

Lesson 3: Creating Accounting Masters in Tally.ERP 9

Lesson Objectives

On completion of this lesson, you will be able to understand

- ❑ The basic functions of Tally.ERP 9
- ❑ F11: Features & F12: Configurations
- ❑ Creating and Maintaining Chart of Accounts
- ❑ Entering the opening balances for Ledgers

After creating a Company with the required information, you can now enable/ modify Accounting & Inventory features and configurations.

3.1 F11:Features

The **F11: Features** are Company-specific and the F12: Configurations are applicable to all the companies in a data directory. The **F11: Features** is divided into the following major categories:

- ❑ Accounting Features
- ❑ Inventory Features
- ❑ Statutory & Taxation
- ❑ Tally.NET Features

You can press **F11** (functional key) from any screen of Tally.ERP 9 or you may also click on the **F11: Features** button available in the button bar, to enable the required features. The **F11: Features** are specific only to the company currently in use (for which the said feature is enabled), thereby allowing flexibility of independently enabling different features for each of the company.

Go to **Gateway of Tally** > press **F11: Features**

The **Company Features** screen is displayed as shown.

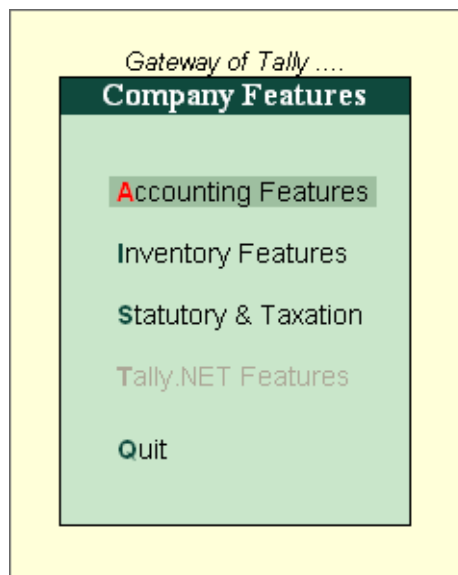


Figure 3.1 F11: Features Menu

There are various settings available under Accounting Features, Inventory Features and Statutory & Taxation Features, which facilitates the additional information to be entered during voucher entry.

F1: Accounting Features

The Accounting Features consists of configurations/ functionalities, which generally affects Accounting transactions and reports. The Accounting features is further sub-divided into six sections, namely :

- General
- Outstanding Management
- Cost/ Profit Centres Management
- Invoicing
- Budgets/ Scenario Management
- Other Features

Go to **Gateway of Tally > F11: Features > Accounting Features** or click on **F1: Accounts**

The Accounting Feature screen is displayed as shown.

Company: National Traders	
Accounting Features	
General	
Integrate Accounts and Inventory	? Yes
Income/Expense Statement instead of P & L	? No
Allow Multi-Currency	? No
Outstandings Management	
Maintain Bill-wise Details (for Non-Trading A/c's also)	? Yes
Activate Interest Calculation (use advanced parameters)	? No
Cost/Profit Centres Management	
Maintain Payroll	? No
Maintain Cost Centres	? No
Use Cost Centre for Job Costing	? No
More than ONE Payroll / Cost Category	? No
Use Pre-defined Cost Centre Allocations during Entry	? No
Show Opening Balance for Revenue Items in Reports	? No
Invoicing	
Allow Invoicing	? Yes
Enter Purchases in Invoice Format	? Yes
Use Debit/Credit Notes	? No
Use Invoice mode for Credit Notes	? No
Use Invoice mode for Debit Notes	? No
Budgets & Scenario Management	
Maintain Budgets and Controls	? No
Use Reversing Journals & Optional Vouchers	? No
Other Features	
Enable Cheque Printing	? No
Set/Alter Cheque Printing Configuration	? No
Allow Zero valued entries	? No

F1: Accounts F2: Inventory F3: Statutory

Figure 3.2 F11: Accounting Features Screen

- ❑ Enable the required features
- ❑ Press **Enter** to accept

F2: Inventory Features

The Inventory features comprises of configurations/ functionalities pertaining to Inventory transactions and reports. The Inventory features is further sub-divided into seven sections, namely :

- ❑ General
- ❑ Storage & Classification
- ❑ Order Processing
- ❑ Invoicing
- ❑ Purchase Management
- ❑ Sales Management
- ❑ Additional Inventory Vouchers

Go to **Gateway of Tally > F11: Features > Inventory Features** or click on **F2 : Inventory**
 The **Inventory Feature** screen is displayed as shown.

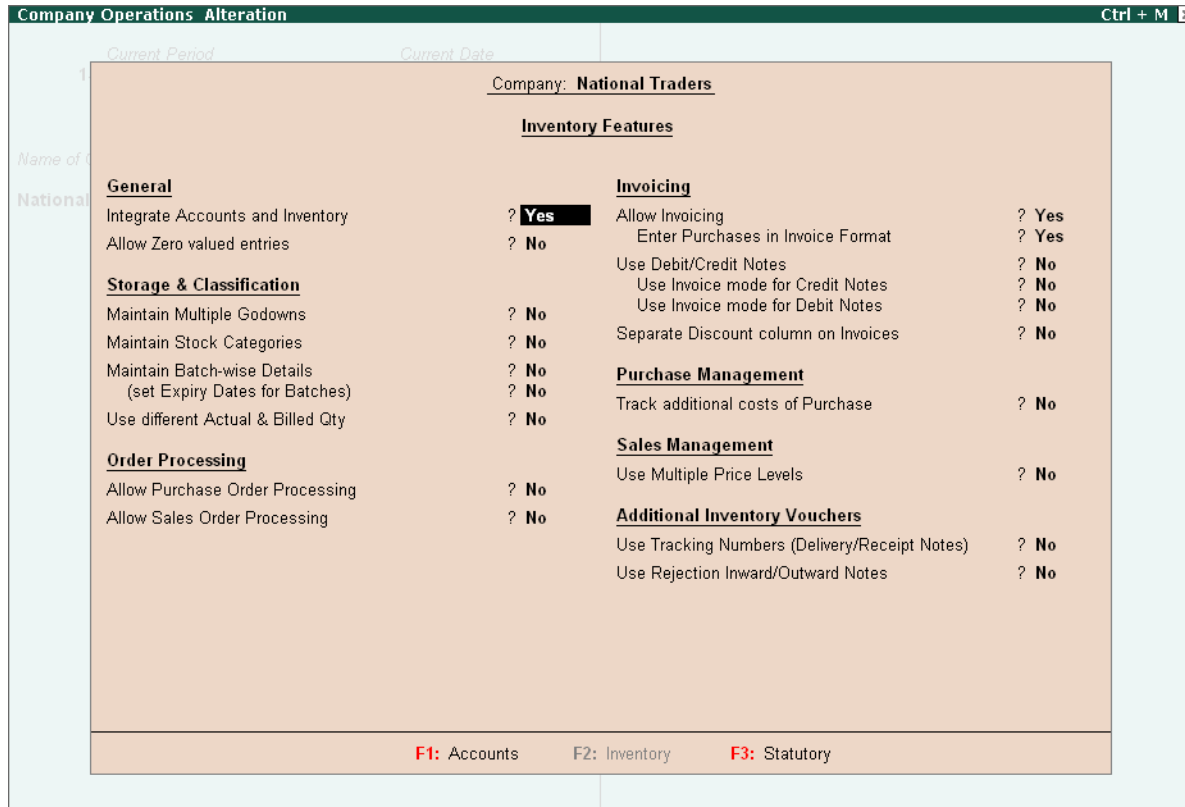


Figure 3.3 F11: Inventory Features Screen

- ❑ Enable the required features
- ❑ Press **Enter** to accept

F3 : Statutory & Taxation

The Statutory & Taxation features comprises of configurations/ functionalities pertaining to statutory compliances available in Tally.ERP 9. The Statutory features are country specific and strictly depends upon the Country selected in the Company Creation screen. The following features are available, when India is selected in the **Statutory Compliance for** field in the Company Creation screen.

