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An Analysis of Bookkeeping and Accounting Procedure in Professional Practice: A Case Study of L.K. Verma & Associates, Baloda Bazar (C.G.)

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Abstract

This paper looks at how a real Chartered Accountancy firm handles daily bookkeeping, financial accounting, and tax compliance. We focus on L.K. Verma & Associates in Baloda Bazar, Chhattisgarh. The goal is to see how the basic accounting theories we learn in class work in a busy professional office. Using an internship-based case study method, I observed daily workflows, checked client files, and studied the firm's guidelines. The study focuses on four main areas: checking source documents, entering data into Tally ERP, sorting out bank reconciliations, and reviewing trial balances while managing GST and TDS. We found that software makes accounting much faster and stops simple maths mistakes. However, good accounting still depends heavily on human eyes—checking bills carefully, sorting ledgers correctly, and using professional judgment. We also noticed common problems like clients handing over messy or missing documents, constantly changing tax rules, and bank statements that do not match up easily. Overall, this case shows that to keep clean financial records, you need a mix of book knowledge, software skills, and strong professional ethics.

Keywords: Bookkeeping, Tally ERP, Chartered Accountancy Firm, MSMEs, Vouching, Bank Reconciliation, GST & TDS, Trial Balance.

1. Introduction

This study, titled **"A Study on bookkeeping and accounting prodcedure followed at L.K Verma and Associates of Chartered Accountant Firm,"** focuses on understanding how accounting and financial activities are carried out in a professional Chartered Accountancy firm. LK Verma and Associates is based in Baloda Bazar and has been providing services in accounting, auditing, taxation, and corporate advisory for more than a decade. The firm handles clients from different backgrounds, ranging from small startups and businesses to larger companies. During my internship, I got the opportunity to understand and participate in various accounting activities. I was exposed to tasks such as bookkeeping, maintaining ledgers, organizing financial records, and assisting with audit-related work. I also learned how accounting software such as Tally

ERP is used in day-to-day professional work. This practical experience helped me understand how the accounting concepts that I had studied in college are actually applied in real business situations.

One of the important things I learned during the internship was the need for accuracy and proper importance to accounting standards, including Indian Accounting Standards (Ind AS), along with professional and ethical practices. Working in this environment helped me understand that accounting is not only about recording financial transactions but also about maintaining reliable information that can support business decisions.The internship also gave me an understanding of the wider role of Chartered Accountants. Apart from accounting and compliance work, they also provide financial guidance and support to their clients. Overall, this study helped me connect my theoretical knowledge with practical experience and understand the actual working environment of the accounting profession. It also showed me the importance of accuracy, responsibility, ethical behaviour, technical skills, and the ability to adapt to changes in the accounting and business environment.

- **Background of Study**

Bookkeeping and accounting help a business maintain and organize information about its financial transactions. Records related to sales, purchases, expenses, receipts and payments are maintained so that the financial position of the business can be understood properly.Accounting work is not limited to recording transactions. It also includes checking documents, maintaining records, preparing financial information and ensuring that the entries are properly supported. Properly maintained records can help a business understand its financial performance and make informed decisions.

Chartered Accountancy firms deal with accounting and financial requirements of different clients. Their work may include bookkeeping, accounting, auditing, taxation and preparation of financial information. Accuracy, proper documentation and careful checking are therefore important in this type of professional environment.Technology has also changed the way accounting activities are performed. Accounting software can be used for entering transactions, maintaining ledgers and preparing reports. However, the accuracy of the final records still depends on the correctness of the information entered and the checking done by the person handling the accounts.This study was undertaken to understand the practical side of bookkeeping and accounting in a Chartered Accountancy firm. It also helped in understanding how accounting concepts studied in college relate to the actual professional working environment.

- **Problem Statement**

Students generally learn accounting principles and procedures as part of their academic studies. However, understanding these concepts in theory is different from seeing how accounting records are handled in a professional environment.

In a CA firm, accounting information has to be recorded carefully and supported by relevant documents such as bills, invoices and receipts. Records may also need to be checked regularly to identify missing information or errors. Different clients can have different accounting requirements, which makes proper checking and organization important.Accounting software can make routine accounting work easier, but the information entered into the software still needs to be accurate and properly reviewed. Therefore, understanding the actual working process is useful for developing practical knowledge of accounting.

The present study was undertaken to understand the bookkeeping and accounting practices followed at L.K. Verma and Associates. The study mainly focuses on the practical learning gained during the internship and on understanding the difference between classroom knowledge and the professional accounting environment.

- **Objective Of the study**

The main objective of this study is to understand how bookkeeping and accounting work is carried out in a Chartered Accountancy firm through practical internship experience.

