

ਸਰਕਾਰੀ ਬਿਵਾਲਿਕ ਕਾਲਜ ਨਯਾ ਠੰਗਲ



# Topic:- Master in tally, Groups and ledger creation

- ▶ (Classification of accounts)
- ▶ ( Charts of accounts)
- ▶ (Charts of accounts in tally)
- ▶ ( Meaning of accounting masters)
- ▶ (Accounting Groups)
- ▶ ( Accounting Ledger)
- ▶ ( Accounting vouchers)

# Classification of accounting

- ▶ An account may be define as a record to keep track of increase and decrease in financial statement items such a revenue expenses, cash, machinery, accounts payable and loan etc.
- ▶ The accounts are classified using one of two approaches – modern approach or traditional approach.
- ▶ 1. *Modern approach*:- according to modern approach the accounts are classified an asset account liability account capital or owner equity accounts, withdrawal accounts, expenses accounts

# Name of Modern approach accounts

- ▶ Asset accounts
- ▶ Liability accounts
- ▶ Capital or owner accounts
- ▶ Revenue or income accounts
- ▶ Expenses accounts

# Traditional approach

- ▶ The accounts are classified into three types :-
- ▶ Personal accounts
- ▶ Real accounts
- ▶ Nominal accounts
- ▶

# CHART OF ACCOUNTS

- ▶ Different type of businessman will have different accounts. Four example to report the cost of goods sold a manufacturing business will have accounts for its various manufacturing costs whereas a retailer will have accounts for the purchase of its stock merchandise. Accounting software package often come with a selection of predefined account lists for various types of businessman. Every businesses need to organise their financial information into three main financial statement balance sheet, income statement, and cash flow statement. For this purpose it need a chart of accounts.

## TYPE OF CHART OF ACCOUNTS

- ▶ There are three type of chart of accounts.
- ▶ 1. Operating chart of accounts
- 2. Group chart of accounts
- 3. Country- specific chart of accounts.

# BENEFITS OF CHART OF ACCOUNTS

- ▶ It supports the audit and control of financial transactions
- ▶ It's provides flexibility for management reporting and analysis.
- ▶ It's anticipates growth and management needs as organizational Changes occur.
- ▶ It facilities an efficient data processing flow.
- ▶ It helps in meeting statutory requirements.



# CHART OF ACCOUNTS IN TALLY

- ▶ Tally.ERP9 gives user great flexibility in setting up chart of accounts. It allows user to group ledger accounts right at the time of creating accounts chart. Report and statement reflect the desired classification at all times. Following are features of chart of accounts in tally.

# FEATURES OF CHART OF ACCOUNTS TALLY

1. Chart of accounts in tally are based on ledger name. no coding is done in tally for various charts of accounts, whereas most other accounting software are based on coding of chart of accounts.
2. In tally chart of accounts are divided into accounting charts, inventory charts, Payroll chart and duties charts
3. Tally structure is based on dividing chart of accounts in groups, sub groups, ledger and items etc.
4. Chart of accounts in tally are flexible and user can make changes in tally according to needs and requirements of the business.

