



**N.B.**

1. Please check whether you have got right question paper.
2. All questions are compulsory.
3. Figures to the right indicate full marks.

**I. A. Fill in the blanks with appropriate words and rewrite the Statements : (Any 8) (08)**

- 1) "Fraud" means a \_\_\_\_\_ mistake in financial information.  
(bonafide / malafide)
- 2) \_\_\_\_\_ audit is an audit of transactions as soon as a transaction takes place.  
(Concurrent / Continuous)
- 3) \_\_\_\_\_ error is an error in totalling.  
(Casting / Vouching)
- 4) Purchase bill is an example of \_\_\_\_\_ documents.  
(external / internal)
- 5) Audit working papers are the property of \_\_\_\_\_.  
(auditor / client)
- 6) The main objective of \_\_\_\_\_ is to avoid or reduce the tax liability.  
(secret reserves / window dressing)
- 7) Ownership of goods sent on approval basis is with \_\_\_\_\_.  
(seller / consignee)
- 8) \_\_\_\_\_ deals with audit sampling.  
(SA - 530 / SA - 400)
- 9) Audit techniques of \_\_\_\_\_ means a formal inquiry from outsiders.  
(confirmative / verification)
- 10) Internal auditor is appointed by the \_\_\_\_\_.  
(management / shareholders)

**B. State whether the following statement are TRUE or FALSE and rewrite the statement : (Any 7) (07)**

- 1) An Error of principle will not affect the Trial Balance.
- 2) Audit Note Book is a part of permanent audit file.
- 3) Balance confirmation from Debtors is an internal document.
- 4) Audit plan is to be approved by client being audited.
- 5) Auditor must do a 100% checking of all transaction and balances.
- 6) Internal audit helps to detect rather than prevent errors.
- 7) Audit plan once developed should never be revised during the course of audit.
- 8) The audit technique of observation consists of examining records, documents or tangible assets.
- 9) The auditor should act like a bloodhound and not a watch dog.
- 10) Auditing of accounts is compulsory in a partnership firm.



**Q.2**

- a) What is Auditing? State the inherent Limitations of Auditing. (07)  
b) State and Explain the Qualities of Auditor. (08)

**OR**

- c) Explain Internal Audit and Objectives of Statutory Audit. (07)  
d) State the disadvantages of Continuous Audit. (08)

**Q.3**

- a) What factors are to be considered by an Auditor while developing an Audit Plan. (15)

**OR**

- b) Explain Audit Note Book and Importance of Audit Note Book. (15)

**Q.4**

- a) Explain Test Check and State the features of Test Check. (15)

**OR**

- b) Explain Internal Control, Internal Check and Internal Audit. (15)

**Q.5 Write Short Notes on (Any 3)** (15)

- a) Types of Frauds.  
b) Concept of True and Fair View.  
c) Auditor's Right of Lien.  
d) Techniques of Auditing.  
e) Cost Audit.

