

Recording Day to Day Transactions in Tally

Tally ERP 9 is an accounting software broadly used by many businesses as it consists of various useful features for easy maintenance of records and analysing data. This software is constantly updated to keep in terms with the latest industry developments to do business accounting easily. Tally.ERP 9 offers transaction recording, inventory maintenance and statutory compliances.

Importance of Recording Day-to-Day Transactions

1. **Financial Accuracy:** Maintaining up-to-date records ensures the financial statements reflect the true financial position of the business.
2. **Regulatory Compliance:** Accurate records help in complying with tax regulations and other statutory requirements.
3. **Decision Making:** Up-to-date financial data aids in informed decision-making by management.
4. **Operational Efficiency:** Regular recording prevents the backlog of entries, making the end-of-period processes smoother.
5. **Error Detection:** Regular recording helps in early detection and correction of errors.

Advantages of Recording Transactions in Tally

1. **Automation:** Tally automates many accounting processes, reducing manual effort and the chance of errors.
2. **Real-Time Data:** Provides real-time access to financial data, which is crucial for timely decision-making.
3. **Integration:** Tally can integrate with other business systems, facilitating seamless data flow.
4. **Accuracy:** Automated calculations and error-checking features enhance the accuracy of records.
5. **Compliance:** Tally ensures compliance with accounting standards and regulatory requirements.
6. **Reporting:** Generates detailed and customizable reports for various stakeholders.
7. **Audit Trail:** Maintains an audit trail of all transactions, aiding in audits and reviews.

Vouchers in Tally ERP 9

In Tally ERP 9, vouchers are primary documents used to record various financial transactions. Each voucher type serves a unique purpose, enabling the systematic and accurate recording of transactions.

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They can be easily created and modified. You can find types of Tally vouchers option in 'Gateway of Tally' under 'Transactions'. There are few predefined vouchers in tally and can be viewed as Gateway of Tally > Display > List of accounts > Ctrl V [Voucher types]. The following screen will appear in the tally vouchers list:

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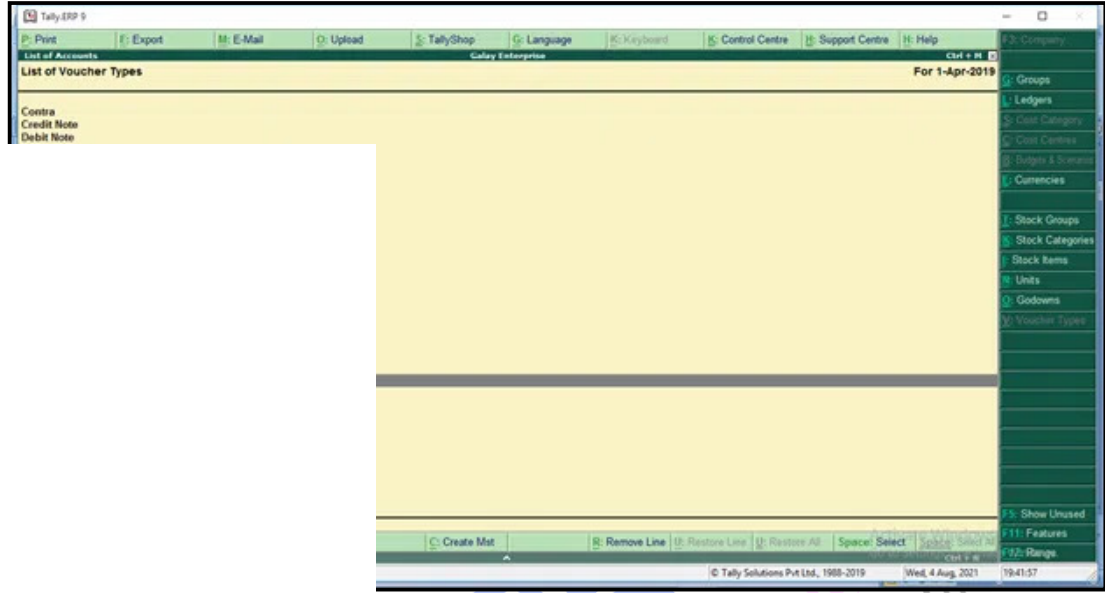
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Types of Vouchers in Tally

There are broadly two voucher types in tally. They are accounting vouchers and inventory vouchers.

