

# **VIDYAPITH ACADEMY**

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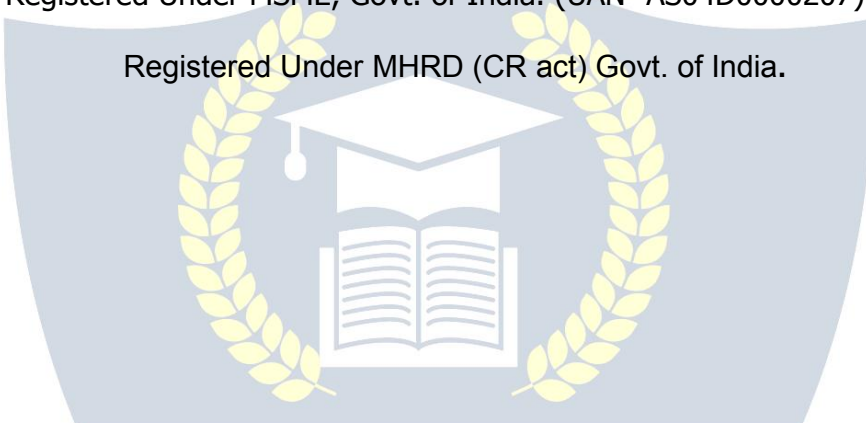
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**COURSE IN**

**FINANCIAL**

**ACCOUNTING**

**(CIFA)**

**TOPIC1:COMPUTERFUNDAMENTALS(WINDOWS,MS-**

**OFFICE & INTERNET)**

**TOPIC2: BASIC CONCEPTS OF ACCOUNTING & MANUAL ACCOUNTS**

**TOPIC 3: BOOK KEEPING & DOUBLE ENTRY SYSTEM**

**TOPIC4: MAINTAINING ACCOUNTS BOOKS & FINANCIAL ACCOUNTS**

**TOPIC5: COMPUTERIZED ACCOUNTS, TAXATION & BANKING SYSTEM**

**PRACTICAL LAB ASSIGNMENT & VIVAVOICE**



# COMPUTER FUNDAMENTALS:

Computer is an electronic device that is designed to work with Information. The term computer is derived from the Latin term 'compute', this means to calculate. Computer cannot do anything without a Program. It represents the decimal number through a string of binary digits. The Word 'Computer' usually refers to the Center Processor Unit plus Internal memory.

## CHARLES BABBAGE

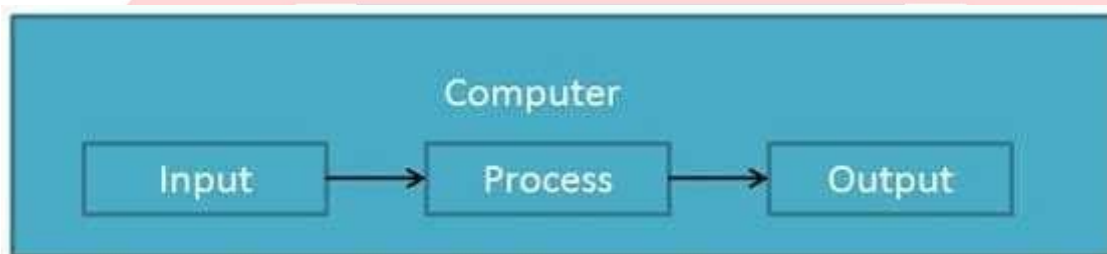
Charles Babbage was an English polymath. He was a mathematician, philosopher, inventor and mechanical engineer, who is best, remembered now for originating the concept of a programmable computer.

Considered a "father of the computer", Babbage is credited with inventing the first mechanical computer that eventually led to more complex designs. His varied work in other fields has led him to be described as "pre-eminent" among the many polymaths of his century.

## FUNCTIONALITES OF COMPUTER:

Any digital computer carries out five functions in gross terms:

- Takes data as input.
- Stores the data /instructions in its memory and can use them when required.
- Processes the data and convert it into useful information.
- Outputs the information.
- Controls all the above four steps.



## Definition

Computer System is an electronic data processing device which does the following:

- Accept and store an input data.
- Process the data input.
- And output the processed data in required format.

## **ADVANTAGES OF COMPUTER:**

Following list demonstrates the advantages of Computers: **High Speed**

- Computer is a very fast device.
- It is capable of performing addition of very big data.
- The computer has units of speed in microsecond, nanosecond and even the picoseconds.
- It can perform millions of calculations in a few seconds as compared to man who can spend many months for doing the same task.

### **Accuracy**

- In addition to being very fast, computer is very accurate. • The computer can perform calculations 100% error free.
- Computers perform all jobs with 100% accuracy.

### **Storage Capability**

- Memory is a very important characteristic of a computer.
- The computer has much more storage capacity than human beings.
- It can store large amount of data.
- It can store any type of data such as images, videos, text, audio and any other type.

### **Diligence**

- Unlike human beings, a computer is free from monotony, tiredness and lack of concentration.
- It can work continuously without creating any error and boredom.
- It can do repeated work with same speed and accuracy.

### **Versatility**

- A computer is a very versatile machine.
- A computer is very flexible in performing the job to be done.

- This machine can be used to solve the problems relating to various different fields.
- At one instant, it may be solving a complex scientific problem and the very next moment it may be playing a card game.

### **Reliability**

- A computer is a reliable machine.
- Modern electronic components have failure-free long lives.
- Computers are designed to make maintenance easy.

### **Automation**

- Computer is an automatic machine.
- Automation means ability to perform the task automatically.
- Once a program is given to computer, i.e. stored in computer memory, the program and instruction can control the program execution without human interaction.

### **Reduction In Paper Work**

- The use of computers for data processing in an organization leads to reduction in paper work and speeds up the process.
- As data in electronic files can be retrieved as and when required, the problem of maintenance of large number of files gets reduced.

### **Reduction In Cost**

- Though the initial investment for installing a computer is high but it substantially reduces the cost of each of its transaction.

### **DISADVANTAGES OF COMPUTER:**

Following list demonstrates the disadvantages of Computers in today's arena.

- A computer is a machine and has no intelligence of its own to perform many tasks.
- Each and every instruction has to be given to the computer.
- A computer cannot take any decision on its own. **Dependency**
- It can perform functions as instructed by the user, so it is fully dependent on human being.

## **Environment**

- The operating environment of computers should be dust free and suitable to it. **No Feeling**
- Computer has no feeling or emotions.
- It cannot make Judgment based on feelings, tastes, experiences and knowledge unlike a human being.

## **APPLICATIONS OF COMPUTER**

### **Banking**

Today Banking is almost totally dependent on computer. Banks provide following facilities:

- Banks on-line accounting facility, which include current balances, deposits, overdrafts, interest charges, shares and trustee records.
- ATM machines are making it even easier for customers to deal with banks.

### **Insurance**

Insurance companies are keeping all records up to date with the help of computer. The Insurance Companies, Finance houses and Stock broking firms are widely using computers for their concerns.

Insurance Companies are maintaining a database of all clients with information showing

- how to continue with policies
- starting date of the policies
- next due installment of a policy
- maturity date
- interests due
- survival benefits
- bonus

### **Education**

The computer has provided a lot of facilities in the Education System.

- The uses of computer provide a tool in the Education system known as CBE (Computer Based Education).

- CBE involves Control, Delivery and Evaluation of learning.
- The computer education is very familiar and rapidly increasing the graph of computer students.
- There are number of methods in which educational institutions can use computer to educate the students.
- It is used for prepare a database about student performance and analysis are carried out.

## Marketing

In Marketing uses of computer are following:

- **Advertising:** With computers, advertising professionals create art and graphics, write and revise copy and print and disseminate ads with the goal of selling more products.
- **At Home Shopping:** At home shopping has been made possible through use of computerized catalogues that provide access to product information and permit direct entry of orders to be filled by the customers.

## HealthCare

Computers have become important part in all Medical Systems.

The computers are being used in hospitals to keep the record of patients and medicines. It is also used in scanning and diagnosing different diseases. ECG, EEG, Ultrasounds and CT Scans etc. are also done by computerized machines.

Some of major fields of health care in which computer are used:

- **Diagnostic System:** Computers are used to collect data and identify cause of illness.
- **Lab-diagnostic System:** All tests can be done and reports are prepared by computer.
- **Patient Monitoring System:** These are used to check patient's signs for abnormality such as in Cardiac Arrest, ECG etc.
- **Pharmal Information System:** Computer checks Drug-Labels, Expiry dates, harmful drug side effects etc.
- Nowadays, computers are also used in performing surgery.

## Engineering Design

Computers are widely used in engineering purposes.

One of major area is CAD (Computer Aided Design). CAD provides creation, edition and modification of image. Some fields are:

- **Structural Engineering:** Requires stress and strain analysis required for design of Ships, Buildings, Budgets, and Airplanes etc.
- **Industrial Engineering:** Computers deals with design, implementation and improvement of integrated systems of people, materials and equipments.
- **Architectural Engineering:** Computers help in planning towns, designing buildings, determining a range of buildings on a site using both 2D and 3D drawings.

## **Military**

Computers are largely used in defense. Modern tanks, missiles, weapons etc. employ computerized control systems. Some military areas where a computer has been used are:

- Missile Control
- Military Communication
- Military operation and planning
- Smart Weapons

## **Communication**

Communication means to convey a message, an idea, a picture or speech that is received and understood clearly and correctly by the person for whom it is meant. Some main areas in this category are:

- E-mail
- Chatting
- Usenet
- FTP
- Telnet
- Video-conferencing

## **Government applications**

Computers play an important role in government applications. Some major fields in this category are:

- Budgets
- Sales tax department
- Income tax department
- Male/Female ratio
- Computerization of voters lists
- Computerization of Driving Licensing system



- Computerization of PAN card
- Weather Forecasting.

### **TYPES OF COMPUTER:**

Computer can be broadly classified by their speed and computing power.

<b>Sr. No.</b>	<b>Type</b>	<b>Specifications</b>
1	PC(Personal Computer)	Single user computer system. Moderately powerful microprocessor.
2	Work Station	Single user computer system. Similar to Personal Computer but have more powerful microprocessor.
3	Mini Computer	Multi-user computer system. Capable of supporting hundreds of users simultaneously.
4	Main Frame	Multi-user computer system. Capable of supporting hundreds of users simultaneously. Software technology is different from minicomputer.
5	Supercomputer	An extremely fast computer which can perform hundredsof millionsof instructions per second.

### **INPUT DEVICES**

Following are few of the important input devices which are used in Computer Systems

- Keyboard
- Mouse
- Joy Stick
- Light pen

- TrackBall
- Scanner
- GraphicTablet
- Microphone
- MagneticInkCardReader(MICR)
- OpticalCharacterReader(OCR)
- BarCodeReader
- OpticalMarkReader

### **OUTPUT DEVICES**

Following are few of the important output devices which are used in Computer Systems

- Monitors
- GraphicPlotter
- Printer

### **CPU(CENTRAL PROCESSING UNIT)**

- CPU is considered as the brain of the computer.
- CPU performs all types of data processing operations.
- It stores data, intermediate results and instructions (program).
- It controls the operation of all parts of computer.

CPU itself has following three components.

- Memory Or Storage Unit:
- Control Unit
- ALU(Arithmetic Logic Unit)

### **Memory or Storage Unit:**

This unit can store instruction, data and intermediate results. This unit supplies information to the other units of the computer when needed. It is also known as internal storage unit or main memory or primary storage or Random access memory (RAM).

Its size affects speed, power and capability. There are primary memory and secondary memory two types of memories in the computer.

**Function of Memory Unit is:**

It stores all the data to be processed and the instructions required for processing. It stores intermediate results of processing.

It stores final results of processing before these results are released to an output device. All inputs and outputs are transmitted through main memory.

**Control Unit:**

This unit controls the operations of all parts of computer. It does not carry out any actual data processing operations.

**Functions of this unit are**

It is responsible for controlling the transfer of data and instructions among other units of a computer.

It manages and coordinates all the units of the computer.

It obtains the instructions from the memory, interprets them and directs the operation of the computer.

It communicates with Input/output devices for transfer of data or results from storage. It does not process or store data.

**ALU (Arithmetic Logic Unit):**

This unit consists of two sub-sections namely

- Arithmetic section
- Logic Section

**ARITHMETIC SECTION**

Function of Arithmetic section is to perform arithmetic operations like addition, subtraction, multiplication and division. All complex operations are done by making repetitive use of above operations.

## LOGIC SECTION

Function of logic section is to perform logic operations such as comparing, selecting, matching and merging of data.

## Units of Computer Memory Measurements

1 Bit = Binary Digit (Bits of Computer are 0 and 1) 8 Bits

= 1 Byte

1024 Bytes = 1 KB (Kilo Byte)

1024 KB = 1 MB (Mega Byte)

1024 MB = 1 GB (Giga Byte)

## Computer Memory

In computing, **memory** refers to the physical devices used to store programs (sequences of instructions) or data (e.g. program state information) on a temporary or permanent basis for use in a computer or other digital electronic device. The term primary memory is used for the information in physical systems which function at high-speed (i.e. RAM), as a distinction from secondary memory, which are physical devices for program and data storage which are slow to access but offer higher memory capacity. Primary memory stored on secondary memory is called "virtual memory". An archaic synonym for memory is **store**.

The term "memory", meaning primary memory is often (but not always) associated with addressable semiconductor memory, i.e. integrated circuits consisting of silicon-based transistors, used for example as primary memory but also for other purposes in computers and other digital electronic devices. There are two main types of semiconductor memory: volatile and non-volatile. Examples of non-volatile memory are flash memory (sometimes used as secondary, sometimes primary computer memory) and ROM/PROM/EPROM/EEPROM memory (used for firmware such as boot programs). Examples of volatile memory are primary memory (typically dynamic RAM, DRAM), and fast CPU cache memory (typically static RAM, SRAM, which is fast but energy-consuming and offer lower memory capacity per area unit than DRAM).

## Volatile memory

Volatile memory is computer memory that requires power to maintain the stored information. Most modern semiconductor volatile memory is either Static RAM or dynamic RAM. SRAM retains its contents as long as the power is connected and is easy to interface to but uses six transistors per bit. Dynamic RAM is more complicated to interface to and control and needs regular refresh cycles to prevent its contents being lost. However, DRAM uses only one transistor and a capacitor per bit, allowing it to reach much higher densities and, with more bits on a memory chip, be much cheaper per bit. SRAM is not worthwhile for desktop system memory, where DRAM dominates, but is used for their cache memories. SRAM is commonplace in small embedded systems, which might only need tens of kilobytes or less.

Forthcoming volatile memory technologies that hope to replace or compete with SRAM and DRAM include Z-RAM, TTRAM, A-RAM and ETARAM.

## Non-volatile memory

Non-volatile memory is computer memory that can retain the stored information even when not powered. Examples of non-volatile memory include read-only memory (ROM), flash memory, most types of magnetic computer storage devices (e.g. hard disks, floppy discs and magnetic tape), optical discs, and early computer storage methods such as paper tape and punched cards.

## Operating System

An operating system is a program that acts as an interface between the software and the computer hardware.

- It is an integration set of specialized programs that are used to manage overall resources and operations of the computer.
- It is specialized software that controls and monitors the execution of all other programs that reside in the computer, including application programs and other system software.

### Objectives of Operating System

- Making a computer system convenient to use in an efficient manner
- To hide the details of the hardware resources from the users
- To provide users a convenient interface to use the computer system.
- To act as an intermediary between the hardware and its users and making it easier for the users to access and use other resources.
- Manage the resources of a computer system.
- Keep track of who is using which resource, granting resource requests, according to resource using and mediating conflicting requests from different programs and users.
- The efficient and fair sharing of resources among users and programs

### Characteristics of Operating System

- **Memory Management** -- It keeps track of primary memory i.e. what part of it are in use by whom, what part are not in use etc. Allocates the memory when the process or program requests it.
- **Processor Management** -- Allocate the processor (CPU) to a process. De-allocate processor when processor is no longer required.

- **Device Management** -- Keep tracks of all devices. This is also called I/O controller. Decides which process gets the device when and for how much time.
- **File Management** -- Allocates the resources. De-allocates the resources. Decides who gets the resources.
- **Security** -- By means of passwords & similar other techniques, preventing unauthorized access to programs & data.
- **Job accounting** -- Keeping track of time & resources used by various jobs and/or users.
- **Control over system performance** -- Recording delays between request for a service & from the system.
- **Interaction with the operators** -- The interaction may take place via the console of the computer in the form of instructions. Operating System acknowledges the same, do the corresponding action and inform the operation by a display screen.
- **Error-detecting aids** -- Production of dumps, traces, error messages and other debugging and error-detecting methods.
- **Coordination between other software and users** -- Coordination and assignment of compilers, interpreters, assemblers and other software to the various users of the computer systems.

## WINDOWS 7

**Windows 7** is an operating system produced by Microsoft for use on personal computers, including home and business desktops, laptops, net books, tablet PCs, and media center PCs. It was released to manufacturing on July 22, 2009, and became generally available retail worldwide on October 22, 2009, less than three years after the release of its predecessor, Windows Vista. Windows 7's server counterpart, Windows Server 2008 R2, was released at the same time. Windows 7 is succeeded by Windows 8.

Unlike Windows Vista's many new features, Windows 7 was an incremental upgrade designed to work with Vista-compatible applications and hardware. Presentations given by Microsoft in 2008 focused on multi-touch support, an updated Windows shell with a new taskbar, referred to internally as the *Superbar*, a home networking system called Home Group, and performance improvements. Some standard applications that have been included with prior releases of Microsoft Windows, including Windows Calendar, Windows Mail, Windows MovieMaker, and Windows Photo Gallery, are not included in Windows 7; most are instead offered separately at no charge as part of the Windows Essentials suite.

### Install Windows 7

Many people have computers that come with Windows 7 so they may never have to install it. However, you may need to install Windows 7 if:

- You replaced your hard disk drive with a new hard disk drive that does not have Windows 7 installed.
- You are reinstalling Windows 7 on a computer because you want to clean off your hard drive and remove any unwanted programs, such as spyware.
- You purchased a computer without an operating system.

### **Pre-installation checklist**

Before you begin the installation process, use this checklist to make sure that you are prepared:

- You have the Windows 7 CD.
- You have the product key available. The product key is located on your Windows 7 CD case and is required to install and activate Windows 7.
- Your computer hardware is set up. At a minimum, you should connect your keyboard, mouse, monitor, and CD drive. If available, you should connect your computer to a wired network.
- You have Windows 7 drivers available. Drivers are software that Windows 7 uses to communicate with your computer's hardware. If you do not have drivers available, Windows 7 may already include drivers for your hardware. If not, you should be able to download them from your hardware manufacturer's website after you set up Windows 7.
- If you are reinstalling Windows 7 on an existing computer, you need a backup copy of your files and settings. The installation process will delete all of your files. You can use the File and Settings Transfer Wizard to store your files and settings on removable media and then restore them after installation is complete.

### **Installation process**

Installing Windows 7 can take up to two hours. To make the process more manageable, it has been broken up into several sections.

