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E- CONTENT FOR M.COM – SEMESTER 3

SUBJECT: ADVANCE ACCOUNTING

PAPER CODE: COMCC-13

UNIT: VOYAGE ACCOUNTING

TOPIC: PRACTICAL QUESTIONS ON VOYAGE ACCOUNT (COMPLETE VOYAGE) – PART 2

Question 1. Titanic ship commenced its voyage Kolkata to Chennai on 31st March,2019 to 30th April,2019.

	(₹)
Brokerage	8000
Insurance.....	18000
Depreciation for 2 months.....	20000
Salaries.....	50000
Bunker Cost.....	4000
Light House Cost.....	3000

Freight earned for return journey ₹1,00,000 and for outward journey ₹125000. Primage is 10% on freight.

Prepare Voyage Account.

Solution.

Solution 1: Titanic Ship
Voyage A/c
 (from 1st March, 2019 to 30th Apr, 2019)

Dr. Particulars	Amount (₹)	Cr. Particulars	Amount ₹
To Brokerage	8000	By Freight:	
To Insurance ($18000 \times \frac{2}{12}$)	3000	Outward 125000	
To Depreciation	20,000	Inward <u>100000</u>	22,5000
To Salaries	50,000	By Primage @	
To Bunker cost	4000	10%	
To Lighthouse cost	3000	Outward 12500	
To Net profit transferred to P/L A/c (balancing figure)	1,59,500	Inward <u>10000</u>	22500
	247,500		247,500

Question2.

The S.S. Ody undertook a voyage from Chennai to Kolkata starting on 1st January 2002 and reaching on 31st March,2002 and reaching on 31st March.2002. The cargo consisted of 900ton of food grains and 100 tons of engineering goods. The freight charges were ₹ 150 per ton for food grains and ₹100 per ton for engineering goods. In addition, primage was 10%. Brokerage was payable at 5%. The expenses were:

	Chennai (₹)	Kolkata (₹)
Diesel.....	20,000	-
Port Charges.....	9000	2000
Harbour Charges.....	3000	1000
Loading Charges.....	2000	-

Other expenses were: (₹)

Stores.....2,000

Postage.....1,000

Salaries.....10,000

The ship was insured for ₹ 10,00,000 @ 1% for voyage policy of Hull. The freight was insured @ ½% . Depreciation is charged on the written down value of the ship@ 5% p.a. The value of ship as on 1st January,2002 was ₹ 8,00,000.

Prepare Voyage Account.

Solution 2:

<u>Solution 2</u>		<u>S-S Oddy</u>	
		Voyage A/c (from Jan 1, 2002 to Mar 31, 2002)	
Dr.		Cr.	
Particulars	₹ Amt.	Particulars	Amt ₹
To Diesel	20000	By freight	
To Post charges (9000 + 2000)	11000	900 X 150 = 135000	
To Harbour charges (3000 + 1000)	4000	100 X 100 = 10000	145000
To loading charges	2000	By Primage @	
To stores	1000	10%	
To Discharging exp.	2000	(145000 X 10%)	14500
To Postage	1000		
To sal. of crew	10000		
To Insurance: Hull (10,00,000 X 1%)	10000		
Freight = ₹ 98 (159500 X 1/2%)	10798		
To Brokerage @ 5% on freight + primage)	7975		
159500 X 5%	10000		
To Depreciation 800000 X 5/100 X 3/12	70727		
To Net Profit (bal.)	159500		
			159500

Question 3.

Jal Pratap commenced a voyage on 1st October, 2002 from Mumbai to London and back. The voyage was completed on 30th November, 2002. It carried a consignment of tea on its outward journey and of machinery on its return journey. The ship was insured and the annual premium was ₹ 24000. Prepare Voyage account from the following particulars:

Freight earned outward.....	1,00,000
Creditors.....	10,000
Freight earned (inward).....	70,000
Port Dues.....	5000
Building.....	30,000
Bunker Cost.....	25,000
Wages and salaries.....	55,000
Sundry expenses.....	16,000
Passage Money Received.....	10,000
Stores purchased.....	5,800
Lighterage charges.....	6,600
Annual Depreciation.....	9600

Address commission : 5% on outward and 4% on return freight.
Primage 5% on freight. Stores in hand were valued at ₹3000 on November, 2002. Manager is to get commission of 10% of net profit.

