SUMMER INTERNSHIP PROJECT

"Study of Accounting in Tally.ERP 9 "

Submitted to:
DMSR
G.S. College of Commerce and Economics, Nagpur
(An Autonomous Institution)

Affiliated to:
Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

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Department of Management Sciences and Research,
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NAAC Accredited "A" Grade Institution

Academic Year 2022-23

CERTIFICATE

This is to certify that the investigation describes in this report titled **"Study of Accounting in Tally.ERP 9"** has been carried out by **Ms. Sejal Pradeep Padole** during the summer internship Project. This study was done in the organization of **Deepak Satyanarayan Agrawal &co.** in partial fulfilment of the requirement for the degree of Administration of Master of Business Administration of G.S. College of Commerce & Economics (An Autonomous Institute)affiliated to R.T.M.N.U.,Nagpur. This Work is the own work of the candidate, complete in all respect and is to sufficiently high standard to warrant it's submission to the said degree. The assistance and resources used for the work are duly acknowledged.

Dr. Sonali Gadekar   **Dr. Sonali Gadekar**

(Faculty Guide)   **(MBA Co-ordinator)**

UDIN NO- 23102943BGWMCN9914

TO WHOMSOEVER IT MAY CONCERN

This is to certify that Ms. Sejal Pradeep Padole, a student of MBA Sem-II, Department of Management Sciences & Research, G.S. College of commerce & Economics Nagpur, has Successfully Completed her Summer Internship Program from 16/9/2022 to 31/10/2022 under our guidance. During the period of her internship she was found punctual, hardworking and inquisitive.

We wish her every success in life.

For Deepak Satyanarayan Agarwal &Co
Chartered Accountants

Deepak S. Agrawal
Proprietor
M. No. 102943

Place: Nagpur

Date: 04/12/2022

ACKNOWLEDGEMENT

It is a matter of pride and privilege for me to have done a summer internship project at **Deepak Satyanarayan Agrawal & co.**,and I am sincerely thankful to them for providing this opportunity to me.

I am thankful to **Mr. Deepak Agrawal** for guiding me throughout this project and continuously encouraging me. It would not have been possible to complete this project without his support.

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I'm thankful to the principal of G.S. College of Commerce and Economics, Nagpur, **Dr. Swati Kathaley** and to the Dean of DMSR, **Mr. Anand Kale**.

Finally, I am grateful to my family and friends for their unending support.

Sejal Pradeep Padole

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1. INTRODUCTION

Accounting, also known as **accountancy**, is the measurement, processing,

and communication of financial and non-financial information about economic

entities such as businesses and corporations. Accounting, which has been called the

"language of business",measures the results of an organization's economic activities and

conveys this information to a variety of stakeholders,

including investors, creditors, management, and regulators. Practitioners of accounting are

known as accountants. The terms "accounting" and "financial reporting" are often used as

synonyms.

Accounting can be divided into several fields including financial accounting, management

accounting, tax accounting and cost accounting Financial accounting focuses on the

reporting of an organization's financial information, including the preparation of financial

statements, to the external users of the information, such as investors, regulators

and suppliers. Management accounting focuses on the measurement, analysis and reporting

of information for internal use by management. The recording of financial transactions, so

that summaries of the financials may be presented in financial reports, is known

as bookkeeping, of which double-entry bookkeeping is the most common

system. Accounting information systems are designed to support accounting functions and

related activities.

2. ORGANIZATION PROFILE –

Organisation is working as chartered Accountants firm under the rules and regulation and code of ethics designed for CA firms by ICAI (The institute of Chartered Accountants Of India)

Deepak Satyanaryan Agrawal &co., is a Chartered Accountancy firm. Established in 1997, they have a in-depth knowledge of financial matters. They are expert Financial professionals who take care of the budgetin, auditing,taxing and business strategies for their clients.

Deepak Satyanaryan Agrawal & co.,has a clear vision for the future growth and development of financial markets and sevices and researches to stay ahead of these trends and developments.

