narrations, Bill-wise details, Cost Centre details and Inventory details.

Stock Item. The screen will be displays as follows. If you want to view the details for any particular month you have to place the cursor on the month and drill down.

Cash and Funds Flow. Cash management is essential for any business. Many companies, as they go into liquidation, continue to make profits because of insolvency. Business shut down because of lack of cash despite being profitable. Cash and fund flow statements aid in cash management and are an important component of the management accounts.

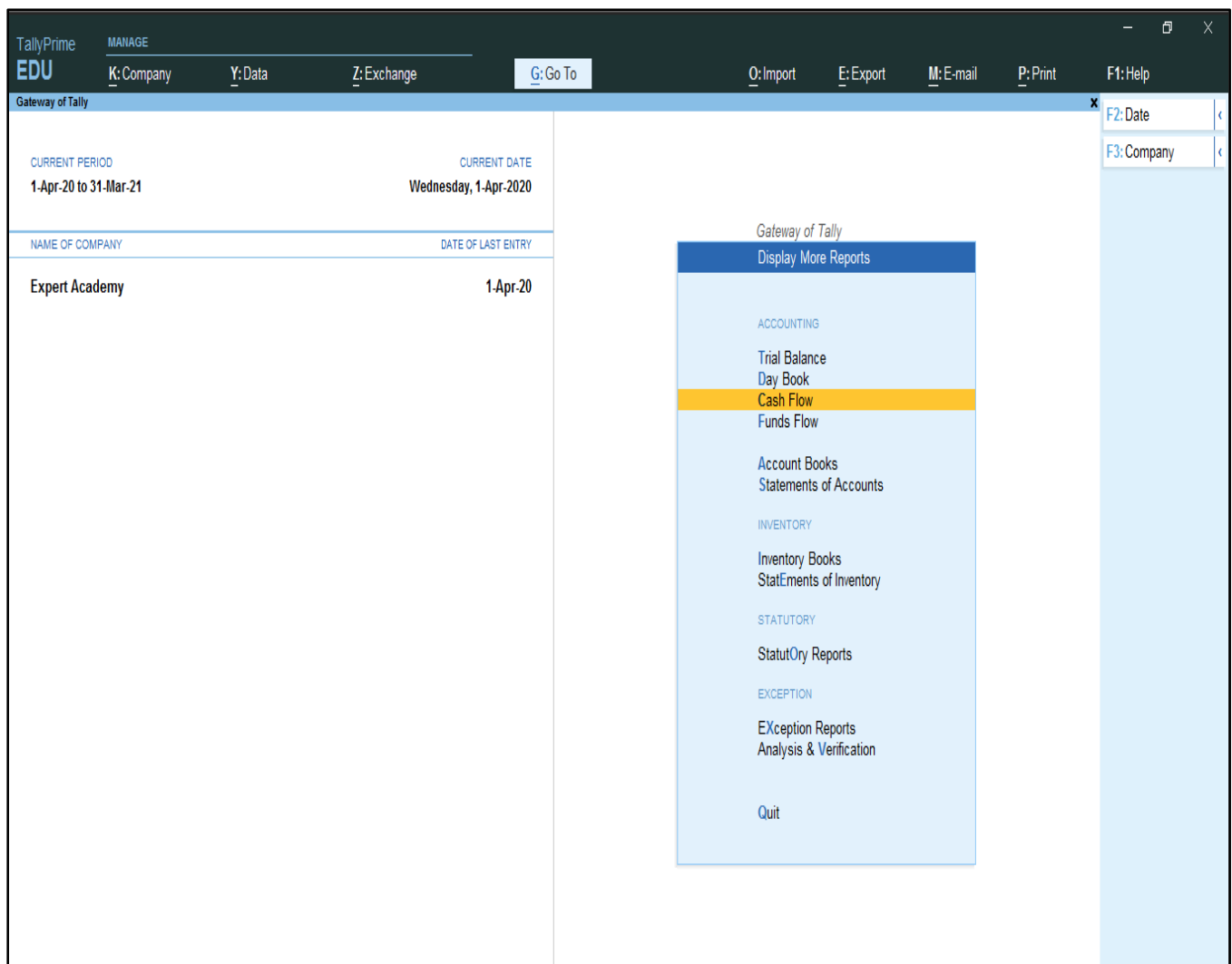
Cash Flow. Cash flow statement is a chronological account of the movement of cash in and out of the business and includes all cash transactions made with banks also. When used with banks also. When used with the balance sheet and profit & loss account, the cash flow statement helps to assess the reasons for the differences between net income and net cash flow as well as the effect of cash/non-cash investing and financing transactions. To access the cash flow: Go to **Gateway of Tally > Display More Reports > Cash Flow**. A monthly cash flow summary that shows the cash movement – inflow and outflow for each month and the net flow displays. Select a month and press enter to drill down. Select the button (Alt+F1) detailed form the button bar to see the cash flow for that month.

Funds Flow. While Cash Flow Statement is concerned only with cash, Funds Flow takes into account, the movement of the entire working capital. It includes rise and fall in inventories, creditors and debtors apart from cash and bank. The statement reveals the Sources of Funds and how they were applied. To access the Funds Flow. Go to **Gateway of Tally > Display More Reports > Funds Flow**. A monthly funds flow summary with the movement of working

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capital for each month displays. It shows the opening and closing balances of each month with a column for funds flow. Select a month and press enter to drill down. Select (Alt+F1) detailed to see the funds flow for the selected month. The bottom of the screen displays the movement in working capital. You can drill down any line for further detail.

Printing Reports. Reports and documents generated through tally's extensive display capabilities can also be printed. Printing is possible in two ways: Using the print (Alt + P) button and. Multi account printing. Using the print (Alt + P) button. You can choose to print directly from the screen currently displayed by selecting the button print (top-most button on the right-hand side of the screen). This brings up the print configuration screen for the report and new button options on the right-hand side of the screen. You can change and alter the settings in the print configuration screen. Printer – Click Alt + S (Select Printer) to change printer settings. This also displays the default paper size that you have set for the printer. No. of Copies- Click Alt + C (Copies) to specify the number of copies to be printed. Print Language – Set Enable Multilingual Support to (Yes) in F12: Configure and click Alt + L (Print Language) to print in the language of your choice.



CHAPTER-22.

INVOICING & RATIO ANALYSIS PRINTING.

In This Chapter.

1. See the detailed statement of Account of the following parties.
Mr. Premchand.
Mr. Sahil.
2. Take a printout of the following. Balance Sheet (detailed) & Profit and Loss account (Detailed). Trial balance (detailed) & List of sundry creditors and sundry debtor.
3. Make a Sales Invoice in your firm and take printout.
Print Title. Retail Invoice
Party Name. Mr. Nitesh.
Address. S-52, Shivram Park Nangloi, Delhi-110085
Bill No... Sab/C/00.
4. Analyses your stock through Age Analysis option.
Group. Time Period.
Electronics. Stock before 3 months.
5. Analyses your Debtors through Age Analysis option.
Group. Time Period.
Sundry Debtors. 20 Days.
Sundry Creditors. 35 Days.
6. See Stock Query reports of following items. Nokia Mobile, D.V.D Laptop.
7. Take Print out of all Ledger existing in the Company from 01-4-2021 to 31-3-2021 in one Time.
8. See the Printing Configuration and Gateway of Tally Configuration in Tally.
9. See the Cash Flow Statement and Funds Flow Statement and Show average details with graph [Configuration].
10. And Use Cheque printing in the time of Payment by Bank, discuss Cheque printing Option With Your Faculty. And Made A Cheque.

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ASSIGNMENT SET- (3).

1. On 1-09-2021. Mr. Ranjeet Sharma (Body of Individual) charged Rent Rs.200000 Company Paid to Ranjeet Sharma after deducting TDS through SBI Bank A/c (Bill No. #rent/tds/001) (Ch. No. 590492).
2. On 5-09-2021. Vikrant & Co. (Body of Individual) charged Rs. 500000 for Account training Companies make payment after deducting TDS amount through PNB (bill no. Vik/tds/001) (Ch. No. 690390).
3. On 10-09-2021. Mr. Suraj Verma (body of individual) H/W Eng. of Company Submitted a Bill worth Rs. 50000 (rah/tds/001) for Computer Repairing. Company deducted TDS on Technical services and made the payment to Mr. Suraj Verma through HDFC (Ch. No. 490401).
4. On 12-09-2021. LIC Agent Mr. Mohit Chopra (body of individual) charged Rs.35000 for Insurance commission. (Bill no. #Ro/Tds/001) (Ch.no. 590392).
5. On 12-09-2021. Company made payment to Mr. Mohit Chopra through SBI Bank after Deducting TDS on Insurance commission (Ch. No. 590392).
6. Dated as on 13-09-2021. Sold 100 Kg Timber to Rupesh Timber Ltd. (Company Resident) Cost Rs.500 per kg. (Apply Job Costing) with TCS (Timber Obtain under Forest Lease) from Lajpat Nagar store (Bill No. #Rt/Tcs/001).
7. Dated as on 10-10-2021. Sold 180kg Tendu Leaves to Radha Pvt. Ltd. (Company Resident) Cost 1800 TCS (Tendu Leaves) from Lajpat Nagar store (Bill No. #Ra/Tcs/001).
8. Dated as on 25-10-2021. Amount received from Rupesh Timber Ltd. against the bill no. (rt/tcs/001) and deposited into ICICI (Ch. No.54384).
9. Dated as on 25-10-2021. Amount received from Radha Pvt. Ltd. against the Bill no (Ra/Tcs/001) into Axis Bank A/c (Ch. No. 754812).
10. On 26-10-2021. Company received bill worth Rs.70000 (#Vijay/Tds/001) from Vijay Advertisement Agency (Company Resident) for one month advertisement.
11. Company made the payment to Vijay Advertisement Agency through ICICI Bank deducting TDS on 27-10-2021. (Ch. No. 490594).
12. The following raw materials are required to manufacture one piece of Sony Laptop (group Electronic). Go to inventory info (stock item create).

<u>Raw Materials.</u>	<u>Group.</u>	<u>Category.</u>	<u>Unit.</u>	<u>Godown.</u>
Led Screen.	Electronic.	LG.	1pcs.	Delhi Godown.
Hard Disk.	Electronic.	Intex.	1pcs.	Delhi Godown.
Rom.	Electronic.	Samsung.	1pcs.	Delhi Godown.
DVD Writer.	Electronic.	Sony.	1pcs.	Delhi Godown.
Mother Board.	Electronic.	Gigabyte.	1pcs.	Delhi Godown.

10. Purchase The Following Items From Pooja Electronic With GST @ 18% On 02-11-2021 And Stored Into Delhi Go Down (Bill No. Po/E/001).

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<u>Items.</u>	<u>Qty.</u>	<u>Amount.</u>
Led Screen.	9pcs.	5500.
Hard Disk.	9pcs.	8000.
Rom.	9pcs.	5000.
DVD Writer.	9pcs.	4500.
Mother Board.	9pcs.	18000.

11. On 10-11-2021 Produce 8pcs Sony Laptop And Store To Delhi Go Down. Additional Cost: - Labour Charges Rs.800 per Pcs Laptop, Power Rs.2000 and Carriage-Rs.4000 and Prepare A Manufacturing Voucher Type under Stock Journal. (Ref No, #L/T/001) [Batch No- LT/E/014] Expiry Date- 01-04-2021]

Note. Make All Payment Entries For Additional Cost From Cash.

12. On 10-11-2021 Salary Rs 10500 Paid To MR. Pankaj Sharma By Cash After Deducting 5% For T.D.S.
- | | |
|--------|------|
| Basic. | 60%. |
| D.A. | 10%. |
| H.R.A. | 10%. |
| T.A. | 10%. |
| C.A. | 10%. |
13. On 11-11-2021. Company booked 2 Air ticket (from Delhi to Mumbai) from Rinki Travelling Agent worth Rs. 6000. GST charged 5%. Bill no. (Rinki/02).
14. On 01-12-2021. Company made the payment along with GST to Rinki through ICICI bank. (Cheque no. - 682598). Bill no. (Rinki/02).
15. On 02-12-2021 Company received a telephone bill from B.S.N.L [Bill No. BSNL/01] worth Rs.2500 with GST 28%. Company next day paid the amount with GST against the [Bill No. : BSNL/01] through cash.
16. Company create a voucher with name - POS Invoice, and allow only Cash, Bank set the Following points:-
- | | |
|------------------------------|------------------|
| Gift Voucher- | Not Applicable. |
| Debit/Credit Card Payments - | SBI Credit Card. |
| Cheque No- | SBI Bank. |
| Cash- | Cash. |
- And Set The Cash Discount@-5%.
17. Company sales to customer Mr. Prem the details are: - Radio 5Pcs @Rs.8000 with cash discount @-5% from Delhi Godown. Customer will pay Rs 10000 from credit card (no- 7785 8789 7854 9857), Rs. 20000 from chq of SBI Bank no-785458 and rest of amount cash. Pass The POS Entry in above voucher on 03-12-2021.

PART. (III)

TALLY

PAYROLL

&

LABOUR LAW

CHAPTER-23.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ Create Simple Unit.
- ❖ Create Compound Unit.
- ❖ Attendance & Production Type.

Introduction To Tally Payroll. Tally payroll is integrated with accounting to give the user the benefits of simplified payroll processing and accounting. Tally payroll enables users to set up and implement salary structures, ranging from simple to complex, as per the organization's requirements. Yes can also align and automate payroll processes and directly integrate them with main stream accounting applications. Payroll data can be viewed as part of the existing and configurable cost centre reports for business analysis. Tally payroll also supports configurable formats for payslip printing; flexible salary/wages, attendance, leave and overtime registers; gratuity and expat reports.

