**Exercise of Inventory Masters for National Traders**

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| |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Let us now use Tally.ERP 9 to set up the basic inventory details for **National Traders**that sells computers, Printers and Peripherals. Create the stock groups and sub-groups as shown:     |  |  | | --- | --- | | **Stock Group** | **Under** | | Computers | Primary | | Printers | Primary | | Peripherals | Primary | | Accessories | Peripherals | | Components | Peripherals | | | Before you start to create the inventory data for National Traders, there are some important functions of housekeeping that are to be taken care of.    ‡       Make sure your screen displays the main menu of the **Gateway of Tally**and ensure that only National Traders is loaded.  ‡       Set Tally.ERP 9’s *Current Date*– select **F2: Date**at the **Gateway of Tally**.  ‡       You also need to check whether the following features in Tally.ERP 9 are enabled for this module  i. In the **F11: Features (F2: Inventory Features)**set **Yes**to:    ‡       Maintain Stock Categories  ‡       Maintain Multiple Godowns  ii. In the **F12: Configure**> **Accts/Inventory Info.**set **Yes**to:    ‡       Allow ALIASES along with Names  ‡       Allow Language ALIASES along with Names  ‡       Allow ADVANCED entries in Masters (Accounts)  ‡       Use ADDRESSES for Ledger Accounts  ‡       Use CONTACT DETAILS for Ledger Accounts  ‡       Allow ADVANCED entries in Masters (Inventory)  ‡       Allow Std. Rates for Stock Items | |  | | **4.6.1 Create Stock Groups**    You will now set up the stock groups using both the single and multiple create options.    **i. Creating single stock groups**  Go to the **Gateway of Tally > Inventory Info. > Stock Groups > Create**. Create a **Stock Group - Computers**  1. **Name**: **Computers**  2. **Aliases**: **Skip the field**  3. **Under**: **Primary**  4. **Can quantities of items be ADDED?**: **Yes** | |  | | |  | | --- | | **Note :** | | ‡   *The field****Can quantities of items be added?****in the stock  group creation screen pertains to information on measuring the units of the Stock Items that have been categorised under the Stock Group. The Stock Items categorised under the group should have similar units for them to be added up. You cannot add quantities in Kgs to quantities in Pcs.* | | | 5. Press **Y**or **Enter**to accept the screen.  **Similarly, create the following Stock Groups**  .   |  |  |  | | --- | --- | --- | | **Name** | **Under** | **Can Quantities of items be ADDED** | | Peripherals | Primary | Yes | | Printers | Primary | No |     **ii. Creating Multiple Stock Groups**  Go to the **Gateway of Tally > Inventory Info. > Stock Groups > Create**. | | **Create Accessories and Components under Peripherals.**  Ensure that the **Multi Stock Group Creation**screen is displayed. | |  | | **4.6.2 Displaying and Altering Stock Groups**    Once created, stock groups can be displayed and altered in both the single and multiple mode. You can delete a stock group by using the option **Alter**under the **Single Stock Group**by pressing **Alt+D**. However, you cannot delete a stock group with sub-groups or stock items. The lower levels must be deleted first.        **4.6.3 Creating Single Stock Categories**    Go to the **Gateway of Tally > Inventory Info. > Stock Categories > Create**.     |  |  | | --- | --- | | **Name** | **Under** | | National | Primary | | | **4.6.4 Creating Multiple Stock Categories**    Go to the **Gateway of Tally > Inventory Info. > Stock Categories > Create**.     |  |  | | --- | --- | | **Under Category** | **Name of Category** | | Primary | HCL | | Primary | IBM | | Primary | HP | | Primary | Samsung |       **4.6.5 Displaying and Altering Stock Categories**    Once created, stock categories can be displayed and altered in single and multiple mode. You can delete a stock category via **Single Stock Category > Alter**by pressing **Alt+D**. However, you cannot delete a stock category with sub-categories. The lower levels must be deleted first.        **4.6.6 Creating Units of Measure**    Go to the **Gateway of Tally > Inventory Info. > Units of Measure > Create**.     |  |  |  |  | | --- | --- | --- | --- | | **Type** | **Symbol** | **Formal Name** | **Number of Deci- mal Places** | | Simple | Nos | Number Of | 0 | | Simple | Box | Boxes | 0 |       **4.6.7 Creating Compound Units of Measure**    Go to the **Gateway of Tally > Inventory Info. > Units of Measure > Create**.  1. Type: Compound (press Backspace)  2. First Unit: Select Box  3. Conversion: Type 100  4. Second Unit: Select Nos | |  | | 5. Press **Y**or **Enter**to accept the screen.      **4.6.8 Displaying and Altering Units of Measure**    Once created, the units of measure can be displayed and altered. You can delete a unit of measure in the alteration screen by pressing **Alt+D**. However, you cannot delete a unit of measure that is part of a compound measure. The compound measure must be deleted first.        **4.6.9 Creating Godowns**    Ensure that **Maintain Multiple Godowns**is set to **Yes**in the **F11: Features (F2: Inventory Features)**.    The concept of **Godowns**is essentially to store the inventory and can be used as a location, warehouse,  department,  subcontractor  locations  etc.  