

Welcome students today in this class we're going to learn about voyage accounting in the previous lecture you have seen the various concepts related to voyage accounting. Similarly, invoice Accounting is a fundamental thing which you need to know before we proceed with further practical problems. In this class we are going to see complete wage, then proforma of complete voyage account then problem and solution based on the complete voyage.

After going through this material, it is expected that students will learn how to prepare complete voyage account. Now as we know voyage accounting or is accounting meant to find out the profit or loss during the course of its voyage and in order to assert in the result of operating our ships voyage account is prepared. That is complete voyage account. Now that in case of a voyage, a ship may have a journey from point A to point B, and again needs to return to the .8 that is its original point, we call it as a complete wage. So in that case when we prepare books of account. For such voyage, this called as complete voyage, on the other hand, we have something called is incomplete voyage. Now there are instances where in books of account or voyage accounts are prepared at the end of a financial year. Now during this course of time, if a ship is in between its journey or voyage, then such books of account we call it is incomplete voyage.

In today's class we are going to focus on. Preparation of books of account for complete voyage. This is the pro forma or format for preparing a complete voyage. Need to write down the name of the ship then mortgage account number allotted to the voyage then from date to date has to be mentioned. So the date on which voyage started is to be mentioned and the date on which voyage ends has to be mentioned. Further, this is the proforma we have, debit side and credit side.

On the debit hand side, we write all the expenses. Then the amount on the credit side, all the income and the amount. So it is somewhat similar to profit and loss account that we have prepared or that we have learned. On the debit side we mention all the expenses.

You will come across the terms which were introduced to you in the beginning of this particular unit. Starts with wages and salaries, then stores oil coal consumed. Similarly, both charges or studio ring charges, insurance charges, harbor wages. Depreciation is also mentioned on the debit side. Then managers or captain's Commission is also mentioned brokerages. Another expense that is mentioned. Dispatch money is also mentioned on the debit side. On the credit side we have freight earnings, now freight earnings. We're seeing the meaning of trade earnings when goods are transported from one point to another point. A ship bonds Fred on the charges on that we call the street. So we have outward freight, an invertebrate, that the passage money collected from the passengers. Then we have a prime age or certain kind of Commission which is to be paid, then by voyage in progress.

So let us see one problem based on a complete voyage.

So here is the problem. A ship called SS Kanishka Sale from Bombay Port. On 1st March 2020 and arrived at Calcutta Port on 30th April 2022. Months basically via Chennai, so this ship was loaded with 1000 tons of cotton at Bombay for coaching. And it could gin up further load of 600 tons of coconuts was loaded for Calcutta. At Madras. She received additional load of textile material weighing 100 tons for Calcutta. OK, so these are the three deliveries that this particular ship has to make. OK, first is cotton bales 1000 tons. That is from Bombay to coach in. Secondly, 600 tons of coconuts. OK, from coaching to Calcutta, an address from Madras to Calcutta. 100 tons of textile. So these are the three deliveries that this ship is to make. The freight charges are mentioned over the freight charges for carrying goods from

Bombay to coaching is rupees 40 per ton. From coaching to Madras, the freight charges. Are rupees 40 per ton freight charges from coaches to Calcutta is rupees 50 per ton then from Bombay to Calcutta. It is 120 per ton and from Madras to Calcutta again repeat. 30 fertile. Further, in addition to the above freight charges, Primage to be charged at 10%. How to calculate the primage is that we will see in a separate working note and subject to Commission at 12%, so 12% Commission. Also, we need to measure and a brokerage at 8% on gross. Following were the expenses of this team are at different ports, so different expenses are mentioned over here. In this problem, coal and fuel expenses OK port charges and captains expenses are also mentioned at a specific port at Bombay. It is mentioned at coaching is mentioned mudras. It is also mentioned in Calcutta. Also it is mentioned. So while solving the problem what we need what we are supposed to do is that we need to add up these expenses. Pulling fuel expenses at Bombay 12,000 + 5000.