Features of Tally Payroll. In keeping also supports configurable formats for payslip printing; salary/wages. Attendance, leave and overtime registers; gratuity and expat requirements of small to large business enterprises. It allows seamless integration with tally accounts. There are no disconnects between payroll and accounts. It offers employee groups – unlimited classification and sub-classification of employees. I offer pay structures-ease of conformity, faster entry and flexibility of non-dependence. It offers pay components- user –definable earnings, deductions and others. It offers a unique auto-manual payroll processing facility. It is independent of processing period restrictions. It offers employee groups, pay structures and pay components. It offers a unique auto-manual payroll processing facility. It allows arrears calculation. It computes salary based on attendance, time, and unit of production. Tally payroll helps in tracking of loans and advances. It provides calculation of gratuity. It allows you to drill down from any summary report to detailed levels, and till the origination transaction, for a particular pay component value. It provides configurable report formats. You can also process payroll using the multilingual feature in tally. To enable payroll in tally. Go To **Gateway of Tally > F11 > Payroll > Maintain Payroll (Yes) > Enable Payroll Statutory (Yes).** if you wish to process payroll for multi group of Employees.

Units (Work). A unit in tally payroll is similar to the unit of measure in tally's inventory module. In payroll, units are used to facilitate calculation of a pay head value based on production, which in turn would be linked to units such as time, work or quantity. Go To **Gateway of Tally > Create > Payroll Master > Units (Work).**

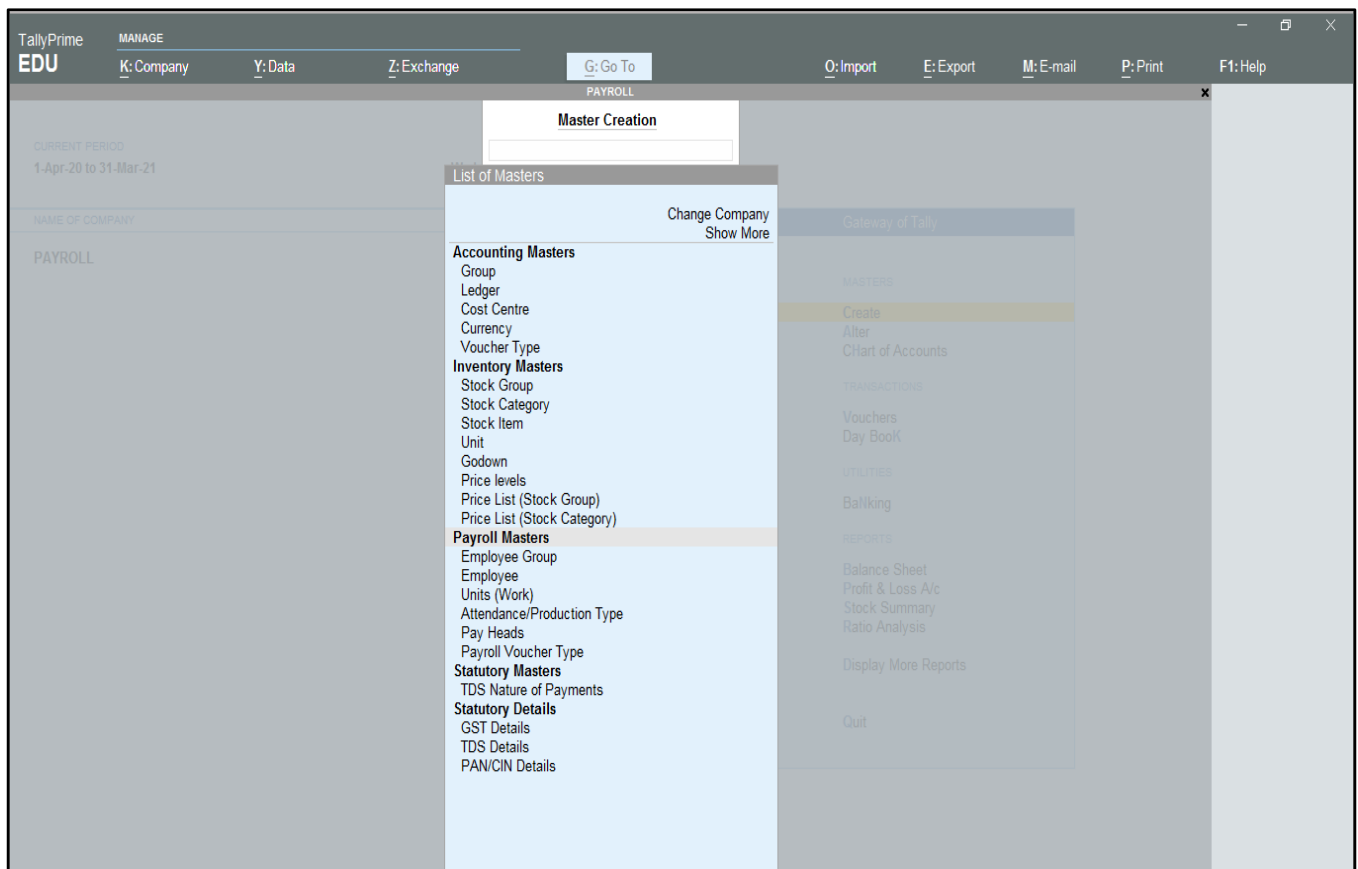
Creating Units (Work). In the units creating screen, select the type of unit from the list. Select the symbol from the list. A simple unit in tally is a single independent unit and has no relationship with other units, while a compound unit refers to two simple units having an arithmetical relationship and is not a distinct unite. In the case of overtime, whose value is computed based on overtime hours put in by an employee, you would need to define (HR) - hours and (MIN) - minutes as simple units and (HR) of 60 min as a compound unit and set this unit in overtime pay head.

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Attendance/Production Type. The attendance / production type is used to record the attendance and production data. Bases on the component (pay head) structure, you can define multiple attendance / production types. Examples for attendance / production types are no. Of days “Present” or conversely, no. Of days “Absent” and production based such as hours worked, number of pieces produced. Attendance/production type is associated with the pay head in employee’s pay structure. The variable data is entered in the attendance voucher for the payroll period. Attendance/production type may also be defined in hierarchical groups whereby types having a common unit are combined under logical groups. The attendance/production type may be attendance/leave with pay, leave without pay (if salary is to be paid based on number of days attended) paid leave, unpaid leave, absent and production type which can be based on piece production, overtime hours, and so on.

Creating An Attendance/Production Type Creating. An attendance/production type for attendance/leave with pay. Go To **Gateway of Tally > Create > Payroll Master > Attendance/Production Types.** Enter the Name of the Attendance Type. Select Primary from the list for the field under. Select Attendance/Leave with Pay as the Attendance Type. The Period Type appears automatically. Accept to save the Attendance type. Similarly, you can create an unpaid Leave grouped under Leave without Pay.

Creating An Attendance/Production Type For Production. Go To **Gateway of Tally > Create > Payroll Master > Attendance/Production Types.** Enter the name of the attendance type. Select primary from the list for the field under. Select production as the attendance type. The unit field will appear, select the appropriate type of unit from the list. Accept to save the attendance type. Similarly, you can create box production attendance type.

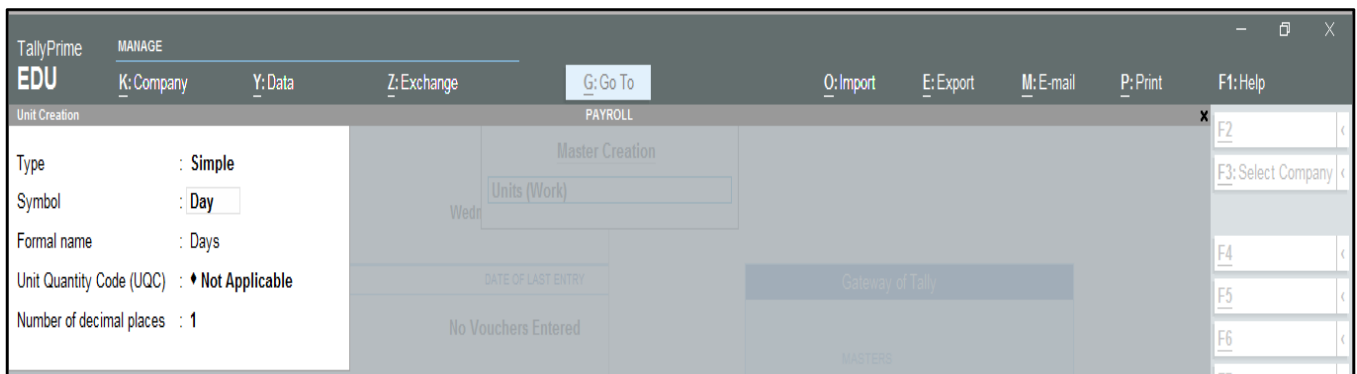


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1. Create A Company “Expert Academy Pvt. Ltd” [Your Name] With the Following Details.

Directory.	C:\Users\Public\Tally Prime\Data	Mobile No.	8574698575
Name.	Expert Academy Pvt. Ltd.	Fax No.	
Mailing Name.	Expert Academy Pvt. Ltd.	E-Mail Address.	expertacademy@gmail.com
Address.	I/81 Shivram Park Nangloi New Delhi.	Financial Year From.	01-04-2021.
Country.	India.	Books Beginning From.	01-04-2021.
State.	Delhi.	Tally Vault Password.	<Blank>
Pincode.	110041.	Security Control.	No.
Phone No.	856998.		

2. Create Six Units (Gateway of Tally > Create > Payroll Master > Units (Work)).



<u>Type.</u>	<u>Simple.</u>
Symbol.	Day.
Formal Name.	Days.
Number Of Decimal Place.	1.

<u>Type.</u>	<u>Simple.</u>
Symbol.	Mth.
Formal Name.	Month.
Number Of Decimal Place.	1.

<u>Type.</u>	<u>Simple.</u>
Symbol.	Hr.
Formal Name.	Hour.
Number Of Decimal Place.	2.

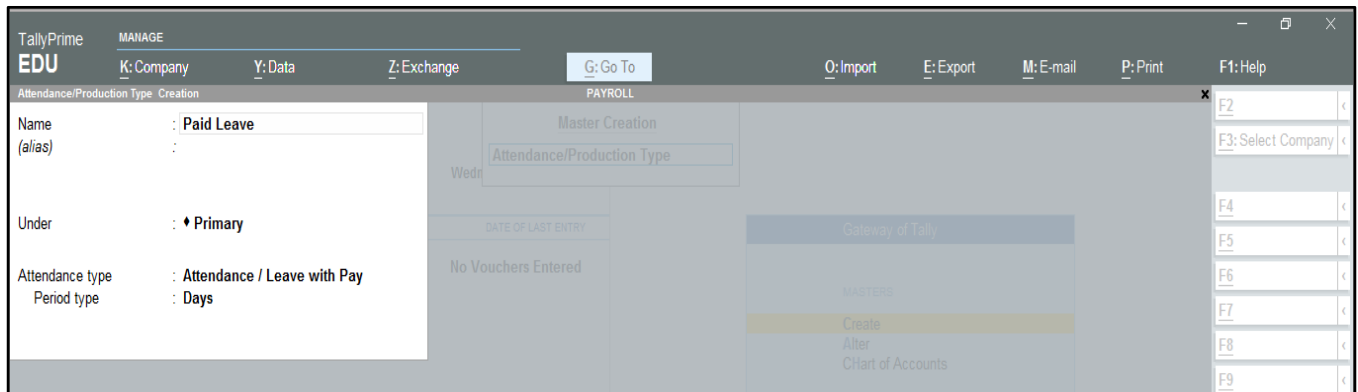
<u>Type.</u>	<u>Simple.</u>
Symbol.	Min.
Formal Name.	Minute.
Number Of Decimal Place.	2.

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<u>Type.</u>		<u>Compound.</u>
First Unit.	Conversion.	Second Units.
Month.	Of 30.	Days.

<u>Type.</u>		<u>Compound.</u>
First Unit.	Conversion.	Second Units.
Hour.	Of 60.	Minute.

3. Create Six Attendance / Production Types. (**Gateway of Tally > Create > Payroll Master > Attendance/Production Types**).



<u>Name.</u>	<u>Paid Leave.</u>
Under.	Primary.
Units.	Day (With Paid Salary).

<u>Name.</u>	<u>Casual Leave.</u>
Under.	Paid Leave.
Units.	Day (With Paid Salary).

<u>Name.</u>	<u>Sick Leave.</u>
Under.	Paid Leave.
Units.	Day (With Paid Salary).

<u>Name.</u>	<u>Earning Leave.</u>
Under.	Paid Leave.
Units.	Day (With Paid Salary).

<u>Name.</u>	<u>Absent.</u>
Under.	Primary.
Units.	Day (Without Paid Salary).

<u>Name.</u>	<u>Over Time.</u>
Under.	Primary.
Units.	Hour (Production).

<u>Name.</u>	<u>Present.</u>
Under.	Primary.
Units.	Day (With Paid Salary).

CHAPTER-24.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ Create a Categories.
- ❖ Create an Employee Groups.
- ❖ Create an Employee Details.
- ❖ Create a Pay Heads Details.
- ❖ Create a Salary Details.
- ❖ Create a Voucher Types.
- ❖ Create DA And HRA.
- ❖ Give The Attendance.



Employee Groups. Tally allows you to set up default (common) information for employees. An employee group allows you to group employees in a logical manner. The salary structure can be defined at the employee group level. Referring to this group as a template and changing accordingly will ease building all your employee records on it. For example, by department or function such as production, sale, administration and so on, or by designation such as managers, supervisors, workers and so on.