The specific objectives of the study are:

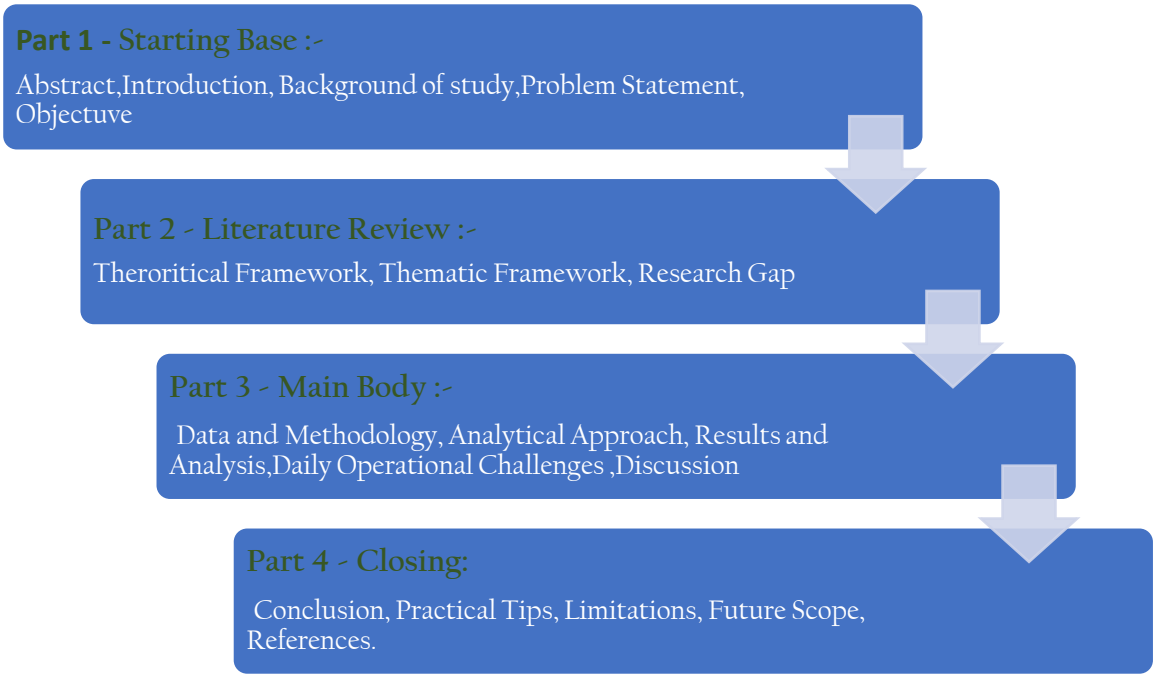
1. To understand how day-to-day financial transactions are recorded in a CA firm.
2. To learn how books of accounts such as journals, ledgers, cash books, and bank records are maintained.
3. To understand how bank reconciliation and checking of account balances are carried out.
4. To learn how accounting software is used for recording and managing financial information.
5. To understand the importance of checking bills, invoices, receipts, and other supporting documents.
6. To understand how the accounting concepts learned in college are applied to real-life accounting work.
7. To identify some of the common problems and difficulties faced while doing bookkeeping and accounting work.
8. To gain an understanding of the professional accounting environment through internship exposure.

- **Signifiance**

The value of this study lies in how it looks past textbook theories and focuses on what actually happens when an intern sits down at a real accounting desk.

For any commerce or management student, there is always a bit of a culture shock when moving from a college classroom to a real job. Textbooks give us perfectly balanced problems where every bill is clean and every number fits. This study bridges that gap. By looking at a real firm like **L.K. Verma & Associates**, it shows students how to handle real-world challenges, such as dealing with missing client receipts, unnumbered bills, and mixed-up personal and business expenses.

- **Paper Structure**



My paper is about my internship at L.K. Verma & Associates in Baloda Bazar. First I give a small summary of full paper. Then I tell about the firm and what work I did there like ledger writing and Tally entry. I also explain why bookkeeping is important and what is the real problem - in college all questions are clean but in real office bills are torn, messy and mixed with personal expenses. My aim was to learn how real accounting works.Then I tell about 4 basic rules of accounting and how old manual work has changed to fast Tally work, but Tally has no brain, if bill is wrong, Tally will also give wrong result. I found that old research only talks about big companies, no one talks about small town CA firms and small shopkeepers, so I filled that gap.After that I explain my method - I did not use big maths, I used my own internship experience, I saw seniors work, checked real bills and did Tally myself for local small shops. I found the firm works in 4 simple steps - first check if bill is real, second type it in Tally with correct GST, third match it with real bank passbook, and fourth do final checking. Daily I faced 3 problems - messy bills, changing tax rules, and bank mismatch.In the end I concluded that real accounting needs both book knowledge and human checking, software alone is not enough. I gave some simple tips for students and firms, and told that my study is only on one firm so it may not match all firms, and future students can study more firms and new cloud software

2. Literature Review

Thematic Review

- ***Banerjee and Saraswat (2022)*** :- In their study titled Acceptance of Accounting Software in Small Business and Entrepreneurial Prosperity in India, Banerjee and Saraswat examined the acceptance of accounting software among small businesses in India. The study highlighted the importance of

accounting software in improving the accounting process and helping small businesses manage their financial records more effectively.