To Begin Installation:

1. Insert the Windows 7 CD into your computer and restart your computer.
2. If prompted to start from the CD, press Spacebar. If you miss the prompt (it only appears for a few seconds), restart your computer to try again.
3. Windows 7 Setup begins. During this portion of setup, your mouse will not work, so you must use the keyboard. On the Welcome to Setup page, press Enter.
4. On the Windows 7 Licensing Agreement page, read the licensing agreement. Press the Page Down key to scroll to the bottom of the agreement. Then press F8.
5. This page enables you to select the hard disk drive on which Windows 7 will be installed. Once you complete this step, all data on your hard disk drive will be removed and cannot be recovered. It is extremely important that you have a recent backup copy of your files before continuing. When you have a backup copy, press D, and then press L when prompted. This deletes your existing data.
6. Press Enter to select unpartitioned space, which appears by default.

7. Press Enter again to select Format the partition using the NTFS file system, which appears by default.
8. Windows 7 erases your hard disk drive using a process called formatting and then copies the setup files. You can leave your computer and return in 20 to 30 minutes.

### **To Continue the Installation**

1. Windows 7 restarts and then continues with the installation process. From this point forward, you can use your mouse. Eventually, the Regional and Language Options page appears. Click Next to accept the default settings. If you are multilingual or prefer a language other than English, you can change language settings after setup is complete.
2. On the Personalize Your Software page, type your name and your organization name. Some programs use this information to automatically fill in your name when required. Then, click next.
3. On the Your Product Key page, type your product key as it appears on your Windows 7 CD case. The product key is unique for every Windows 7 installation. Then, click Next.
4. On the Computer Name and Administrator Password page, in the Computer name box, type a name that uniquely identifies your computer in your house, such as FAMILYROOM or TOMS. You cannot use spaces or punctuation. If you connect your computer to a network, you will use this computer name to find shared files and printers. Type a strong password that you can remember in the Administrator password box, and then retype it in the Confirm password box. Write the password down and store it in a secure place. Click Next.
5. On the Date and Time Settings page, set your computer's clock. Then, click the Time Zone down arrow, and select your time zone. Click Next.
6. Windows 7 will spend about a minute configuring your computer. On the Networking Settings page, click next.
7. On the Workgroup or Computer Domain page, click Next.

### **To complete the installation**

1. Windows 7 will spend 20 or 30 minutes configuring your computer and will automatically restart when finished. When the Display Settings dialog appears, click OK.
2. When the Monitor Settings dialog box appears, click OK.
3. The final stage of setup begins. On the Welcome to Microsoft Windows page, click Next.
4. On the Help protect your PC page, click Help protect my PC by turning on Automatic Updates now. Then, click Next.
5. Windows 7 will then check if you are connected to the Internet:
  - If you are connected to the Internet, select the choice that describes your network connection on the Will this computer connect to the Internet directly, or through a network page. If you're not sure, accept the default selection, and click Next.
  - If you used dial-up Internet access, or if Windows 7 cannot connect to



the Internet, you can connect to the Internet after setup is complete. On the How will this computer connect to the Internet? Page, click Skip.

6. Windows 7 Setup displays the Ready to activate Windows page. If you are connected to the Internet, click Yes, and then click Next. If you are not yet connected to the Internet, click No, click Next, and then skip to step 24. After setup is complete, Windows 7 will automatically remind you to activate and register your copy of Windows 7.
7. On the Ready to register with Microsoft page, click Yes, and then click Next.
8. On the Collecting Registration Information page, complete the form. Then, click Next.
9. On the Who will use this computer page, type the name of each person who will use the computer? You can use first names only, nicknames, or full names. Then click Next.
10. On the Thank you! Page, click Finish.

Windows 7 setup is complete. You can log on by clicking your name on the logon screen. If you've installed Windows 7 on a new computer or new hard disk drive, you can now use the File and Settings Transfer Wizard to copy your important data to your computer or hard disk drive.

## MS-DOS

Short for **Microsoft Disk operating system**, **MS-DOS** is a non-graphical command line operating system derived from 86-DOS that was created for IBM compatible computers. MS-DOS originally written by Tim Peterson and introduced by Microsoft in August 1981 and was last updated in 1994 when MS-DOS 6.22 was released. Today, MS-DOS is no longer used; however, the command shell, more commonly known as the **Windows command line** is still used by many users.

Today, most computer users are only familiar with how to navigate Microsoft Windows using the mouse. Unlike Windows, MS-DOS is a command-line and is navigated by using MS-DOS commands. For example, if you wanted to see all the files in a folder in Windows you would double-click the folder to open the folder in Windows Explorer. In MS-DOS, to view that same folder you would navigate to the folder using the CD command and then list the files in that folder using the dir command.

## DOS Commands

MS-DOS has a relatively small number of commands, and an even smaller number of commonly used ones. Moreover, these commands are generally inflexible because, in contrast to Linux and other Unix-like operating systems, they are designed to accommodate few options or *arguments* (i.e., values that can be passed to the commands).

Some of the most common commands are as follows (corresponding commands on Unixlike operating systems are shown in parenthesis):

CD-changesthecurrentdirectory(cd)

COPY - copies a file (cp)

DEL-deletesa file(rm)

DIR-listsdirectorycontents(ls)

EDIT-startsaneditortocreateoreditplaintextfiles(vi,vim,ed,Joe) FORMAT

- formats a disk to accept DOS files (mformat)

HELP-displaysinformationaboutacommand(man,info)

MKDIR - creates a new directory (mkdir)

RD-removesadirectory(rmdir)

REN - renames a file (mv)

TYPE-displayscontentsofafaileonthescreen(more,cat)

### **OtherDOSCommand commonlyused are:**

#### **Append**

Theappend commandcanbeusedbyprogramstoopenfilesinanotherdirectoryasifthey were located in the current directory.

#### **Attrib**

Theattribcommandisusedtochangetheattributesofasinglefileoradirectory.

#### **Break**

ThebreakcommandsetsorclearsextendedCTRL+Cchecking.

#### **Call**

Thecallcommandisusedtorunascriptorbatchprogramfromwithinanotherscriptorbatch program. Thecallcommandhasnoeffectoutsideofascriptorbatchfile.Inotherwords,runningthe call command at the DOS prompt will do nothing.

#### **Chcp**

Thechcp command displaysor configures the active codepage number.

#### **Chdir**

Thechdircommandisusedtodisplaythedriveletterandfolderthatyouarecurrentlyin.Chdir can also beused to change the drive and/or directorythat you wantto workin.

#### **Chkdsk**

Thechkdskcommand,oftenreferredtoas*check disk*,isusedtoidentifyandcorrectcertain hard drive errors.

#### **Choice**

Thechoicecommandisusedwithinascriptorbatchprogramtoprovidealistofchoicesand return the value of that choice to the program.

#### **Cls**

Theclscommandclearsthescreenofallpreviouslyenteredcommandsandothertext.**Dir**

The dir command is used to display a list of files and folders contained inside the folder that you are currently working in.

The dir command also displays other important information like the hard drive's serial number, the total number of files listed, their combined size, the total amount of free space left on the drive, and more.

DIR[drive:][path][filename][/P][/W][/A[:]attributes][/O[:]sortorder][/S][/B][/L][/V]

[drive:][path][filename] Specifies drive, directory, or file to list. (Could be enhanced file specification or multiple file specs)

/P Pauses after each screenful of information.

/W Uses wide list format.

/A attributes: D Directories  
R Read-only files  
H Hidden files  
A Files ready for archiving  
S System files  
- Prefix meaning not  
List by files in sorted order, sort order: N  
By name (alphabetic)  
S By size (smallest first)  
E By extension (alphabetic)

/O D By date and time (earliest first)  
G Group directories first  
- Prefix to reverse order  
A By last access date (earliest first)

/S Displays files in specified directory and all subdirectories.

/B Uses bare format (no heading information or summary).

/L Uses lowercase.


/V Verbose mode.

## MS-PAINT


Paint is a drawing tool you can use to create simple or elaborate drawings. These drawings can be either black-and-white or color, and can be saved as bitmap files. You can print your drawing, use it for your desktop background, or paste it into another document. You can even use Paint to view and edit scanned photos.

You can also use Paint to work with pictures, such as .jpg, .gif, or .bmp files. You can paste a Paint picture into another document you've created, or use it as your desktop background.


### **To draw a straight line**

1. In the toolbox, click **Line** .
2. Below the toolbox, click a line width.
3. Drag the pointer to draw the line.

### **To draw a freeform line**

1. In the toolbox, click **Line** .
2. Drag the pointer to draw the line.

### **To draw a curved line**



1. In the toolbox, click **Curve** .
2. Below the toolbox, click a line width.
3. Draw a straight line by dragging the pointer.
4. Click where you want one arc of the curve to be, and then drag the pointer to adjust the curve. Repeat this step for a second arc. You can only create two curves for each line.

### **To send an image using e-mail**

After you are done working on an image, you can send it to anyone who has an e-mail account (as long as you also have access to an e-mail account).

1. On the **File** menu, click **Send**.
2. Your e-mail program will display, with your image included either as an attachment or as part of the message section of your e-mail.
3. Specify your recipient's e-mail address, a subject, and a message; then send the email as you normally would.

### **To draw a rectangle or square**

1. In the toolbox, click **Rectangle**  to create a square-cornered shape, or click **Rounded Rectangle**  to create a round-cornered shape.
2. Below the toolbox, click a fill style.
3. To draw a rectangle, drag the pointer diagonally in the direction you want.
4. To draw a square, hold down **SHIFT** while dragging the pointer.

### **To acquire an image from a scanner or a digital camera**

1. On the **File** menu, click **From Scanner or Camera**.
2. In the **Get Pictures** dialog box, click the image you want, and then click **Get Picture**.

## **NOTEPAD**

### **Notepad overview**

Notepad is a basic text editor you can use for simple documents or for creating Web pages. The most common use for Notepad is to view or edit text (.txt) files, but many users find Notepad a simple tool for creating Web pages.

Because Notepad supports only very basic formatting, you cannot accidentally save special formatting in documents that need to remain pure text. This is especially useful when creating HTML documents for a Web page because special characters or other formatting may not appear in your published Web page or may even cause errors.

You can save your Notepad files as Unicode, ANSI, UTF-8, or big-endian Unicode. These formats provide you greater flexibility when working with documents that use different character sets.

## **WORDPAD**

**WordPad** is a basic word processor that is included with almost all versions of Microsoft Windows from Windows 95 onwards. It is more advanced than Notepad but simpler than Microsoft Works Word Processor and Microsoft Word. It replaced Microsoft Write.

### **Using WordPad**

WordPad is a basic word processor that is included in Windows. A word processor is a computer program that you can use to create, edit, view, and print text documents. With WordPad, you can type letters, book reports, and other simple documents. You can also change how the text looks, quickly move sentences and paragraphs around, and copy and paste text within and between documents.

#### **The WordPad window**

To open WordPad, click the **Start** button , click **All Programs**, click **Accessories**, and then click **WordPad**.

There are four main parts of the WordPad window:

**The toolbar:** The toolbar contains buttons for basic commands, including saving and printing. To find out what a button does, rest your mouse pointer on it. A box pops up showing the function of the button.

**The format bar:** The format bar contains buttons that you can use to format the text in your document. For example, you can choose the font, color, and alignment of your text.

**The ruler:** Use the ruler to check the layout and placement of text in your document.

**The document area:** This is where you type your document, make changes to the text, and apply your formatting.

**Typing text:** When you're ready to get started, type in the document area of WordPad. A flashing vertical line called the cursor indicates where the next text that you type will appear. To move the cursor within text, click where you want the cursor to appear.

Unlike using a typewriter, when you type in WordPad you don't have to press ENTER to start a new line. WordPad will take care of that for you by automatically starting a new line when you reach the end of the one you're working on. When you want to start a new paragraph, press ENTER.

#### **Selecting text**

Whenever you want to do something to text in your document, such as copy it or format it, you need to select it first. To select text, position the mouse pointer to the left of where you want to begin your selection. With the pointer positioned, click and hold the left mouse button while you drag the pointer over the text that you want to select. The selected text will be highlighted. Once you've completed your selection, release the mouse button.

#### **Copying and moving text**

If you have text in one part of your document that you want to appear in another part, there are two ways to move the text around without having to retype it: You can copy and paste it to another location, or you can move it to another location.

When you copy text, it is placed in the Clipboard. You can then paste it in a different location. The original text is preserved.

When you move text to another location, the original text is not preserved. You might find this method useful when you want to rearrange the sentences and paragraphs in your document.

### **To copy text and paste it in another location**

1. Select the text that you want to copy.
2. On the **Edit** menu, click **Copy**.
3. Move the cursor to the location where you want to insert the copied text.
4. On the **Edit** menu, click **Paste**.

### **Tip**

- To quickly copy text that you've selected, press CTRL+C. To paste it, press CTRL+V.

### **Inserting and deleting text**

WordPad makes it easy to insert and delete text wherever you want. To insert text, click where you want to insert the text and then just start typing. To delete text, select the text that you want to delete, and then press DELETE.

### **Formatting your document**

Formatting refers to the way the text in your document looks as well as how it is arranged. WordPad lets you easily change the formatting in your document. For example, you can choose from many different fonts and font sizes, and you can make your text almost any color you want. You can also easily change how your document is aligned.

### **To change the font, font style, or font size:**

1. Select the text whose formatting you want to change.
2. On the **Format** menu, click **Font**.
3. In the **Font** box, type or select the font you want to use.
4. In the **Font Style** box, type or select the font style you want.
5. In the **Size** box, type or select the size you want to use.

### **To change the color**

1. Select the text whose color you want to change.

2. On the **Format** menu, click **Font**.
3. Under **Color**, click the color that you want.

### To change the alignment

You can align the text in your document to either the left margin, the center, or the right margin.

1. Select the paragraph whose alignment you want to change.
2. On the **Format** menu, click **Paragraph**.
3. In the **Alignment** box, click the alignment you want.

### Saving your document

It's a good idea to save your document periodically while you are working on it so that in case your computer stops working for some reason, you won't lose any of your work. Saving the document will also allow you to come back to it later if you want to work on it again.

### To save the document

- On the **File** menu, click **Save**.

If you haven't saved the document yet, you'll be asked to provide a name for the document and location on your computer to save it to:

1. In the **Save in** box, click the location where you want to save the document.
2. In the **Filename** box, type a name for your document.
3. Click **Save**.

### Printing your document

On the **File** menu, click **Print**. In the **Print** dialog box, use the **Page Range** box and the **Number of copies** box to specify which pages you want to print as well as how many copies. When you're done, click **Print**.

**Microsoft Office** is an office suite of desktop applications, servers and services for the Microsoft Windows and OS X operating systems, introduced by Microsoft on August 1, 1989. Initially a marketing term for a bundled set of applications, the first version of Office contained Microsoft Word, Microsoft Excel, and Microsoft PowerPoint. Over the years, Office applications have grown substantially closer with shared features such as a common spell checker, OLE data integration and Microsoft Visual Basic for Applications scripting language.

Microsoft also positions Office as a development platform for line-of-business software under the Office Business Applications brand. Office is reported to now be used by over a billion people worldwide.

The current versions are Office 2013 for Windows, released on October 11, 2012 and Office 2011 for OSX, released October 26, 2010. On 24 October 2012, the RTM final code of Office 2013 Professional Plus has been released to TechNet and MSDN subscribers for download. On 15 November 2012, the 60-day trial version of Office 2013 Professional Plus was released for download.

## **MS-WORD**

Microsoft Word is an example of a program called a "word processor." The key benefit to using a word processor is that you can make changes easily, including correcting spelling; adding, deleting, formatting, and relocating text; and inserting images. Once you create a document, you can effortlessly print it (as many copies as you want!), save it for later modifications, or send it to a friend via e-mail. Microsoft Word is a very powerful word processor—this handout was created using just a small number of its features!

Microsoft Word is available on both PCs and Macs, so what you learn in class today should be applicable to any computer you use. The program may look slightly different depending on the version and computer that you're using, but Microsoft Word will function in the same basic ways. There are other word processors out there, including OpenOffice.org Writer, WordPerfect, Apple Pages, and WordPad. They have many features in common with Microsoft Word, and you should feel free to choose any program you prefer.

### **Opening Microsoft Word**

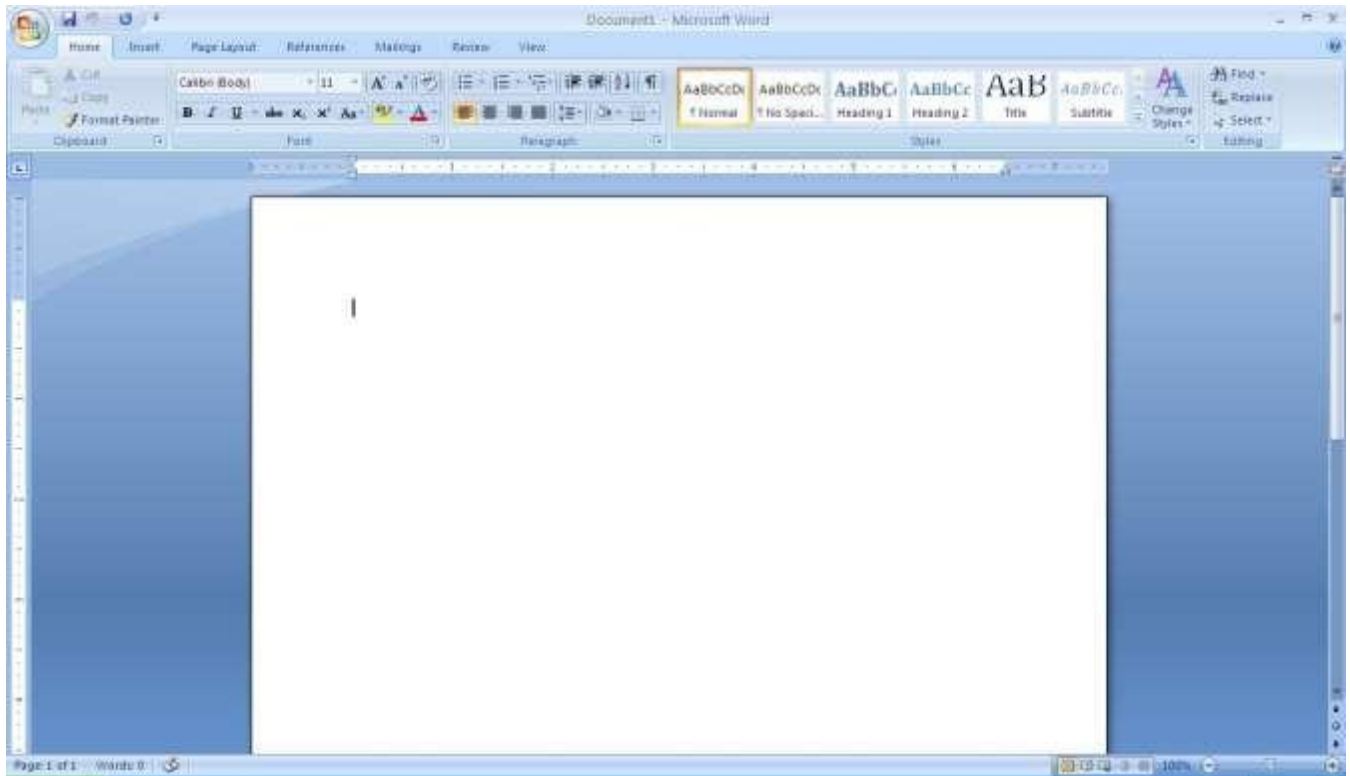
To get started with Microsoft Word (sometimes called "MS Word"), you will need to locate and open the program on your computer. To open the program, point to Word's icon on the desktop with your mouse and double-click on it with the left mouse button. If you don't see the MS Word icon on your desktop, you'll have to access the program from the Start Menu. Click on the button in the bottom left corner to pull up the Start Menu. You should see the MS Word icon here, so click on it once with your left button. If you still don't see it, click on "All Programs" and scroll through the list of programs until you find it. Click once with your left button to open the program. Occasionally, Microsoft Word will be in a folder called "Microsoft Office" or something similar—this will make one more step between "All Programs" and "Microsoft Word."

