Welcome students.

In this session I'll be covering.

Specialized accounting semester.

Course Code COG 117.

The title of the unit is voyage accounts,

module name introduction,

and important terms

related to voyage accounts.

The outline of this module.

I'll be covering a brief introduction.

After that important terms

which include freight.

Primage bunker costs.

Port Judges address Commission.

Passage, money and finally

voyage in progress.

At the end of this module you

will be able to understand

the meaning of voyage accounts

and its important terms.

Introduction.

Voyage accounts are not prepared for

a particular accounting period,

but it's prepared for a particular voyage.

Accounting for a voyage includes

both outward and return journeys

with special reference to shipping.

Now Voyage account is like

a profit and loss account

prepared for a particular voyage.

Where you will find all

expenses like stores, wages,

Commission etc

debited to the voyage account.

At the end of the voyage,

what is done is the profit or loss is

a certain after making adjustments.

If there are any unconsumed stores

and spares, it is carried forward

to the next or succeeding voyage.

In case a voyage is incomplete.

A proportionate amount of expenses

and incomes are carried forward,

and this is known as voyage in progress.

Now moving on to the important terms.

The first one. Freight

Freight is a charge made by the

shipping company to carry the

goods from one place to another,

so therefore it is charged

by the shipping company.

Considered to be an income,

it is credited to the voyage account.

The second important term.

Primage

Now primage is something

in addition to freight.

It is an extra amount charged

by the shipping company as

a percentage of freight.

Initially, Primage was paid to the

employees of the shipping company,

such as the captain,

but nowadays it is added to freight.

And therefore it is retained

by the shipping company.

The next one is bunker cost.

Formerly Bunker was a place where

coal was stored for the ship.

But nowadays, Bunkers are used

to store fuel such as diesel.

So any cost incurred for diesel, fuel and

fresh water are known as bunker costs.

The next one is port charges.

Port charges is the amount payable

by the shipping company to the Port

Authority for usage of the port.

Now the port is used for

loading and unloading cargo.

The next one, the 5th important term,

is address Commission.

Address Commission is something paid

by the shipping company to brokers for

the procurement of freight or business.

Tthe shipping company may

obtain business through brokers and

address Commission is e something

paid to the brokers for their services.

Address Commission is calculated as a

percentage of freight owned and is debited

 as an expense in the voyage account.

The next important term is passage money.

Passage Money is an amount charged by the

shipping company from the passengers.

It is an income for the shipping company and

is therefore credited to the voyage account.

The last important term

is voyage in progress.

Now in case by the end

of the accounting period,

if a voyage is incomplete.

Any expenses incurred

are carried forward

so therefore one can say that

voyage in progress is used in

case of an incomplete voyage.

Like I said, expenses incurred

are ascertained and carried

forward to the succeeding voyage.

These are the references.

Thank you.