Creating An Employees Group. To create sales as an employee group. Go to **Gateway of Tally > Create > Payroll Master > Employee Groups.** Enter the name of the employee group.

Employee. The employee creation screen allows you to enter basic setup information that applies to the employees. Enter general information, payment details and passport & visa details.

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Creating An Employee. Creating single employee. To create an employee under the employee group, sales: Go to **Gateway of Tally > Create > Payroll Master > Employee.** “Enter the name of the employee; select the employee group in the field under, enter the date of joining, the employee general information, payment details, and passport & visa details and accept to save.

Creating Multiple Employees. You can create multiple employees in this mode. Go to **Gateway of Tally > Create > Payroll Master > Employee.**

Pay Heads. The salary components constituting pay structures are called pay heads. A pay head may be an earning, which is paid to an employee, or a deduction, which is recovered from his/her salary. The value of these pay heads could be either fixed or variable, for each payroll period.

Pay Head Type. A pay head is categorized as allowances, deductions or reimbursements. In tally payroll, pay head types are provided in a natural language for ease of use, as follows:

1. Earning for employees.
2. Deduction from employees.
3. Employer’s statutory deductions.
4. Employer’s statutory contribution.
5. Gratuity.
6. Loans and advances.
7. Reimbursement to employees.

Calculation Types. The calculation of the pay head is bases on its calculation type. Tally payroll allows following calculation methods. Note: the formula defined in calculation type will be used for computation only while using payroll auto fill functionality in the payroll voucher, and not in manual entry mode of payroll voucher. The following computational models are supported in calculation types.

As Flat Rate. As flat rate is a calculation where the value of the payroll head is a fixed amount for a period Pro-rated. In tally the attendance can be of payable days (present) or loss of pay (absent) type.

On Production. On production calculation type is used to calculate the production incentive type of pay head. The production date can be entered in attendance voucher against a production type.

As Computed Value. As computed value is used if the pay head value is based on a dependent component. You will be able to define the dependent component by specifying the formula or using the current sub- total or current earning or deduction total. You can also define the slab either by percentage to value or the combination in a slab. Example: HRA as 40% of basic salary.

As User Defined Value. As user defined value allows you to manually enter the value at the time of processing the salary. This calculation type is useful for pay heads that have variable values and are not related to any attendance/production data.

Creating An Earning Pay Head. To create an earning pay head, basic salary, under indirect expenses: Go to **Gateway of Tally > Create > Payroll Master > Pay Heads.**

Vinod Computer Institute Mehnagar Azamgarh UP.

1. Enter the name of the earning pay head.
2. Select earning for employees as the pay head type from the list of pay head Types.
3. Select the respective pay head group earnings from the list for the field under.
4. Select yes from the list if you want the pay head to affect the net salary.
5. The pay head name entered in the name field will appear in this field. You can change the same, if required. The name entered in this field will appear on the payslip.
6. Select flat rate from the list of calculation types.
7. Select the calculation period type from the list.
8. Based on the calculation period type, you can select and enter the details for per day Calculation basis.
9. Select the rounding method from the list if applicable.
10. Accept to save the pay head. Similarly, you can create earning pay heads for Hra, Conveyance and so on...

Creating A Deduction Pay Head. To create a Deduction Pay Head, Professional Tax under Employees' Statutory. Deductions: Go to **Gateway of Tally > Create > Payroll Master > Pay Heads.**

1. Enter the name of the deduction pay head.
2. Select the pay head type from the list of pay head types.
3. Select the group from the list of groups.
4. Select yes from the list if you want the pay head to affect the net salary.
5. The pay head name entered in the name field will appear in this field. You can change the same, if required. The name entered in this field will appear on the payslip.
6. Select the calculation type from the list of calculation.
7. On selecting the calculation type to 'as computed value, a new field calculation period appears which will be set to months automatically.
8. Select on current earnings total from the list to be computed on.
9. Specify the slab rate.
10. Select the rounding method from the list if applicable.
11. Accept to save the pay head.

Note. Similarly, you can create a deduction pay head for provident fund and so on note: if you are using any pay head component having calculation type as computed value and compute: on current earning total, while defining salary detail, the sequence of the component has to be selected accordingly.

Salary Details. Salary details is used to define a pay structure to an employee or to an employee group to speed up the entry of individual employee's pay structure. Select the basic pay heads that applies most for your employees and create as an employee group. However, it is not compulsory for all employees to have the same compensation structures as of the employee group. If required, a pay head element or its value may be added, deleted or altered at individual employee level. Note: if the slab rate is not defined in the pay head then you will get the full value.

Vinod Computer Institute Mehnagar Azamgarh UP.

Creating Salary Details For An Employee. To create salary details for an employee. Go to **Gateway of Tally > Create > Payroll Master > Employee > Define Salary Details.** Select the employee from the list of employees/group.

1. Enter the Effective from date.
2. In the Pay Head field, the Start Type list displays two option namely, copy From Parent Value and Start Afresh.
3. If you select Copy from Parent Value, the Salary Details defined for the Employee Group to which the Employee belongs will appear in the screen.

Note. If the Pay-Head details are available in the parent group then you will get Copy from parent Value, else you will get only Start Afresh.

4. If you select Start Afresh, you have to select the Pay Heads from the List of Pay Heads and enter the User Defined rates if required.

Voucher Types In Tally Payroll. Tally payroll provides you with payroll, attendance and payment voucher types. You may define a template called voucher class in order to automate and control usage of ledger accounts and computed values to be posted. It is a powerful and configurable option that enables you to define the rules of voucher entry for a particular voucher type. It also helps in speeding up the process and minimizes data entry for posting a voucher. However, creating a voucher class is not mandatory.

Payroll Vouchers. In addition to the existing voucher types in accounting and inventory module, two new voucher types attendance and payroll are enabled when payroll feature is activated in F11: features. Go to **Gateway of Tally > Create > Payroll Master > Payroll Voucher Type.** Attendance voucher is used to record employees' attendance / production data for the attendance / production types creates in payroll masters. Such data may be entered as a single attendance voucher per payroll period or multiple vouchers as and when required within a payroll period. While generating the payroll voucher, tally automatically picks up required data, based on the period selected and computes the corresponding value of pay heads, which are linked to such attendance / production types. Payroll voucher is a document to manually enter one-time/ad-hoc payroll transactions for individual employees; as well as payroll processing activity for all or selected employees, using auto fill functionality.

Payroll Buttons. If maintain payroll option is set to yes in F11; features, the payroll buttons will appear along with accounts and inventory buttons in voucher creation screen on the button bar.

Attendance Vouchers. Attendance voucher allows you to enter attendance, overtime, leave or production details. You can enter separate vouchers for each day or a single voucher for a given pay period, say a month, with aggregated values. You can also enter data for one or more or all employees. Similarly, one or more attendance types together in a single voucher.

Attendance Voucher Entry – Manual Entry. Go To **Gateway of Tally > Voucher > Other Vouchers (F10) > Payroll Vouchers > Attendance.**

1. Click F2: Date to change the date.
2. Select the Employee from the List of Employees.
3. Select the Attendance/Production Type from the List.

Vinod Computer Institute Mehnagar Azamgarh UP.

4. Enter the Value.
5. Select End of List from the List of Employees.
6. Accept to save the voucher.

Attendance Voucher Entry – Auto Fill. In the attendance voucher, you can use the A: Payroll Auto Fill button to speed up data entry process. Auto Fill enables the user to fill all employees of a selected Cost Category (if more than one Cost Category is enabled) and/or a selected employee group and enter value data for selected type of Attendance/Production Type for these employees. Go to **Gateway of Tally > Voucher > Other Vouchers (F10) > Payroll Vouchers > Attendance.**

1. Click F2: Date to enter the date.
2. Click A: Attendance Auto Fill.
3. In the Attendance Auto Fill screen, select the Cost Category, if applicable.
4. Select the Employee/Group from the List of Group/Employees.
5. Select the Attendance/Production Type from the list.
6. Enter the Value against the Employee name.

Note. Days with Loss of Pay (LOP) are treated as a Deductible with respect to an Earning Pay Head type and as a Payable with respect to a deduction component. For Example: An LOP is deducted from Basic salary which is an Earning Pay Head. However, with respect to a Deduction Component such as canteen expenses, it is treated as a payable.

Payroll Voucher. Payroll voucher is used to record employees' payroll related transactions. This voucher may be used in two ways – manual entry and automated entry.

Payroll Voucher Entry – Manual Salary. To create a payroll voucher manually, Go to **Gateway of Tally > Vouchers > Payroll Voucher (Ctrl+F4).**

1. Change the Voucher date.
2. Select Salary Payroll from the List of Ledger Accounts.
3. Select the Employee from the List of Employees in the field Particular.
4. Select the Pay Heads and enter the appropriate values.
5. Select End of List and accept the voucher.

Payroll Voucher – Auto Fill. To create a Payroll Voucher using the button Alt + A: Payroll Auto Fill, Go to **Gateway of Tally > Vouchers > Payroll Voucher (Ctrl+F4) > Auto Fill (Ctrl+F).**

1. Select the Ledger Account (Cash/Bank/Salary Payable) from the list.
2. Click A: Payroll Auto Fill.
3. Enter the from and to date in the Employee Filter Screen.
4. Select the Employee/Group from the List of Group/Employees.
5. Enter the User defined values if required.
6. Accept to save the voucher.

CHAPTER-25.

In This Chapter.

- ❖ Create Basic Salary.
- ❖ Create DA, HRA.
- ❖ Give The Attendance.

Create An Employee With Following Details.

Category ----- Corporate Office, Under Primary.

Name.	Miss. Supriya Singh [Emp. Code-SS/001].
Father`s Name	Mr. Raman Singh
Mother`s Name	Mrs. Geeta Singh
Employee Number	EX001
Designation.	Stock Manager.
Function.	Stock Maintenance.
Location	Delhi
Gender	Female
Date Of Birth.	1/4/1990.
Date Of Joining.	1/4/2021.
Address	Shiv Ram Park, Nangloi New Delhi-41
Phone No.	9876543210
Email Id	supriya@gmail.com
PAN No.	ASD123456FG
Aadhaar No.	9632 5874 0123
P.F Account No.	7894561.
E.S.I Account No.	217487.
Blood Group.	O Positive.
Bank Name.	ICICI Bank.
Bank A/c Number.	2336111789450576.
Basic Salary.	Rs.1000 Per Day.
DA.	2% For Basic Pay.
HRA.	8% For Basic Pay.

Now Enter The Following Entries.

1. Give attendance to be employee 26 days.
2. Create a voucher type “Tally Payroll” Under Payroll and create a voucher class “monthly Salary” (Select Main Ledger “ICICI” Under Bank A/C)
3. Go to Payroll Voucher, select Payroll Voucher and select Class Monthly Salary under Voucher types “Tally Payroll” (**Ctrl+F4**).
4. Select the employee Miss Supriya Singh (**Ctrl+F**) - Pass the Salary Entry for the month of April.

CHAPTER-26.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ **Create Basic Salary.**
- ❖ **Create DA.**
- ❖ **Create HRA.**
- ❖ **Create TA.**
- ❖ **Create ESI.**
- ❖ **Create PF.**
- ❖ **Create TDS.**
- ❖ **Give The Attendance.**

Create An Employee With Following Details.

Category ----- Corporate Office, Under Primary.

Name.	Mr. Ankit Saini [Emp. Code-AS/ 002].
Designation.	Stock Manager.
Function.	Stock Maintenance.
Date Of Birth.	1/4/1995.
Date Of Joining.	1/4/2021.
Basic Salary.	Rs.1200/-Per Day.
DA.	3% For Basic Pay.
HRA.	8% For Basic Pay.
T.A.	Rs.3200+DA For Basic Pay.
C.A	Rs.1600 P.M.
E.S.I (Deductions Form Employee).	1.75%.
P.F (Deductions Form Employee).	12%.
T.D.S	5%.

Now Enter The Following Entries.

1. Give attendance to the employee 26 days month of May 2021.
2. On 01-05-2021. Calculate Salary of Mr. Ankit Saini for month of May 2021 and paid salary Through ICICI Bank A/c.
3. Go to Payroll Voucher, select Payroll Voucher and select Class Monthly Salary under Voucher types "Tally Payroll" (**Ctrl+F4**).
4. Select the employee Mr. Ankit Saini (**Ctrl+F**) - Pass the Salary Entry for the month of May.

CHAPTER-27.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ **Create Basic Salary.**
- ❖ **Create DA**
- ❖ **Create HRA**
- ❖ **Create TA**
- ❖ **Create TDS**
- ❖ **Create CEA**
- ❖ **Give The Attendance.**

Create An Employee With Following Details.

Category ----- Corporate Office, Under Primary.

Name.	Mr. Vivek Kumar [Emp. Code-VK/003]
Designation.	Account Manager.
Function.	Account Maintenance.
Date Of Birth.	1/4/1996.
Date Of Joining.	1/4/2021.
Basic Salary. (Earning For Employee)	Rs.1700 /-Per Day.
DA. (Earning For Employee).	3% For Basic Pay.
HRA. (Earning For Employee).	8% For Basic Pay.
TA. (Earning For Employee).	Rs.3200+DA For Basic Pay.
T.D.S. (Deductions Form Employee).	5% For Basic Pay.
E.S.I. (Deductions Form Employee).	1.75%.
P.F. (Deductions Form Employee).	12%.
C.E.A.	Rs.2250 Per Two Child.
E.S.I. (Employer Statutory Contribution).	4.75%.
P.F. (Employer Statutory Contribution).	12%.

Now Enter The Following Entries.

