

Introduction to MIS

Definition of MIS:

A Management Information System is an information system that evaluates, analyzes, and processes an organization's data to produce meaningful and useful information based on which the management can take right decisions to ensure future growth of the organization.

Managers are the key people in an organization who ultimately determine the destiny of the organization. They set the agenda and goals of the organization, plan for achieving the goals, implement those plans and monitor the situation regularly to ensure that deviations from the plan is controlled. This set of activity ensures the smooth functioning of the organization and helps it attain its objectives. Hence, these managers are vital for a successful organization. The managers in turn conduct these activities collectively management functions. They decide on all such issues that have relevance to the goals and objectives of the organization. The decisions range from routine decisions taken regularly to strategic decisions, which are sometimes taken once in the lifetime of an organization. The decisions differ in the following degrees,

1. Complexity of the decision.
2. Information requirement for taking the decision (What information needed to execute the decision)
3. Relevance (How the decision is related to organization)
4. Effect on the organization (How the decision will improve the organization)
5. Degree of structured behavior of the decision-making process.

Characteristics of MIS:-

Management information being a specialized information system conforms to certain characteristics. These characteristics are generic in nature. These characteristics remain more or less the same even when the technology around such management information system changes:

1. Management oriented

This means that the system is designed around the need felt by the management at different levels for information. The focus of the system is to satisfy the information needs of management and hence it is top-down (Management to employee's flow).

2. Management directed

*Management is involved in the designing process of MIS and also in its continuous review and up gradation to develop a good qualitative system.

*The system is structured as per directions factored by management. This helps in minimizing the gap between expectations of management *form* the system and the actual system.

3. Integrated

*MIS is integrated with all operational and functional activities of management.

*In order to provide a complete picture of the scenario, complete information is needed which only an integrated system can provide.

4. Common data flows

*Through MIS the data being stored into the system, retrieved from the system and processed by the system can be handled in an integrated manner.

*The integrated approach towards data management will result in avoiding duplication of data, data redundancy and will help to simplify operations.

5. Strategic planning

MIS cannot be designed overnight. It requires very high degree of planning which goes into creating an effective organization. The reason for this kind of planning is to ensure that the MIS

being built not only satisfies the information need of the managers today but can also serve the organization for the next five to ten years with modifications. Sometimes when the planning part is done away with, systems tend to perform well in the present, but they tend to become obsolete with time. Planning helps to avoid this problem.

6. Bias towards centralization

*Centralized data management helps MIS to do version control as well as to provide integrated common view of the data to the managers.

*In a **non-centralized** system, data will get entered, updated and deleted from the system from different locations. In such a case it becomes difficult to provide correct information to managers.

*A **centralized** system where data is entered, updated and deleted from only one location will be updated in all the locations (common database)

Components of Management Information System:

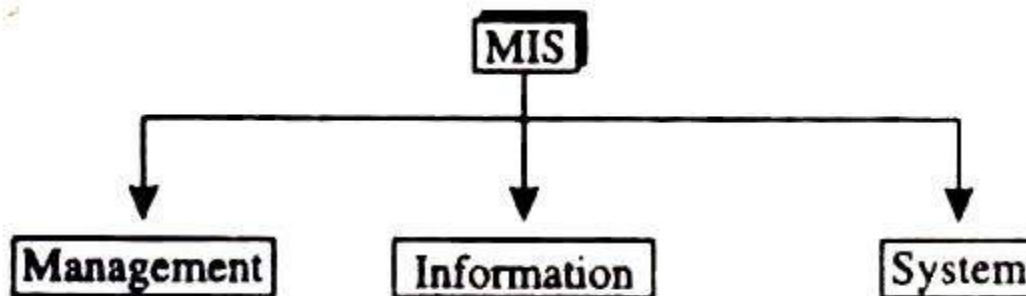


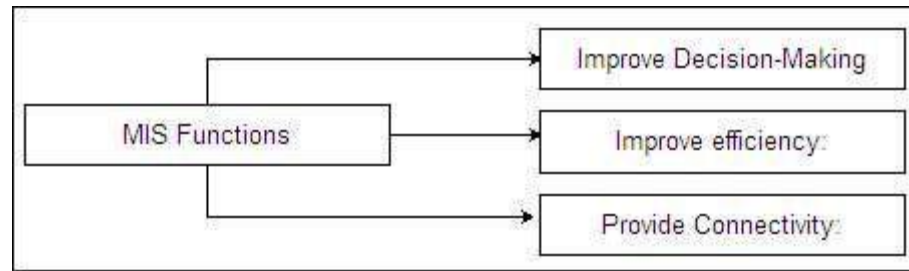
Fig. 1.1. Components of Management Information System

Managing with information involve gathering the necessary data (crude input or raw material) and processing these data into meaningful information. To understand MIS clearly, it is very much required to define these three words management, information, and system. It can be described with the help of above figure.

MIS Functions

The broad functions of MIS are as given below:

1. **To improve decision-making:** MIS helps management by providing background information on a variety of issues and helps to improve the decision-making quality of management. The fast and accurate information supplied by MIS is leveraged by the managers to take quicker and better decisions thereby improving the decision-making quality and adding to the bottom line of the company.
2. **To improve efficiency:** MIS helps managers to conduct their tasks with greater ease and with better efficiency. This reflects in better productivity for the company.
3. **To provide connectivity:** MIS provides managers with better connectivity with the rest of the organization.



The MIS has various components, which are as follows:

Thus, the following points can summarize the importance of MIS:

1. It helps in minimizing risk in decision making.
2. It processes the data and derives information out of them.
3. It provides information about the various aspects of business.
4. It helps the executives to avail the information regarding the functional areas quickly.
5. The database helps in inducting research. The data stored are used as secondary data.
6. It provides sound information regarding the financial health of business organization.
7. It helps in preparing corporate report.

Limitations and drawbacks of MIS are as follows:

The quality of the outputs of MIS is basically governed by the quality of inputs and processes.

MIS may not have requisite flexibility to quickly update itself with the changing needs of time, especially in a fast changing and complex environment.

The effectiveness of MIS is reduced in organisation, where the culture of hoarding information and not sharing with others hold.

MIS cannot provide tailor made information packages suitable for the purpose of every type of decision made by executives.

Framework for Understanding MIS**Management Levels in Organizations**

Management Function	Strategic Planning	Management Control	Operational Control
Planning	Long-range, high impact	Medium range, medium Impact	Short range, low impact
Organizing	General framework	Departmental level	Small unit level
Staffing	Key senior people	Medium level, tactical level	Operational level
Directing	General and long range directives	Tactics	Routine activities
Controlling	Aggregate level	Periodic control and controlling exceptions	Regular and continuous supervision

The idea of an organization's hierarchy from the perspective of managerial activities. As is clear, it is a three-level pyramid with very distinct levels. Each level has its own set of tasks and decisions to take which have a varying impact on the organization as a whole.

Strategic Planning

This requires focusing on the objectives and goals of the organization, on changes in the objectives, on the resource requirements to fulfill the objectives and on the guiding principles and policies that will govern the acquisition, use and disposal of resources to attain the objectives. In short, this role is the most important role in the management hierarchy and the decisions taken by managers in this role have a far-reaching impact on the organization. Managers in this role set the direction in which the organization will travel. In terms of hierarchy, this lies at the top.

Managerial Control

This requires that resources are acquired and used effectively and efficiently to attain the objectives of the organization. This is a middle management role. Managers in this role take guidance from the strategic planning hierarchy and control the activities of the organization such that the goals set by the higher level are attained in an efficient and effective manner. The impact of the decisions of the managers in this role is medium term and degree.

Operational Control

This requires that directives as set by the immediate higher hierarchy is followed and that specific task/s are carried out effectively and efficiently. The decisions at this level have very little impact on the organization. The organization behaves in a routine nature where the parameters of the decision-making process are well laid and certain.

Levels of Management and Their Information Requirements

The common thread of activity in all the management functions is information management. Every manager today has to manage loads of information some for the purpose of reporting and some for taking actionable decisions. A marketing manager trying to fine-tune a sales strategy would be doing it only after analyzing a lot of relevant information about the market, the customer profile, the product profile and competitor's pricing strategy.

More and more corporations are investing in acquiring the latest management information system tools like enterprise (wide) resource planning (ERP), customer relationship management (CRM), knowledge management (KM), decision support system (DSS), business intelligence (BI) suites data warehouse (OW) facility as they are convinced of the benefits of such huge investments.

Information Needs for the Different Levels of Management

The top level deals with strategy, the middle level with tactical issues and the bottom level with operational issues.

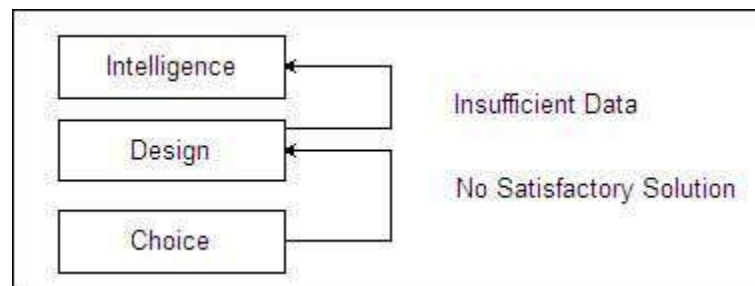
The top level that deals with strategy will be taking strategic decisions, middle level will take tactical decisions and entry level will take operational decisions. Now in order to take such decisions, contextual information will need to be provided.

Simon's Model of Decision-Making

Herbert Simon made key contributions to enhance our understanding of the decision-making process. In fact, he pioneered the field of decision support systems. According to (Simon 1960) and his later work with (Newell 1972), decision-making is a process with distinct stages. He suggested for the first time the decision-making model of human beings. His model of decision-making has three stages:

- Intelligence which deals with the problem identification and the data collection on the problem.
- Design which deals with the generation of alternative solutions to the problem at hand.
- Choice which is selecting the 'best' solution from amongst the alternative solutions using some criterion.

The figure given below depicts Simon's decision-making model clearly.



Intelligence Phase

This is the first step towards the decision-making process. In this step the decision-maker identifies/detects the problem or opportunity. A problem in the managerial context is detecting anything that is not according to the plan, rule or standard.

An example of problem is the detection of sudden very high attrition for the present month by a HR manager among workers. Opportunity seeking on the other hand is the identification of a promising circumstance that might lead to better results. An example of identification of opportunity is-a marketing manager gets to know that two of his competitors will shut down operations (demand being constant) for some reason in the next three months, this means that he will be able to sell more in the market.

Intelligence phase of decision-making process involves:
Problem Searching: For searching the problem, the reality or actual is compared to some standards. Differences are measured & the differences are evaluated to determine whether there is any problem or not.

Problem Formulation: When the problem is identified, there is always a risk of solving the wrong problem. In problem formulation, establishing relations with some problem solved earlier or an analogy proves quite useful.

Design Phase

Design is the process of designing solution outlines for the problem. Alternative solutions are designed to solve the same problem. Each alternative solution is evaluated after gathering data about the solution. The evaluation is done on the basis of criteria to identify the positive and negative aspects of each solution. Quantitative tools and models are used to arrive at these solutions. At this stage the solutions are only outlines of actual solutions and are meant for analysis of their suitability alone. A lot of creativity and innovation is required to design solutions.

Choice Phase

It is the stage in which the possible solutions are compared against one another to find out the most suitable solution. The 'best' solution may be identified using quantitative tools like decision tree analysis or qualitative tools like the six thinking hats technique, force field analysis, etc.

