

Medical Exam - June - 23
03/07/23

FYBAF AUDIT PAPER 1
TIME ALLOWED: 2½ HOURS
N.B. (1) Q 1 is compulsory.

Sem - II

Marks 75



Q 1) (A) Select the appropriate option and rewrite the sentences (Any 8): (8)

- (1) Audit Note Book is also called as audit ____.
(a) Record (b) File (c) Memorandum
- (2) Unintentional mistake is ____
(a) Error (b) Fraud (c) Unintentional error.
- (3) Bills Receivable account is a ____ account.
(a) Personal (b) Real (c) Nominal
- (4) Written Audit Plan is called as audit ____.
(a) Programme (b) Note Book (c) File
- (5) Internal Check is instituted by the ____.
(a) Management (b) Auditor (c) Government.
- (6) ____ audit is compulsory in law.
(a) Statutory (b) Continuous (c) Internal.
- (7) Internal Control includes internal ____.
(a) Records (b) Check (c) Examination.
- (8) Special Audit can be ordered by ____.
(a) State Government (b) Municipality (c) Central Government.
- (9) The main objective of ____ is to avoid or reduce the tax Liability.
(a) Secrete Reserve (b) Window Dressing (c) Auditing.
- (10) Confirmation is an example of Audit ____.
(a) Procedure (b) Method (c) Technique.

Q 1) (B) State whether following statements are TRUE/FALSE (Any 7) (7)

- (1) An error of omission does not affect the trial balance.
- (2) Test check is the same as internal check.
- (3) Statutory audit is compulsory for sole proprietor.
- (4) The Auditor is watchdog, but not bloodhound.
- (5) Cost Audit is applicable to all limited companies.
- (6) Casting error is a type of two sided error.
- (7) The term "General Purpose Financial Statements" includes a cash flow statement (Where ever applicable).
- (9) Developing Internal control system is the auditor's responsibility.
- (10) After accepting engagement letter the auditor should obtain knowledge about a new client's business.

Q 2) (A) What is auditing? What are the advantage of auditing? (8)

(B) What are the duties of an auditor in respect of window dressing? (7)

OR

(P) What is final audit? What are its advantages and disadvantages? (8)

(Q) Define Fraud? What is manipulation of records? (7)

Q 3) (A) What is an Audit Note book? Explain the contents of Audit Note Book? (8)

(B) What is Audit working papers? Explain the contents of current file? (7)



OR

- (P) What are the steps to be taken by the auditor before commencement of an audit? (8)
- (Q) Explain the disadvantages of audit programme? (7)
- Q 4) (A) How auditor should evaluate internal control for sales? (8)
- (B) What are the auditor's duties regarding internal check? (7)

OR

- (P) How auditor should evaluate internal control for creditors? (8)
- (Q) Distinguish between Internal Audit and Statutory Audit? (7)

Q 5) Write short notes on (Any 3) (5 Marks each)

- (1) Special Audit
- (2) Audit Sampling
- (3) Audit Engagement Letter
- (4) Auditor Liability
- (5) Errors of commission.