MS Word will then open a blank page called "Document1."

This is an image of the upper-left corner of MS Word. This box features two important pieces of information: the name of the file that you are currently working on (in this case, "Document 1" since we have not yet renamed it) and which program you are using ("Microsoft Word"). There should now be a blinking line in the top left corner of the part of the screen that looks like a sheet of paper. This means you will be able to type in this space!



# Microsoft Word Features



## The Title Bar

This is a close-up view of the Title Bar, where file information is located. It shows the name of the file (here, "Microsoft Word") and the name of the program ("Microsoft Word"). Notice the three buttons on the right side, controlling the size and closing of the program. **Minimize:** Left-click this button to shrink the window down to a small button that will appear in the task bar.

**Maximize:** Left-click this button to make the window as large as it can be—it should take up your entire screen.

**Close:** Left-click this button to close the window. The program will close and stop running. Make sure you save your work first!

## **Restore Down:**

Left-click this button to make the window smaller without minimizing it. The tabbed Ribbon menu system is how you navigate through Word and access various Word commands. If you have used previous versions of Word, the Ribbon system replaces the traditional menus.

## The File Menu

In Microsoft Office 2007, there was something called the Microsoft Office Button ( ) in the top left-hand corner. In Microsoft Office 2010, this has been replaced with a tab in the Ribbon called "File."

When you left-click on this tab, a drop-down menu appears. From this menu, you can perform the same functions as were found under the Microsoft Office Button menu, such as: Create a new document, open files, save files in a variety of ways, and print.

## **Quick Access Toolbar**

On the top left-hand side of the Title Bar, you will see several little icons above the File menu. These let you perform common tasks, such as saving and undoing, without having to find them in a menu. We'll go over the meanings of the icons a little later.

## **The Home Tab**

The most commonly used commands in MS Word are also the most accessible. Some of these commands available in the Home Tab are: The Home Tab Toolbar offers options that can change the font, size, color, alignment, organization and style of the text in the document. For example, the "Times New Roman" indicates the FONT of your text, the "12" indicates the SIZE of your text; etc. We will go over how to use all of these options to format your text in a little while. Each of these options expands into a menu if you left-click on the tiny down-arrow in the bottom right corner of the window. The ruler is found below the Ribbon. The ruler tells you where you are on the page, along with the dimensions of the overall document. Just like a real piece of paper, the default setting is 8.5 x 11 inches, and the margins have been incorporated for you. Similar to most options in MS Word, this is entirely customizable and the user can create a document of any dimensions.

## **Keyboard Review**

In order to use MS Word effectively, you must input commands using both the mouse and the keyboard. The above image of a keyboard should look similar to the keyboard in front of you; learning just a few certain keys will help to improve your efficiency in typing, as well as present you with more options within the program. The following is a list of commonly used keys that have special functions in MS Word (key functions can change depending on which program you are using):

1. Backspace: This key deletes letters backward.
2. Delete: This key deletes letters forward.
3. Shift: This key, when pressed WITH another key, will perform a secondary Function.
4. Spacebar: This key enters a space between words or letters.
5. Tab: This key will indent what you type, or move the text to the right. The default Indent distance is usually 1/2 inch.
6. CapsLock: Pressing this key will make every letter you type capitalized.
7. Control (Ctrl): This key, when pressed WITH another key, performs a shortcut.
8. Enter: This key either gives you a new line, or executes a command (pressed in MS Word, it begins a new line).

9. Number Keypad: These are exactly the same as the numbers at the top of the keyboard; some people just find them easier to use in this position.

10. Arrow Keys: Like the mouse, these keys are used to navigate through a document.

## **MICROSOFT WORD BASICS**

### **Typing Text**

To enter text, type just as you would if you were using a typewriter. To capitalize a letter, hold down the SHIFT key while typing the letter. Or, press the CAPS LOCK key on the left-hand side of your keyboard. You will have to press the CAPS LOCK key again—once you are done capitalizing—to remove the lock. You do not need to press ENTER to start a new line—Microsoft Word will automatically wrap your sentence at the end of the line. To move the cursor from its position at the end of your sentence to anywhere else on the page, use the mouse or the arrow keys to move the cursor where you want the letters or spaces to be (left-click the mouse to place the cursor) and then type what you want to add—the text will automatically adjust to include it. Press ENTER to start a new paragraph (this is sometimes called a “carriage return”).

### **Deleting Text**

While typing a document, sometimes you will make a mistake. Unlike a typewriter, MS Word can delete text on the screen and leave no trace—it is as if you never typed on the page in the first place. There are two different buttons on the keyboard that will allow you to erase text. They are the “Delete” key and the “Backspace” key (#s 1 and 2 on the keyboard map on page). The “Backspace” key deletes words to the LEFT of the cursor, and the “Delete” key deletes words to the RIGHT of the cursor.

### **BACKSPACE ↔ DELETE**

Let’s assume that the vertical line dissecting the word “creative” in the example above is our cursor. Pressing the “Backspace” key will erase “a,” “e,” “r,” “c,” and so on, moving LEFT. The “Delete” key will erase “t,” “i,” “v,” “e,” and so on, moving RIGHT.

To delete a whole chunk of text at once, left-click with your mouse and drag to highlight a section of text. Then simply press “Backspace” or “Delete” and all of the highlighted text will disappear.

### **Undoing and Redoing**

The UNDO and REDO features of Microsoft Windows applications are great tools to rely on. The program will keep a list of the last 25 commands that you have performed, and it allows for taking “one step” backwards in order to erase what you have just done. Click on the UNDO button in the Quick Access Toolbar to go back one step. Click on the REDO button in the Quick Access Toolbar to go forward one step.

## Formatting Text

Changing the look of what you've written is called "formatting." This can include changing the text style, size, color, and more. This is a sentence that features many different fonts. This is a sentence that features many different sizes. From the Home Tab, the "B" will make your text BOLD, the "I" will put it in italics, and the "U" will add an underline to your text. These features do not have to be used independently of each other—in other words, you can bold, underline, and italicize as a single piece of text. The alignment of the text can be altered using the buttons with the horizontal lines on them. You can align text To the LEFT, To the CENTER and to the RIGHT.

In order to apply certain stylistic or formatting changes to text, you must first HIGHLIGHT the text. This is a common procedure in Microsoft Windows applications, and because it is so useful, it is a skill worth practicing. You can also change the font color by clicking on the appropriate buttons in the

**Formatting Toolbar.** Experiment and remember—you can always start over with a fresh, new document, so don't worry about making mistakes! If you do, however, there is always the incredible "UNDO" tool. Cutting, Copying, and Pasting Text in MS Word, you can CUT or COPY text from one area of the document and save that text to be PASTED elsewhere (these commands are found on the Home Tab). When you CUT text, you actually delete it from where you took it, as opposed to COPYING it, which makes a copy of your selection.

When you CUT or COPY text, it is stored on the CLIPBOARD. The Clipboard is a tool in MS Word that stores cuts and copies of your work, to be pasted in other places in the document. Once your selection is on the CLIPBOARD, you can PASTE it as many times as you want! CUTTING a selection will place it on the clipboard, just in case you want to PASTE it elsewhere. To CUT a selection, first highlight it. Then, click on the CUT icon from the Home Tab. The highlighted text will disappear, as you have just cut it out, but a copy is now on your clipboard, and MS Word is waiting for you to paste it somewhere else.

To PASTE this cut selection, place your cursor where you want the selection to go. Click on the PASTE icon from the Home Tab toolbar, and it will pop the text into place, right where you have your cursor. To COPY, simply follow those same steps, replacing the CUT command with COPY. The COPY command will not alter your original selection at all, as it simply makes a copy of the selection without changing or deleting it in any way.

## DOING MORE WITH MICROSOFT WORD

### Inserting Images and Clip Art

With Microsoft Word, you can insert pictures in your document using the Insert Tab toolbar. You can insert pictures from the "Clip Art" album that comes with the program, or you can insert pictures from a file that you have previously saved on a disk or elsewhere on the computer (e.g., the My Pictures folder). Clip Art is a collection of cartoon and computer-

generated images that cover a broad array of commonly needed icons and pictures. These include business, holiday, nature, entertainment, academic and other themes, along with standard bullets and symbols.

To insert a clipart picture into a Microsoft Word document, you will first need to place your cursor (left-click) where you wish to insert your picture in your document. Then, from the Insert tab on the Ribbon, click on **“Clip Art.”** A Clip Art search box will appear on the right side of your screen. From here, you can enter a search word for the picture you would like to find. Then click “Go.” This will show all the options of pictures you can insert. When you see a piece of clipart that you like, click on it, and it will automatically insert into your document, in the exact place where you left the cursor. To resize your image, grab one of the corners of the image by left-clicking and holding—drag it to your desired size and fine-tune the placement. The cursor will change from a pointing icon to a double arrow when it can be used to resize an image.

Drag the corner toward the upper-left corner of the screen, and the image will grow. Drag toward the bottom-right, and it will shrink. You can move the image to another place in the document by left-clicking and holding on the center of it; drag it to its desired location. More options, such as aligning the image with text (or special effects like wrapping text around or through an image) can be found by clicking on the picture, and then choosing the Picture Tools Tab. You can also insert a photograph or other images from your files using this same process. On the Insert Tab, click on Picture and locate the files that you want to include.

### **Modifying Line Spacing**

Line spacing in Word refers to the amount of space between lines of text. The default in Word 2010 is 1.15 spacing, which leaves a little bit more space than single-spacing, or what you would find in a normal book. Single spacing is generally easy for the eye to read. There may be times, however, when you want to change this spacing. One common option is to double-space text: This text is double-spaced. Double-spacing is especially useful if someone else is proof reading your document. It allows for more room to write comments on the page.

### **To change the line spacing:**

1. Select text you want to format by highlighting it.
2. On the Home Tab, click on the Line Spacing button in the Paragraph group.
3. Choose the spacing you want from the menu that appears. For more options, select Line Spacing Options. In the dialog box that appears, you can choose other spacing options, including spacing between paragraphs. This can be done by changing the values in the before and after boxes.

### **Creating Bulleted and Numbered Lists**

Word allows you to create lists within your document that can be organized with bullets or numbers. Lists are useful for presenting text that wouldn't make the most sense in paragraph form (for example, step-by-step instructions) or for emphasizing key points. Bullets are usually

small circles at the beginning of item in a list, and numbers are used for lists that are rearranged in sequential order. Here's an example of a bulleted list:

- Bananas
- Milk
- Eggs
- Ice Cream

### **To create a list:**

1. On the Home tab, select either the Bullets or Numbering buttons from the Paragraph group. If you want to choose a particular style for your bullets or numbers, click on the triangle next to the button and choose a style from the menu that appears.
2. You will see the first bullet or number appear on your document. Type your first line of text and then hit Enter.
3. Another bullet or number will appear automatically. Type your next line of text and hit Enter.
4. When you have finished your list, hit Enter twice to end the bullets or numbering.

### **Changing Views and Overall Look**

There will be times when you need to create documents that don't fit on a standard piece of paper (8.5" by 11").

#### **Click on the Page Layout Tab.**

From this menu, you can alter the margins, width, height, and orientation (portrait = 11" x 14" long; landscape = 11" wide) of the document, as well as choose from a variety of templates, different types of paper, and document styles that come with the program. To change the orientation of your page, click on the Orientation button.

Click on Landscape from the drop-down box that appears. Your document should now be in landscape position. If you wish to return to portrait orientation, go through the same steps, clicking on the Landscape option instead of Portrait. If you would like to change the display of your document or zoom in and out without affecting the way your document will print, you can do that from the View Tab. Anything you change from the View Tab will not change the way your document prints out. So if you want your text to be bigger when you print out the document, make sure to change the size of the font instead of the zoom.

### **Spelling and Grammar Check**

One benefit of using a computerized word processor is its ability to recognize, change, and give advice about your writing. MS Word has utilities that can check your spelling and grammar against a master database, and can offer advice on a variety of different grammatical styles. **MS Word** automatically underlines any words that it does not recognize

in red, assuming that they are not spelled correctly, and underlines in green if it does not recognize the grammatical pattern, assuming that the sentence does not make sense.

For example: In this case, "jumping" should read "jump" and "lazy" should be "laZY." If you right-click on the word, a menu with popup options, including "Ignore" if you do not want help on this specific phrase or agree with the suggestion. You can also choose to add words to the MS Word spelling database, if you are going to use them often and don't want them to be flagged as misspelled every time—this is especially useful for names, as MS Word often interprets these as misspellings. The spelling and grammar tools can be found in the Review Tab

## **USING MICROSOFT WORD**

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### **Opening Microsoft Word**

To get started with Microsoft Word (sometimes called "MS Word"), you will need to locate and open the program on your computer. To open the program, point to Word's icon on the desktop with your mouse and double-click on it with the left mouse button. If you don't see the MS Word icon on your desktop, you'll have to access the program from the Start Menu. Click on the button in the bottom left corner to pull up the Start Menu. You should see the MS Word icon here, so click on it once with your left button. If you still don't see it, click on "All Programs" and scroll through the list of programs until you find it. Click once with your left button to open the program.

Occasionally, Microsoft Word will be in a folder called "Microsoft Office" or something similar—this will make one more step between "All Programs" and "Microsoft Word." MS Word will then open a blank page called "Document 1." This is an image of the upper-left corner of MS Word. This box features two important pieces of information: the name of the file that you are currently working on (in this case, "Document 1" since we have not yet renamed it) and which program you are using ("Microsoft Word"). There should now be a blinking line in the top-left corner of the part of the screen that looks like a sheet of paper. This means you will be able to type in this space!

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## Microsoft Word Features

### The Title Bar

This is a close-up view of the Title Bar, where file information is located. It shows the name of the file (here, “Microsoft Word”) and the name of the program (“Microsoft Word”). Notice the three buttons on the right side, controlling the size and closing of the program.

**Minimize:** Left-click this button to shrink the window down to a small button that will appear in the task bar

**Maximize:** Left-click this button to make the window as large as it can be—it should take up your entire screen.

**Close:** Left-click this button to close the window. The program will close and stop running. Make sure you save your work first!

**Restore Down:** Left-click this button to make the window smaller without minimizing it.

### The File Menu

In Microsoft Office 2007, there was something called the Microsoft Office Button() in the top left-hand corner. In Microsoft Office 2010, this has been replaced with a tab in the Ribbon called “File.” When you left-click on this tab, a drop-down menu appears. From this menu,



you can perform the same functions as were found under the Microsoft Office Button menu, such as: Create a new document, open existing files, save files in a variety of ways, and print.

## The Home Tab

The most commonly used commands in MS Word are also the most accessible. Some of these commands available in the Home Tab are: The Home Tab Toolbar offers options that can change the font, size, color, alignment, organization and style of the text in the document. For example, the "Times New Roman" indicates the FONT of your text, the "12" indicates the SIZE of your text; etc. We will go over how to use all of these options to format your text in a little while. Each of these options expands into a menu if you left-click on the tiny down-arrow in the bottom right corner of the window.

## The Ruler

The ruler is found below the Ribbon. The ruler tells you where you are on the page, along with the dimensions of the overall document. Just like a real piece of paper, the default setting is 8.5x11 inches, and the margins have been incorporated for you. Similar to most options in MS Word, this is entirely customizable and the user can create a document of any dimensions.

## Keyboard Review

In order to use MS Word effectively, you must input commands using both the mouse and the keyboard. The above image of a keyboard should look similar to the keyboard in front of you; learning just a few certain keys will help to improve your efficiency in typing, as well as present you with more options within the program. The following is a list of commonly used keys that have special functions in MS Word (key functions can change depending on which program you are using)

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5. Tab: This key will indent what you type, or move the text to the right. The default indent distance is usually ½ inch.
6. Caps Lock: Pressing this key will make every letter you type capitalized.
7. Control (Ctrl): This key, when pressed WITH another key, performs a shortcut.
8. Enter: This key either gives you a newline, or executes a command (pressed in MS Word, it begins a new line).

9. **NumberKeypad:** These are exactly the same as the numbers at the top of the keyboard; some people just find them easier to use in this position.
10. **ArrowKeys:** Like the mouse, these keys are used to navigate through a document or page.

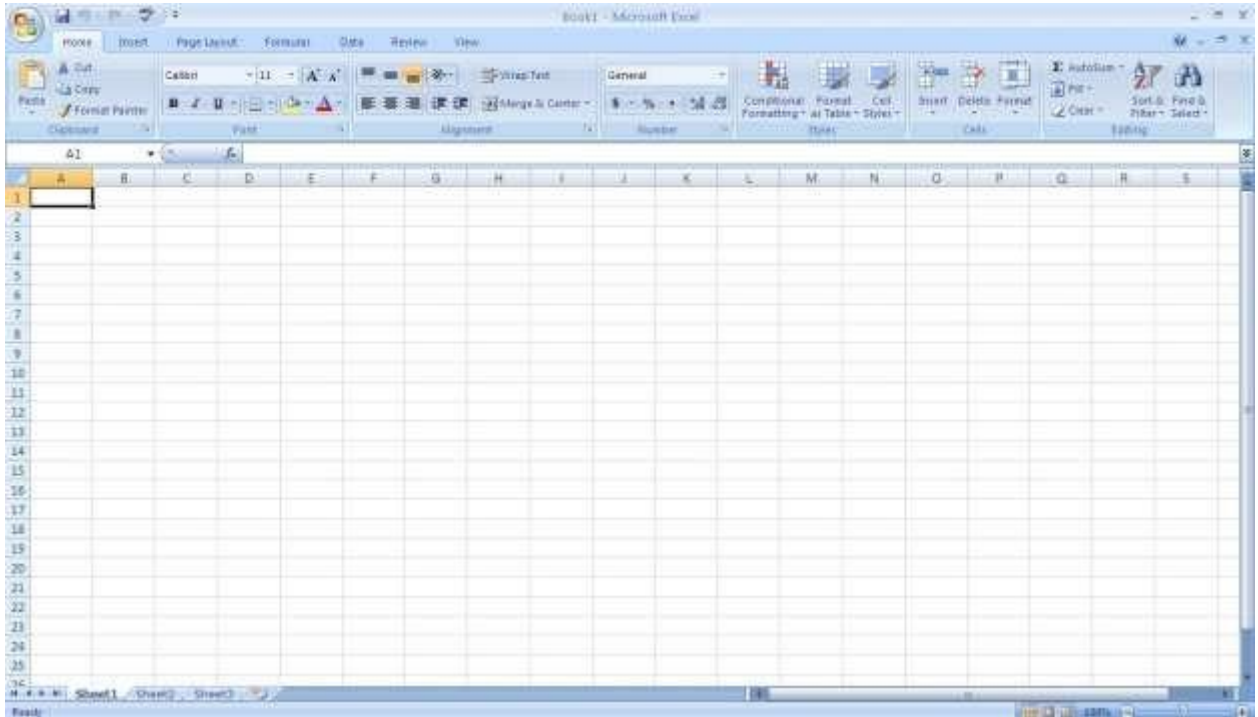
## **MICROSOFT EXCEL**

Microsoft Excel is an example of a program called a "spreadsheet." Spreadsheets are used to organize real world data, such as a check register or a rolodex. Data can be numerical or alphanumeric (involving letters or numbers). The key benefit to using a spreadsheet program is that you can make changes easily, including correcting spelling or values, adding, deleting, formatting, and relocating data. You can also program the spreadsheet to perform certain functions automatically (such as addition and subtraction), and a spreadsheet can hold almost limitless amounts of data—a whole filing cabinet's worth of information can be included in a single spreadsheet. Once you create a spreadsheet, you can effortlessly print it (as many copies as you want!), save it for later modifications, or send it to a colleague via e-mail. Microsoft Excel is a very powerful.