Differentiate between structured and unstructured decisions

<u>structured</u>	<u>unstructured</u>
<ol style="list-style-type: none"> 1. Structured decisions are the decisions which are made under the established situations for example hiring a new employee 2. Structured decisions are the programmable decisions and they are preplanned for example the payroll for employees. 3. Structured decisions are made in the situations which are fully understood 4. Structured decisions are generally made for routine tasks, for instance the hiring of new IT specialists in a firm 5. Structured decisions are made for specified processes like specialized manufacturing processes 6. Structured decisions have a well-defined methodology for finding a solution and have the data to reach a decisions. They are usually straight forward and made on a regular basis, an example of a structured decision in my company is whether or not to withdraw funds from an international account depending on the current exchange rate 7. structured decisions have a well defined methodology for finding a solution and have the data to reach a decisions. They are usually straight forward and made on a regular basis. <p>An example of a structured decision in my company is whether or not to withdraw funds from an international account depending on the current exchange rate.</p>	<ol style="list-style-type: none"> 1. unstructured decisions are made under the emergent situation, for example fire breakout. 2. unstructured decisions are creative and they are not preplanned for example if fire break there and then manager can make decision unplanned. 3. unstructured decisions the situations are uncertain and unclear. 4. unstructured decisions are made for a sudden one-shot kind of situations, for instance, dealing with a labor strike in a factory. 5. unstructured decisions are made for general processes. 6. Unstructured decision rely on knowledge and/or expertise and often require data and models to solve, an example of an unstructured decision in my company is what types of new content should be created and what market should be targeted. 7. Unstructured decision rely on knowledge and/or expertise and often require data and models to solve. <p>An example of an unstructured decision in my company is what types of new content should be created and what market should be targeted.</p>

How do formal and informal information systems differ?

Formal information system is composed of:

- information resources (archives, databases),
- information users (internal or external to the organization),
- information needs of users (employees or managers),
- communication subsystem (technology).

It is characterized by the following features:

- performs the functions of identification, diagnostics, and problem solving,
- resources and information needs of users are thematically related to various fields of management (for example: finance, human resources, production),
- it is located in the organizational structure of the company as a IT division or IT department, but it can also function in a distributed system.

Formal **information system** is used primarily for analysis, preparation and transfer of information. One of many tasks of managers is development of

various types of presentation of the facts of any field of activity, reports, analyses, draft decisions. More on this topic: Management information system or Structure of strategic information system.

Informal information system covers all areas of the organization that is not described by the formal organizational structure (organizational chart, procedures, work descriptions, organizational documentation). Any contact between employees, customers or suppliers which are not described in operational procedures enforced in the organization is a manifestation of the informal information system.

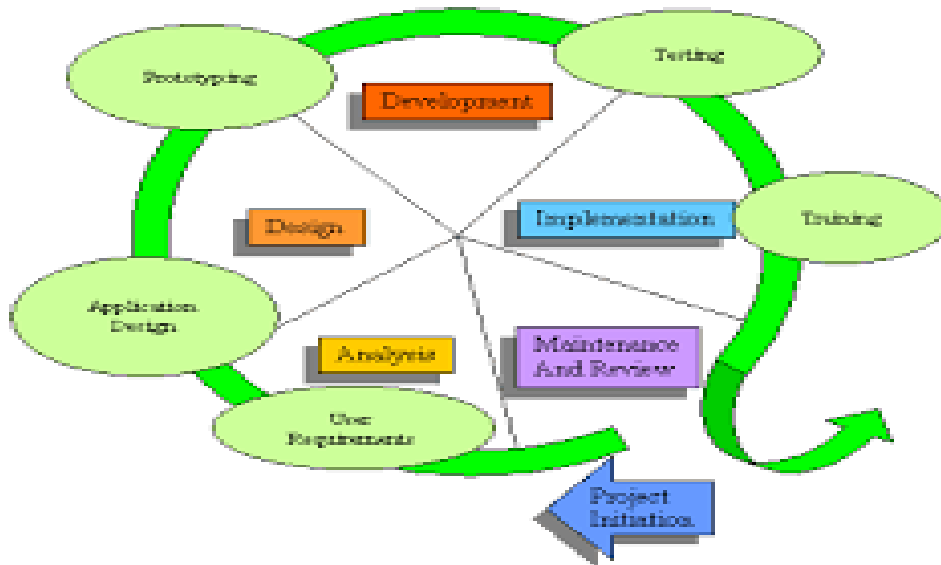
Examples of such informal communication may be:

- casual conversation,
- rumours about employees, customers, competitors,
- exchange of news on topics unrelated to work,
- messages in social media and blogs,
- conversation over coffee or lunch, etc.

Both formal and informal information system coexist in the organization and are essential to its smooth functioning.

Developing Information systems:-**What Is Information Systems Analysis and Design?**

Information systems analysis and design is a method used by companies ranging from IBM to PepsiCo to Sony to create and maintain information systems that perform basic business functions such as keeping track of customer names and addresses, processing orders, and paying employees. The main goal of systems analysis and design is to improve organizational systems, typically through applying software that can help employees accomplish key business tasks more easily and efficiently. As a systems analyst, you will be at the center of developing this software.



The analysis and design of information systems are based on: Your understanding of the organization's objectives, structure, and processes Your knowledge of how to exploit information technology for advantage To be successful in this endeavor, you should follow a structured approach. The SDLC, is a four-phased approach to identifying, analyzing, designing, and implementing an information system. Throughout this book, we use the SDLC to organize our discussion of the systems development process. Before we talk about the SDLC, we first describe what is meant by systems analysis and design.

Introduction to E-commerce:-

What is Ecommerce?

Ecommerce, also known as electronic commerce or internet commerce, refers to the buying and selling of goods or services using the internet, and the transfer of money and data to execute these transactions. Ecommerce is often used to refer to the sale of physical products online, but it can also describe any kind of commercial transaction that is facilitated through the internet.

OR

Electronic Commerce is more than just buying and selling products online. It also includes the entire online process of developing, marketing, selling, delivering, servicing and paying for products and services.

Examples of Ecommerce

Ecommerce can take on a variety of forms involving different transactional relationships between businesses and consumers, as well as different objects being exchanged as part of these transactions.

1. Retail:

The sale of a product by a business directly to a customer without any intermediary.

2. Wholesale:

The sale of products in bulk, often to a retailer that then sells them directly to consumers.

3. Dropshipping:

The sale of a product, which is manufactured and shipped to the consumer by a third party.

4. Subscription:

The automatic recurring purchase of a product or service on a regular basis until the subscriber chooses to cancel.

5. Physical products:

Any tangible good that requires inventory to be replenished and orders to be physically shipped to customers as sales are made.

6. Digital products:

Downloadable digital goods, templates, and courses, or media that must be purchased for consumption or licensed for use.

7. Services:

A skill or set of skills provided in exchange for compensation. The service provider's time can be purchased for a fee.

Scope of e-commerce:-

E-commerce creates new opportunities for **entrepreneurial start-ups**. Ease of Internet access, Safe and secure payment modes coupled with aggressive marketing by E-Commerce Giants has revolutionized this segment. Rapid development in mobile technology has given way to **Mobile Commerce** with many E-Commerce companies shifting to App only model.

Few of the basic advantage of E-commerce which is going to lead its success from front are:

- Time saving
- Environment friendly
- Saves space for physical stores and expenses related to it.
- Round the clock availability
- Unlimited business opportunity
- Unlimited options, etc.

The e-Commerce Trade Cycle:

- A trade cycle is the series of exchanges, between a customer and supplier, that take place when a commercial exchange is executed. A general trade cycle consists of:

Pre-Sales: Finding a supplier and agreeing the terms.

Execution: Selecting goods and taking delivery.

Settlement: Invoice (if any) and payment.

After-Sales: Following up complaints or providing maintenance.

- For business-to-business transactions the trade cycle typically involves the provision of credit with execution preceding settlement whereas in consumer-to-business these two steps are typically co-incident. The nature of the trade cycle can indicate the e-Commerce technology most suited to the exchange.
- Commercial transactions that are repeated on a regular basis, such as supermarkets replenishing their shelves, is one category of trade cycle. EDI is the e-Commerce technology appropriate to these exchanges, see Figure 1.

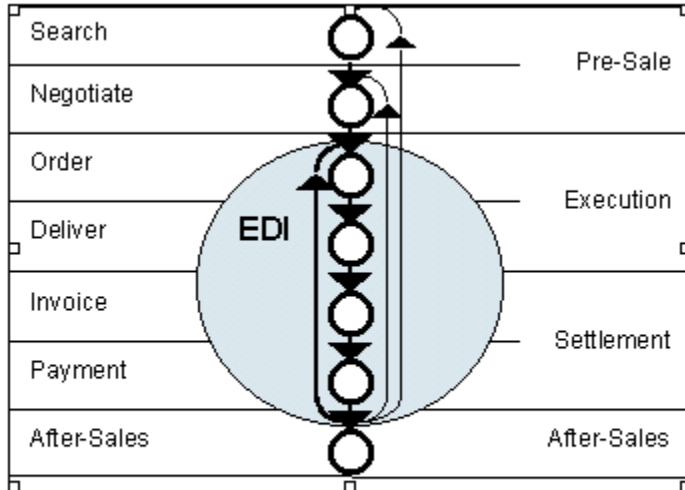


Figure 1: EDI Trade Cycle.

- Consumer transactions tend to be once-off (or at least vary each time) and payment is made at the time of the order. Internet e-Commerce is the technology for these exchanges, see Figure 2.

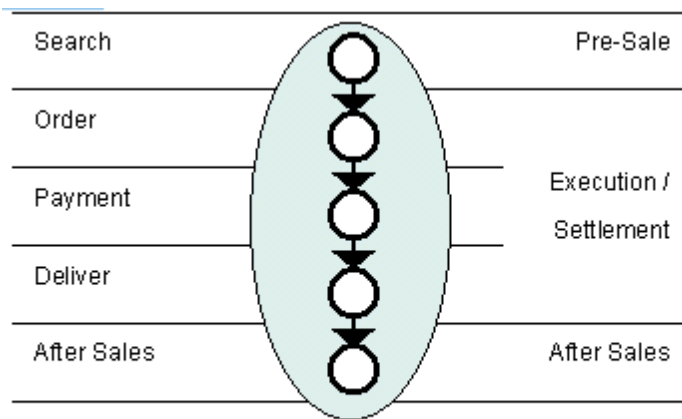


Figure 2 Consumer i-Commerce.

- The third generic trade cycle is the non-repeating commercial trade cycle and Internet e-Commerce or an electronic market is the appropriate e-technology.

Electronic markets

- **Electronic markets** (or electronic marketplaces) are **information systems (IS)** which are used by multiple separate organizational entities within one or among multiple tiers in economic **value chains**.

- First, the topology of electronic markets may be centralized or decentralized in nature. Centralized electronic markets are hubs which often provide services to their participants. Decentralized settings involve sequential relationships within value chains which often are found when electronic messages are exchanged directly between businesses ([electronic data interchange, EDI](#)).
- Second, the services provided by electronic markets may serve infrastructural or allocation purposes. Among the infrastructure services are routing, messaging, identification and partner directories whereas allocation services enable pricing process like price catalogs, exchanges and auctions (bidding).

Types of eCommerce Business Models

There are six main types of ecommerce models that can describe almost every transaction that takes place between consumers and businesses.

