

## Accounting Software Package- GNU Khata

Accounting software is a computer program that assists bookkeepers and accountants in recording and reporting a firm's financial transactions. There are number of accounting software packages available in the market like GNU Khata, SAP, Tata Ex, Peachtree, Dac Easy, Fesh books, Quick books, Tally, Wave, etc. Selection of the software depends primarily on the need, use and type of business organizations.

There are two types of softwares-Proprietary software and free and open software.

1. **Proprietary Software**:- Users have to pay for proprietary software and cannot make any change in the same. **Tally** is an example for proprietary software.
2. **Free and Open Source Software (FOSS)**:- They are free software. They can be legally downloaded and copied without having to pay anything to anyone. Also, we can make changes in (FOSS). GNU Khata is an example for FOSS.



### GNU Khata

GNU Khata is free and open source software for accounting and inventory management. GNU Khata was developed by Digital Freedom Foundation, a public charitable trust.

#### Features of GNU Khata

1. It is accounting software based on double entry book keeping.
2. It is a free and open source accounting software.
3. It is complete accounting software- we can prepare ledgers, Trial Balance, P & L Account, Bank Reconciliation Statement, Balance Sheet etc.
4. Export and import data from spreadsheet is possible.
5. Password security and data audit facility is available in GNU Khata.

#### Starting GNU Khata

##### Step-1-Open GNU Khata

Application----Office-----GNU Khata or Click the GNU Khata icon from the desktop

##### Step-2 Create Organisation

To create organization click “Create Organisation” .While creating an organization the following details are to be given.

Organisation Name- ALtd

Case- Upper Case (option to select Upper case, lower case, Title case or as-is)

Organization Type-Profit Making

Financial Year- 01-04-2017 To 31-03-2018

Accounts only-----Proceed

To create a new company  
select 'Create Organisation'



GNUKhata v5.0

Select Existing Organisation Create Organisation ?

A Free and Open Source Accounting Software

Lightweight.  
Can scale upto a cloud based deployment or down to a standalone installation.  
Fast and robust.  
Easy to use.  
Screen reader friendly.  
Based on Double Entry system of book keeping.

Organisation Name :  
A LTD

Case :  
Upper Case

Organisation Type :  
Profit Making

Financial Year :  
01 04 2016 --To-- 31 03 2017

☒ Accounting only.  
☐ Accounting with Invoicing.  
☐ Invoicing with Billwise Accounting.  
☐ Inventory with Invoicing and Billwise Accounting.

Use 'Up' & 'Down' arrow keys to navigate and press 'Enter' key to proceed .

→Proceed

### Step-3 Create Admin

GNUKhata v5.0

Select Existing Organisation Create Organisation ?

Welcome To GNUKhata  
A Free and Open Source Accounting Software

Lightweight.  
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Screen reader friendly.  
Based on Double Entry system of book keeping.

Create Admin ?

Username :  
binoy

Password :  
\*\*\*\*\*

Confirm Password :  
\*\*\*\*\*

Security Question :  
What is your name

Answer to Security Question :  
binoy

Create & Login

User Name- Type a username here

Password- Type a password here

Confirm Password- Repeat the password here

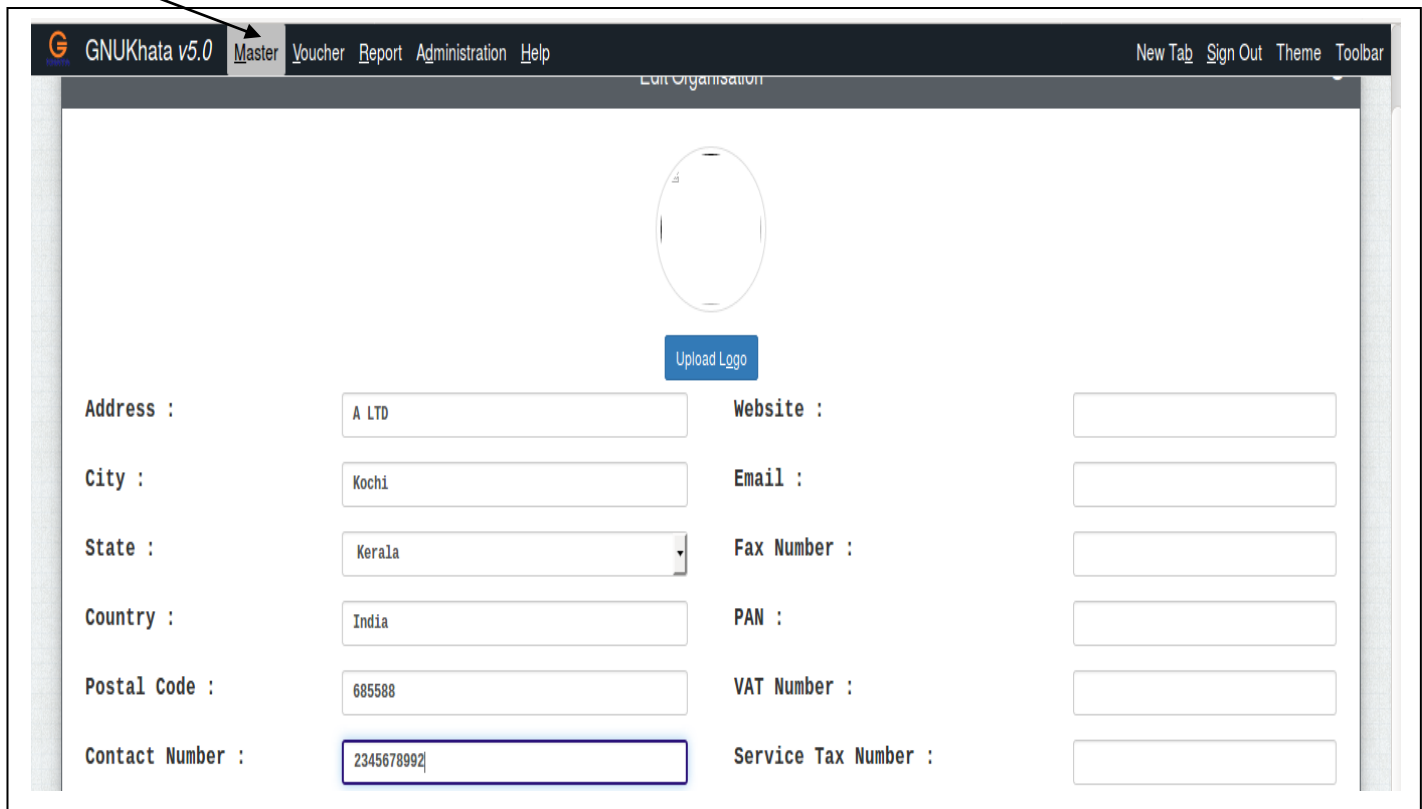
Security Question- For eg. What is your name