### **Opening Microsoft Excel**

To get started with Microsoft Excel (often called "Excel"), you will need to locate and open the program on your computer. To open the program, point to Excel's icon on the desktop with your mouse and double-click on it with the left mouse button. If you don't see the Excel icon on your desktop, you'll have to access the program from the Start Menu. Click on the button in the bottom left corner to pull up the Start Menu. You may see the Excel icon here, so click on it once with your left button. If you still don't see it, click on "All Programs" and scroll through the list of programs until you find it. It may also be located in a folder called "Microsoft Office" or something similar—it will depend on your specific machine. Click once with your left button to open the program. Excel will then open a blank page called "Book1."

# Microsoft Excel Features



## The Title Bar

This is a close-up view of the Title Bar, where file information is located. It shows the name of the file (here, "Book1," the default title) and the name of the program ("Microsoft Excel"). You will be able to name your file something new the first time that you save it. Notice the three buttons on the right side of the Title Bar, controlling the size and closing of the program.

## The Ribbon Menu System

The tabbed Ribbon menu system is how you navigate through Excel and access various Excel commands. If you have used previous versions of Excel, the Ribbon system replaces the traditional menus. At the bottom, left area of the spreadsheet, you will find worksheet tabs. By default, three worksheet tabs appear each time you create a new workbook. On the bottom, right area of the spreadsheet you will find page view commands, the zoom tool, and the horizontal scrolling bar.

## The File Menu

In Microsoft Office 2007, there was something called the Microsoft Office Button() in the top left-hand corner. In Microsoft Office 2010, this has been replaced with a tab in the Ribbon called "File." When you left-click on this tab, a drop-down menu appears. From this menu, you can perform the same functions as were found under the Microsoft Office Button menu, such as: Create a new worksheet, open existing files, save files in a variety of ways, and print.

**Quick Access Toolbar** On the top left-hand side of the Title Bar, you will see several little icons above the File menu. These let you perform common tasks, such as saving and undoing, without having to find them in a menu. We'll go over the meanings of the icons a little later.

## The Home Tab

The most commonly used commands in Excel are also the most accessible. Some of these commands available in the Home Tab are: The Home Tab Toolbar offers options that can change the font, size, color, alignment, organization and style of the text in the spreadsheet and individual cells. For example, the "Calibri" indicates the FONT of your text; the "11" indicates the SIZE of your text; etc. We will go over how to use all of these options to format your text in a little while. Each of these options expands into a menu if you left-click on the tiny down-arrow in the bottom right corner of the window. This tab works the exact same way as the MS Word Formatting Toolbar. The main difference is that the format changes will only affect the selected cell or cells, all unselected cells remain in the default setting ("Calibri" font, size "11").

## Equation Editor

The Equation Editor is generally found below the ribbon menu. The left side denotes which cell is selected ("C5") and the right side allows you to input equations or text into the selected cell. There are two ways to input information into a cell. You may either select an individual cell and type the equation or text into the equation editor or type the equation or text directly into the selected cell. Equations (for example, =SUM(D5+E5)) will automatically be hidden inside the cell and can only be viewed using the equation editor; the result of the equation will display in the cell. If any written text is longer than the cell width, then the spreadsheet will cover up any portion longer than the cell width. The information will still be in the cell, you just won't be able to see it at all times.

## Keyboard Review

In order to use Excel effectively, you must input commands using both the mouse and the keyboard. The above image of a keyboard should look similar to the keyboard in front of you; learning just a few certain keys will help to improve your efficiency in typing as well as present you with more options within the program. The following is a list of commonly used keys that you may already be familiar with:

1. Backspace: This key deletes letters backwards.
2. Delete: This key deletes letters forward.
3. Shift: This key, when pressed WITH another key, will perform a secondary function.
4. Spacebar: This key enters a space between words or letters.
5. Tab: This key will indent what you type, or move the text to the right. The default indent distance is usually 1/2 inch.
6. CapsLock: Pressing this key will make every letter you type capitalized.
7. Control (Ctrl): This key, when pressed WITH another key, performs a shortcut.
8. Enter: This key either gives you a new line, or executes a command.
9. Number Keypad: These are exactly the same as the numbers at the top of the keyboard; some people just find them easier to use in this position.
10. Arrow Keys: Like the mouse, these keys are used to navigate through a document or page.

## Pointer Shapes

As with other Microsoft programs, the pointer often changes its shape as you work in Excel. Each pointer shape indicates a different mode of operation. This table shows the various pointer shapes you may see while working in Excel.

## MICROSOFT EXCEL BASICS

### Formatting Cells

Cells are the small rectangular boxes that make up the spreadsheet. All the information entered into an Excel spreadsheet is entered into cells. The cell width and height will usually need to be adjusted to view all the information entered into a cell.

To adjust the cell width, move the mouse pointer in between two cell columns in the column header. Hold down the left mouse button and drag the mouse left to shorten the width or right to expand the width. Notice that all cells within the column are automatically adjusted. Adjust the cell height using the same method. Move the mouse cursor between two rows, hold down the left mouse button and move the mouse up to decrease the height and down to increase the height. Before you begin entering data into a spreadsheet, you may already know the width and height you want your cells to have. In this case, you can adjust all the widths and heights by doing the following: Select the "square" between Column A and Row 1.

This will select ALL the cells in the spreadsheet. From the "Home" tab of the Ribbon Menu, within the "Cells" box, click on "Format," and select Row Height. You will now be asked to enter a numerical value for height. The default value is 15, but you can enter your own height value (10, 20, 25, etc.).

Repeat the same steps for Column width. From the "Home" tab of the Ribbon Menu, within the "Cells" box, click on "Format," and select Column Width. Note that the default value for the width is 8.43. Enter your own width value (5, 10, 15, 20, etc.).

For any given cell or selected cells, you can also format the way your data is represented within the cell(s). Select a single cell or multiple cells.

Again, from the "Home" tab of the Ribbon Menu, within the "Cells" box, click on "Format." Select "Format Cells." The format window will now appear, giving you a wide variety of options on how to format your cell.

**Number** – This allows you to choose how to represent the numbers that are entered into a cell (number, currency, time, etc.).

**Alignment** – This determines how the data will be aligned within the cell (left-side, centered, or right-side).

**Font** – Select the type of font to be used within the cells.

**Border** – This option lets you choose what type of border, if any, you would like around the cells or some of the cells.

**Fill** – This allows you to change the background color of the cell.

**Protection** – This option allows you to “lock” cell information so that other users cannot make changes.

### **Typing in Cells**

Click on a cell to begin typing in it. It is that easy! When you are finished typing in the cell, press the Enter key and you will be taken to the next cell down. You can then begin typing in that cell. You can easily navigate around the cells using your arrow keys. Keep in mind that the Formatting toolbar in Microsoft Excel 2010 is exactly the same as the one used for Microsoft Word 2010. The biggest difference between the two programs is that, in Excel, the format is set for each individual cell.

So if you change the font and applied the bold option in cell C5, then this format will only be applied to cell C5. All remaining cells will remain in default mode until they have been changed. Sometimes you may only wish to adjust the format of one particular cell. In this case, simply select the cell by clicking the mouse on it and make any necessary adjustments to the font, size, style, and alignment. Those changes will not carry over when you begin typing in a new cell. Other times, you may wish to adjust the text format of a group of cells, entire rows, or entire columns.

In Excel, you can choose groups of cells in rectangular units—all the cells you select must form a rectangle of some kind. To select a group of cells, begin by clicking on the cell that would be in the upper-left hand corner of your rectangle. Hold down the Shift key on your keyboard and use the arrows (←, →, ↑, ↓) on the keyboard to expand the selection of cells, or click and drag your mouse. Once the group of cells has been selected, you can make adjustments to the font, size, style, and alignment and they will be applied to all selected cells.

To select an entire row, click on the Row Number with your mouse—not how the entire row becomes highlighted. All formatting changes will now be applied to the whole row. To select an entire column, click on the Column Number with your mouse—again, the entire column will become highlighted. All formatting changes will be applied to the whole column.

### **Inserting Rows and Columns.**

When you are working on a spreadsheet, you may realize that you left out a row or column of data and need to add it in. To insert a row, click on the row below where you want your new row to be (remember to click on the row number to highlight the entire row). From the “Home” tab, within the “Cells” box, click “Insert.” Select

“**Insert Sheet Rows.**” A new row will automatically be inserted and the row numbers automatically adjusted. To insert a column, click on the column to the right of where you want your new column to be (remember to click on the column letter to highlight the entire column). From the “Home” tab, within the “Cells” box, click “Insert.” Select “**Insert Sheet Columns.**” A new column will automatically be inserted and the column letters automatically adjusted.

### **Sorting Data**

Once you have created your spreadsheet and entered in some data, you may want to organize the data in a certain way. This could be alphabetically, numerically, or another way. Let's look at the following spreadsheet as an example. This information can be sorted by check number, date, alphabetically by description, or using any of the other columns.

First, select all the cells that represent the data to be sorted, including the header descriptions (Check No., Date, Description, etc.). Then, select the first cell in Row 1 (Check No.) Click and drag to select all the cells that you want to sort. Using the mouse, select Sort & Filter from the Editing panel. Select Custom Sort...

Select the column you wish to sort by. Do you want to sort by alphabetical order, reverse alphabetical order, date, or amount? When you press "OK," your spreadsheet will be sorted in the order that you specified.

### **AutoSum and Excel Equations**

One of the most powerful features of Excel is its ability to perform basic math functions on data. Excel can add, subtract, multiply, divide, find the average, and perform general counting functions on the numerical data that you enter. To enable this feature, highlight all of the cells in a column, plus one additional empty cell in which to display the result.

#### **Select the AutoSum icon from the ribbon menu:**

If you click directly on the  $\Sigma$ , Excel will automatically add up the numbers you have selected. If you click on the little dropdown arrow next to it ( $\blacktriangledown$ ), you will get the full choice of mathematical functions. If you double-click on the cell in which the answer appears, you will see an equation that looks something like this (you will also see this equation in the Equation Editor):

Let's breakdown what exactly the equation means:

= indicates that you are starting an equation in this cell.

SUM tells the function to be performed. In this case, all the cells will be added together.

( ) The parentheses contain the cells that the function will be performed on.

D2 this is the first cell to be included in the addition formula.

D8 this is the last cell to be included in the addition formula and indicates that all cells between the first and the last should be included in the formula.

The spreadsheet will often "select" the cells that it thinks you wish to include. But you can manually change the cell range by typing into the Equation Editor. When you are ready to execute the formula, just press the "Enter" key. Other mathematical functions you can perform from the AutoSum button include:

**Average** – This function will calculate the average of the selected cells.

**Count Numbers** – This function simply counts the number of cells selected. **Max** –

This function will return the highest value of the selected cells.

**Min** – This function will return the lowest value of the selected cells.

**\*Remember\*** Excel equations are similar to programming languages, so have some patience and if at first you don't succeed, try again. Even Excel professionals create incorrect formulas on their first try.

Once you get an equation to work, you will technically be a computer programmer! **Creating Charts and Graphs:**

In Excel, there are also ways to represent your data in chart or graphical forms.

To create a chart or graph, select the Insert tab from the Ribbon Menu bar. In the middle of this new menu, you will see a "Charts" box.

1. Select the range of data to be represented in the chart or graph. Click on your spreadsheet and select the data to be represented using the same method that you used to select data in the sorting exercise. For this example, we want to see a visual comparison of how much money we spent on each item in the list. Select rows 1 through 8 in rows B, C, and D.
2. Select the type of chart or graph you wish to create (for one example, we'll choose a bar graph).
3. Once you have created your graph, you can now "customize" it by giving it a title and labeling different parts. You can also make certain design decisions regarding the appearance of your graph or chart by choosing the different elements under the Design tab that appears on the Ribbon Menu bar.
4. Finally, you will need to decide if your chart should be pasted on to the existing spreadsheet or if it should be pasted onto a brand new sheet. On the very right side of the Ribbon Menu bar, select Move Chart. Once the chart or graph has been created and you realize a mistake has been made or it didn't turn out the way you wanted it to, simply click on the chart or graph and hit the Backspace key on your keyboard to delete it from your spreadsheet. Don't be afraid to go back and try again!

## Multiple Sheets

Sometimes you may find it useful to have multiple spreadsheets for related data. For example, personal finances are usually tracked on a monthly calendar and it's generally a good idea to keep records of the past transactions. Excel can create multiple spreadsheets attached to the same Excel file, one for each month. Tabs for the different sheets are located in the lower-left corner of the spreadsheet. The spreadsheet that is currently being worked on is on the top tab. To access another spreadsheet, select the appropriate tab, such as Sheet2. The default names for the sheets are usually Sheet1, Sheet2, and Sheet3. To rename a sheet or to create a new sheet, simply move the mouse pointer over the sheet name and right-click. Select "Rename" to rename the sheet or select "Insert" to create a new sheet.

You can transfer cell information between two or more sheets by creating a simple formula. For example, most people who keep track of their personal finances don't begin every month with a balance of \$0. Instead, the balance at the beginning of the month is transferred over from the previous month. So if you have a March 2012 finance spreadsheet and an April 2012 finance spreadsheet, you can select a cell in the April 2012 sheet and write in the formula

### **= 'March 2012' ! D11**

The equals sign (=) tells Excel that the value for this cell is to be derived from somewhere in the spreadsheet (such as a formula or another cell location).

'Sheet name' tells Excel what sheet to refer to when it retrieves the value. The single quotation marks (") are important. !D11 tells Excel that it is to copy the value that is located in cell D11 (or whatever cells you wish to copy the value from).

If you want to transfer cell information from one cell to another on the same sheet, you can use the exact same formula; just exclude 'Sheet name.'



## DOING MORE WITH MICROSOFT EXCEL

### Cutting, Copying, and Pasting Data

When you are typing in your spreadsheet, it can be very helpful to cut or copy information from one cell and paste it into another. This can help reduce the amount of typing you have to do, as well as limit the number of typographical errors. Cutting, copying, and pasting the contents of cells in Excel is very similar to the way you do it in Microsoft Word.

These commands are all accessible from the Home tab on the Ribbon Menu bar.

**To CUT** the contents of a cell, click on the cell to select it, then click on the Cut button on the Home tab. You will see the border of the cell turn into little "marching ants." The contents are now on the Clipboard, ready for you to paste them somewhere else.

**To PASTE** the cut selections somewhere else, click on the cell where you want the selection to go. Then click on the Paste button on the Home tab. The selection will now appear in the new cell and be removed from the original cell.

**To COPY** the contents of a cell, simply follow the directions above but replace the CUT command with COPY. This will leave the contents of the original cell in place and make an exact copy of them in another cell.

### Filling Data across Columns and Rows

Another way to copy text from one cell to another is to drag it or "fill" it across a range of cells (a row or a column). This is a great method if you want all the text (or numbers) in a column or row to be the same. For example, if you have a spreadsheet for your yearly budget with a column for rent, you could use this method to fill in all the cells in the rent column with the same number without re-typing.

To fill the contents of cells in a column:

1. Click on the cell with the information you want to copy to the other cells.
2. Hover your mouse over the little square (called a "fill handle") in the bottom right corner of the highlighted cell border. Your mouse will turn into a cross.
3. Click on the fill handle and drag your mouse (while still holding the button down) down the column until you've highlighted all the cells where you want the text to go.
4. Let go of the mouse button. The text will now appear in all the cells you highlighted.
5. You can follow these same steps to fill the contents of a row rather than a column— simply drag your mouse across the row instead of down the column.

You can also use this technique to copy formulas across columns and rows in the spreadsheet.

## CLOSING MICROSOFT EXCEL

## **Saving Spreadsheets**

When you finish your spreadsheet and want to leave the computer, it is important to save your work, even if you are printing a hard copy. To save your work in Excel, it is essential to know WHAT you are trying to save and WHERE you are trying to save it.

Click on the File Tab, then click "Save As" to get started. You can change the filename that Excel has chosen just by typing a new one in the "Filename" box at the bottom of the window that appears. The My Documents folder on your computer's hard drive is a good place to store your documents. A blank CD or a USB jump drive are great portable storage options and can contain a LOT of data. Excel will automatically save your document with the suffix ".xlsx"—this is simply a tag that lets Excel know that your work is specific to this program and what version it is in. You do not have to type it—just highlight what is there (default is "Book1") and write a new filename. You may also choose to save it in an older format so that it can be opened with older versions of Excel. After the first save, you can just click "Save" to preserve your work.

However, it is important to note that every following command of SAVE will overwrite your original file, creating the most up-to-date version. If you would like to keep saving different versions of your worksheet, be sure to use the "Save As" function each time you save, using a slightly different name for each version.

## **Printing Spreadsheets**

To print your Excel document, click on the File Tab, then click "Print" from the left-side column. A Print Preview and printing options will appear in your Excel window.

Click the large "Print" button to send your worksheet to the printer. You can change the number of copies you would like to print, change the paper orientation, choose which printer you want to use, and more.

## **Finding More Help**

You can get help with Excel by clicking on the Question Marks symbol in the upper-right hand corner of the main menu bar or by pressing the "F1" button. This will take you to help from Office.com, Microsoft's help website. There are also many other resources and tutorials available online. You might try a Google search with the words "Excel 2010" and the function you are trying to perform. Ask your instructor for help finding these resources if you have any trouble.