1. Business to Consumer (B2C):

When a business sells a good or service to an individual consumer (e.g. You buy a pair of shoes from an online retailer).

2. Business to Business (B2B):

When a business sells a good or service to another business (e.g. A business sells software-as-a-service for other businesses to use)

3. Consumer to Consumer (C2C):

When a consumer sells a good or service to another consumer (e.g. You sell your old furniture on eBay to another consumer).

4. Consumer to Business (C2B):

When a consumer sells their own products or services to a business or organization (e.g. An influencer offers exposure to their online audience in exchange for a fee, or a photographer licenses their photo for a business to use).

5. Business-to-Administration (B2A): In this kind of eCommerce transaction, there are dealings between companies and public administration. It encompasses different services, such as social security, fiscal measures, legal documents, employment and so on.

6. Consumer-to-Administration (C2A): In this eCommerce model, electronic transactions are carried between individuals and public administration. Some examples are distance learning, information sharing, electronic tax filing, and so on.

The main objective of both the B2A and C2A types of eCommerce is to increase flexibility, efficiency, and transparency in public administration.

Intra business:-

*In an **intra-Business transfer**, a company transfers an item, or employee, to work temporarily in a different office, often in another country. If the transfer requires that their employee move to a different company, a special "intra-company transfer work permit" must be issued.

*There are controls to ensure that the foreign employee continues to be employed at their specified position throughout their working period - the permit is valid for 2 years in most countries.

E-Business and E-Commerce Web Portals

A standard corporate e-business Web portal used for much of a company's online business presence can encompass internal business systems (CRM, ERP, HR), enterprise communication and collaboration (e-mail, voice mail, VoIP, content management, business process management), and e-commerce for transmitting funds, goods, services and/or data between businesses (B2B) or between the business and its retail/e-tail customers (B2C).

Electronic governance or **e-governance** is the application of information and communication technology (ICT) for delivering government services, exchange of information, communication transactions, integration of various stand-alone systems and services between government-to-citizen (G2C), government-to-business (G2B), government-to-government (G2G), government-to-employees (G2E) as well as back-office processes and interactions within the entire government framework. Through e-governance, government services are made available to citizens in a convenient, efficient, and transparent manner. The three main target groups that can be distinguished in governance concepts are government, citizens, and businesses/interest groups. In e-governance, there are no distinct boundaries.

Benefits of E-governance :

1.Speed – Technology makes communication speedier. Internet, Phones, Cell Phones have reduced the time taken in normal communication.

2. Cost Reduction – Most of the Government expenditure is appropriated towards the cost of stationary. Paper-based communication needs lots of stationary, printers, computers, etc. which calls for continuous heavy expenditure. Internet and Phones makes communication cheaper saving valuable money for the Government.

3. Transparency – Use of ICT makes governing process transparent. All the information of the Government would be made available on the internet. The citizens can see the information whenever they want to see. But this is only possible when every piece of information of the Government is uploaded on the internet and is available for the public to peruse. Current governing process leaves many ways to conceal the information from all the people. ICT helps make the information available online eliminating all the possibilities of concealing of information.

4. Accountability – Once the governing process is made transparent the Government is automatically made accountable. Accountability is answerability of the Government to the people. It is the answerability for the deeds of the Government. An accountable Government is a responsible Government.

Well , I hope this may help. If you are looking for some **E- governance services**, then you can go for **3i Infotech Services** , a leading IT Company in this domain.

Definition of 'E-learning'

Definition: A learning system based on formalised teaching but with the help of electronic resources is known as E-learning. While teaching can be based in or out of the classrooms, the use of computers and the Internet forms the major component of E-learning. E-learning can also be termed as a network enabled transfer of skills and knowledge, and the delivery of education is made to a large number of recipients at the same or different times.

However, with the rapid progress in technology and the advancement in learning systems, it is now embraced by the masses. The introduction of computers was the basis of this revolution and with the passage of time, as we get hooked to smartphones, tablets, etc, these devices now have an importance place in the classrooms for learning. Books are gradually getting replaced by electronic educational materials like optical discs or pen drives. Knowledge can also be shared via the Internet, which is accessible 24/7, anywhere, anytime.

The Knowledge Building (KB)

*It is used for describing what a community of learners needs to accomplish in order to create knowledge. It addresses the need to educate people for the knowledge age society, in which knowledge and innovation are universal.

*Knowledge building may be defined simply as "the creation, testing, and improvement of conceptual artifacts. It is not confined to education but applies to creative knowledge work of all kinds".

INTRODUCTION TO ACCOUNTING IN TALLY ERP.9 GST

Definition: -

Accounting is a bookkeeping process that records transactions, keeps financial records, performs auditing. It is a platform that helps through many processes, for example, identifying, recording, measuring and provides other financial information.

The **American Institute of Certified Public Accountants (AICPA)** has defined the financial accounting as “the art of recording, classifying and summarizing in a significant manner in terms of money transactions and events which in part at least of financial character and interrupting the results thereof.”

American Accounting Association (AAA) defines accounting as “the process of identifying, measuring, communicating economic information to permit informed judgements and decisions by users of the information”

The following attributes of accounting emerge

1. The art of recording business transaction
2. The art of classifying business transaction
3. The transactions or events of a business must be recorded in monetary.
4. It is summarizing financial transactions
5. It is an art of analyzing and interpretation these transactions

Functions and Objectives of accounting:-

The objectives and the functions of accounting are related to each other as the functions lead to fulfilling the objectives. The main objective and function are to support the decision-making process so that the employees and also the other users can have many advantages.

Objectives of Accounting

The functions of accounting facilitate the objectives of accounting. there are many objectives of accounting. For instance,

1. Accounting facilitates the systematic management of the records of the transaction and other financial data.

2. It gives an idea about the chances of profitability or failure or losses.
3. The process assists the management by helping them to take the best decisions. besides that, accounting ascertains the financial position of an organization.
4. It also helps in the evaluation of the employee and their working efficiency, in addition, communicating and spreading the accounting information to the user.
5. Accounting contributes the biggest to any organization by preventing the fraud and prevents the profit risks.

Functions of Accounting :-

1. Systematic record of business transactions

“the first main function of accounting to keep systematic record of business transactions post them to ledger and ultimately to prepare the financial accounts”

2. Protecting the property of business

For performing this function, the accountant is require to develop such a system of recording information so that asset of the business or not put to wrong use and a complete record of the assets of the concern is available without any difficulty.

3. Communicating results to interested parties

This function requires to supply the meaningful information about the financial activity of the business to the various parties i.e owners, creditors, investors, employees, government, public, research, scholars and the managers at the right time.

4. Compliance with legal requirements

The accounting system of any business should comply with the legal requirements. Under various enactments a business man is required to file various statements.

Ex: Income tax return, Return of sale, tax purposes

Basic Terms of accounting

Business Transaction

A business transaction is an event involving an interchange of goods, money or services between two or more parties. The business transacted can be between two parties engaged in business and conducting the transaction for their mutual benefits, or between a business entity, like a retail shop, and a customer.

Debtor

Debtor is a person who owns money. The amount due from him is called debt.

Creditor:-

Creditor is a person to whom money is owing or payable is called creditor.

Capital (CAP)

Capital (CAP) definition: This is the owners financial interest or holding in the business and is represented by the value of net assets.

Goods

This includes all articles, commodities in which the business deals and are for sales purpose.

Ex: cloths or wood be goods for a dealer in cloth.

Assets:-

In financial accounting, an asset is any resource owned by the business. Anything tangible or intangible that can be owned or controlled to produce value and that is held by a company to produce positive economic value is an asset. Simply stated, assets represent value of ownership that can be converted into cash

Equity

In accounting, equity (or owner's equity) is the difference between the value of the assets and the value of the liabilities of something owned. It is governed by the following equation:

Equity = Assets – liabilities

Income:-

A company's total earnings, also called net profit. Net income is calculated by subtracting total expenses from total revenues.

Expenditure:

Definition: An expenditure is funds used by a business, organization, or corporation to attain new assets, improve existing ones, or reduce a liability. In other words, it's the use of a resource in the operations of a business.

Expenses (fixed, variable, accrued, operation) (FE, VE, AE, OE)

Expenses (FE, VE, AE, OE) definition: The fixed, variable, accrued or day-to-day costs that a business may incur through its operations.

- **Fixed expenses (FE):** payments like rent that will happen in a regularly scheduled cadence.
- **Variable expenses (VE):** expenses, like labor costs, that may change in a given time period.
- **Accrued expense (AE):** an incurred expense that hasn't been paid yet.
- **Operation expenses (OE):** business expenditures not directly associated with the production of goods or services—for example, advertising costs, property taxes or insurance expenditures.

Drawings:-

The withdrawal of business cash or other assets by the owner for the personal use of the owner. Withdrawals of cash by the owner are recorded with a debit to the owner's **drawing** account and a credit to the cash account.

Loss

Various businesses experience losses in different forms. They may be the result of a sale of an asset below its carrying amount, from a lawsuit, or a write-down of an asset.

Voucher

Account voucher. A **voucher** is an **accounting** document representing an internal intent to make a payment to an external entity, such as a vendor or service provider.

Turnover:- It means total trading income from cash sales and credit sales.

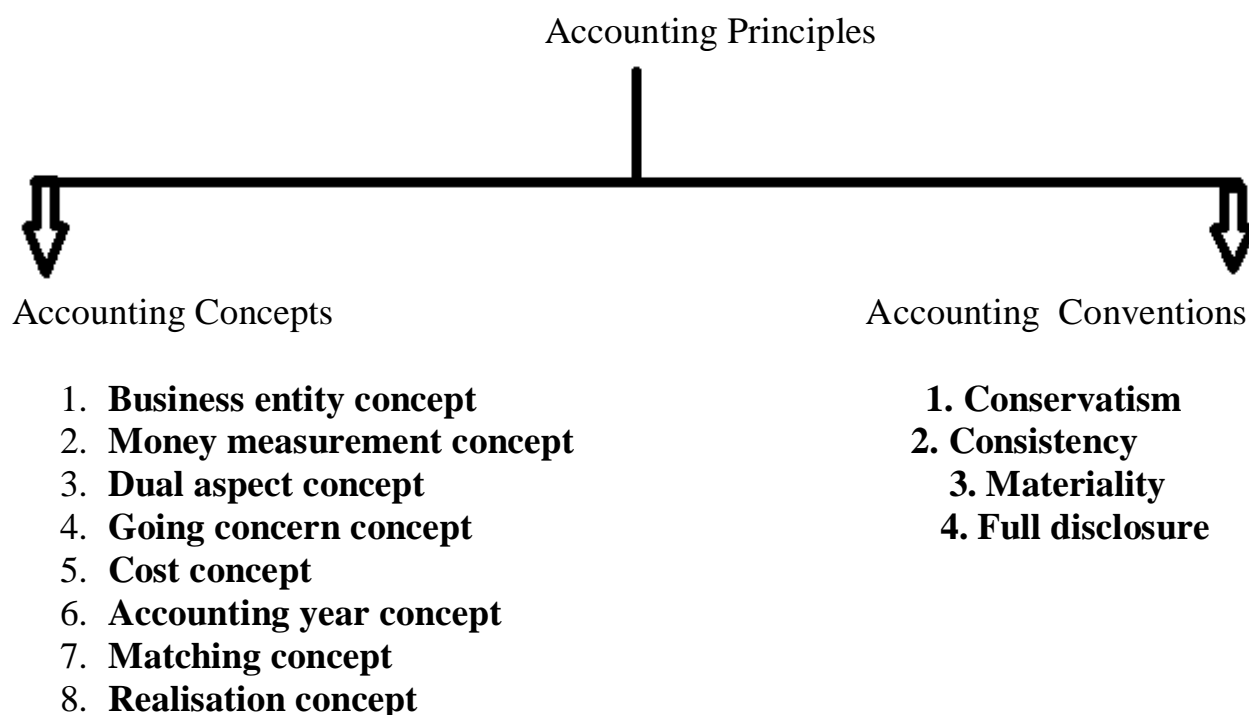
Networth:- It means assets minus outside liabilities

Profits of a business increase networth where as loss reduce the networth of a Business

Insolvent :- A person who cannot pay his debts is called insolvent

Accounting Principles

Accounting principles based on certain concepts, convention, and tradition have been evolved by accounting authorities and regulators and are followed internationally.



