



TallyPrime

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Case Study 1

Exercise

Service Organization

With Out GST

HAYAT COMPUTER INSTITUTE

APRIL 2020

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|----|-----------|--|
| 1 | 1-4-2020 | Rahul started a business solutions by bringing in cash of Rs.300000. |
| 2 | 2-4-2020 | Rahul paid Rs.22500 in cash to purchase a computer.The computer does not have any disposal value at the end of its useful life of four years. |
| 3 | 3-4-2020 | Rahul opened a bank account in HDFC Bank and deposit cash of Rs.100000. |
| 4 | 4-4-2020 | Rahul rented an office apace for Rs.2500 per month onApril 01, 2020 He paid the security deposit of Rs. 25000 by cheque. |
| 5 | 5-4-2020 | Rahul hired MAYA NAZIR as Manager on a monthly salaryof Rs.7500. He also hired Vijay Sharma as Assistant Manager on a Monthly salary of Rs.4500. |
| 6 | 10-4-2020 | Rahul made an arrangement with Raj Travels to receive bills, for travel expenses, at regular intervals. |
| 7 | 15-4-2020 | Rahul issued cheque and purchased the following fixed assets. 1. Cell Phone Rs.6000 (useful life-5 years) 2. Furniture Rs.20000 (useful life-8 years) 3. AIR Conditioner Rs.20000 (useful life-6 years) 4. Electrical fittings Rs.15000 (useful life-10 years) The above assets do not have any disposal value at the end of their useful life. |
| 8 | 16-4-2020 | Rahul obtained a mobile phone subscription fromPlanet telecommunications, by paying a deposit of Rs.3000 in cash. |
| 9 | 20-4-2020 | Rahul purchased stationary consumables worth Rs.12500 from Global House, on credit. |
| 10 | 21-4-2020 | Rahul signed a contract with Silver Services to provide consultancy services at an agreed price of Rs.75000. He received an advance of Rs.25000 by cheque. |
| 11 | 23-4-2020 | Rahul deposit Rs.50000 cash in HDFC Bank. |
| 12 | 25-4-2020 | Rahul received an invoice for Rs.6000 from JK Publishers for printing office stationary. |
| 13 | 27-4-2020 | Rahul withdrew Rs.7500 cash for personal use. |
| 14 | 30-4-2020 | Rahul paid Rs.750 in cash towards office maintenance charges. |

May 2020

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| 15 | 1-5-2020 | Rahul paid Rs.6000 in cash to JK Publishers. |
| 16 | 5-5-2020 | Rahul paid Rs.2500 by cheque towards office rent for April 2020. |
| 17 | 6-5-2020 | Rahul paid salaries through cheque for April 2020 (25 days) to MAYA NAZIR Rs.6500, Vijay Sharma Rs.3900. |
| 18 | 7-5-2020 | Rahul received and paid his mobile phone bill Amounting to Rs.1250 in cash. |
| 19 | 10-5-2020 | Rahul issued a cheque of Rs.12500 to Global House. |
| 20 | 12-5-2020 | Rahul paid Rs.1100 in cash towards electricity charges. |
| 21 | 14-5-2020 | Rahul received a further advance of Rs.25000 from silver services by cheque. (Refer transaction 10.) |
| 22 | 15-5-2020 | Rahul reimbursed conveyance bills amounting to Rs.650 in cash to Vijay Sharma. |
| 23 | 18-5-2020 | Rahul paid Rs.150 in cash towards miscellaneous office Expenses. |
| 24 | 20-5-2020 | Rahul received Rs.15000 as consulting revenue in cash from Omega Infotech. |
| 25 | 25-5-2020 | Rahul raised an invoice for Rs.75000 on Silver Services after completion of the service. Silver Services paid the balance amount of Rs.25000 in cash after deducting the advance. (Refer transactions 10 and 21.) |
| 26 | 28-5-2020 | Rahul withdrew Rs.6000 cash for personal use. |