Serving Area of firm:

To offer in full range of services to the clients in the following areas:

a) Audit & Assurance

b) Taxation Advisory

c) Business Management Consultancy

d) Internal Auditing

e) Accounts preparation

a) Audit & Assurance:To provide external audit & assurance service to firm client that is required by different statutory bodies as compulsory for firm clients.

b) Taxation & advisory: In the changing global scenario, the Government of Bangladesh is trying to be self-reliant by collection more revenue from its own sources that is leading to extension of tax net of the country. In the situation, technical advisory service to the clients to minimize tax burden complying all applicable rules and regulation.

c) Business Management Consultancy: Present business environment is getting complicated due to multiple statutory obligations imposed upon by different authority. The entrepreneurs themselves cannot deal all such factors through their in-house capacity. Long experience to guide firm clients in the consultancy on the business management.

d) Internal Auditing :Internal auditing is the appraisal of effectiveness and efficiency of internal control and compliance system of an organization. Through firm services in the field of internal audit, help identify the risks involved in the achievement of the organizational goal.

f) Accounts preparation :Facilitate firm clients by providing professional staff to prepare accounts of an entity in the compliance of all applicable accounting standard and laws of the state

3.Terminologies:-

Account: A record that holds the results of financial transactions related to the entity the account refers to.

Accounting: The process of recording, managing, measuring, evaluating and reporting an entity's financial information

Accounts Payable: Accounting definition of amounts that are due from your business to creditors in the short term

Accounts Receivable: Amounts that are due to your business from your customers, generally in the short term

Audit: The result of an independent professional accountant examining the financial statements to determine fairness and compliance with generally accepted accounting principles (GAAP).

Balance Sheet: An important financial statement that lists the total assets and the total liabilities of an entity in an itemized form.

Current Assets: The assets of a company that are usually converted to cash, sold, or used in the short term such as cash, accounts receivable, short-term investments and inventory.

Current Liabilities: Liabilities that are expected to be paid within one year of the balance sheet date.

Fixed Assets: The permanent assets of a company that will not be converted into cash during the next year such as the land, building, equipment and furniture.

Fixed Cost: The fixed operating expenses required for the necessities with no relation to the volume of production and sales such as rent, property taxes, and interest.

General Journal: (GJ) A book or original entry in a double-entry system that includes all transactions except those in specialized journals such as cash receipts, cash disbursements, and other common transactions.

General Ledger: (GL) A book in which financial transactions are posted (in the form of debits and credits) from a journal. It is the primary record from which financial statements are prepared.

Gross Profit: The amount by which the net sales exceed the cost of goods sold.

Gross Sales: The total recorded sales before deducting any sales discounts or sales returns and allowances.

Journal: A book or original entry used in a double-entry bookkeeping system with details of all transactions and the accounts to which they are posted.

Journal Entry: A transaction record where debits equal credits.

Profit and Loss Statement: Also known as an Income Statement, or P & L. A financial statement that details the revenues and expenses for a specific period of time.

Trial Balance: The trial listing of all account balances to check if total debits equal total credits.

4. OBJECTIVES OF SIP-

- To improve communication skills.

- To analyze the business situation.

- To learn book keeping practices of different companies.

- To apply the theoretical knowledge in actual organization. To compare practical aspects with theoretical aspects.

- To get exposure to do a work in an organization and also known about organizational behavior, ethical rules and regulations.

5. SCOPE OF SIP –

- To provide consultancy and accounting services as per the procedures & rules Described in companies Act 1956.

- Changes required to be incorporated for preparation of final accounts as per the Companies Act and the guidelines of ICAI required to be followed.

- Ensuring the day to day accounting transactions of payments, receipts, sales and purchases, other miscellaneous expenses and inventory accounting are entered in SAP on daily basis. Working knowledge with regards to basic data entry, report generation in SAP environment are essential.

- Preparation, maintenance and updating of Fixed Assets Register as per the Standard Accounting Bench marks.

- To generate monthly trial balance including priced stores ledger, funds flow statement and final accounts (profit and loss account, Balance Sheet quarterly, Half Yearly and annual final accounts) along with necessary schedules as required by the Internal Audit, Statutory Audit, Tax Audit and as per Corporate Office Guidelines.

- Preparation, maintenance and updating of Fixed Assets Register as per the Standard accounting bench marks.

6.Need of the study:

It Helps in Evaluating the Performance of Business

Your financial records reflect the results of operations as well as the financial position of your small business or corporation. In other words, they help you understand what's going on with your business financially. Not only will clean and up to date records help you keep track of expenses, gross margin, and possible debt, but it will help you compare your current data with the previous accounting records and allocate your budget appropriately.

