

# COMPUTER BASED ACCOUNTANCY

## UNIT I

### Introduction to Computerized Accounting

Computer-based accountancy refers to using software and digital tools to record, process, and manage financial transactions. It replaces manual bookkeeping with automated, accurate, and efficient systems.

#### Meaning

Computer-based accountancy is the application of accounting software to handle financial records digitally. It automates tasks such as journal entries, ledgers, payroll, and financial reporting, reducing manual effort and errors. Features

- Automation of transactions: Records and processes entries automatically.
- Accuracy and reliability: Reduce human error with built-in checks.
- Data storage and retrieval: Stores large volumes of financial data securely.
- Integration: Links with other systems like inventory, HR, and sales.
- Real-time reporting: Generates instant financial statements and analysis.
- User-friendly interface: Simplifies complex accounting tasks for non-experts.

#### Advantages

- Speed and efficiency: Save time compared to manual bookkeeping.
- Cost-effective: Reduces paperwork and staffing needs.
- Improved decision-making: Provides timely, accurate reports for management.
- Scalability: Handles growing transaction volumes easily.
- Security: Protects data with encryption and access controls.
- Audit trail: Maintains detailed logs for compliance and transparency.

#### Limitations

- Initial cost: Software and training can be expensive.
- Technical dependency: Requires reliable hardware and internet.
- Risk of cyber threats: Vulnerable to hacking or data breaches.
- System failures: Downtime can disrupt operations.
- Skill requirement: Staff must be trained to use the system effectively.
- Upgrades and maintenance: Continuous updates may be needed.

Aspect	Computer-Based Accountancy
Meaning	Digital system for financial management
Features	Automation, accuracy, integration, real-time reporting
Advantages	Speed, cost-effectiveness, scalability, security
Limitations	Cost, technical dependency, cyber risks, training needs

Aspect	Manual Accounting	Computerized Accounting
Meaning	Handwritten records in books	Digital records via software
Features	Physical ledgers, manual posting	Automation, integration, real-time
Advantages	Simple, low cost, no tech needed	Fast, accurate, scalable, secure
Limitations	Error-prone, slow, storage-heavy	Costly setup, cyber risks, training

## UNIT II

### Introduction to Accounting Packages

#### Introduction to Tally

- TallyPrime (released in 2025) is the newest version of Tally accounting software.
- Key highlights include:
  1. One-click bank reconciliation with smart suggestions.
  2. WhatsApp document sharing for invoices and reports.
  3. Cloud backup via TallyDrive for secure storage.
  4. Advanced inventory reports

#### Installation of TallyPrime

##### Step 1: Download Installer

1. Visit Tally Solutions download page.
2. Choose TallyPrime

##### Step 2: Check System Requirements

1. 64-bit recommended.
2. Minimum 2 GB RAM, stable internet connection.

##### Step 3: Run Setup

1. Launch the installer file.
2. Accept the license agreement.
3. Choose installation folder (default: C:\Program Files\TallyPrime).

##### Step 4: License Activation

1. Select “Activate New License” if first-time user.
2. Enter your Tally Serial Number, Activation Key, and Email ID.

##### Step 5: Company Creation & Setup

1. Open TallyPrime → Create Company.

2. Enter company details (name, address, financial year, currency)
3. Configure features like GST, payroll, inventory, and security.

### Creating Your First Company

1. Open Tally Prime → Gateway of Tally.
2. Select Create Company.
3. Enter details:
  1. Company Name
  2. Address & Contact Info
  3. Financial Year beginning (e.g., 01-04-2025)
  4. Currency symbol
  5. Security options (username/password if required)
4. Press Enter → Yes to save.

### Editing a Company

1. Shortcut: Alt + F3 → Company Info → Alter.
2. Choose the company you want to edit.
3. Update details like address, GST settings, financial year
4. Save changes with Ctrl + A.

### Deleting a Company

1. Shortcut: Alt + F3 → Company Info → Alter.
2. Select the company.
3. Press Alt + D → Confirm deletion.

### Tally Vault Features

Tally Vault is a security feature that encrypts company data with a password.

## UNIT – III

### Invoicing on Computer

#### Voucher Preparation

##### 1. Receipt Voucher

1. Records money received (cash/bank).
2. Shortcut: F6.
3. Example: Customer pays ₹10,000 → Debit Bank A/c, Credit Debtor A/c.

##### 2. Contra Voucher

1. Records fund transfers between cash and bank.
2. Shortcut: F4.
3. Example: Cash deposited in bank → Debit Bank A/c, Credit Cash A/c.

### 3. Payment Voucher

1. Records payments made (cash/bank).
2. Shortcut: F5.
3. Example: Rent paid ₹5,000 → Debit Rent A/c, Credit Cash/Bank A/c.

### 4. Journal Voucher

1. Records adjustments, provisions, or non-cash entries.
2. Shortcut: F7.
3. Example: Depreciation ₹2,000 → Debit Depreciation A/c, Credit Fixed Asset A/c.

### 5. Purchase Voucher (Voucher Mode)

1. Records purchases without invoice printing.
2. Shortcut: F9.
3. Example: Purchase goods ₹20,000 → Debit Purchase A/c, Credit Supplier A/c.

### 6. Purchase Voucher (Invoice Mode)

1. Records purchases with invoice generation.
2. Shortcut: F9 → Invoice Mode.
3. Allows itemized entry with GST details.

### 7. Sales Voucher with Invoice Generation

1. Records sales with invoice printing.
2. Shortcut: F8 → Invoice Mode.
3. Example: Sale goods ₹15,000 → Debit Debtor A/c, Credit Sales A/c.