| June 2020 | | |
|------------------|-----------|---|
| 27 | 3-6-2020 | Rahul paid Rs.2500 in cash towards office rent. |
| 28 | 4-6-2020 | Rahul paid salaries by cheque for May 2020 (Refer transaction 5.) |
| 29 | 5-6-2020 | Rahul received an invoice for Rs.5500 from Raj travels.This includes Rs.2300 towards cab hiring charges and Rs.3200 towards outstation tours. |
| 30 | 9-6-2020 | Rahul received Rs.35000 in cash as consulting revenue from eateries food chain. |
| 31 | 10-6-2020 | Rahul deposited Rs.30000 in HDFC Bank. |
| 32 | 15-6-2020 | Rahul paid mobile phone bill amounting to Rs.1350 by cheque. |
| 33 | 16-6-2020 | Rahul reimbursed conveyance bills amounting to Rs.750 in cash to Vijay Sharma. |
| 34 | 20-6-2020 | Rahul paid Rs.1250 in cash towards electricity bill charges. |
| 35 | 21-6-2020 | Rahul paid Rs.750 in cash towards office maintenance charges. |
| 36 | 23-6-2020 | Rahul paid Rs.3000 in cash as salary advance to MAYA NAZIR . |
| 37 | 27-6-2020 | Rahul withdrew Rs.6000 cash for personal use. |

July 2020

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|----|-----------|---|
| 38 | 3-7-2020 | Rahul raised an invoice for Rs.65000 on Alfatech Solution for services provided. |
| 39 | 6-7-2020 | Rahul subscribed for the Management Consultant journal paying Rs.2400 by cheque. The subscription period is from July 2020 to June 2022. |
| 40 | 7-7-2020 | Rahul paid salaries for June 2020 by cheque. Salary advance paid to MAYA NAZIR is adjusted against the salary paid. (Refer transaction 36.) |
| 41 | 10-7-2020 | Rahul paid office rent by cheque. (Refer transaction 4.) |
| 42 | 15-7-2020 | Rahul received Rs.35000 by cheque from Alfatech solutions. |
| 43 | 18-7-2020 | Rahul paid Rs.750 in cash towards office maintenance charges. |
| 44 | 19-7-2020 | Rahul paid Rs.850 in cash towards electricity charges. |
| 45 | 20-7-2020 | Rahul paid Rs.1650 by cheque as mobile phone bill charges. |
| 46 | 25-7-2020 | Rahul reimburses conveyance bills of Rs.550 in cash to Vijay Sharma. |
| 47 | 27-7-2020 | Rahul withdrew Rs.6500 cash for personal use. |

August 2020

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| 48 | 1-8-2020 | Rahul paid by cheque Rs.6000 for insurance of fixed assets. The period of insurance is from August 1, 2020 to July 31, 2021. |
| 49 | 2-8-2020 | Rahul received Rs.30000 in cash as consulting revenue from ABC Computer. |
| 50 | 5-8-2020 | Rahul paid salaries by cheque. |
| 51 | 10-8-2020 | Rahul paid office rent by cheque. |
| 52 | 12-8-2020 | Rahul withdrew Rs.25000 from HDFC Bank. |
| 53 | 14-8-2020 | Rahul paid Rs.750 in cash towards office maintenance charges. |
| 54 | 16-8-2020 | Rahul raised an invoice for Rs.50000 on MediaLive Productions for services provided. |
| 55 | 18-8-2020 | Rahul paid Rs.950 in cash towards electricity charges. |
| 56 | 20-8-2020 | Rahul paid Rs.2100 by cheque towards mobile phone bill charges. |
| 57 | 21-8-2020 | MediaLive Productions settled the bill for a final amount of Rs.48000 by paying Rs.20000 in cash and Rs.28000 by cheque. (Refer transaction 54.) |
| 58 | 27-8-2020 | Rahul withdrew Rs.7000 cash for personal use. |
| 59 | 28-8-2020 | Rahul received Rs.30000 by cheque from Alfatech Solutions. |
| 60 | 29-8-2020 | Rahul reimbursed conveyance bills amounting to Rs.1200 in cash to Vijay Sharma. |