- ***Bookkeeping Practices and SME Performance (2024):***- The study titled Bookkeeping Practices and SME Performance: The Intervening Role of Owners' Accounting Skills examined the relationship between bookkeeping practices and the performance of small and medium enterprises. The research found that proper bookkeeping and accounting knowledge play an important role in improving business performance
- ***Vishwa and Harsha (2024):-*** In their research paper titled A Study of Accounting Practices in Micro, Small and Medium Enterprises, the authors discussed accounting practices followed by MSMEs. The study highlighted the importance of maintaining proper financial records and adopting systematic accounting procedures for business activities.
- ***Singh and Bisht (2025):-*** In their study titled Impact of Tally ERP on Small Business Accounting Practices in India, the authors examined the role of Tally ERP in small business accounting. The research focused on how accounting software helps improve financial recording, reporting, and accounting efficience.
- ***Samuel and Thamaraiselvi (2025***):- In their study titled Thematic Review of Cloud Accounting and Cloud ERP Adoption and Impact in SMEs, the authors reviewed research on the adoption of cloud accounting and ERP systems in small and medium enterprises. Their study highlighted the importance of technology, digital skills, and proper accounting systems in improving business operations.

- **Research Gap**

In books, accounting looks very easy and clean. All bills are perfect and Tally does all work automatically. And most old research papers talk about big companies and MNCs only.But in real life, it is not like that. As I saw in my internship at L.K. Verma & Associates, Baloda Bazar, small shopkeepers bring very messy bills. Bills are torn, numbers are missing, and they mix their home expenses with shop expenses. They also forget to tell about bank charges and bounced cheques.Old papers say Tally makes work fast, but they don't tell how much time we still waste in checking those messy bills, matching bank statements, and changing GST rates again and again.Also, no one has studied a small-town CA firm handling small businesses from an intern's eyes.So my paper fills this gap. I am showing the real, daily struggle behind Tally in a local firm - where we need both book knowledge and human checking to make clean accounts.

3. Data and Methodology

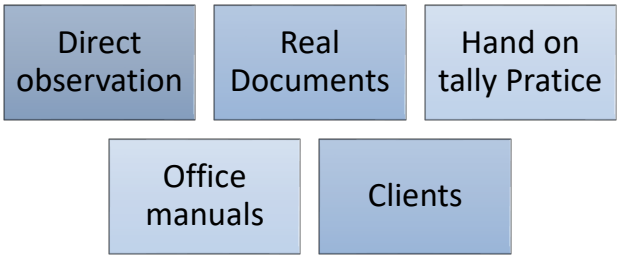
- **Research Design**

This paper uses a simple, real-world case study approach. Instead of using complex mathematics or imaginary numbers, this research is based entirely on my own hands-on experience and daily observations during my internship at **L.K. Verma & Associates**.

A case study format is perfect for this paper because it lets us see how an accounting office actually works from the inside. Instead of just reading about accounting rules in a book, this design tracks the real journey of a client's bill—from the moment it arrives at the office, to data entry in Tally, and finally to the verified financial reports.

- **Data Collection and Sources**

The data and insights presented in this research paper were gathered directly from the ground up during my internship. To ensure the study reflects the true reality of professional practice, I collected information from a mix of practical, operational, and academic sources:



- ***Direct Observation:***
  Watching the senior staff manage the office and handle workloads every day.
- ***Real Documents:***
  Checking actual client files, including purchase bills, sales invoices, and cash receipts.
- ***Hands-on Tally Practice:***
  Learning to enter daily business transactions into Tally ERP and matching them with bank passbooks under a senior's guidance.
- ***Office Manuals:***
  Reading the firm's internal training guides and checklists to see how they keep their records accurate.
- ***Client Files:***
  Studying the transaction habits of different local retail shops and small businesses in the region.
- **Sample Profile and Study Period**
  To keep the research realistic and focused, the study looks entirely at the actual bookkeeping and early audit files managed by the firm.
- ***Focus on Small Businesses***
  The files I looked at belong to local **MSMEs** (Micro, Small, and Medium Enterprises) in the **Baloda Bazar** area. This includes local retail shops, small wholesalers, and family-owned businesses. I chose these files because small businesses are where most real-world paperwork mistakes happen.

Types of Files**:** checking daily cash logs, purchase books, sale invoices, and monthly bank statements for these local businesses.

The Timeline**:** The study matches the exact months of my active internship at the office. It covers the real, live data.