It Ensures Statutory Compliance Laws and regulations vary from state to atate, but proper accounting systems an processes will help you ensure statutory compliance when it comes to your business.

It Helps to Create Budget and Future Projections.

Budgeting and future projections can make or break a business, and your financial records will play a crucial role when it comes to it business trends and projections are based on historical financial data to keep your operations profitable.

This financial data is most appropriate when provided by well- structured accounting processes.

It Helps in Filing Financial Statements.

Businesses are required to file the financial statements with the Registrar of Companies Listed entities are required to file them with stock exchanges, as well as for direct and indirect tax filing purposes, Needless to say, accounting plays a critical role in all these scenarios

7. CONTRIBUTION DURING SIP

Learning:-

I have tried my best to enhance my abilities and apply the knowledge that I gained during the studies. Studies computerized accounting in tally software .

Different task that I performed during my internship:

1. Vouching
2. Preparing books of accounts in tally
3. Voucher Entry

Software used during internship:

➤ MS office

➤ Tally software

First week:

- Introduction about the CA firm.

- Introduced about the working of the firm and services offered by them.

- Explained the basic accounting practices.

Second week:

- Study of documentation of clients.

- Data analysis of various companies.

- Checking of missing balance amount.

Third week:

- Introduction to Tally software.

- Creating of Journal.

- Creating of ledger.

Fourth week:

- Creating of voucher

- Creating Debit note entry and credit note entry.

Fifth & Sixth week

- Theoretical overview of Auditing

- Overview of Vouching

8.Data Interpretation and Analysis

Introduction To Tally Software

Tally ERP 9 is a powerful accounting program that integrates with a variety of other corporate systems, including sales, purchasing, inventory, finance, payroll and more.

Many businesses now use Tally to save time and perform accurate calculations that assist them in creating seamless commercial transactions.

Tally. ERP 9 is a perfect business management solution and GST software with an ideal combination of function, control, and in-built customisability.

Associations on the new importance of Tally accounting software in the business world are calling for faster and simpler uses of Tally ERP 9 software. Advantages of Tally ERP 9 program provides viable responses to its bookkeeping questions, associations find it more pleasant and profitable.

Update: TallyPrime is the latest version of Tally.

Features:

1. It has a unique voucher passage mechanism that calms a variety of exchanges.
2. After calculation completion, the customer will get an interest survey.
3. It provides a solo record of several documents.
4. The commodity enables the customer to comply with the accounts exchange or non-exchange.
5. The customer can monitor updates and calm changes with the help of this component.

6. It allows associations to distribute payments for applications and late applications.

Advantages of Tally

- Depending upon the needs of the small or large business groups alongside, its different features make it a very useful software. It helps you to take your decisions easily with its wide range of features.

- You can remote access your account with the help of Tally.NET.

- With various language support, it is convenient for a user to use it in his own language.

- In the latest version, if your operating system suddenly shuts down, your data won't be lost.

- In the past year, people used to manage their accounts manually; all the complex calculations were done manually, which had a high risk of error. But, as we now use Tally it's pretty simple and easy to use and comes with less risk of errors.

- As it has numerous functions performing various tasks is made simple due to this software. Especially in the case of GST.

Disadvantages of Tally

- Retrieving the data after forgetting the user ID and password is a bit difficult. Fewer, data security is also one of the disadvantages.

- It is complex software for beginners to use. It lacks back office support for users who find some trouble using it.

- Backing up your data is also one of the issues users face while working with Tally. You have to manually back up your data at someplace. It won't do the backing up by itself.

- It doesn't allow you to open the same transaction sheet from various systems on a single operating system. It's a single window software.

- As Tally has upgraded itself year by year, there is no major update made to it. It has the same features as the ability to do some extra work.