Answer to Question- binoy

Click- Create & Login

Step-3 **Enter organisation details** like Address,telephone numbers etc(**if given**)

Master menu-----Edit organization particulars



GNUKhata v5.0 Master Voucher Report Administration Help New Tab Sign Out Theme Toolbar

Edit Organisation

Upload Logo

Address : A LTD Website :

City : Kochi Email :

State : Kerala Fax Number :

Country : India PAN :

Postal Code : 685588 VAT Number :

Contact Number : 2345678992 Service Tax Number :

Here enter the address and other details of organization and click Save button

### Creating Ledger account

In GNU Khata there are only four system generated ledger accounts. They are Closing stock, Opening stock, Stock at the beginning and P & L Account. We can neither change the name or delete these accounts. We can create more ledger accounts according to our requirements. To solve a question we want to create more ledger accounts. For example “Purchased goods from Mohan Rs.4000”, here it is necessary to create two new ledger accounts – “Purchase” and “Mohan”. It is also noted that every ledger account should be created under a “group”, here in our example purchase account is to be created under the group “Direct expenses” (sub group-None) and “Mohan” account is to be created under the group “Current Liabilities” (Sub group- “Sundry Creditors for purchase”). In computerized accounting the duty of an accountant is only to enter daily transactions through appropriate “vouchers”. It is known as “voucher entry”. Before voucher entry, it is necessary to create required ledger accounts under suitable groups.

## Groups and Sub-Groups

Group is an effective tool to arrange large number of ledger accounts into suitable places. GNU Kahta has 13 predetermined Groups and 16 Sub-Groups. GNU Khata has 13 predetermined group, of which 9 relates to the Balance Sheet and the other 4 relates to the P & L Account. If we created any account under a Balance Sheet group it will display in Balance Sheet and if we created that ledger account under P & L Account group, it will display in P & L Account. So creation of Ledger Account under suitable group is very important.

### Predetermined Groups and their sub groups in GNU Khata

Total predetermined Groups and Sub-groups-29 [13 + 16]

Total Groups -13[9-Balance Sheet Group + 4-P & L Account Group]

Total sub-groups-16 subgroups ,all are Balance Sheet subgroups.

### Balance Sheet Group (9 No's) and their Sub-groups (16 Nos)

Si No	Name of the Group	Name of the Sub-Group
1	Capital	None
2	Current Asset	Bank,cash,Loans & Advances, Sundry Debtors
3	Current Liability	Provisions, Sundry Creditors for expenses, Sundry creditors for purchase
4	Fixed Asset	Building,furniture,land,plant and machinery
5	Investment	Investment in Bank Deposit, Investment in shares and debentures
6	Loans(Asset)	None
7	Loans(Liability)	Secure, Unsecure
8	Miscellaneous Expense (Asset)	None
9	Reserve	None

Concept of group and subgroup-Group helps to fix accounts in the required place where it actually need. The place may be Asset side of the Balance sheet, Liability side of the Balance Sheet, Debit side of the Trading Account, Credit side of the Trading Account, Debit side of the P & L Account or credit side of the P & L Account. Sub-group helps to arrange accounts more significantly.(If, no other way, a family can live in a hall, and use it as their kitchen, dining room, study room and bed room. If separate room available for each purpose it is more convenient. Like wise sub-group helps to arrange accounts in a proper manner. We can add more groups, if we needed.)

### P & L Account Groups( 4 No's) and their Sub-groups

Si No	Name of the Group	Sub-group
1	Direct Income	None
2	Indirect Income	None
3	Direct Expense	None
4	Indirect Expense	None

1.Current Assets	<p>The amount invested in current assets like debtors, bills receivable, stock, bank etc are included in this group. By default there are six subgroups for current assets. They are:</p> <p><b>1. Bank</b>-eg,Opened a bank account with SBI,here SBI created under the group” currenet asset” ,Sub-group” Bank” .</p> <p><b>2. Cash</b>-eg,Started business with cash Rs.5,00,000,here “cash Account “ is created under the group “Current Asset” ,Sub-group” Cash” .</p> <p><b>3. Inventory</b>-Closing stock and stock at the beginning are opened under this sub group.</p> <p><b>4. Loans and Advance</b>-Prepaid expenses,accounts of temporary advances and loans given to staff members are opened under this sub-group.</p> <p><b>5. Sundry Debtors</b>-Accounts of debtors, for eg,Sold goods to Biju on credit Rs.4000,here “Biju Account” is created under the group “current asset” and sub-group “Sundry Debtors” .</p>
2.Fixed Asset	<p>Accounts of all fixed assets like Land and Building, Plant and Machinery, Furniture, Machinery, Motor car etc are recorded under this group. For eg.Purchased machinery for cash Rs.10,000,here machinery account created under the group “Fixed Asset” .</p>
3.Investment	<p>It includes accounts of investments made by organistions.There are two predefined sub groups. They are:</p> <p>1.Investment in bank deposits</p> <p>2.Investment in shares and Debentures</p>
4.Loans Assets	<p>All long term loans issued by the organization come under this group.</p>
5.Miscellaneous Expenses (Assets)	<p>This includes Preliminary and pre operative expenses to the extent these are not written off.</p>
6. Capital	<p>Owners Capital Account, for eg,Started business with cash Rs.5,00,000,here two accounts are to be created ,” Cash “and “Capital” .In this” capital account” is created under the group” capital” . <b>Drawings account</b> is also created under this group.</p>
7.Current Liability	<p>Liabilities for short period (Creditors, salary payable, TDS payable) are recorded under this group. By default there are three subgroups for current Liability. They are:</p> <p>1.Provisions-Accounts of PF,ESI,TDS payable etc</p> <p>2. Sundry Creditors for Expenses- Outstanding expenses like salary payable, commission payable etc.</p> <p>3.Sundry creditors for purchases-Eg. Purchases goods from Mohan,here “Mohan Account” created under the group “Current Liabilities” and sub group “Sundry creditors for purchases” .</p>
8.Loans (Liability)	<p>This contains loans taken by the organization from banks and other financial institution. For eg: Loan taken from Federal Bank for Rs.2,00,000,here “Loan-Federal Bank” account created under the group” Loans(Liability” and Sub</p>

