

TYBCom VI Sem

April-16

QP Code : 18313

Auditing

(2½ Hours)

[Total Marks : 75

- N.B. : (1) All questions are compulsory.
(2) Question No. 2 to 5 have internal options.
(1) Figures to the right indicate full marks.

1. (a) Select most appropriate option and rewrite the following sentences.

(Any Eight)

- (1) _____ is the examination of a few selected transactions from origin to their conclusion through entire flow of the transaction.
(Auditing in depth / Internal Auditing / Routine Checking)
- (2) _____ consists 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 or reduce the tax liability.
(window dressing / secret reserves / defalcation)
- (4) _____ is a system under which the recording of business transactions is arranged in such a manner that the work of one staff member will automatically be checked by other.
(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 paper / audit programme / audit sampling)
- (7) Auditor may not be able to detect certain _____ which are committed with mala fide intentions.
(frauds / errors / corrections)
- (8) _____ refers to examination as to whether assets and liabilities are properly stated in 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)

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3. (a) What is the meaning of 'Audit Note Book'? What are its contents? 8
(b) Explain the term 'Internal Control'. What are the advantages of review of 'Internal Control' to the auditor? 7
- OR**
3. (a) Explain the different factors to be considered while determining the sample size. 8
(b) How would you vouch 'Insurance Premium' paid? 7
4. (a) Suggest an effective internal control in respect of 'Credit Purchases'. 8
(b) How would you verify 'Outstanding Electricity Expenses'? 7
- OR**
4. (a) How would you verify 'Trade Receivables'? 8
(b) What are the duties of an auditor with regard to 'Internal Control'? 7
5. (a) State different types of misappropriation of goods. 8
(b) How would you vouch 'Credit Sales'? 7
- OR**
5. Write short notes : (any three) 15
(a) Audit in depth
(b) Error of Principles
(c) Limitations of Auditing
(d) Sampling Risk
(e) Teeming and lading

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