Price Levels and Price Lists

Learning Objectives

- Create and maintain price levels and price lists
- Use price lists while passing invoice

13.1 Introduction

A Price List refers to a list of items maintained by an organisation along with their price details. It is generally used by organisations which deal in multiple products.

Price Lists are maintained in various structures for different types of buyers (customers), viz., Wholesalers, Dealers, Retailers, etc. It is structured based on the classification of buyers and is referred at the time of making sales. Whenever the sale prices change (on the basis of time), the changes are reflected in the Price List also. In case of bulk sales, discounts can also be given to the buyers.

Tally.ERP 9 permits you to create any number of price lists & Price levels, based on the Stock Group and Stock Category to match the required structure.

Business Scenario:

Emerald-Shine Makers are into manufacturing of mobile phones and they sell the goods to wholesalers and retailers at different prices to each level of customers, the company have decided to fix the price of the products for different kinds of buyers based on time periods and size of order and also the discount rate varies based on the size of the order. The company wants to predefine the price list for each and every stock items.

Let us now see how Tally.ERP 9 handles such a situation through the Price List feature.

Activity: *Create a company with the following details:*
Company Name: Emerald-Shine Makers
Address: M-Block No: 534, Kosapet, Lumbini Square, Chennai,
Country:India
State: Tamil Nadu
Pin:600001
Financial year: 01-04-2017 to 31-03-2018

13.2 Activating Price Lists and Defining of Price Levels

We can define the classification of buyers like wholesalers, retailers etc. in the Price Level and stock items prices can be defined in the Price List.

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Illustration 1: Defining price levels for different buyers

Pass the following transaction in the book of Emerald-Shine Makers

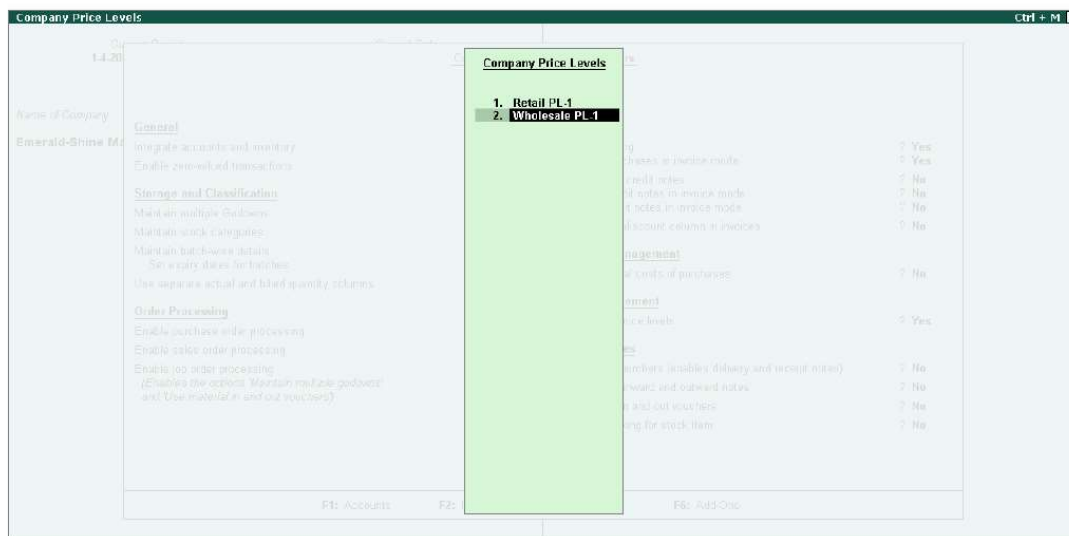| 01-07-2017	**Price List**
	The Emerald-Shine Company, wants to define price levels for its buyer Classification like: • Wholesale PL • Retail PL

To maintain the price levels in the books of accounts, first ensure that the required configurations are made in Tally.ERP 9.

Follow the below given steps to create the Price Levels (Classification of Buyers) in Tally.ERP 9.

Step 1: Activation of Price List, and Defining the Price level:

1. Go to **Gateway of Tally > F11: Company Features> F2: Inventory Features**
2. Set the option **Use multiple price levels** to **Yes**. (This option will be accessible only if the feature **Enable invoicing** is set to **Yes**.)
3. Press enter and the **Company Price Levels** screen will appear.
4. Define the price levels for **Emerald-Shine Makers** as:
   - Retail PL-1
   - Wholesale PL-1

The **Price Levels Screen** appears as shown in the figure 13.1:

Figure 13.1 Company Price Level Screen

5. Accept the screen
6. Save the **Inventory Features** screen

13.2.1 Creation of Price List

In this section, we will learn how to define price list for different stock items.

