

Lesson no. 2: BILL – WISE DETAILS

Advanced Accounting in Tally ERP 9

The details of all the sales and purchase transactions made with the debtors and creditors have to be maintained at the invoice level. In order to maintain these details Tally ERP 9 provides a feature called as Bill-wise details for bill-wise accounting. In this section you will learn to:

- Maintain details of bills.
- Specify credit periods.
- Obtain receivable and payable reports.
- Relate every entry with the relevant transaction.

Activating Bill-wise Details

Go to **Gateway of Tally** → **select National Traders and shut Indus Enterprises**

- Press **F11: Features (Accounting Features)**
- Type **YES** for Maintain Bill-wise Details.
- Retain No for Non – Trading A/c also.
- Accept the settings by pressing **Ctrl+A**

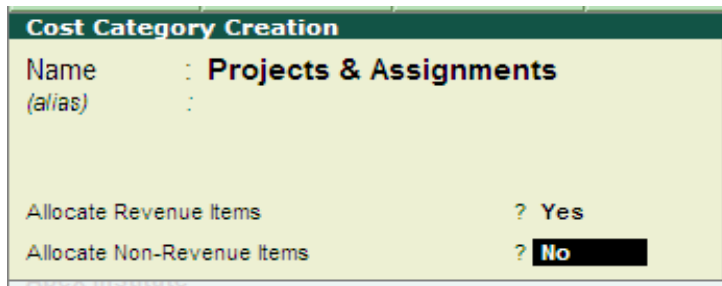
Cost Centres and Cost Categories

1. **Cost Centres:** A cost centre is a unit of an organization to which transactions can be allocated. Cost Centres are units to which costs or expenses are allocated and Profit Centres are units to which incomes are allocated. Tally.ERP 9 cost centres allow a dimensional analysis of financial information Tally.ERP 9 gives you the cost centre break-up of each transaction as well as details of transactions for each cost centre.
2. **Cost Categories:** Cost Categories have been introduced specially for project oriented organisations as they require allocation of resources to parallel sets of cost centres. For example, the project is to construct an airport. The airport is the cost centre. For this project certain expenses are incurred by the project head. A simultaneous allocation of the amount has to be made for both the project and the project head. This requirement can be achieved using Tally.ERP 9 Cost Category feature. Any number of parallel allocations can be done as per requirements.
3. **Activating Cost Category and Cost Centre:** Ensure that you are at the Gateway of Tally of National Traders. To activate the cost centre and cost category.

- Set YES to the following in the **F11: Features (Accounting Features)**
- Maintain Cost Centres
- More than ONE Cost Category

4. Creating Cost Categories: Go to **Gateway of Tally** → **Accounts Info.** → **Cost Categories** → **Create**.

- Name: **Projects & Assignments**
- Allocate Revenue Items: **YES**
- Allocate Non-Revenue Items: **No**
- Press **Y** or **Enter** to accept the screen.

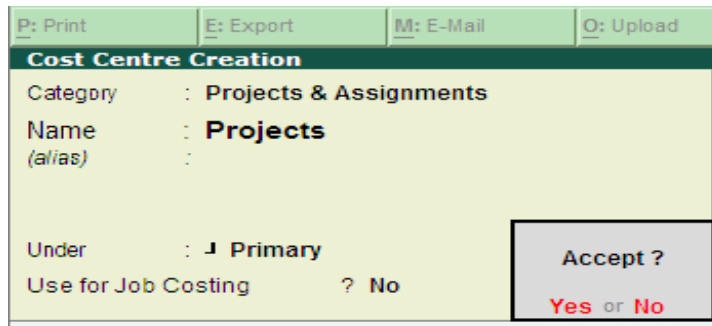


The screenshot shows the 'Cost Category Creation' dialog box. The 'Name' field is set to 'Projects & Assignments'. The 'Allocate Revenue Items' checkbox is checked, and the 'Allocate Non-Revenue Items' checkbox is unchecked. The 'No' option for the second checkbox is highlighted.

Similarly create Salesmen as a Cost Category.

5. Creating Cost Centre: Go to **Gateway of Tally** → **Accounts inf.** → **Cost Centres** → **Create**.

- Category: **Select Projects & Assignments.**
- Name: **Projects.**
- Under **Primary**.