Tally.ERP  9  permits  any  number  of godowns that can be grouped and sub-grouped to match the structure you need.      To Create a Godown, go to the **Gateway of Tally > Inventory Info. > Godowns > Create**.    1. **Name**: **Warehouse**  2. **alias**: **Skip the field**  3. **Under**: **Primary**  4. **Allow Storage of materials**: **Yes**      Similarly, create OnSite as Godown underPrimary.    1. **Name**: **On - Site**  2. **alias**: **Skip the field**  3. **Under**: **Primary**  4. **Allow Storage of materials**: **Yes**      **4.6.10 Displaying and Altering Stock Godowns**    Once created stock Godowns can be displayed and altered in single and multiple mode. Go to the **Gateway of Tally > Inventory Info. > Godowns > Alter**.      You can delete a stock Godown via **Single Godown > Alter**by pressing **Alt+D**. However, you cannot delete a stock Godown with sub-godowns. The lower levels must be deleted first.        **4.6.11  Create Stock Items**    Go to the **Gateway of Tally > Inventory Info. > Stock items > Create**. | | Create the stock items, with the information provided below:     |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **Stock** | **Cost** | **Ware- house** | **On - Site** | **Total**  **Qty** | **Total**  **Value** | **Retail**  **Price** | | **COMPUTERS** |  |  |  |  |  |  | | HCL PIV | 17,500 | 1 | 4 | 5 Nos | 87,500 | 21,500 | | IBM PIV | 17,100 | 0 | 4 | 4 Nos | 68,400 | 24,785 | | **PERIPHERALS** |  |  |  |  |  |  | | ***Accessories*** |  |  |  |  |  |  | | CD ROM Disks 100s | 450 | 0 | 5 | 5 Box | 2,250 | 500 | | Dust Covers | 35 | 2 | 8 | 10 Nos | 350 | 40 | | USB Pen Drives 64MB | 1,250 | 0 | 10 | 10 Nos | 12,500 | 1,600 | | Wireless Keyboard | 490 | 10 | 15 | 25 Nos | 12,250 | 700 | | Wireless Mouse | 250 | 10 | 10 | 20 Nos | 5,000 | 430 | | ***Printers*** |  |  |  |  |  |  | | HP Laserjet 1010 Series | 8,200 | 0 | 7 | 7 Nos | 57,400 | 9,500 | | Samsung Laserjet 1500 | 8,100 | 0 | 5 | 5 Nos | 40,500 | 9,850 | | **Total** | | | | | **2,86,150** |  |       Ensure that **Allow ADVANCED entries in Masters**is set to **Yes**in the **F12**: **Stock Item Configuration**.      Create the stock item **HCL PIV**with the following details:    1. **Name**: **HCL PIV**  2. **alias**: **Skip this field**  3. **Under**: **Computers**  4. **Category**: **HCL**  5. **Units**: **Nos**  6. **Alter Standard Rates?**: **Yes**  7. Enter the details in the **Standard Rate screen**as shown below: | |  | | 8. Enter other details as given in the table:     |  |  | | --- | --- | | Rate Of Duty | 0 | | Cost Method | Avg Cost | | Market Valuation Method | Last Sale Price | | Ignore Diff due to Physical Counting? | No | | Ignore Negative Balances? | No | | Treat all Sales as New Manufacture? | No | | Treat all Purchases as consumed? | No | | Treat all Rejection Inward as scrap? | No | | Opening Balance: Quantity | 5 Nos | | Opening Balance: Rate | 17,500 |   9. Allocate the items as shown below: | |  | | 10. The Stock Item Creation screen for **HCL PIV**appears as shown below: | |  | | 11. Press **Y**or **Enter**to accept.    **Explanation for Behaviour**    ‡       **Costing Method**: This is the method by which stocks are valued. The value arrived at will be the stock value in the books. This method considers **Purchase costs**only.  ‡       **Market Valuation Method**: This method considers the **Sale price**only for the valuation of stocks. The method selected, is not however, used for standard reporting.  ‡       **Ignore Diff. due to Physical Counting?**: This requires you to enter information on whether  Tally.ERP 9 should automatically account for stock difference by passing an appropriate entry or not.  ‡       **Ignore Negative Balances?**: This requires you to enter information on whether Tally.ERP9 should warn you if there is a negative balance. This however does not prevent you from entering vouchers.  ‡       **Treat all Sales as New Manufacture?**: This requires you to enter information on whether on entering a sale voucher, the item will automatically be manufactured and brought in stock.  ‡       **Treat all Purchases as Consumed?**: This requires you to enter information on whether on entering a purchase, the item is automatically issued from stock.  ‡       **Treat all Rejections inward as Scrap?**: This requires you to enter information on whether the goods rejected and taken into stock should be shown as issued and hence valued nil.     Similarly, Create other Stock Items. | | Once you have entered all the stock items, return to the main **Gateway of Tally**menu and select the  **Stock  Summary**. This should show a grand total of **2,86,150**, the break-up of which is,  **Computers - Rs. 1,55,900**,  **Peripherals - Rs. 32,350**,  **Printers  - Rs. 97,900**  **Total = Rs. 2,86,150**. | | **Points to Remember**      ‡Inventory accounting includes recording stock details like the purchase of stock, the sale of stock, stock movement between storage locations or godowns and providing information on stock availability.    ‡Stock Groups are provided for the purpose of classification of stock items.    ‡Stock Items refers to goods that you manufacture or trade.  ‡Godowns/Location are places where stock items are stored. | |  | |