

Basic concept of accounting

Accounting - It is an art of recording, classifying and summarizing in significant manner and in terms of money, transactions and events which are of financial character and interpreting the results thereof.

Business Transaction - A business transaction is "The movement of money and money's worth from one person to another". Or exchange of values between two parties is also known as "Business Transaction".

Purchase - A purchase means goods purchased by a businessman from suppliers.

Sales - Sales is goods sold by a businessman to his customers.

Purchase Return or Rejection in or Outward Invoice - Purchase return means the return of the full or a part of goods purchased by the businessman to his suppliers.

Sales Return or Rejection out or Inward Invoice - Sales return means the return of the full or a part of the goods sold by the customer to the businessman.

Assets - Assets are the things and properties possessed by a businessman not for resale but for the use in the business.

Liabilities - All the amounts payable by a business concern to outsiders are called liabilities.

Capital - Capital is the amount invested for starting a business by a person.

Debtors - Debtor is the person who owes amounts to the businessman.

Creditor - Creditor is the person to whom amounts are owed by the businessman.

Debit - The receiving aspect of a transaction is called debit or Dr.

Credit - The giving aspect of a transaction is called credit or Cr.

Drawings - Drawings are the amounts withdrawn (taken back) by the businessman from his business for his personal, private and domestic purpose. Drawings may be made in the form cash, goods and assets of the business.

Receipts - It is a document issued by the receiver of cash to the giver of cash acknowledging the cash received voucher.

Account - Account is a summarized record of all the transactions relating to every person, everything or property and every type of service.

Ledger - The book of final entry where accounts lie.

Journal entries - A daily record of transaction.

Trial Balance - It is a statement of all the ledger account balances prepared at the end of particular period to verify the accuracy of the entries made in books of accounts.

Profit - Excess of credit side over debit side.

Profit and loss account - It is prepared to ascertain actual profit or loss of the business.

Balance Sheet - To ascertain the financial position of the business. It is a statement of assets and liabilities.

Types of accounts

Personal account - Personal accounts are the accounts of persons, firms, concerns and institutions which the businessmen deal.

Principles - Debit the receiver
 Credit the giver

Real Account - These are the accounts of things, materials, assets & properties. It has physical existence which can be seen & touch.

Ex. Cash, Sale, Purchase, Furniture, Investment etc.

Principles - Debit what comes in
 Credit what goes out.

Nominal account - Nominal account is the account of services received (expenses and Losses) and services given (income and gain)

Ex. Salary, Rent, Wages, Stationery etc.

Principles - Debit all expense/losses
 Credit all income/ gains

Tally is a complete business solution for any kind of Business Enterprise. It is fully fledged accounting software.

Tally

Introduction

We use tally application for doing transaction related to a company in a computer using tally we can create journal, payment, contra, or inventories entry.

Procedure for creating company in tally

Double click on Tally icon on desktop.

Alt+F3 Company info - Create company.

Select Company - We can choose the company which is already created. Shortcut key - F1.

Shut Company - It is used to close the company which is opened. Shortcut key Alt+F1.

Alter - It is used to make alterations in the company creation like name, date, maintain etc.

Split Company Data – Tally keeps all data for a company at same file, year after year. However, if you do not prefer to keep previous year data or hard disk. You can split a company into to financial period and in effects split in new company.

Steps of splitting

- 1) Open the company which company data you want to split.
- 2) Press Alt + F3 for company info.
- 3) Select the option split company data.
- 4) Select the company name you wish to split company data.
- 5) Enter the date in which you create second company.
- 6) Press enter for accept.
- 7) Again press enter for split the company data.

Quit - Exits from Tally.

- 1) Click on quit button.
- 2) Esc, Esc, Esc and enter.
- 3) Ctrl+Q

Shortcut Keys

Alt + F1 – By this shortcut we can shut open company

F1 – By this shortcut we can select company.

F2 – By this shortcut we can change date of the entry.

Alt + F2 – This shortcut is used to change the current period of a company.

F3 –By using this shortcut we can select open company.

Alt + F3 – This shortcut is used to open company info window for shut, create, select and alter company.

Enter - To accept information typed into a field. To accept a voucher or master.

To get a report with further details of an item in a report.

Esc - To remove what has been typed into a field. To exit a screen.

To indicate you do not want to accept a voucher or master.

Ctrl+A - To accept a form wherever you use the key combination the screen or report will be accepted as it is on this screen.

Ctrl+Q - It quits the screen without making any changes to it.

Alt+C - To create a master at a voucher screen.

When working within an amount field presses Alt+C to act as a calculator.

Alt+D - To delete a voucher. To delete a master.

Ctrl+Enter - To alter a master while making an entry or viewing report.

F11 - Features company

F12 - Configuration options are applicable to all the companies in a data directory.

Ctrl+N - Calculator screen.

Ctrl+V - Voucher mode (Cr., Dr.)

Meaning

Current asset - It is converted into cash within a year. Ex. Bills receivable.

Direct expenses - These are the expenses which are directly related to manufacturing of goods. Ex. Wages, factory rent, heating, lighting etc.

Indirect expense - These are the expenses which are indirectly related to manufacturing of goods. Ex. Salary, rent, stationery, advertisement, printing

Depreciation - Decrease the value of the asset.

Sundry debtors - The person who is the receiver or customer

Sundry creditors - The person who gives or supplier.

Expenses Outstanding or Unpaid expenses or Expenses due - Expenditure incurred during current year but the amount on which is not yet paid. (Added to the expenditure on the debit side and entered on the liability side.)

Income received in advance or Income received but not earned

Income received during the current year but not earned or a part of which relates to the next year. (Deducted from the concerned income on the credit side and entered on the liability side).

Prepaid advance or Expenses or Prepaid Expenses

Expenditure paid during current year but not incurred or a part of which relates to the next year is called expenditure prepaid. (Deducted from the concerned expenditure on the debit side and entered on the assets side).

Income outstanding or income earned but not received or Income accrued

Income outstanding means income earned during the current year but the amount on which is not yet received (added to the concerned income on the credit side and entered on the asset side).

Balance Sheet

It is a statement of assets and liabilities, financial position, of an enterprise at a given date. It is also known as positions statements.

Steps

In the gateway of tally.

Press B for Balance sheet.

Alt + F1 (detailed) – By this we can display details of balance sheet.

Alt + C (New Column) – By this we can insert a new company for comparing with open balance sheet

Alt + A (Alter Column) – By this we can change compare company

Alt + D (Delete Column) – By this we can delete column of compare company.

Alt + N (Auto Column) – By this we can display balance sheet according to option, eg daily, half yearly, quarterly, etc

Profit & Loss A/c – It show the net result of business operating during an account period it is also known as income statement

In the gateway of tally.

Press P for Profit & Loss A/c.

Ratio Analysis – is a process of determining and interoperating relationship between the item of financial statement to provide a meaningful understanding of the performance and financial position of an enterprise

Steps

In the gateway of tally.

Press R for Ratio analysis.

