

Duration: - 2 ½ Hours

Marks: 75

Note: - All questions are compulsory

Figures to the right indicate full marks.

- Q.1 (a) Choose the correct alternative & rewrite the sentences : - (Any 8) (8m)
1. A financial statement includes _____. CO1 (U)
(Balance Sheet / Profit/ Loss A/c / Cash Flow / All of the above)
 2. Window Dressing 'means showing _____ picture of accounts. CO1 (U)
(True / Correct / Wrong)
 3. Credit Sale of Rs. 10,000/- to Pratik, Bank A/c is debited. This is Error of _____. CO1 (AP)
(Commission / Omission / Principle)
 4. Ownership of Audit working papers is with _____. CO2 (R)
(Client / Auditor / Government)
 5. Auditor expresses his opinion through his _____. CO2 (U)
(Audit Report / Audit Notebook / Audit Working Papers)
 6. Audit Programme should be _____. CO2 (U)
(Oral / Rigid / Flexible / fixed)
 7. _____ refers to examination of assets & liabilities are properly recorded in balance sheet. CO2(U)
(Vouching / Verification / Confirmation)
 8. _____ deals with Audit Sampling. CO2 (R)
(SA 530 / SA 400 / SA 610 / SA 510)
 9. _____ Audit is suitable for companies having high volume of transactions. CO1 (R)
(Continuous / Balance Sheet / Interim)
 10. The objective of internal control is to _____. CO2 (AP)
(Prevent frauds / prevent inefficiency / improve financial position / select right people)
- Q.1 (b) State whether the following statements are true/false:- (Any 7) (7m)
1. Compensating errors does not affect trial balance. CO1 (U)
 2. Management is primarily responsible for detecting & preventing errors & frauds. CO1 (R)
 3. Audit Programme is first step in Audit. CO2 (R)
 4. There is no risk in Audit sampling. CO2 (R)
 5. Memorandum of Association is part of current audit file. CO2 (R)
 6. An statutory auditor must be chartered Accountant CO1 (R)
 7. Vouching includes detail checking of each and every transaction. CO2 (R)
 8. Closing stock is valued at Cost or market value whichever is higher. CO1 (R)
 9. Credit note is issued when goods are returned by customers. CO1 (R)

