

**VIVEKANANDA COLLEGE  
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**NAAC ACCREDITED 'A' GRADE**



**Topic: Journal Entry in Tally**

**Course Title: B. Com**

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## **Accounting Journal Entry**

[Source: <https://tallysolutions.com/tally/journal-entries-in-tally-erp-9/>]

A journal is the book of original entry or prime entry in which transactions are recorded from the books of accounts from the source documents. The transactions are recorded in a chronological order i.e., as and when they take place. The transactions are recorded following the double-entry system of accounting.

In the process of Journalising, the transaction is first analyzed in order to decide the account to be debited or credited by ascertaining the rule of debit and credit. After this, entries are recorded in books of accounts.

### **Journal Voucher in Tally.ERP 9**

Journal voucher in Tally is an important voucher which is used to make all kind of adjustment entries, credit purchases or sales, fixed assets purchase entries. In order to pass entries as journal voucher we have to press "F7" shortcut key from accounting Voucher screen on Gateway of Tally.

#### **Which Segment of Tally.ERP 9 Contains Journal Vouchers?**

In total there are 18 vouchers which we already see in Tally software, which is divided into two parts:

- Accounting Vouchers
- Inventory Vouchers

And under Accounting Voucher there are already 10 nos. of ready to use Accounting vouchers one among which is Journal voucher.

#### **For what Purpose a Journal Voucher is Used in Tally**

This voucher is used for all adjustment or due entries in tally software, or in other words entry which is not made by other accounting vouchers are made by this voucher.

For Example: Credit purchases of fixed asset from creditor Rs. 50,000/-

Dr. Fixed Assets	50,000
Dr. CGST	4,500

Dr. SGST.           4,500  
 Cr. Creditor       59,000

**For adjusting entries using journal voucher:** The use of adjusting entry is to get accurate financial result of a company.

For example: We use Journal vouchers in Tally for different scenarios listed below:

For journalising Outstanding Expenses	<ul style="list-style-type: none"> <li>· Outstanding expenses are expenses which are due but not paid.</li> <li>· Usually Rent bill/Electricity bill, newspaper subscription fee, salary for the month of March is paid on April of the new accounting year but as per going concern principle, expense should be recorded in March itself so as to get an accurate financial report or profit of a complete financial year.</li> <li>· In this scenario, we use a journal entry at the end of the march by debiting “rent expense” and crediting “expense payable ledger”.</li> </ul>
To record prepaid expense	Pre- paid expenses are expenses paid in advance, the expense of which is said to accrue over the months or e Periods or even more than one financial year in many cases.
To recognize accrued income	Accrued income is an income earned but not received. It is a current asset for the company. This has to be recorded as income for the financial year to which it pertains by passing a journal entry.
Accrued Income	<p>Accrued income is an income received but not earned, which means cash or consideration received in advance but not actually earned.</p> <p>For example a digital marketing company receives money Rs.15,000 as advance for a particular project. But service was not provided till the date of receipt.</p> <p>In such case initially we debit cash account for the sum received and credit liability account like Accrued income account and on completion and delivery we debit the liability account and credit the revenue account using a journal entry.</p>
For Transfer entries	Transfer entries are used to transfer funds from one

	<p>account to another.</p> <p>For Example: 01-05-2018 ABC Ltd has two accounts in the books of accounts as “ABC Ltd (Debtor)” hold a debit balance of Rs 1000 and “ABC Ltd (Creditor)” hold a credit balance of Rs. 1000. To transfer funds from “ABC Ltd (Creditor)” to ABC Ltd (Debtor) and to close both accounts, we need to pass a journal entry by debiting ABC Ltd (Creditor) and crediting ABC Ltd (Debtor).</p>
For correcting wrong entries passed in the books of accounts	There may be situations where accounts are wrongly credited or debited, In such case to correct those entries we reverse the first entry to transfer from wrong account to the correct account using a journal entry in Tally.

### **Steps to Enter a Journal Entry in Tally**

Journal entries in Tally are by- passed through journal vouchers. The shortest route for accessing journal voucher in accounting voucher menu is F7.

Step 1	From the gateway of Tally.ERP 9, Go to Accounting Voucher, Gateway of Tally > Accounting Voucher.
Step 2	Now hit F7 shortcut key for journal voucher entry or click on F - 7 Journal button on the right side of the screen.
Step 3	Change the date by pressing shortcut key F2 or click on date button at the top right.
Step 4	Under the particulars column after By/Dr enter the ledger to be debited and amount of the transaction. The users can enter multiple debit aspects (ledger to be debited) one by one if needed.
Step 5	After entering Debit aspect, select To/Cr and select the ledger to be credited and amount in the next field.
Step 6	Now in the narration field, enter the details of transactions and hit enter to save the journal voucher.