Illustration 2: Defining price list for different stock items of the company in Tally.ERP 9

Price List of Emerald-Shine Makers for the Month of July					
Wholesale PL-1					
Stock Group	**Name of the Stock Item**	**Number of Quantities**		**Rate**	**Discount Rate**
		From:	**Less than**		
Mobile Phones	OMED - GEN_1 Basic Phone		100	5,000	--
		100	200	5,000	1%

Stock Group	Name of the Stock Item	From:	Less than	Rate	Discount Rate
		200	above	5,000	5%
Mobile Phones	OMED - GEN_4 Smart Phone		100	10,000	1%
		100	200	10,000	5%
		200	above	9,500	5%
Mobile Phones	OMED - GEN_5 Smart Phone		100	15,000	1%
		100	200	14,000	--
		200	above	14,000	5%

Table 13.2 Wholesale PL-1 Price List

Retail PL-1					
Stock Group	**Name of the Stock Item**	**Quantities**		**Rate**	**Discount Rate**
		From:	**Less than**		
Mobile Phones	OMED - GEN_1 Basic Phone		50	6,000	--
		50	100	6,000	5%
		100	150	5,500	1%
		150	above	5,500	5%
Mobile Phones	OMED - GEN_4 Smart Phone		50	12,000	1%
		50	100	12,000	5%
		100	150	11,500	--
		150	above	11,500	10%
Mobile Phones	OMED - GEN_5 Smart Phone		50	16,000	1%
		50	100	16,000	5%
		100	150	15,500	5%
		150	above	15,000	10%

Table 13.3 Retail PL-1 Price List

Note: *Emerald-Shine Makers doesn't sell, mid-range mobile phones GEN_2 and GEN_3.*

To maintain the price levels in the books of accounts, first ensure that the required masters are created in Tally.ERP 9.

Step 1: Creation of Inventory Masters Stock Groups
Go to **Gateway of Tally > Inventory Info > Stock Groups > Create**

Mobile Phones	
Against the Field	**Action to be Performed**
Name	Enter as **Mobile Phones**
Under	Select as **Primary**
Should quantities of Items be added?	Set to **Yes**

Units of Measure

Table 13.4
Go to Gateway of Tally > Inventory Info > Units of Measure > Create

Nos.	
Against the Field	**Action to be Performed**
Type	Let it be as **Simple**
Symbol	Enter as **Nos**
Formal Name	Enter as **Numbers**
Number of decimal places	Enter as **0**

Table 13.5

Stock items

Go to Gateway of Tally > Inventory Info > Stock Items > Create

OMED - GEN_1 Basic Phone	
Against the Field	**Action to be Performed**
Name	Enter as **OMED - GEN_1 Basic Phone**
Under	Select **Mobile Phones**
Units	Select **Nos**
Note: *Minimum one stock item must be created in Tally to enable the* **Price List** *option.*	

Table 13.6

Activity: *Similarly, create two items by name:*
- *OMED - GEN_4 Smart Phone*
- *OMED - GEN_5 Smart Phone*

Step 2: Creation of Price List

Price List
To create price list follow the steps given below:
1. Go to **Gateway of Tally > Inventory Info. > Price List**
2. In **Stock Group** Name, select **All Items** from **List of Stock Groups**
3. Select **Wholesale PL-1** in **Price Level** and specify **Applicable From** date **01-07-2017**
4. Under **Particulars,** select the applicable stock items, refer the Table 13.2 **Wholesale PL-1** Price List and fill the details

The **Price List** appears as shown in the figure 13.2

Figure 13.2 Defining Wholesale PL-1 Price List details

5. Accept the screen

Activity:

- *Similarly, create the price list for* **Retail PL-1** *as on 01-07-2017, refer Table 13.3 Retail PL-1.*
- ***Additionally enable the feature*** *Use separate discount column in invoices* **from** *Gateway of Tally >* *F11: Company Features> F2: Inventory Features* **(This is enabled to record the transaction with discount details)**

Note:

- *From the figure 13.2 screen, we can revise the price list i.e. if there is any change or variation in the price or discount then the same can be revised using* **Alt+R: Revise Price** *option.*
- *In Under group field, you can even select the particular group, in this case you can select Mobile Phones as stock group.*

The explanation of the fields appearing in the Price List is given below:

- **Under Group** – The selected Stock Group will be displayed.
- **Price Level** – The Price Levels selected will be displayed here (the priced levels defined in the **F11: Features (Inventory Features)** of Tally.ERP 9 will be available for selection)
- **Applicable from** – The date from which the Price List will be applicable is displayed here.
- **Quantities** – There are two columns: **From** and **Less than**. Here, the user can define the quantity range of the items as per requirement.
- **Rate** – This is the rate for the item based on the quantity range given.
- **Disc% (if any)** – You can define a discount percentage in the Price List which will be taken automatically in the sales invoice.
- **Historical Details** – There are two columns: **Rate** and **Disc%**. Tally.ERP 9 provides the historical details of the sale rate and discount percentage of any previously created Price Lists. Therefore, you can define the current price details based on the information given in the historical details.
- **Cost price** – In this column, Tally.ERP 9 displays the cost price (Purchase) of the item calculated based on the stock valuation method given in the item master. This has been provided to assist the user in giving the appropriate sale price. By viewing the historical price details and the cost price of an item, the sale price for the new Price List can be

defined accordingly.

Manually it is very difficult to remember the price list of multiple stock items based on different classification of buyers. We have used only two classification of buyers for illustration purpose only, but in real business scenarios the classification of buyers varies in size and it becomes very difficult to maintain the inventory data with its price list for any organisation.

In Tally.ERP 9, once the price levels and price list are defined, then while recording the transactions the price, discount details will get captured automatically and the information will be accurate.

13.2.2 Using Price List

The following illustrations will demonstrate how price lists can be used in a sales invoice.

Illustration 3: Recording Purchase Voucher

Date	Particulars			
31-07-2017	**Voucher: Purchase**			
	Emerald-Shine Makers purchased the following mobile phones from Daffodil Gadgets			
	Name of Stock Item	**Quantity**	**Rate per (₹)**	**Amount (₹)**
	OMED - GEN_1 Basic Phone	900 Nos	4,500/Nos	40,50,000
	OMED - GEN_4 Smart Phone	900 Nos	8,500/Nos	76,50,000
	OMED - GEN_5 Smart Phone	900 Nos	13,000/Nos	1,17,00,000
05-08-2017	**Voucher: Sales**			
	Emerald-Shine Makers sold the following mobile phones to Magnum Stores at Wholesale PL-1 price			
	Name of Stock Item	**Quantity**	**Rate per (₹)**	**Discount**	**Amount (₹)**
	OMED - GEN_1 Basic Phone	150 Nos	₹ 5000/Nos	1%	7,42,500

Table 13.7

To record the transactions of table 13.7, in the books of accounts, first ensure that the required masters are created in Tally.ERP 9

Step 1: Creation of Accounting Masters

Go to **Gateway of Tally > Accounts Info > Ledgers > Create**

Party Ledgers

Daffodil Gadgets	
Against the Field	**Action to be Performed**
Name	**Enter as Daffodil Gadgets**
Under	**Select Sundry Creditors**
Price level applicable	**Select Not Applicable**
Maintain balances bill-by-bill	**Set to Yes**
Inventory values are affected	**Set to No**

Table 13.8

Magnum Stores	
Against the Field	**Action to be Performed**
Name	Enter as **Magnum Stores**
Under	Select as **Sundry Debtors**
Price level applicable	Select **Wholesale PL-1**
Maintain balances bill-by-bill	Set to **Yes**
Inventory values are affected	Set to **No**
Price Level Applicable: *If we select any specific price level, then while recording the entry it will capture the prices of stock item based on specific price level selected here.*	

Table 13.9

Purchase Ledger

Purchase A/c	
Against the Field	**Action to be Performed**
Name	Enter as **Purchase A/c**
Under	Select **Purchase Accounts**
Inventory values are affected	Set to **Yes**

Table 13.10

Sales A/c	
Against the Field	**Action to be Performed**
Name	Enter as **Sales A/c**
Under	Select **Sales Accounts**
Inventory values are affected	Set to **Yes**