Creating a company

To use Tally, you need to 'create a company.' In the menu section, select 'Create a company.' This will take you to a screen wherein you need to fill in the details about your company.
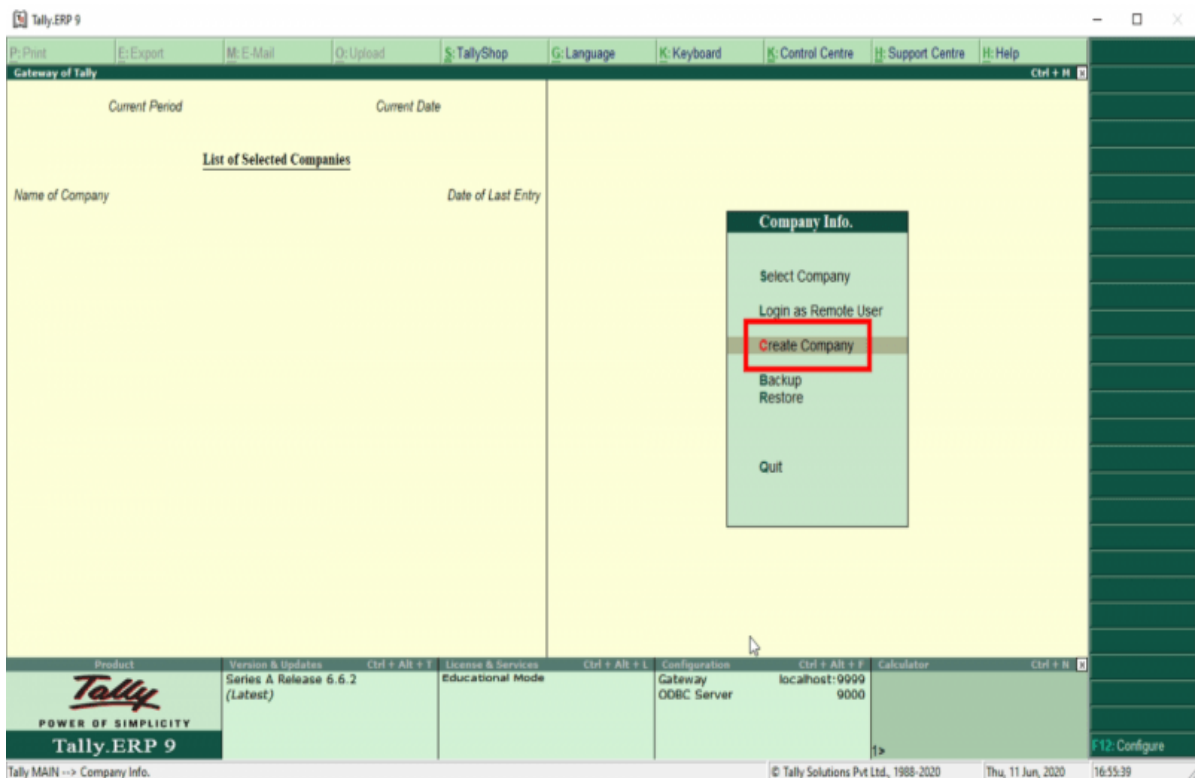
- Enter company name, as mentioned in the banking records. Add company address, telephone number, and information on statutory compliance.

- Choose 'Accounts info' if you are just using Tally to manage your accounts.

- Choose 'Accounts with inventory' for the menu if you are using Tally for inventory management as well.

- Choose your preferred currency.

- Enter the start of your financial year, plus the start date for the books.

- Also, don't forget to turn on the 'Auto backup.' This will ensure you have a copy of the details for future needs.

Creating a Ledger

A ledger helps you to record all the transactions of different accounts. You can create a separate ledger for different accounts that you do business with. This will provide more clarity if you need information on transactions of a particular account in the future. There are two types of ledgers here; 'Cash' and 'Profit & Loss Account'.

To create a new ledger;