Accounting vouchers in Tally can be further classified as under.

1. Sales Voucher
2. Purchase Voucher
3. Payment Voucher
4. Receipt Voucher
5. Contra Voucher
6. Journal Voucher
7. Credit Note Voucher
8. Debit Note Voucher

Inventory vouchers in Tally can be further classified as under.

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1. Physical Stock Verification
2. Material In and Material Out Voucher
3. Delivery Note
4. Receipt Note



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Detailed Explanation of Recording Transactions in Tally

Step 1: Setting Up the Company

1. Create a Company:

- Go to **Gateway of Tally > Company Info > Create Company.**
- Enter company details such as name, address, financial year, and security settings.

Step 2: Creating Groups and Ledgers

1. Create Groups:

- **Gateway of Tally > Accounts Info > Groups > Create.**
- Define groups like Sundry Debtors, Sundry Creditors, Bank Accounts, Direct Incomes, etc.

2. Create Ledgers:

- **Gateway of Tally > Accounts Info > Ledgers > Create.**
- Define ledgers under respective groups, e.g., ABC Traders under Sundry Debtors.

Step 3: Recording Transactions

1. Sales Transactions:

- **Gateway of Tally > Accounting Vouchers > F8 (Sales).**
- Select the party ledger (customer), enter invoice details, and inventory items (if applicable).

2. Purchase Transactions:

- **Gateway of Tally > Accounting Vouchers > F9 (Purchase).**
- Select the supplier ledger, enter invoice details, and inventory items (if applicable).

3. Receipts:

- **Gateway of Tally > Accounting Vouchers > F6 (Receipt).**
- Record receipts from customers by selecting the bank/cash ledger and the customer ledger.

4. Payments:

- **Gateway of Tally > Accounting Vouchers > F5 (Payment).**



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- Record payments to suppliers by selecting the bank/cash ledger and the supplier ledger.

5. Journal Entries:

- Gateway of Tally > Accounting Vouchers > F7 (Journal).
- Record non-cash transactions like depreciation, provisions, and adjustments.

Practical Examples

1. Sales Entry:

- Date: 01-Apr-2023
- Voucher Type: Sales
- Ledger: ABC Traders (Sundry Debtors)
- Amount: Rs 50,000
- Inventory: (If applicable)

2. Purchase Entry:

- Date: 05-Apr-2023
- Voucher Type: Purchase
- Ledger: XYZ Suppliers (Sundry Creditors)
- Amount: Rs 30,000
- Inventory: (If applicable)

3. Receipt Entry:

- Date: 10-Apr-2023
- Voucher Type: Receipt
- Ledger: Bank of India (Bank Accounts)
- Amount: Rs 50,000
- Party: ABC Traders (Sundry Debtors)

4. Payment Entry:

- Date: 15-Apr-2023
- Voucher Type: Payment
- Ledger: Bank of India (Bank Accounts)
- Amount: Rs 30,000
- Party: XYZ Suppliers (Sundry Creditors)

Step 4: Generating Reports

1. Profit & Loss Account:

- Gateway of Tally > Display > Account Books > Profit & Loss Account.
- Review income and expenses to determine profit or loss.

2. Balance Sheet:

- Gateway of Tally > Display > Account Books > Balance Sheet.
- Check the financial position, including assets, liabilities, and equity.

3. Trial Balance:



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- Gateway of Tally > Display > Trial Balance.
- Ensure all debits and credits are balanced.

4. Ledger Reports:

- Gateway of Tally > Display > Account Books > Ledger.
- View detailed transactions for individual ledgers.

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