BUSINESS ACCOUNTING

COMPUTERIZED ACCOUNTING

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Computers are an important part of the life today. In modern world, strategic business decisions are quickly taken with the help of an effective computerized accounting system. Now a days almost all the business organizations computers are used for recording day-to-day transaction with the help of specialized accounting software. Now a days computerized system are suitable of use all organizations, large or small.
About Tally

- Proud Indian Software Product Development Company based out of Indian silicon city Bengaluru.
- We are 23 years old organization working on ONE single software product.
- We have 14 regional offices and partners across length of the India.
- We have more than 4 million satisfied users across 94 counties.
- We have 650+ employees working product development and customer management.
- Current 12 Languages which includes 9 Indian Languages.
  - (Marathi, Hindi, Tamil, Gujrathi, Kannad, Malayalam, Telgu, Punjabi and Bangali)
NEEDS

- More Transactions
- Quick Reporting
- Reduce Paper work
- Flexible Reporting
- Accounting Queries
- Online Facility
- Scalability
- Accuracy
- Security
TYPES OF ACCOUNT

PERSONAL ACCOUNT

REAL ACCOUNT

IMPERSOINAL ACCOUNT

NOMINAL ACCOUNT
Golden Rules of Accounting

Personal Account

- Dr
- Cr

Real Account

- Dr
- Cr

Nominal Account

- Dr
- Cr

The Receiver

What Comes In?

What Goes out?

All Expenses OR Losses?

All Incomes OR Gains

The Giver
A **Real Account** is a general ledger account relating to Assets and Liabilities other than people accounts. These are accounts that don’t close at year end and are carried forward.

A **Personal account** is a General ledger account connected to all persons like individuals, firms and associations.

A **Nominal account** is a General ledger account pertaining to all income, expenses, losses and gains.
An entity named Pune Ltd. has the following transactions.

1. It deposits Rs.10,000 into Bank
2. It buys goods worth Rs.50,000 from Apple Ltd.
3. It sells goods worth Rs.35,000 to Shah Ltd.
4. It pays Rs.12,000 as Rent for its premises
5. It earns Rs.3,000 as interest on bank account.

<table>
<thead>
<tr>
<th>Transaction</th>
<th>Accounts</th>
<th>Type of Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit Rs.10,000 in Bank</td>
<td>Bank Account, Cash Account</td>
<td>Real Account, Real Account</td>
</tr>
<tr>
<td>Purchase goods worth Rs.50,000 from Apple Ltd.</td>
<td>Purchase Account, Apple Ltd. Account</td>
<td>Nominal Account, Personal Account</td>
</tr>
<tr>
<td>Sale of goods worth Rs. 35,000 to Shah Ltd.</td>
<td>Sales Account, Shah Ltd. Account</td>
<td>Nominal Account, Personal Account</td>
</tr>
<tr>
<td>Pays Rs.12,000 as rent</td>
<td>Rent Account, Bank Account</td>
<td>Nominal Account, Real Account</td>
</tr>
<tr>
<td>Earn Rs.3,000 as interest on Bank account</td>
<td>Interest received, Bank Account</td>
<td>Nominal Account, Real Account</td>
</tr>
</tbody>
</table>
Now applying the golden rules to each of the transactions

**Deposit Rs.10,000 in Bank**

Both Bank and Cash are real accounts and so the Golden rule is:
- Debit what comes into the business
- Credit what goes out from the business

<table>
<thead>
<tr>
<th>Bank A/C</th>
<th>Dr.</th>
<th>10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>To Cash A/ C</td>
<td></td>
<td>10,000</td>
</tr>
</tbody>
</table>

**Purchase goods worth Rs.50,000 from Apple Ltd.**

The Purchase Account is a Nominal account and the Creditors Account is a Personal account.

Applying Golden Rule for Nominal account and Personal account:
- Debit the expense or loss
- Credit the giver

<table>
<thead>
<tr>
<th>Purchase A/C</th>
<th>Dr</th>
<th>50,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>To Apple Ltd. A/C</td>
<td></td>
<td>50,000</td>
</tr>
</tbody>
</table>
Sale of goods worth Rs.35,000 to Shah Ltd.
The sale account is a Nominal account and the Debtors Account is a Personal account.

