Interview Question-Answers of Tally Prime with GST

General Questions on TallyPrime

1. **What is TallyPrime?**
   o **Answer:** TallyPrime is an advanced business management software used for accounting, inventory management, payroll, and tax compliance. It provides features like invoicing, reporting, and GST compliance, catering to businesses of all sizes.
2. **What are the main features of TallyPrime?**
   o **Answer:** Some key features include:
      ▪ GST-compliant invoicing.
      ▪ Automated financial and inventory management.
      ▪ E-Way bill generation.
      ▪ Bank reconciliation.
      ▪ Multi-currency and multi-location support. ▪ Real-time reporting and analysis.

GST-Related Questions

3. **How do you configure GST in TallyPrime?**
   o **Answer:**
      ▪ Go to **Gateway of Tally > Features (F11) > GST**.
      ▪ Enable GST and set up GST details like GST registration type, GSTIN, and applicable tax rates for your business.
4. **What types of GST transactions can you manage in TallyPrime?**
   o **Answer:** TallyPrime supports transactions like:
      ▪ Local sales and purchases (CGST and SGST).
      ▪ Interstate sales and purchases (IGST).
      ▪ Reverse charge mechanism (RCM).
      ▪ Exports and SEZ transactions.
      ▪ GST on advances and input tax credit adjustments.
5. **How do you create GST-compliant invoices in TallyPrime?**
   o **Answer:**
      ▪ Create a sales voucher by going to **Gateway of Tally > Vouchers > Sales**.
      ▪ Ensure that GST details like HSN code, tax rates, and GSTIN are configured in the ledger.
      ▪ Save the voucher, and TallyPrime will automatically calculate GST and display it in the invoice.

6. **How can TallyPrime help with GST returns?**
   - **Answer:** TallyPrime provides pre-configured reports like GSTR-1 and GSTR-3B. You can:
     - Generate GST returns directly.
     - Verify data using reconciliation tools.
     - Export returns in JSON format for direct upload to the GST portal.

7. **What is the process for GST reconciliation in TallyPrime?**
   - **Answer:**
     - Go to **Display > GST Reports > GSTR-2A Reconciliation**.
     - Import GSTR-2A data from the GST portal.
     - Match supplier details with your purchase records to identify mismatches and rectify them.

Technical Questions

8. **What is the importance of HSN/SAC codes in TallyPrime?**
   - **Answer:** HSN (Harmonized System of Nomenclature) and SAC (Service Accounting Code) are used for categorizing goods and services under GST. In TallyPrime, these codes are linked to items and services for correct tax calculation and GST compliance.

9. **How does TallyPrime handle input tax credit (ITC)?**
   - **Answer:** TallyPrime tracks input GST paid on purchases and offsets it against output GST liability. It automatically adjusts ITC in GST returns, ensuring accurate tax payments.

10. **How do you generate an e-way bill in TallyPrime?**
    - **Answer:**
      - Create a sales invoice and ensure all mandatory e-way bill details like distance, vehicle number, and GSTIN are entered.
      - Export the data to JSON or Excel format.
      - Upload it to the e-way bill portal for generation.

Scenario-Based Questions

11. **How would you handle a reverse charge transaction in TallyPrime?**
    - **Answer:**
      - Create a purchase ledger with **GST Tax Type: Reverse Charge**.
      - Enter the transaction in the purchase voucher and ensure GST is calculated under the reverse charge mechanism.

- Use the GSTR-3B report to reflect the reverse charge liability and claim ITC.

12. **What would you do if there's a mismatch in GST reconciliation?**
   - **Answer:** Use the **GSTR-2A Reconciliation** report to identify mismatches. Possible actions include:
     - Contacting the supplier to correct their filing.
     - Correcting errors in your purchase entries.
     - Making necessary adjustments in GST returns.

Functional and Practical Questions

13. **How does TallyPrime manage multi-location GST compliance?**
   - **Answer:** TallyPrime allows users to configure GST for each state separately. It supports multi-location inventory and ensures that the correct GST type (CGST/SGST/IGST) is applied based on the source and destination.
14. **How do you update GST rates in TallyPrime?**
   - **Answer:**
     - Navigate to the item or ledger master.
     - Update the new GST rate in the **Tax Rate** field.
     - Save the changes to apply the new rate to future transactions.
15. **What are the advantages of using TallyPrime for GST compliance?**
   - **Answer:**
     - Simplifies GST invoicing and tax calculation.
     - Reduces errors in GST filing.
     - Offers real-time GST insights.
     - Automates reconciliation and ITC adjustments.