## **Closing the Program**

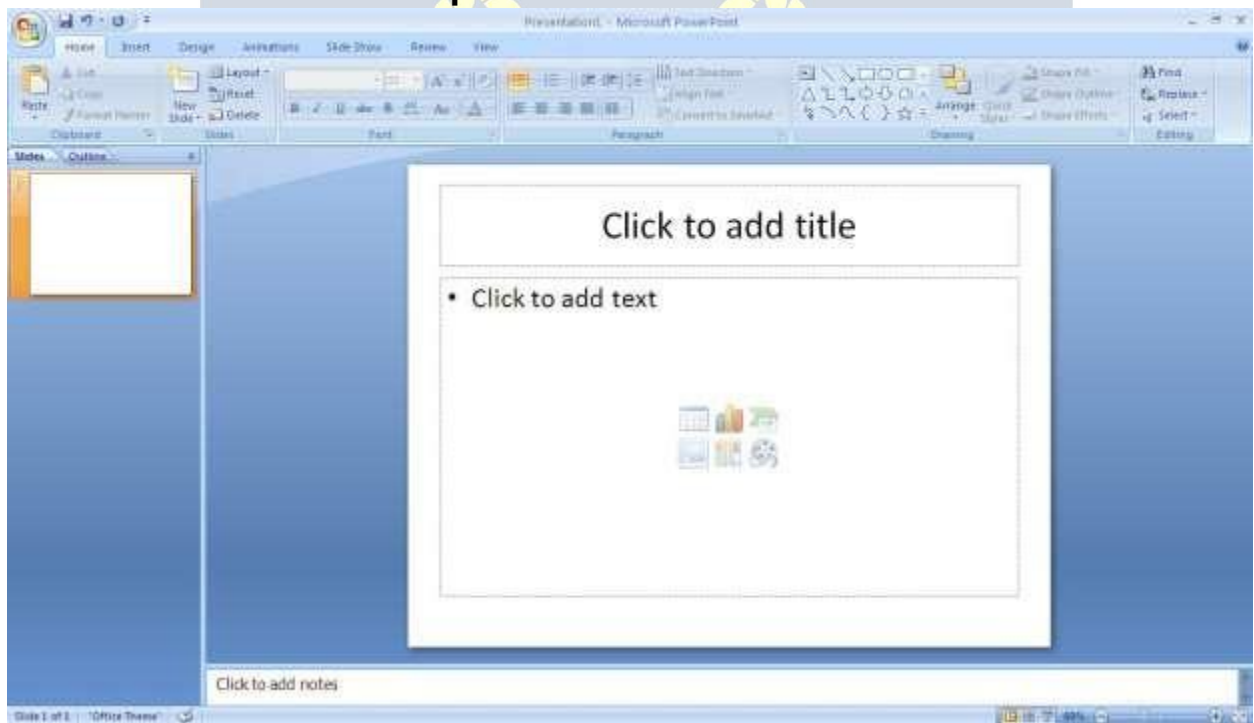
Click on the File Tab, then click "Exit." OR

Click on the X in the top right corner of the Excel screen.

# **MICROSOFT POWERPOINT**

Microsoft PowerPoint is a professional presentation program that allows the user to create "presentation slides" that can be displayed on the computer screen or through a projector that is plugged into the computer. A PowerPoint presentation is a good way to convey pieces of information, usually in the form of an outline, to a large audience. Generally, PowerPoint presentations are appealing to users because they are easy to create and edit and generally small enough to fit onto a CD or a USB Jump Drive. Therefore, a user does not have to carry around any slides or a slide project, and, if necessary, can make last minute changes to the presentation.

## Microsoft PowerPoint Components:



Before you get started with Microsoft PowerPoint (commonly referred to as PowerPoint), you will need to locate and open it on the computer. It may be on your desktop.

On the computer desktop:

1. Double-click on the MSPowerPoint icon

If the MSPowerPoint icon is not on the desktop, go to the Start menu:

1. Click ► Start ► Programs ► Microsoft PowerPoint\*

MSPowerPoint will open a blank page called "Presentation1."

## **The Title Bar**

This is a close-up view of the Title Bar, where file information is located. Notice the default title "Presentation1." You will get a chance to rename your presentation slides the first time you choose to save it.

## **The Menu Bar**

The Menu Bar is a common sight in almost all Microsoft Windows programs. It features text-based menus, on which virtually every option available to the user in the entire program is listed. Each menu expands when clicked (with the left mouse button), offering many options categorized by specific tasks.

## **Standard Toolbar**

Toolbars provide "shortcuts" to commands also found in the Menu Bar. Toolbars are usually located just below the Menu Bar and exist to offer another way to perform the same task.

The most commonly used commands in MS PowerPoint are also the most accessible.

Some of these commands are:

**New | Open | Save | Print | Preview | Spell-check | Copy | Paste | Undo | Insert**

## **Formatting Toolbar**

The Formatting Toolbar offers options that can change the font, size, color, alignment, organization, and style of the text in the presentation slides. For example, (starting from the left side of the Toolbar) the "Arial" indicates the FONT of your text; the "32" indicates the SIZE of your text; and so on. This toolbar works the exact same way as the MS Word Formatting Toolbar. The main difference is that the format changes will only affect the text box in which you are currently working.

All other text boxes will remain in the default setting ("Arial" font, size "32"). Design/New Slide Icons additional shortcut icons appear on the MS PowerPoint toolbar: the Design icon and the New Slide icon. Both commands are frequently used, and it is good to be familiar with their location on the toolbar.

The Design icon is a shortcut to the slide design page. Here you will be able to create and edit the appearance of your slide(s). The New Slide icon automatically adds a new, blank slide for you to work on. You can keep track of the slides you have already worked on in the Slide Outline box on the left-hand side of the screen. You can access a slide at any time by clicking on it with your mouse through this screen.

## **SIMPLE TASKS IN MICROSOFT POWERPOINT**

### **Text Boxes:**

Text Boxes are "designated" areas that allow you to type words, sentences, and bullet points into the slide. You can adjust the size and placement of the text box within any given slide. It is also possible to have multiple text boxes per slide.

When you first open MS PowerPoint, there will automatically be two text boxes on the slide:

"Click to add title" and "Click to add subtitle." These text boxes already have a preset format applied to them. The "title" box has a font size of "44" while the "subtitle" box has a font size

of"32."You can change the text format of any box at any time by adjusting the format settings on the Formatting Toolbar. To adjust the size of the text box, first click on the text box. Notice the change in border. Once you have clicked on a text box, the border of the box becomes thicker and little circles appear on the corners and at the midpoints of the box. Move the mouse pointer over any one of the circles. Notice that the mouse pointer will change to either  $\leftrightarrow$  or  $\updownarrow$ . Click and hold down the left mouse button. To adjust the height, move the mouse up or down; to adjust the width, move the mouse left or right. Note that the corner circles can adjust both height and width, while the mid-point circles can only adjust either height or width.

To move the text box to a different location on the slide, move your mouse pointer over any part of the thick, gray box outline. Notice the change in your mouse pointer (it will look something like a "plus" sign (+) with arrows). Click and hold down the left button on your mouse. You can now drag the text box to any position on the slide by simply moving your mouse. To write in a text box, simply click inside the box with your mouse. When a cursor is flashing, you are ready to type.

### **Slide Design:**

One of the more popular features of MS PowerPoint is that it gives the user a wide variety of design choices. At some point, you may wish to change the design and color of the background of your slides. To do so, simply click on the Design icon. On the right-hand side of your screen, the "Slide Design" pane will appear. Here, you are given three design options to apply to your slides.

**Design Templates:** Here is a list of over 20 templates that you can choose from to apply to the background of your slides. For each template, you have the option of applying the design to all slides or to only these selected slides. You can view these options by clicking on the arrow on the right side of the template. If you are connected to the Internet, you can also choose to view hundreds of additional templates by choosing "Design Templates on Microsoft Office Online" on the bottom of the template screen.

**Color Schemes:** This option gives you a variety of color schemes to choose from to apply to your selected design template.

**Animation Schemes:** This option will allow you to select different types of animation that can be applied to either all the slides or selected slides. The animation schemes are different ways the slides are "introduced" to your audience, such as "faded wipe" or "pinwheel."

### **Designing your own background:**

Sometimes you may wish to design your own background.

To do this, select Format ► Background... from the Menu Bar. Select the Color Bar on the bottom of the Background window and choose the appropriate color and/or effects that you desire. There is no right or wrong way to design your own background, so if you choose this option, have some patience and don't be afraid to experiment.

### **Slide Layout:**

The default in PowerPoint for each new slide is to have a Title text box and a Text box. As discussed earlier, you do have the option of rearranging the text boxes to fit any layout you have in mind. However, sometimes it will be easier simply to select a layout that fits your needs rather than reformatting the default layout for each slide. To choose a slide layout, select Format ► Slide Layout from the Menu Bar. On the right-hand side of your screen, the "Slide Layout" pane will appear. From here, you have the option of applying a slide layout either to a selected slide or to a new slide that has yet to be inserted. You can view these options by clicking on the arrow on the right side of the template.

### **Note the four different types of layout categories.**

**Text Layout:** These options are for choosing a layout in which you are only organizing different text boxes. There is no room for pictures, charts, or graphs.

**Content Layout:** These options are for choosing a layout that will only contain pictures, charts, or graphs. There is no room for text boxes.

**Text and Content Layout:** These options have room for both text boxes and pictures, charts, or graphs.

**Other Layouts:** These layouts are designed for other media contents such as video clips or audio tracks.

### **Inserting a Picture:**

Inserting a picture into MS PowerPoint is very similar to inserting a picture into MS Word.

1. Select the slide that you wish to add a picture to.
2. From the Menu Bar, select Insert ► Picture ► From File (or Clip Art).
3. Choose the picture you wish to insert and select "Insert."

**\*Note\*:** The picture will be inserted in its original size, so you will probably have to re-size it. You can re-size a picture the same way you re-size a text box. Click on the picture and note the circles at the corners and at the midpoints of the length and width. Move your mouse pointer over the circles, left-click the mouse and hold the button down. Move the mouse vertically or horizontally to re-size.

**Rotating a picture:** It is possible to rotate pictures in MS PowerPoint. Once a picture has been inserted onto a slide and you have clicked on the picture so it is "outlined," notice the green circle above the center of the picture.

Movethemousepointeroverthegreencircleandleft-clickandholdthebuttondown.Now movethemouseeitherclockwiseorcounter-clockwiseandthepicturewillrotateinthesame direction.

### **Inserting a Graph or Table:**

TherearetwowaystoinsertagraphortableintoaPowerPointslide.

1. Thegraphortablemayalreadyexistinanotherdocumentorfile.Ifthisisthecase,then youcansimplyinsertthegraphortableasyouwouldapicture.Followtheinstructionsunder **Inserting a Picture**.

OryoucouldCutandPasteagraphorchartfromanotherdocumentorfileintoyourslide presentation.

2. MSPowerPointcancreategraphsortablesdirectlyintheslide.FromtheMenuBar,select

**Insert ► Chart(orTable).**

FortheChartoption,PowerPointwillpresentaverysimplebargraph.

Youwillneedtogoinandedittheinformationinthebargraphtoconformtotheinformation youwishtorepresentinachart.FromtheDatashet,youcanenterintheappropriatevalues for the columns and re-name the entities.

TheTableoptionwillpresentyouwiththefollowingwindow:

Select the appropriate number of rows and columns you wish to have in your table. Click **"OK"**toinsertthetable.Oncethetablehasbeeninsertedyouwillbeabletoputinformation into the table cells.

### **Slide Management:**

Once you have completed a slide, you can create a new slide by clicking on the New Slide icon.Noticethatyourpreviousslidesstillappearontheleft-sideframe.Youcanstillaccess your previous slides by simply clicking on them from this location.

Once all your slides have been completed, you can present your slides in a "slideshow." From the Menu Bar select Slide Show ► View Show. Notice that the slide takes over our entire screen. To navigate through the slides, use the arrow

keysonyourkeyboard(←,→or ↑, ↓).Youcanalsonavigatethroughyourslidesbyclicking ontheleftorrightarrowsinthelowerleftcornerofyourslide.Toendyourslideshow,click

on the square box on the lower left side of your slide show (this is difficult to see at first because it is designed to blend into your slide show so it won't be noticeable to your audience). Select End Show from the pop-up window.

## **CLOSING MICROSOFT POWERPOINT**

### **Saving Slide Shows:**

When you come to a stopping point and want to leave the computer, it is important to save your work (even if you are printing a hard copy — saving should be a reflex). To save your work in MS PowerPoint, it is essential to know WHAT you are trying to save as well as WHERE you are trying to save it.

Click ► File ► Save from the Menu Bar to get started.

You can change the filename that PowerPoint has chosen just by typing a new one in the File name box at the bottom of the window that appears.

MS PowerPoint will automatically save your document with the suffix ".ppt" — this is simply a tag that lets PowerPoint know that your work is specific to this program. You do not have to type it — just highlight what is there (default is "Presentation1") and write a new filename.

The My Documents folder on your computer's hard drive is a good place to store your documents. A blank CD (compact disc) or a USB Jump Drive are great portable storage devices and can contain a LOT of data. It is important to note that every consequent command of SAVE will overwrite your original file, creating the most up-to-date version. If you want to save any changes to your PowerPoint slides without destroying the original one:

In the Menu Bar, click ► File ► Save As from the menu bar and give your document a new filename (unique from the original). To bring a saved document back up on the screen from MS PowerPoint:

Click ► File ► Open from the Menu Bar. Locate where the file is located (which folder, that is) and click on the filename of the document you want.

Click ► Open.

Printing Slides:

To print your MS PowerPoint slides:

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**Page Setup function.** Print Preview will allow you to look over an exact copy of what will come out of the printer before actually executing the print command.

### **Closing the Program:**

When you are finished,

Click ► File ► Exit from the menu bar OR

Click on the X in the top right corner of the computer screen.

### **Introduction:**

The internet in simple terms is a network of the interlinked computer networking worldwide, which is accessible to the general public. These interconnected computers work by transmitting data through a special type of packet switching which is known as the IP or the internet protocol.

Internet is such a huge network of several different interlinked networks relating to the business, government, academic, and even smaller domestic networks, therefore internet is known as the network of all the other networks. These networks enable the internet to be used for various important functions which include these several means of communications like the file transfer, the online chat and even the sharing of the documents and websites on the WWW, or the World Wide Web.

It is always mistakenly said that the internet and the World Wide Web are both the same terms, or are synonymous. Actually there is a very significant difference between the two which has to be clear to understand both the terms. The internet and World Wide Web are both the networks yet; the internet is the network of the several different computers which are connected through the linkage of the accessories like the copper wires, the fiber optics and even the latest wireless connections. However, the World Wide Web consists of the interlinked collection of the information and documents which are taken as the resource by the general public. These are then linked by the website URLs and the hyperlinks. Therefore World Wide Web is one of the services offered by the whole complicated and huge network of the internet. The use of IP in the Internet is the integral part of the network, as they provide the services of the internet, through different layers or organization through the IP data packets. There are other protocols that are the sub-classes of the IP itself, like the TCP, and the HTTP.

By the turn of the century, information, including access to the Internet, will be the basis for personal, economic, and political advancement. The popular name for the Internet is the information superhighway. Whether you want to find the latest financial news, browse through library catalogs, exchange information with colleagues, or join in a lively political debate, the Internet is the tool that will take you beyond telephones, faxes, and isolated computers to a burgeoning networked information frontier.

The Internet supplements the traditional tools you use to gather information, Data Graphics, News and correspond with other people. Used skillfully, the Internet shrinks the world and brings information, expertise, and knowledge on nearly every subject imaginable straight to your computer.

### **What is the Internet?**

The Internet links are computer networks all over the world so that users can share resources and communicate with each other. Some computers have direct access to all the facilities on the Internet such as the universities. And other computers, example privately-owned ones, have indirect links through a commercial service provider, who offers some or all of the Internet facilities. In order to be connected to Internet, you must go through services suppliers. Many options are offered with monthly rates. Depending on the option chosen, access time may vary.

The Internet is what we call a Metanetwork, that is, a network of networks that spans the globe. It's impossible to give an exact count of the number of networks or users that comprise the Internet, but it is easily in the thousands and millions respectively. The Internet employs a set of standardized protocols which allow for the sharing of resources among different kinds of computers that communicate with each other on the network. These standards, sometimes referred to as the Internet Protocol Suite, are the rules that developers adhere to when creating new functions for the Internet.

The Internet is also what we call a distributed system; there are no central archives. Technically, no one runs the Internet. Rather, the Internet is made up of thousands of smaller networks. The Internet thrives and develops as its many users find new ways to create, display and retrieve the information that constitutes the Internet.

### **Who Owns the Internet?**

No one actually owns the Internet, and no single person or organization controls the Internet in its entirety. The Internet is more of a concept than an actual tangible entity, and it relies on a physical infrastructure that connects networks to other networks.

### **Is Web and Internet the Same?**

The Internet is not synonymous with World Wide Web. The Internet is a massive network of networks, a networking infrastructure. It connects millions of computers together globally, forming a network in which any computer can communicate with any other computer as long as they are both connected to the Internet. The World Wide Web, or simply Web, is a way of accessing information over the medium of the Internet. It is an information-sharing model that is built on top of the Internet.

### **WEBBROWSER:**

A web browser (commonly referred to as a browser) is a software application for retrieving, presenting, and traversing information resources on the World Wide Web. An information resource is identified by a Uniform Resource Identifier (URI/URL) and may be a webpage, image, video or other piece of content. Hyperlinks present in resources enable users to easily navigate their browsers to related resources.

Although browsers are primarily intended to use the World Wide Web, they can also be used to access information provided by web servers in private networks or files in file systems.

## Uses of Internet

Internet is today one of the most important part of our daily life. There are large numbers of things that can be done using the internet and so it is very important. You can say that with the progress in the internet we are progressing in every sphere of life as it not only makes our tasks easier but also saves a lot of time. Today internet is used for different purposes depending upon the requirement. Here in this very article we have mentioned the ten best uses of the internet. Here goes the list.



### 1) Email:

By using internet now we can communicate in a fraction of seconds with a person who is sitting in the other part of the world. Today for better communication, we can avail the facilities of Email. We can chat for hours with our loved ones. There are plenty messenger services and email services offering this service for free. With help of such services, it has become very easy to establish a kind of global friendship where you can share your thoughts, can explore other cultures of different ethnicity.

### 2) Information:

The biggest advantage that internet offering is information. The internet and the World Wide Web has made it easy for anyone to access information and it can be of any type, as the internet is flooded with information. The internet and the World Wide Web have made it easy for anyone to access information and it can be of any type. Any kind of information on any topic is available on the Internet.

### 3) Business:

World trade has seen a big boom with the help of the internet, as it has become easier for buyers and sellers to communicate and also to advertise their sites. Now a day's most of the people are using online classified sites to buy or sell or advertising their products or

services. Classified sites save a lot of money and time so this is chosen as a medium by most of people to advertise their products. We have many classified sites on the web like craigslist, Adsglobe.com, Kijiji etc.

#### **4) Social Networking:**

Today social networking sites have become an important part of the online community. Almost all users are members use it for personal and business purposes. It's an awesome place to network with many entrepreneurs who come here to begin building their own personal and business brand.

#### **5) Shopping:**

In today's busy life most of us are interested to shop online. Now a day's almost anything can be bought with the use of the internet. In countries like US most of consumers prefer to shop from home. We have many shopping sites on internet like amazon.com, Dealsglobe.com etc. People also use the internet to auction goods. There are many auction sites online, where anything can be sold.

