

Duration: 3 Hours *SYB COM - Auditing - 21.*

Seat Number:- _____

Marks : 100

Note: 1) All questions are compulsory.

2) Figures to the right indicate maximum marks.

Q.1(a) Fill in the blanks with appropriate option given in the bracket:

(CO1 to CO3, U&R) (Any 10)

(10 Marks)

1. _____ is the examination of a few selected transactions from origin to their conclusion through the entire flow of the transaction.
(Auditing in depth / Internal Auditing / Routine Check)
2. _____ consist of comparing entries in the books of accounts with documentary evidence in support thereof. (verification / Vouching / Documentation)
3. The main objective of _____ is to avoid the tax liability.
(window dressing / secret reserve / defalcation)
4. _____ is a system under which the recording of business transactions is arranged in such a manner that the working of one staff member will automatically be checked by another. (Internal audit / Internal check / Test check)
5. _____ refers to working papers prepared or obtained by the auditor and retained by him in connection with performance of his audit.
(Verification / Vouching / Documentation)
6. The _____ implies application of audit procedure to less than 100% of the items within a class of transactions. (Audit working papers / Audit programme / Audit sampling)
7. Auditors may not be able to detect certain _____ which are committed with malafide intention. (fraud / errors / corrections)
8. _____ refers to examination as to whether assets and liabilities are properly stated in the Balance sheet. (Confirmation / Vouching / Verification)
9. Not making provision for outstanding expenses is an error of _____.
(commission / omission / principle)
10. Ownership of goods sent on approval basis is with _____.
(customer / seller / consignee)
11. Goods purchased but not recorded in the purchase register is _____.
(To reduce profits / An error of omission / An error of commission)
12. Working papers are the property of the _____.
(Client / Auditor / Client and Auditor)

Q.1(b) State whether the following statements are True or False: (CO1 to CO3, U&R)

(Any 10) (10 Marks)

1. Fictitious entries made in the books of accounts with certain motives are called errors.
2. Auditor can give an assurance about future profitability and prospectus of the company.
3. Financial statements always reflect current values of the assets and liabilities.

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4. The final accounts of the companies need not be in the format prescribed under schedule III of the Companies Act, 2013.
5. The treatment of capital expenditure as revenue expenditure is a compensating error.
6. A hard and fast audit programme may kill the initiative of efficient and enterprising assistants.
7. The audit working papers constitute the link between the auditor's report and the client record.
8. Entries selected for test checking must be representative of all transactions.
9. While determining the sample size, the auditor should consider sampling risk, the tolerable error and the respected error.
10. Any document, which supports the entries in the books of accounts and establishes the arithmetic accuracy, is called a voucher.
11. Window dressing is exactly opposite to secret reserve.
12. Audit plan should be based on the client's business.

Q.2 a) Distinguish between Accounting and Auditing.(CO1,R) (10 Marks)
b) Discuss different types of errors.(CO1,R) (10 Marks)

OR

c) Explain Principles of Audit.(CO1,R) (10 Marks)
d) State the advantages of continuous audit.(CO1,R) (10 Marks)

Q.3) a) Discuss advantages of the Audit programme.(CO2,R) (10 Marks)
b) State the essentials of Good Audit Evidence.(CO2,U) (10 Marks)

OR

c) Explain Audit techniques.(CO2,R) (10 Marks)
d) Distinguish between Audit Principles and Audit Techniques.(CO2,R) (10 Marks)

Q.4)a) Discuss features of Internal control.(CO2,R) (10 Marks)
b) Distinguish between Test Checking and Routine Checking.(CO2,R) (10 Marks)

OR

c) Explain Internal Control for purchases.(CO2,R) (10 Marks)
d) Distinguish between internal Audit and Statutory Audit.(CO2,R) (10 Marks)

Q.5)a)Discuss vouching of Receipts. (CO3,R) (10 Marks)
b) Discuss Vouching of Advertising. (CO3,R) (10 Marks)

OR

C) Write short notes on: (Any 4) (CO1to CO3, U&R) (20 Marks)

- a) True and Fair View
- b) Secret Reserve
- c) Audit working papers
- d) Vouching – Telephone Expenses
- e) Objectives of Verification
- f) Verification of Fixed assets