Trial Balance – is the least of Debit and Credit balance taken out from edger it also include the balance of cash and bank taken from cash book.

Steps

In the gateway of tally.

Press D for display.

Press T for trial balance.

Account Book – is a book in which entries of business transaction are made like ledger, cash book, sale book, etc. are book of account.

Steps

In the gateway of tally.

Press D for display.

Press A for account book.

Day Book – By this we can see book of account according to given tally.

Step

In the gateway of tally.

Press D for display.

Press D for day books.

List of account – By this we can see total of ledger list.

Steps

In the gateway of tally.

Press D for display.

Press L for list of account.

Cash & Fund Flow – Cash flow include inflow and outflow of cash all transaction that lead to an increase in cash and cash equivalent are classified as inflow of cash and all those lead to decrease in cash and cash equivalent come under outflow of cash

Steps

In the gateway of tally.

Press D for display.

Press C for funds flow/cash.

Statement of account – In this option we can see journal information of a company.

- 1) In the gateway of tally.
- 2) Press D for display.
- 3) Press S for statement of accounts

Create Company

Ques 1. How can create company in Tally?

Ans. In the gateway of tally

- 1) Alt + F3 for Company information.
- 2) In Company creation give company name, mailing name, pin code, etc.
- 3) Choose maintain option as accounts only.
- 4) Give financial year, book beginning.
- 5) For the protection of file use Tally Password and Security Control
- 6) Press Enter to accept all the information regarding company.

Ques 2. Why we create company?

Ans. We create company to give basic information about the company whose books of account you are maintaining.

Ques 3. How can we create ledger?

Ans. Steps

- 1) In the gateway of tally.
- 2) Press A for account info.
- 3) Press L for ledger.
- 4) Press C for create Ledger.
- 5) Give Ledger name.
- 6) Choose under group.
- 7) Enter and accept the ledger.

Ques 4. How can we create group?

Ans. Steps

- 1) In the gateway of tally.
- 2) Press A for account info.
- 3) Press G fore Group.
- 4) Press C for create.
- 5) Give group name.
- 6) Choose under group and accept it.

Gateway of Tally – Accounts info – ledger – create

| Ledger | Group | Ledger | Group |
|--|-------------------|---------------------------------|---------------------|
| Opening stock | Stock in hand | Bad debts | Indirect expenses |
| Purchase | Purchase account | Repair renewals | Indirect expenses |
| Purchase return | Purchase account | Motor expenses | Indirect expenses |
| Fright charges | Direct expenses | Depreciation on assets | Indirect expenses |
| Carriage inwards or purchases | Direct expenses | Interest in investment received | Indirect expenses |
| Cartage and Coolie | Direct expenses | Interest on loans received | Indirect expenses |
| Octroi | Direct expenses | Commission received | Indirect expenses |
| Manufacturing wages | Direct expenses | Discount received | Indirect expenses |
| Coal, gas, water, oil and fuel | Direct expenses | Rent received | Indirect expenses |
| Factory rent, insurance electricity lighting and heating | Direct expenses | Dividend received | Indirect expenses |
| Sales | Sales account | Bad debts recovered | Indirect expenses |
| Salary | Indirect expenses | Profit by sale of assets | Indirect expenses |
| Postage and telegrams | Indirect expenses | Sundry income | Indirect expenses |
| Telephone charges | Indirect expenses | Loan from others | Loan liabilities |
| Rent paid | Indirect expenses | Bank loan | Loan liabilities |
| Rates and taxes | Indirect expenses | Bank overdraft | Bank OD |
| Insurance | Indirect expenses | Bills payable | Current liabilities |
| Audit fees | Indirect expenses | Sundry creditors | Sundry creditors |
| Interest on bank loan | Indirect expenses | Mortgage loans | Secured loans |
| Interest on loans paid | Indirect expenses | Expense outstanding | Current liabilities |
| Bank charges | Indirect expenses | Income received in advance | Current liabilities |
| Legal charges | Indirect expenses | Other liabilities | Current liabilities |
| Printing and stationary | Indirect expenses | Capital | Capital account |
| General expenses | Indirect expenses | Drawings | Capital account |
| Sundry expenses | Indirect expenses | Cash in hand | Cash in hand |
| Discount allowed | Indirect expenses | Cash at bank | Bank account |
| Carriage outwards or sales | Indirect expenses | Fixed deposit of bank | Deposit |
| Traveling expenses | Indirect expenses | Investments | Investments |
| Advertisement | Indirect expenses | Bills receivable | Current asset |
| Sundry debtors | Sundry debtors | Plant and machinery | Fixed asset |

| | | | |
|------------------------------|---------------|----------------------------|---------------|
| Closing stock | Stock in hand | Land and building | Fixed asset |
| Stock of stationery | Current asset | Lease hold property | Fixed asset |
| Loose tools | Fixed asset | Patents | Fixed asset |
| Fixtures and fittings | Fixed asset | Goodwill | Fixed asset |
| Furniture | Fixed asset | Prepaid expenses | Current asset |
| Motor vehicles | Fixed asset | Income outstanding | Current asset |

Ques 4. How can we create group?

Ans. Steps

- 1) In the gateway of tally.
- 2) Press A for account info.
- 3) Press G for Group.
- 4) Press C for create.
- 5) Give group name.
- 6) Choose under group and accept it.

Ques 5. How can we do journal entries in a company?

Ans. Steps

- 1) Create a Company.
- 2) In the gateway of Tally, Press V for accounting voucher.
- 3) For journal entries press F7.
- 4) Give the date of particular entry by processing F2 or Backspace.
- 5) Do the entry and accept it.

Note – Sale = Sundry Debtors.

Purchase = Sundry Creditors.

Voucher Type

In Voucher types we record company transaction in different type of voucher like payment, contra, etc.

Contra F4 – To record transfer of fund between cash & bank account.

Eg. 5000 cash withdraw from bank of India

Cr. Bank of India

Dr. Cash

Payment F5 – To record payment of money by cash, cheque, bank transfer

E.g. Salary paid by cheque Rs. 10,000.

Salary A/c Dr.

Bank A/c Cr.

Receipt F6 – To record receipt of money by cash, cheque, bank transfer.

E.g. Cash receive from Mohan for Rs. 20,000 and discount allow 10%.

Cr. Mohan A/c

Dr. Cash A/c

Dr. Discount allowed

Journal F7 – To record all non-cash transaction (all accounting transaction not involving cash or bank ledger). E.g. Depreciation on machinery 9000.

Depreciation A/c Dr.
Machinery A/c Cr.

Purchase F9 – To record all type of purchase in cash are credit. E.g. – Machinery purchase from Ram for Rs. 20,000 on credit

Cr. Cash/party (in case of credit-party)
Dr. Purchase/Machinery

Sale F8 – To record all type of sale by cash on credit. E.g. Sold goods to y's for Rs. 5000 on credit.

Dr. y's A/c
Cr. Sale A/c

Note – Press ctrl + v in sale or purchase voucher do entry in Debit and Credit format.

Ques 6. How can we use Dr. and Cr. Note?

