

Try Blom - 22

[Time: 2 1/2 Hours]

[Marks: 75]

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

Q.1 A) Rewrite the complete sentence and state whether it is true or false (Any Eight) 08

1. Planning helps the auditor to identify and resolve potential problems on a timely basis.
2. Audit programme helps the auditor to draft the report properly.
3. Primary objectives of auditing is to express an opinion on financial statements.
4. Credit sales of Rs.50, 000 are recorded in the purchase book is an error of commission.
5. Routine checking is verification of books of original entry.
6. Under internal control in purchases the order should be placed with approved suppliers.
7. Carbon copy of cash memo is the evidence of cash sales.
8. Credit notes are issued when goods are returned by customers.
9. Test checking should be used when the auditor has less time to complete the audit.
10. Goods worth Rs.2000 taken by proprietor for his personal use not recorded is an error of omission.

B) Match the following items in column 'A' with most appropriate item in column 'B' and rewrite :- (Any seven) 07

Column 'A'	Column 'B'
1. Internal report	• Must be written
2. Window dressing	• Does not disturb the trial balance
3. Error of principle.	• Paper prosperity
4. Investigation	• Minutes of meeting
5. Audit programme	• Special examination
6. Auditing	• Minimizes the work
7. Theft of assets	• Examination of accounts
8. Test check	• Approved suppliers
9. Verification	• Employee fraud
10. Purchase order placed	• To know truth of assets.

- Q.2 a) Define the term 'Auditing'. Explain the inherent limitations of auditing. 08
b) What is 'fraud'? Explain the different types of frauds? 07

OR

- c) What is 'window dressing'? Describe the auditor's duties regarding window dressing. 08
d) Explain the factors which are to be considered by an Auditor while developing an overall audit plan. 07

- Q.3 a) What is 'Audit programme'? Explain the essentials of good audit programme. 08
b) Explain the meaning and objectives of Internal control. 07

OR

- c) State the meaning and importance of 'Audit Working Papers'. 08
d) What are the different methods of selecting sample items? 07

- Q.4 a) Distinguish between 'Test checking and Routine checking'. 08
b) How would you verify 'Bills payable'? 07

OR

- c) What is 'Test Check'? Explain features of 'Test Checking'. 08
d) Briefly discuss a sample of internal control for 'Cash Sales'. 07

- Q.5 a) How would you vouch 'salaries & wages'? 08
b) How would you verify 'Plant and machinery'? 07

OR

- Q.5 Write short notes on the following : (Any three) 15

1. Features of Auditing
2. Financial statements
3. Objectives of audit planning
4. Audit note book
5. Current audit file
