

Recording Credit Note Voucher in Tally

Various Shortcuts for Creating and Altering Vouchers:

- F4: Contra Voucher
- F5: Payment Voucher
- F6: Receipt Voucher
- F7: Journal Voucher
- F8: Sales Voucher
- F9: Purchase Voucher
- F10: Reversing Journal Voucher
- F10 (A): Memo Voucher
- Ctrl + F4: Credit Note Voucher
- Ctrl + F5: Debit Note Voucher
- Ctrl + F6: Challan/Delivery Note Voucher
- Ctrl + F7: Stock Journal Voucher
- Ctrl + F8: Sales Order Voucher
- Ctrl + F9: Purchase Order Voucher
- Ctrl + F10: Physical Stock Voucher

Credit Note Voucher in Tally

Credit Note entry is passed when there is a sales return transaction. This voucher usually remains deactivated by default. You can activate it by pressing F11 and configuring features in invoicing. You can refer to the original sales invoice against which this entry is passed to keep track of such transactions. When a party is selected, you will come across the list of invoices against which this credit note voucher is used. Credit notes can also be used either in invoice mode or as voucher mode as could be used in Sales Voucher.

To Activate the Credit Note and Debit Note feature, you can select F11 and activate the credit and debit note feature.

**Credit Note Voucher in Tally ERP 9**

A **Credit Note** is a commercial document issued by a seller to a buyer. It indicates that a specified amount has been credited to the buyer's account. This usually happens due to returns, allowances, or errors in the original invoice.

**Reasons for Issuing a Credit Note:**

1. **Return of Goods:** When goods sold are returned by the buyer due to defects or other reasons.

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2. **Overcharging:** If the buyer was overcharged in the original invoice.
3. **Discounts Allowed:** When a discount is allowed after the sale.
4. **Errors in Invoice:** Correction of errors in the original invoice.

**Steps to Enable Credit Note in Tally ERP 9:**

1. **Enable the Credit Note:**
  - Go to Gateway of Tally > F11: Features > F2: Inventory Features.
  - Set Use Debit/Credit Notes to Yes.
  - Set Use invoice mode for Credit Notes to Yes if you want to enter the Credit Note in invoice mode.

**Creating a Credit Note in Tally ERP 9:**

1. Go to Gateway of Tally > Accounting Vouchers > F8: Credit Note.
2. Fill in the details:
  - **Date:** Enter the date of the Credit Note.
  - **Party's A/c Name:** Select the buyer to whom the Credit Note is issued.
  - **Sales Ledger:** Select the sales ledger which was credited in the original invoice.
  - **Inventory Allocations:** If inventory items are being returned, select the stock item, quantity, rate, etc.
  - **Narration:** Enter the reason for the Credit Note.

**Example of a Credit Note Entry:  
Scenario:**

XYZ Ltd. issued a sales invoice on 1st March 2024 for Rs. 50,000 to ABC Traders. Due to some defects, ABC Traders returned goods worth Rs. 10,000 on 10th March 2024.

**Steps to Record the Credit Note:**

1. Go to Gateway of Tally > Accounting Vouchers > F8: Credit Note.
2. Enter the details:
  - **Date:** 10-03-2024
  - **Party's A/c Name:** ABC Traders
  - **Sales Ledger:** Sales (Assume Sales ledger used in the original invoice)
  - **Amount:** Rs. 10,000
  - **Narration:** Goods returned due to defects

**Practical Example:**

1. **Date:** 10-03-2024

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2. Voucher Type: Credit Note
3. Ledger Entries:
  - Party's Account: ABC Traders Dr. 10,000
  - Sales Account: Sales Cr. 10,000
4. Narration: Goods returned due to defects

Viewing Credit Notes:

To view the credit notes, you can go to **Display > Day Book** or **Display > Account Books > Ledger** and select the respective party account or sales ledger.

Benefits of Using Credit Notes:

- **Accurate Accounting:** Ensures that returns and allowances are properly recorded.
- **Customer Relationship:** Helps in maintaining good relations with customers by acknowledging returns and providing proper credits.
- **Financial Clarity:** Provides clear insight into the returns and allowances, aiding better financial management.

Practical Questions on Credit Note Vouchers

Scenario:

ABC Ltd. issued a sales invoice on 5th April 2024 for Rs. 30,000 to DEF Traders. Due to overcharging, DEF Traders was given a credit note for Rs. 5,000 on 15th April 2024.

Tasks:

1. Record the credit note in Tally ERP 9 for the overcharged amount.
2. Specify the ledger accounts affected and the amounts.
3. Provide a suitable narration for the credit note.

Question 2:

Scenario:

MNO Enterprises sold goods worth Rs. 50,000 to GHI Stores on 10th May 2024. On 20th May 2024, GHI Stores returned goods worth Rs. 12,000 due to defects.

Tasks:

1. Record the credit note in Tally ERP 9 for the returned goods.



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2. Specify the ledger accounts affected and the amounts.
3. Provide a suitable narration for the credit note.

Question 3:

Scenario:

PQR Industries issued a sales invoice on 1st June 2024 for Rs. 40,000 to XYZ Traders. After a week, XYZ Traders received a discount of Rs. 3,000 for early payment.

Tasks:

1. Record the credit note in Tally ERP 9 for the discount allowed.
2. Specify the ledger accounts affected and the amounts.
3. Provide a suitable narration for the credit note.

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