

# A comparative study between QuickBooks vs Tally

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**Abstract-** With the increasing popularity of Accounting software and Rapid development of IT technology among Businesses & other Startup firms there is an increasing demand for efficient & reliable accounting software too. According to Dr. Paul D. Reynolds, Director, Research Institute, Global Entrepreneurship Center there are 107 million people in India trying to establish 85 million businesses and 472 million entrepreneurs worldwide attempting to start 305 million companies, which reflects approximately 100 million new businesses (or one third) will open each year around the world. With these numbers of business showing up every year the rise in demand for accounting software is inevitable. And hence, Changing the traditional method of accounting and managing the business, this research looks at the working and the comparison of the two most popular accounting software in India. QuickBooks and Tally. In this article, we go through the features, usability, pricing and more from the viewpoint of a small and medium-sized business in India. Hence in this competitive era, the rise for demand in cloud accounting solutions and Accounting data on the go has increased enormously.

**Keywords–** BI, Intuit, MIS, Quicken, QuickBooks, SAAS, Tally Customization, Tally ERP.

## I. INTRODUCTION

QuickBooks is an Online Accounting Software [1] from Intuit which is cloud-based accounting software offered in a SAAS model. QuickBooks is a product from overseas, the makers of QuickBooks and Quicken i.e. Intuit – both of which are extensively used accounting software in the world by small and medium-sized businesses.

Tally ERP 9 [2] is software which allows accounting and has its presence in India over two decades, and thus Tally ERP 9 is well adapted for the Indian business requirements. Tally is exclusively designed for the Indian market [3], keeping in mind the Indian business needs and regulatory regime. Tally ERP can be installed on any PC running Windows XP or higher.

The paper aims to solve the problems of Business having not been able to access the data on the go or on multiple devices, which strives to limited growth and improvement. To be able to do so in tally an individual will have to spend a whole lot of money on tally customization which in turn will not provide a full-time reliable solution.

### A. Tally ERP

- Peutronics, was co-founded in 1986 and renamed to Tally solutions.
- Tally 8.1 and 9 were launched in 2006.
- Tally.ERP 9, a business management solution was released in 2009.

- The company launched a program called Vriddhi to certify and classify its business partners in 2015.
- Tally Solutions announced the launch of Tally.ERP 9 version 5.0 with taxation and compliance features in 2015.
- Tally Solutions was shortlisted as a GST Suvidha Provider to provide interface between the new Goods and Services Tax (GST) server and taxpayers in 2016.
- Company launched its updated GST compliance software in 2017.
- The company has more than 1 million customers as of Financial year 2018.

### B. QuickBooks

- In 1983 Intuit laid their foundation in Mountain View, California, USA. After a great success of their initial product Quicken for individual financial management, the company started to uplift their capabilities by developing similar services for small business owners.
- QuickBooks was initially released as a DOS version which was based on Quicken codebase.
- QuickBooks had around 74% of the market in the United states.
- Their shares in the business accounting category enormously raised and reached 94.2% in March 2008.
- In 2014, Intuit announced the release of a major update QuickBooks 2015 with all the anticipated features by the users.

- 1.Improved income tracker.
- 2.Pinned notes.
- 3.Improved registration process.
- 4.Insights of homepage and many more.

- In 2017, QuickBooks 2017 with several improvements was released.
  - 1.Automated reports.
  - 2.Smart search.
  - 3.Improved viewing of reports.

## II. BRIEF ON TALLY AND QUICKBOOKS






Technology	Features	Usability	Support	Cost
 <b>QuickBooks</b> QuickBooks is offered through the clouds across multiple platforms.	 <b>Tally ERP 9</b> Tally is feature-rich and powerful, designed for the Indian market.	 <b>QuickBooks</b> QuickBooks is a easy and intuitive for those with little accounting knowledge.	 <b>Tally ERP 9</b> Tally offers excellent support through a well established network in India.	 <b>QuickBooks</b> QuickBooks can help small businesses manage accounts on a small budget.

Fig 2.1: Advantage of a software on other based on 5 characteristics.

### A. Technology

- QuickBooks has cloud integration and thus is offered on a SAAS model. Therefore, there is no compulsion for the software to be installed and the accounting information of the Company can be accessed from any computer with an internet browser. QuickBooks can also be installed as a Windows or an IOS application. As the software is offered in a SAAS model supporting cloud, the information is stored online. Multiple users from different locations can work together on the same data with synchronization making the task easier. QuickBooks also supports mobile platforms and are available for iOS and Android.
- Tally ERP 9 is offered as a stand-alone computer software. An OS Windows XP or higher is required. Tally ERP 9 is a stand-alone software and the accounting information is stored on the PC's hard-drive. Tally ERP 9 does have powerful remote connect capabilities which restricts users to use it across multiple devices. Tally is only a stand-alone application for computer and does not have any mobile platform support. For remote operations one has to either buy the Tally Server or get a tally customization for the further use. In both the cases it is unreliable and costly to be implemented.