Accounting Concepts

1. **Business entity concept:** A business and its owner should be treated separately as far as their financial transactions are concerned.
2. **Money measurement concept:** Only business transactions that can be expressed in terms of money are recorded in accounting, though records of other types of transactions may be kept separately.
3. **Dual aspect concept:** For every credit, a corresponding debit is made. The recording of a transaction is complete only with this dual aspect.
4. **Going concern concept:** In accounting, a business is expected to continue for a fairly long time and carry out its commitments and obligations. This assumes that the business will not be forced to stop functioning and liquidate its assets at “fire-sale” prices.
5. **Cost concept:** The fixed assets of a business are recorded on the basis of their original cost in the first year of accounting. Subsequently, these assets are recorded minus depreciation. No rise or fall in market price is taken into account. The concept applies only to fixed assets.
6. **Accounting year concept:** Each business chooses a specific time period to complete a cycle of the accounting process—for example, monthly, quarterly, or annually or a calendar year.
7. **Matching concept:** This principle dictates that for every entry of revenue recorded in a given accounting period, an equal expense entry has to be recorded for correctly calculating profit or loss in a given period.
8. **Realisation concept:** According to this concept, profit is recognised only when it is earned. An advance or fee paid is not considered a profit until the goods or services have been delivered to the buyer.

Accounting Conventions

There are four main conventions in practice in accounting: conservatism; consistency; full disclosure; and materiality.

Conservatism is the convention by which, when two values of a transaction are available, the lower-value transaction is recorded. By this convention, profit should never be overestimated, and there should always be a provision for losses.

Consistency prescribes the use of the same accounting principles from one period of an accounting cycle to the next, so that the same standards are applied to calculate profit and loss.

Materiality means that all material facts should be recorded in accounting. Accountants should record important data and leave out insignificant information.

Full disclosure entails the revelation of all information, both favourable and detrimental to a business enterprise, and which are of material value to creditors and debtors.

Advantages & Limitations of Accounting

Advantages of Accounting:

- Accounting helps to maintain the business records in a systematic manner.
- It helps in the preparation of financial statements.
- Accounting information is also used to compare the result of current year with the previous year to analyze the changes.
- It helps the managers in the decision making process.
- It provides information to other interested parties such as shareholders, creditors, investors, customers, government, employees, regulatory bodies etc.
- It helps in taxation matter
- Accounting information can be produced as evidence in the legal matter.
- It helps in valuation of business.

Limitations of Accounting

- The items expressed in monetary terms are recorded in the accountings where as the items which are nonmonetary (Ex: investment, profit making) nature not recorded.
- Sometimes accounting data are recorded on the basis of estimates and which could be inaccurate.
- Fixed assets are recorded as the original cost.
- Value of money does not remain stable so accounting value does not show true financial results.
- Accounting can be manipulated and biased.

3.0 INTRODUCTION

A voucher is a basic recording document. Day to day transactions are entered in Tally through vouchers. It is a key to all business information. In manual accounting, the transactions are recorded through Journal Entries. In computerized accounting, it is done through Voucher Entry. A voucher contains details of the transaction. A business transaction entered in the form of a Journal Entry is a Voucher.

Making a voucher entry, basically includes, entering the two states of transaction, Debit (+) and Credit (-). As Tally follows Double Entry System of Accounting, both Debit and Credit aspects of a transaction must be entered. The total amount of Debit must be equal to the total amount of Credit in a transaction (it must tally).

To identify Debit and Credit aspects of a transaction, basic knowledge of accountancy (principles of accounting) is necessary. For the purpose of making the voucher entry (to identify Debit and Credit account in a transaction), the accounts are broadly classified into 3 types.

Personal Accounts: Accounts related to person (individual, body corporate, company, association, organization, institution, bank etc.). Normally account related to names such as Raman A/c, Goodlook Shop A/c, Syndicate Bank A/c, Corporation Bank A/c, Mandovi Motors A/c, Kidiyoor Hotel A/c, M/s ABC & Co., Guru Electronics A/c, Kitabghar A/c etc.,

Real Accounts: Accounts related to tangible, visible items and things such as cash, cheque, all type of assets including motor vehicles, computer, land, building, machinery, furniture, live stock etc.,

Type your text

Voucher Entry

Nominal Accounts: Accounts related to intangible and invisible things, which do not have a specific shape (but it can be counted in terms of money). For example, all incomes (interest on bank deposits, commission, rent, discount received etc.) and all expenses (travelling expenses, salary, wages, freight, carriage, advertisement, depreciation, printing and stationary, selling and distribution expenses, discount on sale, commission, rent given, interest on bank loan, payment for electricity bill, water bill, telephone bill, office expenses etc.).

The golden rules of Debit and Credit for the above three types of accounts are:

Type of Account	Debit	Credit
Personal A/c	The receiver	The giver
Real A/c	What comes in	What goes out
Nominal A/c	All expenses and Loss	All gains and Income

3.1 VOUCHER TYPES

Tally provides different types of vouchers, for recording different natures of transactions. They are broadly classified into two types. They are Accounting Vouchers and Inventory Vouchers.

Accounting Vouchers	
Contra Voucher	F4
Payment Voucher	F5
Receipt Voucher	F6
Journal Voucher	F7
Sales Voucher	F8

Inventory vouchers	
Purchase Order	Alt+F4
Purchase Quote	Ctrl+F4
Sales Order	Alt+F5
Sales Quote	Ctrl+F5
Rejections Out	Alt+F6

Note: Among the above types of vouchers, Memorandum Voucher is a purely non-accounting voucher. That is, the entries in this voucher do not affect the accounts, because, Tally does not post these entries to ledgers. Therefore, these vouchers do not affect the final results.

3.2 STEPS TO MAKE A VOUCHER ENTRY

To make a voucher entry,

1. Select **Accounting Vouchers** from **Gateway of Tally** menu.
2. Check the date of voucher to be entered. If the date displayed on the screen (at the top right side of voucher) is different from voucher date, to change the voucher date, press **F2** function key. Type the required date and press Enter.

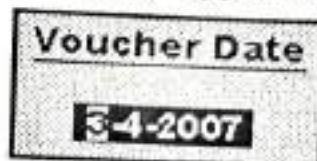


Figure 3.1 : The Voucher Date option is used to change voucher date.

3. Identify the voucher type of transaction like Receipt, Payment, Purchase, Sales, Contra, Journal etc., and select voucher type by pressing appropriate function key or clicking on required voucher type listed on the right side.
4. Identify the ledger accounts in the transaction. At least 2 accounts must be identified and these accounts should have been created by selecting appropriate group.
5. Identify the Debit and Credit accounts by applying the rules of Personal, Real and Nominal accounts.
6. Identify the Debit and Credit amount, total of both must be equal.
7. Enter the voucher by selecting Debit and Credit accounts, typing respective amount and a narration.
8. Select Accept Yes or Press Ctrl+A.

When making a voucher entry,

- To select the type of voucher, press the appropriate function key.
- To select the account related to Debit and Credit, press spacebar or press the first character of the account to be selected.

- When making the voucher entry, the terms To or Cr. stands for Credit and the terms By or Dr. stands for Debit.
- When making the voucher entry, By (or Dr.) or To (or Cr) will be displayed. It cannot be changed at the first time. But subsequent By can be changed to To by pressing T and Enter or To can be changed to By by pressing B and Enter (similarly Dr. can be changed to Cr. by typing C and Enter and Cr can be changed to Dr by pressing D and Enter).
- To maintain bill wise details, after the customer or supplier account is selected, bill reference must be entered. For purchase and sales voucher, it is **New Ref** (New Reference) and for Sales Returns, Purchase Returns, Receipts and Payments, it is **Agst. Ref** (Against Reference). If bill details are not readily available at the time of voucher entry, select **On Account**. Normally, the bill wise details contain bill number, due date or due days, bill amount and Dr/Cr.
- To maintain inventory details, after purchase, sales, purchase returns or sales returns account, enter the item details – item name, quantity and rate.

3.3 RECEIPT VOUCHER (F6) ①

Receipt voucher is used to enter all receipts of cash or bank (receipt of bank cheques or interest on bank deposits). Amount received from customers, capital introduced into the business (cash or cheque), loans taken, loans and advances refunded, commission, rent, dividend, interest etc., income received, amount taken back from term deposits etc., will be entered using Receipt Voucher. Even the amount received from the sale of fixed assets (not being the regular course of business) must also be treated as Receipts.

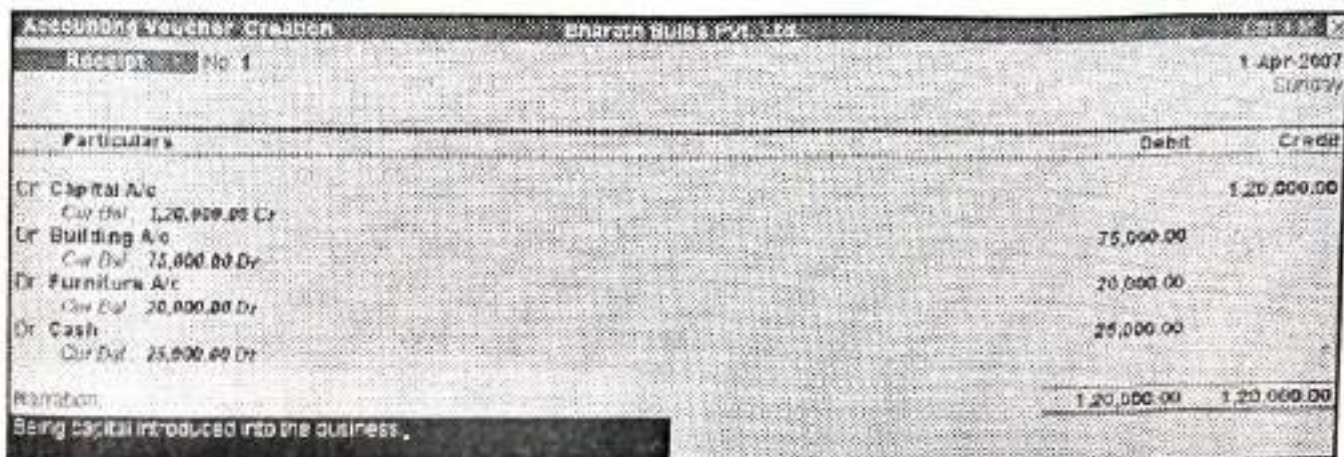
A Receipt Voucher can be entered, by pressing the function key **F6**. The voucher background color is green. To enter both Debit and Credit aspects of a transaction for receipts, payments and contra, press **F12**, set **No** to **Use Single Entry mode for Pymt/Rcpt/Contra?**

Voucher Entry

Debit and Credit accounts of Receipt Voucher are,

Debit	Credit
Cash account or any Bank Account (e.g. Syndicate Bank A/c)	The giver of money i.e., Debtors A/c or Income Ledger Account e.g. Interest on bank deposits.