- ❑ Excise
- ❑ Value Added Tax
- ❑ Service Tax
- ❑ Tax Deducted at Source
- ❑ Tax Collected at Source
- ❑ Fringe Benefits Tax

- Payroll

Go to **Gateway of Tally > F11: Features > Statutory & Taxation** or click on **F3 : Statutory**

The **Statutory & Taxation** screen is displayed as shown.

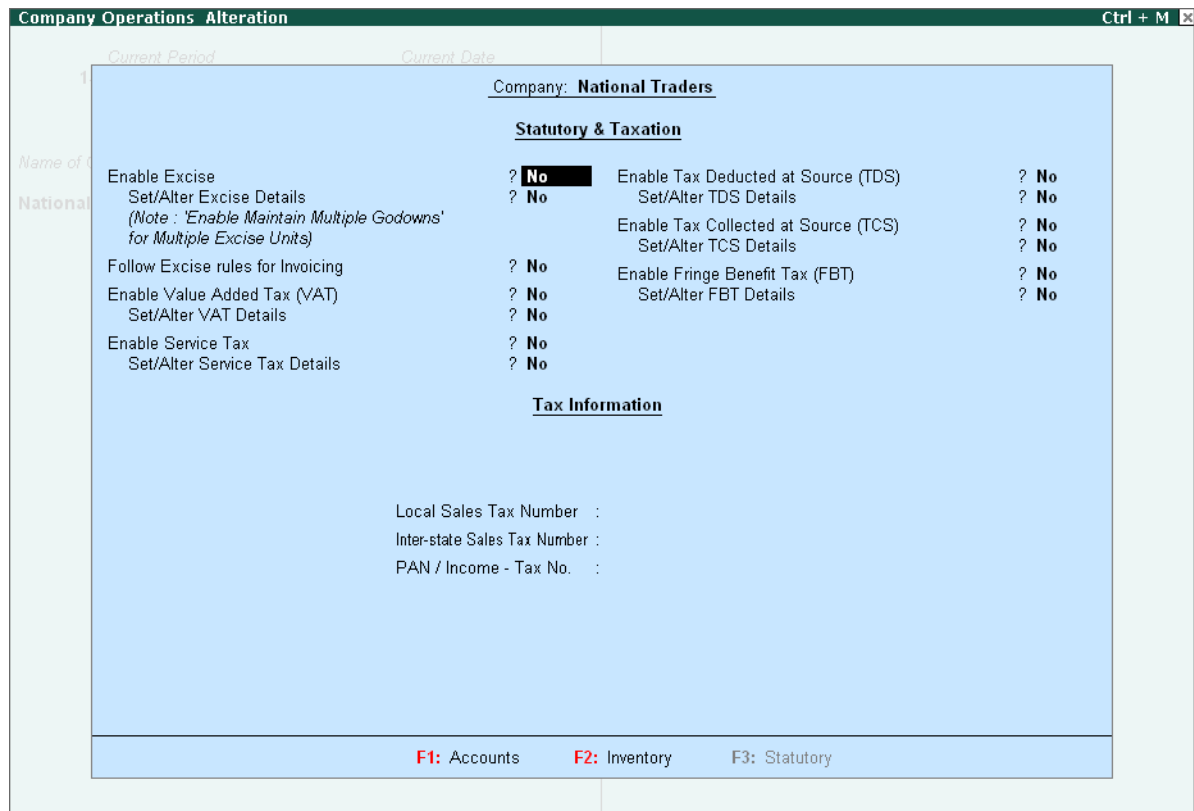


Figure 3.4 F11: Statutory & Taxation Features Screen

- Enable the required features
- Press **Enter** to accept

F4: Tally.NET Features

The **Tally.NET Features** screen comprises of **Registration** and **Remote Access** of company data on Tally.NET. The Tally.NET features will be available only when, **Use Security Control** is set to **Yes** in Company master.

Go to **Gateway of Tally > F11: Features > Tally.NET Features** or click on **F4 : Tally.NET**

3.2 F12 : Configurations

In Tally.ERP 9, the **F12: Configurations** are provided for Accounting, Inventory & printing options and are user-definable as per your requirements.

The **F12: Configurations** are applicable to all the companies residing in that Tally.ERP 9 Data Directory. The **F12: Configuration** options vary depending upon the menu display. i.e., if you press **F12: configure** from Voucher entry screen, the respective **F12: Configurations** screen is displayed.

Go to **Gateway of Tally > press F12: Configure**

The **Configuration** screen is displayed as shown.

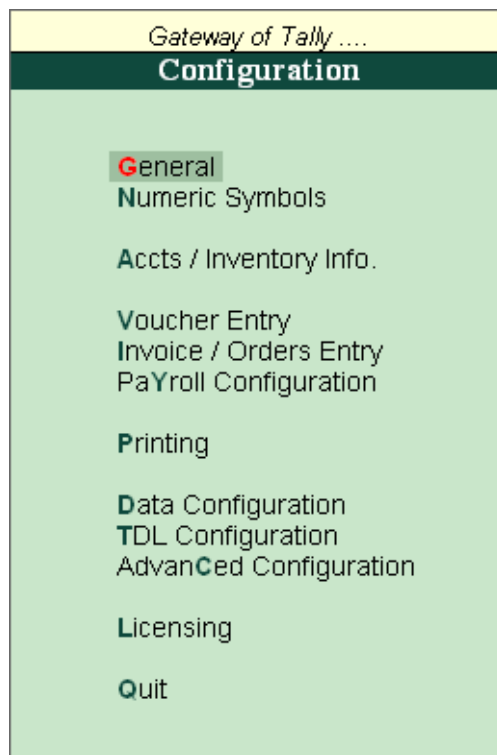


Figure 3.5 F12: Configuration Menu

There are numerous settings available under various menus in the F12: Configurations screen, which may be configured for any additional information required to be entered during master creations, voucher entry and printing.

3.2.1 General

You can configure Country Details, Style of Names, Dates and Numbers in the General configuration screen.

