1.4 Chart of Accounts & Financial Statements

- Chart of Accounts is the organized list of accounts used by a business.
- Trial Balance summarizes ledger balances.
- Profit & Loss shows income, expenses and profit/loss.
- Balance Sheet shows assets, liabilities and capital at a particular date.

1.5 Introduction to Tally ERP 9

Tally ERP 9 is business accounting software used for accounting, inventory, taxation, payroll, banking and reporting. Features depend on release, edition, license and configuration.

1.6 Interface & Navigation

- Company Info: create/select/alter companies.
- Gateway of Tally: central working screen.
- Masters: ledgers, groups, stock items, units and other reusable data.
- Reports: financial, inventory, tax, payroll and management information.
- Function keys and buttons provide quick navigation.

1.7 Company Creation & Management

Field	Typical Entry
Company Name	Business name
Mailing Address	Business address
Country/State	India / applicable state
Financial Year From	Example: 01-Apr-2026
Books Beginning From	Date books start
Base Currency	■ / Indian Rupee

1.8 Tally Vault & Security Control

- Use company security features to restrict unauthorized access.
- Create user roles according to job responsibility.
- Protect administrator credentials.
- Take backups before major changes.

1.9 Company Alteration / Deletion

Alteration changes company information. Deletion is destructive; verify the active company and take a backup before deleting data.

MODULE 2 — Ledger & Master Configuration

2.1 Group Management

Groups classify ledgers for reporting. Tally provides predefined groups and allows primary and sub-groups.

Group Type	Examples
Capital	Capital Account, Reserves & Surplus
Current Assets	Cash, Bank, Sundry Debtors
Current Liabilities	Sundry Creditors, Duties & Taxes
Fixed Assets	Land, Building, Machinery
Expenses	Direct/Indirect Expenses
Income	Direct/Indirect Income

LEDGER HIERARCHY
● Current Assets
● ■■ Sundry Debtors
● ■■ Customer A
● ■■ Customer B
● Current Liabilities → Sundry Creditors

2.2 Ledger Creation

A ledger is the account where transactions of a particular nature are recorded. Examples include Cash, Bank, Sales, Purchases, Rent, Salary, customers, suppliers and tax ledgers.

2.3 Single vs Multiple Ledger Creation

- Single Ledger: detailed creation one account at a time.
- Multiple Ledgers: useful when many accounts share similar settings.
- Always verify group, opening balance, bill-wise and tax options.

2.4 Opening Balances

Opening balance is the amount carried into the current accounting period from the previous period. Debit/credit treatment depends on the account.

2.5 Advanced Ledger Settings

Setting	Purpose
Bill-wise details	Track individual invoices and outstanding balances
Credit limit	Control permitted credit exposure
Interest calculation	Calculate interest where configured
Tax details	Maintain GST/statutory details
Inventory values	Link accounting and inventory where applicable

MODULE 3 — Inventory Management

3.1 Stock Masters

Master	Purpose
Stock Group	Classify similar items
Stock Category	Additional item classification
Unit of Measure	Nos, Kg, Litre, Box, etc.
Stock Item	Individual product master
Godown/Location	Storage location

3.2 Simple & Compound Units

A simple unit is one measurement such as Nos or Kg. A compound unit combines units where appropriate, for example 1 Box = 10 Nos.

3.3 Godowns and Stock Transfer

GODOWN TRANSFER
● Main Warehouse → Stock Journal
● Select source godown
● Select stock item and quantity
● Select destination godown
● Verify both stock balances

3.4 Inventory Vouchers

Voucher	Use
Delivery Note	Record delivery of goods
Receipt Note	Record receipt of goods
Rejection In	Goods returned/rejected to business
Rejection Out	Goods returned/rejected to supplier
Stock Journal	Stock transfer/adjustment
Physical Stock	Record physical stock count

3.5 Batch, Expiry, Price Levels & Price Lists

- Batch-wise details track lot/batch quantities.
- Expiry dates support control of time-sensitive stock.
- Price levels can support different prices for customer categories.
- Price lists maintain item-wise prices used in transactions.

3.6 Inventory Control

- Maintain correct opening stock.
- Use consistent units.
- Reconcile physical and book stock.
- Track godown-wise quantities where needed.

- Review slow-moving or near-expiry stock where applicable.

MODULE 4 — Voucher Entry & Transaction Processing

4.1 Accounting Vouchers

Voucher	Purpose
Payment	Money paid by cash/bank
Receipt	Money received by cash/bank
Contra	Cash/bank transfers
Journal	Adjustments and non-standard accounting entries
Sales	Sale of goods/services
Purchase	Purchase of goods/services
Credit Note	Sales return/credit adjustment
Debit Note	Purchase return/debit adjustment

4.2 Voucher Entry Workflow

TRANSACTION PROCESS
● Source document → Identify accounts
● Select voucher → Enter date and particulars
● Enter amount / item / tax / bill details
● Verify → Narration → Save
● Review ledger and reports

4.3 Sales / Purchase and Order Processing

Stage	Purchase Flow	Sales Flow
1	Purchase Order	Sales Order
2	Receipt Note	Delivery Note
3	Purchase Invoice	Sales Invoice
4	Payment	Receipt

4.4 Bill-Wise Accounting

Bill-wise details link receipts/payments to individual invoices or references. They help track outstanding payables/receivables and adjust advances or specific bill references.

