Account: Account is a summarized record of all the transactions relating to every person, every thing or property and every type of service.

Ledger: The book of final entry where accounts lie.

Journal entries: A daily record of transaction.

Trail Balance: It is a statement of all the ledger account balances prepared at the end of particular period to verify the accuracy of the entries made in books of accounts.

Profit: Excess of credit side over debit side.

Profit and loss account: It is prepared to ascertain actual profit or loss of the business.

Balance Sheet: To ascertain the financial position of the business. It is a statement of assets and liabilities.

Types of accounts

Personal account: Personal accounts are the accounts of persons, firms, concerns and institutions which the businessmen deal.

Principles: Debit the receiver
Credit the giver

Real Account: These are the accounts of things, materials, assets & properties. It has physical existence which can be seen & touch.
Ex. Cash, Sale, Purchase, Furniture, Investment etc.

Principles: Debit what comes in
Credit what goes out

Nominal account: Nominal account is the account of services received (expenses and Losses) and services given (income and gain)
Ex. Salary, Rent, Wages, Stationery etc.

Principles: Debit all expense/losses
Credit all income/ gains

			Dr. cash	Cash in hand	Real	Comes in	2,000
8	F5	Payment	Dr. X			Receiver	1,000
			Cr. Cash	Cash in hand	Real	Goes out	1,000
9	F6	Receipt	Cr. commission	Indirect income	Nominal	Credit all income	50
			Dr. cash	Cash in hand	Real	Comes in	50
10	F6	Receipt	Cr. Interest on bank deposit	Indirect income	Nominal	Credit all income	100
			Dr. Bank	Bank account	Real	Comes in	100
11	F4	Contra	Cr. Cash	Cash in hand	Real	Goes out	1,000
			Dr. Bank	Bank account	Real	Comes in	1,000
12	F5	Payment	Dr. Advertisement	Indirect expenses	Nominal	Debit all expenses	500
			Cr. Cash	Cash in hand	Real	Goes out	500
13	F9	Purchase	Cr. Cash	Cash in hand	Real	Goes out	800
			Dr. purchase [illegible] cash	Purchase account	Real	Comes in	800
14	F8	Sales	Dr. cash	Cash in hand	Real	Comes in	1,500
			Cr. Sales	Sales account	Real	Goes out	1,500
15	F5	Payment	Dr. salary	Indirect expense	Nominal	Debit all expenses	500
			Cr. Cash	Cash in hand	Real	Goes out	500

To view- Gateway of tally-Accounts info-Ledger -Multiple ledger Alter-All items (for ledger)

Gateway of tally-Display-Day book-Alt+F1 (to see detail) (Accounting Voucher)

By:-1622

Formal Shirts Pan America-35Pc-400
Peter England-30Pc-450
Jeans Pants Tiger-20Pc-500
Ruff and Tuff-30Pc-350
Cotton Pants Arrow-40Pc-200
Ex-Calibar-20Pc-250

13. Paid Postage Rs. 500 by cheque
14. Received commission Rs. 15,000
15. Paid wages Rs. 2,500

Procedure for Inventory Problem

Gateway of Tally-Inventory Info-Unit of Measure-Create-
Symbol- Nos. Pcs
Formal Name-Number Pieces

Gateway of Tally-Inventory Info-Stock Group-Create
Chocolate, Medicines, Cotton Pants, Jeans Pants, Formal Shirts, T-Shirts

Gateway of Tally-Inventory Info-Stock Item-Create

5 Stars	
Kitkat	Chocolate
Cadbury	
Dairy milk	
Moov	
D'Clod	
Adhesive tape rolls	Medicines
Band Aid box	
Boric Acid powder	
Lee	T-Shirts
Nike	
Pan America	Formal Shirts
Peter England	
Tiger	Jeans Pants
Ruff and Tuff	
Arrow	
Ex-Calibar	Cotton Pants