Ans. Steps

In account Vouchers press F12 and yes the option use Debit and Credit Note.

Press enter and accept it.

Credit Note (ctrl + F8) – To record sale return transaction.

Debit Note (ctrl + F9) – To record purchase return transaction.

Ques 7. How can we allow cash account in journal voucher?

Ans. Steps

- 1) In the gateway of Tally
- 2) Press F 12 in journal voucher and yes the option allow cash A/c in journal.
- 3) Press Enter and accept it

Ques 8. How can we do entry in Contra, payment, receipt voucher in debit and credit amount?

Ans. Steps

- 1) In the gateway of tally.
- 2) Press V for accounting voucher.
- 3) Press F12 and yes the option do the entry in credit/debit amount during the voucher entry.
- 4) Press enter and accept it.

Ques 9. How can we allow fixed assets and expense ledger in purchase voucher?

Ans. Steps

- 1) In the gateway of tally.
- 2) Press V for accounting voucher.
- 3) Press F9 for purchase voucher.
- 4) Press F12 and yes the option allow fixed assets or expense ledger ion purchase voucher.
- 5) Press enter and accept it.

Ques 10. How can we give opening balance in ledger account?

Ans. Steps

- 1) In gateway of tally.
- 2) Press A for account info.
- 3) Press L for ledger.

- 4) Press C for create ledger.
- 5) Give ledger name.
- 6) Choose the under group and press enter.
- 7) Give the opening balance in below of ledger.
- 8) Press enter and accept it.

Bill Wise

Bill wise - This option is used when we sale or purchase on credit and bill no is given. It is applicable only in Sundry Credit and Debtors.

Ques 1. How can we use bill – wise option?

Ans. Steps

- 1) In the gateway of tally.
- 2) Press F11 for company features
- 3) Press A for accounting features.
- 4) Select the company name and press enter.
- 5) Yes, the option maintain bill-wise detail and accept it.

Ques 2. How can we do entries in accounting voucher?

Ans. Do the entries in accounting vouchers by processing F2, F7 etc.

Option –

- 1) **On account** – We use this option when we sale or purchase on credit but bi no is not given. Eg. Purchase goods from Ram Rs. 1000/- on credit.
- 2) **New reference** – We use this option when we sale or purchase on credit against bill no 001.
- 3) **Against reference** – We use this option when we do payment or receive payment against bill no. for eg. Cash paid to shyam against bill no. 001.
- 4) **Advanced** - This option is used for advance payment pay or receive for goods, sale or purchase.

Budgets

Budget Variance

Budget figure are used to compare actual and to display budget variance statement. Bringing up a new column, when displaying a statement and selecting the appropriate budget do this.

Ques 1 How can we use budget option?

Ans Steps

- 1) In the gateway of tally.
- 2) Press F11 for company feature.
- 3) Press A for accounting feature.
- 4) Yes, the option maintain budget and control.
- 5) Press enter and accept it.

Ques 2 How can we set the budget amount in ledger?

Ans Steps

- 1) In gateway of tally.
- 2) Press A for account info.
- 3) First of all, create the ledgers in which you want to set the budget amount like machinery, rent, etc.
- 4) Again in account info.
- 5) Press B for Budget.
- 6) Give budget name, choose under as primary.
- 7) Set the specified period for Budget the date should be in month, yearly, half-yearly.
- 8) Yes, the option set alter Budget of group and ledger.
- 9) Give the group name, ledger name.
- 10) Select the type of Budget and give amount.
- 11) Press Enter and accept it.

Ques 3 How many types of Budget?

Ans.

- 1) **On Net Transaction** - Select on net transaction to create Budget for income or Expenses account.
- 2) **On Closing Balance** – To set a Budget for a closing Balance for assets and liabilities account.

Ques 4 How can we check the Budget variance?

Ans. Steps

- 1) In gateway of Tally.
- 2) Open on your report like Balance sheet, Profit Select the group name and press enter.
- 3) Press alt – B for Budget variance.
- 4) Select the Budget name and press enter.
- 5) Check the Budget variance amount.

Currencies

Multi-Currency – In Multi currency we can create different currency and convert in our currency.

Ques 1 How can we use the option for currency?

Ans. Step

- 1) In the gateway of Tally.
- 2) Press F11 for Company features.
- 3) Press A for accounting features.
- 4) Yes, the option maintain multiple currency.
- 5) Press enter and accept it.

Ques 2 How can we create currency?

Ans. Step

- 1) In the gateway of Tally.
- 2) Press A for account info.
- 3) Press R for currency.
- 4) Give symbol (alt + 156) for currency and formal name (ponds) for currency.

Ques 3 How can we set the price of currency?

Ans. Step

- 1) In the gateway of tally.
- 2) Press A for account info.
- 3) Press R for currency.
- 4) Press A for alter currency.
- 5) Select the currency which you created.
- 6) Set the standard rate, selling or purchasing price of currency.
- 7) Press enter and accept it.

Multiple Price Level

The use of these feature is when you want to define price discount structure based on different category of item.

Ques 1. How can we use the option for multi price level?

Ans. Step

- 1) In the gateway of tally.
- 2) Press F11 for Company feature
- 3) Press I for Inventory features.
- 4) Yes, the option use multi price level and press enter.
- 5) Give the name of company price level like Merchant, wholesaler, etc.
- 6) Press enter and accept it.

Ques 2. How can we make price list?

Ans. Step

- 1) In the gateway of tally.
- 2) Press I for Inventory info.
- 3) Press I for stock item.
- 4) Give item name, give unit and under group and accept it.
- 5) Again in inventory info.
- 6) Press P for price list and press enter.
- 7) Select the price level name like wholesaler 's and press enter.
- 8) Give the price level name.
- 9) Give the quantity like less than between or above.
- 10) Give the rate and discount of each item.
- 11) Press enter and accept it.

Godown

Multiple godown – godown are location of storage point. When stock item are store in different location, you may maintain the transaction of item with location (godown wise) detail.

Ques 1 How can we use these option?

Ans. Steps

- 1) In the gateway of tally.

- 2) Press F 11 for company feature.
- 3) Press I for Inventory feature.
- 4) Yes, the option maintain multiple godown.
- 5) Press enter and accept it.

Ques 2 Creation of godown

Ans. Steps

- 1) In the gateway of tally.
- 2) Press I for inventory info.
- 3) Press D for godown.
- 4) Press C for create.
- 5) Give godown name (Dwarka, Godown)
- 6) Choose under group as primary.
- 7) Press enter and accept it.

Ques 3 How can we create item of godown?

Ans Steps

- 1) In the inventory info.
- 2) Press I for stock items.
- 3) Press C for create.
- 4) Give item name.
- 5) Choose under group, unit.
- 6) Give total quantity of each item. Ex – 220 and press enter.
- 7) Select the godown name.
- 8) Give quantity of each godown. Ex – Dwarka 50, Godown 60, Moti Nagar 100, Rohini 10.
- 9) Press enter and accept it

Inventory info

Create company group – Unit of measure – Stock Items – Inventory vouchers.