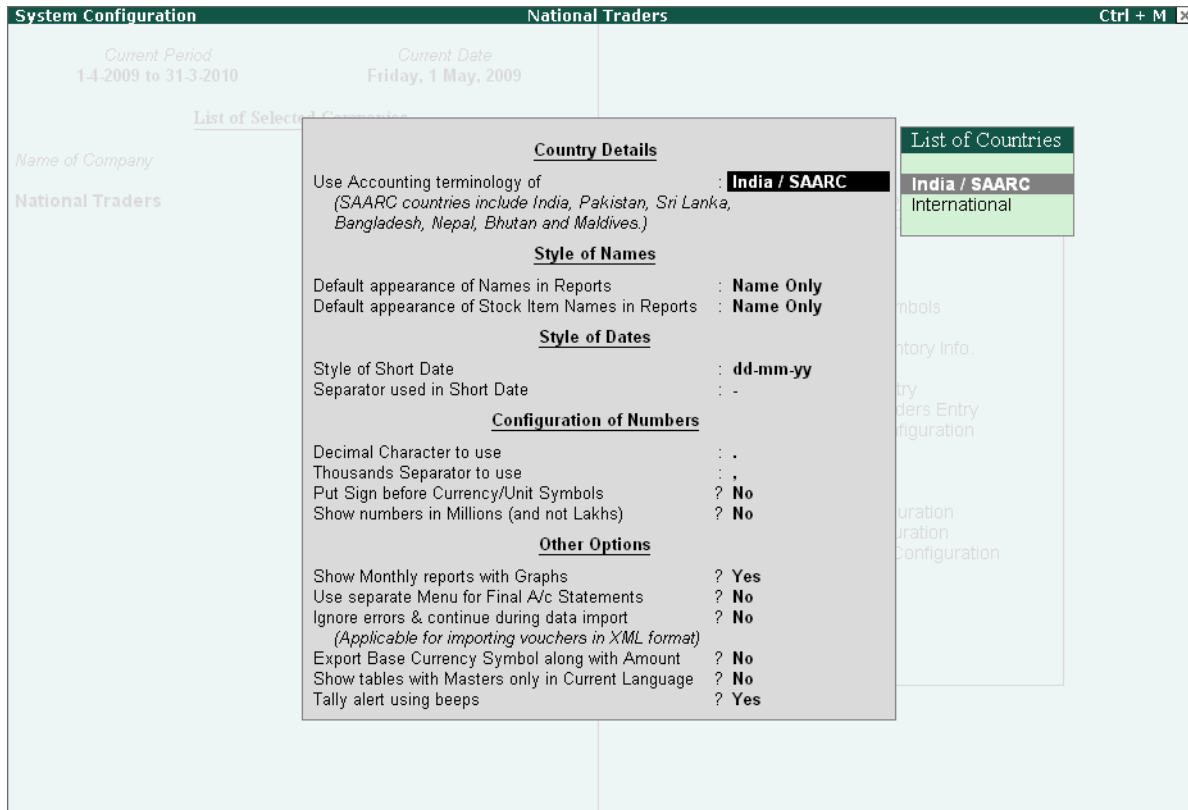


Figure 3.6 General Configuration screen

3.2.2 Numeric Symbols

You can configure Number Styles and Symbols used to represent Positive Numbers, Negative Numbers, Debit Amounts and Credit Amounts by using Numeric Symbols. This is displayed on the Number Styles configuration screen.

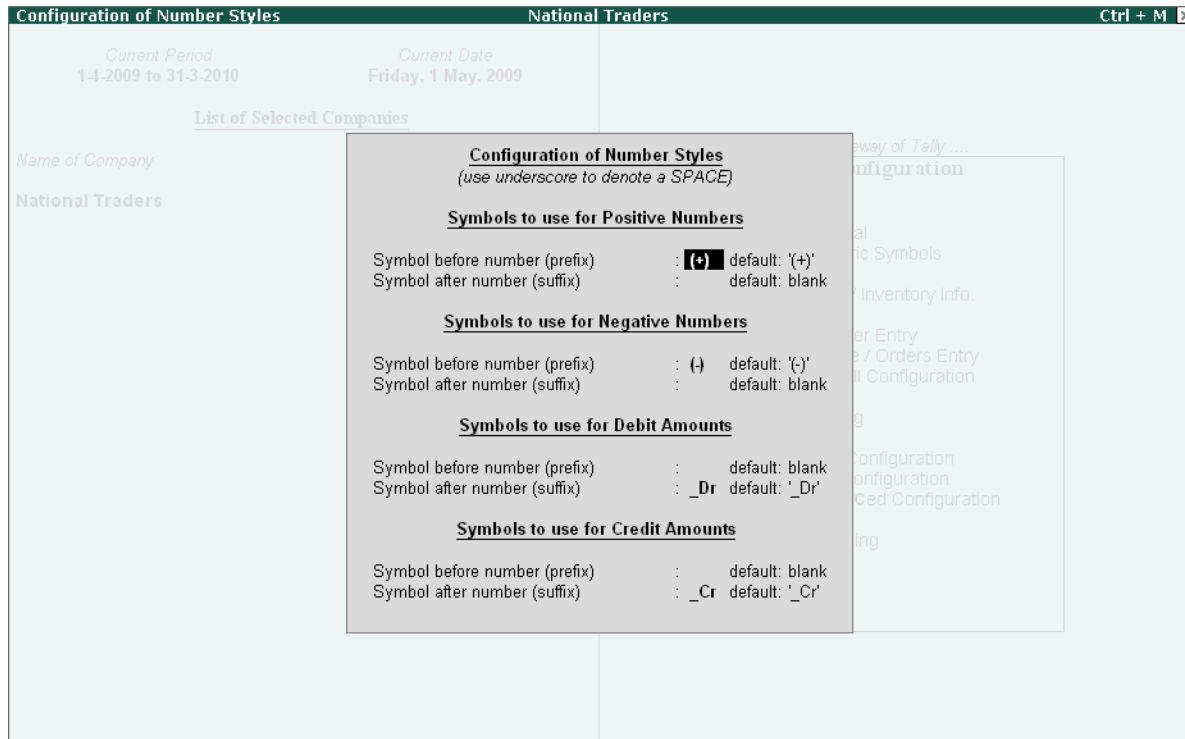


Figure 3.7 Number Styles Configuration screen

3.2.3 Accts / Inventory Info.

The fields pertaining to both Accounting and Inventory Info. can be configured from this menu.



Figure 3.8 Accts / Inventory Info. screen

Master Configuration

Additional information can be configured by setting the options to **Yes** which will accordingly appear in the masters.

- ❑ **Allow ALIASES along with names:** This configuration helps in identifying an account by another name.
- ❑ **Allow Language ALIASES along with names:** This configuration helps the user to give an alias in any local language.

Accounts Masters

- ❑ **Allow ADVANCED entries in Masters:** This configuration displays the additional fields in the Accounting Masters such as:
 - **Group behaves like a Sub-Ledger ?**
Set to **Yes**, the group behaves like a Control Account for the ledgers it contains, wherein only the group balance is displayed. This is useful while working on groups like the *Sundry Debtors* and *Sundry Creditors* (pre-set to **Yes**), where the ledger items are numerous.
 - **Nett Debit/Credit Balances for Reporting?**
Set to **Yes**, this configuration displays the amount as a net figure instead of separate debit and credit balances as shown in the reports.

- **Use ADDRESSES for Ledger Accounts:** This Field can be used for giving the address and Income Tax Number of the ledger accounts.
- **Use CONTACT DETAILS for Ledger Accounts:** This Configuration gives the user an opportunity to fill details like Contact person, Telephone, Fax, E-Mail etc.
- **Add NOTES for Ledger accounts:** This field helps the user to add the additional notes for ledger accounts.

Inventory Masters

- **Allow ADVANCED entries in Masters:** This Configuration will display additional field in Inventory masters.
- **Use PART NUMBERS for Stock Items:** You can enter the Part Number of the item being created for easy identification. (In certain industries, such as automobiles, their part numbers identifies various parts). You can alternatively use this field for the Bin Card Number, Code Number etc.
- **Use Description for Stock Items:** You can enter the description of the Stock Item that would appear in your invoices.
- **Use REMARKS for Stock Items:** This helps to identify the product and its applications. You can give some particulars of the Stock Item created. This will help you later when you post a query for the stock of this item, while you decide whether the item is suitable for a particular requirement or not.
- **Use ALTERNATE UNITS for Stock Items:** This is another unit, apart from the main unit, which you can use instead of the Stock Item. This is particularly useful when you need to handle different units at different times. For example, you buy *Data Cables* in pieces but sell them in packets of 5 pieces each. For alternate units, you are asked to give a conversion factor (e.g. 5) so that a link is maintained between the two. What you give here is simply a conversion factor that comes up as default during a voucher entry. You may specify a different factor during voucher entry.
- **Allow Std. Rates for Stock Items:** Standard rates enable the valuation of an inventory at standard purchase or standard sales prices. Moreover, these prices come up by default during voucher entry (you may choose to override them if required). The standards are effective from the specified dates and they continue to be used at these rates until the next date, where the standard rate changes.
- **Specify Default Ledger Allocation for Invoicing:** This configuration allows the user to allocate the ledgers to be used for Purchase and Sales Invoice.
- **Allow component list details (Bill of Materials):** The Bill of Materials contains a list of items that are required to make up another item. In other words, it is a list of constituent items.
- **Use ADDRESSES for Godowns:** This configuration enables the user to give the address for locations.