### 8. Posting & Ledger Accounts

1. Ledger Every voucher entry updates respective ledgers automatically.
2. s: Cash, Bank, Debtors, Creditors, Sales, Purchase, Expenses, etc.

### 9. GST Purchase Entry

1. Purchase with GST input credit.
2. Example: Goods ₹10,000 + GST 18% → Debit Purchase A/c ₹10,000, Debit Input GST ₹1,800, Credit Supplier A/c ₹11,800.

### 10. Sales Return & Credit Note Entry

1. Records goods returned by customers.
2. Shortcut: Ctrl + F6 (Credit Note).
3. Example: Sales return ₹5,000 → Debit Sales Return A/c, Credit Debtor A/c.

### 11. Purchase Return & Debit Note Entry

1. Records goods returned to suppliers.
2. Shortcut: Ctrl + F9 (Debit Note).
3. Example: Purchase return ₹4,000 → Debit Supplier A/c, Credit Purchase Return A/c.

## 12. Bank Receipts, Payment & Contra Entry

1. Bank Receipt: Customer payment → Debit Bank, Credit Debtor.
2. Bank Payment: Supplier payment → Debit Creditor, Credit Bank.
3. Bank Contra: Cash deposit/withdrawal → Debit Bank, Credit Cash

Table

Voucher Type	Shortcut	Purpose
Receipt	F6	Record money received
Contra	F4	Cash ↔ Bank transfers
Payment	F5	Record payments made
Journal	F7	Adjustments/non-cash entries
Purchase (Voucher)	F9	Purchases without invoice
Purchase (Invoice)	F9 Invoice	Purchases with invoice
Sales (Invoice)	F8 Invoice	Sales with invoice
Credit Note	Ctrl + F6	Sales return
Debit Note	Ctrl + F9	Purchase return

## UNIT IV

### Preparation of Various Ledger and Trial Balance on Computer

#### Ledger Preparation

##### 1. Purchase Ledger

1. Records all credit purchases.
2. Steps: Gateway of Tally → Accounts Info → Ledgers → Create → Name: “Purchase A/c” → Group: Purchase Accounts.

##### 2. Sales Ledger

1. Records all credit sales.
2. Steps: Gateway of Tally → Accounts Info → Ledgers → Create → Name: “Sales A/c” → Group: Sales Accounts.

#### Cash Book Preparation

##### 3. Single Column Cash Book

1. Records only cash transactions.
2. Debit side: Cash receipts.
3. Credit side: Cash payments.

#### 4. Double Column Cash Book

1. Records cash + bank transactions.
2. Two columns: Cash and Bank.

#### 5. Triple Column Cash Book

1. Records cash + bank + discount.
2. Three columns: Cash, Bank, Discount.

#### Petty Cash Book

1. Records small, routine expenses (postage, stationery, tea, travel).
2. Maintained under imprest system (fixed amount given to petty cashier).

#### Discount & Round Off Ledger Creation

1. Discount Ledger:
  - Gateway → Ledgers → Create → Name: “Discount Allowed/Received” → Group: Indirect Expenses/Income.
2. Round Off Ledger:
  - Gateway → Ledgers → Create → Name: “Round Off” → Group: Indirect Expenses.

#### Edit & Delete a Ledger

1. Edit: Alt + F3 → Company Info → Alter → Select Ledger → Modify → Save (Ctrl + A).
2. Delete: In Alter mode → Press Alt + D → Confirm deletion.

#### Preparation of Trial Balance

1. Trial Balance = List of all ledger balances (Debit & Credit).
2. In Tally: Gateway → Display → Trial Balance.
3. Ensures total debits = total credits.

<b>Task</b>	<b>Purpose</b>
Purchase Ledger	Records credit purchases
Sales Ledger	Records credit sales
Single Column Cash Book	Cash transactions only
Double Column Cash Book	Cash + Bank
Triple Column Cash Book	Cash + Bank + Discount
Petty Cash Book	Small routine expenses
Discount Ledger	Records discounts allowed/received
Round Off Ledger	Adjusts rounding differences
Edit/Delete Ledger	Modify or remove ledger
Trial Balance	Checks debit = credit

## UNIT V

### Preparation of Bank Reconciliation statements on Computer

#### Bank Reconciliation in Tally

1. Gateway of Tally → Banking → Bank Reconciliation.
2. Match entries in Tally with the bank statement.
3. Mark reconciled transactions → Save.
4. Purpose: Detect differences like pending cheques, bank charges, or unrecorded entries.

#### View & Print Various Reports

1. **Path:** Gateway of Tally → Display More Reports.
2. Common reports: Balance Sheet, Profit & Loss, Trial Balance, Stock Summary, Day Book.
3. **Print:** Press **Alt + P** → Configure → Print.

#### Searching Specific Transactions

1. Use **Ctrl + F12 (Filter)** in Day Book or Ledger Voucher reports.
2. Search by **date, amount, voucher type, or ledger name**.

#### Checking Negative Cash Flow & Resolving

1. **Check:** Gateway → Display → Cash/Bank Book.
2. Negative cash occurs when **payments > receipts**.
3. **Resolve by:**
  - Correcting opening balances.
  - Recording missing receipts.
  - Avoiding excess payments beyond available cash.

#### Backup & Restore of Tally Data

1. **Backup:** Gateway → F3 (Company Info) → Backup → Select Source & Destination → Yes.
2. **Restore:** Gateway → F3 → Restore → Select Backup file → Yes.
3. Ensures safety of company data against loss or corruption.

#### Splitting of Tally Data

1. Used to split company data into multiple financial years.
2. Gateway → Alt + F3 (Company Info) → Split Company Data.
3. Select company → Define split period (e.g., FY 2024–25).
4. Creates separate data sets for each year while keeping continuity.