# CREATION OF CHART OF ACCOUNTS IN TALLY

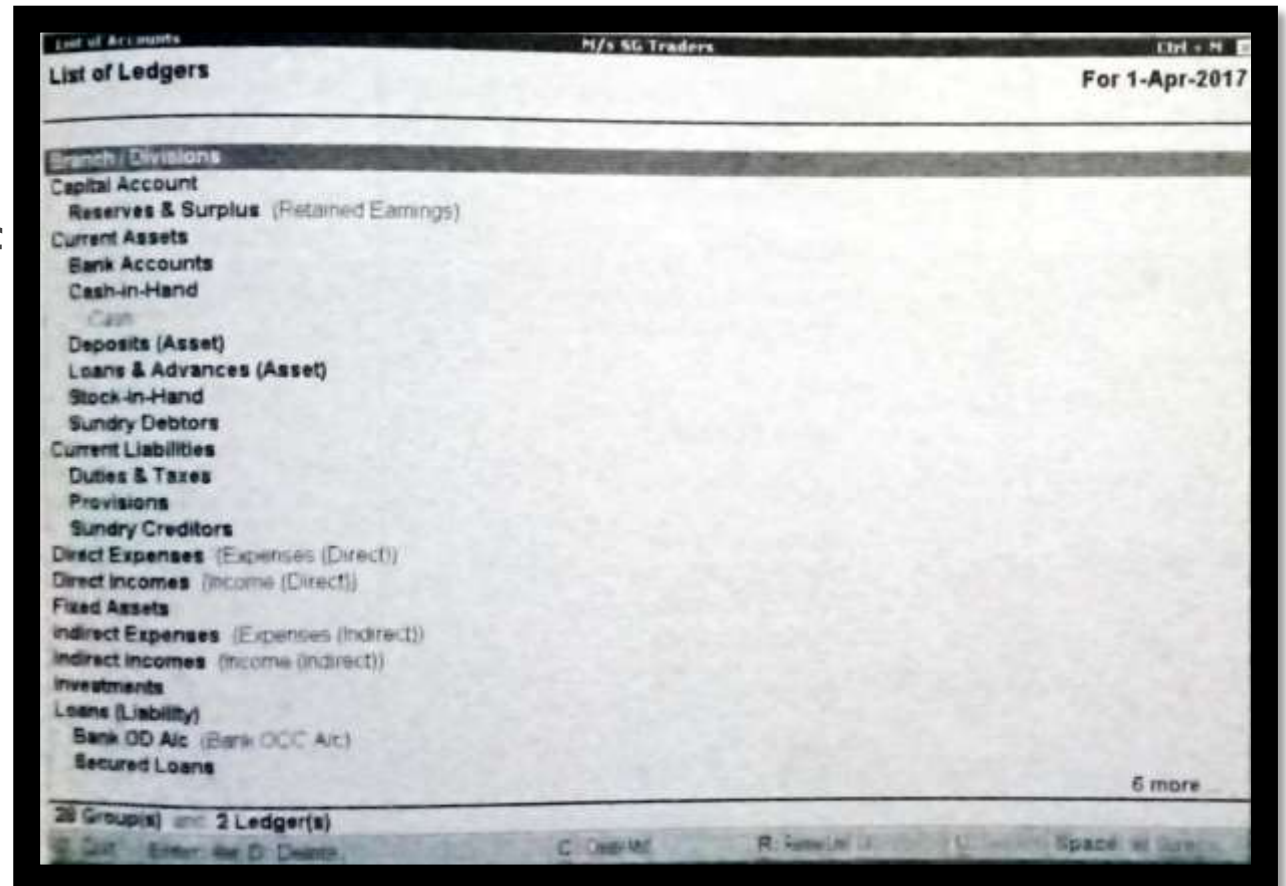
- ▶ Chart of account creation is second step in tally. After creating a company in tally user has to account. This chart of accounts consists 30 item. Out of this 30 items 28 groups and 2 ledger .

**List of Tally Ledgers for Balance Sheet**

Liability and Equity		Assets	
Ledger Name	Tally Head	Ledger Name	Tally Head
Capital	Capital	Furniture	Fixed asset
Drawing	Capital	Goods	Fixed asset
Income Tax	Capital	Land & Building	Fixed asset
Life insurance	Capital	Long term investment	Fixed asset
Reserves & Surplus	Reserves & Surplus	Machinery & plant	Fixed asset
Advance	Current Liabilities	Bank	Cash at bank
Bank Overdraft	Current Liabilities	Cash	Cash in hand
Bill Payable	Current Liabilities	Stock	Stock in Hand
Outstanding expenses	Current Liabilities	Debtor name	Sundry Debtors
Salary payable	Current Liabilities	Bad debtor	Sundry Debtors
Creditor name	Sundry Creditors	Bill receivable	Current Assets
Loan	Loan Liabilities	Good will	Current Assets
Branch in division	Branch in division	National plant	Current Assets
Accrued expenses	Current Liabilities	Prepaid expenses	Current Assets
		Short Term Investment	Current Assets
		Accrued income	Current Assets
		Prepaid rent	Misc. Exp. asset
		Loss on theft	Stock in Hand

# DISPLAY OF CHART OF ACCOUNTS IN TALLY

- ▶ In tally user can view the list of chart of accounts already created. The list of ledgers is displayed in alphabetical order of main groups. Hence branch is listed first and not the account name, which is under the groups capital.



