

TUBBI (V) / Auditing / (65)
Auditing

Q.P. Code : 280101

(2½ Hours)

[Total Marks : 75.

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

1. (A) Fill in the Blanks

- (1) Internal Auditor is appointed by -----
(Institute of Internal Auditors of India, Shareholders, Statutory Auditor, Management)
- (2) ----- is the act of checking title, possession and valuation of assets.
(Vouching, Verification, Sampling, Segmentation)
- (3) Every general insurance company is required to create a ----- reserve.
(Catastrophe, General, Claim, Capital)
- (4) Management auditor is appointed by -----
(Shareholders, Central Government, Management, Auditor)
- (5) A ----- asset is one which has been classified as NPA for a period exceeding 12 months.
(Doubtful, Normal, Substandard, Standard)
- (6) Misfeasance is a ----- liability in the Companies Act 1956.
(Civil, Criminal, Constitutional, Corporate)
- (7) ----- is the amount of profit available for distribution of dividend.
(Net profit before tax, Depreciation, Divisible profit, Gross profit)
- (8) Section -----, of Income Tax Act provides for compulsory Tax Audit.
(44 AD, 44 AB, 44 AC, 44 AD)

1. (B) True or False

- (1) Audit committee may have only 2 meetings in a year.
- (2) Private companies are excluded in calculation of ceiling on number of audits of an auditor.
- (3) IRDA has powers to suspend class or classes of general insurance business.

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- (4) Qualified report is given when auditor is not satisfied with major matters in financial statements.
- (5) Cost auditors are appointed by shareholders of the company.
- (6) Auditor is liable only if there is a loss to the party.
- (7) Related party disclosures are not compulsory.

2. (a) Explain the basic principles of auditing. 8
- (b) What is Management Audit? What are the objectives of Management audit? 7

OR

- (c) What is vouching? How would you vouch for advertisement expenses. 8
- (d) Differentiate between internal check and internal control. 7

3. (a) Explain the rights of a company auditor. 8
- (b) What is an audit report? Explain in brief different types of audit report. 7

OR

- (c) Explain the qualification and disqualification of company auditor. 8
- (d) What are the provisions related to maintenance of books of accounts under the Companies Act. 7

4. (a) Explain the role and functions of IRDA. 8
- (b) How is an auditor appointed in an insurance company? 7

OR

- (c) How would you evaluate the internal control system of a bank? 8
- (d) What is Long Form Audit Report? What should be the contents of LFAR? 7

5. (a) Explain the role of professional accountants in society. 8
- (b) What is Social audit? Explain the objectives of Social audit. 7

OR

- (c) What is Audit committee? What is the composition of audit committee? 8
- (d) What is energy audit? Explain objectives of energy audit 7