3.2.4 Voucher Entry

Both the Accounting and Inventory Vouchers can be configured from this menu for additional information.

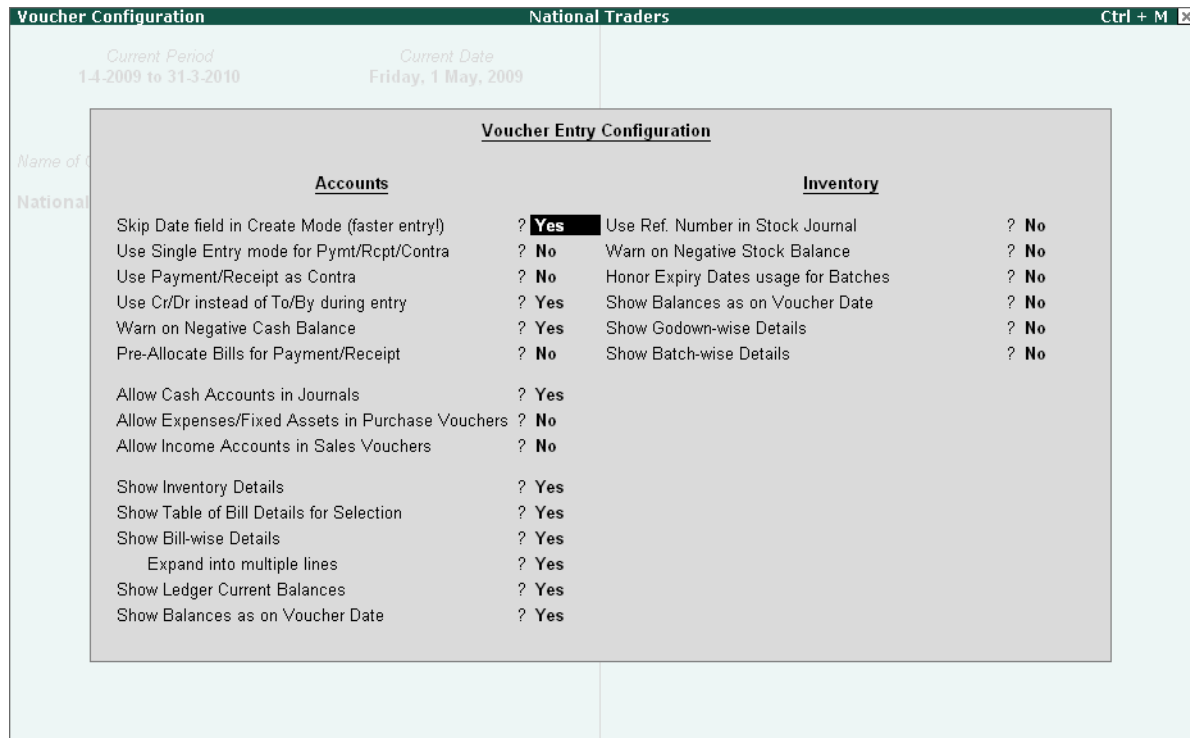


Figure 3.9 Voucher Configuration screen

Accounting Vouchers

- ❑ **Skip Date field in Create Mode (faster entry!)**: Set to **Yes**, the Tally.ERP 9 cursor goes directly to the Dr or Cr field depending on the voucher type. However, if set to **No**, the Tally.ERP 9 cursor goes to the Date field. It is advantageous to set this option to **Yes** for a faster entry if there are many entries to be made on the same date.
- ❑ **Use Single Entry mode for Pymt/ Rcpt/Contra**: This configuration helps in selecting multiple debits or credits depending on the type of entry.
- ❑ **Use Payment/Receipt as Contra**: To indicate the transfer of funds from bank to cash, bank to bank and cash to bank, Tally.ERP 9 provides a voucher type called 'Contra'. This configuration is activated while using payment and receipt vouchers for a 'Contra' transaction.
- ❑ **Use Cr/Dr instead of To/By during Entry**: This configuration gives the flexibility to use Cr/ Dr or To/By in Vouchers as per the requirement or the understanding of the user.
- ❑ **Warn on Negative Cash Balance**: This option in Tally.ERP 9 displays a warning if the cash balance is NIL.

- ❑ **Pre-Allocate Bills for Payment/Receipt:** This Configuration enables the user to select the bills first before the total amount can be updated in the amount field. This option is extremely useful while Cheque Printing.
- ❑ **Allow Cash Accounts In Journals:** Journals are adjustment entries. However, in many cases companies require journals to account for day-to-day transactions involving cash or bank accounts.
- ❑ **Allow Expenses/Fixed Assets in Purchase Vouchers:** This configuration helps the user to enter the details of purchase of fixed assets in the Purchase Voucher.
- ❑ **Allow Income Accounts in Sales Vouchers:** This configuration helps the user to allocate the income accounts in the sales voucher.
- ❑ **Show Inventory Details:** This configuration when set to **Yes** shows the name of the stock item, quantity, rate and value details.
- ❑ **Show Table of Bills Details for Selection:** This configuration displays a table which lists out the references of the pending bills
- ❑ **Show Bill-wise Details:** This configuration enables the user to view the bill-wise details in the voucher.
- ❑ **Expand into multiple lines:** This configuration displays the due date of repayment based on the credit days given.
- ❑ **Show Ledger Current Balances:** This configuration displays the current balance of the ledger selected while an entry is made. This is a convenient feature to use since it helps to get the information without referring to the report.
- ❑ **Show Balances as on Voucher Date:** Set to **Yes**, a voucher that is viewed in the *alteration* mode displays the ledger balances on the voucher screen based on the voucher date.

Inventory Vouchers

- ❑ **Use Ref. Number in Stock Journal:** This configuration provides an additional field called **Ref.** in the Stock journal, where the user can enter the reference number.
- ❑ **Warn on Negative Stock Balance:** This configuration warns the user in cases where the item selected reaches a negative balance in the Invoice mode.
- ❑ **Honor Expiry Dates usage for Batches:** This configuration hides the batch details that are redundant and have expired.
- ❑ **Show Balances as on Voucher Date:** This configuration enables the user to view the inventory balances according to the voucher date
- ❑ **Show Godownwise Details :** This configuration enables the user to view Godown details.
- ❑ **Show Batchwise Details :** This configuration enables the user to view Batch details.

3.2.5 Invoice / Orders Entry

The Invoice entry and Order entry screens can be configured for additional information such as export details, shipping details, etc.

3.2.6 Printing

This configuration helps the user to configure the printing screens for the reports and transactions.

3.2.7 Data Configuration

This configuration helps the user to define location of Language Files, Tally Configuration File, Export Files, Data Files and details of the companies to be loaded on startup.

3.2.8 TDL Configuration

This screen provides details regarding TDL Configuration viz., Local TDLs, Account TDLs & Remote TDLs enabled for the product.

3.2.9 Advanced Configuration

This configuration helps the user to specify Client/Server Configuration, Connection configuration and Proxy configuration for ODBC connectivity and Synchronisation of Data.

3.2.10 Licensing

This configuration helps the user to update, surrender, reset license and also configure existing License.

3.3 Setting up Account Heads

Tally.ERP 9 allows you to create Account heads and groups as per your requirements. The flexibility and ease of creating user-defined Account Heads and groups (Chart of Accounts) as per nature of business or business practice makes Tally.ERP 9 suitable for businesses across industries, verticals and geographies, without changing the way they do their business.

