

Audit

Audit - Amit - 295

QP Code : 11325

(2 ½ Hours)

[Total Marks : 75]

- N.B. : (1) All questions are compulsory.
(2) Figures to the **right** indicate **full** marks.

1. (a) Rewrite the following statements with appropriate option.:-

- (1) The main object of an audit is _____
(a) Expression of opinion (b) detection and prevention of fraud & error
(c) Both (i) and (ii) (d) none of the above.
- (2) _____ is compulsory under law.
(a) Internal Audit (b) Internal check
(c) External Audit (d) Management Audit.
- (3) Cost Auditor must be a member of _____
(a) ICAI (b) ICWAI
(c) ICSI (d) MCA.
- (4) The function of RBI is _____
(a) Issue of currency notes (b) Exchange rate management.
(c) Credit control (d) All the above.
- (5) _____ Audit creates awareness of energy use and cost.
(a) Management (b) Social
(c) Forensic (d) Energy.
- (6) Audit committee shall consist of minimum _____ directors.
(a) two (b) three
(c) four (d) five
- (7) LEAR stands for _____
(a) Long form Accounting Report
(b) Lengthy Form Accounting report
(c) Long Form Audit Report
(d) Legal Form for Audit Report.

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- (8) Banking Companies have to transfer to Reserve Fund _____
- (a) 30% of profit (b) 10% of profit
(c) 50% of profit (d) 20% of profit

1. (b) State whether following statements are True or False :-
- (1) Test checking is the checking of all the books of original entry. 8
(2) Vouching includes verification. 7
(3) A body corporate can be appointed as Statutory auditor. 8
(4) Divisible profit is available for distribution of dividend. 7
(5) SEBI governs Insurance business. 8
(6) Peer review is done to ensure quality of the services. 7
(7) Corporate governance is necessary to control scams. 8
- (2) (a) What is auditing? Explain any six principles of auditing. 8
(b) How would you vouch the following? 7
(a) Legal Charges (b) Preliminary Expenses. 8
OR 7
(c) Write a note on Tax Audit. 8
(d) What is Verification? Explain Auditor's duties regarding verification. 7
- (3) (a) What are the liabilities of Auditor under Companies Act, 1956. 8
(b) Explain the provisions regarding appointment of a company auditor. 7
OR 8
(c) What is Audit Report? Explain the difference between Audit Report and Audit certificate. 7
(d) What are the powers of Company Auditor? 7
- 4) (a) How would you evaluate Internal Control System of the Bank? 8
(b) What are the duties & powers of comptroller and Auditor General of India? 7
OR 8
(c) Explain the developmental role of IRDA. 7
(d) Explain the procedure to be followed for verification of premium in a General Insurance company. 8
- 5) (a) Write a note on Social Audit. 8
(b) What is Audit Committee? Explain its importance. 7
OR 8
(c) What is Professional misconduct? Explain any five circumstances of Professional misconduct under Part I of first schedule of Chartered Accountant Act 1949. 7
(d) Write a note on forensic Audit. 7