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| **Inventory Masters** |
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| INTRODUCTION  Inventory accounting includes recording of 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 items are goods that you manufacture or trade (sell and purchase).** Tally makes it possible to integrate the inventory and accounting systems so that the financial statements reflect the closing stock value from the Inventory system.    The inventory system operates in much the same way as the accounting system. Setting up the inventory master is a similar operation to creating the chart of accounts although, in this case, there are no pre-defined set of stock groups. We create the individual stock items, which is similar to setting up the ledgers.     In any company the Inventory Info. menu comprises of these types of Masters, viz. Stock Groups, Stock Category, Stock Items, Units of Measure and Godown.  4.1              [Godowns / Locations](http://www.tallyerp9help.com/Pages/TallyERP9Help/Lesson-4/Lesson-4-3-Godown-Location-in-TallyERP9.html)  4.2              [Units of Measure](http://www.tallyerp9help.com/Pages/TallyERP9Help/Lesson-4/Lesson-4-4-Units-of-Measurement-in-TallyERP9.html)  4.3              [Stock Groups](http://www.tallyerp9help.com/Pages/TallyERP9Help/Lesson-4/Lesson-4-1-Stock-Groups-in-TallyERP9.html)  4.4              [Stock Categories](http://www.tallyerp9help.com/Pages/TallyERP9Help/Lesson-4/Lesson-4-2-Stock-Categories-in-TallyERP9.html)  4.5              [Stock Items](http://www.tallyerp9help.com/Pages/TallyERP9Help/Lesson-4/Lesson-4-5-Stoick-Items-in-TallyERP9.html)      4.1 Godown / Locations  A place where stock items are stored is referred to as Godowns. You can specify where the stock items are kept. For example: A warehouse, shelf or rack etc, and obtain stock reports for each Godown and account for the movement of stock between locations/Godowns.    4.2 Unit of Measurement  Stock Items are mainly purchased and sold on the basis of quantity. The quantity in turn is measured by units. In such cases, it is necessary to create the Unit of Measure. The Units of Measure can either be simple or compound.  Examples of simple units are: nos., metres, kilo- grams, pieces etc.  Examples for compound units are: a box of 10 pieces etc. Create the Units of Measure before creating the Stock Items.  4.3 Stock Groups  Stock Groups are provided to help in the classification of stock items. Classification is done based on some common behaviour. Grouping stock items makes it easy to identify and report them in the statements. For example, items of a particular brand can be grouped together so that you can get the inventory details of all the items of that brand.  4.4 Stock Categories  This is a feature, which offers a parallel classification of stock items. Like Stock Groups, Stock categories are also classified based on some similar behaviour. The advantage of using Tally lies in categorising Stock items together, (based on functionality) across different stock groups. This enables you to obtain reports for alternatives or substitutes of a stock item.  4.5 Stock Items  Stock items are goods that you manufacture or trade (sell and purchase). It is the primary inventory entity. Stock Items in the Inventory transactions are similar to ledgers being used in accounting transactions. Therefore, Stock Items are important in an inventory just as ledgers are important in accounting. |
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| Case Study Example   Let us take the example of **Indus Enterprises**that sells **Televisions**and **Music Systems**. Given below is the structure of items being sold.     |  |  | | --- | --- | | **Group A – Televisions** | | | A1 – Sony | A1a – Sony 29 inches TV | |  | A1b – Sony 25 inches TV | | A2 – Philips | A2a – Philips 29 inches TV | |  | A2b – Philips 25 inches TV | | A3 – Videocon | A3a – Videocon 29 inches TV | |  | A3b – Videocon 25 inches TV |        |  |  | | --- | --- | | **Group B – Music Systems** | | | B1 – Sony | B1a – Sony Tape-Recorder | |  | B1b – Sony CD Player | | B2 – Videocon | B2a – Videocon Tape-Recorder | |  | B2b – Videocon CD Player |       The televisions are sold in numbers. Hence, the **Unit of Measure**will be **Nos.** |
