

April - 2018

TY BBI Sem - V

Auditing

Q.P. Code: 32966

[Time: 2½ Hours]

[Marks:75]

Please check whether you have got the right question paper.

N.B: 1. All questions are compulsory.

Q1. A. Select the appropriate answer and rewrite the sentence (8)

1) A _____ asset is a non performing asset for more than 2 years.

- a) doubtful b) loss c) sub standard d) Standard

2) Internal auditor is appointed by _____.

- a) Institute of Internal Auditors of India b) Shareholders
c) Statutory Auditor d) Management

3) The term audit is derived from the Latin word _____.

- a) Audire b) Author c) Authentic d) Aspire

4) The CAG is appointed by the _____ under his hand and seal.

- a) Prime minister b) President
c) Governor d) Mayor

5) Sec _____, of Income Tax Act provides for compulsory Tax Audit.

- a) 44AD b) 44AB c) 44AC d) 44AD

6) Misfeasance is a _____ liability in the Companies Act 1956.

- a) Civil b) Criminal c) Constitutional d) Corporate

7) The _____ was established by central government for regulating management of companies under Companies Act 1956.

- a) ICAI b) SEBI c) Department of Company Affairs d) IRDA

8) _____ audit is an examination of an individuals or companies financial information for use as evidence in court.

- a) Financial b) Fictitious c) Forensic d) Feasibility

B. State whether True or False

(7)

- 1) A chartered accountant can be appointed as a Cost auditor.
- 2) The provisions of ICAI apply to Indian chartered accountants practicing outside India
- 3) Management audit is also called Efficiency Audit.
- 4) Power of an auditor includes the right to receive notice of AGM.
- 5) Private companies are excluded in calculation of ceiling on number of audits of an auditor
- 6) Audit planning means determining expected nature, timing and extent of audit.
- 7) Clause 49 of the listing agreement of the stock exchange provides for raising standards of corporate governance of listed companies

Q2)

- a. What are the objectives of company audit? (8)
- b. What is internal control? Explain the role of auditors in this regard? (7)

OR

- c. How would you vouch for cash sales of a company? (8)
- d. How would an auditor verify closing stock of a company? (7)

Q3)

- a. Explain the qualification and disqualification of company auditor. (8)
- b. Discuss the provision of companies act 1956 regarding maintenance of books of accounts. (7)

OR

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- c. Discuss the liabilities of auditor under Companies Act 1956. (8)
- d. What do you mean by segment reporting? (7)

Q4)

- a. How would an auditor audit business income of a bank? (8)
- b. Explain the audit procedure for premium by an insurance company. (7)

OR

- c. How would an auditor evaluate internal control system of a bank. (8)
- d. Discuss the powers and duties of CAG in India. (7)

Q5)

- a. Explain the functions and significance of audit committees. (8)
- b. What is social audit? What are its objectives? (7)

OR

- c. Explain the role of professional accountant in society. (8)
- d. What is corporate governance? What is the role of auditor in corporate governance? (7)

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