1. Give attendance to the employee 22 days month of June 2021.
2. On 01-06-2021. Calculate Salary of Mr. Vivek Kumar for month of June 2021 and paid Salary through “ICICI” Bank A/c.
3. Go to Payroll Voucher, select Payroll Voucher and select Class Monthly Salary under Voucher types “Tally Payroll”
4. Select the employee Mr. Vivek Kumar - Pass the Salary Entry for the month of June.

CHAPTER-28.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ **Create Basic Salary.**
- ❖ **Create DA**
- ❖ **Create HRA**
- ❖ **Create TA**
- ❖ **Create TDS**
- ❖ **Give The Attendance.**

Create An Employee With Following Details.

Category ----- Sale Department, Under Primary.

Name.	Miss Shivani Pal [Emp. Code-SP/004]
Designation.	Account Manager.
Function.	Account Maintenance.
Date Of Birth.	1/4/1986.
Date Of Joining.	1/4/2021.
P.F Account No.	253636.
E.S.I Account No.	542578.
Bank Name.	“ICICI”
Bank Account No.	789456.
Passport No.	4561223.
Basic Salary-(Earning For Employee)	Rs.1300 /-Per Day.
DA. (Earning For Employee).	2% For Basic Pay.
HRA. (Earning For Employee).	8% For Basic Pay.
T.D.S (Deduction from Employee).	5% For Basic Pay.
P.F (Deduction from Employee).	12% For Basic Pay + DA.

Now Enter The Following Entries.

1. Give attendance to the employee 25 days month of July 2021.
2. On 01-07-2021. Calculate Salary of Miss Shivani Pal for month of July 2021 and paid Salary through “ICICI” Bank A/c.
3. Go to Payroll Voucher, select Payroll Voucher and select Class Monthly Salary under Voucher types “Tally Payroll”
4. Select the employee Miss Shivani Pal - Pass the Salary Entry for the month of July.

CHAPTER-29.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ **Create Basic Salary.**
- ❖ **Create DA**
- ❖ **Create HRA**
- ❖ **Create TA**
- ❖ **Create TDS**
- ❖ **Create PF**
- ❖ **Create ESI**
- ❖ **Give The Attendance.**

Create An Employee With Following Details.

Category ----- Purchase Department, Under Primary.

Name.	Mr. Arvind Yadav [Emp. Code-AY/005].
Designation.	Manager.
Function.	Office Manager.
Date Of Birth.	1/4/1985.
Date Of Joining.	1/4/2021.
P.F Account No.	369852636.
E.S.I Account No.	789654123.
Bank Name.	“ICICI”.
Bank Account No.	789456321.
Basic Salary. Earning for Emp.	Rs.1500 /-Per Day.
DA. Earning for Emp.	3% For Basic Pay.
HRA. Earning for Emp.	8 % For Basic Pay.
Food Allowance. (Flat Rate).	Rs.1300/ -Per Month.
T.D.S (Deduction from Employee)	5% For Basic Pay.
P.F (Deduction from Employee)	12% For Basic Pay + DA.
E.S.I (Deduction from Employee)	1.75% For Basic Pay.

1. Give attendance to the employee 25 days month of August 2021.
2. On 01-08-2021. Calculate Salary of Mr. Arvind Yadav for month of August 2021 and paid Salary through “ICICI” Bank A/c.
3. Go to Payroll Voucher, select Payroll Voucher and select Class Monthly Salary under Voucher types “Tally Payroll”.
4. Select the employee Mr. Arvind Yadav - Pass the Salary Entry for the month of August.

CHAPTER-30.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ **Create Basic Salary.**
- ❖ **Create DA**
- ❖ **Create HRA**
- ❖ **Create TA**
- ❖ **Create TDS**
- ❖ **Create PF**
- ❖ **Create ESI**
- ❖ **Give The Attendance.**

Create An Employee With Following Details.

Category ----- Purchase Department, Under Primary.

Name.	Mr. Sanju [Emp. Code-Sa/006].
Designation.	Business Development Manager.
Function.	Business Development Manager.
Date Of Birth.	1/4/1987.
Date Of Joining.	1/4/2021.
P.F Account No.	789652.
E.S.I Account No.	987456320.
Bank Name.	“ICICI”
Bank Account No.	789456456.
Basic Salary. (Earning For Employee).	Rs.1200 /-Per Day.
DA. (Earning For Employee).	3% For Basic Pay.
HRA. (Earning For Employee).	8 % For Basic Pay.
Medical Allowance. (Flat Rate).	Rs. 1250 Per Month.
Income Tax. (Employee Statuary Deduction).	5% For Basic Pay.
Food Allowance. (Flat Rate).	Rs.1300 Per Month.
House Loan. Loan & Advance. Flat Rate	Rs.3000 Per Month.

1. Give attendance to the employee 26 days month of September 2021.
2. On 01-09-2021. Calculate Salary of Mr. Sanju for month of September 2021 and paid Salary through “ICICI” Bank A/c.
3. Go to Payroll Voucher, select Payroll Voucher and select Class Monthly Salary under Voucher types “Tally Payroll”.
4. Select the employee Mr. Sanju - Pass the Salary Entry for the month of September.
5. Check Pay Slip of Mr. Sanju.

CHAPTER-31.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ **Create Basic Salary.**
- ❖ **Create DA**
- ❖ **Create HRA**
- ❖ **Create TA**
- ❖ **Create TDS**
- ❖ **Create PF**
- ❖ **Create ESI**
- ❖ **Give The Attendance.**

Create An Employee With Following Details.

Category ----- Purchase Department, Under Primary.

Name.	Mr. Afjal Alam [Emp. Code-AA/007]
Designation.	Receptionist
Function.	Counseling.
Date Of Birth.	1/4/1988.
Date Of Joining.	1/4/2021.
P.F Account No.	789652852.
E.S.I Account No.	789652304.
Basic Salary. (Earning For Employee)	Rs.1000 /-Per Day.
DA. (Earning For Employee).	2% For Basic Pay.
HRA. (Earning For Employee).	8% For Basic Pay.
Children Education Allowance.	Rs.2250 For Two Children Each.
T.D.S. (Deduction For Employee).	5% For Basic Pay.
P.F. (Deduction For Employee).	12% For Basic Pay + DA.
E.S.I. (Deduction For Employee).	1.75% For Basic Pay.
E.S.I. (Employer Statutory Contribution).	4.75%.
P.F. (Employer Statutory Contribution).	12%.

1. Give attendance to the employee 25 days month of October 2017.
2. On 01-10-2021. Calculate Salary of Mr. Afjal Alam for month of October 2021 and paid Salary through “ICICI” Bank A/c.
3. Go to Payroll Voucher, select Payroll Voucher and select Class Monthly Salary under Voucher types “Tally Payroll”.
4. Select the employee Mr. Afjal Alam - Pass the Salary Entry for the month of October.

CHAPTER-32.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ **Create Basic Salary.**
- ❖ **Create DA**
- ❖ **Create HRA**
- ❖ **Create TA, TDS**
- ❖ **Create PF, ESI**
- ❖ **Give The Attendance.**

Create An Employee With Following Details.

Category ----- Administration Department, Under Primary.

Name.	Mr. Ajay Verma [Emp. Code-AV/08]
Designation.	Manager.
Function.	Business Development Manager.
Date Of Birth.	1/4/1993.
Date Of Joining.	1/4/2021.
Bank Name.	“ICICI”
Bank Account No.	147852369.
Blood Group.	O Group.
Address.	Nangloi New Delhi-41.
Contact No.	9865321478.
Passport No.	USA.
Basic Salary. (Earning For Employee)	Rs.1300 /-Per Day.
DA. (Earning For Employee).	2% For Basic Pay.
HRA. (Earning For Employee).	8% For Basic Pay.
Over Time. (Earning For Employee).	16 Hour @300 Per Hour (Production)
Earning Leave.	2 Days. (Basic salary)
Casual Leave.	1 Days.
Sick Leave.	1 Days.
Mobile Reimbursement. (Flat Rate).	Rs.340.

1. Give Attendance To The Employee 26 Days.
2. One Date 1-7-2021, Calculate Salary of Ajay Verma for Month of July And Paid Salary. Through ICICI Bank. A/C.
3. Employee -AV/08 taken advance of Rs. 10000, which will be recover from his salary. Adjust the amount in next 2 month (August, September) Rs. 5000 per month.
4. Check Salary Slip of Mr. Ajay Verma.

CHAPTER-33.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ **Create Basic Salary.**
- ❖ **Create DA**
- ❖ **Create HRA**
- ❖ **Create TA**
- ❖ **Create TDS**
- ❖ **Create PF**
- ❖ **Create ESI**
- ❖ **Give The Attendance.**
- ❖ **Leave Encasement.**

Create An Employee With Following Details.

Category -----Computer Department, Under Primary.

Name.	Mr. Nasir Alam [Emp. Code-NA/009]
Designation.	Computer Engineer.
Function.	Computer Maintenance.
Date Of Birth.	1/4/1992.
Date Of Joining.	1/4/2021.
Basic Salary. (Earning For Employee)	Rs.1500 /-Per Day.
DA. (Earning For Employee).	3% For Basic Pay.
HRA. (Earning For Employee).	8% For Basic Pay.
Children Education Allowance. (Flat)	Rs.2250 For Two Children Each.
T.D.S. (Deduction From Employee).	5% For Basic Pay.
P.F. (Deduction From Employee).	12% For Basic Pay + DA.
E.S.I. (Deduction From Employee).	1.75% For Basic Pay.
E.S.I. (Employer Statutory Contribution).	4.75%.
P.F. (Employer Statutory Contribution).	12%.

1. Give Attendance To The Employee 28 Days.
2. Calculate Salary Of Mr. Nasir Alam For Month Of June And Paid Salary Him. Paid Employer Contribution Through .ICICI Bank. A/C.
3. Emp. Code-NA/ 009 Taken Loan Leave Encashment of 5Days of E.L per Day @500.
4. Mr. Nasir Alam Take A Loan Month of June of Rs. 6000, From Company.
5. Mr. Nasir Alam Adjust The Amount Of Loan & E.L In Next Month (July) From His Salary.

CHAPTER-34.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ **Create Basic Salary.**
- ❖ **Create DA, HRA, TA, TDS, PF, ESI**
- ❖ **Give The Attendance.**
- ❖ **Leave Encasement.**

Create An Employee With Following Details.

Category ----- Administration Department, Under Primary.

Name.	Mr. Raju Singh [Emp. Code-RS/010]
Designation.	Manager.
Function.	Research & Development.
Date Of Birth.	1/4/1991.
Date Of Joining.	1/4/2021.
P.F Account No.	78965245.
E.S.I Account No.	98745420.
Address.	Nangloi New Delhi-41.
Bank Name	“ICICI”.
Bank A/c No.	78965412.
Passport No.	USA.
Visa No.	ASP789654.
Visa Expiry Date.	01/01/2023.
Basic Salary. (Earning For Employee)	Rs.1600 /-Per Day.
DA. (Earning For Employee).	3% For Basic Pay.
HRA. (Earning For Employee).	8% For Basic Pay.
Over Time. (On Production).	8 Hour (Calculate Basic Salary +Da).
Earning Leave.	2 Days. (Basic salary)
Casual Leave.	2 Days.
Sick Leave.	2 Days.

1. Give Attendance To The Employee 22 Days.
2. Calculate Salary Of Mr. Raju For Month Of July And Paid Salary Through “ICICI” Bank. A/C
3. Mr. Raju Taken Advance of Rs.8000, Which Will Be Adjusted From His Salary in the Next Month (August).
4. Check The Salary Slip Of Mr. Raju Singh And Mr. Nasir Alam.

CHAPTER-35.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ **Create Basic Salary.**
- ❖ **Create DA**
- ❖ **Create HRA**
- ❖ **Create TA**
- ❖ **Create TDS**
- ❖ **Create PF**
- ❖ **Create ESI**
- ❖ **Give The Attendance.**
- ❖ **Calculate Gratuity.**

A. Create An Employee With Following Details.

Category -----Management Department, Under Primary.

Name.	Mr. Rohan Verma [Emp. Code-RV/11]
Designation.	Hardware Engineer.
Function.	Computer Maintenance.
Date Of Birth.	1/4/1988.
Date Of Joining.	1/4/2021
P.F Account No.	78965145.
E.S.I Account No.	98745420.
Bank Name.	“ICICI” Bank.
Bank Account No.	147852369.
Blood Group.	O Group.
Basic Salary. (Earning For Employee)	Rs.1500 /-Per Day.
DA. (Earning For Employee).	2% For Basic Pay.
HRA. (Earning For Employee).	8% For Basic Pay.
Date Of Joining.	1/4/2021.
T.D.S. (Deduction From Employee).	5% For Basic Pay.
P.F. (Deduction From Employee).	12% For Basic Pay.
E.S.I. (Deduction From Employee).	1.75% For Basic Pay.

1. Give Attendance To The Employee 22 Days.
2. Calculate Salary Of Mr. Rohan Verma For Month Of June And Paid Salary Him. Paid Employer Contribution through “ICICI” Bank. A/C
3. Mr. Rohan Verma Left Job on 1-6-2025 Calculate His Gratuity Amount from 1/4/2021 to June 1/6/2025 for the Year.

CHAPTER-36.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ **Create Basic Salary.**
- ❖ **Create DA, HRA, TA, TDS, PF, ESI**
- ❖ **Give The Attendance.**
- ❖ **Calculate Gratuity.**

Create An Employee With Following Details.

Category - Administration Department, Under Primary Behave Like A Group “No”.