Solution 3

Jal Pratap

Voyage A/c

(from 1st Oct, 2002 to 30th Nov. 2002)

Dr.

Cr.

Particulars	₹ Amount	Particulars	₹ Amt.
To Port dues	5000	By freight	
To Bunker cost	25000	Outward	100000
To wages & sal.	55000	By freight inward	70000
To laundry exp.	16000	By Primage @ 5%	
To stores purchased	5800	Outward	5000
To Lighterage	6600	By Primage @ 5%	
To Depreciation	16000	Inward	3500
$36000 \times \frac{2}{12}$		By Passage	
To address comm:		money	10000
Outward @ 5% = 5250		By stores in	
(105000 × 5%)		hand	3000
Inward @ 4% = 2940	8190		
(73500 × 4%)			
To Insurance	4000		
$(24000 \times \frac{2}{12})$			
To Manager's comm.	4991		
@ 10% =			
To Net Profit transfer	44919		
to P/L A/c			
(bal. fig)			
	191500		191500

Working Note for calculation of manager's commission:

First, difference between credit and debit balance

$$= 191500 - (5000 + 25000 + 55000 + 16000 + 5800 + 6600 + 16000 + 8190 + 4000)$$

$$= ₹ 49910$$

Now, calculate manager's commission @ 10% on profit.

$$= 49910 \times 10\% = ₹ 4991$$

Question 4.

S.S. Jaihind commenced a voyage on October, 2001 from Mumbai to London and back. The voyage was completed on November 30, 2001. It carried a consignment of tea on its outward journey and of machinery on its return journey. The ship was insured and annual premium was ₹1,20,000.

Prepare voyage account from the following particulars.

Freight earned (outward).....	₹ 5,00,000
Freight earned (inward).....	3,50,000
Port dues.....	25,000
Bunker cost.....	1,50,000
Stores.....	84,000
Wages and salaries.....	2,50,000
Sundry Expenses.....	25,000
Passage money received.....	50,000
Lighterage charge.....	33,000
Annual depreciation.....	4,80,000

Address commission 5% on outward and 4% on inward freight.
Primage is 5% on freight.

The manager is entitled 5% commission on the profit earned after charging such commission. Stores and coal in hand were valued at ₹ 15000 on November 30, 2001.

Solution 4. SS. Tai kind
Voyage A/c
 (for the period from Oct 1 to Nov 30, 2001)

Dr.	₹ Amount	Cr.	₹ Amount
To Insurance premium ($120000 \times \frac{2}{12}$)	20,000	By Freight: outward	500,000
To port charges	25,000	By Freight: inward	3,50,000
To Bunker cost	1,50,000	By Passage money	50,000
To wages & sal.	2,50,000	By Primary @ 5% outward	25,000
To Stores	84,000	By Primage @ 5% inward	17,500
To sundry exp.	25,000	By stores & coal in hand	15,000
To lightering charges	33,000		
To Annual dep ⁿ $480,000 \times \frac{2}{12}$	80,000		
To Address comm O/W @ 5%	26,250		
I/W @ 4%	14,700		
To Manager's (WN1) comm. @ 5%	11,883		
To Net profit transfer to P/L A/c	2,37,667		
	9,57,500		9,57,500

Working Note for calculation of manager's commission:

First, difference between credit and debit balance

$$= ₹ 2,49,550$$

Now, calculate manager's commission @ 5% on profit earned after charging such commission.

$$= \frac{249550}{105} \times 5 = ₹ 11,883$$

105