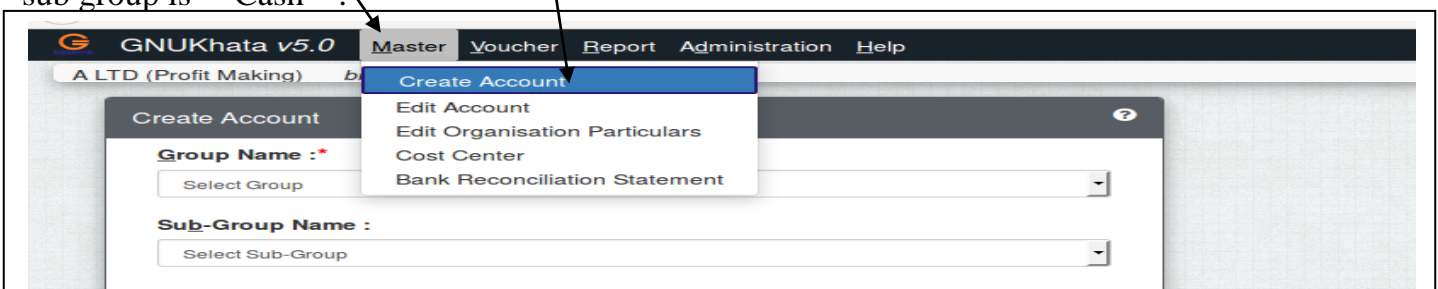


	<p>Group “Secured Loan” (if it is secured one). By default there are two subgroups for current assets. They are:</p> <ol style="list-style-type: none"> <li>1. Secured Loan- Contains accounts of loan taken against the security of property.</li> <li>2. Unsecured Loan- Contains accounts of loan taken without any security, say, Loan from partners, directors etc.</li> </ol>
9.Reserves	This contains retained earnings,reserves and surplus.
10.Direct Expenses	<p>Expenses relating to purchase or manufacture of goods are created under this group.Purchase,wages,carriage inwards,factory lighting and heating etc are included in the group.Purchased goods for Rs.8000,here “Purchase Account” to be created under the group “Direct Expenses” .Wages paid Rs.500,here “wages account” to be created under the group “Direct Expenses” .Bydefault in GNU Khata” Opening Stock Account” created under the group “Direct Expense” .( All Trading Account debit side items are recorded here).In GNU Khata ‘<b>sales returns</b>’ account is created under this group.</p>
11.Direct Income	<p>Income from operative activities like sale of goods,professional fees in case of service organization like Chartered accountants,Advocates etc.Eg .Sold goods to Thomas,here “sales Account” is created under the group “Direct Income” .Byt default,in GNU Khata,opens “Profit and loss account” under this group.<b>Purchase Return</b> Account is created under this group</p>
12.Indirect Expense	<p>All office, administration,selling and distribution expenses such as salary, telephone expenses, discount allowed, commission paid,rent,depreciation,bad debts, trade expenses etc are recorded under this group. For eg, Salary paid Rs.1000,here salary account is created under “Indirect expenses” group.(All P &amp; L Account debit side items recorded under this group)</p>
13.indirect Income	<p>It includes items like discount recived,rent recived,interest received,dividend received etc.For eg,Interest received Rs.4500,here “interest received account” is created under the group “indirect income” .</p>

#### Step-4 Creating Ledger Accounts

Master Menu-----Create Account

Eg.Purchased building for Rs.8,00,000.In this transaction two accounts are to be created-Building Account and Cash account.Building is a fixed asset and it shoul be shown on the asset side of the Balance sheet.For this building account is to be created under a Balance sheet group.In Balance sheet group most suitable one is “Fixed Asset” group and most suitable Sub-group is “Building” .The second account “Cash” is to be created under the Group “Current asset” and sub group is “Cash” .



A ledger account is a place where all transactions relating to a particular item is recorded .For example all “goods” purchases are recorded in “Purchase Account” ,all “furniture” purchases are recorded in “Furniture Account” etc.All accounts have to be created under any(depends up on the nature of accounts) of the above said 13 groups.Depending upon the” group “ under which a “ledger” is created,the balance of that ledger account will appear either in Balance Sheet or Profit and Loss Account.For example in GNU Khata “Purchase Account” is to be created under the P & L Account group “Direct Expense” .If it is so created,it will show in the debit side of the Trading profit and loss account. If it is wrongly created under the group “Fixed Asset” ,it will show in the Asset side of the Balance Sheet.So ledger account creation under proper group is an important matter.



### Predetermined (System Generated) ledger accounts in GNU Khata

In GNU Khata there are 4 system generated ledger accounts.We can neither change the name or delete these accounts.They are

Name of the Account	Name of the Group	Name of the sub-Group
1.Closing Stock	Current Asset	Inventory
2.Opening Stock	Direct Expense	None
3.Stock at the beginning	Current Asset	Inventory
4.P& L Account(In profit making organization) <b>Or</b> Income and Expenditure Account(In not for profit organization)	Direct Income	None

### Step-4 Voucher Entry

Voucher-----Select appropriate voucher-----Enter details

In computerized accounting transactions are recorded through vouchers. Recording transactions through vouchers are called voucher entry.Voucher entries are made on the basis of concerned source documents (bill/invoice, pay in slip etc).While recording a transaction through the vouchers ,we have to enter the voucher no,date,amount to be debited and credited,narration etc.In GNU Khata there 10 system generated voucher entries.We cannot create a new voucher type.

Voucher Type	Used to Record	Shortcut Key
Receipts	To record transactions of all cash receipts or receipts through cheque. Eg.Cash received from Soman Rs.500 Eg.Raman,a customer directly deposited into our bank account Rs.400 Eg.Cheque received from Thomas and the same deposited into bank Rs.30,000.	F4

Payments	All payments made by cash or cheque Eg.Salary paid Rs.3000 Eg.Furniture purchased and payment made by SBI cheque Rs.70,000	F5
Sale	All cash and credit sales of goods Eg.Sold goods for cash Rs.500 Eg.Sold goods to Ismail Rs.470	F6
Purchase	Cash and credit purchase of goods and raw materials Eg.Purchased goods for cash Rs.80-0 Eg.Purchased goods from Mohan Traders on credit Rs.600	F7
Contra	To record contra entries-Deposit or withdrawals of cash from bank ,transfer of funds from one bank to another,transfer of cash to petty cash account etc. Eg.Cash deposited into Union Bank Rs.4000 Eg.Cash withdrawn from Federal Bank for office use Rs.5000 Eg.Transfer fund from Federal bank to Union Bank Rs.30,000	F8
Journal	Like journal proper-to record adjustment entries,rectifying entries,purchase of fixed assets on credit etc Eg.Salary outstanding Rs.300 Eg.Purchased machinery on credit from Usha traders Rs.80,000	F9
Sales return	To record return of goods by a customer Eg.Goods returned by Ismail Rs50	Ctrl+1
Purchase Return	To record return of goods to supplier Eg.Goods returned toohan Traders Rs.40	Ctrl+2
Credit Note	It is used to record reduction in the amount due from a customer or for allowances (A credit note is a letter sent by the supplier to the customer notifying the customer that he or she has been credited a certain amount due to an error in the original invoice or other reasons. )	Ctrl+3
Debit Note	It is used to record reduction in the amount payable to a supplier or for allowances.( A <b>debit note</b> is a document <b>used</b> by a vendor to inform the buyer of current debt obligations, or a document created by a buyer when returning goods received on credit.)	Ctrl+4