Example: On 1-4-2007, started business with Building Rs. 75000, Furniture Rs. 20000 and Cash Rs. 25000.



Particulars	Debit	Credit
Cr Capital A/c Cr Bal 1,20,000.00 Cr		1,20,000.00
Cr Building A/c Cr Bal 75,000.00 Dr	75,000.00	
Cr Furniture A/c Cr Bal 20,000.00 Dr	20,000.00	
Cr Cash Cr Bal 25,000.00 Dr	25,000.00	
Remission	1,20,000.00	1,20,000.00

Narration:
Being capital introduced into the business.

Figure 3.2 : A Sample Receipt Voucher.

Note: All Receipt Vouchers must have at least one Debit entry for Cash or Bank account. Always a Receipt Voucher will prompt to enter the Credit (To) aspect of the voucher first.

If bill wise details must be stored in the voucher, immediately after selecting the name of sundry debtor, from whom the amount is received, method of adjustment will be asked. Select **Agst Ref** (against reference), select the number of the bill towards which the amount is received and specify the amount received.

3.4 PAYMENT VOUCHER (F5) ②

Payment voucher is used to enter all type of payments by cash or bank (payment by bank cheques). Payment of salary, wages, commission, rent, advertisement, electricity bill, traveling etc., expenses, loan installment, making term deposits, giving loans and advances, payment to sundry creditors etc., will be entered using Payment Voucher. Even the amount paid for the purchase of Fixed Assets

Voucher Entry

like purchase of Machinery, Land, Building, Furniture etc., (not being the regular course of business) must also be treated as Payments.

A Payment Voucher can be entered, by pressing the function key F5. The background color is yellow. To enter both Debit and Credit aspects of a transaction for receipts, payments and contra, press F12, set **No** to **Use Single Entry mode for Pymt/Rcpt/Contra?**

Debit and Credit accounts of Payment Voucher are,

Debit	Credit
Ledger account paid e.g. a Sundry Creditor or an expense account e.g., Salary A/c.	Cash or Bank A/c (e.g., Canara Bank A/c)

Example: On 31-5-2007, Rs. 2500 paid for Salary and Rs. 75 paid for Travelling Expenses by cash.

Accounting Voucher Creation		Bharath Bulbs Pvt. Ltd.		31-May-2007	
Payment No 1				Thursday	
Particulars		Debit		Credit	
Dr Salary A/c		2,500.00			
Car Bal 2,500.00 Dr					
Dr Traveling Expenses A/c		75.00			
Car Bal 75.00 Dr					
Cr Cash				2,575.00	
Car Bal 22,425.00 Dr					
Narration		2,575.00		2,575.00	
Being payments made					

Figure 3.3. A sample payment voucher.

Note: Payment Voucher must have at least one Credit entry for Cash or Bank account. Always a Payment Voucher will prompt to enter the Debit (By) aspect of the voucher first.

If bill-wise details to be maintained, then, after selecting the name of person to whom the payment is made (sundry creditor), Tally will prompt to select the Method of Adjustment. Select **Agst. Ref.** (against reference), select the number of bill, towards which the payment is made and enter the amount paid.

3.5 CONTRA VOUCHER (F4)

3

Cash or cheque deposited into bank, cash withdrawn from bank, transfer of funds from one bank account to another bank will be entered through Contra Voucher. Here Debit and Credit accounts can be only Cash and Bank Accounts. The Bank Account should be a current a/c or savings bank a/c and NOT a term deposit or loan a/c. That is, Bank Account should have been created under the group Bank Accounts or Bank OCC A/c.

If the amount is deposited into the bank, then Bank A/c will be Debited and Cash A/c will be Credited.

If the amount is withdrawn from the bank, then Cash A/c is debited and Bank A/c is credited.

If one bank's cheque is deposited into another bank, then the first Bank a/c is credited and latter Bank a/c is debited.

Always a Contra Voucher will prompt the user to enter the Credit (To) aspect of the voucher first.

A Contra Voucher can be entered, by pressing the function key F4. The background color is white.

Example: On 2-4-2007, Rs. 10000 deposited in Canara Bank SB A/c and Rs. 12000 deposited in Syndicate Bank SB A/c.

Accounting Voucher Creation		Bharath Bulbs Pvt. Ltd.	
Contra No. 1		2-Apr-2007	
		Monday	
Particulars	Debit	Credit	
Cr. Cash		22,000.00	
Cur Bal 425.00 Dr			
Dr. Canara Bank A/c	10,000.00		
Cur Bal 70,000.00 Dr			
Dr. Syndicate Bank A/c	12,000.00		
Cur Bal 32,000.00 Dr			
Narration		22,000.00	22,000.00
Being amount deposited into SB A/c of Canara and Syndicate Bank.			

Figure 3.4: A sample contra voucher.

3.6 PURCHASE VOUCHER (F9) 4

Purchase Voucher is meant for Purchase entries. Purchases made in the regular course of business (not for office use but for production or selling purposes) will be entered in this voucher. Purchase of fixed assets (not being the regular course of business) must be entered through Payment Voucher (cash purchases) or Journal Voucher (credit purchases) and not by Purchase Voucher.

Generally, purchases are made on credit. Tally allows users to enter both cash and credit purchases. If amount is partly paid or the amount paid in more than one mode (by cash and cheque), then enter two separate vouchers –one for purchase and another for payment. A Purchase Voucher can be entered, by pressing the function key F9. The background color of voucher is yellow.

Debit and Credit accounts of Purchase Voucher are,

Debit	Credit
1. Purchase A/c	1. The account of supplier (Sundry Creditor) or Cash or Bank A/c.
2. Input VAT, expenses if any	2. Discount on purchases if any.

In a Purchase Voucher, always Credit (To) aspect (account of Supplier of goods) is entered first. When items must be entered, better to use invoice mode.

Example: On 1-4-2007, purchased 40W bulbs 100 nos. @ Rs.10, 60W bulbs 50 nos. @ Rs.12, 100W bulbs 25 nos. @ Rs. 14, tubes 50 nos. @ Rs. 40 from Samsung Electricals.

Accounting Voucher / Voucher		Branch: Bulb's Pvt. Ltd.		Date: 1 Apr 2007	
Purchase No. 1		Ref:		Sunday	
Party's A/c Name: Samsung Electricals A/c					
Current Balance:					
Purchase Ledger: Purchase @ 4% VAT/Tax Class: Purchases @ 4%					
Name of Item	Quantity	Rate per	Amount		
40W Bulb	100 Nos.	10.00 Nos.	1,000.00		
60W Bulb	50 Nos.	12.00 Nos.	600.00		
100W Bulb	25 Nos.	14.00 Nos.	350.00		
Tube	50 Nos.	40.00 Nos.	2,000.00		
			3,950.00		
Input VAT @ 4%			4 %	158.00	
Remission:					
Using bulbs and tubes purchased from Samsung Electricals.			225 Nos.	4,108.00	

Figure 3.5: A sample of Purchase Voucher.

After selecting the Party's Ledger Account (Supplier Ledger Account), The address and VAT TIN number will be displayed if Allow Supplementary Details is set to Yes in the configuration F12. It can be changed.

Supplier's Details	
Supplier Address	Samsung Electricals A/c Mangalore
TIN/Sales Tax No	218899403

Figure 3.6 : The Supplier's Details screen.

After entering the above details, select the Purchase Ledger Account based on the rate of VAT applicable to the items like Purchase @ 4%, VAT/Tax Class will be automatically displayed.

Then select the name of item, type the Quantity and Rate, Units of measure to use. The amount will be displayed automatically. The amount can be edited to round it off.

After entering the details of all items, press Enter or select End of List. Then select the Input VAT ledger account created under the group Duties and Taxes. The VAT amount will be displayed. Type a brief narration for the transaction and select Accept? Yes or press Ctrl+A.

If in F12: Configurations, the options Use Common Ledger Account for Item Allocation? is set as No, Purchase Ledger Account and VAT/Tax class is not selected at the beginning, instead, after specifying each item detail, Purchase Ledger Account with proper VAT rate must be selected as given below.

Accounting Details for : 40W Bulb Upto: Rs. 1,000.00 Dr		
Particulars	VAT/Tax Class	Amount
Purchase @ 4%	Purchases @ 4%	1,000.00
Cur Bal : 1,000.00 Dr		

Figure 3.7 : The Purchase Ledger Account Selection screen.

3.7 SALES VOUCHER (F8) (5)

Sales Voucher is meant for Sale entries. Sales made in the regular course of business (not sale of fixed assets of the office) will be entered in this voucher. Sale of fixed assets (not being the regular course of business) must be entered through Receipt Voucher (cash sales) or Journal Voucher (credit sales) and not by Sales Voucher.

Generally, business sales are made on credit. Tally allows the user to enter both cash and credit sales. If amount is partly received or the amount received in more than one mode (by cash and cheque), then enter two separate vouchers – one for sale and another for receipt. A Sales Voucher can be entered, by pressing the function key F8. The background color of voucher is green.

Debit and Credit accounts of Sales Voucher are,

Debit	Credit
1. The ledger account of buyer or customer or Cash or Bank A/c.	1. Sales A/c.
2. Discount on sales if any.	2. Output VAT, income like packing and forwarding charges if any.

In a Sales Voucher, always Debit (By) aspect (account of Buyer i.e., Customer) is entered first. When items must be entered, better to use invoice mode.

Example : On 1-4-2007, 40W bulbs 22 nos. @ Rs. 13, 60W bulbs 2 nos. @ Rs. 15, 100W bulbs 2 nos. @ Rs. 18 and tubes 12 nos. @ Rs. 45 sold to Mr. Amar.

Accounting Voucher Creation		Invoice Mode Print		Date: 1 Apr 2007	
No. 1				1 Apr 2007	
Party's A/c Name: Amar's A/c		<i>Mr. Customer</i>		Country	
Current Balance		<i>(To Purchase & own Sale)</i>			
Sales Ledger: Sales @ 4%					
VAT/Tax Code: Sales @ 4%					
Name of Item	Quantity	Rate per	Amount		
40W Bulb	22 Nos.	13.00 Rs.	286.00		
60W Bulb	2 Nos.	15.00 Rs.	30.00		
100W Bulb	2 Nos.	18.00 Rs.	36.00		
Tube	12 Nos.	45.00 Rs.	540.00		
			1052.00		
Output VAT @ 4%		4 %	42.08		
Net Total	36 Nos.		1094.08		
Narration: Bring bulbs and tubes sold to Amar.					

Figure 3.8 : A sample of Sales Voucher.

3.8 JOURNAL VOUCHER (F7) 6

A Journal Voucher is an adjustment voucher. All amounts to be adjusted between two accounts are to be passed as a journal. Here, adjustment between the accounts means, there is no physical movement of funds. Depreciation on Fixed Assets, interest on loan charged, purchase or sale of fixed assets on credit or adjustment between two accounts etc., can be entered through the Journal.

Journal entries can be entered by pressing the function key F7. The background color of voucher is blue.

When making a Journal Entry, always Debit (By) aspect is entered first.

Example: On 31-3-2008, charged depreciation Rs. 200 on Furniture and Rs. 500 on Building.

