

Time: 2 ½ Hours

Total Marks:75

Q1 A. Choose the correct option (any 8)

(8)

1. _____ is the amount of net profit available for distribution of dividend.
(net profit before tax, net profit after tax, divisible profit, dividable profit)
2. An auditor can audit maximum _____ companies as per companies act 2013.
(ten, twenty, thirty, forty)
3. Misfeasance is a _____ liability in the companies act
(criminal, civil, contractual, government)
4. First auditor of a company shall be appointed by the _____.
(shareholders, promoters, board of directors, registrar of companies)
5. _____ is the most important objective of auditing.
(reporting, fraud detection, verification, preparation of final accounts)
6. Money lent for one day is called as money at _____.
(short notice, call, intraday, liquidity)
7. Surrender value becomes a part of _____ in revenue account.
(premiums, commission, benefits paid, tax paid)
8. Provisions of section _____ of income tax act apply to tax audit.
(44, 44AB, 44ABD, 44AC)
9. _____ approach is also known as auditing around the computer
(white box, black box, yellow box, red box)
10. The main auditor does not have the right to access the audit working papers of _____ auditor.
(joint, branch, statutory, cost)

B) State true or false: (any 7)

(7)

1. Dividends can be distributed from the share capital of the company.
2. Auditor of a company can be appointed by CAG.
3. Auditor is liable only if there is a loss to the party.
4. Auditor is supposed to report to the board of directors.
5. Internal auditor cannot perform concurrent audit.
6. IRDA has the power to suspend class or classes of general insurance business.
7. HR audit covers compliance with legal provisions.
8. CIS has created a problem of data security.
9. A chartered accountant cannot share his fees with a non member.
10. Books of accounts shall be preserved for at least 5 years.

2 a) what are the provisions of the companies act regarding maintainance of books of accounts

(8)

B) What are the duties of a company auditor?

(7)

OR

c) Discuss types of liabilities of professional accountants

(8)

d) What is an audit report? Mention and elaborate types of audit report.

(7)

- 3 a) What is LFAR? Mention the contents and importance of LFAR. (8)
b) How do you audit Premium of an insurance company (7)
OR
c) How would an auditor evaluate the internal control system of the bank? (8)
d) What areas are the internal controls needed in an insurance company? (7)
- 4 a) What is a management audit? Mention its scope and objectives. (8)
b) What is a computerized audit program? Mention features and advantages. (7)
OR
c) What is a tax audit? Explain in detail (8)
d) What are the problems in CIS environment in implementation of internal control. (7)
- 5 a) What are the clauses of professional misconduct in relation to chartered accountant in practice (8)
b) Explain the role of professional accountant in society with reference to the code of ethics (7)
OR
5) Short notes (any 3) (15)
1. Segment reporting
2. Remuneration of an auditor
3. Environmental audit
4. True and fair
5. Non performing assets