Name.	Mr. Ravi Kumar[Emp. Code-RK/012]
Designation.	Manager.
Function.	Research & Development.
Date Of Birth.	1/4/1987.
Date Of Joining.	1/4/2021.
P.F Account No.	78965245.
E.S.I Account No.	98745420.
Bank Name.	“ICICI” Bank.
Bank Account No.	147852369.
Basic Salary. (Earning For Employee)	Rs.1500 /-Per Day.
DA. (Earning For Employee).	3% For Basic Pay.
HRA. (Earning For Employee).	8% For Basic Pay.
P Tax. (Employee Statuary Con).	According To Slab Rate.
Earning Leave.	2 Days.
Casual Leave.	1 Days.
Sick Leave.	1 Days.

<u>Slab Rate Details.</u>	<u>From Amount.</u>	<u>Up To Amount.</u>	<u>Value Basis.</u>
Effective From		Rs.6000.	Rs.0.
1-4-2021.	Rs.6000.	Rs.9000.	80.
	Rs.9000.	Rs.12000.	150.
	Rs.12000.		200.

1. Give Attendance To The Employee 26 Days.
2. Calculate Salary of Mr. Ravi for Month Of July And Paid Salary Through “ICICI” Bank. A/C.
3. Mr. Ravi Kumar the Left Job on 1-7-2021 Calculate His Gratuity Amount Till the Month Of 1/7/2021.Total Gratuity Paid Ravi.
4. Emp. Code - RK/012 Do More Work Than Working Hours, He Go to Overtime @120Rs. For 5 Hours. And Adjust With The Salary Of Month July.2021.

CHAPTER-37.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ Create Basic Salary.
- ❖ Create DA
- ❖ Create HRA
- ❖ Create TA, TDS
- ❖ Create PF, ESI
- ❖ Give The Attendance.
- ❖ Create Slab Rate.
- ❖ P.TAX.

Create An Employee With Following Details.

Category -----Administration Department, Under Primary Behave Like a Group “No”.

Name.	Mr. Naveen Kumar [Emp. Code-NK/013].		
Designation.	Chartered Accountant.		
Function.	Account Maintain.		
Date Of Birth.	1/4/1989.		
Date Of Joining.	1/4/2021.		
P.F Account No.	123698547.		
Basic Salary. (Earning For Emp)	Rs.1300 /-Per Day.		
DA. (Earning For Employee).	3% For Basic Pay.		
HRA. (Earning For Employee).	8% For Basic Pay.		
Children Education Allowance.	Rs.2250 For Two Children Each Months.		
Convene Allowance. (Flat Rate).	Rs.1600 Months.		
P Tax. (Employee Statuary Con)	According To Slab Rate.		
P.F (Employee From Deduction)	12% For Basic Pay.		
E.S.I(Employee From Deduction)	1.75% For Basic Pay.		
Earning Leave.	2 Days.		
Casual Leave.	2 Days.		
<u>Slab Rate Details.</u>	<u>From Amount.</u>	<u>Up To Amount.</u>	<u>Value Basis.</u>
Effective From.		Rs.6000.	Rs.0.
1-4-2021.	Rs.6000.	Rs.9000.	80.
	Rs.9000.	Rs.12000.	150.
	Rs.12000.		200.

1. Give Attendance To The Employee 26 Days.
2. Calculate Salary of Mr. Naveen Kumar for Month of May and Paid Salary with Employer Contribution through “ICICI” Bank. A/C.
3. Emp. Code- NK/013 Take Leave Encasement of 2 Days of C.L Per Day@1200.

CHAPTER-38.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ Create Basic Salary.
- ❖ Create DA, HRA, TA, TDS, PF, ESI
- ❖ Give The Attendance.
- ❖ Create Slab Rate.
- ❖ P.TAX.

Create An Employee With Following Details.

Category -----Administration Department, Under Primary.

Name.	Mr. Ashok Pal [Emp. Code-AP/014]
Father`s Name	Mr. Raman Singh
Mother`s Name	Mrs. Geeta Singh
Employee Number	EX025
Designation.	Worker.
Function.	Goods Produce.
Location	Delhi
Gender	Male
Date Of Birth.	1/4/1990.
Date Of Joining.	1/4/2021.
P.F Account No.	75446468.
E.S.I Account No.	98745546.
Bank Name.	“ICICI”.
Address.	Nangloi New Delhi-41.
Contact No.	9865321478.
Passport No.	USA.
Basic Salary. (Earning For Employee)	Rs.1000 /-Per Day.
DA. (Earning For Employee).	3% For Basic Pay.
HRA. (Earning For Employee).	8% For Basic Pay.
TA. (Earning For Employee).	Rs.3200+DA For Basic Pay.
Bonus. (As User Defined Value).	1400 Per Pcs (Calculate On 5Pcs).

1. Give Attendance To The Employee 24 Days.
2. Calculate Salary Of Mr. Ashok Pal For Month Of July. Paid Salary Through PNB Bank A/C.
3. Check The Pay Slip Report Of The Entire Employee.
4. Check The Pay Sheet Report Of The Entire Employee.

CHAPTER-39.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ **Create Basic Salary.**
- ❖ **Create DA, HRA**
- ❖ **Create TA**
- ❖ **Create TDS**
- ❖ **Create PF, ESI**
- ❖ **Give The Attendance.**
- ❖ **Create Slab Rate.**
- ❖ **P.TAX.**

Create An Employee With Following Details.

Category -----Administration Department, Under Primary Behave Like a Group “No”.

Name.	Mr. Pawan Kumar [Emp. Code-PK/014].		
Designation.	C.A.		
Function.	Account Maintain.		
Date Of Birth.	01/8/1990.		
Date Of Joining.	1/4/2021.		
P.F Account No.	78965245.		
Basic Salary. (Earning For Employee)	Rs.1500 /-Per Day.		
DA. (Earning For Employee).	3% For Basic Pay.		
HRA. (Earning For Employee).	8% For Basic Pay.		
Children Education Allowance.	Rs.2250 For Two Children Each Months.		
Convene Allowance. (Flat Rate).	Rs.1600 Months.		
P Tax. (Employee Statuary Con).	According To Slab Rate.		
P.F (Employee From Deduction).	12% For Basic Pay.		
E.S.I(Employee From Deduction)	1.75% For Basic Pay.		
Earning Leave.	2 Days.		
Casual Leave.	2 Days.		
<u>Slab Rate Details.</u>	<u>From Amount.</u>	<u>Up To Amount.</u>	<u>Value Basis.</u>
Effective From.		Rs.6000.	Rs.0.
1-4-2021.	Rs.6000.	Rs.9000.	80.
	Rs.9000.	Rs.12000.	150.
	Rs.12000.		200.

1. Give Attendance To The Employee 26 Days.
2. Calculate Salary of Mr. Pawan Kumar for Month of May and Paid Salary with Employer Contribution through ICICI Bank. A/C.
3. Emp. Code- PK/0014 Take Leave Encasement of 4 Days of E.L Per Day@1000.

CHAPTER-40.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ **Create Basic Salary.**
- ❖ **Create DA, HRA, TA, TDS, PF, ESI**
- ❖ **Give The Attendance.**
- ❖ **Create Slab Rate.**
- ❖ **P.TAX.**

Create An Employee With Following Details.

Category -----Administration Department, Under Primary.

Name.	Mr. Ashish Pal [Emp. Code-AP/014].
Father`s Name	Mr. Raja Singh
Mother`s Name	Mrs. Seeta Devi
Employee Number	EX035
Designation.	Marketer.
Function.	Goods Transfer.
Location	Delhi
Gender	Male
Date Of Birth.	01/7/1989.
Date Of Joining.	1/4/2021.
Email Id	ashishpal@gmail.com
PAN No.	ASD123456FG
Aadhaar No.	9632 5874 0123
P.F Account No.	78965245.
E.S.I Account No.	98745420.
Bank Name.	PNB.
Address.	Nangloi New Delhi-41.
Contact No.	9865321478.
Basic Salary. (Earning For Employee)	Rs.1000 /-Per Day.
DA. (Earning For Employee).	3% For Basic Pay.
HRA. (Earning For Employee).	8% For Basic Pay.
TA. (Earning For Employee).	Rs.3200+DA For Basic Pay.
Bonus. (As User Defined Value).	1400 Per Pcs (Calculate On 5Pcs).

1. Give Attendance To The Employee 24 Days.
2. Calculate Salary Of Mr. Ashish Pal For Month Of July. Paid Salary Through “ICICI” Bank A/C.
3. Check The Pay Slip Report Of The Entire Employee.
4. Check The Payroll Statement For Basic Salary And All Allowances.

CHAPTER-41.

COST / PROFIT CENTRES MANAGEMENT.

In This Chapter.

- ❖ Payroll Report.
 - ❖ Pay Slip.
 - ❖ Pay Sheet.
 - ❖ Payroll Register.
 - ❖ Attendance Sheet.
 - ❖ Attendance Register.
 - ❖ Visa and Passport.
1. Check The Pay Slip Report Of The Entire Employee.
 2. Check The Pay Sheet Report Of The Entire Employee.
 3. Check The Payroll Statement For Basic Salary And All Allowances.
 4. Give The Payment Advice To The Company To Make The Payment Of Salary Through Bank.
 5. Export The Payroll Register For The Month Of May, June, And July In Excel Sheet.
 6. Check The Ledger Employee Break Up Of Employee Mr. Nasir Alam, And Miss. Supriya Singh.
 7. Check The Attendance Sheet For Leave And Absent Of The Employee.
 8. Check The Attendance Register For The Month Of June And July And Export In HTML File In Excel Format.
 9. Check The Passport And Visa Contract Expiry All Employee.
 10. Check The Employee Appointment.
 11. Check The Employee Agreement Report.
 12. Check The Employee Over Time Report.

Payroll Reports. To view payroll reports. Go to **Gateway Of Tally > Display More Reports > Payroll Reports.** The payroll reports menu displays. Statement of payroll. Attendance sheet. Attendance register. Gratuity report. Export report.

Statements of Payroll. Go to **Gateway Of Tally > Display More Reports > Payroll Report > Summary > Payslip, Pay sheet, Payroll statement, Payroll advice, Payroll register, Employee Pro File, Employee Head Count, Employee Pay Head Breakup, Pay Head Employee Breakup.**

Payslip. A payslip is a document issued to an employee that itemizes each component of earnings and deductions, and the net amount paid to an employee for a given pay period. It provides visibility to an employee of how the net amount has been arrived at. In tally payroll, the payslip

Vinod Computer Institute Mehnagar Azamgarh UP.

option of display, payroll reports menu provides users the facility to view the payslip, configure content and appearance bases on the requirement and then print the payslip. Go to to **Gateway Of Tally > Display More Reports > Payroll Report > Summery > Payslip.**

Configuration Options in Payslip. Click on F12: Configure button in the Payslip to display a configuration sub-form, using which the user can customize the display/printing content and appearance to the Payslip. The default settings for the configuration options are shown above. These options are self-explanatory. The options, which are set to Yes, will become visible in the Payslip. Select No to exclude information, which is not required to be on the Payslip

Configuration Options In: Pay Slip. Show Vertical Payslip-Set this option to (Yes) to align Deduction Part below the Earning. Set it No to align them side-by-side. Show Employee Details – Set this option to Yes to display Employee Details as entered in the employee master.

Show Passport Details. Set this option to Yes to display the Passport Details.

Show Visa Expiry Date. Set this option to Yes to display the Visa Expiry Date.

Show Attendance / Production Details. Set this option to Yes to display Attendance / Production data.

Show Attendance / Production Groups. Set this option to Yes to display grouping of the Attendance / Production data as defined while Types creation.

Display Attendance / Production Type in Tally Units. For compound units used in Attendance / Production Type, set this flag to (Yes) to display value of the Attendance / Production Data in Tail unit and set the same to No to display data in Main unit.

Show Year to Date Values. Set this option to Yes to display cumulative value of Attendance / Production data or Earning and Deduction data for the current Financial Year.

Remove Zero Entries. Set this option to Yes to remove Earning/Deduction data with Zero value from the Pay Slip.

For Attendance / Production Also. Set this option to Yes to remove Attendance data with 0 values from the Pay Slip.

Appearance of Name. You can select the appropriate appearance of name from the Name Style list.

Detailed/Condensed Button. Click on Detailed button or press (**ALT+F1**) to view source details of individual Attendance and Pay Head values. This view displays the Attendance or Payroll vouchers from which the data is picked in the current Payslip. Voucher Number, Date and the Value of the attendance or earning or deduction value is displayed. This is useful when multiple attendance/payroll vouchers are entered during the same payroll period. The user can drill down to the corresponding voucher directly from the Payslip screen. Click the Condensed button or press **ALT+F1** again to return to the normal mode.

Period Button. By default, when you bring up the Payslip view, the Period of Payslip – Attendance and Payroll Vouchers data is set to current month, and in most cases you don't have to change it. However, if required, you can change the period of data and include multiple period payroll information to view/print a consolidated Payslip. As in all other Tally reports,

Vinod Computer Institute Mehnagar Azamgarh UP.

there is a great flexibility in terms of Period of Payroll processing as well as in the printing of Payslip.

Employee Button. Using Employee Button, you can view another employee's Payslip from the existing Payslip display screen.

Printing Single Payslip. Click on Print button or Press ALT+P from the Payslip display screen to print currently displayed Payslip. Tally will print the Payslip in the format that is configured for display.

Pay sheet. Pay Sheet is a matrix report with category, group and employees cascading in rows, and Pay Heads appears as columns. The default report contains all earnings and deduction details for a given month or period with a number of options to configure appearance of rows and columns. Format of the Pay sheet report may be configured to serve as a Salary/Wage register as required by the organization. The selection of data may be filtered for given category or group of employees. Go to **Gateway Of Tally > Display More Reports > Payroll Report > Summery > Pay Sheet.**

Configuration Options In Pay Sheet Report. F12: Configure button in the Pay Sheet brings up a configuration sub-form by which the user can customize the display/printing content and appearance of the Pay Sheet report.