## Treatment of some special items- **Opening stock** and **closing stock**

### 1. Treatment of ‘**Opening stock Account**’

Unsold goods at the beginning of an accounting year is called opening stock. It is a system generated ledger account. It is created under the P & L Account group ‘Direct Expenses’ . So opening stock accounts balance will reflect in the debit side of the P &L Account (Trading Profit and Loss Account).

If the accounts of business are **computerized for the first time**, the amount of opening stock can be inserted through the following steps:-

**Step-1** Edit ‘Stock at the Beginning Account’ -----click on Edit-----Enter Opening balance.



**Step-2** Select 'Journal' Voucher-----enter voucher No. and 'opening date' -----Debit Opening Stock and credit 'Stock at the Beginning' .



## 2.Treatment of 'Closing Stock Account'

Unsold goods at the end of an accounting year is called 'Closing stock' .It is current asset.It is also a system generated account under the group 'current assets' and subgroup 'Inventory' .So it will reflect in the asset side of the Balance Sheet.Closing stock will also reflect in the credit side of the Trading Profit and Loss Account.It is possible through a separate account- 'Profit and Loss Account' .In GNU Khata there is a system generated account 'Profit and Loss Account' under the group ' Direct Income'

Enter the closing stock balance through voucher entry-Journal voucher

Step-1 Open Journal voucher-----Enter voucher number and closing date-----Debit 'Closing Stock Account' and credit 'Profit and Loss Account' .

## Report Menu

From the Report Menu,we will enable to view reports such as Ledger,Trial Balance,Balance Sheet,Profit and Loss Account etc

Q. Create the following ledgers Under appropriate group and subgroup in an accounting software and on 1-4-2018 (Mohan Traders)

<b>Ledger Account</b>
Capital
Plant and Machinery
Wages
Salary
Bad debts
Depreciation
Purchase
Sales
Interest received
Sundry Creditors
Sundry Debtors
Cash in hand
Drawings
Outstanding rent
Insurance
Prepaid insurance

**Solution:****Step-1** Open GNU Khata

Application-----office-----GNU Khata

**Step-2** Create the organisation 'Mohan Traders' with necessary details

Menu Bar-----Create Organisation

Organisation Name- Mohan Traders

Case- As-is (option to select Upper case, lower case, Title case or as-is)

Organization Type-Profit Making

Financial Year- 01-04-2017 To 31-03-2018

Accounts only-----Proceed

**Step-3** Create Admin

Enter details

**Step-4** Create Ledger Accounts

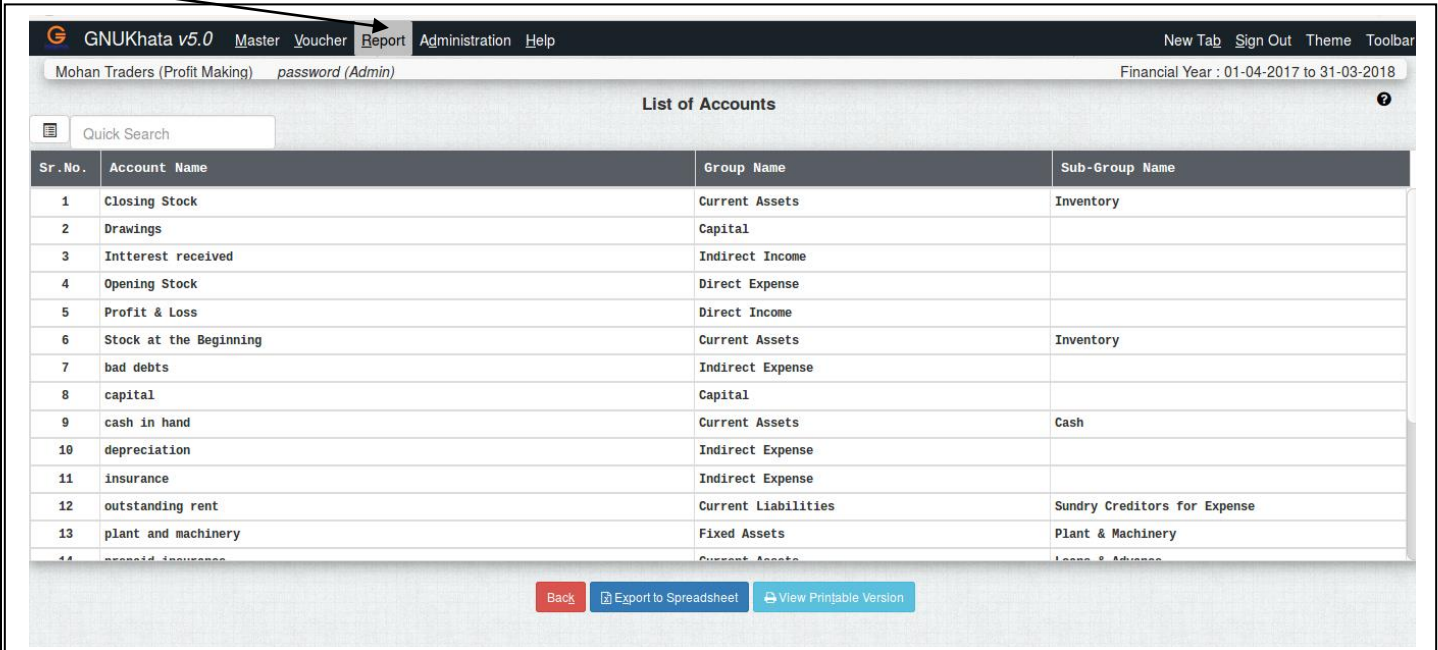
Master-----Create account-----Select Group-----Sub Group-----Enter Account Name-----Save