3.3.1 Chart of Accounts

Tally.ERP 9 follows the Double Entry system of Accounting. It records accounting information by debiting and crediting different Ledger Accounts using different voucher types depending upon the nature of transaction. It automatically collates the debit and credit amounts and arrives at the closing balance of each ledger / group / report.

3.3.2 Pre-defined Groups of Accounts

There are 28 predefined groups in Tally.ERP 9, which are widely used in the Chart of Accounts of many trading organizations. Out of these, 15 groups are Primary Groups and the remaining 13 are Sub-Groups.

Among the 15 predefined groups, 9 Groups are Balance Sheet items and the remaining 6 groups are Profit & Loss A/c items. However, you may also alter the nomenclature of these predefined 28 Groups

The **List of Accounts** screen is displayed as shown

1. Capital Account

Reserves & Surplus [Retained Earnings]

2. Current Assets

Bank Accounts

Cash-in-hand

Deposits (Asset)

Loans & Advances (Asset)

Stock-in-hand

Sundry Debtors

3. Current Liabilities

Duties & Taxes

Provisions

Sundry Creditors

4. Fixed Assets

5. Investments

6. Loans (Liability)

Bank OD A/c [Bank OCC A/c]

Secured Loans

Unsecured Loans

7. Suspense A/c

8. Misc. Expenses (Asset)

9. Branch/Divisions

Out of the **15 pre-defined primary groups**, the following are the six pre-defined groups that appear in the Profit & Loss Account.

1. Sales Accounts
2. Purchase Accounts
3. Direct Incomes [Income (Direct)]
4. Indirect Incomes [Income (Indirect)]
5. Direct Expenses [Expenses (Direct)]
6. Indirect Expenses [Expenses (Indirect)]



The Items in square brackets are aliases for the Group Names. This is another powerful feature of Tally.ERP 9, which allows you to refer to the same item under several different names.

3.3.3 Groups and Ledgers

Group is a collection of Ledgers of the same nature. In a business, expenditures like telephone expenses, electricity charges, conveyance etc., are commonly incurred. Ledgers based on these expenditures are created to be used while accounting vouchers are entered. To know the total of such expenses for any period (a week or a month), similar natured expense ledgers are grouped.



*Make sure all the options in the **F12: Configure** (Master configuration) are set to **No**. The function of each option will be explained as and when the topic is covered.*

Ledger account heads are the actual account heads with which we identify the transactions. All voucher entries have to be passed using ledgers. To Understand the concept of Groups and Ledgers, let us create **Ledgers** and **Groups** in **Indus Enterprises**.

1. **Proprietor's Capital Account** – under **Capital Account** with an opening balance of Rs.25000.
2. **Land & Building** – under **Fixed Assets** with an opening balance of Rs.60000.
3. **Milton & Co** – under **Sundry Debtors** because we have sold some goods to them – with an opening balance of Rs.15000.
4. **Kaltronic Ltd** – under **Sundry Creditors** – because we have purchased some goods from them with opening balance of Rs. 85000.
5. **Local Sales** – under **Sales Account** with no opening balance.
6. **Local Purchases** – under **Purchase Account** with no opening balance.
7. **State Bank of India** – under **Bank Accounts** with an opening balance of Rs. 35000.
8. **Conveyance** – under **Indirect Expenses** with no opening balance.
9. **Bank Interest** – under **Indirect Income** with no opening balance.

Notice that we have mentioned ledger names under groups i.e., under Capital Account, under Sundry Debtor, etc. which are referred to as **GROUP** names.

Ledgers are created in the following manner:

Go to the **Gateway of Tally > Accounts Info. > Ledgers > Create**.

The **Ledger Creation** screen appears as shown below:

Ledger Creation		Indus Enterprises
Name : XXXXXXXXXX	Total Op. Bal.	
Under : Capital Account		
Opening Balance (on 1-Apr-2009) :		

Figure 3.10 Ledger Creation screen

Practice Exercise

Two of the nine ledger accounts will be created by us. As a practice exercise you will be creating the remaining seven ledgers.

1. Proprietor's Capital Account under Capital Account with an opening balance of Rs. 25000.

- ❑ Enter **Name** as **Proprietor's Capital Account**.
- ❑ Select **Capital Account** from the **List of Groups**.
- ❑ Enter **25000** in the **Opening Balance (on 1-Apr-2009)** field.

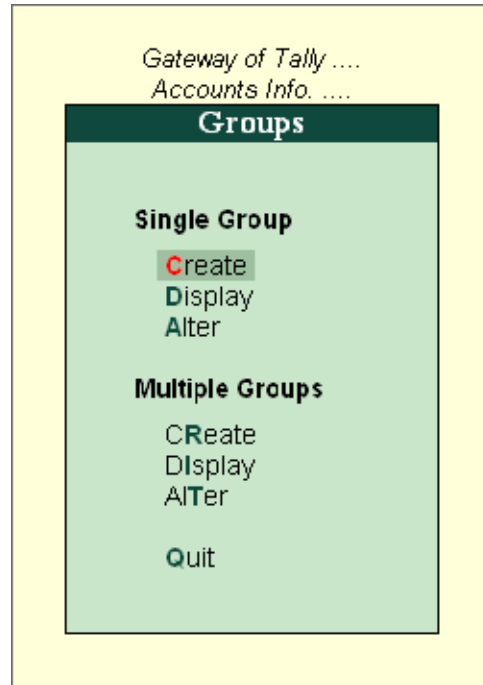


Figure 3.13 Groups Menu



*You can create one group at a time by pressing **Enter** on **Create** under **Single Group** menu. In case, you want to create multiple groups simultaneously, you can create them by pressing **Enter** on **Create** under **Multiple Groups**.*

Create the following Sundry Debtors Ledger accounts :

- **Groups - North Delhi Debtors** and **Bhopal Debtors** under **North India Debtors**.
- **Mysore Debtors** and **Secundrabad Debtors** under **South India Debtors**.
- **Renison & Co** and **Milton & Co** grouped under **North Delhi Debtors**.

Solution

The solution is to first create two sub-groups **North India Debtors** and **South India Debtors** under Sundry Debtors.

Go to the **Gateway of Tally > Accounts Info. > Groups > Create**.

- Enter **Name** as **North India Debtors**
- Against the field **Under** select **Sundry Debtors** from the **List of Groups**

The **Group Creation** screen appears as shown below :