Inventory only – In this we can create stock groups, stock items, unit, etc. which are related to inventory.

Stock Groups – Help to classified stock items in one dimension. Stock item can be group together under stock, stock group.

Step –

- 1) In the gateway of Tally.
- 2) Press I for Inventory info.
- 3) Press G for create stock group.
- 4) Give stock group name.
- 5) Choose under group as Primary.
- 6) Press enter and accept it.

stock items – Like ledger, stock items are primary inventory entity. Here we create a stock ledger

account for each item and Tally call these account stock item.

Step –

- 1) In the gateway of Tally.
- 2) Press I for Inventory info.
- 3) Press C for Create Items.
- 4) Give item name.
- 5) Choose under group unit.
- 6) Press enter and accept it.

Unit of Measure – Under this we create measurement unit of the stock items. It can be number, pieces, etc.

Step –

- 1) In the Inventory info.
- 2) Press U for unit of measure.
- 3) Press C for create unit.
- 4) Give the unit symbol name and formal name.
- 5) Press enter and accept it.

Purchase and Sale Order

Company create – Ledger - Entry Pass (Voucher)

Place - purchase

Pass – sale

Issued – payment

Purchase Order – May be produced, print and sent to supply. The purchase order book will list out all the purchase order place.

Sale Order – May produced, print and sent to buyer. The sale order book will list out all the sale order.

Ques 1 How can we use this option?

Ans. Step

- 1) In the gateway of tally.
- 2) Press F11 for company feature.
- 3) Press I for Inventory feature.
- 4) Yes, the option allow sale order processing or purchase order processing.
- 5) Press enter and accept it.

Ques 2 How can we do sale or purchase order entry?

Ans. Step

- 1) In the gateway of tally.
- 2) Press I for Inventory voucher.
- 3) Press At + F5 for sale order or press Alt + F4 for purchase order.
- 4) Select the party account name and press enter.

- 5) Give the order number.
- 6) Give the sale or purchase ledger.
- 7) Select the name of item.
- 8) Give quantity and rate of item.
- 9) Press enter and accept it.

Ques 3 How can we use delivery or receipt note?

Ans. Step

- 1) In the gateway of tally.
- 2) Press F11 for company features.
- 3) Press I for inventory features.
- 4) Yes, the option use tracking number (Receipt note, delivery note) and also yes the option use rejection inward or outward.
- 5) Press enter and accept it.

Ques 4 How can we do delivery or receipt note entry?

Ans. Step

- 1) In the gateway of tally.
- 2) Press T for inventory voucher.
- 3) Press Alt + F9 for receipt note or Alt + F8 for delivery note.
- 4) Select party account name and press enter.
- 5) Select the challan no. which you received and deliver for giving challan no. in each item.
- 6) Select the name of item and press enter.
- 7) Give the challan no. in new tracking.
- 8) Press enter and accept it.

Voucher entries – Goods in, Goods out

We can do sale or purchase entry of the creating sale or purchase ledger.

Alternate Unit – An item can we measurement in two unit. The first unit is called Basic unit and Second unit is called alternate unit for eg – 1 doz = 12 Nos.

Standard Rate – By this you can maintain cost price and sale price of an item. It include standard cost and selling Price.

Ques 1. How can we create item with alternative unit and standard rate?

Ans. Step –

- 1) In the gateway of Tally.
- 2) Press I for stock item.
- 3) Press C for create.
- 4) Press F12 in stock items.
- 5) And yes, the option use alternate unit and also yes the option allow standard rate for stock items and accepted.
- 6) In stock items give item name.

- 7) Choose under groups, unit. Eg – Under group, choose unit for eg – nos.
- 8) Choose alternate unit eg – doz.
- 9) Give 1 doz = 12 nos.
- 10) Press y for standard rate.
- 11) Set the selling or purchasing price according to per item.
- 12) Give opening balance and accept it.

Bill of Material/ Manufacturing Journal Entry

By bill of material we can produce or manufacture the product for selling.

Ques 1. How can we produced product?

Ans. Steps

- 1) In the Gateway of Tally.
- 2) Press I for Inventory info.
- 3) Press G for stock group.
- 4) Create the group name, Unit.
- 5) Again press I for stock items.
- 6) Press F12 in stock item and yes, the option allow component of bill of material and accept it.
- 7) In stock item, give item name, choose under group and units.
- 8) Again in stock item give the item name.
- 9) Select group or unit.
- 10) Yes, the option component of bill of material and press enter.
- 11) Give the manufacture unit.
- 12) Give the name of item, unit.
- 13) Press enter and accept it.

Ques 2. How can we create manufacture voucher?

Ans. Steps

- 1) In the gateway of tally.
- 2) Press A for acc. info.
- 3) Press V for voucher type.
- 4) Give the voucher name like manufacture.
- 5) Select the type of vouchers as stock journal.
- 6) Yes, the option use for manufacturing journal.
- 7) Press enter and accept it.

Ques 3. How can we do manufacturing entry?

Ans. Step

- 1) In the gateway of Tally.
- 2) Press T for Inventory vouchers
- 3) Press alt + f7 for stock journal.
- 4) Select the voucher name.
- 5) Select the name of item, give the manufacturer unit.

- 6) Give the additional cost and in additional type.
- 7) Press enter and accept it.

Cost Centre and Cost Category

Cost Category – are parallel set of cost centre used to allocate to multiple parallel cost centre for ex – to department and also, to employee, you may need to create cost categories (department and employee) now. During voucher entry you will allocate the convenience expense to cost centre pace under department. Cost category expense to cost centre paced under employee cost category.

Cost Centre – It is used to analyse edger figure for ex – convenience expenses for various department you may create department as cost centre and also the amount enter for convenience expense ledger in voucher to the cost centre (department).

Ques 1 How can we use this option?

Ans. Step

- 1) In the gateway of tally.
- 2) Press F11 for company features.
- 3) Press A for accounting feature.
- 4) Yes, the option maintain cost centre and also yes the option more than one payroll or cost category.
- 5) Press enter and accept it.

Ques 2. Creation of Cost Category?

Ans. Step

- 1) In the gateway of tally.
- 2) Press A for account into.
- 3) Press O for cost category.
- 4) Press C for create.
- 5) Give category name.
- 6) Press enter and accept it.

Ques 3 Creation of cost centre?

Ans. Step

- 1) In the gateway of tally.
- 2) Press A for account info.
- 3) Press C for create.
- 4) Choose the category name.
- 5) Give the centre name.
- 6) Press enter and accept it.

Point of Sale (POS)

Point of sale is a considered a one-step billing process this means that entering the order and generating the invoice and receipt of amount are considered to be same step. The POS invoice feature allow due to create invoice at point of sale and to collect payment from your customer. POS invoice allow you to create. Invoice in second and also print.

Ques 1. Creating POS voucher type?