Show 'Net Pay' Column. Set the option to Yes to display the Net Payable Column.

Show Column Subtotals. Set this option to Yes to display the Sub-totals of Earnings / Deduction columns.

Remove Zero Entries. Set this option to Yes to remove Earning/Deduction data with Zero value.

Show Payslip Names for Ledgers. Set this option to (Yes) to display the Name to Appear in Payslip, defined in Ledger, as the column headings. Setting this to No will display Ledger name.

Include Employee Groups & Categories. Set this option to Yes to display rows showing Category and Groups. Set this to No to list only employee information.

Show Category/Group Total. Set this option to Yes to display Category and Group wise Totals.

Show Grand Total. Set this option to Yes to display Grand total at the bottom of the report.

Format. You can choose either Detailed or Condensed.

Show Employee Number. Set this option to Yes to display employee number along with the Name.

Expand All Levels In Detailed Format. Set this option to Yes to expand all levels and display Employee details. Set the same to No, to display summary report for Category/Group.

Appearance of Name. You can select the appropriate appearance of name from the Name Style list.

Sorting Method. You can select the appropriate sorting method from the list.

Button Functionalities in Pay Sheet Report.

Detailed/Condensed Button. Use this toggle button (F1) to quickly change the report view from detailed to summary and vice versa.

Period Button. Using Period (F2) button, you can change the period for which the report is viewed. Using this functionality, you can display the report any period such as Day, Week, Fortnight, Month, Quarter, Half-Year or entire Year.

Employee Filter Button. Similar to Payroll and Payment vouchers, using Employee Filter button or clicking on F7: Employee Filters button, the user can quickly select employee/groups to be displayed in the pay sheet report.

F4 Change Currency. Click on F4: Change Currency button or press F4 key to change the currency.

New Column. Use this button (ALT+A), to add a column for any other Pay Head not part of the default Pay Slip format. Such new column is added on the right-hand side of the existing columns.

Alter Column. Use this button (ALT+A), to replace an existing column in the report with a new Pay Head column. The cursor should be positioned in the column to be replaced.

Delete Column. Use this button (ALT+D), to replace an existing column in the report with a new Pay Head column. The cursor should be positioned on the column to be deleted. Use above column buttons to customize the appearance of various Pay Heads as columns as per requirement.

Printing Pay Sheet Report. Printing of Pay Sheet is done in a similar way as any other report in Tally, by Pressing ALT+P from the report display screen. While printing the Pay Sheet report, choose an option to Increase the Line Height (for each employee line) for the purpose of obtaining signature of employee or fixing a stamp, and use the printed report for manual salary disbursement or any other similar purpose.

Payroll Statement. While Pay Sheet report gives you a readily available set of earning/deduction columns and format, Payroll Statement Report allows you to generate the report for a specific Pay Head/Ledger. Go to **Gateway Of Tally > Display More Reports > Payroll Report > Summary > Payroll Statement.**

Configuration Options In Payroll Statement Report. F12: Configure button in the Payroll Statement brings up a configuration Sub form using which the user can customize the display/printing content and appearance of the Payroll statement report.

Remove Zero Entries. Set this option to Yes to remove Earning/Deduction data with Zero value.

Show Payslip Names for Ledgers. Set this option to (Yes) to pick the name entered in the Name to Appear in Payslip field in Ledger master screen. Set this option to No to pick the name entered in the Name field of the Ledger master screen.

Include Employee Groups & Categories. Set this option to (Yes) will display rows showing Category and Groups. Setting this to No will list only employee information.

Vinod Computer Institute Mehnagar Azamgarh UP.

Show Category/Group Total. Set this option to Yes to display Category and Group wise Totals.

Show Grand Total. Set this option to Yes to display Grand total at the bottom of the report.

Format. Detailed or Condensed.

Show Employee PF Account Number. Set this option to Yes to display employee PF Account number.

Show Employee IT PAN. Set this option to (Yes) to display employee IT PAN number.

Show Employee Bank Details. Set this option to Yes to display employee bank details.

Show Employee Number. Set this option to Yes to display employee number alongside the Name.

Show Employee ESI Number. Set this option to Yes to display employee ESI number.

Show Employee Passport Details. Set this option to Yes to display employee passport details.

Show Employee Visa Expiry Date. Set this option to Yes to display employee Visa Expiry date.

Expand All Levels In Detailed Format. Set this option to Yes to expand all levels and display Employee details. Set the same to No, to display summary report for Category/Group.

Appearance of Name. You can select the appropriate appearance of name from the Name Style list.

Sorting Method. You can select the appropriate sorting method from the list.

Payment Advice. The Payment Advice report is used to generate Payment Advice / Bank Transfer letters for a specific bank account based on the Salary Payment vouchers posted to the account Go to to **Gateway Of Tally > Display More Reports > Payroll Report > Summary > Payment Advice.**

Payroll Register. Payroll register is a month- wise transaction summary report displaying vouchers month-wise, akin to Display Statistics in the accounting module. Though the register primarily displays Payroll vouchers, you can customize to add any other voucher type by adding a new column. Go to to **Gateway Of Tally > Display More Reports > Payroll Report > Registers > Payroll Register.**

Attendance Sheet. The Attendance Sheet is similar to Pay Sheet report, and displays a pre-formatted report with columns, related to your attendance/production data. Go to **Gateway Of Tally > Display More Reports > Payroll Report > Summary > Attendance Sheet.**

Attendance Register. This report is similar to Payroll register and displays the summary report of the Attendance vouchers. The configuration and button functionality are the same as in other Payroll Register reports. Go to **Gateway Of Tally > Display More Reports > Payroll Report > Registers > Attendance Register.**

Vinod Computer Institute Mehnagar Azamgarh UP.

ASSIGNMENT SET- (4).

1. Create Basic Salary.

❖ Create DA.

❖ Create HRA.

❖ Create TA.

❖ Create TDS.

❖ Create PF.

❖ Create ESL.

❖ Give The Attendance.

Create An Employee With Following Details.

Category ----- Purchase Department, Under Primary.

Name.	Mr. Jitender Sharma [Emp. Code-JS/005].
Designation.	Manager.
Function.	Office Manager.
Date Of Birth.	1/4/1985.
Date Of Joining.	1/4/2021.
P.F Account No.	369852636.
Bank Name.	SBI.
Bank Account No.	789456321.
Basic Salary. Earning for Emp.	Rs.1500 /-Per Day.
DA. Earning for Emp.	3% For Basic Pay.
HRA. Earning for Emp.	8 % For Basic Pay.
Food Allowance. (Flat Rate).	Rs.1300/ -Per Month.
T.D.S (Deduction from Employee)	5% For Basic Pay.
P.F (Deduction from Employee)	12% For Basic Pay + DA.
E.S.I (Deduction from Employee)	1.75% For Basic Pay.

1. Give attendance to the employee 23 days month of August 2021.
2. On 01-08-2021. Calculate Salary of Mr. Jitender Sharma for month of August 2021 and Paid Salary through SBI Bank A/c.
3. Go to Payroll Voucher, select Payroll Voucher and select Class Monthly Salary under Voucher types "Tally Payroll".
4. Select the employee Mr. Jitender Sharma- Pass the Salary Entry for the month of August.
5. Check Pay Slip of Mr. Jitender Sharma.

Vinod Computer Institute Mehnagar Azamgarh UP.

2. Create Basic Salary.

❖ Create DA.

❖ Create HRA.

❖ Create TA.

❖ Create TDS.

❖ Create PF.

❖ Create ESI.

❖ Give The Attendance.

Create An Employee With Following Details.

Category ----- Purchase Department, Under Primary.

Name.	Miss. Shweta Sharma [Emp. Code-SS/006].
Designation.	Business Development Manager.
Function.	Business Development Manager.
Date Of Birth.	1/4/1987.
Date Of Joining.	1/4/2021.
E.S.I Account No.	987456320.
Bank Name.	SBI.
Bank Account No.	789456456.
Basic Salary. (Earning For Employee).	Rs.1200 /-Per Day.
DA. (Earning For Employee).	3% For Basic Pay.
HRA. (Earning For Employee).	8 % For Basic Pay.
Medical Allowance. (Flat Rate).	Rs. 1250 Per Month.
Income Tax. (Employee Statuary Deduction).	5% For Basic Pay.
Food Allowance. (Flat Rate).	Rs.1300 Per Month.
House Loan. Loan & Advance. Flat Rate	Rs.3000 Per Month.

1. Give attendance to the employee 23 days month of September 2021.
2. On 01-09-2021. Calculate Salary of Miss. Shweta Sharma for month of September 2021 and Paid Salary through SBI Bank A/c.
3. Go to Payroll Voucher, select Payroll Voucher and select Class Monthly Salary under Voucher types "Tally Payroll"
4. Select the employee Miss. Shweta Sharma - Pass the Salary Entry for the month of September.
5. Check Pay Slip of Miss. Shweta Sharma.

Vinod Computer Institute Mehnagar Azamgarh UP.

3. Create Basic Salary.

- ❖ Create DA.
- ❖ Create HRA.
- ❖ Create TA.
- ❖ Create TDS.
- ❖ Create PF.
- ❖ Create ESI.
- ❖ Give The Attendance.
- ❖ Children Education Allowance.

Create An Employee With Following Details.

Category ----- Purchase Department, Under Primary.

Name.	Miss. Kajal Bhatt [Emp. Code-KB/007]
Designation.	Receptionist
Function.	Counseling.
Date Of Birth.	1/4/1988.
Date Of Joining.	1/4/2021.
Basic Salary. (Earning For Employee)	Rs.700 /-Per Day.
DA. (Earning For Employee).	2% For Basic Pay.
HRA. (Earning For Employee).	8% For Basic Pay.
Children Education Allowance.	Rs.2250 For Two Children Each.
T.D.S. (Deduction For Employee).	5% For Basic Pay.
P.F. (Deduction For Employee).	12% For Basic Pay + DA.
E.S.I. (Deduction For Employee).	1.75% For Basic Pay.
E.S.I. (Employer Statutory Contribution).	4.75%.
P.F. (Employer Statutory Contribution).	12%.

1. Give attendance to the employee 22 days month of October 2021.
2. On 01-10-2021. Calculate Salary of Miss. Kajal Bhatt for month of October 2021 and paid Salary through Axis Bank A/c.
3. Go to Payroll Voucher, select Payroll Voucher and select Class Monthly Salary under Voucher types "Tally Payroll").
4. Select the employee Miss. Kajal Bhatt - Pass the Salary Entry for the month of October.
5. Check Pay Slip of Miss. Kajal Bhatt.
6. Check The Pay Sheet Report Of The Entire Employee. Miss. Kajal Bhatt.

Vinod Computer Institute Mehnagar Azamgarh UP.

4. Create Basic Salary.

❖ Create DA.

❖ Create HRA.

❖ Create TA.

❖ Give The Attendance.

❖ Children Education Allowance.

Create An Employee With Following Details.

Category ----- Administration Department, Under Primary.

Name.	Mr. Nitish Jain [Emp. Code-NJ/08]
Designation.	Manager.
Function.	Business Development Manager.
Date Of Birth.	1/4/1993.
Date Of Joining.	1/4/2021.
Bank Name.	ICICI.
Bank Account No.	147852369.
Blood Group.	O Group.
Address.	Nangloi New Delhi-41.
Contact No.	9865321478.
Passport No.	USA.
Basic Salary. (Earning For Employee)	Rs.1300 /-Per Day.
DA. (Earning For Employee).	2% For Basic Pay.
HRA. (Earning For Employee).	8% For Basic Pay.
Over Time. (Earning For Employee).	16 Hour @300 Per Hour (Production)
Earning Leave.	2 Days.
Casual Leave.	1 Days.
Sick Leave.	1 Days.
Mobile Reimbursement. (Flat Rate).	Rs.340.

1. Give Attendance To The Employee 26 Days.
2. One Date 1-7-2021, Calculate Salary of Mr. Nitish Jain for Month of July And Paid Salary through ICICI Bank. A/C.
3. Employee -AV/08 taken advance of Rs. 10000, which will be recover from his salary Adjust the amount in next 2 month (August, September) Rs. 5000 per month.
4. Check Salary Slip of Mr. Nitish Jain.

Vinod Computer Institute Mehnagar Azamgarh UP.

5. Create Basic Salary.

❖ Create DA.

❖ Create HRA.

❖ Create TA.

❖ Create TDS.

❖ Create PF.

❖ Create ESI.

❖ Give The Attendance.

❖ Leave Encasement.

Create An Employee With Following Details.

Category -----Computer Department, Under Primary.

Name.	Mr. Amandeep [Emp. Code-AA/009]
Designation.	Computer Engineer.
Function.	Computer Maintenance.
Date Of Birth.	1/4/1992.
Date Of Joining.	1/4/2021.
Basic Salary. (Earning For Employee)	Rs.800 /-Per Day.
DA. (Earning For Employee).	3% For Basic Pay.
HRA. (Earning For Employee).	8% For Basic Pay.
Children Education Allowance. (Flat)	Rs.2250 For Two Children Each.
T.D.S. (Deduction From Employee).	5% For Basic Pay.
P.F. (Deduction From Employee).	12% For Basic Pay + DA.
E.S.I. (Deduction From Employee).	1.75% For Basic Pay.
E.S.I. (Employer Statutory Contribution).	4.75%.
P.F. (Employer Statutory Contribution).	12%.

