

Q.P. Code :07266

[Time: 2.30 Hours]

[ Marks:75]

Please check whether you have got the right question paper.

- N.B:
1. All Questions are compulsory.
  2. Figures to the right indicate full marks

- Q.1 A** Select the correct alternative and re-write the statement ( any eight ) 08
- 1) ---- is fundamental accounting assumption. ( materiality , going concern)
  - 2) When books of account are made in such way to show much worse condition than the actual it is called as ----- ( window dressing, secret reserve )
  - 3) Working paper are the property of the ----- ( client , auditor )
  - 4) SA ----- deals with Audit planning. (300 ,320)
  - 5) Audit technique of -----means a formal inquiry from outsiders. (Inquiry , confirmation)
  - 6) Internal Auditor is appointed by -----( management , shareholders )
  - 7) Application of Audit procedure to less than 100% of items is termed as----- ( internal check , sampling)
  - 8) ---- is examination of accounts for specific purpose. ( auditing , investigation )
  - 9) ----- is usually in the form of a bound book. ( audit note book, audit report )
  - 10) SA 570 deals with ---- ( audit planning , going concern )
- B** State whether the following statements are True or False and re-write the statement ( any seven) 07
- 1) Any type of error causes difference in the Trial Balance.
  - 2) Audit evidence is not conclusive in nature.
  - 3) The auditor should act like Bloodhound not watch dog.
  - 4) Audit plan is based on nature of client Business.
  - 5) Internal control helps in prevention of frauds and errors.
  - 6) Audit note book is part of working papers.
  - 7) Random selection method of sampling is known as interval sampling.
  - 8) Developing the internal control system is Auditor's responsibility.
  - 9) Internal Audit is carried out during the accounting work itself.
  - 10) Audited accounts are free from errors and frauds.
- Q.2** Define fraud and explain the types of fraud. 15
- OR
- Q.2** a) Define Auditing. Explain basic principles of auditing. 08  
b) What are the advantages of independent Audit? 07
- Q.3** a) What is continuous audit and what are its Disadvantages? 08  
b) Briefly explain the importance of audit programme. 07
- OR
- Q.3** a) What are the various methods used to obtain audit evidence? 08  
b) What are the pre-considerations for audit sampling? 07