<b>Name of the Account</b>	<b>Group</b>	<b>Sub-group</b>
Capital	Capital	None
Plant and Machinery	Fixed Asset	Plant & Machinery
Wages	Direct Expense	None
Salary	Indirect Expense	None
Bad debts	Indirect Expense	None
Depreciation	Indirect Expense	None
Purchase	Direct Expense	None
Sales	Direct Income	None
Interest received	Indirect Income	None
Sundry Creditors	Current Liability	Sundry Creditors for purchase
Sundry Debtors	Current asset	Sundry Debtors
Cash in hand	Current asset	Cash
Drawings	Capital	None
Outstanding rent	Current liability	Sundry Creditors for expense
Insurance	Indirect expense	None
Prepaid insurance	Current Asset	Loans & Advances

**Out Put:**

To display the list of Account

Report-----List of Accounts



Sr.No.	Account Name	Group Name	Sub-Group Name
1	Closing Stock	Current Assets	Inventory
2	Drawings	Capital	
3	Interest received	Indirect Income	
4	Opening Stock	Direct Expense	
5	Profit & Loss	Direct Income	
6	Stock at the Beginning	Current Assets	Inventory
7	bad debts	Indirect Expense	
8	capital	Capital	
9	cash in hand	Current Assets	Cash
10	depreciation	Indirect Expense	
11	insurance	Indirect Expense	
12	outstanding rent	Current Liabilities	Sundry Creditors for Expense
13	plant and machinery	Fixed Assets	Plant & Machinery
14	prepaid insurance	Current Assets	Loans & Advances

Here we can see total **20 ledger account** (16 new accounts + 4 System created accounts)

**Q.**Following are the transactions extracted from the book of Kappil Agencies, Kalayanthani as on 31-12-2017

1-1-17 Commenced business with cash Rs.5,00,000

1-1-17 Opened bank account with SBI Rs.1,00,000

2-1-17 Purchased goods from Manju Traders Rs.30,000

3-1-17 Purchased Machinery Rs.20,000

5-1-17 Sold goods to Jaimon Rs.2300

6-1-17 Returned goods to Manju traders Rs.3,00

7-1-17 Returned goods by Jaimon Rs.200

8-1-17 Purchased Machinery from A Ltd Rs.10,000

9-1-17 cash sales Rs.3000

10-1-17 Cash purchase Rs.2000

11-1-17 Wages paid Rs.3000

12-1-17 Rent paid Rs.2000

13-1-17 purchased goods and paid by cheque Rs.3000

14-1-17 withdraw cash from bank for office use Rs.1000

1.Display Trial balance

2.Show the cash balance

3.Display the list of transactions by using ' Find/edit voucher'

### Solution:

#### Step-1 Open GNU Khata

Application-----office-----GNU Khata

#### Step-2 Create the organisation ' Kappil agencies' with necessary details

Menu Bar-----Create Organisation

Organisation Name- Kappil agencies

Case- As-is (option to select Upper case, lower case, Title case or as-is)

Organization Type-Profit Making

Financial Year- 01-01-2017 To 31-12-2017

Accounts only-----Proceed

#### Step-3 Create Admin

Enter details

#### Step-4 Create Ledger Accounts

Analyse the transactions, list out ledger accounts to be created and assign appropriate Account Groups for them

Master-----Create account-----Select Group-----Sub Group-----Enter Account Name-----Save

Date	Dr/ Cr	Account Name	Group Name	Sub Group Name	Voucher Type	Func tion Key
1-1-17	Dr Cr	Cash Capital	Current asset Capital	Cash None	Receipt	F4
1-1-17	Dr Cr	Sbi Cash	Current asset -----	Bank -----	Contra	F8
2-1-17	Dr Cr	Purchase Manju Traders	Direct Expense Current liability	None Sundry creditors for purchase	Purchase	F7

**Already created, no need to create that account again**

3-1-17	Dr	Machinery	Fixed asset	Plant and machinery	Payment	F5
	Cr	Cash	-----	-----		
5-1-17	Dr	Jaimon	Current asset	Sundry debtors	Sales	F6
	Cr	Sales	Direct income	None		
6-1-17	Dr	Manju Traders	-----	-----	Purchase	Ctrl + 2
	Cr	Purchase return	Direct Income	None	Return	
7-1-17	Dr	Sales return	Direct expense	None	Sales	Ctrl + 1
	Cr	Jaimon	-----	-----	Return	
8-1-17	Dr	Machinery	-----	-----	Journal	F9
	Cr	A Ltd	Current liability	<b>Sundry creditors for fixed asset</b>		
			<b>Create new sub group</b>			
9-1-17	Dr	Cash	-----	-----	Sales	F6
	Cr	Sales	-----	-----		
10-1-17	Dr	Purchase	-----	-----	Purchase	F7
	Cr	Cash	-----	-----		
11-1-17	Dr	Wages	Direct expense	None	Payment	F5
	Cr	Cash	-----	-----		
12-1-17	Dr	Rent	Indirect expense	None	Payment	F5
	Cr	Cash	-----	-----		
13-1-17	Dr	Purchase	-----	-----	Payment	F5
	Cr	Sbi	-----	-----		
14-1-17	Dr	Cash	-----	-----	Contra	F8
	Cr	Sbi	-----	-----		

### Step-5 Voucher Entry

Voucher-----Select Appropriate Vouchers-----Enter details(Voucher number,date,Debit item, Debit amount, credit item,credit amount)-----Save

### Output:

#### 1. Display Trial balance

Report-----Trial Balance (From 1-1-17 To 31-12-17)

8	purchase	35000.00	Direct Expense
9	purchase return	300.00	Direct Income
10	sales	5300.00	Direct Income
11	sales return	200.00	Direct Expense
12	sbi	96000.00	Current Assets
13	wages	3000.00	Direct Expense
	Total	545300.00	545300.00

## 2. Show the cash balance

Report-----Ledger-----Select Cash Account-----Remove the tick mark 'Monthly Ledger' (give the closing date as 31-01-2017)-----View

**View Ledger**

Account Name : cash

☐ Monthly Ledger

From Date : 01/01/2017

To Date : 31/01/2017

☐ Narration

[View](#) [Reset](#)

**Cash book balance as on 31-01-2017**

Date	V. No.	Status	Type	Particulars	Debit	Credit	Balance
01-01-2017	1		Receipt	capital	500000.00		500000.00(Dr)
01-01-2017	1		Contra	sbi		100000.00	400000.00(Dr)
03-01-2017	1		Payment	machinery		20000.00	380000.00(Dr)
09-01-2017	2		Sales	sales	3000.00		383000.00(Dr)
10-01-2017	2		Purchase	purchase		2000.00	381000.00(Dr)
11-01-2017	2		Payment	wages		3000.00	378000.00(Dr)
12-01-2017	3		Payment	Rent		2000.00	376000.00(Dr)
14-01-2017	2		Contra	sbi	1000.00		377000.00(Dr)
				Total of Transactions	504000.00	127000.00	
31-01-2017				Closing Balance C/F		377000.00	
				Grand Total	504000.00	504000.00	

## 3. Display the list of transactions by using 'Find/edit voucher'

Voucher-----Find/Edit Voucher---Here we can search already created voucher on the basis of Number, Time, Type etc to edit or delete-----Search---double click on the required voucher to be Edited/Deleted,then make necessary changes and save.