### B. Features

- QuickBooks Online [4] was released in India to target small and medium sized businesses only a year ago. And hence it offers limited features and functionalities. Yet, for a business in service sector QuickBooks are sufficient to manage them with the help of functionalities and features they provide. There are many unique and different features like automatic bank transaction

synchronization, scheduled invoices etc. which can result handy for certain business owners.

- a) QuickBooks desktop: QuickBooks desktop is a one-time purchase accounting software to be installed on your office desktop computer.
  - b) QuickBooks Online : QuickBooks Online [4] is our cloud-based subscription service that gives you the freedom to work from any device — anytime, anywhere.
- Tally ERP 9 is a powerhouse of features and functionalities. Tally ERP 9 can be used to manage the accounting information of businesses having any type of service model. Tally software only supports the desktop version and does not have any mobile version or other alternative. Tally ERP 9 is an accounting software that was developed for the Indian market. Therefore, it is compatible with all the different Tax codes.

### C. Cost

- One-year QuickBooks online edition can be purchased online for Rs.5000 [5] inclusive of all costs.
- Tally ERP 9 Silver software can be purchased online for INR 18,000. [6] There are no renewals associated with purchasing Tally ERP 9 software – though purchase of higher editions when launched maybe required to stay updated. wherein future upgrades are included. Whereas Tally Gold edition can be purchased online for INR 54,000 [6].

## III. COMPARISON BETWEEN TALLY AND QUICKBOOKS

The comparison between both the software's and their services in a broader perspective is shown below in the table. feature compared between both are the basic requirements and needs for accounting software [7].

Sr No	Feature Comparison	QuickBooks	Tally ERP
1	Access your Data on the Go	Available	Not available
2	Accounting	Available	Not available
3	Accounts payable	Available	Not available
4	Accounts Receivable	Available	Not available
5	Analytics	Available	Not available
6	Bank Reconciliation	Available	Not available
7	Banking Integration	Available	Available
8	Barcode Integration	Not available	Available
9	Billing & Invoicing	Available	Not available
10	Bills of Material	Not available	Not available

11	Bonus, Loan & Advances Management	Not available	Not available
12	Budgeting	Available	Available
13	Cash Management	Available	Not available
14	Checks & Controls	Not available	Not available
15	Collections	Available	Not available
16	Consolidation / Roll-Up	Not available	Not available
17	CPA Firms	Not available	Not available
18	Customer Management	Not available	Not available
19	Document Printing	Not available	Not available
20	<b>Email Integration</b>	Available	Available
21	Expense Management	Available	Not available
22	Expense Tracking	Available	Not available
23	<b>Financial Accounting</b>	Available	Not available
24	Financial Management	Available	Available
25	Fixed Asset Management	Not available	Not available
26	Fund accounting	Not available	Not available
27	General Ledger	Not available	Not available
28	Government	Not available	Not available
29	Graphs & Charts	Not available	Not available
30	HR & Payroll	Not available	Available
31	<b>Inventory Management</b>	Available	Available
32	Investment	Not available	Available
33	Invoice	Available	Available
34	<b>Invoice Designer</b>	Available	Not available
35	Job Costing	Not available	Available
36	Manufacturing	Not available	Available
37	<b>Mobile App</b>	Available	Not available
38	<b>Payment Gateway Integration</b>	Available	Not available
39	Payment Handling	Not available	Not available
40	Payroll Management	Not available	Not available
41	<b>POS invoicing</b>	Not available	Available
42	Product Database	Available	Available
43	Production Management	Not available	Available
44	<b>Project Accounting</b>	Available	Not available
45	<b>Project Management</b>	Available	Not available
46	Purchasing	Available	Not available
47	Quotation & Estimates	Available	Available
48	<b>Recurring invoice</b>	Available	Not available
49	Revenue Management	Not available	Not available
50	Scheme Management	Not available	Not available

51	<b>Service Tax</b>	Not available	Not available
52	<b>Spend Management</b>	Not available	Not available
53	Supplier and Purchase Order Management	Available	Available
54	Task Management	Not available	Not available
55	<b>Tax Management</b>	Available	
56	Taxation Management	Available	Available
57	TDS / TCS	Not available	Not available
58	<b>Time Tracking</b>	Available	Not available
59	<b>Trading Excise Registers</b>	Not available	Not available
60	Trust Accounting	Not available	Not available
61	Utilities	Not available	Not available
62	<b>Vat</b>	Available	Not available
63	VAT / CST / GST Reports	Available	Not available
64	Vendor Management	Available	Not available
65	<b>Warehouse Management</b>	Not available	Available
66	<b>Web-based reporting</b>	Not available	Not available

Table 3.1 [7]: A brief comparison between both based on basic functionalities in accounting.  
(Highlighted are the advance functionalities)

#### IV. WHAT IS TALLY CUSTOMIZATION, WHY OPT-OUT?

Tally customization [3] is a process by which one can achieve certain goal or business objective by altering the default factory software and customizing them with the help of development experts. In layman's term this is a process under which the software is altered and patched with some modules or API's to serve a certain goal.