| September 2020 | | |
|-----------------------|-----------|--|
| 61 | 2-9-2020 | Rahul paid Rs.3800 in cash for repairs and maintenance of office premises. |
| 62 | 5-9-2020 | Rahul paid salaries by cheque. As MAYA NAZIR was on leave for 15 days, he was paid half-month's salary. |
| 63 | 8-9-2020 | Rahul paid rent by cheque. |
| 64 | 9-9-2020 | Rahul received an invoice for Rs.7600 from Raj Travels. This includes Rs.3150 towards cab hiring charges and Rs.4450 towards outstation tours. |
| 65 | 12-9-2020 | Rahul paid Rs.750 in cash towards office maintenance charges. |
| 66 | 15-9-2020 | Rahul received Rs.25000 in cash as consulting revenue from Cam and Cut Productions. |
| 67 | 17-9-2020 | Rahul paid Rs.1300 in cash towards electricity charges. |
| 68 | 20-9-2020 | Rahul reimbursed conveyance bills amounting to Rs.500 in cash to Vijay Sharma. |
| 69 | 23-9-2020 | Rahul paid Rs.10000 by cheque to Raj Travels. |
| 70 | 24-9-2020 | Rahul paid Rs.1750 by cheque towards mobile phone bill charges. |
| 71 | 28-9-2020 | Rahul withdrew Rs.5500 cash for personal use. |