Step 1 – From the Gateway menu, select 'Accounts info.'
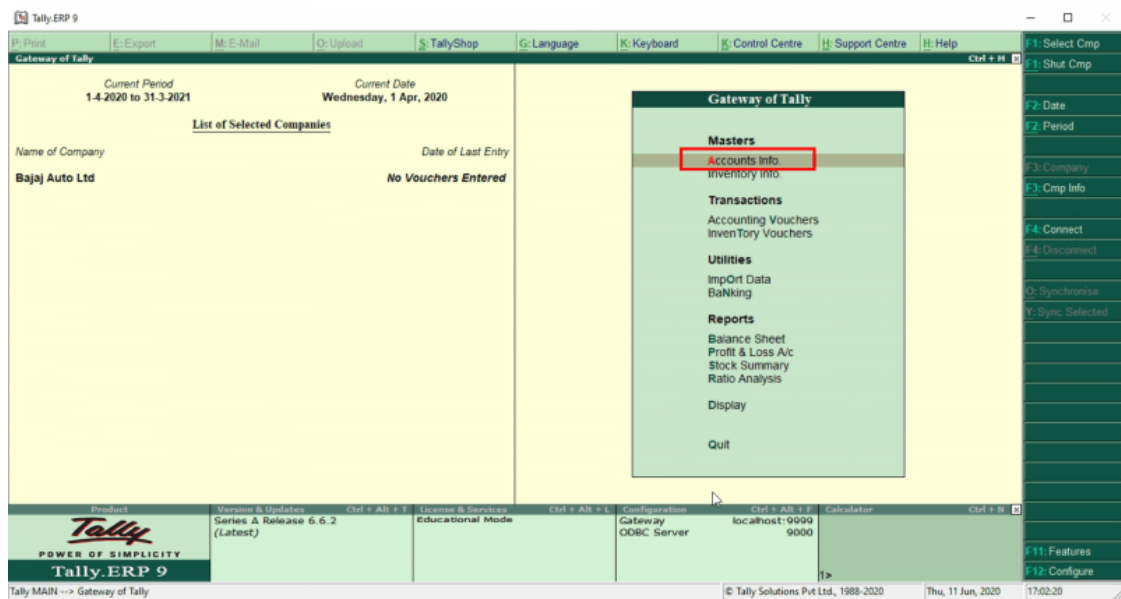
Step 2 – Next, click on 'Ledgers' followed by 'Create.' Here, you can create a single ledger or multiple ledgers as per your needs.
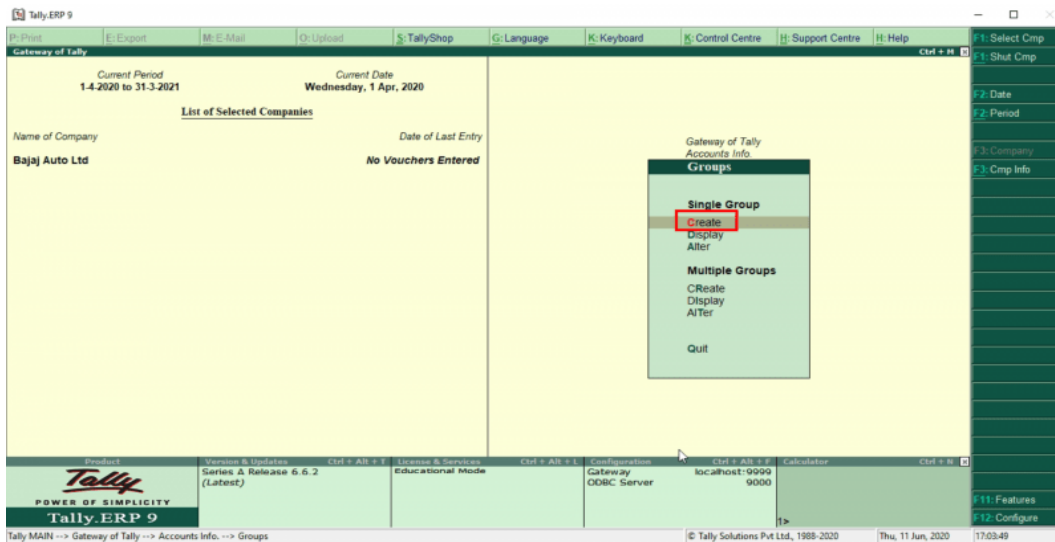
Step 3 – After creating a ledger, you also need to choose which group a particular ledger will be assigned to. You can select a group from the given 'List of Groups.'

**Step 4 – Also, for easy identification, always enter a name for your ledger so you
know what it contains.**

**Step 5 – Lastly, enter the opening balance. For a bank account, the opening balance in
the ledger would be the current amount in your account. For an amount owed to you
by a client or a contractor, the starting amount would be what they owe you. For
example; ₹10,000/-**

Creating a Voucher

One of the perks of using Tally.ERP 9 is that it comes with several pre-configured types of vouchers. A voucher is a document that records the details of a financial transaction and is used by businesses for multiple purposes such as sales, deposits, everyday expenses, etc.

