

Inventory Information and Units of Measurement in Tally ERP 9

Tally ERP 9 provides robust features for managing inventory, enabling businesses to keep track of their stock items efficiently. The inventory information in Tally includes creating and managing stock groups, stock categories, stock items, units of measure, godowns, and recording transactions related to inventory.

Relevance of Inventory Management in Tally ERP 9

Tally ERP 9 is a comprehensive business management software that integrates various functions, including accounting, finance, inventory management, sales, purchase, and more. Efficient inventory management is crucial for businesses, and Tally ERP 9 offers robust features to manage inventory effectively. Here's how inventory management in Tally ERP 9 is relevant:

1. Comprehensive Inventory Tracking

- **Stock Item Creation:** Tally ERP 9 allows businesses to create and manage stock items, defining details like item name, unit of measure, stock groups, and categories.
- **Stock Groups and Categories:** Organize inventory items into groups and categories for better tracking and reporting.

2. Inventory Vouchers

- **Receipt Note:** Records the receipt of inventory items from suppliers.
- **Delivery Note:** Records the delivery of inventory items to customers.
- **Stock Journal:** Manages inventory adjustments, stock transfers, and manufacturing journals.
- **Physical Stock:** Records physical stock verification and adjustments.

Practical Benefits

1. Optimized Inventory Levels

- Prevents overstocking and stockouts, ensuring that inventory levels are optimized for smooth operations.

2. Improved Decision Making

- Accurate and real-time inventory data supports informed decision-making regarding purchasing, sales, and production.

3. Cost Savings

- Efficient inventory management reduces carrying costs, minimizes wastage, and improves overall cost efficiency.

4. Enhanced Customer Satisfaction

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o Ensures timely fulfillment of customer orders, improving customer satisfaction and loyalty.

This module covers:

- **Stock Groups:** Classify and manage inventory items.
- **Stock Categories:** Group items based on similar features.
- **Stock Items:** Individual units of inventory.
- **Units of Measure:** Quantify stock items.
- **Godowns:** Define storage locations.
- **Batch-wise Details:** Track stock movement and expiry.
- **Bill of Materials (BoM):** Manage manufacturing processes.

Inventory Information in Tally

The Inventory Info menu, lists the inventory masters like Stock Group, Stock Items, Units of Measure of the company, using which you can create, alter and display the inventory master details.

Note: The Inventory Info. menu is displayed in the Gateway of Tally , if you set Maintain Accounts only to No in the F11 > F1: Accounting Features screen.

By using F11: Features , you can enable the various settings under inventory features which determine the information to be entered during transaction entries.

By using F12: Configure , you can enable the required settings of Inventory Masters .

By default, the settings pertaining to Inventory Masters are set to No . If you set them to Yes, the features will be enabled.

Typically, they are additional fields that appear during Masters creation which enable you to obtain more information and detailed analyses.

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Units of Measure

Stock Items are mainly purchased and sold on the basis of quantity. The quantity in turn is measured by units. In such cases, it is necessary to create the Unit of Measure. The Units of Measure can either be simple or compound. Examples of simple units are: nos., metres, kilograms, pieces etc.

Simple Units of Measure

1. Go to Gateway of Tally > Inventory Info > Units of Measure > Create . The Unit Creation screen is displayed as shown below:

Unit Creation	
Type	: Simple
Symbol	: Kgs
Formal name:	Kilograms
Number of decimal places:	0

This field will show the Type of Units.

- Simple
- Compound.

Simple units are nos, pcs , and so on. Compound unit is a combination of two simple units. By default Tally.ERP 9 will show the Simple unit for creating the unit of measure.

You can select the Compound Units by clicking on that field or by using SHIFT+TAB [cursor will go to the previous field].

2. Define the **Symbol** of the unit, for example, Nos. This symbol is used in all displays and printouts.

3. Specify the **Formal Name** of the symbol, for example, Numbers. This formal name is useful during the consolidation of data of different companies, where the symbols might be the same but are assigned to different units. The formal name will be used to match them.