October 2020

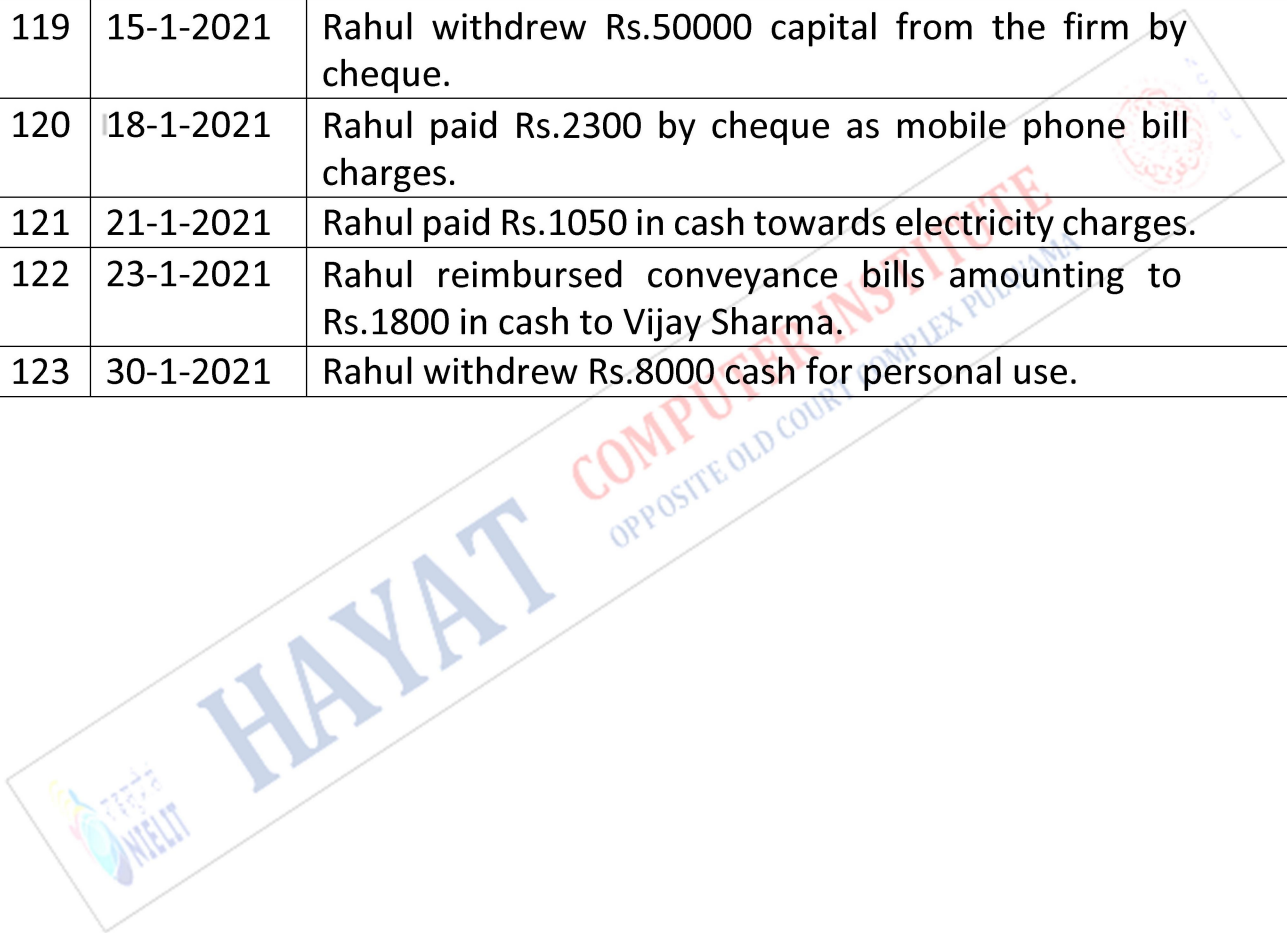
| | | |
|----|------------|--|
| 72 | 3-10-2020 | Rahul received Rs.50000 by cheque as consulting revenue from Xceed International Couriers. |
| 73 | 5-10-2020 | Rahul paid office rent by cheque. |
| 74 | 7-10-2020 | Rahul withdrew Rs.30000 cash from HDFC Bank. |
| 75 | 8-10-2020 | Rahul paid salaries by cheque. |
| 76 | 10-10-2020 | Rahul paid Rs.750 in cash towards office maintenance charges. |
| 77 | 12-10-2020 | Rahul purchased stationary items worth Rs.1600 in cash. |
| 78 | 15-10-2020 | Rahul received Rs.15000 in cash as consulting revenue from Samaritan Products. |
| 79 | 18-10-2020 | Rahul paid Rs.1700 in cash towards electricity charges. |
| 80 | 20-10-2020 | Rahul paid Rs.2300 by cheque towards mobile phone bill charges. |
| 81 | 23-10-2020 | Rahul introduced further capital into the firm by bringing in cash of Rs.100000. |
| 82 | 24-10-2020 | Rahul deposit cash amounting to Rs.75000 in HDFC Bank. |
| 83 | 26-10-2020 | Rahul reimbursed conveyance bills amounting to Rs.1600 in cash to Vijay Sharma. |
| 84 | 28-10-2020 | Rahul entered into a contract with Planet Consultancy for providing service at an agreed price of Rs.35000. An advance of Rs.10000 was received by cheque. |