1. Give Attendance To The Employee 25 Days.
2. Calculate Salary Of Mr. Amandeep For Month Of June And Paid Salary Him. Paid Employer Contribution Through .ICICI Bank. A/C.
3. Emp. Code-AA/ 009 Taken Loan Leave Encashment of 5Days of E.L per Day @1000.
4. Mr. Amandeep Take A Loan Month of June Rs. 6000, From Company.
5. Mr. Amandeep Adjust The Amount Of Loan & E.L In Next Month (July) From His Salary.

Vinod Computer Institute Mehnagar Azamgarh UP.

6. Create Basic Salary.

- ❖ Create DA.
- ❖ Create HRA.
- ❖ Create TA.
- ❖ Create TDS.
- ❖ Create PF.
- ❖ Create ESI.
- ❖ Give The Attendance.
- ❖ Create Slab Rate.
- ❖ P.TAX.

Create An Employee With Following Details.

Category -----Administration Department, Under Primary Behave Like a Group “No”.

Name.	Mr. Subham Kumar [Emp. Code-SK/014].
Designation.	C.A.
Function.	Account Maintain.
Basic Salary. (Earning For Employee)	Rs.1200 /-Per Day.
DA. (Earning For Employee).	3% For Basic Pay.
HRA. (Earning For Employee).	8% For Basic Pay.
Children Education Allowance.	Rs.2250 For Two Children Each Months.
Convene Allowance. (Flat Rate).	Rs.1600 Months.
P Tax. (Employee Statuary Con).	According To Slab Rate.
P.F (Employee From Deduction).	12% For Basic Pay.
E.S.I(Employee From Deduction)	1.75% For Basic Pay.
Earning Leave.	2 Days.
Casual Leave.	2 Days.

<u>Slab Rate Details.</u>	<u>From Amount.</u>	<u>Up To Amount.</u>	<u>Value Basis.</u>
Effective From.		Rs.6000.	Rs.0.
1-4-2021.	Rs.6000.	Rs.9000.	80.
	Rs.9000.	Rs.12000.	150.
	Rs.12000.		200.

1. Give Attendance To The Employee 26 Days.
2. Calculate Salary of Mr. Subham Kumar for Month of May and Paid Salary with Employer Contribution through ICICI Bank. A/C.
3. Emp. Code- SK/0014 Take Leave Encasement of 4 Days of E.L Per Day@1200.

Tally Prime Shortcut Keys.

<u>Windows.</u>	<u>Functionality.</u>
Alt + P.	Print.
Alt + E.	Export.
Alt + M.	E-Mail.
Alt + O.	Import.
Alt + G.	Go To.
Alt + K.	Company.
Alt + D.	Delete.
Alt + X.	Cancel.
Alt + 2.	Duplicate.
Alt + A.	Add Voucher.
Alt + I.	Insert Voucher.
Alt + F1.	Detail.
Alt + F2.	Period.
Alt + F3.	Select Company.
Alt + F4.	Quit.
Alt + F5.	Debit Note.
Alt + F6.	Credit Note.
Alt + F7.	Stock Journal.
Alt + F8.	Delivery Note.
Alt + F9.	Receipt Note.
Alt + F12.	View the Filters Screen.
Alt + J.	Job Work Out Order.
Alt + W.	Job Work in Order.
Alt + C.	Create A Master.
Alt + A.	Alter Column.
Alt + N.	Auto Column.
Alt + D.	Delete a Voucher.
Alt + Y.	Data.
Alt + Z.	Exchange.
Alt + R.	Recalls the Last Narration.
<u>Tally Prime Shortcut with “Function” Button.</u>	
F1.	Help Shortcut.
F2.	Change The Date.
F3.	Change Company.
F4.	Contra Voucher.
F5.	Select Payment Voucher
F6.	Select Receipt Voucher.
F7.	Select Journal Voucher.
F8.	Select Sales Voucher.
F9.	Select Purchase Voucher.

Vinod Computer Institute Mehnagar Azamgarh UP.

F10.	Other Vouchers.
F11.	Modify Company Features.
F12.	Master Configurations.

Tally Prime Shortcut with “Ctrl” Button.

Ctrl + F1.	Shut Company.
Ctrl + F2.	Change Period.
Ctrl + F3.	Shut Company.
Ctrl + F4.	Payroll.
Ctrl + F5.	Rejection Out.
Ctrl + F6.	Rejection In.
Ctrl + F7.	Physical Stock.
Ctrl + F8.	Sale order.
Ctrl + F9.	Purchase Order.
Ctrl + W.	Language.
Ctrl + T.	Post – Dated.
Ctrl + L.	Optional.
Ctrl + Q.	Quit Screen.
Ctrl + M.	E-mail.
Ctrl + A.	Accept Screen.
Ctrl + G.	Switch To.
Ctrl + B.	Basic Of Value.
Ctrl + E.	Export.
Ctrl + I.	More Detail.
Ctrl + Alt + B.	Tally Prime Update Version.
Esc.	Clear Entry.

Tally Prime Hot Key with “Gateway of Tally”.

C.	Create.
A.	Alter.
CH.	Charts of Accounts.
V.	Vouchers.
K.	Day Books.
N.	Banking.
B.	Balance Sheet.
P.	Profit & Loss A/c.
S.	Stock Summary.
R.	Ratio Analysis.
D.	Display More Reports.
Q.	Quit.

Vinod Computer Institute Mehnagar Azamgarh UP.

LEDGER & UNDER GROUP.

CHART OF ACCOUNTS LEDGER & UNDER GROUP.

INDIRECT EXPENSES. (ALT+C)

<u>SL .NO</u>	<u>LEDGER.</u>	<u>UNDER GROUP.</u>
1.	Rent.	Indirect Expenses.
2.	Rate& Taxes.	Indirect Expenses.
3.	Postage & Telegram.	Indirect Expenses.
4.	Legal Charge.	Indirect Expenses.
5.	Insurance Premium.	Indirect Expenses.
6.	Business Promotion.	Indirect Expenses.
7.	Repairs And Renewals.	Indirect Expenses.
8.	Interest.	Indirect Expenses.
9.	Sundry Trade Expense.	Indirect Expenses.
10.	Convenes.	Indirect Expenses.
11.	Bank Charge.	Indirect Expenses.
12.	Office Expense.	Indirect Expenses.
13.	Loss In Exchange.	Indirect Expenses.
14.	Packing Expense.	Indirect Expenses.
15.	Net Profit Transfer.	Indirect Expenses.
16.	Advertisement.	Indirect Expenses.
17.	Audit Fees.	Indirect Expenses.
18.	Bad Debts.	Indirect Expenses.
19.	Bank Charge.	Indirect Expenses.
20.	Medical Bill.	Indirect Expenses.
21.	Telegram Charge.	Indirect Expenses.
22.	Brokerages.	Indirect Expenses.
23.	Charity.	Indirect Expenses.
24.	Carriage Outward.	Indirect Expenses.
25.	Commission.	Indirect Expenses.
26.	Custom Duty & Import.	Indirect Expenses.
27.	Depreciation.	Indirect Expenses.
28.	Discount Allowed.	Indirect Expenses.
29.	Discount On Debtors.	Indirect Expenses.
30.	Distributive.	Indirect Expenses.
31.	Dock Charge.	Indirect Expenses.
32.	Entertainment.	Indirect Expenses.
33.	Establishment.	Indirect Expenses.
34.	Export Duty.	Indirect Expenses.
35.	Freight.	Indirect Expenses.

Vinod Computer Institute Mehnagar Azamgarh UP.

36.	Salary.	Indirect Expenses.
37.	General Expense.	Indirect Expenses.
38.	Legal Charge.	Indirect Expenses.
39.	License Fees.	Indirect Expenses.
40.	Loss By Theft And Fire.	Indirect Expenses.
41.	Office Expense.	Indirect Expenses.
42.	Stationery And Petty.	Indirect Expenses.
43.	Electric Bill.	Indirect Expenses.
44.	Office Lighting.	Indirect Expenses.
45.	Telephone Expense.	Indirect Expenses.
46.	Shop Maintenance Expense.	Indirect Expenses.
47.	Salary Expense.	Indirect Expenses.
48.	Rent Expense.	Indirect Expenses.
49.	Printing And Stationery Expense.	Indirect Expenses.
50.	Interest Due.	Indirect Expenses.
51.	Insurance Expense.	Indirect Expenses.
52.	Exhibition Expense.	Indirect Expenses.
53.	Electricity Expense.	Indirect Expenses.
54.	Donation Expense.	Indirect Expenses.
55.	Depreciation Expense.	Indirect Expenses.
56.	Conveyance Expense.	Indirect Expenses.
57.	Bank Charge.	Indirect Expenses.
58.	Advertisement Expense.	Indirect Expenses.
59.	Salary and Bonus Expense.	Indirect Expenses.
60.	Round Off.	Indirect Expenses.
61.	Maintenance Expenses.	Indirect Expenses.
62.	Bad Debts.	Indirect Expenses.
63.	Printing Expenses.	Indirect Expenses.
64.	Stationery Expenses.	Indirect Expenses.
65.	Penalty.	Indirect Expenses.
66.	Royalty.	Indirect Expenses.
67.	Loss By Fire	Indirect Expenses.
68.	Repair Charge	Indirect Expenses.
69.	Taxi Fare.	Indirect Expenses.
70.	Telephone Charge.	Indirect Expenses.
71.	Interest on Loan	Indirect Expenses.
72.	Loss On Theft.	Indirect Expenses.
73.	Charity, Donation	Indirect Expenses.

Vinod Computer Institute Mehnagar Azamgarh UP.

EXTRA LEDGER.

<u>SL.NO.</u>	<u>LEDGER.</u>	<u>UNDER GROUP.</u>
1.	Bank Od.	Bank Od A/C.
2.	Bank.	Bank A/C.
3.	Capital.	Capital A/C.
4.	Cash.	Cash In Hand.
5.	Creditor.	Sundry Creditor.
6.	Debtor.	Sundry Debtor.
7.	Drawing (Private Use).	Capital.
8.	Loan (Cr).	Loan (Liability).
9.	Loan(Dr.)	Loan & Advance (Assets).
10.	Sale.	Sale A/C.
11.	Purchase.	Purchase A/C.
12.	Advance Rent (Dr.)	Loan & Advance.
13.	Advance Rent (Cr.)	Loan (Liability).
14.	Bonds At SBI.	Investment A/C.
15.	Debenture At Axis.	Investment A/C.
16.	Share Of Wipro.	Investment A/C.
17.	Petty Cash.	Cash In Hand.
18.	Advance Salary.	Loan Advance (Assets).
19.	Medical Advance.	Loan Advance (Assets).
20.	Share Of Tata.	Investment.
21.	Reliance For Security.	Investment.
22.	Fixed Deposit	Investment.

DIRECT EXPENSES.

<u>SL.NO.</u>	<u>LEDGER.</u>	<u>UNDER GROUP.</u>
1.	Ware House Rent.	Direct Expenses.
2.	Boxes & Label.	Direct Expenses.
3.	Carriage Inward.	Direct Expenses.
4.	Carriage On Purchase.	Direct Expenses.
5.	Factory Expense.	Direct Expenses.
6.	Fuel Heating & Lighting.	Direct Expenses.

Vinod Computer Institute Mehnagar Azamgarh UP.

7.	Gas.	Direct Expenses.
8.	Water Charges.	Direct Expenses.
9.	Grease.	Direct Expenses.
10.	Manufacturing Expense.	Direct Expenses.
11.	Motive Power Coal.	Direct Expenses.
12.	Bill.	Direct Expenses.
13.	Wages.	Direct Expenses.
14.	Freight Inward.	Direct Expenses.
15.	Labour Charge.	Direct Expenses.
16.	Packing Material Expense.	Direct Expenses.
17.	Packing Expense.	Direct Expenses.
18.	Commission Brokerage on Purchase.	Direct Expenses.
19.	Freight on Purchase.	Direct Expenses.
20.	Handling Exp. on Purchase.	Direct Expenses.
21.	Labour & Wages.	Direct Expenses.
22.	Professional Tax.	Direct Expenses.
23.	Packing Material Expense.	Direct Expenses.
24.	Fuel Consumed Expense.	Direct Expenses.
25.	Laboratory Material Consumed Exp.	Direct Expenses.
26.	Workman Wages.	Direct Expenses.
27.	Octrio on Purchase.	Direct Expenses.
28.	Material Purchase Exp.	Direct Expenses.
29.	Loading / Unloading on Purchase.	Direct Expenses.
30.	Labour Processing Charges.	Direct Expenses.
32.	Factory Power Expense.	Direct Expenses.
33.	Car exp. For Professionals.	Direct Expenses.
34.	Consultant Fee for Tax Return.	Direct Expenses.
35.	Conveyance Expense.	Direct Expenses.
36.	Other Business Expense.	Direct Expenses.
37.	Membership Fee.	Direct Expenses.
38.	Incentive, Allowances.	Direct Expenses.

Vinod Computer Institute Mehnagar Azamgarh UP.

CURRENT ASSETS.

<u>SL NO.</u>	<u>LEDGER.</u>	<u>UNDER GROUP.</u>
1.	Bill Receivable.	Current Assets.
2.	Goods.	Current Assets.
3.	Prepaid Expense.	Current Assets.
4.	Closing Stock.	Stock In Hand.
5.	Bank Balance.	Current Assets.
6.	Cash Balance.	Cash In Hand.
7.	Prepaid Office Expense.	Current Assets.
8.	Prepaid Insurance.	Current Assets.
9.	Interest Accrued on Deposits.	Current Assets.
10.	Tax Deducted at Source (Receivable).	Current Assets.
11.	Accrued Interest Receivable.	Current Assets.
12.	Prepaid Salary.	Current Assets.
13.	Prepaid Office Expense.	Current Assets.
14.	Advance Income Tax.	Current Assets.
15.	Sales Tax Refund Receivable.	Current Assets.
16.	Excise Moderate Claim Receivable.	Current Assets.
17.	GST Receivable.	Current Assets.
18.	Insurance Claim Receivable.	Current Assets.
19.	Advance Rent	Current Assets.
20.	Loan and Advances	Current Assets.
21.	Sundry Debtors	Current Assets.