Further loading and unloading charges were rupees two per return each way. Also we need to measure separately and following expenses were also incurred during the voyage, so additional expenses are also mentioned over here. Those are stores then dispatching of funds discharging expenses. And wages of sailors. So these are all the expenses and the various incomes that the ship has made in the process of its voyage. Further, the steamer or the ship was insured for Rupees Fife Lake. OK, eight one and half person for the voyage. The ship has been insured by the during the voyage. It is done for only at one and half person, so we will have to calculate the insurance amount separately only during the course of wage period. The voice period is 2 months. Further depreciation is to be charged at 4% on book value of the steamer which is raised 7 like 50,000. So the ships book value is rupees 750,000. And we need to charge a depreciation of 4% for a number on this. So once we calculate 4% depreciation, we need to allot the depreciation for two months. So prepare voyage account. So in this case whatever performer we have seen in the beginning of this video, same performer, we will make use of OK, so our solution will start from writing down the heading that is shaped like a name SS Kanishka who is account. Journey or the voyages from Bombay to Calcutta Commencement 1st March 2020. Conclusion That yet April 2020.

So for this particular period we are preparing the voyage account further like in the proforma debit side and credit side we have on the credit side. We are mentioning all the income on the debit side. We are mentioning all the expenses now these are the same expenses which are given in the problem and the income over here. So first going to the income side first by freight Bombay to coach in, we're getting ₹40,000 as freight. Then again, the freight charges are given. You may have seen it in the beginning of this slide if we go back to that slide here in the beginning it is mentioned. Freight charges are given from Bombay to coach cities. 40 Fulton. So based on based on the turns or based on the how many goods we're transporting from one port to another port and based on the freight charges. We are measuring harbor freight income on the good side. So Bombata coaching we get 40,000 then coaching to Calcutta we get 30,000 Ann from Madras to Calcutta 3000. As I said in the beginning, we are transporting three goods from three different ports, and for that also failed charges are given. So total freight is ₹73,000. Next we need to measure primage we need to measure primates. Primates is mentioned 10%. Now we are working out for this parking lot number one you may refer over your calculation of primates that is 10% of freight charges. We always calculate primate on freight charges. 10% of 73,000. We get 7300. Getting back to the problem. Prime Ages 7300. Going to the other side. Debit side first expense that we mention is wages of sailors ₹8000. Now these are all the expenses which are directly mentioned in the problem. These are already given to you. Colon fuel expenses also mentioned port charges are

also mentioned. Captains expenses are also mentioned, so all the expenses you need to list down on the one side loading and unloading charges, then Commission brokerage OK stores discharging expenses. Further dispatching of funds then the insurance premium and depreciation. OK further, now how to calculate Commission? Now they are mentioned 12%. On gross takings now what is gross sticking? So yeah, in case avoids accounting, gross sticking means freight plus primage. So total income of freight plus primage OK is called is gross takings. In the working note #2 you will see first the calculation of gross. It comes to 80,300. And in the problem we have been asked to calculate Commission of 12% on gross takings that comes to 9,636 OK, so accordingly we have mentioned the Commission in our slide in our solution next working out #3 is based on the brokerage OK brokerage. Again, it is given in the problem 8% on gross takings not understand the gross sticking. She will have to refer the previous note just now. What we have seen in in the working note #2. OK so gross taking is 80,300 on this 8% is brokerage that comes to 6424. The next working note is based on the depreciation. Depreciation the book value of the asset. The book value of the ship is 7 like 50,000 on their 4% depreciation. We need to calculate an only for the period of two months. So at the end we are multiplying two upon too well so working not #4 and the amount comes to 5000. Amount comes to fighters and going back to the problem. The balancing figure in this case balancing figure is in this case is ₹12,860.00. That is we are getting a night. Loss we are getting our net loss so the debit side is heavier in this case which means do this voyage, the voyage or the ship has suffered a loss of ₹12,860.00.

So in today's class we have seen the proforma of voyage account. Then we saw one problem based on complete voyage. We also saw how to prepare some working notes which are essential while preparing voyage accounting. For further reading you may refer Shukla and Gupta's book of advanced accounts or online link is also provided in this particular reference. These are my references. But you can make use of for further study. Thank you very much.