#### **6) Entertainment:**

On internet we can find all forms of entertainment from watching films to playing games online. Almost anyone can find the right kind of entertainment for themselves. When people surf the Web, there are numerous things that can be found. Music, hobbies, news and more can be found and shared on the Internet. There are numerous games that may be downloaded from the Internet for free.

#### **7) E-Commerce:**

E-commerce is the concept used for any type of commercial maneuvering, or business deal that involves the transfer of information across the globe via internet. It has become a phenomenon associated with any kind of shopping, almost anything. It has got a real amazing and range of products from household needs, technology to entertainment.

#### **8) Services:**

Many services are now provided on the internet such as online banking, job seeking, purchasing tickets for your favorite movies, and guidance services on a range of topics in the every aspect of life, and hotel reservations and bills paying. Often these services are not available off-line and can cost you more.

#### **9) Job Search:**

Internet makes life easy for both employers and job seekers as there are plenty of job sites which connect employers and job seekers.

#### **10) Dating/Personals:**

People are connecting with other through internet and finding their life partners. Internet not only helps to find the right person but also to continue the relationship.

## E-mailing

Short for **electronic mail**, **e-mail** or **email** is text messages that may contain files, images, or other attachments sent through a network to a specified individual or group of individuals. The first e-mail was sent by Ray Tomlinson in 1971. By 1996, more electronic mail was being sent than postal mail.

***“Email, e-mail or electronic mail is the transmission of messages (emails or email messages) over electronic networks like the internet.”***

Email, sometimes written as e-mail, is simply the shortened form of “electronic mail,” a system for receiving, sending, and storing electronic messages. It has gained nearly universal popularity around the world with the spread of the Internet. In many cases, email has become the preferred method for both personal and business communication.

### How It Is Used

Messages sent by electronic mail normally reach a recipient's account within seconds. They frequently include more than just text; images and numerous types of formatted documents are now easily included as attached files. Moreover, it is no longer necessary to be sitting in front of a PC to send or receive an email. A variety of mobile devices, such as tablet computers and smart phones, make it possible to manage correspondence on the go.

Most e-mail systems include a rudimentary text editor for composing messages, but many allow you to edit your messages using any editor you want. You then send the message to the recipient by specifying the recipient's address. You can also send the same message to several users at once. This is called **broadcasting**.

Sent messages are stored in electronic mailboxes until the recipient fetches them. To see if you have any mail, you may have to check your electronic mailbox periodically, although many systems alert you when mail is received. After reading your mail, you can store it in a text file, forward it to other users, or delete it. Copies of memos can be printed out on a printer if you want a paper copy. E-mail can be distributed to lists of people as well as to individuals. A shared distribution list can be managed by using an e-mail reflector. Some mailing lists allow you to subscribe by sending a request to the mailing list administrator. A mailing list that is administered automatically is called a list server.

To get a grasp of what email is its best — the terminology indicates it — to think in equivalents of “traditional” postal mail.

- **The email message** - Instead of using a pen to write a letter on paper, you're using your keyboard to type an email message in an email program on your computer.
- **Sending the email** - When the email is finished and has been addressed to the recipient's email address, you don't put a stamp on it and post it but press the *Send* button in the email program. This makes the email message go on its journey.

- **Email transport** -Like postalservicestransportlettersandparcel, emailserverstransmit emailmessagesfromsendertorecipient. Usually, emailsarenotdeliveredtotherecipient directly, though, butwaitingatthe"nearest"mailservertobepickedupbythem.
- **Fetchingnewmail**-Ifyou'vegotnewmailinyourmailbox, yougoandfetchit. Similarly, youemailprogramcancheckfornewemailmessagesatyourmailserveranddownload them for you to read.

## **BASIC CONCEPTS OF ACCOUNTING & MANUAL ACCOUNTS**

### **Purpose of keeping Accounts or Need For Proper Accounts**

Systematic recording of business and professional transactions in money terms is a necessity to estimate, ascertain and forecast the business results. A business enterprise must keep a systematic record of its daily transactions. So that it can know where it stands and adjudges its performance. This systematic recording of transactions is termed as accounting or book-keeping.

The basic purpose of accounting is to present a complete financial picture of the business enterprise with the help of two financial statements. The Profit and Loss Account showing how much profit has been earned or loss suffered and the Balance Sheet showing the assets and liabilities of the Business and Proprietor's interest in the enterprise. The account books are the financial records which are of interest for the owners and numerous other parties such as Creditors, Employees, Government, Banks, Financial, Institutions etc. The uses of the account/ financial statement, to the various groups of person areas follows:

#### **To Owners**

- Ascertainment of true profits.
- Ascertainment of liabilities to outsiders.
- Ascertainment of growth in capital.
- Planning for business.
- Cost determination and cost control with price fixation.
- Optimum utilization of source, resource to keep the fixed assets intact and in workable position.
- Control over assets and properties.
- Legal requirements as regard taxation etc.

#### **Utility To Others**

- To government:**
  - Whether the taxes have been duly paid by the enterprise or not.
  - Whether the enterprise has complied with all the legal requirements.
- To Bank / Financial Institutions:**
  - Whether or not the enterprise to which they have lent money is running successfully and maintaining its capital intact.
  - Whether the enterprise is earning adequate to pay back its loan and interest in time.
  - Whether the enterprise are sufficient to secure and repay the loan given by them to the enterprise.

**□□ To Labour:**

- To ascertain the profit earned by the enterprise, so that they can get bonus or wages revision fixed on that basis.
- Whether in view of present financial health of the enterprise their job is secured and permanent.

**□□ To Creditors:**

- Whether they will be paid in time.
- Whether their money is secured in such enterprise.
- Whether to continue supplying goods on credit and allow higher credit.

**□□ To Public:**

- Whether it is worthwhile to invest in the enterprise or withdraw their investment, as debenture holder or other persons who have given loans to the enterprise.

**What is Accounts?**

**Accounting:** is the art of recording, classifying and summarizing in a significant manner and in terms of money transactions and events which are in part at least, of a financial character, and interpreting the result thereof. "Bookkeeping is the art of recording business dealing in a set of books." **Object of Book- Keeping are:**

- To record correctly all business transactions, which involve transfer of money or goods?
- To indicate the effect of each transaction and combined effect of all transactions upon the financial position of the party entering into the transaction.

**Legal Requirements for Maintaining Books of Accounts**

Cash book, journal and ledger are the basic account books which are supported by vouchers, purchase and sale bills memos.

Apart from being a business necessity, maintenance of proper books of accounts is necessary under section 44 - AA of the income -tax Act 1961. It provides for compulsory maintenance of account by persons carrying on business as well as profession.

Every person carrying on legal, medical, engineering or architectural profession, or the profession accountancy or technical consultancy or interior decoration or authorized representative or film artist or company secretary whose gross receipts (not income) from such profession exceeds Rs. 1,50,000/-. In any of the three years immediately proceeding the current year is required to maintain proscribed books of accounts.

**Penalty under Income Tax Act:**

If a person fails to keep and maintain accounts books or retain them for the prescribed period of 8 years (16 years for cash book and ledgers) he is liable to penalty Rs. 25000/- under section 271A of the Income Tax Act.

**Accounting Terminology**

- **Business :** Business is a generic term including any activity undertaken for the purpose of making profit. It refers to any establishment or organization set up for the conduct of trade, commerce or industry.
- **Profession :** Profession is practice of intellectual skill by a person in a particular field requiring specialized training on the part of the person engaged in it ,for example a doctor, a lawyer, an accountant, an architect, a chartered accountant etc.
- **Owner / Proprietor / Partner**

One who owns the business is called the owner or proprietors. He provides the necessary capital, attends to business activities, undertakes the risk of running the business, is entitled to receive the profits and is liable for the losses resulting there from. An owner is different from the business, in the accounting terminology. He is called a Sole proprietor in one man business, partner in a partnership firm.

**Accounting Equation:** It means that in mathematical terms total assets of a business are always equal to the aggregate of its liabilities and capital. i.e.

$$\text{Total Assets} = \text{Liabilities} + \text{Capital}$$

**Capital:** Capital means the amount invested by the proprietor in the business. Suppose "Sudeep" starts a business with Rs. 1, 00,000/-. The amount of Rs. 1, 00,000/- invested by Sudeep in the business is called the **capital of the business**. For the business, capital is a liability towards the owner.

**Drawing:** Drawing refers to the amount of cash or value of goods withdrawn by the proprietor out of business for his personal use. Suppose "Ramesh" withdraws Rs. 20, 000/- from his business for purchase of "scooter" for his domestic use. The amount of Rs. 20,000/- withdrawn by the proprietor for his personal use is called drawings.

**Goods:** The things or items in which a business deals are called as "Goods" for the business. Example in a stationary shop goods means "Stationary Items". In a Furniture Shop/Business goods means "Furniture Items".

**Debtors:** The term "debtor" represents the persons who have purchased goods on credit from the business and haven't paid for the goods sold to them. For example if goods worth Rs. 10,000/- have been sold to "Mahesh", he will continue to remain the debtor of the business, so far, he does not make the full payment. Thus "debtor" is a person from whom the business has to receive some money on account of goods supplied /sold (on credit).

**Creditor:** Creditor is a person to whom a business owes money for the goods purchased from such person on credit. Suppose a firm purchased some goods on credit from Mahajan Traders for Rs. 30,000/-. In such a case Mahajan Traders will continue to remain the creditor of the firm so far the full payment of Rs. 30,000/- is not made to it.

**Income/Revenue:** It is the monetary gain resulting from the sale of goods or services during a given period and is measured by the price charged from customer, clients or tenants for goods and service furnished to them. It also includes interest and dividends earned on investments and rent received from letting out property.

**Expenses:** Expense refers to an expenditure whose benefit is enjoyed and finished immediately. Examples of expenses are: Rent of Building, Salary Paid to Employees, Wages paid to Labour, payment of Tax charges etc. Expense is the cost of use of things or services for the purpose of generating revenue. Expenses are voluntarily incurred to generate income.

**Losses:** Losses are unwanted burden which the business is forced to bear. Loss of goods due to theft or fire, or flood or accident is termed as "loss" in accounting. Losses are different from expenses in the sense that expenses are voluntarily incurred to generate income, whereas losses are forced to be borne. Losses are outcome of the activity. They are beyond control.



**Assets:** Assets mean right of ownership over anything valuable. This refers to properties that can be expressed in terms of money like plant and machinery, vehicles, stocks, cash etc. It also includes money due to the business from debtors. For goods and services or for money lent. Rights available to a business such as patent or copyright, goodwill, trademark etc. is also included in assets.

**Net Worth:** Net worth of a business is the excess of its total assets over its total liabilities to outsiders. Net worth is the amount payable or recoverable from the owners of the business. **Profit (Income):** Excess of all revenues over all costs and expenses is called profits (income).

**Purchases:** Purchases means purchase of goods. Goods purchased on cash are called "cash purchases" and those purchased without payment at the time of purchase are called "credit purchases".

**Purchase Returns:** Goods returned to the seller, being in excess of the quantity ordered or found to be defective, or for any other dispute, are called purchase return.

**Sales:** Sales refer to sales of goods to customers. Sales for cash are called "cash sales" and when payment is not received at the same time it is called Credit Sale.

**Sales Returns:** Goods returned by the customer due to some defects, or excess quantity etc. are called as sales returns.

**Voucher:** A voucher is a written documentary proof originating and supporting a business transaction. It is the basis of recording a transaction in the books of account. For example cash-memos, pay-in-slips, invoices etc.



# MEANING OF BOOK KEEPING

'**Book-Keeping**' is a composite term made of 'book' and 'keeping'. The word 'book' refers to books of account and 'keeping' refers to maintenance in a systematic manner. Book keeping is the systematic record of business transactions in a set of books.

Business involves a number of transactions such as buying, selling, receiving, paying etc. which cannot be remembered for a long period. As such, it becomes necessary to write or record the transactions in books of account in a scientific manner. Book-keeping is, therefore, the art of applying the principles of accounting, in keeping books of account.

According to **Mr. J.R. BATLIBOI**, "Book-Keeping is the art of recording business transactions in a set of books."

## **Recording of Business Transactions Is To Be Done In a Proper Set Of Books**

By proper set of books, we mean the various books of account or registers maintained by a businessman from which he wants to ascertain the necessary information regarding the affairs of his business.

The two most important books of accounts maintained by a business are:

- Journal cum Cash Book**
- Ledger**

Instead of above, the following subsidiary books all or some, according to requirements may be prepared:

- Cash Book**
- Purchase Book / Purchase Day Book**
- Sales Book / Sales Day Book**
- Purchase Return Book**
- Sales Return Book**
- Bill Receivable Book**
- Bill Payable Book**
- Journal Proper**

## **Book Keeping involves the following steps:**

All business transactions which are financial in nature desirably having documentary proof are accounting transactions.

- Identifying Accounting Transactions**
- Preparation of Cash Book**
- Preparation of Ledger Book**
- Balancing of Ledger Accounts**
- Preparation of Trail Balance**
- Preparation of Final Accounts**

**Accounting:** Accounting may be defined as the art of recording, classifying and summarizing the day to day transactions of the business and interpreting the results thereof.

## **Difference between Book Keeping and Accounting:**

Book Keeping is a narrow term, concerned with the art of recording the day-to-day transactions of the business in proper books of account.

The term Accounting is wider in meaning and is concerned with recording, classifying and summarizing the daily business transactions and interpreting the results thereof. Book Keeping is a part of Accounting.

### **Advantages of Book-Keeping & Accountancy**

- Avoidance of the Limitation of Memorizing Power:** Due to limited memorizing power, a businessman may not remember all his business transactions for a long period. Accounting helps him in keeping a permanent record of his business transactions.
- Ascertainment of Profit and Loss of the Business :** It helps the businessman in ascertaining the profit or loss made by his business, over a period of time (By preparing Profit & Loss Account).
- To know the Financial Position of Business:** By preparing **Balance Sheet**, the business man comes to know about the asset, liabilities, capital etc. of the business at a point of time.
- Assessment of Tax:** Nowadays a businessman is required to pay a number of taxes that is Income Tax, Sales Tax, Excise-duty etc. Fair assessment of these taxes is possible only if proper and systematic records of income, sales and production of the business have been maintained.
- Knowledge of Debtors/ Creditors:** A businessman can daily know the amount due from his debtors and amount due to his creditors if he has maintained proper records of his transactions with debtors and creditors.

### **Objective of Accounting**

- Trading A/C**
- Profit & loss A/C**
- Balance sheet**

### **Book Keeping: To maintain Account books**

- Journal**
- Cash Book**
- Ledger**
- Return Books**
- Sales Return Book**

- Purchase Return Book**
- Bill Receivable Book**
- Bill Payable Book**
- Sales Day Book**
- Purchase Day Book**
- Petty cash book**
- Stock Register**

### **Objective of Financial Accounting**

Financial Accounting is the art of recording, closing and summarizing in a sufficient manner and in forms of money transaction and events which are in part at least of a financial character and interpreting the result thereof.

The objective of financial Accounting is

- To keep systematic record of business**
- To protect business properties: This is only possible on A/C of supplying the following information to the manager etc.**
  - The amount of proprietor's funds invested. How much the business has to pay?
  - How much the business is recovered from others?
  - How much the business has in the form of fixed assets? "Cash" in
    - hand
    - "Cash" at
      - bank
      - Stock of raw material
      - Work in progress
      - Finished goods.
- To ascertain the operational loss or profit.**
- To ascertain the financial position of the business that is where it stands, what it owes and what it owns.**

### **Golden Rules of Accounting**

There are basically three types of accounts:

- Real**
- Personal**
- Nominal**

**Basic Principle:**

- Personal Account:**



Cr.

## DOUBLE ENTRY SYSTEM

### Transaction

Every business event or transactions has two aspects. If it increases any asset it either increases liabilities correspondingly or reduces some other asset. Likewise, incurring of expenditure involves decrease in an asset or increase in some liability.

So recording the double effect of any transaction is known as double entry system. As the assets of a business are always matched by an equal amount of financial claims against them, all the accounting transactions maintain this equality and no entry for recording of an accounting transaction is complete unless the debit is equal in value to the credit entry. This is the rule of Double Entry.

Double Entry system facilitates automatic checking of arithmetical accuracy of books of accounts through preparation of Trial Balance. Once two sides of Trial Balance have agreed, it normally leads to a confidence that books of accounts are arithmetically correct.

Under this system position of any particular aspect of a business can be easily ascertained in the manner that Debtor's account or supplier's account gives complete information about balance outstanding in their account at any point of time.

### Voucher

Voucher is documentary evidence in support of a transaction. These documents may be internal or external. Under the double entry system, recording of a transaction originates from a Voucher. Followed by an entry in the prime books of record that is journal or cash book. Type of Voucher is specified by Narration. Narration is the proof or evidence of any Entry or Transaction. Narration is of different types:

Like

<input type="checkbox"/> Capital --->	Capital Introduce
<input type="checkbox"/> Cash Deposited --->	Cash deposited into Bank
<input type="checkbox"/> Purchases --->	Bill. M No.
<input type="checkbox"/> Sale --->	C. M No.
<input type="checkbox"/> Expense --->	C. M No., R. No.
<input type="checkbox"/> Cheque --->	Chq. No.
<input type="checkbox"/> D/D --->	D. D. No.
<input type="checkbox"/> Salary --->	To Mohan For the month of April 99
<input type="checkbox"/> Rent --->	Topaid for the month of March 99

**Some different types of vouchers are used in business:**

#### Payment Voucher or Debit Voucher

This Voucher is used to record all payment and other expenses paid in cash. In case of expenses the relevant support of expenses such as cash memo or bill etc. should be attached so far as possible. In case of cash payment exceeding rupees fifty it is necessary

to affix revenue stamp on the voucher to make it legally enforceable. The signature of recipient should be obtained on voucher across the revenue stamp.

□□ **Receipt Voucher:** This Voucher is prepared for recording all receipts of money whether by cash or by cheque and on whatever Accounts.

□□ **Journal Voucher:** A journal voucher is prepared to record transactions other than those involving cash. Journal voucher is prepared to ensure that each approved liability is recorded as incurred.

□□ **Journal:** Journal is a systematic recording of transactions on the basis of VOUCHERS as and when they occur. It is a book of primary entry or foundation for accounting.

**Procedure for recording transaction in the Journal:**

- In each transaction identify the head of accounts. Classify
- the identified Accounts.
- Apply the appropriate rules of Debit/Credit.
- Record the debit account firstly in the particulars columns with the date and amount in the debit column.
- Then enter the credit account by starting with "To" giving a little margin in the left hand side and put the amount in credit column.
- Give the brief narration of the transaction in the particular column in respect of the entry.