To create a voucher, you need to;

Step 1 – From the Gateway menu, choose "Accounting Vouchers."
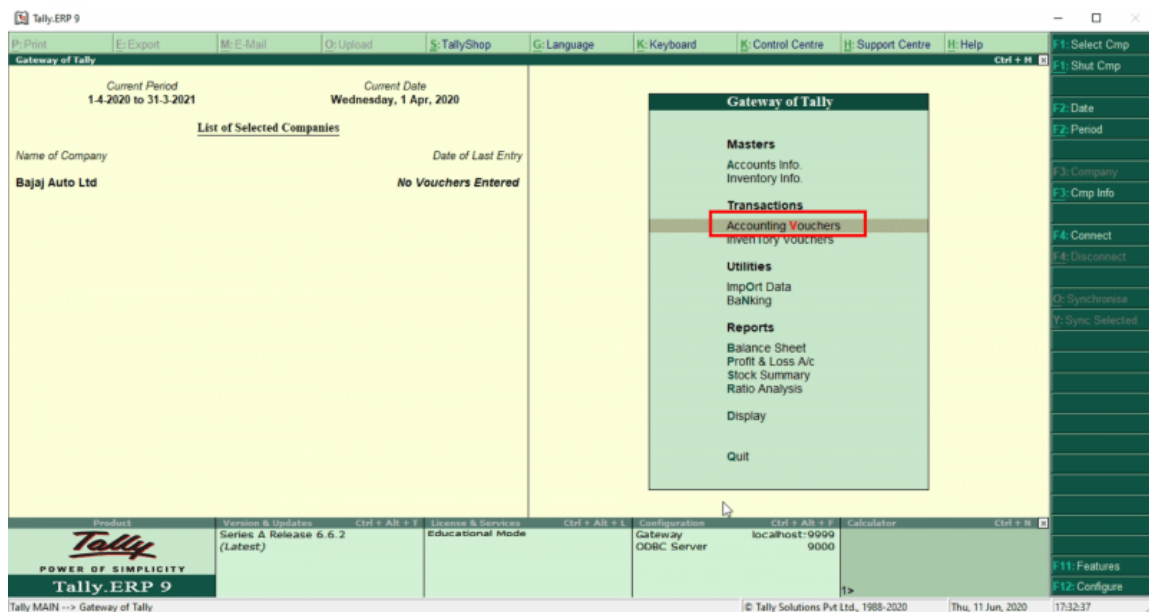
Step 2:-

Choose the voucher you want to create. On the right menu, you will see a list of available vouchers you can create. Select the one that meets your needs best.

- Contra Voucher (F4) - Contra vouchers are for when money is deposited or withdrawn for the bank, or transferred between two accounts in the same company.

- Payment Voucher (F5) - This voucher is for payments made by the business.

- Receipt Voucher (F6) - This voucher is for any income made by the company (sales, rent, interest, etc.)

- Journal Voucher (F7) - Transactions that don't relate to sales, purchases, cash, or other income. Mostly used for adjustments and opening and closing balances.

- Sales Voucher/Invoice (F8) - This voucher is for all sales made by the company.

- Purchase Voucher (F9) - This is for the purchase of assets by the company.
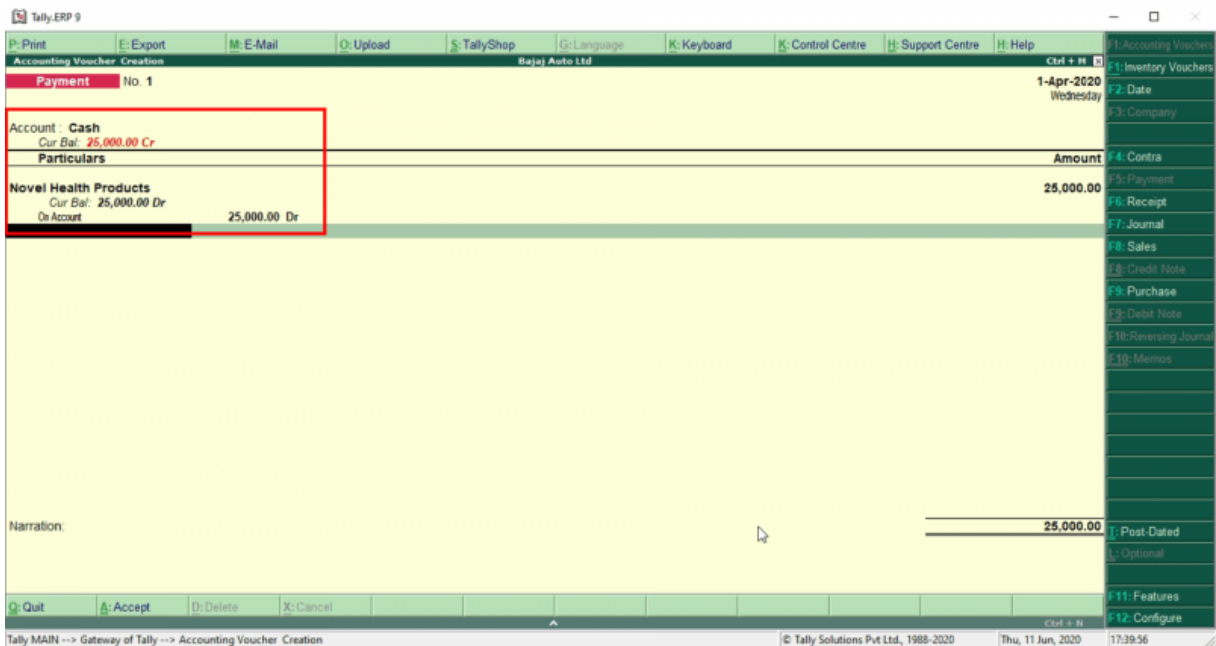
Step 3:-