Table 13.11

Step 2: Recording Purchase Invoice

1. Go to **Gateway of Tally > Accounting vouchers > Press F9: Purchase**
2. Press **F2:Date,** change the date to 31-07-2017
3. Enter the **Supplier invoice no.: PUR01**
4. Select **Daffodil Gadgets** in **Party A/c name** field
5. Select **Purchase A/c** in **Purchase ledger**
6. Under **Name of Stock Item** field, select the stock items, 900 Nos of OMED - GEN_1 Basic Phone, OMED - GEN_4 Smart Phone and OMED - GEN_5 Smart Phone at ₹ 4500, ₹ 8,500 and ₹ 13,000 respectively

The **Purchase Voucher** appears as shown in the figure 13.3

Figure 13.3 Purchase Invoice Screen

7. Accept the screen

Note: In case of Purchases, Price List will not be applicable since prices are declared/fixed by the Supplier.

Step 3: Recording Sales Invoice
1. Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**
2. Press **F2: Date** and change the date to 05-08-2017
3. Enter the **Reference no.: SAL01**
4. In **Party A/c name** select **Magnum Stores**
5. Select **Sales A/c** in **Sales ledger field**.
6. Select the stock item **OMED - GEN_1 Basic Phone** and enter quantity as 150 Nos.
7. **Rate** and **Discount** automatically appear as ₹ 5,000 and 1% respectively
   (Hence the required price level is selected in the ledger master of Magnum Stores)
8. Enter the Bill-wise Details as required

The **Sales Voucher** appears as shown in the figure 13.4

Accounting Voucher Creation	Emerald-Shine Makers						Ctrl + M ☒

Sales No. 1   5-Aug-2017
Reference no.: SAL01   Saturday

Party A/c name   : **Magnum Stores**   Price level : **Wholesale PL-1**
Current balance   :
Sales ledger   : **Sales A/c**

Name of Item	Quantity	Rate	per	Disc %	Amount
OMED - GEN_1 Basic Phone	150 Nos	5,000.00	Nos	1 ¼	7,42,500.00

[**End of List**

Narration: 150 Nos | Accept ? |
                                                                                  | **Yes** or **No** |

Figure 13.4 Sales Invoice Screen

9.   Accept the screen

Observation:

- **In the sales invoice as shown in figure 13.4, we can observe how the rate and discount appeared automatically, this is because we have defined the price list details for all the stock items.**
- **Tally.ERP 9 provides you the flexibility to select items with and without the Price List in the same invoice.**

Activity: Record the following transaction:

Date	Particulars
06-08-2016	*Sold the following stock item to* **Variety Infocom** at Retail Price.

Name of Stock Item	Quantity	Rate per (₹)	Discount	Amount (₹)
OMED - GEN_1 Basic Phone	**100 Nos**	**₹ 5,500/Nos**	**1%**	**5,44,500**

Table 13.12

13.3 Revise Price List

The price of stock items vary from time to time, the price may increase or decrease based on the market condition, then as per the latest prices of stock items.. The price list defined in Tally.ERP 9 can be revised.

Illustration 4: Revising of price list in Tally.ERP 9.

10-08-2017	**Revise Price List**
	Emerald-Shine Makers wants to revise the **Wholesale PL-1** price list as the rate of stock items are increased by ₹ 100 and the discount rate is fixed.

Table 13.13

To Revise the Price List, follow the steps given below:

Step 1: Revising Price List

1. **Go to Gate way of Tally > Inventory Info. > Price List**
2. Press **Alt+R: Revise Price Key**
3. Enter the **Stock Group Name** as **All Items.**
4. Select the **Price level** as **Wholesale PL-1**
5. Enter the **Applicable From** Date as **10-08-2017**
6. Enter the details as shown in the figure 13.5:

The **Price List** screen appears as shown in the figure 13.5:

Figure 13.5 Revision of Price List Screen

1. In the **Revise Price** field select **Increase by amount** (Because the price is increased by 100 ₹)
2. Enter the **Amount** as **₹ 100**

Note: *If the price are decreased, select decrease by amount or percentage, if the prices are increased, then select Increase by amount , if no variation in the price ,select as* **Not applicable** *(Not applicable can be selected when there is a change in the discount rate only)*

3. In the **Revise Discount field** select as **Not Applicable.**
4. Press enter, you will get the following **Revise Price updated Message**

The **Price List** with revise price updated message appears as shown in the figure 13.6

Figure 13.6 Revision Price Message Popup

5. Press **Enter** from the **Price List** screen, you will get the Price List with revised rates.

The **Price List with Revised Price** screen appears as shown in the figure 13.7

Figure 13.7 Price List with Revised Price Screen

Observation: On the left hand side in the under rate column, you are getting the revise price of all the stock items (It is increased by ₹ 100)

6. Press **Enter** from the figure 13.7 screen and save the **Price List** screen.

Once after revising the price for stock items let us record the sales transaction with revised price list in Tally.ERP 9.

