

Duration: - 2 ½ Hours

Marks :-

75

Note:- All Questions are Compulsory.

Figures to the right indicate full marks.

Q1. A) Select the appropriate option and rewrite the sentence (Any 8)

(8M)

CO1,2,3(U,R)

- 1) The term Audit is derived from _____ language.
(Latin, Greek)
- 2) _____ is a systematic examination of books and records of a business.
(Auditing, Vouching)
- 3) Working papers are the property of the _____
(Auditor, Management)
- 4) Standard on audit _____ deals with Audit planning.
(300, 500)
- 5) Audit technique of _____ means a formal inquiry from outsiders.
(Confirmation, Inspection)
- 6) Trail balance of the current year will be filled in _____ Audit file
(Current, Permanent)
- 7) Division of work is an integral part of _____ check.
(Internal, Test)
- 8) The smaller the tolerable error _____ will be the sample size.
(Greater, Smaller)
- 9) _____ means plans and policies adopted by the management of a concern to ensure orderly & efficient conduct of its business.
(Internal Control, Internal Audit)
- 10) _____ checking means checking of arithmetical accuracy of books of original entry and ledger.
(Routine, Sampling)

Q1. B) State whether following statements are True or False:- (Any 7)

(7M)

CO1,2,3(U,R)

- 1) Any type of error causes difference in the trail balance.
- 2) Audit evidence is not conclusive in nature.
- 3) The auditor should act like bloodhound not watchdog.
- 4) Audit plan based on nature of client business.
- 5) Internal control helps in prevention of frauds & 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.

- Q2. A) Explain the objectives of a Company Audit? CO1 (A) (7M)
 B) What are the desirable qualities of an auditor? Explain? CO1 (U) (8M)
 OR
 C) What is continuous audit? What are its advantages and disadvantages? CO1 (A) (7M)
 D) Explain the basic principles governing an audit? CO2 (R) (8M)
- Q3. A) What is Audit planning (SA 300)? Discuss briefly? CO2 (A) (8M)
 B) What is Audit Programme? What are its advantages? CO2 (U) (7M)
 OR
 C) What do you mean by Audit working papers? CO2 (A) (8M)
 D) What do you mean by the term Auditor's lien? Explain in brief? CO2 (R) (7M)
- Q4. A) What is Internal Control? Explain the inherent limitations of Internal Control? CO3 (R) (8M)
 B) Define audit sampling? What are the methods of selecting an audit sample? CO3 (A) (7M)
 OR
 C) What is Internal Control? Design on Internal Control system for Salaries & Wages? CO3 (A) (8M)
 D) What is test check? What are its disadvantages? CO3 (R) (7M)
- Q5. A) Explain evaluation of Internal Audit by statutory Auditor? CO2 (A) (8M)
 B) What are the inherent limitations of Auditing? CO2 (R) (7M)
 OR
 C) Write Short Notes for the following: (Any Three) (15M)
 CO1,2,3(U,R,A)
- Types of errors.
 - Secret Reserve.
 - Materiality.
 - Substantive Procedures.
 - Routine checking.

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