OUTSTANDING MANAGEMENT
● Invoice → Outstanding
● Advance → On Account / Advance
● Receipt/Payment → Select bill/reference
● Adjustment → Outstanding updated

MODULE 5 — GST Integration

5.1 GST Setup

- Enable GST in the company/statutory settings supported by the release.
- Enter correct GSTIN and registration details.
- Set state and registration type correctly.
- Configure GST ledgers and tax rates.
- Maintain HSN for goods and SAC for services where required.
- Maintain customer/supplier GST details.

GST WORKFLOW
● Company GST setup → GSTIN → HSN/SAC
● Configure tax rates and ledgers
● Sales/Purchase voucher → Place of Supply
● Intra-state → CGST + SGST/UTGST
● Inter-state → IGST
● Review tax reports / return data

5.2 Intra-State vs Inter-State

Transaction	Typical GST Structure
Intra-State taxable supply	CGST + SGST/UTGST
Inter-State taxable supply	IGST

5.3 Reverse Charge Mechanism

Under RCM, the recipient may be liable to pay GST for specified supplies under applicable law. Correct configuration depends on the transaction and current rules.

5.4 Input Tax Credit

ITC is eligible credit of GST paid on qualifying business purchases/expenses, subject to statutory conditions. Software reports assist tracking, but eligibility must be reconciled with legal requirements and records.

5.5 Returns, Reports & E-Way Bill

Item	Learning Focus
GSTR-1	Outward supplies / sales reporting
GSTR-2	Historical/legacy syllabus reference; current process may differ
GSTR-3B	Summary tax liability and ITC reporting
JSON	Supported data export for portal workflow
E-Way Bill	Eligible movement of goods; current rules apply

5.6 GST Reconciliation

- Compare sales/purchase books with GST reports.
- Check GSTIN, invoice number, date, taxable value, tax and place of supply.
- Find missing, duplicate or mismatched invoices.

- Review ITC differences.
- Verify statutory requirements before filing.

MODULE 6 — Other Taxation & Compliance

6.1 TDS

TDS is tax deducted at source on specified payments under applicable provisions. Tally can maintain TDS masters, entries and reports when configured.

6.2 TDS Setup

- Enable TDS/statutory features.
- Create TDS Nature of Payment.
- Configure deductee types and party details.
- Configure applicable sections/rates according to current law.
- Create appropriate TDS ledgers.

6.3 TDS Entry

ILLUSTRATIVE TDS TRANSACTION
● Gross expense/payment → Apply applicable TDS
● TDS liability created → Net amount paid
● Track deductee and challan details
● Prepare supported certificates/returns

6.4 TDS Reports

- TDS payable/summary.
- Deductee-wise details.
- Challan/payment information.
- Form 16A where supported.
- Return preparation/export as required.

6.5 TCS

TCS is tax collected at source on specified transactions/goods under applicable provisions. Configure nature of goods/transaction and relevant tax settings before entering vouchers.

6.6 Compliance Practice

- Keep PAN/GSTIN and party details accurate.
- Reconcile deductions/collections with challans.
- Maintain supporting documents.
- Verify current rates, thresholds, forms and filing rules.

MODULE 7 — Payroll Management

7.1 Payroll Configuration

- Enable Payroll.
- Create Employee Groups.
- Create Pay Heads.
- Configure attendance/production types.
- Configure PF/ESI and other statutory pay heads where applicable.
- Define salary structures.

7.2 Common Pay Heads

Pay Head	Typical Use
Basic	Core salary
HRA	House Rent Allowance
Other Allowances	Additional earnings
PF	Applicable statutory contribution/deduction
ESI	Applicable statutory contribution/deduction
Professional Tax	Applicable state deduction
Other Deductions	Loans/advances/other deductions

7.3 Employee Masters

- Employee name and identification.
- Employee group/designation.
- Joining/leaving details.
- Bank/payment details where used.
- PF/ESI/statutory information where applicable.

7.4 Attendance & Salary Processing

PAYROLL FLOW
● Employee Master → Pay Heads
● Attendance / Leave / Overtime
● Salary calculation → Deductions
● Salary Voucher → Salary Slip / Pay Sheet
● Statutory statements → Review

7.5 Reports

Salary Slip gives employee-wise earnings/deductions/net salary. Pay Sheet summarizes payroll. Statutory statements support applicable PF, ESI, PT and other compliance.

MODULE 8 — Banking & Financial Tools

8.1 Bank Reconciliation Statement (BRS)

BRS compares the bank balance in books with the bank statement and identifies timing differences, unpresented cheques, direct bank entries and other reconciling items.

BRS PROCESS
● Book Bank Balance
● Compare with Bank Statement
● Mark cleared/reconciled entries
● Identify unmatched items
● Review reconciled balance

8.2 Manual & Auto Reconciliation

- Manual reconciliation marks transactions after statement comparison.
- Auto-reconciliation can assist with supported imported bank data and matching.
- Review unmatched/incorrect matches before finalizing.