**GNUKhata v5.0** Master Voucher Report Administration Help

Kappil agencies (Profit Making)

**Find Voucher**

Search Voucher By :

Select Criteria

- Receipt
- Payment
- Sale
- Purchase
- Contra
- Journal
- Sale Return
- Purchase Return
- Credit Note
- Debit Note
- Find/Edit Voucher**



**Q.** From the following transactions of Anugraha Traders prepare Final Accounts

Date	Transaction	Amount
1-1-2017	Commenced Business with Cash	7,00,000
2-1-2017	Opened a bank account with SBI	2,00,000
3-1-2017	Purchased goods from Reji	50,000
4-1-2017	Purchased machinery from B Ltd	40,000
5-1-2017	Wages paid	8,00
6-1-2017	Interest paid	1,000
7-1-2017	Sold goods	10,000
8-1-2017	Sold goods to Ganga	7,000
9-1-2017	Commission received	2,000
11-1-2017	Purchased furniture	3,000
12-1-2017	Returned goods to Reji	5,00
15-1-2017	Goods returned by Ganga	100
18-1-2017	Cash withdrawn for personal purpose (Drawings)	4,000
19-1-2017	Goods withdrawn for personal purpose	1,000
20-1-17	Salary paid by cheque(SBI)	2,000

**Adjustments:**

1. Closing stock valued at Rs. 20,000 as on 31-12-2017
2. Depreciation on machinery at 20%
3. Wages outstanding Rs.200
4. Commission accrued Rs.500



**Solution:**

**Step-1** Open GNU Khata

Application-----office-----GNU Khata

**Step-2** Create the organisation ' Anugraha Traders ' with necessary details

Menu Bar-----Create Organisation

**Step-3** Create Admin

Enter details

**Step-4** Create Ledger Accounts

We can create new ledger at the time of 'Voucher Entry' also. Ledger Creation Screen can be activated by click

+ Add Account

' + Add Account ' in voucher

entry screen

Analyse the transactions, list out ledger accounts to be created and assign appropriate Account Groups for them

Master-----Create account-----Select Group-----Sub Group-----Enter Account Name-----Save

**Chapter-5**

Date	Dr/ Cr	Account Name	Group Name	Sub Group Name	Voucher Type	Func tion Key	Amount
1-1-17	Dr Cr	Cash Capital	Current Asset Capital	Cash None	Receipt	F4	7,00,000 7,00,000
2-1-17	Dr Cr	SBI Cash	Current asset -----	Bank ----	Contra	F8	2,00,000 2,00,000
3-1-17	Dr Cr	Purchase Reji	Direct Expense Current Liability	None Sundry Creditors for Purchase	Purchase	F7	50,000 50,000
4-1-17	Dr  Cr	Machinery  B Ltd	Fixed Asset  Current Liability	Plant and Machinery  Sundry creditors for fixed Asset( <b>Create new sub group</b> )	Journal	F9	40,000  40,000
5-1-17	Dr Cr	Wages Cash	Direct Expenses -----	None -----	Payment	F5	8,00 8,00
6-1-17	Dr Cr	Interest paid Cash	Indirect Expenses -----	None -----	Payment	F5	1,000 1,000
7-1-17	Dr Cr	Cash Sales	----- Direct income	----- None	Sales	F6	10,000 10,000
8-1-17	Dr  Cr	Ganga  Sales	Current Asset  -----	Sundry debtors  -----	Sales	F6	7,000  7,000
9-1-17	Dr Cr	Cash Commission received	----- Indirect Income	----- None	Receipt	F4	2,000 2,000
11-1-17	Dr Cr	Furniture Cash	Fixed Asset -----	Furniture -----	Payment	F5	3,000 3,000
12-1-17	Dr Cr	Reji Purchase return	----- Direct Income	----- None	Purchase Return	Ctrl + 2	500 500
15-1-17	Dr Cr	Sales Return Ganga	Direct expenses -----	None -----	Sales Return	Ctrl + 1	100 100
18-1-17	Dr Cr	Drawings Cash	Capital -----	None -----	Payment	F5	4,000 4,000
19-1-17	Dr Cr	Drawings Purchase	----- -----	----- -----	Journal	F9	1000 1000
20-1-17	Dr Cr	Salary SBI	Indirect expense -----	None -----	Payment	F5	2,000 2,000
31-12-17	Dr Cr	Depreciation Machinery	Indirect Expenses -----	None -----	Journal	F9	2,000 2,000
31-12-17	Dr Cr	Wages Outstanding Wages	----- Current Liability	----- Sundry creditors for Expenses	Journal	F9	200 200
31-12-17	Dr Cr	Commission Accrued Commission received	Current asset  -----	Loans and advances  -----	Journal	F9	500  500

### Step-5 Voucher Entry

Voucher-----Select Appropriate Vouchers-----Enter details(Voucher number,date,Debit item, Debit amount, credit item,credit amount)-----Save

Enter the closing stock balance through voucher entry-Journal voucher

**Out put:**

## Display Trial Balance

Report-----Trial Balance

Net Trial Balance for the period from 01-01-2017 to 31-12-2017				
Quick Search				
Sr.No.	Account Name	Debit	Credit	Group Name
11	furniture	3000.00		Fixed Assets
12	ganga	6900.00		Current Assets
13	interest paid	1000.00		Indirect Expense
14	machinery	38000.00		Fixed Assets
15	outstanding wages		200.00	Current Liabilities
16	purchase	49000.00		Direct Expense
17	purchase return		500.00	Direct Income
18	salary	2000.00		Indirect Expense
19	sales		17000.00	Direct Income
20	sales return	100.00		Direct Expense
21	sbi	198000.00		Current Assets
22	wages	1000.00		Direct Expense
	Total	829700.00	829700.00	