CURRENT LIABILITY.

<u>SL NO.</u>	<u>LEDGER.</u>	<u>UNDER GROUP.</u>
1.	Bill Payable.	Current Liability.
2.	Outstanding Expense.	Current Liability.
3.	Commission Pre-receive.	Current Liability.
4.	Provident Fund.	Current Liability.
5.	Bank Overdraft.	Current Liability.
6.	Loan (Cr).	Current Liability.
7.	Outstanding Interest.	Current Liability.

Vinod Computer Institute Mehnagar Azamgarh UP.

8.	Accrued Interest Payable.	Current Liability.
9.	Security Receive.	Current Liability.
10.	GST Payable.	Current Liability.
11.	Tax	Duties & Taxes.
12.	Input GST@5%.	Duties & Taxes.
13.	Input GST@12%.	Duties & Taxes.
14.	Input GST@18%.	Duties & Taxes.
15.	Input GST@28%.	Duties & Taxes.
16.	Output GST@5%.	Duties & Taxes.
17.	Output GST@12%.	Duties & Taxes.
18.	Output GST@18%.	Duties & Taxes.
19.	Output GST@28%.	Duties & Taxes.
20.	GST Adjustment A/C.	Duties & Taxes.
21.	Electricity Charge Payable.	Duties & Taxes.
22.	Rent Expenses Payable.	Duties & Taxes.
23.	Salary Expenses Payable.	Duties & Taxes.
24.	GST Payable.	Duties & Taxes.
25.	K.V Traders (Cr).	Sundry Creditors.
26.	A-Star Enterprises (Dr).	Sundry Debtors.
27.	Sale @5%.	Sale A/C.
28.	Sale@12%.	Sale A/C.
29.	Sales@18%.	Sale A/C.
30.	Sale@28%.	Sale A/C.
31.	Sale IGST.	Sale A/C.
32.	Purchase @5%.	Purchase A/C.
33.	Purchase@12%.	Purchase A/C.
34.	Purchase@18%.	Purchase A/C.
35.	Purchase@28%.	Purchase A/C.
36.	Purchase IGST.	Purchase A/C.

INDIRECT INCOME.

<u>SL NO.</u>	<u>LEDGER.</u>	<u>UNDER GROUP.</u>
1.	Bad Debts Recovered.	Indirect Income.

Vinod Computer Institute Mehnagar Azamgarh UP.

2.	Commission Receive.	Indirect Income.
3.	Discount On Creditors.	Indirect Income.
4.	Discount Receive.	Indirect Income.
5.	Interest Receive.	Indirect Income.
6.	Rent Receive.	Indirect Income.
7.	Income From Investment.	Indirect Income.
8.	Income From Any Other Source	Indirect Income.
9.	Miscellaneous Revenue Gain.	Indirect Income.
10.	Interest Accrued.	Indirect Income.
11.	Sales Tax Refund.	Indirect Income.
12.	Claims Refund Received.	Indirect Income.
13.	Discount on Purchases.	Indirect Income.
14.	Share Dividend Income.	Indirect Income.
15.	Claims Refund Received.	Indirect Income.

FIXED ASSETS.

<u>SL NO.</u>	<u>LEDGER.</u>	<u>UNDER GROUP.</u>
1.	Business Premier.	Fixed Assets.
2.	Furniture & Fitting.	Fixed Assets.
3.	Good Will.	Fixed Assets.
4.	Land & Building.	Fixed Assets.
5.	Go Down.	Fixed Assets.
6.	Machinery.	Fixed Assets.
7.	Plant.	Fixed Assets.
8.	Air Conditioner.	Fixed Assets.
9.	Table.	Fixed Assets.
10.	Copy Right.	Fixed Assets.
11.	Cell Phone.	Fixed Assets.
12.	Computer.	Fixed Assets.
18.	Jewelry & Ornament.	Fixed Assets.
19.	Photocopy Machine.	Fixed Assets.
20.	Fire Extinguishers.	Fixed Assets.
21.	Generator.	Fixed Assets.
23.	Factory Maintenance Equipment.	Fixed Assets.
24.	Pollutions Control Equipment.	Fixed Assets.
25.	Weighting (Toll Kanta).	Fixed Assets.
26.	Material Movement Equipment.	Fixed Assets.
27.	Laboratory Testing Equipment.	Fixed Assets.

Vinod Computer Institute Mehnagar Azamgarh UP.

28.	Electrical Fitting of permanent nature	Fixed Assets.
29.	Printer, Fax Machine.	Fixed Assets.
30.	Tools.	Fixed Assets.
31.	CCTV Camera.	Fixed Assets.
32.	Keyboard.	Fixed Assets.
33.	Mouse.	Fixed Assets.

CAPITAL ACCOUNT.

<u>SL NO.</u>	<u>LEDGER.</u>	<u>UNDER GROUP.</u>
1.	Proprietor Capital A/c.	Capital Account.
2.	Partners' Capital A/c.	Capital Account.
3.	Share Capital A/c.	Capital Account.
4.	Drawing.	Capital Account.
5.	House hold expenses.	Capital Account.
6.	Self-Insurance Policy.	Capital Account.
7.	General Reserve.	Reserved & Surplus.
8.	Capital Reserve.	Reserved & Surplus.
9.	Investment Allowance Reserve.	Reserved & Surplus.
10.	Bank Term Loan against Machinery.	Secured Loans.
11.	Premises.	Secured Loans.
12.	Equipment.	Secured Loans.
13.	FDR/Investment.	Secured Loans.
14.	Bank Car Loan.	Secured Loans.
15.	Advance from Customers.	Unsecured Loans.
16.	Deposit Received from Family Members,	Unsecured Loans.
17.	Gratuity Provision.	Provision.
18.	Provision for Depreciation.	Provision.
19.	Income Tax Provision.	Provision.
20.	Audit Fee Provision.	Provision.
21.	Legal Charge Provision.	Provision.
22.	Bank Overdraft A/c.	Bank OD.
23.	Bank Bill Discounted Hypothec. Pledges.	Bank OD.
24.	Bank CC Limit.	Bank OCC Account.
25.	GST.	Duties & Taxes.
26.	TDS.	Duties & Taxes.
27.	GST.	Duties & Taxes.
28.	SGST.	Duties & Taxes.
29.	CGST.	Duties & Taxes.
30.	IGST.	Duties & Taxes.

Vinod Computer Institute Mehnagar Azamgarh UP.

QUESTION PAPER OF TALLY.

MM: 100.

Timing: 1:30 Hr.

1.) Create A Company [Your Name] Without Password The Following Details.

Directory	C:/Tally/Data	Country	India
Name	{Your Name}	Currency Symbol	Rs.
Mailing Name	Network Pvt. Ltd.	Maintain:	Accounts-With-Inventory
Address	Your	Financial Year Begins From	01-04-2021
State	Delhi	Book Beginning From:	01-04-2021
E-Mail Address:	{Your Email Id}	Tally Vault Password	<Blank>

2.) Create The Following General Ledgers With Their Opening Balance And Proper Grouping.

LIABILITIES.	AMOUNT	ASSETS.	AMOUNT
EQUITY SHARE CAPITAL	3,00,000	GODOWN@10%	50,000
PREFERENCE SHARE CAPITAL	2,00,000	GOODWILL	40,000
GENERAL RESERVES	50,000	FURNITURE@10%	60,000
LOAN TAKEN FROM ICICI	40,000	LAND	30,000
PROVIDENT FUND	10,000	BUILDING@10%	50,000
PRE – RECEIVED COMMISSION	20,000	MACHNERY@15%	40,000
RAHUL INFOTECH	30,000	BONDS AT SBI	20,000
SANJAY & CO	50,000	DEBENTURE AT SBI BANK	50,000
LOAN FROM DEEPAK ENTERPRISE	70,000	RISHABH & CO.	40,000
O/S ELECTRICITY BILL	50,000	ADVANCE RENT	20,000
O/S SALARY	60,000	CLOSING STOCK	1,50,000
O/S RENT	20,000	ICICI BANK	2,50,000
PROFIT AND LOSS	1,00,000	CASH	2,00,000
	<u>10,00,000</u>		<u>10,00,000</u>

GODOWN.

Godowns Name.	Address.	Under.
Delhi	I/81Shivram Park Nangloi New Delhi	Primary
Noida	Sector-12, Atta Market, Noida NCR	Primary

- 3.) Paid For Salary 10000.By Cash.
- 4.) Receipt to Interest 8000.By Cash.
- 5.) Wages Paid Rs.5000 by Cash.
- 6.) Cash Deposited Into ICICI Bank Rs. 20000.
- 7.) Commission Has To Pay For This Month Rs.18000.
- 8.) On 03/03/2015 Purchase The Following Goods Directly From Mr. Raju Singh Sent Their Bill As Per Out Records the In Bill Number Recorded As RS/BILL/01).
 - a) 2Pcs Computer@24000/-
 - b) 2Pcs Laptop@32000/-
 - c) 2Pcs Pendrive@700/-

Vinod Computer Institute Mehnagar Azamgarh UP.

ADDITIONAL CHARGES.

- a) Freight On Purchase Rs.1200/-
- b) Input GST 18%-

9.) On 03/03/2015 Sale The Following Goods Directly From Mr. Kamal Singh Sent Their Bill As Per Out Records the In Bill Number Recorded As KS/BILL/01).

- a) 2Pcs Computer@28000/-
 - b) 2Pcs Laptop@38000/-
 - c) 2Pcs Pendrive@900/-
- Trade Discount-5%-

ADDITIONAL CHARGES.

- a) Output GST-18%
- b) Fright on Sale Rs.1000.

10.) On 18/03/2015 Company Purchase Goods Form Ramu & Sons (Bill No. Ram/S/001) (Noida-Go Down).

- a. Samsung Color TV 5pcs@15000GST@28%-
- b. TV Table 3pcs@5000 GST@12%-

11.) On 1-03-2015 Mr. Mayank Sharma (Body of Individual) Charged Rent Rs.200000. Company Paid To Mayank Sharma after Deducting TDS through ICICI Bank A/C (Bill No. #MS/TDS/001) (Ch. No. 590493).

12.) Dated As On 10-03-2015 Sold 50kg Timber To Rajesh Timber Ltd. (Company Resident) Cost Rs.1200 Per Kg. Apply Job Costing) With T.C.S (Timber Obtain Under Forest Lease) From Lajpat Nagar Store Bill No.#Rt/Tcs/001).

13.) Company Create A Voucher With Name-POS INVOICE, And Allow Only Cash, Bank Set the Following Points:-

Gift Voucher-	Not Applicable.
Debit/Credit Card Payments-	PNB Credit Card.
Cheque No-	PNB Bank.
Cash-	Cash.
And Set the Cash Discount@-5%	

14.) Company Sales To Customer Mr. Ram The Details Are:-Mobile2pcs@Rs.14000 With Cash Discount@-5% From Noida Go Down. Customer Will Pay Rs.5000 from Credit Card (No-7785878978549857), Rs.5000 from Chq of PNB Bank No-785458 and Rest of Amount Cash. Pass The POS Entry In Above Voucher On 15.06.2015.

15.) On 01-6-2015, Company Booked. 2 Air Ticket (From Delhi to Mumbai) From Tinku Travelling Agent worth Rs. 8000. GST Charged 5%. Bill No. (Tinku/01).

16.) On 01-15-2015, Company Made The Payment Along With GST To Tinku through ICICI Bank. (Cheque No. - 684595). Bill No. (Tinku/01).

17.) Create An Employee With Following Details.

Category -----Administration Department, Under Primary Behave Like a Group "No".

❖ Create DA, HRA

Vinod Computer Institute Mehnagar Azamgarh UP.

- ❖ Create TA
- ❖ Create TDS
- ❖ Create PF, ESI
- ❖ Give The Attendance.
- ❖ Create Slab Rate.
- ❖ P.TAX.

Name.	Mr. Pawan Kumar [Emp. Code-PK/014].
Designation.	C.A.
Function.	Account Maintain.
Date Of Birth.	01/8/1990.
Date Of Joining.	1/4/2021.
P.F Account No.	78965245.
Basic Salary. (Earning For Employee)	Rs.1500 /-Per Day.
DA. (Earning For Employee).	3% For Basic Pay.
HRA. (Earning For Employee).	8% For Basic Pay.
Children Education Allowance.	Rs.2250 For Two Children Each Months.
Convene Allowance. (Flat Rate).	Rs.1600 Months.
P Tax. (Employee Statuary Con).	According To Slab Rate.
P.F (Employee From Deduction).	12% For Basic Pay.
E.S.I(Employee From Deduction)	1.75% For Basic Pay.
Earning Leave.	2 Days.
Casual Leave.	2 Days.

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1-4-2021.	Rs.6000.	Rs.9000.	80.
	Rs.9000.	Rs.12000.	150.
	Rs.12000.		200.

1. Give Attendance To The Employee 26 Days.
2. Calculate Salary of Mr. Pawan Kumar for Month of May and Paid Salary with Employer Contribution through ICICI Bank. A/C.
3. Emp. Code- PK/0014 Take Leave Encasement of 4 Days of E.L Per Day@1000.