# MEANING OF ACCOUNTING MASTERS

- ▶ Accounting data can be recorded and maintained in tally.ERP9 accounting software with the help of master and vouchers. We can change data in tally ERP 9 whenever and as many times as we wish. Masters are the containers of the accounting data. Accounting masters predefined structure and content of accounting information it includes ledger in chart of accounts and the groups under which they are classified. For example, the ledgers furniture & fixtures, computer equipment and vehicles are classified under the groups fixed assets. So masters are like default templates into which information is entered using vouchers. The template or master gives the ' shape' to the information we enter it.



# ACCOUNTING GROUPS

- ▶ MEANING OF ACCOUNTING GROUPS
- ▶ In tally, accounting are maintained with help of the groups. Groups are collection of ledgers of the same nature. Basically, the group is the alternative name of schedules. Like we have different schedules prepared while making P&L account or Balance sheet in manual accounting, similarly we have concept of groups in Tally. Schedules are the support details of final accounts. For example there are 100 customers in an organization. If you prepare the balance sheet of that business firm then the individual balances of all 100 customer will be shown in balance sheet.

# PRIMARY GROUPS AND SUB GROUPS

- ▶ Primary groups
  1. Capital account
  2. Current assets
  3. Current liabilities
  4. Fixed assets
  5. Investment
  6. Suspense account
  7. Sales
  8. Purchases
  9. Direct expenses
  10. Indirect expenses

- ▶ Sub groups
  1. Reserves and surplus
  2. Bank account
  3. Cash in hand
  4. Deposit
  5. Loans & advances
  6. Stock in hand
  7. Sundry debtors
  8. Duties and taxes
  9. Provision
  10. Sundry creditors

# ACCOUNTING LEDGER

- ▶ Meaning of accounting ledger
- ▶ After creating the company in tally, ledger creation is the preliminary steps to start with recording of transactions. Ledger is a device used to record the effect of transactions on the assets, liability and capital of an enterprise. We can define ledger as “a ledger is actual account head to identify your transactions and are used in all accounting



# PRE DEFINED LEDGER IN TALLY ERP9

- ▶ tally we have to create all ledger before recording the transactions . However, there are two pre- define in tally. It means we need not to create these two ledger, these are available in tally by default.
- 1. CASH :- This ledger is maintained to record all cash receipt and payments. This ledger is created under the group cash in hand.
- 2. P&L Accounts:- This ledger is created under the group primary. Previous year profit or loss is entered as the opening balance for this ledger. You cannot delete this ledger, but you can modify the ledger.

# ACCOUNTING VOUCHER

- ▶ MEANING OF ACCOUNTING VOUCHERS –
- ▶ A voucher is a written document in support of a transaction . Some of examples of the vouchers are sales invoice, counter foil of a pay register, purchase invoice, record slip etc. The vouchers validate the expenditure done on some items or the income earned . It is a proof that a particular transaction has taken place for the value stated in the voucher. A voucher is not only necessary for recording of transaction but it is also necessary for audit the accounts. In manual accounting , the transaction are recorded through journal entries whereas in tally they are done through voucher entry . Tally not only provides facilities of creating a voucher but it also provides opportunity of altering voucher.
- ▶ Accounting voucher types
- ▶ Inventory voucher type
- ▶ Payroll voucher type

The image shows a screenshot of a software interface. At the top, it says 'M/s SG Traders' and 'Voucher Type'. Below that is a section titled 'List of Voucher Types' under the heading 'Contra'. The list includes: Credit Note, Debit Note, Delivery Note, Job Work In Order, Job Work Out Order, Journal, Material In, Material Out, Memorandum, Payment, Physical Stock, Purchase, Purchase Order, Receipt, Receipt Note, and Rejections In. At the bottom right, it says '5 more ...'.

M/s SG Traders	
<u>Voucher Type</u>	
<b>List of Voucher Types</b>	
<b>Contra</b>	
Credit Note	
Debit Note	
Delivery Note	
Job Work In Order	
Job Work Out Order	
Journal	
Material In	
Material Out	
Memorandum	
Payment	
Physical Stock	
Purchase	
Purchase Order	
Receipt	
Receipt Note	
Rejections In	
5 more ...	

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thank  
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