## Display Profit and Loss account

### Report-----Profit and Loss Account

Report----- Profit and Loss Account

GNUKhata v5.0

Master

Voucher

Report

Administration

Help

New Tab

Sign Out

Theme

Toolbar

ANUGRAHA TRADERS (Profit Making)

password (Admin)

Financial Year : 01-01-2017 to 31-12-2017

Profit & Loss Account for the period 01-01-2017 to 31-12-2017

Search

Particulars	Amount
<b>DIRECT EXPENSE</b>	<b>50100.00</b>
purchase	49000.00
wages	1000.00
sales return	100.00
<b>INDIRECT EXPENSE</b>	<b>11000.00</b>
salary	2000.00
interest paid	1000.00
depreciation	8000.00
<b>Total</b>	<b>61100.00</b>

Particulars	Amount
<b>DIRECT INCOME</b>	<b>17500.00</b>
sales	17000.00
purchase return	500.00
<b>INDIRECT INCOME</b>	<b>2500.00</b>
commision recieved	2500.00
<b>Net Loss</b>	<b>41100.00</b>
<b>Total</b>	<b>61100.00</b>

## Display Balance Sheet



### Report---Balance Sheet

GNUKhata   ANUGRAHA TRADERS (Profit Making)   password (Admin)   Financial Year : 01-01-2017 to 31-12-2017			
Conventional Balance Sheet as on 31-12-2017			
Capital and Liabilities	Amount	Property and Assets	Amount
CAPITAL	695000.00	FIXED ASSETS	35000.00
LOANS(LIABILITY)	0.00	INVESTMENTS	0.00
CURRENT LIABILITIES	89700.00	CURRENT ASSETS	728600.00
RESERVES	-21100.00	LOANS(ASSET)	0.00
Loss for the Year:	21100.00	MISCELLANEOUS EXPENSES(ASSET)	0.00
TOTAL	763600.00	TOTAL	763600.00

### Some common Doubts

Is it possible to create ledger during voucher entry?

### Bank reconciliation statement

Bank Reconciliation Statement (BRS) is a statement prepared by the customer of a bank showing the reasons for the disagreement between the bank balance as per cash book and passbook as on a particular date. BRS is not a part of Book Keeping. It is a technique to reconcile bank balance in Cash Book with balance reflected in Pass Book. BRS helps an account holder to know whether all cheques deposited him are cleared and all cheques issued by him are presented or not.

The Bank Reconciliation is done by comparing two dates of transaction. They are:

1. Date of transaction or Transaction date
2. Clearance date-It is the date on which the same transaction appears in the bank passbook or bank statement. At the time of preparing BRS, we are required to enter 'Clearance Date' in the column for Reconciliation.

Q. Prepare a Bank Reconciliation statement of Anil Traders as on 30-6-2018

Opening balance of SBI Current Account (1-6-2018) Rs. **40,000**

1-6-18 Purchased goods and paid by cheque (Ch No-110) Rs. 10,000

1-6-18 Deposited into SBI Rs. 16,000

2-6-18 Paid rent by cheque (Ch No 111) Rs. 10,000

**SBI account should be created with opening balance at the time of ledger creation**

2-6-18 Paid Salaries by Cheque (Cheque No112)Rs.6,000

30-6-18 Interest credited in the pass book Rs.600

30-06-18 Bank charges debited in the pass book Rs.150

Cheque No 110 was presented with the bank on 30-6-18. Cheque No111 is not presented with the bank on 1-7-18. But cheque No.112 is not presented to the bank till the date. All other transactions were entered in the pass book on the same day itself.

Procedure:

### Step-1-Open GNU Khata

Application----Office-----GNU Khata or Click the GNU Khata icon from the desktop

### Step-2 Create Organisation

To create organization click “Create Organisation” .While creating an organization the following details are to be given.

Organisation Name- Anil Traders

Case- As-is (option to select Upper case, lower case, Title case or as-is)

Organization Type-Profit Making

Financial Year- 01-01-2018 To 31-12-2018

Accounts only-----Proceed

### Step-3 Create Admin

Enter the details

### Step-3 Creating Ledger account

Analyse the transactions, list out ledger accounts to be created and assign appropriate Account Groups for them

Master-----Create account-----Select Group-----Sub Group-----Enter Account Name-----Save

Si No	Group	Sub-Group	Account	Opening Balanc
1	Current Asset	Bank	SBI	40000
2	Current Asset	Cash	Cash	-
3	Direct Exp	None	Purchase	-
4	Indirect Exp	None	Rent	-
5	Indirect Exp	None	Salary	-
6	Indirect Income	None	Interest Received	-
7	Indirect Exp	None	Bank Charges	-

## Step-4 voucher Entry



Voucher-----Select Appropriate Vouchers-----Enter details

Date	Dr/Cr	Account	Voucher	Function Key	Amount
1-6-18	Dr Cr	Purchase SBI	Purchase	F7	10000 10000
1-6-18	Dr Cr	SBI Cash	Contra	F8	16,000 16,000
2-6-18	Dr Cr	Rent SBI	Payment	F5	10000 10000
2-6-18	Dr Cr	Salary SBI	Payment	F5	6000 6000
30-06-18	Dr Cr	SBI Interest Received	Receipt	F4	600 600
30-6-18	Dr Cr	Bank Charges SBI	Payment	F5	150 150

**GNUKhata v5.0** Master Voucher Report Administration Help New Tab Sign Out Theme Toolbar

AnilTraders (Profit Making) password (Admin) Financial Year : 01-01-2018 to 31-12-2018

Uncleared Transactions of : SBI Period : 01-06-2018 to 30-06-2018

Date	V. No.	Particulars	Debit	Credit	Clearance Date	Memo
01-06-2018	1	purchase		10000.00	30-06-2018	
01-06-2018	1	cash	16000.00		01-06-2018	
02-06-2018	1	rent		10000.00	01-07-2018	
02-06-2018	2	salary		6000.00	DD-MM-YYYY	
30-06-2018	1	interest received	600.00		30-06-2018	
30-06-2018	3	bank charges		150.00	30-06-2018	

**Use only 'Enter Key' to go from one cell to another cell, after entering 'Clearance Date'. Never use mouse or Tab Key**

**Ch No 112 not yet presented, so we can't enter clearing date. Keep it as 'blank' cell**

**To show BRS click on view statement**

Reconciliation Menu Cleared Items View Statement Transaction's Printable Version



## Out put-1

To show Bank Reconciliation Statement-----Click on 'View Statement'

localhost/showmainshell

GNUKhat v5.0 Master Voucher Report Administration Help

AnilTraders (Profit Making) password (Admin)