| Indus Enterprises has **two Godowns,**the **Bangalore Godown**and the **Mumbai Godown**. The grouping structure in Tally.ERP 9 is as follows:    **Stock Group**  1. **Televisions**(main stock group)  ‡        Sony TV – stock group under Televisons  ‡        Philips TV – stock group under Televisons  ‡        Videocon TV – stock group under Televisons  2. **Music Systems**(main stock group)  ‡        Sony Music Systems – Stock Group under Music Systems  ‡        Videocon Music Systems – Stock Group under Music Systems     Under the stock group Televisions, let us create stock groups based on the different brands being sold viz. Sony, Philips and Videocon. This helps to find the total sales of a particular brand of tele- visions at any given point of time. In order to compare the total sales of the 29 and 25 inches televisions respectively, Tally.ERP 9's feature of Stock Categories for parallel classification can be used. |
| **4.1. Stock Groups in Tally.ERP 9** | |
| **Creating Stock Group**    **i. Create the Stock Group – Television under Primary.**  Go to the **Gateway of Tally > Inventory Info. > Stock Groups > Create**(under the Single Stock Group    Ensure that the screen appears as shown below: | | |
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| ‡        Press Y or Enter to accept the screen.  Similarly, create Music Systems under  ii. Create Sony TV under Televisions.    The screen is displayed as shown below: | |
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| ‡        Press **Y**or **Enter**to accept the screen.      **Practice Exercise**  Create the following **Stock Groups**in the similar manner     |  |  |  | | --- | --- | --- | | **Name** | **Under** | **CanQuantities of items be ADDED** | | Philips TV | Televisions | Yes | | Videocon TV | Televisions | Yes | | Sony Music Systems | Music Systems | Yes | | Videocon Music Systems | Music Systems | Yes | | |

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| **4.2. Stock Categories** |
| ‡     Set **Yes**to **Maintain Stock Categories**in **F11: Features (F2: Inventory Features)**to get an additional option **Stock Categories**under **Inventory Info**.    **4.2.1 Creating Stock Category**    Go to the **Gateway of Tally > Inventory Info. > Stock Categories > Create**.    **i. Create Stock Category 29 inches TV Under Primary** |
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| ‡        Press **Y**or **Enter**to accept the screen.      Similarly , create Stock Category **25 inches TV**under **Primary**. |

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| |  | | --- | | **Stock Items** | | **4.5.1 Creating a Stock Item**    Go to **Gateway of Tally > Inventory Info. > Stock Items > Create**.  The Stock Item Creation Screen appears as shown below: | |  | | Enter the following details:  **Name:**The name of the stock item.  **Under:**The stock group under which you want to classify the stock item.  **Category:**The stock category you want to classify the stock item for parallel classification.  **Units:**The unit of measure for the stock item being created.  **Rate of Duty:**Enter the rate of duty charged on the item.    **Opening Balance:**The opening balance of a stock item, refers to the stock available with us. Godowns  that have already been created, must have the opening balance quantity and the location specified. | |  | | **i. Create a Stock Item Sony 29 inches TV, under the Group Sony TV.**  Ensure that the details appear as shown below: | |  | | ‡        Press **Y**or **Enter**to accept the screen.  Create the following Stock Items under **Televisions**     |  |  |  |  | | --- | --- | --- | --- | | **Name** | **Under** | **Category** | **Units** | | Sony 25 inches TV | Sony TV | 25 inches TV | Nos | | Philips 29 inches TV | Philips TV | 29 inches TV | Nos | | Philips 25 inches TV | Philips TV | 25 inches TV | Nos | | Videocon 29 inches TV | Videocon TV | 29 inches TV | Nos | | Videocon 25 inches TV | Videocon TV | 25 inches TV | Nos |     Create the following Stock Items under **Music Systems**.     |  |  |  |  | | --- | --- | --- | --- | | **Name** | **Under** | **Category** | **Units** | | Sony Tape – Recorder | Sony Music Systems | Not Applicable | Nos | | Sony CD – Player | Sony Music Systems | Not Applicable | Nos | | Videocon Tape - Recorder | Videocon Music Systems | Not Applicable | Nos | | Videocon CD – Player | Videocon Music Systems | Not Applicable | Nos | | |