**Example:**

- Cash Received from Sharma 1000/-  
Cash --> comes in --> Real --> DR 1000/- Sharma --> giver --> Personal --> Cr 1000/- Cash A/c Dr. 1000/-  
To Sharma's A/c 1000/-  
(On receipt of cash from Sharma's)
- Rent paid to Mr. Mohan for Jan 2001 Rs. 5000/- Rent --> Nominal --> Exp. & Loss --> Dr. 5000/-  
Cash --> Goes Out --> Real --> Cr. 5000/-  
Rent A/c Dr. 5000/-  
To cash A/c 5000/-  
(Being paid rent for the month of Jan 2001 To Mr. Mohan)

**Some Important Heads of Expenditure Rent**

**A/C**

**Water & Electricity A/C**

**Telephone & Trunk Call A/C**

**Office Expenses A/C**

**Miscellaneous Expense A/C**

**Salary A/C (Administration staff)**

**Wage A/C (Factory Labour)**

**ProfessionalchargesA/C**

**AuditExpense A/C(C.A./Auditor)**

**LegalExpenseA/C(Advocate+Stamps) Printing  
& Stationary A/C**

**Postage & Telegram A/C**

**Traveling&ConveyanceA/C**

**Petrol & Maintenance A/C**

**DonationA/C(ReceiptrequiredaboveRs50/-) Purchase  
A/C**

**Staff Welfare A/C**

**Entertainment A/C**

**BusinessPromotionorAdvertisementA/C**

**Repair & Maintenance A/C**

**Freight & Cartage A/C**

**Newspaper&PeriodicalsA/C**

**Furniture&FixtureA/C**

**Drawing A/C**

**InsuranceA/C**

**ParkingChargesA/C**

**Interest A/C**

**Sales promotions A/C**

**DiscountandallowancesA/C**

**BaddebtsA/C**

**MahuratExpense,A/C**

**Bank Changes A/C**

**DepreciationA/C**





# MAINTAINING ACCOUNTS BOOKS

## **Cash Book**

A cash book is a record of all cash receipts and payments kept and maintained from day to day and giving the cash balance in hand at the end of a specified period not exceeding a month. A cash book records all cash transactions with their further classification and summarization. There are two types of transactions recorded in cash book.

**Cash:** It's having only one effect and comes in outer column of cash book. Cash Dr. or Cash Cr. In cash Book, Cash A/C not to be mentioned.

**Noncash :** NonCash having Double effect Cr. and Dr. and comes in Inner column. **The cash book is normally divided into two parts:**

The left hand side is used for recording all receipts of cash or whether it is loan or income or the proprietor's capital introduced into the business and the right hand side records all payment, whether payment for expenses or repayments of loans and for Cash Balance at the end of the day total of receipts minus total of payments.

## **Ledgers**

Ledgers are the main book of account which classifies and summarizes transactions and events into groups according to their nature. For example all the transactions relating to purchase are recorded in a separate account namely '**Purchase Account**' those relating to sales in a '**Sales Account**', expense of different nature are recorded in different accounts so that expenses of a particular type are reflected at the same place.

### **Ledger Posting:**

Accounts for each item are indexed and maintained in ledger and the entries in the ledger are posted from cash book and it is very simple. All cash and noncash credit entry in credit side and debit entry in debit side and a balance account may have a debit balance, a credit balance or nil balance.

### **Trial Balance**

After preparing the cash book and ledger the next stage is to prepare "Trial Balance".

### **What is a Trial Balance?**

Trial Balance is a statement prepared with the debit and credit balances of ledger accounts to test the arithmetical accuracy of the books of Accounts. **Special Features of Trial Balance**

- The Trial Balance is prepared on a specific date.
- It is prepared with the debitor credit balances of Ledger Accounts. It
- contains the list of all ledger accounts including each balance.
- The amount column of Trial Balance is divided as "Debit Column" and "Credit Column".

- The total of the debit and credit column of the amount must be equal.
- If the total of debit and credit side doesn't tally, it means that certain mistakes have been committed somewhere in Cash Book, Ledger, and Journal.
- Cash in Hand is taken from the cash book.
- Closing stock is kept out of Trial Balance.
- Opening stock from Balance Sheet of Previous year.

### **Why is Trial Balance Prepared?**

The Trial Balance is prepared for the following objects.

- To check the arithmetic accuracy of the books of accounts. To
- obtain the summarized position of ledger Accounts.
- Basis for preparing Final Accounts like "Trading and Profit and loss Account" and "Balance Sheet".

## **Financial Accounts**

### **Assets & Liability**

**Assets:** Assets are the resources raised by the business from the funds made available either by the owner or others.

### **Kinds of Assets**

**Fixed Assets:** These are acquired for relatively long periods for carrying on business and are not meant for resale like Land, Building, Machinery, Furniture & Fixture, Copyright, Goodwill, Trademark, Computer, Typewriter, Air Conditioner and Television etc.

**Investment and Advances:** Other than in the regular business are called investment.

**Current Assets:** These are those assets held in the business which are expected to be converted into cash within 12 months i.e. in short run. e.g. **Cash in hand**

**Cash at bank**

**Marketable Securities**

**Debtors**

**Advances to Staff**

**Advances to Supplier**

**Earnest Money**

**Prepaid Expenses**

**Closing Stock**

### **Liabilities**

**Capital:** Share Capital or Equity Capital.

**Secured Loan:** The loan taken against security is called secured loan. It is called long term loan (>12 months) from bank.

**Unsecured Loan:** This is short time ( $\leq 12$  months) loan without security from friends, relatives etc.

**Current Liabilities:** Creditors bills payable, advances received from supplier, securities received, outstanding expenses. Which is expected to be paid within 12 months?

**Adjustment In Profit & Loss A/c with Journal Entries:**

**Salary and Salary payable** (Salary Dues will be shown as Salary payable).

Salary A/c Dr.

To Salary payable A/c Cr.

In Profit & Loss A/c it will be added in the salary A/c and in Balance sheet it will be shown as salary payable.

**Telephone any telephone bill outstanding**

Any telephone bill received before 31st March not yet paid will be shown as due.

Telephone A/c Dr.

To Telephone Expenses Payable A/c

In Profit & Loss A/c it will be added in Telephone & Trunk call expenses A/c in Balance sheet it will be shown as liability.

**Water & Electricity Payable**

Any water & electricity bill received before 31st March not yet paid will be shown as due.

Water & electricity A/c Dr.

To water & electricity payable A/c

**Advance Given**

Insurance paid in Advance will be deducted from expenditure and in Balance sheet it is shown as an asset.

Prepaid insurance A/c Dr.

To insurance A/c Cr.

**Income due** (but not received is also known as accrued income - Receivable) Accrued Tuition fees A/c Dr.

To Tuition Fees A/c Cr.

Tuition fees will be added in the income shown in Profit & Loss A/c and accrued Tuition Fees will be shown as an asset.

**Loss of stock by fire: There are two types of loss of stock**

Uninsured loss  Insured loss

**Closing:** Accounts are closed on 31/3 and financial accounts are prepared to know the standing of the business during the previous year with regard to Profit and Loss and Assets and Liability.

- Manufacturing A/c** : Cost of production
- Trading A/c** : Gross Profit
- Profit & Loss A/c** : Net Profit
- Balance Sheet** : Balance of Assets and Liabilities

☐☐ **Cash in hand is taken from the cash book.**

☐ **Closing stock is kept out of Trial Balance.**

**Closing stock:** Raw Material, Work In Progress, Finished Goods

**Opening stock:** Raw Material, Work In Progress, Finished Goods

**Profit & Loss A/c:** A Profit and loss Account shows the total revenues/ incomes from the sale of goods or services, during an accounting period and the total expenses incurred during that period in earning the revenues, Excess of revenues over expenses is the net profit or net income. If total expenses are in excess of revenues, the net result is loss.

**Balance Sheet:** A Balance sheet is a statement showing the state of affairs of a business as on a specified date. The state of affairs includes what the business owns and what the business owes. It displays the properties, assets and other rights owned by the business on the right hand side. The liabilities to outsiders and amounts invested by owners as capital on the left hand side. Balance sheet reflects as to what proportion of the total assets belongs to proprietor or of business and what proportion to outsiders. It is a formal representation of the accounting equation

## **BASIC CONCEPTS OF TAXATION**

**Types of Tax:** Taxes are basically of two types i.e. Direct Tax and Indirect Tax

- 1. Direct Tax:** where the incidence and impact of Tax is on the one and same person, then it is called a Direct Tax. In other words we can say that where the Tax is charged directly on the Person, it is a Direct Tax e.g. Income Tax.
- 2. Indirect Tax:** where the incidence of Tax is on one person and its impact falls on the other person, then such Tax is called an Indirect Tax. In other words we can say that where the tax is charged on the Person indirectly, it is an Indirect Tax e.g. Sale Tax, Service Tax, VAT Tax etc.

**Income Tax:** Tax planning is crucial as it reflects on your financial situation and also involves planning for post-retirement life. The Income Tax Act has provisions for benefits, exemptions and deductions to help you reduce your taxes and save money. Income tax is an annual tax on income. The Income Tax Act (Section 4) provides that in respect of the total income of previous year of every person, income tax shall be charged for the corresponding assessment year at the rates laid down by the Finance Act for that assessment year.

**Previous Year:** Income tax is calculated on the income received or accrued during a financial year, and that year is known as the previous year.

**Assessment Year:** Assessment year is the year after the previous year.

**Assessed :** An assessee is a person who pays tax or any other amount under the Income Tax Act.

**Person :** Section 2(31) of the Income Tax Act defines a person as An individual, A Hindu undivided family, A company, A firm, An association of persons or a body of individuals whether incorporated or not, A local authority, Every artificial person not falling within any of the preceding categories.

**Assessing Officer:** An assessing officer is the Income Tax officer, or the assistant commissioner of Income Tax officer, or the deputy commissioner of Income Tax, or the joint commissioner of Income Tax, who has jurisdiction over an assessee. The assessing officer makes the assessment and collects taxes under the Act.

## **CALCULATE YOUR TAX**

**Step 1:** Assess your income. Each of these heads recognizes an income from a different area or profession and is classified under different heads. Each of the heads of income allows certain deductions or exemptions as per rules.

**Step 2:** Aggregate the gross income. The next step is to sum up the income under the different heads to arrive at the gross total income.

**Step 3:** Calculate the net taxable income. From the gross total income, the Income Tax Act allows certain deductions under chapter VI A to arrive at the net taxable income.

**Step 4:** Calculate tax. On this net taxable income, calculate the tax payable as per the tax-slabs given in the finance act every year.

**Step 5:** Deduct rebates. Tax rebates are available under section 88, 88B and 88C on certain conditions. Deduct these rebates from tax payable.

**Step 6:** Final tax payable. If you have paid any advance tax or have tax deducted at source, reduce the same from the balance tax amount. Any additional tax should be paid as self-assessment tax before filing the income tax return.

**Gross Total Income (GTI):** Section 14 of the Income Tax Act provides that for the purpose of charge of income tax and computation of total income all incomes shall be classified under the following heads of income:

1. **Income from "Salaries".**
2. **Income from "House Property".**
3. **Income from "Business or Profession".**
4. **Income from "Capital Gains".**
5. **Income from "Other Sources" (any income that does not come under any of the above heads)**

The total income from all the above heads of income is calculated in accordance with the provisions of the Act as they stand on the first day of April of any assessment year.

**Salary:** Section 17(1) of the Income Tax Act gives the definition of salary. Essentially, income from salary consists of all types of cash amount paid to an employee for services rendered to an employer. You should have an employee-employer relationship and such cash amount is taxable as 'salary'. It includes basic pay, dearness allowance, overtime, bonus, incentives, allowance, and Children allowances. Some of these allowances are exempt from taxes under section 10 subject to limits, after which standard deductions are allowed under section 16 and then the final net income is computed.

**Salary from more than one source:** Salaries received from more than one employer during a year are taxable under salary. Such salaries are aggregated or clubbed together.

**House Property:** This is the second head for taxable income. The IT Act classifies house property under two distinct heads: self-occupied property and let out property. The house owner has to ascertain an annual value on these properties, which is taxable income. **Self-occupied property:** Simply put, the annual value of the house where the owner is residing, and which has not been let out, is taken as 'nil'.

**Let out property:** For the property that has been let out or deemed to be let out, the taxable value of the property shall be the higher.

**PROFIT FROM BUSINESS OR PROFESSION:** This is the third head under which taxable income has to be determined and in the case of individuals, it is applicable to those who are self-employed, the sole proprietor of the business, or a professional. Business can be explained as any trade, commerce, or manufacture, or any concern in the nature of trade, commerce or manufacture. Profession includes any profession that requires manual or

intellectual skills. Professions include categories such as doctors, lawyers, singers etc. Any profits or gains from business or profession or any other services shall be treated as income from business or profession. Important expenses can be claimed as deductible expenses, some of which are:

**Rent, Taxes, Repairs And Maintenance Of Buildings, Salary, Bonus, And Commission To Employees Expenditure Incurred On Entertainment, Traveling, Advertising Etc.**

**Capital Gains:** This is for those who have made a profit or a loss by selling a capital asset and by making capital gains thereon. Capital asset is property of any kind held by a person whether or not it is connected with his business. However, it does not include inventory, raw material or stores for the purpose of business, or any personal goods such as clothes and moveable property, and jewellery. Rural agricultural land and gold bonds and gold deposit bonds, too are not considered capital assets. Short and long term assets' nature along with its holding period (the number of years of possession) determine whether an asset is a long or short-term one.

**INCOME FROM OTHER SOURCES :** This is the income that cannot be classified under any of the above heads such as salary, house property, etc. Interest income from securities, company fixed deposits, savings accounts, bank deposits, pension received by legal heirs and lotteries come under this head.

**Service Tax:** Service tax is a tax of 21st Century. Service Tax is a form of indirect tax imposed on specified services called "taxable services". Service tax cannot be charged on any service which is not included in the list of taxable services. Over the past few years, service tax has been expanded to cover new services. The intention of the government is to gradually increase the list of taxable services until most services fall within the scope of service tax.

**Value Added Tax (VAT):** VAT or Value Added Tax is a consumption tax, which is charged at each stage of production based on the value added to the product at that stage. Many States in India have adopted VAT in place of sales tax. In the sales tax structure, there are problems of double taxation of commodities and multiplicity of taxes, resulting in a cascading tax burden. VAT is a modern and simplified system of taxation where the tax is levied and collected at each stage on the value additions with a provision for set-off against tax paid at the various stages / tax paid on inputs. VAT is a system of indirect taxation, which has been introduced in lieu of sales tax. It is the tax paid by the producers, manufacturers, retailers or any other dealer who add value to the goods and that is ultimately passed on to the consumer. VAT has been introduced in India to ensure a fair and uniform system of taxation. It is an efficient, transparent, revenue-neutral, globally acceptable and easy to administer taxation system. It benefits the common man (consumer), businessman and the Government.

**Banking System:** The Banking Sector is the most dominant sector of the financial system in India, and with good valuations and increasing profits, the sector has been among the top performers in the markets. Banking dates back to 1786, the first bank established in India, then the nationalization of banks in 1969. In India, the banking sector is separate as public or private sector banks, cooperative banks and regional rural banks. Foreign banks have been given a different head followed by upcoming foreign banks in this section. A bunch of services are at customers' demand in today's banking system. Different types of accounts and loans, facilitating with plastic money and money transfer across the globe.

## Types of Business

There are four types of business:

### Proprietorship: (Single person or sole proprietor)

No formalities are required,  
No registration or whatever.

### Firm: (Partnership)

Member 2-20 Registration - Not compulsory, but it is advisable to get it registered with the registrar of firms. It is registered in Estate Office in Registrar's Office. Registration is applied on Form no 1. Registration fee is Rs 3.00 deposited through Challan no. 32A. Challan Code no- Head of A/c 1475-Other General and Economic Account. Under Partnership Act, 1932 partnership Deed on stamp paper of Rs 25.00 and attached to application Form no. 5 is used for incoming and outgoing members.

### Private Limited Company:

It's having member 2 to 50 at least two directors.

Registration is compulsory. Registration is done in Registrar of Companies, Jalandhar for Himachal, Punjab and Chandigarh.

We cannot start without Registration. It can not issue shares.

Registration fee is based on Capital. It has contributory capital of all members.

### Public Limited Company:

Members 7 to no limit.

Registration is compulsory in the Office of Registrar of Companies near bus stand, Jalandhar. It can issue shares.

It has share capital of all shareholders.

**Depreciation:** Depreciation A/C is change in the value of fixed assets through wear and tear and obsolescence due to passage of time or Reduction in the value of fixed assets, except Land. These are called Adjustment entries.

Rate of depreciation is same for every type of business.

<b>Land</b>	:	No depreciation
<b>Building</b>	:	<b>Residential</b> : 5% value is decreased every year <b>Commercial Area:</b> 10%
<b>Furniture</b>	:	10% is ordinary Business: 15% is Rush Area (School, Club, Academy)
<b>Vehicle</b>	:	20% in ordinary business, 40% if used for Transport Business
<b>Machinery</b>	:	Less than 5000/- or 100% Depreciation will be charged. Fridge/AC/T.V/Typewriter/Remaining Electronics item etc -25%, computer 60%

### Income Tax and Accounts

Accounts books should not only show a true and fair view of the business profits and its state of affairs but should also enable the taxing authorities to calculate the taxable income of the

business. The account books should therefore be maintained in a manner that is acceptable to the income tax authorities. Books of accounts must be prepared in such a manner that the account is not rejected by income-tax authorities on ground that:

- Income cannot be properly determined therefrom. The
- accounts are not correct & complete.
- The method of accounting has not been consistently followed by the assesses.
- There are sufficient and strong reasons to indicate that the accounts are unreliable.
- Where there are defects and omissions and tax-payer fails to explain them unsatisfactorily.
- Where there is no quantitative tally between purchases and sales and there are suspicious features.
- If only a part of sales or purchases can be verified and rest cannot be verified or some purchases are omitted from records.
- The absence of proper documentary evidence to support the entries in the account would make the account liable for rejection.
- If it appears that the cash book has been written up at a stretch and not for many days.
- Where the accounts show an abnormally low rate of profit.

#### **Income of Five Types**

- Income from salary**
- Income from home property**
- Income from business**
- Income from capital gain**
- Income from other sources like lottery**





# COMPUTERIZED ACCOUNTING

## Introduction to Tally

Among the most important applications of computers in the office is financial accounting. It has made the life of accountants very easy. Gone are those days of spending long hours totally accounting manually. These days most of the companies use computerized financial accounting for their accounting purposes. Even most of the Chartered Accountants use them. Now the software used by them may differ from user to user.

In these recent years in the Indian market, one financial accounting software which has taken the fancy of most of the accountants is called Tally.

## Tally Screen

The following can be seen on the Tally screen initially.

As you can see from Gateway to Tally, there are 3 options here:

Select Company

Create Company

Quit

I am sure you do not want to quit at this stage. Since you have not created a company, so you would not be able to select any company. Hence the only logical selection here would be Create a Company. So let us do it.

## CREATE A COMPANY

To create the company, you would click at Create a Company, or F3 key, various items on the screen are described below:

**Name:** Type here the name of the company you want to create.

**Mailing Name:** Type here the mailing name of the company.

**Address:** Type here the address of your company.

**Income Tax Number:** In the case your company has been allotted an income tax number, just fill it up here.

**Local Sales Tax Number:** If your company has been allotted any number under the Sales Tax Act, then fill it up here.

**Inter-State Sales Tax Number:** Again fill this number if it has been allotted to your company.

**Currency Symbol:** You have to specify the currency symbol which you are going to use.

**Maintain:** There are three different ways you can use Tally.

The options are:

- Accounts only
- Accounts-with-Inventory
- Inventory only

**Accounts only** Use this option if you do not have any inventory transactions. Using this option you would not be allowed to have any inventory transactions.