Debit the receiver | Credit the income or gain
---|---
Shah Ltd. A/C | Dr | 35,000

To Sales A/C | | 35,000

Pays Rs.12,000 as rent
Rent is a Nominal account and Bank is a real account. The Golden Rule to be applied is:

Debit the expense or loss | Credit what goes out of business
---|---
Rent A/C | Dr. | 12000

To Bank A/C | | 12000

Earn Rs.3,000 as interest on Bank Account
Interest and Bank are Nominal account and Real Account. The Golden rule to be applied is:

Debit what comes into the business | Credit the income or gain
---|---
Bank A/C | Dr | 3,000

To Interest Received A/C | | 3,000
Conclusion

To summarize, all transactions of an entity must be accounted for. To account these transactions the entity must pass journal entries which will then summarize into ledgers. The journal entries are passed on basis of Golden Rules of accounting. To apply these rules one must first ascertain the type of account and then apply these rules.

- Debit what comes in, Credit what goes out
- Debit the receiver, Credit the giver
- Debit all expenses Credit all income

These are the foundation of accounting and hence are called the Golden Rules of accounting. Similarly for accounting, if one does not know the golden rules, he cannot pass journal entries and hence won’t be able to know to account.
MODE OF ACCOUNTING

- Journal
- Vouchers
- Ledgers
- Trial Balance
- Trading
- Profit and Loss Account
- Balance Sheet
ABBREVIATIONS

- a/c : Account
- B/S : Balance Sheet
- c/d : Carried Down
- b/d : Brought Down
- b/f : Brought Forward
- Dr : Debit Record
- Cr : Credit Record
- G/L : General Ledger
- P & L : Profit and Loss
- TB : Trial Balances
Features

- Fast Recording
- Arithmetical Accuracy
- Transparency
- User friendly
- Grouping of Accounts
- Speed
- Quick decision
- Complete Reliability
- Flexible
- Easy to use
- Multi Platform availability
- Online Help
Features

- Easy calculation of TDS (Tax Deducted at Source)
- Negative Stock Warning in Journal Voucher
- Performance in Networking Environment
- Ledger Account
- Ratio Analysis
- Maintain balances bill by bill
- Migration Tool
- Stock Journal
- Purchase/Sales Order
- Inventory Report
- FIFO Perpetual
- Payroll
- Multilingual Support
TECHNOLOGICAL ADVANTAGES

- Simple Installation
- Rapid installation
- Unlimited multi-user support
- Internal back-up Restore
- Multi Language (9 Indian out of 12)
- User Defined Security Level
- Tally Audit
- Import Data
- Export Data
Primary Groups (15)
1. Branch & Division
2. Capital Account
3. Current Assets
4. Current Liabilities
5. Direct Expenses
6. Direct Incomes
7. Fixed Assets
8. Indirect Expenses
9. Indirect Incomes
10. Investment
11. Loans (Liability)
12. Misc. Expenses (Asset)
13. Purchase Account
14. Sales Account
15. Suspense Account

Secondary Groups (13)
1. Reserve & Surplus
2. Bank Accounts
3. Cash in Hand
4. Deposit (Asset)
5. Loans & Advances (Asset)
6. Stock-in-hand
7. Sundry Debtors
8. Duties & Taxes
9. Provision
10. Sundry Creditors
11. Bank OD Account
12. Secured Loan
13. Unsecured Loan
ACCOUNTING VOUCHERS IN TALLY ERP9

- Contra (F4)
- Payment (F5)
- Receipt (F6)
- Journal (F7)
- Sales (F8)
- Purchase (F9)
- Debit Note (ctrl+F9)
- Credit Note (ctrl+F8)
Company Info Screen of Tally ERP9
Important Data For Company Creation

- Company Name
- Address
- Mobile No
- E-mail
- Financial Year
- Password (If any)
GATEWAY OF TALLY (AFTER CREATION OF COMPANY)

Current Period: 1-4-2008 to 31-3-2009
Current Date: Tuesday, 1 Apr, 2008

List of Selected Companies

Name of Company: Vinod Electronics
Date of Last Entry: 1-Apr-2008

Gateway of Tally

Masters
Accounts Info
Inventory Info.

