

Time: 2.5 hours

Q.1. a. State the statement is True or False: (Any 8)

(8M)

1. Preparation of Financial statements is the primary responsibility of the management.
2. Audit should be systematically planned.
3. After examination of records the auditor has to formulate his judgement.
4. Internal auditor is appointed by the management.
5. In complete audit every voucher need not be examined.
6. Potential successor auditor should communicate with the predecessor before accepting the engagement.
7. After accepting engagement letter, the auditor should obtain knowledge about a new client's business.
8. Audit Note Book is maintained by an auditor.
9. While preparing audit programme the auditor should keep into consideration the scope of audit.
10. Routine checking saves time.

Q.1. b. Choose the correct answer from the following option and rewrite the correct statement

(7M)

1. Audit in a depth is a synonymous to

- a. Complete audit
- b. Completed audit
- c. Final audit
- d. Detailed audit

2. Balance sheet audit includes verification of

- a. assets
- b. liabilities
- c. income and expenditure
- d. all of the above

3. Balance sheet audit does not include

- a. verification of assets and liabilities
- b. vouching of income and expenditure
- c. examination of adjusting
- d. routine checking and closing entries

4. Internal report includes

- a. Annual report
- b. Trade journal
- c. Websites
- d. Publications of Professional bodies

5. Audit Programme should be
 - a. Oral
 - b. Rigid
 - c. Flexible
 - d. None of the above

6. Test Checking is
 - a. Checking the transactions which are tested
 - b. Checking the selected transactions
 - c. Checking vouchers only
 - d. Checking cash memos only.

7. Routine checking can ensure
 - a. Arithmetical accuracy
 - b. Agreement of Balance Sheet
 - c. Recording of the transactions
 - d. Fraud free accounts

8. In test checking the auditor should
 - a. Keep the system stable
 - b. Keep changing the methods or test checking at frequent intervals
 - c. not be very careful
 - d. depend on the records maintained.

9. Random sampling is:
 - a. Purposive Sampling
 - b. Quota Sampling
 - c. Generally accepted auditing techniques
 - d. Cluster Sampling

10. Internal Control has the limitation of
 - a. Cost Benefit Analysis
 - b. Abuse of Authority
 - c. Manipulation
 - d. All of the Above

Q.2. a. State the difference between Accounting and Auditing. (8M)

Q.2. b. What do you understand by Errors of Commission and Omission explain it with a suitable examples. (7M)

OR

Q.2. p. Explain Widow Dressing with example. (8M)

Q.2. q. Give advantages of Audit to various members of the society. (7M)

Q.3. a. What do you mean by Audit Programme and give its Advantages (8M)

Q.3. b. Explain the meaning of Audit working papers and give its importance. (7M)

OR

Q.3. p. State the objectives of Audit Planning. (8M)

Q.3. q. State the contents of an Audit Programme (7M)

Q.4. a. What is Audit Sampling and give what are its needs (8M)

Q.4. b. State the duties of auditor with regard to Internal Control. (7M)

OR

Q.4. p. Difference between Internal Check v/s Internal Control (8M)

Q.4. q. States Objects of Internal Audit (7M)

Q.5. a. Explain what you understand by the term Management Audit and its importance. (8M)

Q.5. b. Give the Advantages of Cost Audit to various Members of the society (7M)

OR

Q.5. p. Short Notes: (Any 3) (15M)

1. Cost Audit
2. Forensic Audit
3. Continuous Audit
4. Internal Audit
5. Audit Note Book
