

FYBAF sem II Reg & A.T.R.T. Exam March-2020

12/3/20

Subject : Auditing-I

FYBAF

SEM-II

AY: 2019-20

[Time: 2 ½ Hours]

[Marks: 75]



- Note:** 1) All questions are compulsory.
2) Figures at right shows full marks for questions
3) Use of simple calculator is permitted.
4) Working notes should form part of answers.

Q.1(A) Choose the correct alternatives from the options given below: (Any Eight) (08)

1. _____ audit means an audit of transactions as soon as the transaction takes place.
a) Continuous b) Final c) Concurrent d) Interim
2. The _____ implies application of audit procedures to less than 100% of the items within a class of transactions.
a) audit working paper b) audit programme
c) audit sampling d) audit planning
3. _____ audit means an audit taken up after the end of the accounting year.
a) Continuous b) Periodic c) Concurrent d) Interim
4. Current file and permanent file are together known as _____.
a) audit working paper b) audit programme
c) audit procedures d) audit planning
5. _____ papers are the link between the client's records and the auditor's report. .
a) News b) Loose c) Audit working paper d) Ruled
6. Audit in depth is a synonymous for _____ audit.
a) complete b) incomplete c) detailed d) final
7. The main objective of _____ is to avoid or reduce the tax liability.
a) window dressing b) secret reserve
c) defalcation d) routine checking
8. An auditor may not be able to detect certain _____ which are committed with malafide intentions.
a) errors b) frauds c) corrections d) verifications
9. _____ audit is done if the internal control is very strong.
a) Continuous b) Balance-Sheet c) Concurrent d) Interim
10. Audit plans should be based on the knowledge of the client's _____.
a) profit b) net-worth c) reputation d) business

Q.1 (B) State whether the following statements are True or False (Any Seven) (07)

- 1) Pocketing first receipt from party X and showing second receipt from party Y as received from party X is known as teeming and lading.
- 2) An auditor should state the reasons for disclaimer opinion.
- 3) There is little difference between auditing and accounting as both deal with financial statements.

- 4) The auditor must not disclose any information acquired by him in the course of his work without the written permission of the Institute of C.A. of India.
- 5) The audit technique of Inspection consists of observing a procedure being performed by others.
- 6) Determining materiality requires professional judgement.
- 7) Correct recording in the Journal Proper but not posted in the ledger at all will not affect the Trial Balance.
- 8) An auditor cannot take the help of experts such as valuers etc.
- 9) Substantive Procedures are the steps taken to obtain evidence regarding the internal controls.
- 10) Verification is the audit procedure used in order to obtain evidence regarding the transactions during the accounting year.

- Q.2(A) Define and explain the term - Auditing. Give the basic principles of Auditing. (08)
 Q.2(B) What is Continuous Audit ? What are its advantages and disadvantages? (07)

OR

- Q.2(P) Distinguish between Auditing and Accounting. (08)
 Q.2(Q) What do you understand by the term "Error" ? Explain in brief the different types of errors (07)

- Q.3(A) What are the procedures to be carried out by the auditor during the course of the audit? (08)

- Q.3(B) What is Audit Programme? What factors should the auditor consider while developing audit programme? (07)

OR

- Q.3(P) What is an Audit Notebook. How does it differ from Audit Working Papers (08)

- Q.3(Q) Explain the importance of Audit Working Papers. What are the contents of Working Papers? (07)

- Q.4(A) What is Test Checking ? What are the advantages and limitations of test check in auditing (08)

- Q.4(B) Explain the term "Internal control", What are its objectives? (07)

OR

- Q.4(P) What is Internal Audit? What are its objects ? (08)

- Q.4(Q) Distinguish between internal audit and statutory audit. (07)

- Q.5(A) What are the qualities an auditor should possess ? (08)

- Q.5(B) List the seven stages in an audit. (07)

OR

- Q.5(C) Write short notes (Any three) (15)

- 1) Secret Reserve
- 2) Permanent Audit File
- 3) Inherent limitations of Internal Control
- 4) Internal control for Creditors
- 5) Audit in Depth