Ans. Step

- 1) In the gateway of tally.
- 2) Press A for account info.
- 3) Press V for voucher type.
- 4) Give voucher name like POS.
- 5) Select the type of voucher as sale.
- 6) Yes, the option use for POS invoicing.
- 7) Enter the message one and two.
- 8) Give the name of class and press enter.
- 9) Select the ledgers like gift voucher, cash, debit/credit.
- 10) Give the sales ledger in default allocation.
- 11) Give the discount ledger in additional entries.
- 12) Press enter and accept it.

Ques 2. How can we do entry in POS invoice?

Ans. Step

- 1) In the gateway of tally.
- 2) Press T for inventory voucher.
- 3) Press F8 for sale voucher.
- 4) Select the voucher name and press enter.
- 5) Give the name of item and other details and accept the entry.
- 6) Give discount.
- 7) Press ctrl + P for all information to the bottom like, cheques details.

TDS (Tax Deduction at Source)

TDS is the one of the collection of Income tax while making certain kind of payment, the payer deduct income tax from the Payee and deposit with income tax authority. The Payer later on issue a certificate to the Payee respect of deduction of TDS and deposit to government. The TDS certificate is then treat as advance payment of Income tax by the deductor.

Section 194Q- Deduction of TDS on Purchase of Goods.

The govt. has introduced Section 194Q in the Income Tax Act, 1961 vide the Finance Act, 2021. The intent of the govt. to bring this provision is to establish the trail of high value of transaction of sale and purchase of goods. There are various other provision which provides for deduction of tax at source on different transaction however deduction of tax on sale of goods has been made applicable vide inserting Section 194Q of the Income Tax Act, 1961.

Applicability of Section 194Q

Any person, being a buyer who is responsible for paying any sum to any resident seller for purchase of

any goods, in case the value or aggregate of such values exceeds Rs. 50 lakhs in any previous year is liable for deduction of tax on such transaction.

Who shall be considered as buyer for the purpose of this provision?

As per the explanation to Section 194Q (1), a buyer shall be a person whose total sales, gross receipt or turnover exceeds Rs. 10 crore in the immediate preceding financial year of the year of transaction.

Effective date of applicability

The provision will be effective from 1st July, 2021.

Rate of TDS – A person being a buyer is liable to deduct tax at the rate of **0.1%** of the purchase value in excess of Rs 50 lakhs. However, there is an exception to this, in **case the seller is not holding valid PAN, the rate of tax deduction will be 5%** under section 206A.

Ques 1 How can we use these option?

Ans. Step –

- 1) In the gateway of tally.
- 2) Press F11 for company feature.
- 3) Press S for statutory and Taxation.
- 4) Yes, the option unable tax deducted at source.
- 5) Set/Modify other company features.
- 6) **Enter TDS Deductor details** (supply the following sample data)

| | | |
|-----------------------------------|---|----------|
| Tax Assessment number | : | WBTG0012 |
| Income Tax Circle/Ward | : | 1A WBTDS |
| (TDS) Deductor Type | : | – 100 |
| Name of Person responsible | : | Others |
| | : | Gautam |

- 7) Press F12 (Configuration)Voucher Entry; turn on the option Allow Alteration of TDS and Values
- 8) Press enter and accept it.

Ques 2 How can we create Expense ledger for TDS?

Ans. Step –

- 1) In the gateway of tally.
- 2) In ledger creation.
- 3) Give ledger name like rent.
- 4) Choose the under group, Indirect Expense.
- 5) Yes, the option is TDS applicable.
- 6) Select the nature if TDS.
- 7) Press enter and accept it.

Ques 3 How can we create nature of payment in TDS?

- 1) In a gateway of tally, Press A for Account info.
- 2) Press T for statutory info.
- 3) Press N for, TDS nature of payment
- 4) Give name like, fees for professional and technical expenses.
- 5) Give section name 194Q
- 6) Press enter and accept it.

Ques 4 How can we create Party ledger for TDS?

Ans. Step –

- 1) In the ledger creation.
- 2) Give ledger name.
- 3) Choose the under group Sundry Creditors.
- 4) Yes, the option TDS deductible.
- 5) Select the deducted type (Individual HUF Resident).

Ques 5 How can we create TDS ledger @ 5% without PAN.

Ans. Step –

- 1) In ledger creation
- 2) Give ledger name like TDS.
- 3) Choose the under group duties and taxes.
- 4) Select the duty tax class as TDS.
- 5) Choose the nature of Payment.
- 6) Press enter and accept it.

Note – TDS deduction entry in journal voucher. Expense
A/c Dr.
Party A/c Cr.
TDS A/c Cr.

TCS (Tax Collected at Source)

What is TCS section 206C 1H?

A new section 206C (1H) was introduced by Finance Act 2020 to extend the TCS provisions to the seller of goods. As per this provision, a **seller is required to deduct tax at the source on the sale of goods** if the aggregate value of such sale exceeds Rs.50 lakh during the relevant financial year.

How is TCS calculated under section 206C 1H?

This Section provides that a seller having turnover of **more than ₹10 Crores** in the preceding Financial Year is required to collect from the buyer, TCS @ 0.1% of the consideration received against the sale of goods exceeding ₹50 lakhs and the provision was made effective from 1st October, 2020.

What is the new TCS rate?

0.1% of purchase/ payment exceeding 50 Lakh rupees If the deductee (i.e., seller) has not provided the Permanent Account Number to the deductor (i.e., buyer) then at the rate of **5%**.

What Is The New Provision As Mentioned In Section 206C(1H)?

The new provisions of TCS have come into force with effect from 1 October 2020 and according to it if your turnover is more than 10 crores in the previous financial year i.e. the year ended 31 March 2020, then this year you will have to collect and deposit TCS on your receipts from sale of goods from such buyers from whom you received more than Rs. 50 Lakhs as sale consideration during the current Financial year. The TCS is payable on the amount of receipt which is greater than 50 Lakhs and received after 1st. Oct. 2020. The rate of TCS is 0.1% and Presently due to corona Pandemic 25% discount has been given in this tax rate till 31 March 2021 and its effective rate is 0.075%.

If your sales are less than 10 crores in the year ended March 31, 2020 then you do not have to collect this TCS since these provisions are not applicable in such situation. Apart from this, if you receive payments above 50 lakhs in a full year but you have not received any payments on or after 1 October 2020, then you do not have to collect any TCS i.e. on payments received before 30 September 2020 no TCS is payable.

Payments received here refer only to payments received in connection with "sale" of goods. This is receipt based TCS hence even if you received payments in advance for supply of Goods, the TCS provisions are applicable.

Rate of TCS

Finance Act, 2020 amended provisions relating to TCS with effect from 1st October, 2020 to provide that seller of goods shall collect tax @ 0.1 per cent (0.075% up to 31.03.2021) if the receipt of sale consideration from a buyer exceeds Rs. 50 lakhs in the financial year. Further, to reduce the compliance burden, it has been provided that a seller would be required to collect tax only if his turnover exceeds Rs. 10 crore in the last financial year. Moreover, the export of goods has also been exempted from the applicability of these provisions.

Ques 1 How can we use these option?

