

# Auditing

MALINI KISHOR SANGHVI COLLEGE OF COMMERCE & ECONOMICS

Time : 3 Hours

Total Marks : 100

N.B.

1. Figures in brackets to the right indicate full marks allotted to the question.
2. All questions are compulsory
3. There are internal options in case of questions 02 to 05.

**Q.1.(A) State whether the following statements are TRUE or FALSE : (Any Ten)(10 Marks)**

1. A Voucher decides authenticity of the transaction.
2. Internal audit is compulsory for listed companies.
3. There is no risk involved in audit sampling.
4. Frauds do not affect financial statements.
5. Copy Right is Current Asset.
6. Secret reserve means part of profits secretly reserved for future use.
7. Aim of Internal Audit Report is to suggest remedial action.
8. Inventory is valued at cost or Net Realisable Value whichever is less.
9. Routine checking saves time of the auditor.
10. Repairs to Building is debited to Building Account, is an Error of Principle
11. Audit programme must be in writing.
12. Concurrent Audit is done with the occurrence of the transactions.

**Q.1.(B) Match the Columns.**

**(10 Marks)**

Column 'A'	Column 'B'
1. Statutory Auditors	a) Delivery Challan
2. An Auditor	b) Principle of Auditing
3. Manipulation Of Accounts	c) Memorandum of Association
4. Audit Note Book	d) Random Number Table
5. Fraud	e) Error or Commission
6. Audit Sampling	f) Report to shareholder
7. Final Audit	g) Audit working papers
8. Permanent Audit File	h) Done at the end of the year
9. Confirmation	i) Should be Independent
10. Document for Goods dispatched	j) Intentional mistake
11. Income recorded twice	k) Management fraud
12. Confidentially	l) Used for debtors verification

**Q.2.(A) Explain Different Types of Frauds.**

**(10 Marks)**

**Q.2.(B) What are the features of Auditing.**

**(10 Marks)**

**OR**

**Q. 2(C) Objects of Auditing. Explain.**

**(10 Marks)**

**Q. 2(D) State the Advantages of Auditing.**

**(10 Marks)**

**Q.3.(A)** Explain Internal Audit. State the Objectives of Internal Audit. (10 Marks)

**Q.3.(B)** What is Statutory Audit. What are the essentials of Statutory Audit. (10 Marks)

**OR**

**Q.3.(C)** Explain Audit Programme and its Advantages. (10 Marks)

**Q.3.(D)** Importance of Audit Note Book. (10 Marks)

**Q.4.(A)** Explain the Techniques of Auditing. (10 Marks)

**Q.4.(B)** How would you verify Sundry Debtors. (10 Marks)

**OR**

**Q.4.(C)** What is a Voucher? Explain Vouching. (10 Marks)

**Q.4.(D)** How would you Vouch Salaries. (10 Marks)

**Q.5.(A)** How would you Vouch Rent Received. (10 Marks)

**Q.5.(B)** How would you verify Debentures. (10 Marks)

**OR**

**Q.5.(C) Write Short Notes (Any 4)** (20 Marks)

1. Any Five Principles of Audit.
2. Teeming and Lading.
3. Audit Planning.
4. Continuous Audit.
5. Meaning of Verification.
6. Definition of Auditing by Spicer & Pegler.

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