8.3 Cheque Management

- Configure cheque printing where supported.
- Track cheque numbers and dates.
- Maintain cheque register.
- Monitor issued, cancelled, stale and unpresented cheques.

8.4 Electronic Payments & Deposit Slips

Where supported, Tally can prepare payment-related files/instructions for banking workflows. Deposit slips record cash/cheque deposits. Exact formats depend on bank and configuration.

MODULE 9 — Advanced Reporting & System Management

9.1 Financial Reports

Report	Purpose
Balance Sheet	Assets, liabilities and capital
Profit & Loss	Income, expenses and profit/loss
Trial Balance	Ledger debit/credit balances
Cash/Bank Flow	Cash and bank movement
Outstanding	Receivables and payables
Day Book	Transactions for a selected period

9.2 Inventory & Management Reports

Report	Purpose
Stock Summary	Stock quantities and values
Movement Analysis	Inward/outward stock movement
Godown Summary	Stock by location
Batch Report	Batch-wise stock where enabled
Aging Analysis	Age analysis of applicable outstanding/stock information
Re-order Analysis	Identify replenishment requirements

9.3 Tally Audit

Audit-related features can help authorized reviewers examine accounting data and exceptions, subject to the installed release, audit configuration and permissions.

9.4 Backup, Restore & Split

DATA SAFETY
● Regular Backup → Safe separate location
● Before major changes → Extra backup
● Restore → Select correct company/data
● Split Company → Backup first → Verify periods/opening balances

9.5 Exporting Reports

Format	Use
PDF	Printing/sharing
Excel	Further analysis
XML	Structured data exchange
HTML	Browser-friendly sharing

9.6 Drill-Down & Review

Use report drill-down to trace summaries back to ledgers and individual vouchers. This is useful when investigating differences in financial, tax or inventory reports.

9.7 Month/Year-End Checklist

- Verify ledgers and opening balances.
- Reconcile cash and bank.
- Review receivables/payables.
- Check physical/book stock.
- Review tax reports and statutory data.
- Review payroll liabilities.
- Take complete backup.
- Review Trial Balance, P&L; and Balance Sheet.

PRACTICAL TRAINING — COMPLETE BUSINESS CASE

Create a practice company and follow the workflow below.

Field	Sample Value
Company	Softucator Traders
State	Odisha
Financial Year	01-Apr-2026 to 31-Mar-2027
Currency	■
Business	Computer accessories and services

Masters to Create

- Capital Account, Cash, Bank Account.
- Customers: ABC Computers, XYZ Office.
- Suppliers: Tech Supplier, Office Supplier.
- Sales, Purchase, Rent, Salary, GST ledgers as applicable.
- Stock Group: Computer Accessories.
- Items: Keyboard, Mouse, Monitor, Printer.
- Godowns: Main Store and Branch Store.

Transactions to Practice

No.	Exercise
1	Introduce capital through bank.
2	Purchase stock on credit.
3	Purchase stock for cash.
4	Sell goods to a customer on credit.
5	Receive customer payment and adjust against invoice.
6	Pay supplier and adjust against bill.
7	Transfer stock between godowns.
8	Pay rent.
9	Process salary with applicable deductions.
10	Generate Trial Balance, P&L;, Balance Sheet, Stock and Outstanding reports.

PRACTICAL RESULT
● Masters → Vouchers → Tax/Inventory → Banking/Payroll
● ↓
● Financial Reports + Inventory Reports + Compliance Reports

VIVA & EXAMINATION QUESTIONS

1. What is double-entry bookkeeping?
2. State the three golden rules of accounting.
3. What is a Chart of Accounts?
4. What is the difference between a group and a ledger?
5. What is Tally ERP 9?
6. What is Tally Vault?
7. What is an opening balance?
8. What is bill-wise accounting?
9. What is a Stock Item?
10. What is a Godown?
11. What is a Stock Journal?
12. Differentiate Payment, Receipt, Contra and Journal.
13. What is a Sales Order?
14. What is a Delivery Note?
15. Differentiate CGST+SGST and IGST.
16. What is Reverse Charge Mechanism?
17. What is Input Tax Credit?
18. What is TDS?
19. What is TCS?
20. What is a Pay Head?
21. What is BRS?
22. What is a Trial Balance?
23. What is the purpose of the Balance Sheet?
24. Why is backup important?
25. What is the purpose of report export?

FINAL REVISION SHEET

Accounting: Double Entry → Groups → Ledgers → Vouchers → Trial Balance → P&L; → Balance Sheet.
Inventory: Groups → Categories → Units → Items → Godowns → Stock Vouchers → Reports.
Tax: GST Setup → HSN/SAC → CGST/SGST/IGST → RCM → ITC → Returns/Reports.
Compliance: TDS → TCS → Payroll Statutory Reports.
Banking: BRS → Cheques → Electronic Payments → Deposit Slips.
System: Audit → Backup → Restore → Split → Export → Security.

Softucator Computer Education
Tally ERP 9 — Complete Course Notes
Learn • Practice • Improve
Website: info.softucator.com