Enter in the required information. The information needed to complete the voucher will vary depending on the type of voucher you want to create. You will typically need to determine which ledger the voucher will be attached to, as well as enter the date and names of any involved parties.

If you are entering products being purchased or sold, Tally will automatically calculate totals based on the quantity you select

Debit Note and Credit Note in Tally ERP9

In simple words about Debit and Credit notes, when there are purchase returns and sales returns in any business, debit note used for purchase returns and credit note used sales returns.

Debit Note in Tally ERP9

This note will use for purchase returns, it is issued by a buyer to a seller debiting to his account and requesting for credit note.

How to Activate Debit Note and Credit Note in Tally ERP9

Path: Gateway of Tally -> F11 Features -> Accounting Features

Use debit and credit notes: Yes

Invoicing

Enable invoicing	? Yes
Record purchases in invoice mode	? Yes
Use debit and credit notes	? Yes
Record credit notes in invoice mode	? Yes
Record debit notes in invoice mode	? Yes

Budgets and Scenario Management

Maintain budgets and controls	? No
Use reversing journals and optional vouchers	? No

Banking Features

Enable cheque printing	? Yes
Set/alter transaction types	? No
Set/alter banking features	? No
Set/alter post-dated transaction features	? No

Other Features

Enable zero-valued transactions	? No
Maintain multiple mailing details for company and ledgers	? No
Set/alter company mailing details	? No
Enable company logo	? No
Mark changed vouchers	? No

Accounting Voucher Creation — ABC Company — Ctrl + M

Debit Note No. 2 — 2-Aug-2017 Wednesday
Original invoice no. : 34   Date : 2 Aug-2017

Party A/c name : Ram Enterprises
Current balance : 40,98,050.00 Cr
Purchase ledger : Purchases@18%

Name of Item	Quantity	Rate per	Disc %	Amount
HP Computers	2 Nos	45,000.00 Nos		90,000.00
CGST				8,100.00
SGST				8,100.00

Provide GST/e-Way Bill details : No

Narration:

	2 Nos	1,06,200.00

Credit Note in Tally ERP9

This note will use for sales returns, it is issued by a seller to buyer in different situations

informing that his account is credited.

Theoretical Overview of Auditing:-

An auditor is someone who prepares and examines financial records. They ensure that financial records are accurate and that taxes are paid properly and on time. They assess financial operations and work to help ensure that an organization runs efficiently.

In this area, we were done different type of work such as matches the balances of transactions from software information with our tally voucher entries information. We check different financial records of companies any analyze that and identify the mistakes then give some suggestions to them.

