VEDANTSRI COMPUTER INSTITUTE

TALLY COURSE — BASIC STUDY NOTES

Student Notes | Simple English

These introductory notes explain core accounting concepts and common TallyPrime workflows. Menus and features can vary by software version, company settings, and syllabus.

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How to use these notes

- Read each topic and practice the steps in TallyPrime using a sample company.
- Use fictional names and amounts for practice; do not enter real business data without permission.
- Confirm the exact course syllabus and branch contact details with the institute office.

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1. ACCOUNTING BASICS

• Accounting is the process of recording, classifying, and summarizing financial transactions.

• A transaction is a business activity that can be measured in money.

• Assets are resources owned by a business, such as cash, furniture, or stock.

• Liabilities are amounts the business owes, such as loans or outstanding payments.

• Capital is the owner's investment in the business.

• Income is money earned; expenses are costs incurred to run the business.

• The basic accounting equation is: Assets = Capital + Liabilities.

• Debit and credit are the two sides used to record transactions.

Practice MCQs

1. Which is an asset?

A. Cash B. Loan payable C. Sales income D. Rent expense

Answer: A. Cash

2. What does a liability represent?

A. Amount owed B. Owner's profit C. Cash received D. Goods sold

Answer: A. Amount owed

3. Choose the accounting equation.

A. Assets = Capital + Liabilities B. Assets = Income – Sales C. Capital = Expenses + Stock D. Liabilities = Assets + Sales

Answer: A. Assets = Capital + Liabilities

2. INTRODUCTION TO TALLYPRIME & COMPANY SETUP

• TallyPrime is business management and accounting software used to record transactions and view reports.

• A company in TallyPrime stores the accounting data of a business.

• Create a company by entering details such as company name, address, financial year, and books beginning date.

• Choose the required country and financial settings according to the business.

• Use a suitable data folder and keep regular backups.

• Company features such as GST or inventory should be enabled only when required.

• Check company details before recording transactions.

Practice MCQs

1. What is a company in TallyPrime?

A. A data set for a business B. A printer C. A web browser D. A spreadsheet formula

Answer: A. A data set for a business

2. Which detail is commonly entered during company creation?

A. Company name B. Movie title C. Social media password D. Screen wallpaper

Answer: A. Company name

3. Why should data be backed up?

A. To protect against data loss B. To change font color C. To delete reports D. To stop accounting

Answer: A. To protect against data loss

3. LEDGERS AND GROUPS

• A ledger is an account used to record transactions related to a person, item, income, or expense.

• Examples include Cash, Bank, Sales, Purchases, Rent, and Customer accounts.

• Groups organize ledgers into accounting categories.

• Cash is commonly grouped under Cash-in-Hand; bank accounts under Bank Accounts.

• Sales and purchase ledgers are assigned to their relevant sales or purchase groups.

• Party ledgers are classified based on whether the party is a customer or supplier.

• Select the correct group so reports show accurate balances.

• Ledger names should be clear and easy to identify.

Practice MCQs

1. What is a ledger?

A. An account for recording transactions B. A type of monitor C. A tax form only D. A keyboard shortcut

Answer: A. An account for recording transactions

2. Cash ledger is generally placed under which group?

A. Cash-in-Hand B. Sales Accounts C. Fixed Assets D. Duties & Taxes

Answer: A. Cash-in-Hand

3. Why are groups used?

A. To organize ledgers B. To format videos C. To create passwords D. To browse websites

Answer: A. To organize ledgers

4. VOUCHER ENTRIES

• A voucher is used to record a business transaction in TallyPrime.

• Payment voucher records money paid; Receipt voucher records money received.

• Contra voucher records transfers between cash and bank accounts.

• Journal voucher is used for adjustment and other journal entries.

• Sales voucher records sales transactions; Purchase voucher records purchases.

• Select the appropriate voucher type and date before entering details.

• Enter the correct ledger accounts, amounts, and narration.

• Review the entry before accepting or saving it.

Practice MCQs

1. Which voucher records money received?

A. Receipt B. Payment C. Contra D. Purchase

Answer: A. Receipt

2. Cash deposited into bank is usually recorded using which voucher?

A. Contra B. Sales C. Receipt D. Journal

Answer: A. Contra

3. Which voucher records goods purchased for business?

A. Purchase B. Payment C. Sales D. Contra

Answer: A. Purchase

5. GST, INVENTORY AND BASIC REPORTS

• GST is an indirect tax system applicable to eligible supplies in India.

• GST settings and registration details must be entered according to the business's actual status.

• Tax rates and treatment depend on the goods or services and applicable rules; confirm with a qualified person.

• Stock items represent goods maintained by a business; stock groups help organize them.

• Units of measure may include pieces, kilograms, or litres, as appropriate.

• Sales and purchase entries may include item quantities, rates, and tax details when inventory and GST are configured.

• The Trial Balance summarizes ledger balances; review it for differences or unusual balances.

• Profit & Loss shows income and expenses; Balance Sheet shows assets, liabilities, and capital.

Practice MCQs

1. What does a stock item represent?

A. Goods maintained by a business B. A bank loan C. An expense voucher D. A company password

Answer: A. Goods maintained by a business

2. Which report shows income and expenses?

A. Profit & Loss B. Balance Sheet C. Stock Group list D. Voucher Type list

Answer: A. Profit & Loss

3. GST rate should be selected based on:

A. Applicable rules and item/service B. Random choice C. Customer name only D. Computer model

Answer: A. Applicable rules and item/service

PRACTICE CHECKLIST

• Create a sample company with fictional details.

• Create Cash, Bank, Sales, Purchase, and Rent ledgers under suitable groups.

• Record one receipt, one payment, one contra, one sales, and one purchase voucher.

• View Trial Balance, Profit & Loss, and Balance Sheet.

• Take a backup of the practice company.

Important: This is a basic learning handout, not tax or legal advice. Exact syllabus coverage, GST configuration, menu paths, and second branch contact details: [OFFICE SE PAKKA KAREIN].