##### Example 4.1: Tally integration on web application

Let us consider a real-world scenario for a company which operates through a huge network of distributors, who place orders on a regular basis for replenishing their stock as shown in the figure below.

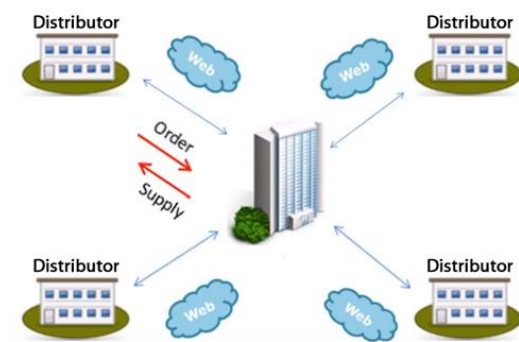


Fig 4.1: Company with their distributors and the request response methodology over the web.

To ensure greater supply chain visibility they want to track the stock position at the distributors place & to update them with the latest stock items. The company chooses tally platform as a solution.

#### Process for tally customization.

- Initially Tally ERP 9 should be installed on every distributors end.
- Then this software's would have to be customized with the help of developers to construct and send XML request/response which would allow to communicate with centralized companies web application server.
- A custom web application will have to be designed and kept centralized to all the distributors which will then communicate the position of the stock data over the internet.
- In Tech terms the software would have to request stock master from the web application and respond with the distributors voucher data on a daily basis.

#### The process and be further sub-divided into two steps

##### 1.Data extraction from the web application.



Fig 4.2: representation of data extraction from web application.

The client (i.e. Distributor) will make the request from the tally software to the company's web application server requesting the list of updated stock items, flowing the same the web application has to response with the same. XML request/response architecture [3] is used as it has full support over the Tally software which helps in Importing and exporting of the data to and fro in the tally software.

##### 2.Data posting to the web application.



Fig 4.3: representation of data posting to the web application.

The Client (Distributor) must send the sales information to the server (Company) /Web application, by which server would keep track of the stock availability.

#### Why opt out of Tally customization.

- Every distributor will have to get the licensed version of Tally ERP 9 software on the systems, as mention above in the cost section it cost around

18,000 INR per license. Bigger the number of distributors greater the licensing cost [6].

- A custom web application needs to be developed to talk to the tally software remotely through XML request/response mechanism. This might cost around 3 - 4 Lakhs [6] with infrastructure.
- Now to allow Tally create XML [3] request to the custom web application a custom tally connector needs to be developed to make request on daily basis and transfer data. A basic tally connector can cost around 60,000 – 80,000 INR.
- To the Business Intelligence part on rest of the accounting data an extra hand would be required in the company.

Even after spending handsome money Tally wont ensure a reliable solution and wouldn't provide cloud services which can improve the data accessibility for a business.

#### V. WHY CHOOSE QUICKBOOKS OVER TALLY

As it concerns with Tally the company reports states that its software is used by more than 1 Million customers. Even After such a huge audience the software isn't up to the expectations for business. whereas QuickBooks has more than 3.7 million users over the globe providing seamless and Interactive accounting with the help of Business Intelligence.

The biggest drawbacks with the tally accounting [7] is the software itself, as it requires a special training to perform basic accounting and operations. Even after a decade of presence in the market tally has failed to provide cloud based solutions which are reliable and progressive.

There are no interest or announcement made by tally into releasing their mobile application. As for QuickBooks they already have it up and running. A mobile application allows greater productivity and handling data On the Go.

QuickBooks [8] comes with a dashboard feature which provides relevant information according to the data processed for a particular company, wherein the cost incurred to hire a business analyst or business intelligence officer is cut-off.

QuickBooks is feature loaded and future protected accounting software that has more to provide than the Tally software.

#### VI. CONCLUSION

QuickBooks is simple and efficient with regards to its features as compared with Tally ERP 9, The software is easy and requires no special training to be used. It can be used on either on Desktop mode or Online mode as per the business requirements. The software also offers mobile application to access the data On-the-Go. The data synchronizations across devices is quick with minimal latency allowing seamless switching of platforms. The software can process the data into useful business



intelligence eliminating the need for business analyst. Hence QuickBooks is cheap, reliable and provides value for product services.

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