Financial Year : 01-01-2018 to 31-12-2018

**BRS**

RECONCILIATION STATEMENT	AMOUNT
Balance as per our book (Debit) on 30-06-2018	30450.00
Add: Cheques issued but not presented	16000.00
	46450.00
Less: Cheques deposited but not cleared	0.00
Balance as per Bank (Credit)	46450.00

Reconciliation Menu Cleared Items Statement's Printable Version Print Back

## OutPut-2

If you want the cleared transaction-----Click on cleared items

GNUKhat v5.0 Master Voucher Report Administration Help

AnilTraders (Profit Making) password (Admin)

Financial Year : 01-01-2018 to 31-12-2018

Cleared Transactions of : SBI Period : 01-01-2018 to 30-06-2018

Date	V. No.	Particulars	Debit	Credit	Clearance Date	Memo
01-06-2018	1	purchase		10000.00	30-06-2018	
01-06-2018	1	cash	16000.00		01-06-2018	
30-06-2018	1	interest received	600.00		30-06-2018	
30-06-2018	3	bank charges		150.00	30-06-2018	

## Output-3

If you want to see the uncleared items click on 'Uncleared items'

GNUKhat v5.0 Master Voucher Report Administration Help

AnilTraders (Profit Making) password (Admin)

Financial Year : 01-01-2018 to 31-12-2018

Uncleared Transactions of : SBI Period : 01-01-2018 to 30-06-2018

Date	V. No.	Particulars	Debit	Credit	Clearance Date	Memo
02-06-2018	1	rent		10000.00	01-07-2018	
02-06-2018	2	salary		6000.00	DD-MM-YYYY	

**Q** Enter the following transactions in appropriate vouchers of Samrat Ltd and prepare Bank Reconciliation Statement on 30-04-2017.



Date	Transaction	Amount
1-4-17	Cash received from Saji,a customer	40,000
8-4-17	Deposited into Union Bank	90,000
9-4-17	Issued cheque of Union Bank(no.4523)to,Tomy a creditor	27,000
12-4-17	Sent for collection cheque	23,000
18-4-17	Paid electricity bill by Cheque of Union Bank(No4524)	1500
23-4-17	Issued cheque to Satheesh ,a Creditor	3000
27-4-17	Deposited into union Bank	6000

On verification of the Cash book with Pass book revealed that the Cheque no 4523 and 4524 were cashed only on 2<sup>nd</sup> and 5<sup>th</sup> May,2017 respectively and the cheque sent for collection was collected on 9<sup>th</sup> May,2017

### Step-1-Open GNU Khata

Application----Office-----GNU Khata or Click the GNU Khata icon from the desktop

### Step-2 Create Organisation

To create organization click “Create Organisation” .While creating an organization the following details are to be given.

Organisation Name- Samrat Ltd

Case- Upper Case (option to select Upper case, lower case, Title case or as-is)

Organization Type-Profit Making

Financial Year- 01-04-2017 To 31-03-2018

Accounts only-----Proceed

### Step-3 Create Admin

User Name- Type a username here

Password- Type a password here

Confirm Password- Repeat the password here

Security Question- For eg. What is your name

Answer to Question- binoy

Click- Create & Login

#### Step-4 Creating Ledger account

Analyse the transactions, list out ledger accounts to be created and assign appropriate Account Groups for them

Master-----Create account-----Select Group-----Sub Group-----Enter Account Name-----Save

Date	Dr/ Cr	Account Name	Group Name	Sub Group Name	Voucher Type	Function Key	Amount
1-4-17	Dr	Cash	Current asset	Cash	Receipt	F4	40,000
	Cr	Saji	Current asset	Sundry debtors			40,000
8-4-17	Dr	Union Bank	Current asset	Bank	Contra	F8	90,000
	Cr	Cash	-----	-----			90,000
9-4-17	Dr	Tomy	Current Liability	Sundry creditors for purchase	Payment	F5	27,000
	Cr	Union Bank	-----	-----			27,000
12-4-17	Dr	Union Bank	-----	-----	Contra	F8	23,000
	Cr	Cash	-----	-----			23,000
18-4-17	Dr	Electricity exp	Indirect Expense	None	Payment	F5	1,500
	Cr	Union Bank	-----	-----			1,500
23-4-17	Dr	Satheesh account	Current Liability	Sundry creditors for Purchase	Payment	F5	3,000
	Cr	Union Bank	-----	-----			3,000
27-4-17	Dr	Union Bank	-----	-----	Contra	F8	6,000
	Cr	Cash	-----	-----			6,000

#### Step-5 Voucher Entry

Voucher-----Select Appropriate Vouchers-----Enter details(Voucher number,date,Debit item, Debit amount, credit item,credit amount)-----Save

**Step-6** Enter clearance date----Master---Bank Reconciliation Statement---Select account name (Union Bank)---Set reconciliation Period----(from date and to date, 01-04-2017-30-04-2017)-----Click on view---Enter clearance Date (Use **'Enter Key'** to go one **'clearance'** date to **another**).

**Step-7** Show the Bank Reconciliation Statement-----Click on view statement

RECONCILIATION STATEMENT	AMOUNT
Balance as per our book (Debit) on 30-04-2017	87500.00
Add: Cheques issued but not presented	28500.00
	116000.00
Less: Cheques deposited but not cleared	23000.00
Balance as per Bank (Credit)	93000.00

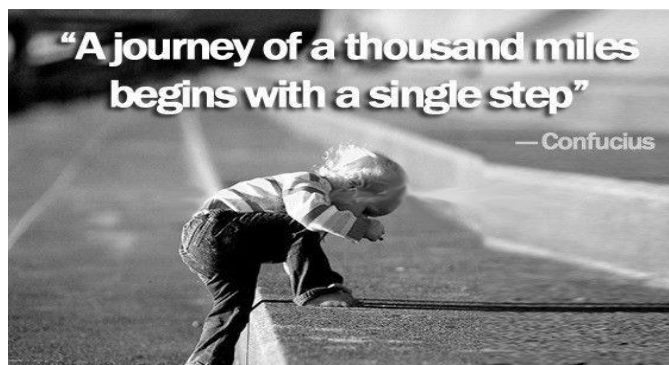
Buttons: Reconciliation Menu, Cleared Items, Statement's Printable Version, Print, Back

**Step-8** To Show the **cleared transactions**, click on cleared items

**Step-9** To show the **un cleared transactions**, click on Un cleared items

\*\*\*\*\*

Wish you all success.....



**"A journey of a thousand miles  
begins with a single step"**

— Confucius

Prepared By,

**Bino George,**

**HSST, MKNM HSS,**

**Kumaramangalam,**

**Thodupuzha**