**Accounts-with-inventory** Though this is selected by default, you can always differ to use your own option. Using this you would be able to use both Financial as well as Inventory Management.

**Inventory only** Use this if you have to use Tally for inventory only. You would not be able to do any accounting related processing if this option is used.

**Books Beginning From:** Type here the date from which you actually want Tally to maintain your accounts.

**Use Security Control:** This optional allows you to provide a security password to your company.

### **Basic Currency Information**

The best part of Tally is that you can work in any currency accounting system. You can in fact use any foreign currency too. In this section you have to provide information related to this.

**Basic Currency Symbol:** Specify the symbol of your base currency." For example for an Indian company the base currency is Rupees, whose symbol is "Rs.", therefore specify this symbol here. Tally uses this symbol in reports, whenever necessary.

**Formal Name:** Now that you have decided on the currency symbol, you can decide about the currency name too. Remember, Rupees is also available in other countries too, for example, Nepalese Rupees. If you wish you can write, here Indian Rupees.

**Number of Decimal Places:** In this option you can specify a value from zero to four to denote the fractional part of the currency. For example, the fractional part of the Indian Rupee is Paise for which the number of decimal places is two. The default option is also two.

**Show Amount in Millions?:** By default this option is No, which means that the amount will be displayed in lakhs and crores. In case you want the amount to be displayed in American system of millions, then select Yes.

**Is Symbol SUFFIXED to Amount? :** Most currencies have the symbol prefixed to the amount, for example, Rs. 165.00 or \$375.00, but some currencies take the symbol to the right of the digits, for example 600 Yen or 1000 Lira. Depending upon the currency you wish to deal in, choose an appropriate option. The default choice for the option is No. This means that the symbol be on the left hand side of the digits.

**Put a SPACE between Amount and Symbol?:** In order to insert a space between the currency symbol and the amount choose Yes and to remove the space specify No.

With this you end the options for creating a new company. Press <Enter> to get a small window which prompts to answer in Yes or No whether to accept the figures as it is or not. Press Y to accept and create the company.

A created company would look like the one shown on the page. Now we have to enter other information about the company.

Various items which can be seen on the screen are defined as following: **Current period:**

It displays the financial period in which you are working.

**Current date:** It displays the date on which you are entering vouchers or viewing reports.

**List of Selected Companies:** It displays the list of companies you selected. The company on the top of the list in bold is the currently active company. In order to change the currently active company, click on another company in the list or press <F3>.

**Date of Last Entry:** It displays the date of last voucher entered in the currently active company.

**Gateway of Tally:** This menu displays the primary options available to the user. These menus are briefly mentioned here.

**Accounts Info:** This option permits you to handle all the information related to financial accounts. It allows you to work on creation and maintenance of masters like Ledgers, Cost Centers, Cost Categories and other related information.

**Inventory Info:** Using this option you can handle information relating to the inventory accounts. It enables you to work on stock items, stock groups, stock categories, units of measurement and other inventory related information.

**Voucher Entry:** This is the most frequently used option. It allows you to make daily vouchers.

**Balance Sheet:** This option displays the balance sheet of your company as per the last voucher entered.

**Profit and Loss A/C:** This option allows you to take a look at gross profit and net profit for both opening and closing stock.

**Ratio Analysis:** This option enables you to have a bird's eye view of your company. Just by looking at the ratio of assets and liabilities, loans and profit, you can judge the financial status of your company in a flash.

**Display:** This option enables you to view all reports like, Trial Balance, Account Books, Statement of Accounts, Inventory Books, Statement of Inventory, Cash Flow, List of Accounts, etc.

**Multi-Account Printing:** Choose this option to print Account Books, Inventory Books and Day Book.

**The Buttons:** They are on the right hand side of the screen.

**F1: Select Company:** This enables you to select companies and add them to the List of Selected Companies.

**F1: Shut Company:** This enables you to shut down a selected company and remove it from the list of active companies.

**F2: Date:** In order to change the date.

**F2: Period:** Using this option you can change the financial accounting period of a company.

**F3: Change Company:** This option is accessible only if more than one company is present in the list of selected companies. Choose this option when you want to work on another company that is in the list.

**F3: Create Company:** This option enables you to create another company by bringing up the Company Info menu.

**F4: Backup:** This option gives you a provision of backing up the company's information on floppy disk. When you choose this option, Tally prompts you to select a company whose backup you wish to take.

**F4: Restore:** This option allows you to retrieve the information of company whose backup had been taken by you.

**Full Features:** This enables you to get the special features like integrating accounts and inventory, invoicing, cheque printing, etc.

#### **LIST OF GROUP UNDER TALLY**

**ACCOUNT PAYABLE**  
**SUNDRY CREDITORS & SUNDRY DEBITORS**  
**SUSPENSE ACCOUNT**  
**TEMPORARY ACCOUNT**  
**UNSECURED LOANS & SECURED LOANS**  
**ACCOUNT RECEIVABLE**  
**ADMIN. EXPENSES**  
**BANK ACCOUNT & BANK OF C/C**  
**BRANCH / DIVISIONS**  
**CAPITAL ACCOUNT**  
**CASH IN HAND CURRENT**  
**ASSETS CURRENT**  
**LIABILITIES DEPOSITS**  
**(ASSETS) DUTIES AND**  
**TAXES**  
**EXPENDITURE ACCOUNT**  
**EXPENSE (DIRECT)**  
**EXPENSE (INDIRECT)**  
**FIXED ASSETS**  
**IMMOVABLE PROPERTIES**  
**INCOME (REVENUE)**  
**INVESTMENT**  
**LOAN & ADVANCES (ASSETS)**  
**LOAN (LIABILITY)**  
**MFG. / TRDG. (EXPENSE)**  
**MISC. EXPENSES (ASSETS)**  
**PROVISIONS**  
**PURCHASE ACCOUNT**  
**RESERVES & SURPLUS**  
**RETAINED EARNINGS**

**REVENUE ACCOUNTS**  
**SALES ACCOUNTS**  
**STOCK IN HAND**  
**SUBSIDIARY FARMS & SUNDRY FARMS**

## **BANKING SYSTEM**

### **Introduction**

The Banking Sector is the most dominant sector of the financial system in India, and with good valuations and increasing profits, the sector has been among the top performers in the markets. Banking dates back to 1786, the first bank established in India, then the nationalization of banks in 1969. In India, the banking sector is separate as public or private sector banks, cooperative banks and regional rural banks. Foreign banks have been given a different head followed by upcoming foreign banks in this section. Bunch of services are at customers demand in today's banking system. Different types of accounts and loans, facilitating with plastic money and money transfer across the globe.

### **Banking Industry in India**

The General Bank of India was set up in the year 1786. Next came Bank of Hindustan and Bengal Bank. The East India Company established Bank of Bengal (1809), Bank of Bombay (1840) and Bank of Madras (1843) as independent units and called it Presidency Banks. These three banks were combined in 1920 and Imperial Bank of India was established which started as private shareholders banks, mostly Europeans shareholders.

In 1865 Allahabad Bank was established and first time exclusively by Indians, Punjab National Bank Ltd. was set up in 1894 with headquarters at Lahore. Between 1906 and 1913, Bank of India, Central Bank of India, Bank of Baroda, Canara Bank, Indian Bank, and Bank of Mysore were set up. Reserve Bank of India came in 1935. During the first phase the growth was very slow and banks also experienced periodic failures between 1913 and 1948. There were approximately 1100 banks, mostly small. To streamline the

functioning and activities of commercial banks, the Government of India came up with The Banking Companies Act, 1949 which was later changed to

Banking Regulation Act 1949 as per amending Act of 1965 (Act No. 23 of 1965). Reserve Bank of India was vested with extensive powers for the supervision of banking in India as the Central Banking Authority. During those days public has lesser confidence in the banks. Side by side of it the savings bank facility provided by the Postal department was comparatively safer.

Government took major steps in this Indian Banking Sector Reform after independence. In 1955, it nationalized Imperial Bank of India with extensive banking facilities on a large scale especially in rural and semi-urban areas. It formed State Bank of India to act as the principal agent of RBI and to handle banking transactions of the Union and State Governments all over the country.

Seven banks forming subsidiary of State Bank of India was nationalized in 1960 on 19th July 1969, major process of nationalization was carried out. It was the effort of the then Prime Minister of India, Mrs. Indira Gandhi. 14 major commercial banks in the country were nationalized. Nationalization of Indian Banking Sector Reform was carried out in 1980 with seven more banks. This step brought 80% of the banking segment in India under Government ownership.

After the nationalization of banks, the branches of the public sector bank India raised to approximately 800% in deposits and advances took a huge jump by 11,000%. Banking in the sunshine of Government ownership gave the public contained faith and huge confidence about the ability of these institutions.

This phase has introduced many more products and facilities in the banking sector in its reforms measure. In 1991, under the chairmanship of M. Narasimham, a committee was set up by his name, which worked for the liberalization of banking practices. The country is flooded with foreign banks and their ATM stations. Efforts are being put to give a satisfactory service to customers. Phone banking and net banking is introduced. The entire system became more convenient and fast. Time is given more importance than money.

**Reserve Bank of India (RBI):** RBI is the central bank of the country since 1934. It regulates, controls credit, issue licenses and functions as banker of all banks and the government.

**Various Banking Operation & Bank Deposited:** Banking is an important aid to business. A bank may be defined as an institution which deals in money. The bank pays a certain amount of money as interest, on the money they have borrowed. Similarly they charge interest on the money lent. Interest is always calculated at a certain rate presented per annum. The rate of interest on loans advanced is always greater than that on deposits. The difference between the two rates is the bank's margin of income.

Looked at from a different point of view, a bank may be said to be a dealer in the money market. In the money finance market, money is the item that is bought and sold.

Banks act as middleman between the savers and borrowers of money. The difference between the bank's selling price and purchase price is the bank's income. There are three main types of accounts which a person can open with a bank, namely fixed deposit, saving bank deposit and current accounts.

**Fixed Deposit Account:** A customer can deposit his money with a bank for a fixed period. Such an account is called 'fixed deposit account' usually varies from fifteen days to five years. The amount deposited cannot be withdrawn before the expiry of the fixed period. The bank normally allows a higher rate of interest on fixed deposits. The rate of interest increases with the period of deposit. Bank offer very high rates of interest on such deposits because it is assured of funds for the period. If the depositor is in need of money in between he may borrow up to 70% of the deposit at 2% above the interest rate applicable to that particular deposit.

**Saving Bank Account:** A saving bank account provides limited withdrawal facility and carries a moderate rate of interest on deposits. Interest is allowed on the saving bank account on the lowest credit balance kept in a particular month. Some restrictions are placed on withdrawals. Further a specified minimum balance must always be maintained in the account.

**Current Bank Account:** A current account may be defined as a running account between a banker and a customer. Customer can deposit money into or withdraw money from a current account whenever they like. There are no restrictions to the number of withdrawal, subject, however to the minimum credit balance to be kept as per the rule of the bank. As a rule no interest is allowed on a current account. An exception however is sometimes made

if the credit balance in a current account is not allowed to fall below a prescribed figure. In other words current account is simply a business account.

**Bank Cheque:** A cheque is an unconditional order on the bank made by a client instructing the bank to pay on demand a certain sum of money to or to the order or a specified person or to a bearer. In other words, when a trader wants to discharge his debts she signs a written order on his bank authorizing the bank to pay a certain sum of money to his creditor. The order is known as 'cheque'.

**Types of Cheques: Bearer Cheque:** A bearer cheque is made payable to the bearer i.e. it is payable to the person who presents it to the bank for encashment. The language of such a cheque runs thus pay to X or bearer or self. It is payable to anybody who presents it at the counter.

**Crossed Cheque :** Crossed cheques are those which cannot be encashed at the counter but which can be collected only by a bank from drawee bank. A cheque is crossed by drawing two cross lines across its face with or without Account Payee only words.

### ADDED TAX What is VAT?

VAT or Value Added Tax is a consumption tax, which is charged at each stage of production based on the value added to the product at that stage. Many States in India have adopted VAT in place of sales tax. In the sales tax structure, there are problems of double taxation of commodities and multiplicity of taxes, resulting in a cascading tax burden. For instance, in the sales tax structure, before a commodity is produced, inputs are first taxed, and then after the commodity is produced with input tax load, output is taxed again. This causes an unfair double taxation with cascading effects. In the VAT, a set-off is given for input tax as well as tax paid on previous purchases. In the sales tax structure that existed in India and still exists in some states, there was multiplicity of taxes such as turnover tax, surcharge on sales tax, additional surcharge, etc.

With introduction of VAT, these other taxes have been abolished. In addition, Central sales tax is also going to be phased out. As a result, overall tax burden will be rationalized, and prices in general will also fall. Moreover, VAT will replace the existing system of inspection by a system of built-in self-assessment by the dealers and auditing. The tax structure will become simple and more transparent. That will improve tax compliance and also increase revenue growth.



VAT is a modern and simplified system of taxation where the tax is levied and collected at each stage on the value additions with a provision for set-off against tax paid at the various stages / tax paid on inputs. VAT is a system of indirect taxation, which has been introduced in lieu of sales tax. It is the tax paid by the producers, manufacturers, retailers or any other dealer who add value to the goods and that is ultimately passed on to the consumer. VAT has been introduced in India to ensure a fair and uniform system of taxation. It is an efficient, transparent, revenue-neutral, globally acceptable and easy to administer taxation system. It benefits the common man (consumer), businessman and the Government.

Further, VAT enhances competitiveness by removing the cascading effect of taxes on goods and makes the levy of tax simple and self-regulatory, ensuring flexibility to generate large revenues. The cascading effect is brought about by the existing structure of taxation where inputs are taxed before a commodity is produced and the output is taxed after it is produced. This causes an unfair double-taxation. However, in VAT, a set-off is given for input tax (tax paid on purchases). This results in the overall tax burden being rationalized and a fall in prices of goods. This concept is explained with an example, in the Computation of VAT section.

#### **VAT works in two different ways:**

If VAT-registered businesses receive more output tax than the taxes paid as input, they will need to pay the difference to the Commissioner of Taxes (State).

If the input tax paid is more than the output tax collected, you can carry forward the Input credit and adjust it against the output tax in the subsequent months.

You can have the Input Credit refunded to you at the end of the current or following year, by the Government.

You can receive refunds for Input Credit on exports within a period of three months.

Term	Description
Input tax	This is a tax paid on purchases
Output tax	This is a tax charged on sales
Input Credit	The amount of Input tax that is permitted to be set off against Output tax.

#### **VAT Rates**

According to the White Paper, there are 550 categories of goods under the VAT system. They are classified into the following four groups, depending on the VAT rate:

**VAT@4%** : The largest number of goods (270) comprising of basic necessity items such as drugs and medicines, agricultural and industrial inputs, capital goods and declared goods are under 4% VAT rate.

**VAT@1%**: This is for a specific category of goods like gold, silver, etc.

**VAT@12.5%**: The remaining commodities are under the general VAT rate of 12.5%. Exempted from VAT

There are about 46 commodities under the exempted category. This includes a maximum of 10 commodities that each state would be allowed to select, from a broader approved list for VAT exemption. The exempted commodities include natural and unprocessed products in unorganized sector as well as items, which are legally barred from taxation.

**Note:** The few goods that are outside VAT as a matter of policy would include liquor, lottery tickets, petroleum products, as the prices of these items are not fully market determined. These items will continue to be taxed under the sales tax act of the respective states.

### **Registration Proves** **For Existing Dealers**

- 1) All the registered dealers under the PGST act 1948 shall apply in VAT-I form within 30 days of the appointed day.
- 2) Old registration certificate to be attached in original.
- 3) No application fee.
- 4) An e-vendigit (TIN) Taxpayer identification number has been generated and is available on the official website i.e. [www.chandigarh.nic.in](http://www.chandigarh.nic.in), Excise and Taxation Department Chandigarh and shall be communicated by post.

### **For Fresh/ New dealers.**

- 1) Application for registration under VAT act to be submitted in the form VAT-I, along with application fee of Rs. 500/-
- 2) The application has to be submitted within 30 days of a person becoming liable to pay Tax.

## **VIDYAPITH ACADEMY**

### **SERVICE TAX**

Service tax is tax of 21st Century. Service Tax is a form of indirect tax imposed on specified services called "taxable services". Service tax cannot be charged on any service which is not included in the list of taxable services. Over the past few years, service tax has been expanded to cover new services. The intention of the government is to gradually increase the list of taxable services until most services fall within the scope of service tax.

#### **Highlights of the service tax are as follows:**

1. Service tax is imposed under Finance Act, 1994 as amended from time to time.
2. Service tax is payable @ 12% plus education cess of 2%, plus SAH education cess of 1% (total 12.36%) w.e. 11th May 2007 [Section 66]. (The exemption limit was Rs four lakhs up to 31-3-2007).
3. Service tax is payable on taxable services as defined in various clauses of section 65(105) of Finance Act, 1994. Presently, about 99 services are taxable.
4. Service tax is payable on gross amount charged for taxable service provided or to be provided [Section 67].

5. Presently Service tax is payable @ 10% plus education cess of 2%, plus SAH education cess of 1% (total 10.36%) & Small units whose turnover less than Rs. Ten lakhs per annum are exempt from service tax.
6. Every provider of taxable service should apply for registration in form ST-1 within 30 days from date of charge (in case of new services) and date of commencement of business of providing taxable services.
7. Assessee providing service from various premises can have centralized registration [Rule 4(2)]
8. If payment of tax is delayed, interest is payable @ 13% [Section 75]

### **Invoice by service provider**

Assesses should prepare invoice in respect of his services. Details required to be shown in invoice/bill/Chillan - As per rule 4A (1), the invoice/Chillan/Bill should be signed by authorized person of provider of input services, should be serially numbered and should contain following details -

1. Name, address and registration number of person providing taxable service
- 2.

Description, classification and value of taxable service provided or to be provided and Education Cess and SAH Education Cess (Sec & Higher Edu. Cess) to be shown separately - Education Cess and SAH Education Cess to be shown separately in the

Invoice for complying with requirements of Central Credit Rules to facilitate a claim of Central credit by recipient – para 5.1 CBE&C Circular No. 97/8/2007-ST dated 23-8-2007.

### **Procedures of Service tax**

**Administration** of service tax is under Central Excise department. The main procedures to be followed are -

1. Registration
2. Maintenance of records
3. Payment of service tax and
4. Half yearly return.

There are no prescribed forms of records. The records maintained by assesses including computerized data maintained by assesses in accordance with various other laws are acceptable [rule 5(1)].

**Registration under Service Tax:** A person liable for paying service tax has to register with Superintendent of Central Excise under whose jurisdiction your premises fall. He should register within 30 days from date of commencement of the business of providing taxable service. The person will have to apply for registration in form ST-1. If a person is providing more than one taxable service; he may make a single application. He should mention in the application all the taxable services provided by him. [Rule 4(4)]. Applicant should submit following at the time of filing application for registration:

1. Copy of PAN
2. Proof of Residence and
3. Constitution of applicant.

The registration certificate will be granted by Superintendent of Central Excise in seven days in form ST-2.

