

26/11/2018



Duration: 2 $\frac{1}{2}$ Hours

Marks: 75

- N.B: 1. Attempt all questions
2. Each questions carry 15 marks.

Q.1 A) State whether the following statements are true or false: (any 8) (8 marks)

1. In window dressing liabilities are overstated.
2. Auditing can be done by an employee of the company.
3. Internal auditor has right to attend the meeting of the shareholders.
4. Concurrent auditor has to be an external auditor only.
5. Audit working papers are the property of the client.
6. Test check reduces the liability of the auditor.
7. Chances of bias are more in random sampling.
8. No qualifications are prescribed for internal auditor.
9. Vouching includes valuation.
10. Contingent liabilities should be disclosed in the balance sheet by way of a note.

B) Match the following and rewrite the sentences: (any 7) (7 marks)

Particulars	Documentary Evidence
a. Salaries & Wages	Plant Register
b. Sales Return	Dividend Warrants
c. Dividend Received	Attendance records
d. Travelling Expenses	Bills Receivable book
e. Rental Receipts	Cost Sheet
f. Petty Expenses	Tenancy Agreement
g. Plant & Machinery	Credit Note
h. Bills Receivable	Imprest system
i. Patents	Tickets
j. Work-in-progress	Renewal Certificate

Q2. A) Define Auditing. Explain the basic principles of auditing? (15 marks)

OR

Q2. B) Discuss Continuous audit with its advantages and disadvantages? (15marks)

Q3. A) Explain the contents of Audit working papers? (08 marks)

B) Explain the methods of selecting the sample? (07 marks)

OR

Q3. A) What are the auditors duties regarding internal control? (08 marks)

B) Discuss the advantages of Internal Audit? (07 marks)

- Q4. A) Vouching is considered as essence of auditing? Discuss (08 marks)
B) How would an auditor verify Cash sales? (07 marks)

OR

- Q4A) How would an auditor vouch: Salaries and Wages? (08 marks)
B) How will you as an auditor verify Plant & Machinery? (07 marks)

- Q5. A) Explain the types of errors in detail? (08 marks)
B) How would an auditor verify the Receipt from debtors? (07 marks)

OR

Q 5) Short Notes on any 3: (15 marks)

- a) True and Fair View Concept
- b) Internal Audit vs External Audit
- c) Verification vs Vouching
- d) Auditors duties regarding internal check
- e) Verification of Patents.