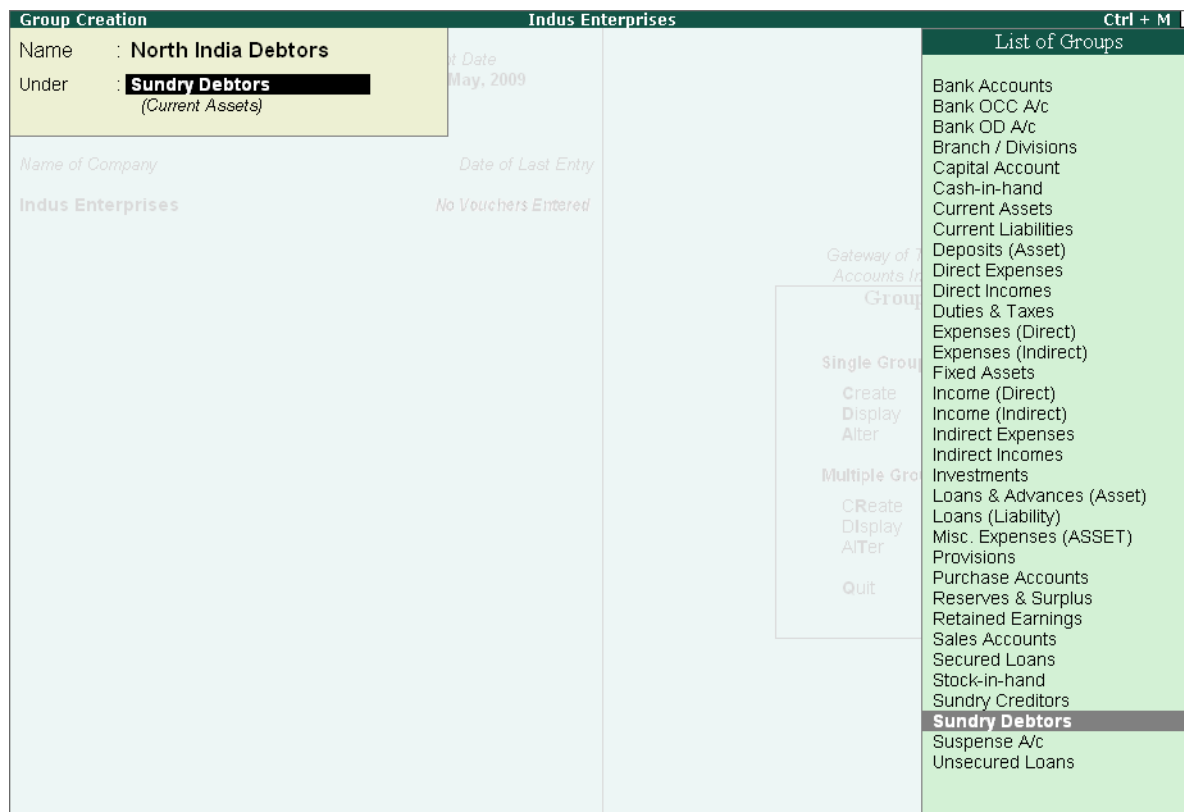


Figure 3.14 Group Creation — North India Debtors

- Press **Y** or **Enter** to accept the screen.

Similarly create the following Groups:

- **South India Debtors** under **Sundry Debtors**.
- **Mysore Debtors** and **Secundrabad Debtors** under **South India Debtors**.
- **North Delhi Debtors** and **Bhopal Debtors** under **North India Debtors**.

Tally.ERP 9 allows you to create any number of groups under all the default groups. We have now created two sub-groups under Sundry Debtors viz. North India Debtors and South India Debtors. Additionally, we have created two sub-groups each under North India Debtors and South India Debtors as per the requirements.

Let us now create the ledgers for **Renison & Co** and **Milton & Co** under **North Delhi Debtors**. Go to the **Gateway of Tally > Accounts Info. > Ledgers > Create (Multiple Ledgers)**.

Create **Renison & Co** and **Milton & Co** under **North Delhi Debtors**.

- Select **North Delhi Debtors** from **List of Groups**.
- Enter **Renison & Co** in the **Name of Ledger** field.

- Enter **Milton & Co** in the **Name of Ledger** field.

Multi Ledger Creation		Indus Enterprises		Ctrl + M
Under Group : North Delhi Debtors		For 1-Apr-2009		
S.No.	Name of Ledger	Under	Opening Balance	DirCr
1.	Renison & Co	North Delhi Debtors		
2.	Milton & Co	North Delhi Debtors		

Accept ?
 Yes or No

Figure 3.15 Multi-Ledger Creation

- **North Delhi Debtors** is automatically prefilled in the **Under** field, press **Enter** to accept
- Press **Enter** to accept the screen.

We have learnt to create ledgers in both the single and multiple mode under Tally.ERP 9's default pre-defined groups. We have also created our own sub-groups under Tally.ERP 9's predefined groups.

- Return to the **Gateway of Tally** and shut **Indus Enterprises** and select **National Traders**.

Given below is the **Trial Balance** of **National Traders** extracted from the Books of Accounts at the close of business on March 31, 2009.

Trial Balance			
Particulars		Debit	Credit
Bank account		35000	
Deposit Account		40000	
Petty Cash		500	
Opening Stock		286150	
Sundry Debtors (Total)		57300	
Compu Care Systems	5400		
Data Link Technologies	26000		
Spectrum Computers	12400		
Supreme Computers	13500		
Buildings		75000	
Buildings Accum Deprn			8000
Office Equipment		25000	
Office Equip Accum Deprn			4500
Tax Deducted at Source			4780
Sales tax			13600
Sundry Creditors (Total)			156000
Challenger Systems	65650		
Horizon Enterprises	44750		
Silverplus Computers	45600		
Mutual Trust Loan			50000
Equity Capital			250000
Profit & Loss A/c			32070
Total		518950	518950

The Chart of Accounts to be prepared is based on the above Trial Balance of National Traders. This is to assist you in understanding the classification of ledgers. To help you, each account has been marked as :

- ❑ **P** - Pre-defined Tally.ERP 9 Group (no action)
- ❑ **L** - Ledger account required
- ❑ **NG** - New Group required
- ❑ **NPG** - New Primary Group required