Ans. Step –

- 1) In the gateway of Tally.
- 2) Press F11 for Company features.
- 3) Press S for Statutory and Taxation.
- 4) Yes, the option Tax collected and also yes, the option set alter TCS detail.
- 5) Press Enter and accept it.

Ques 2 How can we create Party ledger for TCS?

Ans. Step –

- 1) In A/c info.
- 2) In ledger creation.
- 3) Give ledger name
- 4) Choose the under group Sundry Debtors.
- 5) Yes, the option is TCS applicable.
- 6) Press enter and accept it.

Ques 3 How can we create TCS ledger?

Ans. Step –

- 1) In A/c info.
- 2) In ledger creation.

- 3) Give ledger name like TCS.
- 4) Choose the under group duties and Taxes.
- 5) Select the type of tax as TCS.
- 6) Select the TCS nature type.
- 7) Press enter and accept it.

| Nature of goods | TCS rate |
|---|-----------|
| Alcohol liquor for human consumption | 10% |
| Scraps | 1% |
| Parking lot, Toll plaza, mining | 2% |
| Timber obtained under a forest lease/other than forest lease | 2.5% |
| Tendu leaves | 2.5% / 5% |
| Minerals like lignite, coal and iron ore | 1% |
| Purchase of motor vehicles exceeding Rs.10 lakhs | 1% |
| Bullion the exceeds over Rs. 2 lakhs/ jewellery that exceeds over Rs. 5 lakhs | 1% |

Ques 4 How can we create nature of goods TCS?

Ans. Step-

- 1) In a gateway of tally, Press A for Account info.
- 2) Press T for statutory info.
- 3) Press N for, TCS nature of goods
- 4) Give name like, TCS sale of any goods

Give section name – 206C (1H)

Payment code –

Give rate of individuals / HUF

Rate for individual / HUF- 0.75%

Without PAN – 1%

Rate for other collectee types

Rate for other deductee type – 0.75%

Without PAN – 1%

- 5) Enter and accept it.

Ques 5 How can we create sales ledger?

Ans. Step –

- 1) In A/c info.
- 2) In ledger creation.

- 3) Give ledger name like Scrap Sales (Any Nature of goods).
- 4) Choose the under group sales account.
- 5) Inventory yes.
- 6) Press enter and accept it.

Ques 6 How can we create Stock Item?

Ans. Step –

- 1) In Inventory info.
- 2) In stock item creation.
- 3) Give item name like scrap (Any Nature of goods).
- 4) Under the primary.
- 5) Give units.
- 6) Press enter and accept it.

Payroll

This option is used to maintain salary details of different employee at different level along with the various deductions and earnings.

Ques 1 How can we use this option?

Ans. Step

- 1) In the gateway of tally.
- 2) Press F 11 for company features.
- 3) Press A for accounting features.
- 4) Yes, the option maintain payroll and also yes, the option more than one payroll or cost category.
- 5) Press enter and accept it.

Ques 2 Define Unit of Measures?

Ans. 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**.

Ques 3. How to create Unit (Work) in type of simple?

Ans. Step

- 1) In the gateway of tally.
- 2) Select payroll info.
- 3) Select the Units (Work).
- 4) Click on create.
- 5) Press enter and accept it.

Create Six units (Gateway of Tally > Payroll Info> Unit> Create)

| Type | Simple |
|-------------------------|--------|
| Symbol | Day |
| Formal Name | Days |
| Number of Decimal Place | 1 |

| Type | Simple |
|-------------------------|--------|
| Symbol | Hr |
| Formal Name | Hour |
| Number of Decimal Place | 2 |

| Type | Simple |
|-------------------------|--------|
| Symbol | Mth |
| Formal Name | Months |
| Number of Decimal Place | |

| Type | Simple |
|-------------------------|--------|
| Symbol | Min |
| Formal Name | Minute |
| Number of Decimal Place | 2 |

Ques 4. How to create Unit (Work) in type of compound?

Ans. Step

- 1) In the gateway of tally.
- 2) Select payroll info.
- 3) Select the Units (Work).
- 4) Click on create.
- 5) Press enter and accept it.

| Type | | Compound |
|------------|------------|--------------|
| First Unit | Conversion | Second Units |
| Month | Of 30 | Day |

| Type | | Compound |
|------------|------------|--------------|
| First Unit | Conversion | Second Units |
| Hour | Of 60 | Minute |

Ques 5 Define attendance/production type?

Ans. The Attendance / Production type is used to record the attendance and production data. Based 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.

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.

Go to Gateway of Tally > Payroll Info. > Attendance/Production Types > Create

| | |
|-------------|--|
| Name | Paid Leave |
| Under | Primary |
| Units | Day (with paid salary) i.e. attendance / leave with pay |

| | |
|-------------|--|
| Name | Casual Leave |
| Under | Paid Leave |
| Units | Day (with paid salary) i.e. attendance / leave with pay |

| | |
|-------------|--|
| Name | Sick Leave |
| Under | Paid Leave |
| Units | Day (with paid salary) i.e. attendance / leave with pay |

| | |
|-------------|--|
| Name | Earning Leave |
| Under | Paid Leave |
| Units | Day (with paid Salary) i.e. attendance / leave with pay |

| | |
|-------------|-------------------|
| Name | Over time |
| Under | Primary |
| Units | Hour (production) |

| | |
|-------------|--|
| Name | Present |
| Under | Primary |
| Units | Day (with paid salary) i.e. attendance / leave with pay |

Ques 6. How to create Employee Group?

Ans. Step

- 1) In the gateway of tally.
- 2) Select payroll info.
- 3) Select the employee group.
- 4) Click on single group
- 5) Press enter and accept it.

Ques 7. How to create Multiple Employee Groups?

Ans. Step

- 1) In the gateway of tally.
- 2) Select payroll info.
- 3) Select the employees

- 4) Click on create (under multiple groups).
- 5) The Multi Employee Group Creation screen displays.

| Multi Employee Group Creation | | | Payroll Company |
|---|-----------------------|------------------------|----------------------------------|
| Under Employee Group : <input type="checkbox"/> All Items | | | |
| S.No. | Category | Name of Employee Group | Under |
| 1. | Primary Cost Category | Front Office | <input type="checkbox"/> Primary |
| 2. | Primary Cost Category | Accounts | <input type="checkbox"/> Primary |
| 3. | Primary Cost Category | HR | <input type="checkbox"/> Primary |
| 4. | Primary Cost Category | Operations | <input type="checkbox"/> Primary |

Ques 8 How to create pay head (Basic Salary, DA, etc.)?

