

Note: -

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3. Students will be allowed 15 Minutes extra time per hour .

**PART A**

**Q. 1 Multiple Choice Questions**

(35 M)

**Sample of Writing MCQ Questions:-**

1. Sales Book was Overcast by Rs. 500 . This is  
a) Error of Omission b) Error of Commission c) Error of Principle d) Duplication
2. .... is basically responsible for prevention and detection of errors and frauds  
a) Auditor b) Accountant c) Management d) Cashier
3. When the audit of Company Accounts was made compulsory in India.  
(a) 1894 (b) 1914 (c) 1947 (d) 1952
4. .... is systematic examination of the books and records of a business.  
(a) Vouching (b) Auditing (c) Verification (d) Checking
5. Which of the following is least likely to uncover fraud .  
(a) External auditors (b) internal auditor (c) Internal control  
d) Management
6. Audit of banks is an example of  
(a) Statutory audit (b) Balance sheet audit (c) concurrent audit (d) Journal
7. Current Audit file relating to audit of a partnership firm will not contain  
(a) Audit plan (b) Audit program (c) partnership deed (d) Letters of deed
8. Consider the stages in audit given below  
(a) Ascertain type of audit (b) Vouch receipts and payments  
(c) Obtained document from client (d) Prepare audit program
9. An Example of External Document is  
(a) Employees time report (b) bank statement (c) purchase order for  
Company purchases (d) carbon copies of Cheques
10. Current file and permanent file are together known as  
a) Audit plan b) Audit Program c) Audit procedure d) Audit working
11. Following is example of Revenue expenditure.  
a) Machinery b) salary c) Investment d) Motor car
12. Following not Fixed Assets  
a) Machinery. b). Building. c) stock d) Furniture
13. Prepaid Expenses is  
a) Asset. b) Cash c) Liability d). Loan
14. Auditor Record all transactions in ..... Book  
a). Audit Note Book. b) Working paper c). Notes. d) Syllabus
15. Letter of Weakness deals with weakness in  
a) Statutory Audit b) Internal control c) Financial position d) working paper
- 16) The following is suitable for test checking  
a). Opening and closing entries b) Bank reconciliation statement c) Payment made by a bank .  
during audit of a bank d) audit sampling
- 17) Travelling expenses Recorded in ..... Account  
a) Trading b) Profit & Loss Account c) Journal d) Ledger
- 18) wages is ..... Account.  
a) Nominal. b) Real c) General d) personal
- 19) Which of the following is responsible for establishing a private company's  
Internal control ?  
a) senior manager b) Internal Auditor c) ICAI d) Audit Committee
- 20) Following is the example of current liability.  
a) Bank Loan b) Debentures c) Creditors d) Reserves
- 21) Debenture treated as ..... Liability

- a) secured B) Unsecured c) permanent d) standard
- 22) Auditing standards ..... Use of internal audit report by the statutory auditor  
a) Discourage b) Prohibit c) Require d) Permit
- 23 Purchases is ..... Expenses.  
a) cash b) Non – cash c) Revenue d) normal.
24. Which of the following is responsible for establishing a private company's internal control .  
a) senior management b) Internal Auditor c) client Auditor  
d) Government
25. Expenses paid on installation of machinery debited to wages Account is ..... errors  
a) principle b) duplicate c) compensate d) normal
26. Internal Auditors are appointed by  
a) Board of Director in Board meeting b) Share holder in Annual meeting  
c) The management d) Central Government
27. SA which deals with Audit sampling  
a) 530 b) 400 c) 610 d) 520
28. Cash paid to Jagan Rs. 450 debited to Ranveer Account is ..... errors  
a) Omission b) duplicate. C) commission. d) principal
29. Repair to furniture is ..... Expenses  
a) Capital b) Fixed C) Revenue d) General Expenses
30. Assets Overvalued is Example of .....
- a) free reserved b) window Dressing c) secret reserves d) general
31. Public deposits is part of ..... fund.  
a) Owned b) Borrowed c) credit d) Loan
32. Test Checking  
a) based on personal judgment b) is a statistical sampling technique  
c) is audit in depth d) final Audit
33. Paid for Stationary is Debited ..... Account  
a) Trading b) Goodwill c) profit and Loss d) Normal
34. Carriage paid is ..... expenses.  
a) Productive b) General c) Non productive. d) Nominal
35. Which of the following is a basic principal of auditing as per standard auditing Practices  
a) Planning b) Documentation C) Audit Evidence d) Test Check

**Answer Sheet For Multiple Choice Questions :-**

Q. No.	Ans.	Q. No.	Ans.	Q. No.	Ans.	Q. No.	Ans.	Q. No.	Ans.
1		8		15		22		29	
2		9		16		23		30	
3		10		17		24		31	
4		11		18		25		32	
5		12		19		26		33	
6		13		20		27		34	
7		14		21		28		35	

Marks Obtained: - \_\_\_\_\_

Signature of the Examiner: - \_\_\_\_\_

[Duration: - 2 ½ Hours]

AF135AD22

[Marks 75]

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**PART B**

**Q.2 - Answer the Following - (Any One out of Three) 10 marks**

1. Explain the Types of Errors
2. Advantages & Disadvantages of Auditing
3. Principles of Audit

**Q.3 - Answer the Following - (Any One out of Three) 10 marks**

1. What do you mean by test check
2. Merits of Audit program
3. Audit Working Paper

[Duration: - 2 ½ Hours]

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**Q.4 - Answer the Following - (Any One out of Three)**

**10 marks**

1. Routine checking
2. Audit sampling
3. Internal controls

**Q.5 - Answer the Following - (Any One out of Three)**

1. Internal Audit
2. Audit note book
3. Internal control for Creditors

**XXXXXXXXXXXXXXXXXXXXXXXXXXXX**

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