3.3.4 Chart of Accounts of National Traders

1. Capital Accounts as appearing in the Balance Sheet:

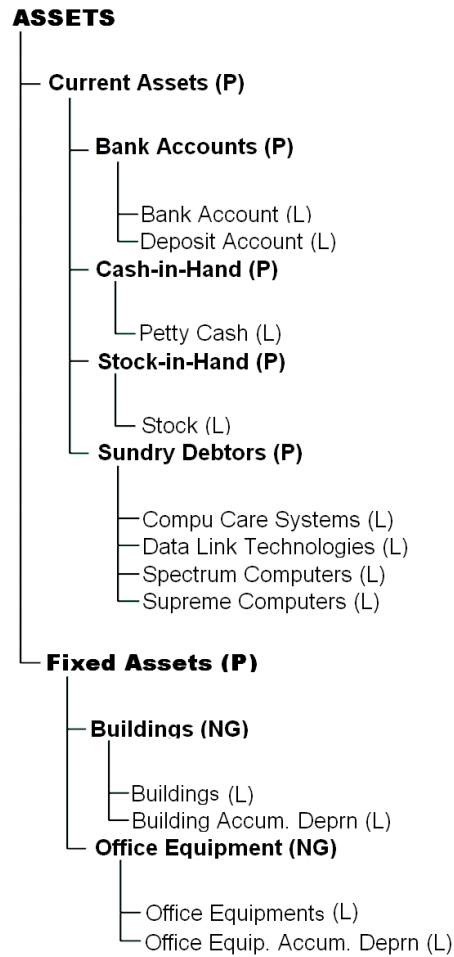


Figure 3.16 Chart of Accounts in Balance Sheet — Assets

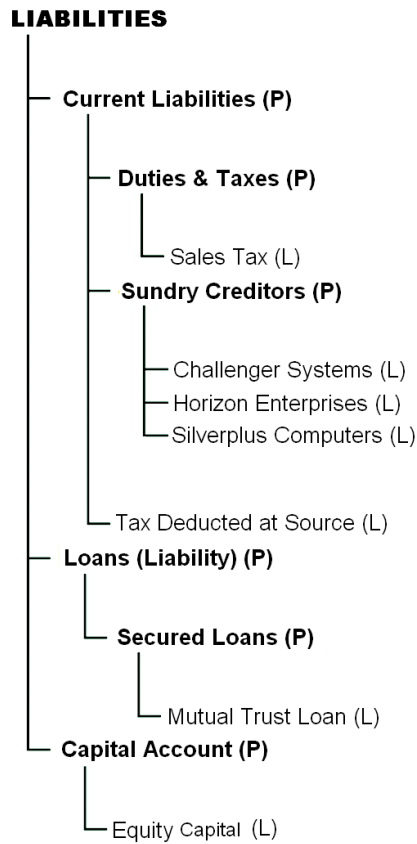


Figure 3.17 Chart of Accounts in Balance Sheet — Liabilities

2. Revenue Accounts appearing in the Profit & Loss Account

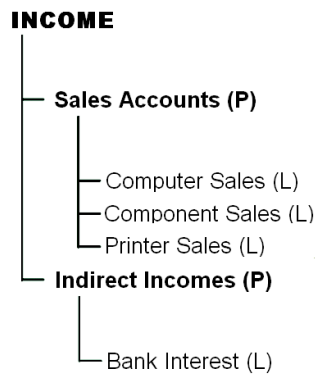


Figure 3.18 Chart of Accounts in Profit & Loss account — Incomes

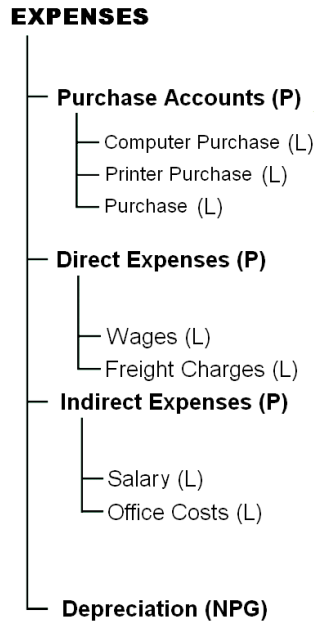


Figure 3.19 Chart of Accounts in Profit & Loss account — Expenses

Tally.ERP 9 Walk-through to Create Group Names for National Traders.

Check the following:

1. Check whether the Current Date is **April 1, 2009**. To change the Current Date, click **F2: Date** on the button bar. Note that Tally.ERP 9 increments the date assuming that you want to change to the next day. You can accept it or change it. Type **1-4-2009** and press **Enter** to accept.
2. Press **Esc**, if you do not have the **Gateway of Tally** menu displayed.

Let us now get familiar with Tally.ERP 9's Display functions.

Displaying groups in Single Group and Multiple Group in the chart of accounts

Go to the **Gateway of Tally > Accounts Info. > Groups > Display (Single Group) > Select Bank Accounts**.

Group Display		Nationa
Name	: Bank Accounts	
Under	: Current Assets	

Figure 3.20 Group Display — Bank Account

You can now use the **Page Up** and **Page Down** keys to view different groups.



- *The Groups in Tally.ERP 9, serve to both classify and identify account heads (ledger accounts) according to their nature. This enables a presentation of summarised information.*
- *The Groups have a hierarchical organisation. At the top of the hierarchy are **Primary Groups** where accounts are classified into capital or revenue, more specifically into assets, liabilities, income and expenditure to determine the entire accounting and their presentation, i.e., whether a ledger affects Profit & Loss Account (as a revenue item) or goes into the Balance Sheet.*
- *Tally.ERP 9 provides a set of **reserved groups**, based on mercantile accounting principles, and allows you to modify their names or create **sub-groups** and **primary groups**.*

Let us now view the List of Groups in the **Multiple Display Mode**.

Go to the **Gateway of Tally > Accounts Info. > Groups > Display (Multiple Groups) > Select All Items**

Multi Group Display		National Traders	Ctrl + M
Under Group : <input type="checkbox"/> All Items			
S.No.	Name of Group	Under	
1.	Capital Account	<input type="checkbox"/> Primary	
2.	Loans (Liability)	<input type="checkbox"/> Primary	
3.	Current Liabilities	<input type="checkbox"/> Primary	
4.	Fixed Assets	<input type="checkbox"/> Primary	
5.	Investments	<input type="checkbox"/> Primary	
6.	Current Assets	<input type="checkbox"/> Primary	
7.	Branch / Divisions	<input type="checkbox"/> Primary	
8.	Misc. Expenses (ASSET)	<input type="checkbox"/> Primary	
9.	Suspense A/c	<input type="checkbox"/> Primary	
10.	Sales Accounts	<input type="checkbox"/> Primary	
11.	Purchase Accounts	<input type="checkbox"/> Primary	
12.	Direct Incomes	<input type="checkbox"/> Primary	
13.	Direct Expenses	<input type="checkbox"/> Primary	
14.	Indirect Incomes	<input type="checkbox"/> Primary	
15.	Indirect Expenses	<input type="checkbox"/> Primary	
16.	Reserves & Surplus	Capital Account	
17.	Bank OD A/c	Loans (Liability)	
18.	Secured Loans	Loans (Liability)	
19.	Unsecured Loans	Loans (Liability)	
20.	Duties & Taxes	Current Liabilities	
21.	Provisions	Current Liabilities	
22.	Sundry Creditors	Current Liabilities	
23.	Stock-in-hand	Current Assets	
24.	Deposits (Asset)	Current Assets	
25.	Loans & Advances (Asset)	Current Assets	
26.	Sundry Debtors	Current Assets	
27.	Cash-in-hand	Current Assets	
28.	Bank Accounts	Current Assets	

Figure 3.21 Multi-Group Display screen

Adding groups to the chart of accounts

- Depreciation** under **Primary Group**
- Buildings** and **Office Equipment** under **Fixed Assets**



- Use **Multiple Groups Creation** to create **Buildings and Office Equipment**.
- Use **Single Group Creation** to create **Depreciation**.



In the **F12: Group Configuration**, Allow **ADVANCED entries in Masters** when set to **Yes**, displays **Primary** as an option in addition to the other pre-defined Groups.

We can access all the configuration options for the Masters from the **Gateway of Tally > F12: Configure > Accts / Inventory Info.**

Go to the **Gateway of Tally > Accounts Info. > Groups > Create** (Single Group).

Click on **F12: Configure** button and set **Yes** to:

- **Allow ALIASES along with Names**
- **Allow Language ALIASES along with Names.**
- **Allow ADVANCED entries in Masters.**

Accept the configuration screen and Tally.ERP 9 displays the Group Creation Screen in which you will notice additional information like:

1. **Alias** – This is a simple mechanism of identifying an account by another name.
2. **Group behaves like a Sub-Ledger** – The group behaves like a Control Account for the ledgers it contains when set to **Yes**. Only the group balance will be displayed, not the individual ledger balances. It is useful for groups such as *Sundry Debtors* and *Sundry Creditors* (which are pre-set to **Yes**) where there can be numerous ledger items.
3. **Nett Debit/Credit Balances for Reporting** – By setting this to **Yes**, amounts will be displayed as a net figure instead of separate debit and credit balances in reports.

Create Group

1. **Name: Depreciation**
2. **(alias):** Type **Deprn** and press **Enter**. This allows you to refer to the group by either name. You will notice that there is a field to enter a second alias if required. If you enter a name here, another alias field will be displayed, and so on. Tally uses the main name on all displays and reports, but this multiple alias facility is extremely useful for data entry.
3. **Under:** Select **Primary** from the list of Groups
4. **Nature of Group:** Select **Expenses**



- ***Nature of Group** is displayed when the new Group is created under a **Primary Group**. It helps to distinguish whether the group is a part of assets, liabilities, income or expenses, to identify the correct group for the Balance Sheet or Profit & Loss A/c.*

5. Does it affect Gross Profits?: No

Since these are **Expenses** (and the same is true for **Income**) which affect the Profit & Loss A/c, Tally.ERP 9 needs to know if the group affects the gross profit. This field will not appear if you are adding a group to an existing group.



- For Primary Income and Expenses Groups, the field **Does it affect Gross Profit?** tells Tally.ERP 9 whether the item is above or below the line in the Profit & Loss A/c in terms of its effect on the gross or net profit. Direct items are pre-set to **Yes** and indirect items to **No**.