Ans. Step

Basic Salary

- 1) In the gateway of tally.
- 2) Select payroll info.
- 3) Give the pay head name like basic salary.
- 4) Select the pay head type whatever earning or expenses of employee.
- 5) Select the calculation type.
- 6) Press enter and accept it.

| Pay Head Creation | | ABC Company | Total Op. Bal. |
|-------------------------------------|--------------------------|-------------|----------------|
| Name | : Basic Salary | | |
| (alias) | : | | |
| Pay Head Info | | | |
| Pay Head Type | : Earnings for Employees | | |
| Under | : Indirect Expenses | | |
| Affect Net Salary | ? Yes | | |
| Name to appear in Payslip | : Basic Salary | | |
| Use for Gratuity | ? No | | |
| Calculation Type | : On Attendance | | |
| Attendance / Leave with Pay | : Not Applicable | | |
| Leave without Pay | : Absent | | |
| Calculation Period | : Months | | |
| Per Day Calculation Basis | : As Per Calendar Period | | |
| Rounding Info | | | |
| Rounding Method | : Not Applicable | | |
| Opening Balance (on 1-Apr-2006) : | | | Accept ? |
| | | | Yes or No |

Similarly create other pay heads:-

House Rent Allowance

Pay Head Type : Earnings for Employees
Under : Indirect Expenses
Affect Net Salary ? Yes

Name to appear in pay slip : House Rent Allowance
Use for Gratuity ? No
Calculation Type : As Computed Value
Calculation Period : Months

Dearness Allowance

Pay Head Type : Earnings for Employees
Under : Indirect Expenses
Affect Net Salary ? Yes
Name to appear in pay slip : Dearness Allowance
Use for Gratuity ? No
Calculation Type : As Computed Value
Calculation Period : Months

Computation Info:

| Computation Info | | | | |
|-------------------------|-------------|------------------------|-----------|-------------|
| Compute | | : On Specified Formula | | |
| Specified Formula | | : <i>Basic Salary</i> | | |
| Effective From | From Amount | Amount Upto | Slab Type | Value Basis |
| 1-Apr-2009 | | 2,000.00 | Value | 750 |
| | 2,000.00 | 3,000.00 | Value | 1,000 |
| | 3,000.00 | 4,000.00 | Value | 1,250 |
| | 4,000.00 | 5,000.00 | Value | 1,400 |
| | 5,000.00 | | Value | 1,800 |

| Computation Info | | | | |
|-------------------------|-------------|------------------------|------------|-------------|
| Compute | | : On Specified Formula | | |
| Specified Formula | | : <i>Basic Salary</i> | | |
| Effective From | From Amount | Amount Upto | Slab Type | Value Basis |
| 1-Apr-2009 | | 2,000.00 | Percentage | 15 % |
| | 2,000.00 | 3,000.00 | Percentage | 18 % |
| | 3,000.00 | 4,000.00 | Percentage | 20 % |
| | 4,000.00 | 5,000.00 | Percentage | 22 % |
| | 5,000.00 | | Percentage | 25 % |

Conveyance

Pay Head Type : Earnings for Employees
Under : Indirect Expenses
Affect Net Salary ? Yes
Name to appear in pay slip : Conveyance
Use for Gratuity ? No

Calculation type : On attendance/leave with pay
Calculation period : Months
Per day calculation basis : As per calendar period

Medical Allowance

Pay Head Type : Earnings for Employees
Under : Indirect Expenses
Affect Net Salary ? Yes
Name to appear in pay slip : Medical Allowance
Use for Gratuity ? No
Calculation Type : On Attendance
Attendance/Leave with Pay : Not Applicable
Leave without Pay : Absent

Calculation Period : Months
Per Day Calculation Basis : As per Calendar Period

Employee PF

Pay Head Type : Deductions from Employees
Under : Current Liabilities
Affect Net Salary ? Yes
Name to appear in pay slip : Employee PF

Calculation Type : As Computed Value
Calculation Period : Months

Computation Info:

| Computation Info | | | | |
|-------------------------|-------------|--|------------|-------------|
| Compute | | : On Specified Formula | | |
| Specified Formula | | : <i>Basic Salary + Dearness Allowance</i> | | |
| Effective From | From Amount | Amount Upto | Slab Type | Value Basis |
| 1-Apr-2009 | | 3,000.00 | Percentage | 15 % |
| | 3,000.00 | 4,000.00 | Percentage | 18 % |
| | 4,000.00 | 5,000.00 | Percentage | 22 % |
| | 5,000.00 | | Percentage | 25 % |

Other Allowance

Pay Head Type : Earnings for Employees
Under : Indirect Expenses
Affect Net Salary ? Yes
Name to appear in pay slip : Other Allowance
Use for Gratuity ? No
Calculation Type : Flat Rate
Calculation Period : Months

Professional Tax

Pay Head Type : Employee's Statutory Deductions
Under : Current Liabilities
Affect Net Salary ? Yes
Name to appear in pay slip : Professional Tax
Calculation Type : As Computed Value
Calculation Period : Months

Computation Info:

| Computation Info | | | | |
|-------------------------------------|--------------------|--------------------|------------------|--------------------|
| Compute : On Current Earnings Total | | | | |
| Effective From | From Amount | Amount Upto | Slab Type | Value Basis |
| 1-Apr-2009 | | 2,000.00 | Value | 0 |
| | 2,000.00 | 3,000.00 | Value | 60 |
| | 3,000.00 | 4,000.00 | Value | 100 |
| | 4,000.00 | 5,000.00 | Value | 150 |
| | 5,000.00 | | Value | 200 |

Ques 9 How to create single employee?

Ans. Step

- 1) In the gateway of tally.
- 2) In payroll info.
- 3) Press E for employee.
- 4) Give employee name and other details.
- 5) Press enter and accept it.

| Employee Creation | | Payroll Company | | Ctrl + M | X |
|----------------------|--|--------------------------|------------------|------------------------------------|--------------|
| Category | : Primary Cost Category | | | | |
| Name | : Bhavinkumar J Kalyani | | | | |
| (alias) | : | | | | |
| Under | : Back Office (<input type="checkbox"/> Primary) | | | | |
| Date of Joining | : 1-Apr-2006 | | | | |
| General Info | | Payment Details | | Passport & Visa Details | |
| Employee Number | : SACL0138 | Bank Name | : Axis Bank | Passport Number | : ES7983993 |
| Designation | : Tech Co-Ordinator | Branch | : Malad | Country of Issue | : India |
| Function | : Course Coordination | Bank A/c Number | : 10108088056423 | Passport Expiry Date | : 1-Dec-2012 |
| Location | : Head Office | Statutory Details | | Visa Number | : SO9878WD |
| Gender | : Male | Employee I.T. PAN | : AN89389PP | Visa Expiry Date | : 1-Dec-2011 |
| Date of Birth | : 1-Nov-1985 | PF Account Number | : KA893903/14 | Contract Details | |
| Blood Group | : a+ | ESI Number | : ES1783839 | Work Permit Number | : SE00783 |
| Father / Mother Name | : Jayant | | | | |
| Address | : B-201, Lok Everest, Mulund West Mumbai | | | | |
| Contact Numbers | : 9324407456 | | | | |
| E-Mail ID | : bhavin@saintangelos.com | | | | |
| | | | | | Accept ? |
| | | | | | Yes or No |

Ques 10 How can we do attendance?