| November 2020 | | |
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| 85 | 1-11-2020 | Rahul withdrew Rs.8000 cash for personal use. |
| 86 | 2-11-2020 | Rahul received an invoice for Rs.7200 from Raj Travels.This includes Rs.2800 towards cab hiring charges and Rs.4400 towards outstation tours. |
| 87 | 5-11-2020 | Rahul paid salaries by cheque. |
| 88 | 8-11-2020 | Rahul paid Rs.750 in cash towards office maintenance charges. |
| 89 | 10-11-2020 | Rahul received Rs.27500 by cheque as consulting revenue form Trishul Software Solutions. |
| 90 | 12-11-2020 | Rahul paid office rent by cheque. |
| 91 | 15-11-2020 | Planet Consultancy terminated their contract and the advance of Rs.10000 was refunded to them by cheque. |
| 92 | 20-11-2020 | HDFC Bank intimated Rahul that the cheque of Trishul Software solutions for Rs.27500 had bounced. Trishul Software solutions was informed of this development and they promised to pay the amount in a few days. (Refer Transaction 89.) |
| 93 | 21-11-2020 | Rahul paid Rs.950 in cash towards electricity bill charges. |
| 94 | 23-11-2020 | Rahul received Rs.12500 in cash Trishul software solutions. |
| 95 | 25-11-2020 | Rahul paid Rs.1470 by cheque towards mobile phone bill charges. |
| 96 | 27-11-2020 | Rahul reimbursed conveyance bills amounting to Rs.900 in cash to Vijay Sharma. |
| 97 | 30-11-2020 | Rahul withdrew Rs.6500 cash for personal use. |