Transactions
Accounting Vouchers
Inventory Vouchers

Import
Import of Data

Reports
Balance Sheet
Profit & Loss A/c
Stock Summary
Ratio Analysis
Display
Multi Account Printing
Quit

Product
Series A
Version
Release 1.1
License
Latest
Latest
Edition
Users
Gold
Unlimited
Serial Number
7874654564

Stat 82
Proxy
Server Port Running as
9000
ODBC Server
12
(c) Tally Solutions Pvt. Ltd., 1988-2009
Sat, 4 Oct, 2014 21:19:32
<table>
<thead>
<tr>
<th>Company Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting Features</td>
</tr>
<tr>
<td>Inventory Features</td>
</tr>
<tr>
<td>Statutory &amp; Taxation</td>
</tr>
<tr>
<td>Quit</td>
</tr>
</tbody>
</table>
HOW TO CREATE LEDGER?

1. Gateway of Tally
2. Accounts Info
3. Ledgers
4. Create
Ledger Creation Screen

- **Name**: [Redacted]
- **Alias**: [Redacted]
- **Under**: Capital Account
- **Inventory values are affected**: No
- **Opening Balance (on 1-Apr-2009)**: [Redacted]
- **Total Op. Bal.**:
  - Dr: 78,88,946.16
  - Cr: 78,88,946.16

- **Mailing Details**:
  - Name: [Redacted]
  - Address: [Redacted]
  - State: [Redacted]
  - PIN Code: [Redacted]

- **Tax Information**:
  - PAN / IT No.: [Redacted]
1) F1  : To Select the Company
2) Alt+F1 : To Close a Company
3) F2   : To Change The Date
4) Alt + F2  : To Change The Period
5) Alt + F3  : To select the Company Info Menu
6) F11  : To Select the Features & Functions Screen
7) F12  : To Select the Configuration Screen
8) Alt + C  : To Creation Directly
9) Ctrl + Alt  : To Alteration Directly
10) Alt + D  : To Delete
11) Alt + P  : To Print Any Screen or Report
12) Ctrl + N  : To Open Calculator
13) Ctrl + M  : To Close Calculator
14) Alt + R  : To Remove a Line in a Report
## Balance Sheet Screen

**Vinod Electronics**

### Liabilities

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Account</td>
<td>6,18,476.20</td>
</tr>
<tr>
<td>R.C. Patel</td>
<td>6,18,476.20</td>
</tr>
<tr>
<td>Loans (Liability)</td>
<td></td>
</tr>
<tr>
<td>Bank OD A/c</td>
<td>9,83,069.40</td>
</tr>
<tr>
<td>Unsecured Loans</td>
<td>3,49,550.00</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>(-)27,189.17</td>
</tr>
<tr>
<td>Duties &amp; Taxes</td>
<td>59,78,776.38</td>
</tr>
<tr>
<td>Sundry Creditors</td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>79,37,753.81</td>
</tr>
</tbody>
</table>

### Profit & Loss A/c

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Balance</td>
<td>12,600.00</td>
</tr>
<tr>
<td><strong>Total Profit &amp; Loss A/c</strong></td>
<td>12,600.00</td>
</tr>
</tbody>
</table>

### Assets

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Assets</td>
<td></td>
</tr>
<tr>
<td>Computer</td>
<td>25,945.00</td>
</tr>
<tr>
<td>Cycle</td>
<td>1,266.00</td>
</tr>
<tr>
<td>Furniture</td>
<td>13,131.00</td>
</tr>
<tr>
<td>Hero Honda</td>
<td>48,823.00</td>
</tr>
<tr>
<td>Ornaments</td>
<td>1,85,654.00</td>
</tr>
<tr>
<td>Investments</td>
<td></td>
</tr>
<tr>
<td>Bank of Baroda Shares A/c</td>
<td>26,000.00</td>
</tr>
<tr>
<td>Indira Vikas Patra</td>
<td>10,500.00</td>
</tr>
<tr>
<td>N.S.C.</td>
<td>1,00,000.00</td>
</tr>
<tr>
<td>Sachin R.D. A/c</td>
<td>16,500.00</td>
</tr>
<tr>
<td>Subhini R.D. A/c</td>
<td>16,500.00</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>74,87,604.81</td>
</tr>
</tbody>
</table>