Accounting Voucher Creation		Bharath Bulbs Pvt. Ltd.	
Journal	No. 1		31-Mar-2008 Monday
Particulars		Debit	Credit
Dr Depreciation A/c Cur Bal: 700.00 Dr		700.00	
Cr Furniture A/c Cur Bal: 10,200.00 Dr			200.00
Cr Building A/c Cur Bal: 74,500.00 Dr			500.00
Narration		700.00	700.00
Being depreciation charged.			

Figure 3.9 : A sample of Journal Voucher.

3.9 CREDIT NOTE (CTRL+F8) 7

Credit Note is used to enter the transaction related to Sales Returns or when there is an excess debit to a party.

In case of Credit Note, always Credit (To) aspect (ledger account of party who is returning the goods) is entered first.

To enter the VAT, better to enter Credit Note in invoice mode. To do so, in F11: Company Features, in Accounting Features, select Yes to the options Use Debit/Credit Notes? and Use Invoice Mode for Credit Notes? To enter a

Credit Note, press **Ctrl+F8**. If it is not displayed in Invoice mode, select **As Invoice** on the right side or press **Ctrl+V**.

Example: On 31-3-2008, 2 tubes returned by Mr. Amar, which were sold to him @ Rs. 45 each, *s.c.*

Accounting Voucher Creation		Gharan Dubai Pvt. Ltd.	
Credit Note No. 1		31 Mar 2008 Monday	
Used for: Goods Sold Returned			
Party's Ac Name: Amar's Ac			
Current Balance: 927.00 Dr			
Sales Ledger: Sales Returns Ac			
VAT Tax Class: Sales @ 4%			
Items of Item	Quantity	Rate per	Amount
Tubes	2 Nos.	45.00 Rs.	90.00
Output VAT @ 4%		4 %	3.60
Total			93.60
Description: Being 2 tubes returned by Amar			

Figure 3.10 : A sample Credit Note.

3.10 DEBIT NOTE (CTRL+F9) ⑧

Debit Note is used to enter the transaction related to Purchase Returns or when a customer is short-billed. In case of Debit note, always the Debit (By) aspect (the ledger account of party to whom the goods are returned) is entered first.

To enter the VAT, better to enter Debit Note in invoice mode. To do so, in **F11: Company Features**, in **Accounting Features**, select **Yes** to the options **Use Debit/Credit Notes?** and **Use Invoice Mode for Debit Notes?** To enter a Debit Note, press **Ctrl+F9**. If it is not displayed in Invoice mode, select **As Invoice** on the right side or press **Ctrl+V**.

Example : On 2-7-2007, 5 Tubes returned to Samsung Electricals, which were purchased @ Rs. 40 each. *Lg electrical*
S.D.

Accounting Voucher Creation		Gharan Dubai Pvt. Ltd.	
Debit Note No. 1		2 Jul 2007 Monday	
Party's Ac Name: Samsung Electricals Ac			
Current Balance: 4,700.00 Cr			
Purchase Ledger: Purchase @ 4%			
VAT Tax Class: Purchases @ 4%			
Items of Item	Quantity	Rate per	Amount
Tube	5 Nos.	40.00 Rs.	200.00
Input VAT @ 4%		4 %	8.00
Total			208.00
Description: Being tubes returned to Samsung Electricals			

Figure 3.11 : A sample Debit Note.

3.11 STOCK JOURNAL (ALT+F7) (9)

This is used to enter transfer of materials like items are moved from one godown to another without affecting the financial accounts.

To make the entry for Stock Journal press the keys **Alt+F7**.

- ◆ In Source (Consumption) select the name of item to transfer.
- ◆ From the list of Godowns, select the source godown.
- ◆ Enter the quantity of items being transferred in place of Quantity.
- ◆ Enter the rate of goods being transferred in place of Rate.
- ◆ In Destination (Production) enter the name of item received.
- ◆ Type the quantity and rate of items received at different godowns.
- ◆ Type a brief note of transaction in place of Narration.

Source (Consumption)				Destination (Production)			
Name of Item	Quantity	Rate	Amount	Name of Item	Quantity	Rate	Amount
Narration							

Figure 3.12 : A Sample Stock Journal.

Stock Journal is an inventory voucher. In it, expenses related to manufacturing an item cannot be included. To include expense details also, create an accounting voucher type named Manufacturing Journal, by selecting type of voucher Stock Journal, selecting Yes to the option Use as a Manufacturing Journal. To make a Manufacturing Journal entry press **Alt+F7** and select Manufacturing Journal. At the top, select the name of product manufactured and type the quantity. In left side, select the items used in the production (consumption), enter the quantity. On the right side, select different expense ledger accounts and type the amount.

3.12 PHYSICAL STOCK VOUCHER (ALT+F10) ⑩

This voucher is used to enter actual stock of items on a given date. Whenever the actual stock is checked, make an entry in the Physical Stock Voucher to specify the correct stock. The stock at this point is considered to be the stock in hand and all calculations are based on this stock. Type the Name of item and the quantity. If multiple locations is selected, specify the name of Godown.

Inventory Voucher Creation		Bharath Books Pvt Ltd		31-Aug-2007	
Physical Stock No. 1		Physical Stock Verification		Friday	
Name of God		Trade / Lot No.		Qty/Qty	Amount
Item Code				22 Nos.	
Title				31 Nos.	
Memo: <input checked="" type="checkbox"/> Enter actual stock by stock checking					

Figure 3.13 : A sample Physical Stock voucher.

3.13 MEMORANDUM VOUCHER (CTRL+F10) ⑪

This is purely a non-accounting voucher. That is the entries in this voucher do not affect the accounts because, these entries are not posted to ledgers and they do not affect the final result of the company. Tally stores Memorandum Vouchers in a separate register called Memo Register. To use memorandum vouchers, **F11, Company Features**, in **Accounting Features**, select **Yes** to the option **Use Reversing Journal & Optional Vouchers**.

Memorandum entries are made if any suspense payments are made (if money is given to an employee to buy some stationary items; actual payment entry can be passed only after the purchase is made. Instead of waiting till the purchase is made and the remaining amount is returned, a memo voucher to the extent of amount given to the employee can be entered and when the transaction is finalised, it can be converted to a payment voucher), if the items are given on approval basis or not to forget payment of some important expenses like electricity expenses to be paid on or before a specific date.

Memorandum Vouchers are entered by pressing the function key **Ctrl+F10**.

3.14 REVERSING JOURNAL (F10) (12)

Reversing Journals are special journals that are automatically reversed after the date of journal. They exist only from voucher date to the specified effective date. Moreover, they are effective only when they are called for in the reports (e.g., Balance Sheet).

To enter Reversing Journals F11, Company Features, in Accounting Features specify **Yes** to the option **Use Reversing Journals & Optional Vouchers**. To enter this type of voucher, press F10.

Generally, Reversing Journals are used to enter any expenses due but not paid. For example, on 31st March 2008, to view the Balance Sheet as on that date, but March salaries are not due for payment until the first week in April 2008. Therefore, there is a large liability, which is not reflected in the Balance Sheet. To overcome this, a Reversing Journal can be entered with effective date 31st March 2008 by Salary (Debit) and Provision for Salary (Credit) to the extent of total amount of salary due. (Provision for Salary is a Ledger Account to be created under the Accounts Group – Current Liabilities). The effective date is entered at the end of voucher, before the narration, in front of the option

Applicable upto.

Accounting Voucher Creation		Bharan Bulbs Pvt. Ltd.	
Reversing Journal No. 1		31-Mar-2008 Monday	
Particulars	Debit	Credit	
Dr Salary A/c Car Bal: 4,250.00 Dr	4,250.00		
Cr Provision for Salary A/c Car Bal: 4,250.00 Cr		4,250.00	
Applicable upto: 31-Mar-2008			
Narration:			
Being outstanding salary.	4,250.00	4,250.00	

Figure 3.14 : A sample Reversing Journal voucher.

When the Balance Sheet is displayed, it will contain only the actual amount without the amount entered in the reversing journal or optional vouchers.

2.6.3 Display or Alter a Stock Item

From Gateway of Tally, Inventory Info, Stock Items, Single/Multiple Stock Items
Display or Alter

Select the stock item whose particulars to be displayed or altered, the information entered while creating it is displayed. To delete the stock item press **Alt+D**, answer **Yes**. Stock items cannot be deleted from multiple mode and the stock items used in voucher entry cannot be deleted.

2.7 PURCHASE ORDERS

13

Tally permits to generate Purchase Orders from the system. A order given to the suppliers to supply the required items with full details is a Purchase Order. Purchase Orders may be prepared, printed and sent to suppliers. Goods received are linked with it and outstanding purchase orders can be monitored.

To process a Purchase Order:

1. Prepare a Purchase Order, with a detailed list of items including quantity, rate and the due date within which the item is required.
2. When the items are received, enter Receipt Note.
3. If any items are returned, enter Rejections Out Note.
4. When the Purchase bill is received enter the Purchase Invoice.

In F11: Company Features, Inventory Features

- ◆ Select **Yes** to the option **Allow Purchase Order Processing?**
- ◆ Select **Yes** to the option **Use Tracking Numbers (Delivery/Receipt Notes)?**
To enter Receipt Note when the items are received based on purchase order.
- ◆ Select **Yes** to the option **Use Rejection Inward/Outward Notes?** To enter Rejections Out Note when any item received is returned back to the supplier.

2.7.1 Creating a Purchase Order

To create a Purchase Order, from Gateway of Tally select Inventory Vouchers under Transactions or press Alt+F4.

Inventory Voucher Creation		Dharith Gulap Pvt. Ltd	
Purchase Order No. 1			
Party's A/c Name: Grompton & Greaves A/c		Date: 7 Apr 2007	
Current Address:		Code No. 1	
Purchase Ledger: Purchases @ 4%			
VAT/Tax Code: Purchases @ 4%			
Name of Item	Quantity	Rate per	Amount
40W Bulb	24 Nos	18.00 Nos	740.00
60W Bulb	24 Nos	11.25 Nos	270.00
100W Bulb	36 Nos	12.00 Nos	432.00
Tube	36 Nos	38.00 Nos	1,368.00
Grand Total			2,810.00
Total			120 Nos
Total Amount			2,810.00

Figure 2.17: Creating a Purchase Order.

- ◆ **Purchase Order No:** The purchase order number will be a serial number starting from 1 appears automatically.
- ◆ **Party's A/c Name :** Select the name of supplier (Sundry Creditor) from the list of ledger accounts displayed.
- ◆ If Accept Supplementary Details is set as Yes in Tally Configuration (F12) under Invoice/Order Entry, Supplier details window will be displayed to enter order and receipt details.

Supplier's Details	
Supplier Address	Grompton & Greaves A/c
Order Details	
Mode/Terms of Payment	
Other Reference(s)	
Terms of Delivery	
Receipt Details	
Despatch through	
Examination	

Figure 2.18 : The Supplier Details Window.

- ◆ Make necessary changes in supplier name and address.
- ◆ Specify the Order Details, like the terms of payment (number of credit days), other references and Terms of Delivery (Where to deliver the goods - showroom, godown, house etc.)