December 2020

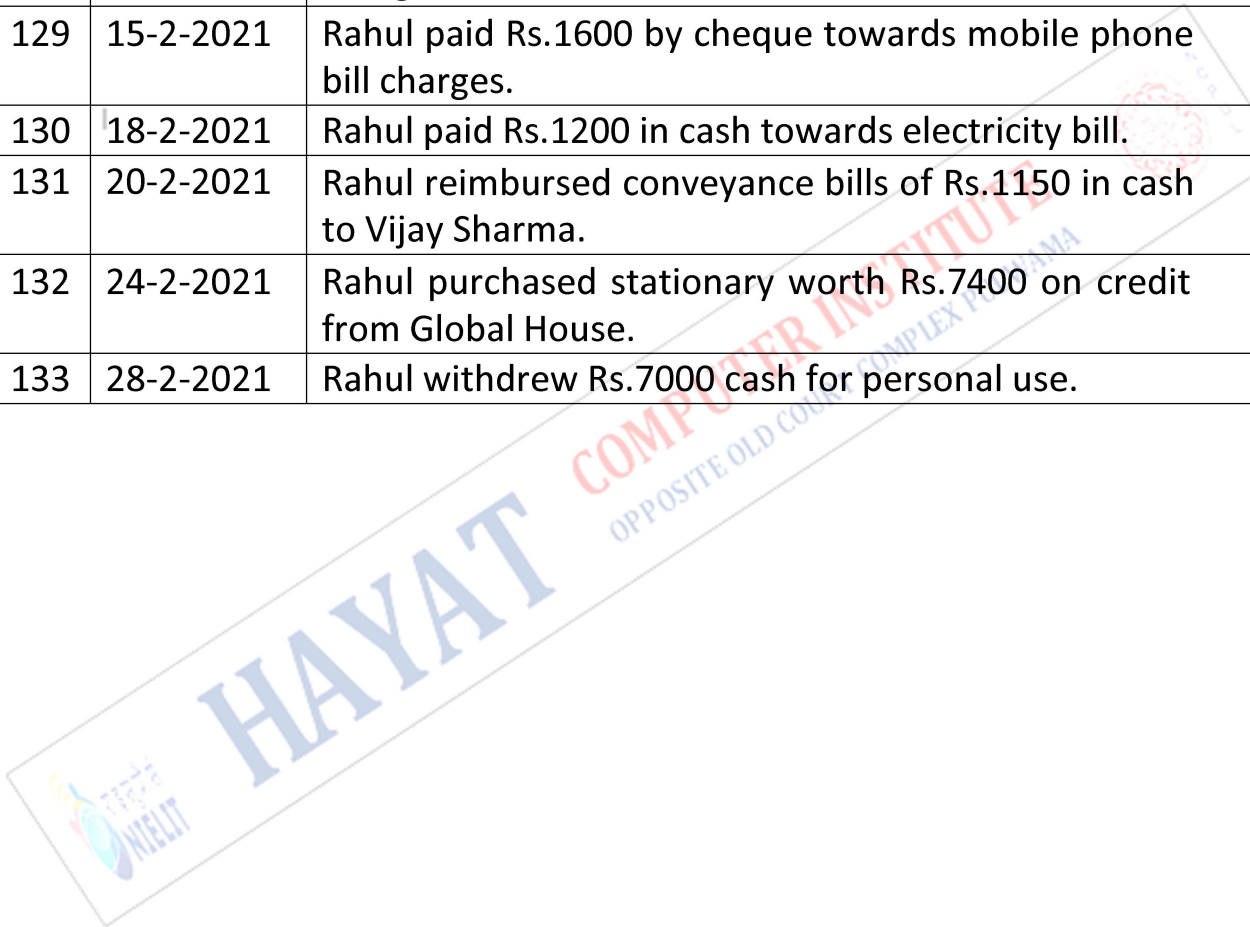
| | | |
|-----|------------|--|
| 98 | 3-12-2020 | The statement received from HDFC Bank, shows that the bank has charged Rs.550 as cheque bouncing charges and Rs330 as cheque book charges. Cheque bouncing charges are to be recovered from Trishul Software solutions (Refer transaction 92.) |
| 99 | 5-12-2020 | Rahul paid office rent by cheque. |
| 100 | 6-12-2020 | Rahul paid salaries by cheque. |
| 101 | 8-12-2020 | Rahul received an invoice from Raj Travels for Rs.6200.This includes Rs.3000 towards cab hiring charges and Rs.3200 towards outstation tours. |
| 102 | 9-12-2020 | Rahul received Rs.50000 by cheque as consulting revenue form Unigrand Technologies. |
| 103 | 10-12-2020 | Rahul withdrew Rs.30000 cash from HDFC Bank. |
| 104 | 11-12-2020 | Rahul paid Rs.750 in cash towards office maintenance charges. |
| 105 | 15-12-2020 | Rahul purchased office equipment worth Rs.12000 on credit from Transfrom Tech. The assets does not have any disposal value after its useful life of 6 years. |
| 106 | 16-12-2020 | Rahul paid Rs.1450 by cheque towards mobile phone bill charges. |
| 107 | 18-12-2020 | Rahul paid Rs.850 in cash towards electricity bill charges. |
| 108 | 20-12-2020 | Rahul reimbursed conveyance bills amounting to Rs.1100 in cash to Vijay Sharma. |
| 109 | 23-12-2020 | Rahul paid Rs.12000 by cheque to transform tech. |
| 110 | 21-12-2020 | Rahul raised an invoice for Rs. 42500 on InGroove Designers for consultancy services. |
| 111 | 25-12-2020 | Rahul received Rs.15550 in cash from trishul software solutions. |
| 112 | 28-12-2020 | Rahul withdrew Rs.6000 cash for personal use. |
| 113 | 30-12-2020 | Rahul paid Rs.7500 by cheque towards professional charges for internal audit of accounts. |

| January 2021 | | |
|---------------------|-----------|---|
| 114 | 3-1-2021 | Rahul paid office rent by cheque. |
| 115 | 5-1-2021 | Rahul received Rs.30000 in cash from InGroove Designers. |
| 116 | 6-1-2021 | Rahul paid salaries by cheque. |
| 117 | 10-1-2021 | Rahul paid Rs.750 in cash towards office maintenance charges. |
| 118 | 12-1-2021 | Rahul received Rs.35000 by cheque as consulting revenue from Ala Carte Investments. |
| 119 | 15-1-2021 | Rahul withdrew Rs.50000 capital from the firm by cheque. |
| 120 | 18-1-2021 | Rahul paid Rs.2300 by cheque as mobile phone bill charges. |
| 121 | 21-1-2021 | Rahul paid Rs.1050 in cash towards electricity charges. |
| 122 | 23-1-2021 | Rahul reimbursed conveyance bills amounting to Rs.1800 in cash to Vijay Sharma. |
| 123 | 30-1-2021 | Rahul withdrew Rs.8000 cash for personal use. |