Ans. Step

- 1) In the gateway of tally.
- 2) In payroll voucher.
- 3) Press ctrl + F5 for attendance.
- 4) Select the employee name.
- 5) Select the type of attendance, give number of days.
- 6) Press enter and accept it

Ques 11 How can we do salary details?

Ans. Step

- 1) In the gateway of tally.
- 2) In payroll voucher.
- 3) Press ctrl + F4 for payroll voucher.
- 4) Press Alt + A for auto fill.
- 5) Select the process for (salary, HRA) etc.
- 6) Select the employee name.
- 7) Press enter and accept it.

| Salary Details | | | | | | |
|----------------|----------------------|---------|--------|---------------------------------|-------------------|-----------------------------------|
| Effective From | Pay Head | Rate | Per | Pay Head Type | Calculation Type | Computed On |
| 1-Apr-2009 | Basic Salary | 3000.00 | Months | Earnings for Employees | On Attendance | Basic Salary |
| | Conveyance | 1000.00 | | Earnings for Employees | On Attendance | |
| | Dearness Allowance | | Months | Earnings for Employees | As Computed Value | Basic Salary + Dearness Allowance |
| | Employee PF | | | Deductions From Employees | As Computed Value | |
| | House Rent Allowance | | Months | Earnings for Employees | As Computed Value | Basic Salary |
| | Medical Allowance | 1250.00 | | Earnings for Employees | On Attendance | |
| | Other Allowance | 700.00 | Months | Earnings for Employees | Flat Rate | On Current Earnings Total |
| | Professional Tax | | | Employees' Statutory Deductions | As Computed Value | |

Scenario, optional, post – dated entry

Scenario – option allow user to define different situation like forecast projection or estimation these option is use to get report or various combination of selection of voucher type.

Ques 1. How can we use scenario option?

Ans. Step

- 1) In the gateway of tally.
- 2) Press F11 for company features.
- 3) Press A for accounting features.
- 4) Yes, the option use reversing journal and optional voucher.
- 5) Press enter and accept it.

Ques 2 How can we create scenario?

Ans Step

- 1) In the gateway of tally.
- 2) In account info.
- 3) Press S for Scenario.
- 4) Give the Scenario name.
- 5) Yes, the option include in actual.
- 6) Select the voucher type like sale, purchase, etc.
- 7) Press enter and accept it.

Ques 3 How can we see scenario?

Ans. Step

- 1) Open your statement like balance sheet, profit and loss account
- 2) Press At + C for new column.
- 3) Choose the name of company.
- 4) In the type of value of show choose the scenario name.
- 5) Yes, the option show variance.
- 6) Allow, you have two column in your statement.

Note – Ctrl + L press to close of “option” in Scenario.

Ctrl + T press to convert in postdated.

GST (Goods Service Tax)

Ques 1 What is GST?

Ans. GST is the 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 in effect on 1st July 2017, goods and services tax have in India is a comprehensive, multi-stages destination based tax that is value additional.

Ques 2. How many parts of GST?

Ans. GST are divide into three parts –

- 1) **IGST** – mean integrated goods and service tax one of the three categories under goods and service concept of one tax one nation. IGST fall under Integrated Goods and Service from one State to another State.
- 2) **SGST** – is a part of goods and service tax (GST) SGST means State Goods and Service Tax one of three categories under goods and service tax (IGST, CGST, SGST) with a concept of one tax one nation. SGST fall under state goods and service.
- 3) **CGST** – is a part of goods service tax (GST) CGST is a Central Government and Service Tax (CGST, IGST and SGST) with a concept of one nation one tax. CGST fall in under Central Goods and Service Tax.

Ques 3. GST Taxable Rates

Ans.

| Tax | Products |
|-----|--|
| 5% | Household necessities such as edible oil, sugar, spices, tea, coffee are include coal, Misthi/Mithai India sweet and also covered under this GST slab. |
| 12% | They include computers and processed good. |
| 18% | Hair oil, tooth paste and soaps capital goods and industries are covered and in slab. |
| 28% | Luxury item such as small cars, consumer durable like Air conditioner and Refrigerators, premium car, cigarettes. |

Ques 4. How can we use these option?

Ans. Step

- 1) In the gateway of tally.
- 2) Press F11 for company feature.
- 3) Press S for statutory and Taxation
- 4) Yes, the option enable goods and services tax (GST) and also, set/alter GST details.

- 5) Give state, registration type (Regular), GST No. and press enter.
- 6) Enter and accept it.

Ques 5. How can we create CGST ledger?

Ans. Step

- 1) In the gateway of tally.
- 2) Click on account info.
- 3) Give ledger name like CGST.
- 4) Under Duties & Taxes.
- 5) Types of duty GST.
- 6) Tax type Central Tax.
- 7) Press enter and accept it.

Ques 6. How can we create SGST ledger?

Ans. Step

- 1) In the gateway of tally.
- 2) Click on account info.
- 3) Give ledger name like SGST
- 4) Under Duties & Taxes.
- 5) Types of duty GST.
- 6) Tax type State Tax.
- 7) Press enter and accept it.

Ques 7. How can we create IGST ledger?

Ans. Step

- 1) In the gateway of tally.
- 2) Click on account info.
- 3) Give ledger name like IGST.
- 4) Under Duties & Taxes.
- 5) Types of duty GST.
- 6) Tax type Integrated Tax.
- 7) Press enter and accept it.

Ques 8. How can we create purchase (Local within State) ledger?

Ans. Step

- 1) In the gateway of tally.
- 2) In ledger creation.
- 3) Give ledger name like purchase (local within state).
- 4) Under purchase account.
- 5) Inventory values are affected = yes
- 6) Yes, GST applicable.
- 7) Type of supply (choose goods)
- 8) Press enter and accept it.

Ques 9. How can we create purchase (Inter State) ledger?

Ans. Step

- 1) In the gateway of tally.
- 2) In ledger creation.
- 3) Give ledger name like purchase (Inter state).
- 4) Under purchase account.
- 5) Inventory values are affected = yes
- 6) Yes, GST applicable.
- 7) Type of supply (choose goods)
- 8) Press enter and accept it.

Ques 10. How can we create sales (Local within State) ledger?

Ans. Step

- 1) In the gateway of tally.
- 2) In ledger creation
- 3) Give ledger name like sales (local within state).
- 4) Under sales account.
- 5) Inventory values are affected = yes
- 6) Yes, GST applicable.
- 7) Type of supply (choose goods)
- 8) Press enter and accept it.

Ques 11. How can we create sales (Inter State) ledger?

Ans. Step

- 1) In the gateway of tally.
- 2) In ledger creation.
- 3) Give ledger name like sales (Inter state).
- 4) Under sales account.
- 5) Inventory values are affected = yes
- 6) Yes, GST applicable.
- 7) Type of supply (choose goods)
- 8) Press enter and accept it.

Ques 12. How can we create party ledger (Inter State/local state)?

Ans. Step

- 1) In the gateway of tally.
- 2) In ledger creation.
- 3) Give ledger name like party name.
- 4) Under debtors, creditors.
- 5) Press enter and accept it.

Note – In Interstate situation, state will be change in party ledger.