**Total** 79,37,753.81

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**Notes:**
- All amounts are in Indian Rupees.
- The balance sheet is for the period ending 1-Apr-2008.
## Profit & Loss A/c Screen

### Vinod Electronics

| Particulars | For 1-Apr-2008 | | Particulars | For 1-Apr-2008 | |
|-------------|----------------||-------------|----------------| |
| **Opening Stock** | | | **Sales Accounts** | | |
| BFL | 22,13,230.00 | | Sales @ 12.5% | 32,655.00 | |
| Videocon | 26,97,950.00 | | Sales @ 4% | 39,060.00 | |
| **Purchase Accounts** | 1,31,780.00 | | **Closing Stock** | 49,80,645.00 | |
| Purchase @ 12.5% | 36,650.00 | | BFL | 22,24,225.00 | |
| Purchase @ 4% | 95,130.00 | | Videocon | 27,56,420.00 | |
| **Direct Expenses** | 10,000.00 | | | | |
| **Gross Profit c/o** | 50,52,950.00 | | **Gross Profit b/f** | 50,52,950.00 | |
| Nett Profit | 12,600.00 | | Indirect Expenses | 10,000.00 | |
| Advertisement Exp. | 1,000.00 | | | 2,600.00 | |
| Office Exp | 100.00 | | Shop Rent Exp | 1,500.00 | |

**Total**

| | 12,600.00 | | Total | 12,600.00 | |
### Trial Balance Screen

**Vinod Electronics**

**For 1-Apr-2008**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Closing Balance</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Capital Account</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R.C. Patel</td>
<td>6,18,476.20</td>
<td>6,18,476.20</td>
</tr>
<tr>
<td>Loans (Liability)</td>
<td>13,32,619.40</td>
<td>9,83,069.40</td>
</tr>
<tr>
<td>Bank OD A/c</td>
<td>3,49,550.00</td>
<td></td>
</tr>
<tr>
<td>Unsecured Loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Duties &amp; Taxes</td>
<td>8,386.45</td>
<td>5,668.28</td>
</tr>
<tr>
<td>Sundry Creditors</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Assets</strong></td>
<td>2,74,649.00</td>
<td></td>
</tr>
<tr>
<td>Computer</td>
<td>25,945.00</td>
<td></td>
</tr>
<tr>
<td>Cycle</td>
<td>1,286.00</td>
<td></td>
</tr>
<tr>
<td>Furniture</td>
<td>13,131.00</td>
<td></td>
</tr>
<tr>
<td>Hero Honda</td>
<td>46,623.00</td>
<td></td>
</tr>
<tr>
<td>Ornaments</td>
<td>1,85,684.00</td>
<td></td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td>1,75,500.00</td>
<td></td>
</tr>
<tr>
<td>Bank of Baroda Shares A/c</td>
<td>26,000.00</td>
<td></td>
</tr>
<tr>
<td>Indira Vikas Patra</td>
<td>16,500.00</td>
<td></td>
</tr>
<tr>
<td>N.S.C</td>
<td>1,00,000.00</td>
<td></td>
</tr>
<tr>
<td>Sachin R.D. A/c</td>
<td>16,500.00</td>
<td></td>
</tr>
<tr>
<td>Surbhi R.D. A/c</td>
<td>16,500.00</td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td>74,18,139.81</td>
<td></td>
</tr>
<tr>
<td>Opening Stock</td>
<td>49,11,180.00</td>
<td></td>
</tr>
<tr>
<td>Deposits (Asset)</td>
<td>1,58,253.00</td>
<td></td>
</tr>
<tr>
<td>Sundry Debtors</td>
<td>21,14,247.70</td>
<td></td>
</tr>
<tr>
<td>Cash-in-hand</td>
<td>1,08,255.30</td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>80,08,455.26</td>
<td>80,08,455.26</td>
</tr>
</tbody>
</table>