An audit is a systematic and independent examination of books, accounts, statutory records, documents and vouchers of an organization to ascertain how far the financial statements as well as non-financial disclosures present a true and fair view of the concern. It also attempts to ensure that the books of accounts are properly maintained by the concern as required by law. Auditing has become such a ubiquitous phenomenon in the corporate and the public sector that academics started identifying an Audit Society. The auditor perceives and recognizes the prepositions before them for examination, obtains evidence, evaluates the same and formulates an opinion on the basis of his judgement which is communicated through their audit report

Any subject matter may be audited. Auditing is a safeguard measure since ancient times. Audits provide third party assurance to various stakeholders that the subject matter is free from material that the subject matter is free from material misstatement. The term is most

frequently applied to a legal person. Other areas which are commonly audited include: secretarial and compliance audit, internal controls, quality management, project management, water management and energy conversion.

Broadly, Audit involves the following:

In-depth study of existing systems, procedures and controls for proper understanding. Suggestions for improvement and strengthening.

Ensuring compliance with policies, procedures and statutes. > Comprehensive review to ensure that the accounts are prepared in accordance with Generally Accepted Accounting Policies and applicable Accounting Standards/IFRS.

Checking the genuineness of the expenses booked in accounts. > Reporting inefficiencies at any operational level.

Detection and prevention of leakages of income and suggesting corrective measures to prevent recurrence. Certification of the books of account being in agreement with the Balance Sheet and Profit and Loss Account. Issue of Audit Reports under various laws.

Types of Audits conducted: -

- Statutory Audit of Companies.

- Tax Audit under Section 44AB of the Income Tax Act, 1961.

- Audit under other sections of the Income Tax Act, 1961 such as 80HHC, 80-IA, etc. Concurrent Audits.

- Revenue Audit of Banks. Branch Audits of Banks.

- Audit of PF Trusts, Charitable Trusts, Schools, etc.

- Audit of Co-operative Societies. Information System Audit.

- Internal Audits.

Overview of VOUCHING

Vouching is a technical term which refers to the inspection of documentary evidence supporting and substantiating a transaction, by an auditor.

It is the practice followed in an audit, with the objective of establishing the authenticity of the transactions recorded in the primary books of account.

It essentially consists of verifying a transaction recorded in the books of account with the relevant documentary and the authority on the basis of which the entry has been made; also confirming that the authority on the basis of which the entry has been made; also confirming that the amount mentioned in the voucher has been posted to an appropriate account which would disclose the nature of the transaction on its inclusion in the final statements in account.

Vouching do not include valuation. Vouching can be described as the essence or backbone of auditing.

9. **LIMITATIONS**

- Duration of the internship was quite small.

- At times the data available for study can be too large, which makes it a time consuming tasks.

- Change in government policies and procedures may act as threat for company.

- A small change in focus of large competitor might wipe out any market position achieved.

10. Research methodology

Research methodology is a way of explaining how a researcher intends to carry out their research. It's a logical, systematic plan to resolve a research problem. A methodology details a researcher's approach to the research to ensure reliable, valid results that address their aims and objectives. It encompasses what data they're going to collect and where from, as well as how it's being collected and analyzed.

Sources of Information:

1. Primary source provide raw information and first-hand evidence. Examples include interview transcripts, statistical data, and works of art. Primary research gives you direct access to the subject of your research.The primary information has been collected from first-hand data gathered from structured questionnaire and data available in office i.e documents.

2. Secondary source provide second-hand information and commentary from other researchers. Examples include journal articles, reviews, and academic books. Thus, secondary research describes, interprets, or synthesizes primary sourceshe secondary information collected from website, books and some other relevant sources.

Both primary and secondary data sources has been used to generate this report through exploratory research.

11.FINDINGS

- The internship at Deepak Satyanarayan Agrawal & co. Was my first experience where I get to learn about the services provided by CA firms.

- Initially I know about the working environment and procedures to be followed.

- Then here I get to find about the financing strategy and the hard work to be done and adopting new strategy to get work done. .

- The work is done by in-depth analysis of the study about the work and take the decisions according to it.

- From these I find out that the firm operated to get work done follows the process and government guidelines and to approach the clients and collect the data.

12. SUGGESTIONS

- Main server system should be technically fine so that it won't create a barrier for Other systems.

- Rotational work should be distributed among the employees so that cach & every employee must be aware about everything.

- Hardware systems & other devices should be of good quality & quantity so that it won't create a lack of electronic equipments i.e (Monitor, keyboard, mouse, epu LAN connection, printer)

13.Conclusion:

1. I have improved my communication skills

2. I have learned to analyse the business situation.

3. I have learned bookkeeping practice of different companies

4. I have learned to apply therotical knowledge in actual organization.

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