- **Analytical Approach and Tools**

This paper takes a completely practical and descriptive approach to explain how the office functions. Instead of using heavy statistics, complex mathematical formulas, or confusing graphs, the focus here is entirely on breaking down the accounting workflow step-by-step. The goal is to show the actual journey a piece of financial data takes, rather than analyzing dry, theoretical numbers.

To map out this process, the primary tool observed and used throughout my time at the firm was **Tally ERP**. By working directly with this software, I was able to track exactly how manual paperwork gets sorted, how ledger accounts are built, and how final reports are generated in a modern corporate setup.

4. Results and Analysis

When I observed the daily routine at the office, I realized that accounting isn't done in one giant leap. Instead, the firm breaks the work down into four very distinct checkpoints. This step-by-step system acts like a filter to catch errors early.

The Four Main Accounting Stages in the Firm

Stage	What we do	Why we do it
1. Vouching verification	Going through purchase/sale bills, cash memo, and debit/credit notes.	Making sure every single bill is authentic, officially approved, and legally correct before it touches the system.
2. Tally ERP data input	Opening new ledger accounts and typing in the daily transactions.	Sorting transactions into the right categories and accurately applying cgst,sgst, and igst rates.
3. Bank reconciliation	Matching the tally bank books line by line with clients actual bank passbooks.	Spotting missing cheques, unrecorded bank fee, direcyt deposits, or simple human typing mistakes.
4. Trail balance review	Checking final debit/credit totals ,passing year end adjustment, and entering closing stock.	Catching any leftover accounting errors and the fixing mismatched entries before the final audit begins.

- **Daily Operational Challenges**

Even with good software, the office faces real problems every single day.







- ***Messy Paperwork:***
  shopkeepers often bring in very messy bills. They give us half-torn receipts or forget to put numbers on their invoices. Many clients also mix their personal home bills with their business accounts. Sorting out this mess takes a lot of time and slows down our speed.
- ***Changing Tax Rules:***
  The government changes tax laws very often. GST rates go up and down, and TDS limits change throughout the year. Because of this, the firm has to constantly update the Tally software. Keeping up with these new rules is a big headache for the staff.
- ***Bank Mismatches:***
  Small business owners do not check their bank statements regularly. They forget to tell us about bounced cheques, auto-payments, or hidden bank fees until the end of the month. This creates huge gaps in the records that take hours to find and fix.

5. Discussion

The real-world findings of this study show us how practical accounting actually works:

- ***Computers Need Human Brains:*** The biggest lesson here is that accounting software is only as good as the person using it. Tally is super fast, but it cannot think for itself. If you type wrong numbers into the system, it will simply give you wrong financial reports. A computer can never replace human common sense.
- ***The Power of Double-Checking*****:** The system at the CA firm works so well because of a continuous chain of safety checks. Mistakes are caught early because every file is checked multiple times.
- ***Paper Bills are the Foundation*****:** Checking physical vouchers proves that a business transaction actually happened in real life. It stops fake entries from getting into the computer.
- ***Correct Sorting Avoids Confusion*****:** Putting entries into the right categories ensures that business expenses and income are tracked accurately without any mix-ups.
- ***Bank Matching Brings the Truth:*** Comparing our Tally entries with actual bank passbooks brings in solid outside proof. It quickly highlights hidden fees, missed deposits, or human typing mistakes.
- ***The Final Safety Net*****:** Reviewing the trial balance acts as the last line of defense. It catches any leftover errors and fixes mismatched totals before the senior auditors check the files.

6. Conclusion and Practical Tips

❖ *Conclusion*

This study shows that real accounting is about much more than just typing numbers. It is a mix of sorting paperwork, using computers, following tax laws, and double-checking everything. **L.K. Verma & Associates** manages this workload well by following a clear, step-by-step checking process. Software makes the office run faster, but human training and honest work are what keep the final records clean and trustworthy.

Practical Tips

- ***For Students:***

The lesson is simple. You cannot survive in a real office with only textbook knowledge or only software skills. You absolutely need both to do well.

- ***For CA Firms:***

The study suggests three simple steps. First, make a strict checklist for checking client bills. Second, match bank records weekly instead of waiting for the month to end. Third, train your staff regularly on new government tax updates.

Limitations

This study has a few limits. It only looks at one single CA firm in Baloda Bazar and focuses mostly on small shopkeepers and local businesses. Because it is a close look at just one regional office, these findings might not match how every single accounting firm works across the country.

Future Scope

Future researchers can take this study forward in two simple ways:

- ***Check Multiple Firms:***

They can study a few different CA firms at the same time to compare how they handle their workloads.

- ***Study New Tools:***

They can look at how shifting from desktop software to online, cloud-based accounting affects office speed and entry mistakes.

Declaration of Conflicting Interests

The authors declare no potential conflicts of interest with respect to the research, authorship and publication of this article.

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