February 2021

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|-----|-----------|--|
| 124 | 5-2-2021 | Rahul paid office rent by cheque. |
| 125 | 6-2-2021 | Rahul paid salaries by cheque. |
| 126 | 10-2-2021 | Rahul received an invoice from Raj Travels for Rs.9400. This includes Rs.3800 towards cab hiring charges and Rs.5600 towards outstation tours. |
| 127 | 11-2-2021 | Rahul paid Rs.20000 by cheque to Raj Travels. |
| 128 | 12-2-2021 | Rahul paid Rs.750 in cash towards office maintenance charges. |
| 129 | 15-2-2021 | Rahul paid Rs.1600 by cheque towards mobile phone bill charges. |
| 130 | 18-2-2021 | Rahul paid Rs.1200 in cash towards electricity bill. |
| 131 | 20-2-2021 | Rahul reimbursed conveyance bills of Rs.1150 in cash to Vijay Sharma. |
| 132 | 24-2-2021 | Rahul purchased stationary worth Rs.7400 on credit from Global House. |
| 133 | 28-2-2021 | Rahul withdrew Rs.7000 cash for personal use. |



March 2021

| | | |
|-----|-----------|--|
| 134 | 3-3-2021 | Rahul paid salaries by cheque. |
| 135 | 5-3-2021 | Rahul paid office rent by cheque. |
| 136 | 8-3-2021 | Rahul paid Rs.750 in cash towards office maintenance charges. |
| 137 | 10-3-2021 | Rahul received Rs.30000 in cash as consulting revenue from Eye Television Network. |
| 138 | 12-3-2021 | Rahul paid Rs.1450 in cash towards electricity bill. |
| 139 | 15-3-2021 | Rahul paid Rs.1900 by cheque towards mobile phone bill charges. |
| 140 | 18-3-2021 | Rahul reimbursed conveyance bills of Rs.950 in cash Vijay Sharma. |
| 141 | 20-3-2021 | The invoice received from Global House on February 24, 2021 had an error in calculation and was over-valued by Rs.600. |
| 142 | 21-3-2021 | Rahul paid Rs.6800 by cheque to Global House. |
| 143 | 25-3-2021 | Rahul withdrew Rs.6500 cash for personal use. |



Provision Entries

Transactions after 31-3-2021, pertaining to the year ending March 31, 2021, require provision entries. All provision entries are depicted using Journal Voucher.

Note: Prevision Entries, Depreciation Entries and Adjustment Entries are all recoded as on March 31, 2021.

| Provision Entries | | | | | | | |
|----------------------|---------------------|---|----------------------------------|--------------------------|---------------------------------|---------------------------|------------------------------------|
| 144 | 31-3-2021 | Rahul raised an invoice for Rs.20000 on ForeC Marketing Solution for consultancy service. | | | | | |
| 145 | 31-3-2021 | Provision for Rent. | | | | | |
| 146 | 31-3-2021 | Provision for salary. | | | | | |
| 147 | 31-3-2021 | Provision for office maintenance Rs.750. | | | | | |
| 148 | 31-3-2021 | Provision for mobile phone fill charges Rs.1690. | | | | | |
| 149 | 31-3-2021 | Provision for conveyance bills Rs.1300. | | | | | |
| 150 | 31-3-2021 | Rahul received an invoice from Raj travels for Rs.6600.This includes Rs.2900 towards cab hiring charges and Rs.3700 towards outstation tours. | | | | | |
| 151 | 31-3-2021 | Provision for electricity bill Rs.870. | | | | | |
| Depreciation Entries | | | | | | | |
| 152 | 31-3-2021 | Computer, Cell Phone, Furniture, Air Conditioner, Electrical Fitting, Office Equipment. | | | | | |
| S.N | Assets Name | Date of Purchase | Value of Last Financial year (a) | Useful Life on Years (b) | Annual Depreciation (a)/(b)=(c) | Days Used in the year (d) | Depreciation value (c)*(d)/365=(e) |
| 1 | Computer | 02-04-20 | 22500 | 4 | 5625 | 364 | 5610 |
| 2 | Cell Phone | 15-04-20 | 6000 | 5 | 1200 | 351 | 1154 |
| 3 | Furniture | 15-04-20 | 20000 | 8 | 2500 | 351 | 2404 |
| 4 | Air Conditioner | 15-04-20 | 20000 | 6 | 3333 | 351 | 3205 |
| 5 | Electrical Fittings | 15-04-20 | 15000 | 10 | 1500 | 351 | 1442 |
| 6 | Office Equipment | 15-12-20 | 12000 | 6 | 2000 | 107 | 586 |
| Total | | | | | | | 14401 |