- ◆ Specify the Receipt Details, such as dispatch thru (transportation) and destination place.
- ◆ **Order No** : The voucher number can be treated as Purchase Order number. This is an additional field to record order number and it is different from the voucher number. Better to enter serial numbers.
- ◆ **Purchase Ledger** : Select proper purchase ledger account from the list of purchase accounts created, if a common purchase ledger is be used for all items entered in the purchase order.
- ◆ **VAT/Tax Class** : It is displayed automatically based on the purchase ledger selected.
- ◆ **Name of the item**: Select the name of the stock item for which the order is to be placed. It can be selected by pressing spacebar, which displays the list of items created. Once the name is given the Item allocations sub-screen pops up that needs to be filled in.

Item Allocations for 40W Bulb For Order Number 1			
Quantity	Rate	per	Amount
Due on 1 Aug 2007 24 Nos	10.00	Nos.	240.00

Figure 2.19 : The Purchase Order Item Details Window.

- ◆ **Due on** : The due date for delivery of the item. This will enable monitoring of outstanding deliveries. The order can be split for delivery on different dates.
- ◆ **Location** : In case multiple locations (godowns) features are active, this field is required to be given by selecting required godown, else it does not appear.
- ◆ **Quantity, Rate and Amount** : Enter the quantity of item required and its rate. The amount is calculated but is modifiable to enable rounding off.

Input VAT need not be specified in the purchase order, as it is not an accounting document. Type a small narration, Accept Yes.

2.7.2 Alter a Purchase Order

To alter a Purchase Order, display it through Purchase Order Book or Day Book. From Gateway of Tally, select **Display, Inventory Books, Purchase Orders Book** or

From Gateway of Tally, **Display, Day Book**

A list of purchase orders created will be displayed. Press enter on the purchase order to alter, make the required changes and select **Accept Yes**.

2.7.3 Delete a Purchase Order

Display the purchase order to be deleted and press **ALT+D** to delete it, select **Yes**.

2.7.4 Receipt Note Voucher for Purchases

For recording goods received from the supplier, based on the purchase order, use Receipt Note Voucher. To activate Receipt Note Voucher in F11: Company Features, Inventory Features, select **Yes** to the option **Use Tracking Numbers?**. Better to select this option before entering the Purchase Orders.

To enter Receipt Note, from Gateway of Tally, select **Inventory Vouchers**, press **Alt+F9**.

Name of Item	Quantity	Rate per	Amount
24 Nos 10W Bulb	24 Nos	10.00 Nos	240.00
24 Nos 60W Bulb	24 Nos	11.25 Nos	270.00
30 Nos 100W Bulb	30 Nos	12.00 Nos	360.00
36 Nos Tube	36 Nos	38.00 Nos	1368.00
			2338.00
	120 Nos		2338.00

Figure 2.20 : The Receipt Note.

- The Receipt Note number will be displayed automatically.
- The reference can be left empty.

Inventory Management

- ◆ Select the name of the party (supplier) from whom the goods are received. Tally lists the orders placed with that party.
- ◆ Select the order number from the list of orders and select End of List.

List of Orders	
Order No(s)	<input type="checkbox"/> End of List <input type="checkbox"/> New Number <input type="checkbox"/> Not Applicable
	25/03/2007

Figure 2.21 : The Purchase Order selection Window.

- ◆ Select Purchase Ledger Account, related VAT/Tax class will be displayed automatically.
- ◆ The items ordered will be displayed with order quantity and rate. Compare the order quantity with received quantity and enter it properly in item allocation for the item window, by selecting tracking number and selecting proper order number. The quantity and rate at which the item is received can be changed. If any item is not received, on the item name, press spacebar and select End of List.

Item Allocations for 40W Bulb			
	Quantity	Rate per	Amount
Tracking No. 1	Order No. 1 24 Nos	10.00 Nos	Due on 1-Apr-2007 240.00

Figure 2.22 : The Receipt Note Item Allocation Window.

- ◆ Type a small narration and select Accept Yes or press Ctrl+A.

2.7.5 Rejections –Out Voucher for Purchase Returns

For recording items rejected and returned to a supplier, which are purchased by placing a purchase order (there should have been a Receipt Note entered for that supplier), use Rejections-Out Voucher.

To activate Rejection-Out Voucher, in F11: Company Features, from Inventory Features, select Yes to the options Use Tracking Numbers (Delivery/Receipt Notes) and Use Rejection Inward/Outward Notes?

To enter Rejections-Out Note, from Gateway of Tally select Inventory Vouchers, press Alt+F6.

In Ledger Account, select the name of supplier to whom the items are returned. The name and address of supplier will be displayed on the right side, it can be changed. Select the name of item returned. The tracking numbers of items purchased will be displayed. Select the tracking number of the material received, which will be returned now. Enter the quantity of item returned. Rate can be changed. The amount will be displayed. After selecting all items returned, select End of List. Enter a brief narration, select Accept? Yes.

2.8 SALES ORDER 15

The order given by customers to buy specific items with full details is a Sales Order. Sales Order entry is exactly like Purchase Order. To enter Sales Order, in Company Features (F11), from Inventory Features, select Yes to the option Allow Sales Order Processing?

2.8.1 Creating a Sales Order

From Gateway of Tally, Inventory Vouchers, press Alt+F5

Name of Item	Quantity	Rate per	Amount
B/W Bulb	20 Nos	12.00 per	240.00
G/W Bulb	15 Nos	13.50 per	202.50
B/W Bulb	25 Nos	14.00 per	350.00
			792.50

Figure 2.23 : The Sales Order Creation Window.

- ◆ **Party's A/c Name** : Select the name of customer from whom the sales order is received.
- ◆ **Buyer Details, Order Details and Receipt Details** will be displayed, it can be changed as per the requirement.

- **Order No** : The voucher number can be treated as internal serial number. The field Order No. is advised to be used for the customer's order number and for tracking the items to be delivered.
- Select a **Sales Ledger** to which the items belong, when the items to be supplied bear the same VAT rate. If the VAT rate is different for different items, better to configure it by pressing F12, selecting **No to Use Common Ledger Account for Ledger Allocation?**
- **Name of the Item**: Select the name of the stock item for which the order is to be placed. Once the name is given, the Item Allocation's sub-screen pops up and needs to be filled in.

Item Allocation for 40W Bulb For Order Number 1		
Quantity	Rate per	Amount
20 Nos.	12.00	240.00

Figure 2.24 : The Item Allocations for Sales Order.

- **Due on**: The due date for delivery of the item. This will enable monitoring of outstanding deliveries. The order can be split for delivery on different dates.
- **Location**: In case multiple location feature is active, this field is required to be given, else it does not appear.
- **Quantity, Rate and Amount**: Give the quantity of the item required, and its rate. The amount is calculated but is modifiable to enable rounding off.
- **Narration**: Enter a small description of sales order entered.

Select Accept? Yes or press Ctrl+A.

2.8.2 Altering Sales Order

To make any changes in Sales Order, display it from Sales Orders Book or the DayBook.

From Gateway of Tally, Display, Inventory Books, Sales Orders Book. A list of sales orders entered will be displayed. Press Enter on the Sales Order to be edited. Make necessary changes and select Accept? Yes.

2.8.3 Deleting Sales Order

Alter a sales order and press ALT+D, Yes to delete it.

2.8.4 Delivery Note Voucher for Sales

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For recording goods delivered to a customer based on a Sales Order, use Delivery Note. To activate Delivery Note, in F11: Company Features, from Inventory Features, select **Yes** to the option **Use Tracking Numbers?**

To enter a Delivery Note, in voucher entry screen, press **Alt+F8**. The Reference can be left empty. Select the name of customer to whom the goods are delivered. Tally lists the sales orders entered for the customer. Select the order number and select End of List. Select Sales Ledger Account related to the sales made. The items ordered will be displayed with order quantity and rate. Compare the order quantity with delivered quantity and enter it properly. The quantity and rate at which the item is delivered can be changed. If any item is not delivered, on the item name, press spacebar and select End of List. Type a small narration and select Accept Yes or press **Ctrl+A**.

2.8.5 Rejections-In Voucher for Sales Returns

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For recording goods received that was returned by a customer, it is sold based on a Sales Order (Delivery Note must be present for the items delivered to that customer), use Rejections-In Voucher. To activate Rejections-In Voucher, in F11: Company Features, from Inventory Features, select **Yes** to the options **Use Tracking Numbers (Delivery/Receipt Notes)** and **Use Rejection Inward/Outward Notes?**

To enter Rejections-In Note, from Gateway of Tally, Inventory Vouchers press **Ctrl+F6**.

In Ledger Account, select the name of customer, who returned the items. The name and address of customer will be displayed on the right side, it can be changed. Select the name of item returned. The tracking numbers of items delivered will be listed. Select the tracking number of the material delivered, which is now returned. Enter the quantity of item returned. Rate can be changed. The amount will be displayed. After selecting all items returned, select End of List. Enter a brief narration, select Accept? Yes.

2.10 INVOICE ENTRY (18)

Invoices are similar to vouchers. In voucher, first accounts allocation is entered and then inventory allocation. But in Invoice, first inventory allocation is done and then accounts allocation. Generally, voucher is used when the amount is known. But invoice is used when the amount is to be calculated.

Invoicing or sales invoicing is not very different from sales voucher entry. In fact, for the sales voucher, select 'As Invoice' option to turn it into a Sales Invoice. Similarly, purchase voucher can also be converted into Purchase Invoice by selecting 'As Invoice'.

While recording the sales and purchase invoice details, accounting and inventory balances and account for VAT etc., can be adjusted all at the same time.

Ensure that:

1. In **F12: Configure** under Gateway of Tally, Voucher Entry; in the Accounting Vouchers section of the screen, **Show Inventory Details** is set to **Yes**.
2. In **F11: Features, Accounting Features**, select **Yes** to the options Allow Invoicing? Enter Purchases in Invoice Format? If there is a provision to purchase return and sales return, select **Yes** to the options Use Debit/Credit Notes? Use Invoice mode for Credit Notes? Use Invoice mode for Debit Notes?

Also ensure that:

1. In ledger accounts of Purchase, Purchase Returns, Sales and Sales Returns, Inventory values are affected is set to **Yes**. If VAT must be used, for these accounts Used in VAT Returns? set to **Yes** and also select proper VAT/Tax class from the list of available options.
2. If tax accounts like Input VAT, Output VAT to be used, ensure that VAT is selected as Type of Duty/Tax and proper VAT/Tax class is selected for them.
3. To use VAT, enter proper Rate of VAT for each item.
 - ◆ **Party's A/c Name:** Select the name of customer or supplier or cash or bank account.
 - ◆ **Dispatch Details:** Enter the dispatch details, order details and buyer's details if supplementary details option is set to **Yes**. These will be printed in the invoice.
 - ◆ **Order Details:** The order particulars may be entered here. If a prior order was recorded for the customer, a pop-up list of pending orders appears from which you select the relevant order or orders. Invoice can be

Purchase quote and sales quote:-

Before placing an order, the buyer needs to find out the price of the goods. This is done by written PURCHASE QUOTATION provided by the seller. Normally is created in: --> *purchases* --> *purchase* --> *quotation*.

we also have Sales quote In OpenERP (*Sales tab - sale- quotation* -->)

Purchase quotation and sale quotations are same thing with only difference purchase is made for **supplier** when you want buy something, sales is made to **customer** when you are selling something. Eg: you have a shop that assembles computers people go and ask you quotation in that case you will give them sale quotation because they are your customer but when you want buy you will do purchase quotation for your suppliers.

Delivery Note

Delivery note is used for recording goods delivered to the customer.