**11 more ...**
<table>
<thead>
<tr>
<th>Date</th>
<th>Particulars</th>
<th>Vch Type</th>
<th>Vch No</th>
<th>Debit Amount</th>
<th>Credit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-4-2008</td>
<td>Cash</td>
<td>Contra</td>
<td>1</td>
<td></td>
<td>10,000.00</td>
</tr>
<tr>
<td></td>
<td>State Bank of India Dr</td>
<td>Contra</td>
<td>2</td>
<td></td>
<td>5,000.00</td>
</tr>
<tr>
<td>1-4-2008</td>
<td>State Bank of India Cr</td>
<td>Payment</td>
<td>1</td>
<td>75,000.00</td>
<td></td>
</tr>
<tr>
<td>1-4-2008</td>
<td>BPL, India Ltd Cash</td>
<td>Receipt</td>
<td>1</td>
<td></td>
<td>10,000.00</td>
</tr>
<tr>
<td></td>
<td>Shop Rent Exp Cash</td>
<td>Receipt</td>
<td>2</td>
<td></td>
<td>1,500.00</td>
</tr>
<tr>
<td>1-4-2008</td>
<td>Office Exp Cash</td>
<td>Receipt</td>
<td>3</td>
<td></td>
<td>100.00</td>
</tr>
<tr>
<td>1-4-2008</td>
<td>Advertisement Exp. Cash</td>
<td>Receipt</td>
<td>4</td>
<td></td>
<td>1,000.00</td>
</tr>
<tr>
<td>1-4-2008</td>
<td>Jain Electronics Cash</td>
<td>Receipt</td>
<td>5</td>
<td></td>
<td>5,000.00</td>
</tr>
<tr>
<td>1-4-2008</td>
<td>Jain Electronics Sales @ 12.5 % Cr</td>
<td>Sales</td>
<td>1</td>
<td></td>
<td>10,496.25</td>
</tr>
<tr>
<td></td>
<td>Output Vat @ 12.5 %</td>
<td></td>
<td></td>
<td></td>
<td>1,166.25</td>
</tr>
<tr>
<td>1-4-2008</td>
<td>Cash Sales @ 4 %</td>
<td>Sales</td>
<td>2</td>
<td></td>
<td>24,107.20</td>
</tr>
<tr>
<td></td>
<td>Output Vat @ 4%</td>
<td></td>
<td></td>
<td></td>
<td>927.20</td>
</tr>
<tr>
<td>1-4-2008</td>
<td>BPL, India Ltd Sales @ 12.5 %</td>
<td>Sales</td>
<td>3</td>
<td></td>
<td>26,240.63</td>
</tr>
<tr>
<td></td>
<td>Output Vat @ 12.5 %</td>
<td></td>
<td></td>
<td></td>
<td>2,915.63</td>
</tr>
<tr>
<td>1-4-2008</td>
<td>Amol T.V. Center Sales @ 4 %</td>
<td>Sales</td>
<td>4</td>
<td></td>
<td>17,139.20</td>
</tr>
</tbody>
</table>
ADVANTAGES

- Speed
- Accuracy
- Efficiency
- Cost savings
- Reduce frustration
- Management information
- Up-to-date information
- Staff motivation
- GST/VAT Returns
- Automatic Documents
Disadvantages

- Costly software
- Trained staff
- Power failure
- Alteration
- Hardware Requirement
- Loss data
- Maintenances
- Dangers for Health
1. Golden Rules of Accounts
4. Rules of Real Accounts
5. Rules of Nominal Accounts
6. Examples of Nominal Accounts
7. Functions key of Purchase
8. Functions key of payments
9. Advantages of Tally ERP 9
10. Disadvantages of Tally ERP 9
11. Which transactions record in contra?
12. Functions key of memo.
13. Which transaction to be record in Journal Voucher?

14. Examples of personal Accounts

15. Who is the debtors.

16. Who is the creditors.

17. What is the Bad Debts.

18. What is indirect Income

19. What is indirect Expenses

20. Give the examples of Fixed Assets.

21. Give the Examples of Current Assets

22. Give the Examples of Receipt

Thank you!