6. **Group behaves like a Sub-Ledger: No**
7. **Nett Debit/Credit Balances for Reporting: No.**
8. **Used for Calculation (eg. Taxes, Discounts): No**
9. **Method to Allocate when used in Purchase Invoice: Not Applicable**

The Group Creation Screen appears as shown below :

Group Creation		National Traders
Name	: Depreciation	
(alias)	: Deprn	
Under	: <input type="checkbox"/> Primary	
Nature of Group	? Expenses	
Does it affect Gross Profits	? No	
Group behaves like a Sub-Ledger	? No	
Nett Debit/Credit Balances for Reporting	? No	
Used for Calculation (eg. Taxes, Discounts) (for Sales Invoice Entry)	? No	
Method to Allocate when used in Purchase Invoice	? <input type="checkbox"/> Not Appli	
		Accept ? Yes or No

Figure 3.22 Group Creation — Depreciation

10. Press **Y** or **Enter** to accept the screen.

Altering Groups

Once created, groups can be altered by selecting the **Alter** option for single or multiple groups. The procedure is the same as used earlier to display groups, except that, here the data can be altered.

Deleting Groups

You can delete a group via the **Group Alteration** (Single Mode) screen by pressing **Alt+D**. However, you cannot delete Tally.ERP 9's pre-defined groups, or groups with sub-groups or groups containing ledgers. **The lowest level must be deleted first.**

Tally.ERP 9 walkthrough to create National Traders ledgers with opening balances.

Go to the **Gateway of Tally > Accounts Info. > Ledgers > Create.**

Adding Single Ledgers

1. **Name: Mutual Trust Loan**
2. **Alias: Skip this field**
3. **Under: Secured Loans**
4. **Inventory values are affected?: No**
5. **Opening Balance (on 1-April-2009): 50000 Cr**

Ledger Creation		National Traders
Name	: Mutual Trust Loan	Total Op. Bal.
(alias)	:	
		2,86,150.00 Dr
		50,000.00 Cr
		<i>Difference</i>
		2,36,150.00 Dr
Under	: Secured Loans (Loans (Liability))	
Inventory values are affected	? No	
Opening Balance (on 1-Apr-2009) : 50,000.00 Cr		

Figure 3.23 Ledger Creation — Mutual Trust Loan



- *Tally.ERP 9 automatically assumes this to be a credit balance (Cr) however, you can change it to debit (Dr) if required. Also note that Tally.ERP 9 currently displays a running total of the difference in the Opening Balance. This difference should be zero when all the balances have been entered.*

6. Press **Y** or **Enter** to accept the screen.

Adding Multiple Ledgers

- **Under Group: Sundry Debtor**
- **Name of Ledger: Data Link Technologies**
- **Opening Balance: 26000 Dr**
- **Name of Ledger: Spectrum Computers**
- **Opening Balance: 12400 Dr**
- **Name of Ledger: Supreme Computers**
- **Opening Balance: 13500 Dr**
- Press **Y** or **Enter** to accept the screen.

Altering and Displaying Ledgers

The procedures for altering and displaying ledgers are similar to those of groups. Now try this out on National Traders by altering the Tally.ERP 9 pre-defined ledger for Cash to Petty Cash and entering the opening balance:

- Select **Alter** from the **Single Ledger** option.
- Select **Cash** from the List of Ledgers.
- Change the **Name** from **Cash** to **Petty Cash**.
- Enter the **Opening Balance** of 500 Dr.
- Press **Y** or **Enter** to accept the screen.

If you use **Display** in **Single Ledger** now, you will see that the **List of Ledgers** shows Petty Cash instead of Cash.

Deleting Ledgers

- You can delete a ledger, by pressing **Alt+D** in the Ledger Alteration screen.

You will not be able to delete a ledger, once the financial transactions (vouchers) have been entered (excluding the Opening Balance). If there is a need to delete a ledger with any financial transactions the lowest level must be deleted first by pressing **Alt+D**.

Create other Ledgers given in the Trial Balance

1. Remember, you have already input the ledger details for the two Sundry Debtors, the Mutual Trust Loan and Petty Cash.
2. Work from the Trial Balance, referring to the Chart of Accounts for the group to select, and create the ledgers using the single or multiple options, depending on the number of ledgers you create.
3. For the ledgers under **Sales Accounts** and **Purchase Accounts**, set **Inventory values are affected?** to **No**. Reset it to **Yes** when you start Inventory Vouchers.
4. Please enter on the ledger names as per the Trial Balance.
5. Sundry Creditors should be set up using the multiple options in the same way as the Sundry Debtors, except that the opening balances will be credits.
6. Watch the debits and credits on the two accumulated depreciation ledgers as, Tally.ERP 9 assumes it to be a debit balance (Dr). You need to change this to Cr.
7. Create a ledger for Bank Interest even though its balance is zero.

Verify the Ledgers and Opening Balances

In practical situations, that is all you have, the Chart of Accounts and the Trial Balance.

You need to match the Trial Balance ledger accounts with the Chart of Accounts. You might put the opening balance figures in the chart of accounts itself. Tally.ERP 9 needs to know the Group under which each account falls at the time you are creating the ledger account.

To ease your walk-through, the following **Multi Ledger Alteration** screen is taken from Tally.ERP 9 after entering the data. You can use them to verify your ledger accounts:

Go to the **Gateway of Tally > Accounts Info. > Ledgers > Multiple Alteration > Select All Items**.

Multi Ledger Alteration		National Traders		Ctrl + M
Under Group : <input type="checkbox"/> All Items			For 1-Apr-2009	
S.No.	Name of Ledger	Under	Opening Balance	Dr/Cr
1.	Bank Account	Bank Accounts	35,000.00	Dr
2.	Building Accum Deprn	Buildings	8,000.00	Cr
3.	Buildings	Fixed Assets	75,000.00	Dr
4.	Challenger Systems	Sundry Creditors	65,650.00	Cr
5.	Compu Care Systems	Sundry Debtors	5,400.00	Dr
6.	Data Link Technologies	Sundry Debtors	26,000.00	Dr
7.	Deposit Account	Bank Accounts	40,000.00	Dr
8.	Equity Capital	Capital Account	2,50,000.00	Cr
9.	Horizon Enterprises	Sundry Creditors	44,750.00	Cr
10.	Mutual Trust Loan	Secured Loans	50,000.00	Cr
11.	Office Equip Accum Deprn	Office Equipment	4,500.00	Cr
12.	Office Equipment	Fixed Assets	25,000.00	Dr
13.	Petty Cash	Cash-in-Hand	500.00	Dr
14.	Profit & Loss A/c	<input type="checkbox"/> Primary	32,070.00	Cr
15.	Sales Tax	Duties & Taxes	13,600.00	Cr
16.	Silverplus Computers	Sundry Creditors	45,600.00	Cr
17.	Spectrum Computers	Sundry Debtors	12,400.00	Dr
18.	Supreme Computers	Sundry Debtors	13,500.00	Dr
19.	Tax Deducted at Source	Current Liabilities	4,780.00	Cr

Accept ?

Yes or No

Figure 3.24 Multi-Ledger Alteration screen

- Press **Y** or **Enter** to accept the screen.

Points to Remember

- ❑ F11: Features are company-specific. You are allowed to specify options that are specific to the selected company only.
- ❑ The Accounting Features helps the user to create Budgets & Scenarios, Currencies, Cost Centres, Cost Categories etc. in addition to Groups and Ledgers.
- ❑ The Inventory Features helps the user to create Stock categories, Multiple Godowns, Use Tracking Numbers, Order Processing, Price levels etc. in addition to Stock Groups, Stock Items and Units of Measure.
- ❑ The Statutory & Taxation Features helps the user to enable Value Added Tax (VAT), Excise, Service Tax, Tax deducted at Source(TDS), Tax Collected at Source (TCS), Excise Duty along with Tax information such as Local Sales Tax Number, Inter-state Sales Tax Number, PAN/Income - Tax Number.
- ❑ F12: Configuration options are applicable to all the companies in the same data directory.
- ❑ All financial entries are performed using ledgers or account heads.
- ❑ Group is a collection of Ledgers of the same nature.
- ❑ You can delete a ledger by pressing Alt+D in the Ledger Alteration screen.