To configure the delivery note

1. Go to **Gateway of Tally > F11: Features > F2: Inventory** .
 - Set **Use tracking numbers (enables delivery and receipt notes)** to **Yes** .
 - P ress **Ctrl+A** to accept.
2. Go to **Gateway of Tally > Inventory Vouchers**
3. Click **F8 : Dely Note** . The delivery note appears.
4. Click **F12: Configure** . The **Voucher Configuration** screen appears as shown:

Delivery Note Standard Configuration	
General Options	
Accept supplementary details (Address details, despatch details, etc.)	? <input checked="" type="radio"/> Yes
Allow separate buyer and consignee names	? <input type="radio"/> No
Use common ledger A/c for item allocation	? <input type="radio"/> Yes
Use defaults for bill allocations	? <input type="radio"/> Yes
Use Additional Description(s) for item name	? <input type="radio"/> No
Use Additional Description(s) for ledger name	? <input type="radio"/> No
Statutory Options	
Calculate tax on current sub-total (else calculations are on inventory total only)	? <input type="radio"/> No
Allow modification of Tax Details for VAT	? <input type="radio"/> No
Other Options	
Warn on negative stock balance	? <input type="radio"/> Yes

Press F12 for more options.

5. Set **Accept Supplementary Details** to **Yes** .

6. Press **Ctrl+A** to accept and return to the voucher screen.

Note: For more details on **Delivery Note** printing configurations refer [Voucher Entry Configuration](#)
To enter the delivery note

1. Select **Party A/c Name** from the **List of Ledger Accounts** .
2. Select **Order No(s)** from the **List of Orders** , if a purchase order exists for that supplier. The **Party Details** screen appears as shown below:

Party Details ABC Company **Ctrl + M**

Delivery Note No 2
Ref. 273 23 Dec 2015
Wednesday

Party's A/c Name Ms National Traders
Current Balance 29,899.00 Dr
Sales Ledger

Order No(s)	End of List	New Number	Not Applicable	10000	27-Apr-2015
Despatch Details					
Despatch Doc. No.					
Despatched through					
Destination					
Buyer's Details					
Buyers	Ms National Traders				
Address Type	Primary				
Address	No 45 Main Road Basawaeshwamager				
State	Andaman & Nicobar Islands				
TIN/Sales Tax No.	29123456789				
CST Number					
Is against C Form	Yes				

Quantity	Rate	per	Dec %	Amount
----------	------	-----	-------	--------

3. Enter the required information in the **Party Details** screen.
4. Select the **Order No(s)** . If the **Order No(s)** is selected, the item name, quantity, rate and amount are displayed automatically.

Note: For more details on **F12: Configure** refer [Invoice/Order Entry Configuration](#) .

5. Press **Enter** . The **Stock Item Allocations** screen appears as shown below:

Stock Item Allocations					ABC Company		Ctrl + M	
Delivery Note No. 2		Ref. : 273				23-Dec-2015		
Party's A/c Name : Ms National Traders		Current Balance : 29,600.00 Dr				Wednesday		
Item Allocations for : Item					Quantity	Rate per	Disc %	Amount
Godown	Quantity	Rate per	Disc %	Amount				
Tracking No. : 2		Order No. : 10000		Due on 25-Apr-2015				
Main Location	100 nos	250.00	nos	25,000.00	100 nos	100.00	nos	10,000.00
				100 nos			25,000.00	
					100 nos			10,000.00

6. Select existing **Tracking No.** or create a new tracking number.

Note: A **Delivery Note** with **Tracking No.** marked as **Not Applicable** will be an inventory document, affecting only the inventory values. This will not affect the accounts.

The **Delivery Note** appear as shown below:

Inventory Voucher Creation				ABC Company		Ctrl + M	
Delivery Note No. 2		Ref. : 238				23-Dec-2015	
Party's A/c Name : Ms National Traders		Current Balance : 29,600.00 Dr				Wednesday	
Name of Item	Quantity	Rate per	Disc %	Amount			
Item	100 nos	250.00	nos	25,000.00			
End of List							
Narration:				100 nos			Accept ?
							Yes or No

7. Enter **Narration** , if required.

8. Press **Enter** to save.

Receipt Note

Receipt note is used for recording goods received from the supplier.

To configure the receipt note

1. Go to **Gateway of Tally > F11: Features > F2: Inventory .**

- Set **Use tracking numbers (enables delivery and receipt notes)** to **Yes** .
 - P ress **Ctrl+A** to accept.
2. Go to **Gateway of Tally > Inventory Vouchers**
 3. Click **F9 : Rcpt Note** . The De note appears.
 4. Click **F12: Configure** . The **Voucher Configuration** screen appears as shown:

Receipt Note Standard Configuration	
General Options	
Accept supplementary details <i>(Address details, despatch details, etc.)</i>	? Yes
Allow separate buyer and consignee names	? No
Use common ledger A/c for item allocation	? Yes
Use defaults for bill allocations	? Yes
Use Additional Description(s) for item name	? No
Use Additional Description(s) for ledger name	? No
Statutory Options	
Calculate tax on current sub-total <i>(else calculations are on inventory total only)</i>	? No
Allow modification of Tax Details for VAT	? No
Other Options	
Warn on negative stock balance	? Yes
<i>Press F12 for more options.</i>	

5. Set **Accept Supplementary details** to **Yes** .
6. P ress **Ctrl+A** to accept and return to the voucher screen.

Note: For more details refer [Receipt Note Printing Configuration](#) .

To enter the Receipt Note voucher

1. Select **Party A/c Name** from the **List of Ledger Accounts** .
2. Select **Order No(s)** from the **List of Orders** , if a purchase order exists for that supplier.

The **Party Details** screen appears as shown:

GSTR-1 Report

GSTR-1 has to be filed by a taxable person registered under GST. [GSTR-1 returns can be generated from Tally.ERP 9 in the JSON format](#) , and uploaded to the portal for filing returns.

You need to file GSTR-1 returns:

- Every month, for aggregate turnover exceeding Rs. 1.5 crores.
- Every quarter, for aggregate turnover up to Rs. 1.5 crores.

GSTR-1 includes the details of all outward supplies of B2B invoices, B2C invoices, adjustments to sales made in debit/credit notes, exports, nil rated invoices, advances received with tax adjustments.

To view the report in the format provided by GST

- Go to **Gateway of Tally > Display > Statutory Reports > GST > GSTR-1** . The report displays the data for a month or quarter depending on the **Periodicity of GSTR-1** set in the **Company GST Details** screen.

GSTR-2 Report in Tally.ERP 9

GSTR-2 report includes the details of all inward supplies made in the given period.

Note: The GST council has deferred filing of GSTR-2 returns until 31st March 2018. Accordingly, the uploading, saving, and submitting of GSTR-2 are suspended on the GST portal. When GSTR-2 is reintroduced you can generate the returns from Tally.ERP 9.

The inward supply details include B2B invoices to registered and unregistered dealers, import of goods and services, adjustments to purchases in debit/credit notes, nil rated invoices, advances paid and adjusted, and tax credit reversed or re-claimed.

GSTR-3B

Form GSTR-3B is an interim return form the GST dealers with regular registration should use, to file monthly returns. From Tally.ERP 9, you can generate GSTR-3B, export the data in the JSON format, and upload it to the portal to file the returns.

In Tally.ERP 9, you can view GSTR-3B in the report format with tax computation details. This report can be changed to the return format view (specified/prescribed by the department) with the click of a button.

To view the GSTR-3B report

- Go to **Gateway of Tally > Display > Statutory Reports > GST > GSTR-3B** .

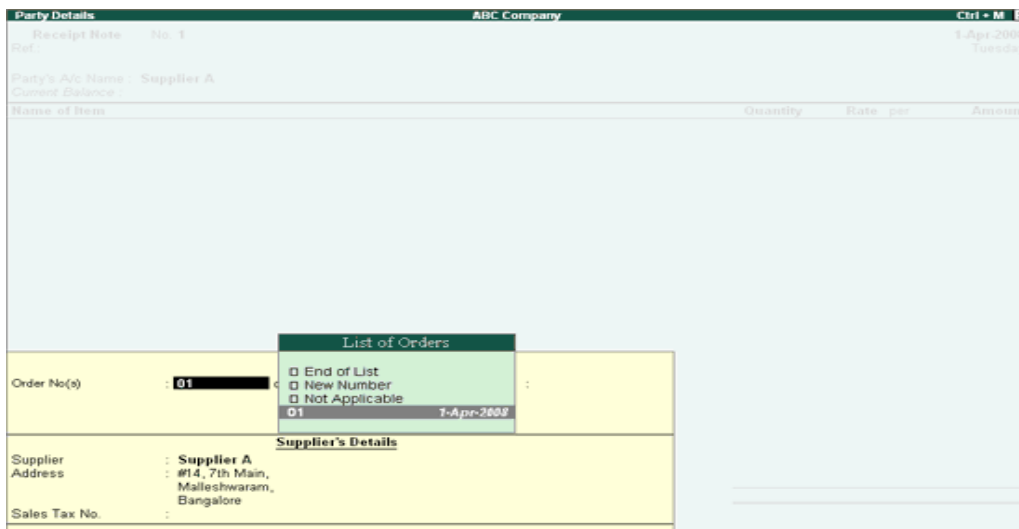
Payroll

The payroll feature in Tally.ERP 9 is fully integrated with accounting to streamline payroll processing.

Organizations can set up, implement and process payroll using simple and complex criteria. A collection of predefined processes in Tally.ERP 9 enables error-free automation of payroll process.

The payroll feature also provides management related information, statutory forms and reports in the prescribed formats such as:

- Pay Slip Payroll Statements, Attendance and Overtime Registers.
- Gratuity, Provident Fund (PF), Employee State Insurance (ESI), National Pension Scheme (NPS).
- Professional Tax (PT) and Income Tax (IT).
- Expat Reports.



3. Enter the required information in the **Party Details** screen.

4. Select the **Order No(s)** . If the **Order No(s)** is selected, the item name, quantity, rate and amount will be displayed automatically.

Note: For more details on **F12: Configure** refer [Invoice/Order Entry Configuration](#) .

5. Press **Enter** . The **Stock Item Allocations** screen appears as shown:

Stock Item Allocations				ABC Company	Ctrl + M	
Receipt Note No. 1				1-Apr-2008		
Ref:				Tuesday		
Party's A/c Name : Supplier A				Current Balance :		
Item Allocations for : Item A				Quantity	Rate per	Amount
Quantity	Rate per	Amount				
Tracking No. : 1	Order No. : 01	Due on 1-Apr-2008		10.00 nos	100.00 nos	1,000.00
	10.00 nos	100.00 nos	1,000.00			
				10.00 nos		1,000.00

6. Select existing **Tracking No.** or create a new tracking number.

Note: A **Receipt Note** with **Tracking No.** marked as **Not Applicable** will be an inventory document, affecting only the inventory values. This will not affect the accounts.
 A purchase voucher with **Tracking No.** marked as **Not Applicable** will update the accounts without increasing the stock. The **Purchase Bills Pending** list is generated as **Bills recd. but Goods not recd.**

The **Receipt Note** appear as shown below:

Inventory Voucher Creation			ABC Company	Ctrl + M
Receipt Note No. 1			1-Apr-2008	
Ref:			Tuesday	
Party's A/c Name : Supplier A			Current Balance :	
Name of Item	Quantity	Rate per	Amount	
Item A	10.00 nos	100.00 nos	1,000.00	
<input type="checkbox"/> End of List				
Narration:			10.00 nos	1,000.00

7. Enter **Narration** , if required.

8. Press **Enter** to save.