| Adjustment Entries | | | | | | |
|---------------------------|--------------|--|------------|-------------------------------------|----------------------------------|--------------------------------------|
| 153 | 31-3-2021 | Adjustment Entries for Prepaid Expenses (Magazine subscription and Insurance). | | | | |
| Nature | Payment Date | Period (a) | Amount (b) | Prepaid Period (c) | Prepaid Amount (b)/(a) * (c)=(d) | Amount for Current Year (b)-(d) =(e) |
| Magazine Subscription | 06-07-20 | 01-07-20 to 30-06-22 (24 months) | 2400 | 01-04-21 to 30-06-22 (15 months) | 1500 | 900 |
| Insurance | 01-08-20 | 01-08-20 to 31-07-21 (12 months) | 6000 | 01-04-21 to 31-07-21 (4 months) | 2000 | 4000 |

| Other Adjustment Entries | | |
|---------------------------------|-----------|---|
| 154 | 31-3-2021 | Provisions for Income Tax (2020-2021) have to be made at Rs.17500. |
| 155 | 31-3-2021 | Closing stock of stationary consumables was Rs.5000. |
| 156 | 31-3-2021 | Transfer balance of withdrawals account to Arpit Kumar Verma Capital A/c. |
| Closing Entry | | |
| 157 | 31-3-2021 | Transfer of Profit and Loss Account to Arpit Kumar Verma Capital A/c. |

Export Closing Balance with All Masters.

Create New Company for New Financial year 2021-2022.

Import Master with Combine opening balance.

Record Transactions of Next Financial Year.

| April 2021 | | |
|-------------------|-----------|---|
| 1 | 1-4-2021 | Transfer opening balance of stock of stationary account to stationary expenses account. |
| 2 | 1-4-2021 | Rahul received Rs.20000 in cash from ForeC Marketing Solutions. |
| 3 | 2-4-2021 | Rahul paid office rent by cheque. |
| 4 | 5-4-2021 | Rahul paid salaries by cheque. |
| 5 | 7-4-2021 | Rahul paid Rs.750 in cash towards office maintenance charges. |
| 6 | 10-4-2021 | Rahul deposited Rs.150000 cash in HDFC Bank. |
| 7 | 12-4-2021 | Rahul paid Rs.1690 by cheque towards mobile phone bill charges. |
| 8 | 15-4-2021 | Rahul reimbursed conveyance bills amounting to Rs.1300 in cash to Vijay Sharma. |
| 9 | 20-4-2021 | Rahul paid Rs.870 in cash towards electricity charges. |
| 10 | 21-4-2021 | Rahul received cheque for Rs.12500 from Ingroove Designers. |
| 11 | 23-4-2021 | Rahul paid Rs.12500 in cash to Raj Travels. |
| 12 | 30-4-2021 | Rahul withdrew Rs.7500 cash for personal use. |