The screenshot shows the 'Cost Centre Creation' dialog box. The 'Category' is 'Projects & Assignments' and the 'Name' is 'Projects'. The 'Under' field is set to 'Primary'. The 'Use for Job Costing' checkbox is unchecked. There is an 'Accept?' button with 'Yes or No' options below it.

Similarly create the following Cost Centres

- **Buildings, Roads and Airports**, by selecting **Projects and Assignments** as **Cost Category** and **Projects** for **Under**.
- **Amar and Barry**, by selecting **Salesmen** as **Cost Category** and **Primary** for **Under**.

Voucher Class

Voucher class is a novel way of automating accounting allocations during transactions. This is particularly useful in sales invoice where the nominal ledger account, to be credited for each item of sale, is defined once. During voucher entry, the accounting credits for items sold are done automatically. Additional accounting entries like tax, freight, and other charges can be predefined to be carried out during actual invoicing.

Voucher class permits:

- Automation of entries to predefined ledger accounts.
- Automatic rounding off to preset value limits.

Create a voucher class for Sales Voucher Type: Go to **Gateway of Tally → Accounts Info. → Voucher Types → Alter.**

1. Select **Sales Voucher**
2. Press **Enter** till you reach the **Name of Class** field.
3. Type the name as **Sales Class**.
4. Press **Enter** after typing **Sales Class** and the class screen appears.
5. The **Voucher class** table of **Sales voucher** type comprises of three sections.
 - Restriction of groups for which class can be used.
 - Default accounting allocation for each item in invoice.
 - Additional accounting entries.

Voucher Type Alteration		Apex Institute		Ctrl + M
Name : Sales Class				
(alias) :				
<u>General</u>		<u>Printing</u>		<u>Name of Class</u>
Type of Voucher	: Sales	Print after saving Voucher	? No	Sales Class
Abbr.	: Sale	Use for POS Invoicing	? No	
Method of Voucher Numbering	? Automatic	Default Print Title	: Sales Invoice	
Use Advance Configuration	? No	Is Tax Invoice	? No	
Use EFFECTIVE Dates for Vouchers	? No	Declaration	:	
Make 'Optional' as default	? No			
Use Common Narration	? Yes			
Narrations for each entry	? No			

Interest Calculations

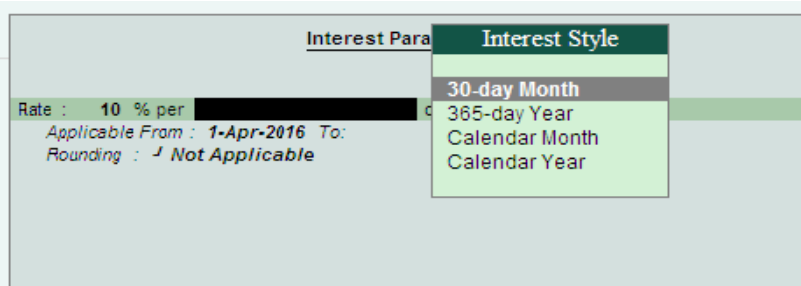
Interest is a legitimate return on money invested and chargeable in the business world on loans and also on delayed payments. Interest can be calculated on the basis of simple interest or compound interest. In Tally ERP 9 you can calculate interest in two ways:

- Simple Mode
- Advanced Mode

2.4.1 Calculating Interest in Simple Mode: Interest can be calculated on outstanding balances for any ledger account by specifying the interest rate and style of calculation in ledger master. The interest will be calculated automatically during voucher entry.

Go to **Gateway of Tally → Accounts info. → Ledgers → Alter (Single mode) → Bank Account**

- Set **Activate interest** Calculation? To **YES** and press **Enter**.
- Now you have to set the **Interest Parameters**, on the basis of which interest will be calculated for the ledger account. The screen appears as shown below:



Interest Para	Interest Style
Rate : 10 % per	30-day Month
Applicable From : 1-Apr-2016 To:	365-day Year
Rounding : Not Applicable	Calendar Month
	Calendar Year

- **Rate** – This is the rate at which the interest has to be calculated. Specify a rate of 15%.
- **Interest Style** – Select **365-day Year** and accept the screen.