Illustration 5: Recording sales voucher with revised price list in Tally.ERP 9

Date	Particulars
15-08-2017	**Voucher: Sales** Sold the following phones to **Magnum Stores** at **Wholesale PL-1** price <table><tr><th>Name of Stock Item</th><th>Quantity</th><th>Rate per (₹)</th><th>Discount</th><th>Amount (₹)</th></tr><tr><td>OMED - GEN_1 Basic Phone</td><td>200 Nos</td><td>₹ 5,100/Nos</td><td>5%</td><td>9,69,000</td></tr></table>

Table 13.14

Step 1: Recording Sales Invoice

1. Go to **Gateway of Tally > Accounting Vouchers > F8: Sales**
2. Press **F2: Date** and change the date to **15-08-2017**
3. Enter the **Reference no.: SAL03**
4. In **Party A/c name** select **Magnum Stores**
5. Select **Sales A/c** in **Sales ledger** field
6. Select the stock item **OMED - GEN_1 Basic Phone** and enter quantity as **200 Nos**.
7. **Rate** and **Discount** automatically appear as **₹ 5,100** and **5%** respectively (As it was defined in the updated Price List 10-08-2017)
8. Enter the **Bill-wise Details** as required

The **Sales Voucher** screen appears as shown in the figure 13.8

Figure 13.8 Sales Invoice with Revise Price

9. Accept the screen

Activity: *Go to* **Gateway of Tally > Display > Statement of inventory > Stock query > Select OMED - GEN_1 Basic Phone >Press F7**, *to view the price list details and then press* **F10: Show Latest Price**, *to get the latest price list.*

Conclusion

In this chapter, we have learnt how to define the different types of price levels for an organisation using Tally.ERP 9 application. Apart from different price levels, we have learnt how price list for multiple stock items are defined from the single screen and how these details reflect while recording sales transactions.

Key Takeaways

- Price list is generally used by organizations which require to set and change prices over a period of time.
- Price List can be maintained for different kinds/classifications of buyers.

- Tally.ERP 9 facilitates the setting of different price levels while creating price lists for multiple stock items.
- Price list can be revised as per organisations requirement.
- We can define the discount details while defining the price list

Shortcut Keys

Key Combination	Functionality
F2	- From voucher creation screen - To change the date
Alt+R	- From price list screen - To revise the price
Alt+F2	- From Gateway of Tally - To change the period
F7	- From Stock Query report - To get the Price List
F10	- From Stock Query >Price List report - To get the Latest Price

a. Stock Items
b. Ledgers
c. Godowns
d. None of These

3. Match the following items and select the appropriate answer from the given response sheet

a	Defining Price Levels	1	Invoices
b	Defining Price List	2	Inventory Features > Sales Management
c	Separate Discount Column shown	3	Inventory Info > Price List

a. a-2, b-3, c-1
b. a -3, b-1, c-2
c. a-1, b-3, c-2
d. a-1, b-2, c-3

4. You can create new price list, but can't revise the price list.
    a. True
    b. False

5. To create Price Lists in Tally, Go to _____ .
    a. Gateway of Tally > Accounting Info > Stock Category > Stock Item > Create
    b. Gateway of Tally > Inventory Info > Stock Group > Stock item > Create
    c. Gateway of Tally > Inventory Info > Voucher types > Stock Item > Create
    d. Gateway of Tally > Inventory Info > Price List > Create

6. Multiple Price Levels can be maintained in Tally _____ .
    a. True
    b. False

7. The date from which the Price List will be applicable cannot be set in the Price List.
    a. True
    b. False

8. For the discount percentage to be taken in the Price List, Separate Discount Column on Invoices option should be activated in the _____ .
    a. F11: Features: Inventory Features > General
    b. F11: Features: Inventory Features > Invoicing
    c. F11: Features: Inventory Features > Order Processing
    d. F11: Features: Inventory Features > Other Features

9. It is not possible to delete price list
    a. True
    b. False