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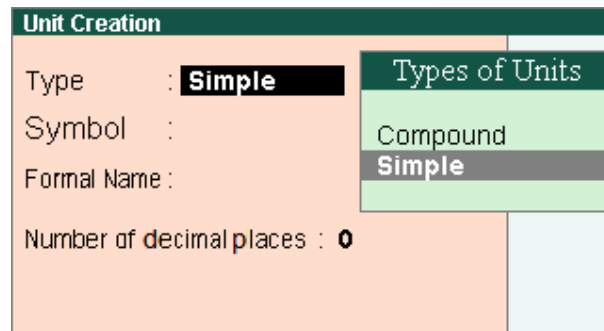
4. In this field you can specify the Number decimal places for the Units from 0 -4. This field is useful for Units measured in fractions. For example, Kilogram unit. 1.255 Kgs, here 1 is for Kg and fraction 255 is for gram. For this unit, number of decimal places required is 3

Compound Unit of Measure

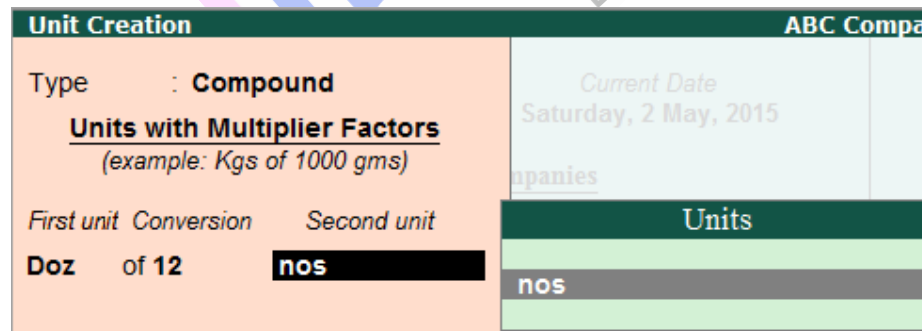
A Compound Unit is a relation between two Simple Units. Hence, before you create a Compound Unit, ensure that you have already created two Simple Units.

For example, To Create Compound unit - Doz (Dozen) of 12 Nos (Numbers), you have to create two simple units, Doz (Dozen) and Nos (Numbers) and set the conversion factor as 12.

1. Go to Gateway of Tally > Inventory Info > Units of Measure > Create. The Unit Creation screen is displayed as shown. Now Click on Type field or Press SHIFT + TAB or Press Backspace Key.



2. Select Compound from the Types of Units and press Enter. The Conversion field will be displayed for creating Compound unit.



First unit	Conversion	Second unit
Doz	of 12	nos

3. Select the First unit from the Units List. In the above example, Dozen will be the First Unit.

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4. Specify the Conversion Factor. In the above example, Conversion factor will be 12.

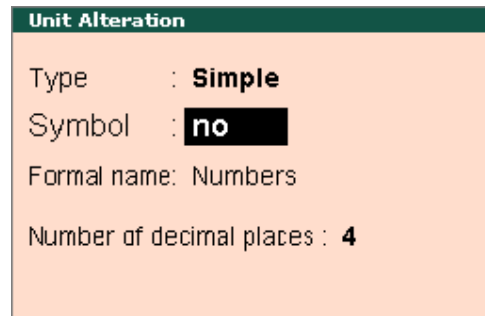
5. Specify the Second Unit from the Units List. In the above example, Number will be the Second Unit. This unit is also called Tail Unit.

6. Use CTRL + A or Accept the Screen for Saving of Compound Unit Creation.

Alter Units of Measure

You can alter the units of measurement created in Tally.ERP 9.

1. Go to Gateway of Tally > Inventory Info. > Units of Measure > Alter.



2. Select the Name of Unit you want to alter from the Units list. The Unit Alteration screen appears as shown below:

3. Make the necessary changes.

4. Press Ctrl+A to accept.

You can delete a unit of measure by pressing Alt+D . However, a unit of measure that is part of a compound measure cannot be deleted without deleting the compound measure first.

Display Units of Measure

You can display the existing Units of Measure, since it is only display Tally.ERP 9 does not allow you to alter any information in display mode.

1. Go to Gateway of Tally > Inventory Info. > Units of Measure > Display.



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2. Select the Unit of Measure you would like to view from the Units list. You can select a compound unit or a simple unit from the list. The Unit Display screen is displayed as shown below:

Unit Alteration	
Type	: Simple
Symbol	: no
Formal name:	Numbers
Number of decimal places :	4

Note: In display mode it is not possible to make any changes.

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