

DURATION: 2.5 HOURS

TOTAL MARKS: 75

Q.1 A) Choose the correct alternative and rewrite the sentences: (any 8)

8

- 1) _____ is basically responsible for prevention and detection errors and frauds. (Auditor/ Cashier/ Supervisor)
- 2) When auditors use documents to support recorded transactions, the process is often called _____. (Inquiry/ Confirmation/ Inspection)
- 3) _____ Paper is the link between the client's records and the auditor's record. (News/ Working paper/ Tracker)
- 4) Current audit file relating to audit of partnership firm will not contain _____. (Partnership deed/ Audit program/ Internal audit)
- 5) _____ Method of selecting sample ensure that all items in the population have an equal chance of selection. (Random selection/ Systematic selection/ Frequent Selection)
- 6) SA _____ deals with audit sampling. (610/ 530/ 210)
- 7) Checking serial no. of vouchers helps the auditor to _____. (Detect error of omission/ Detect error of principle/ Detect the truth)
- 8) _____ Document is not relevant for vouching sales. (Delivery challans/ Sales department attendance/ Purchase)
- 9) _____ cannot be subject to physical verification. (Land/ Patents/ Skill)
- 10) New bank Loan will be taken under the authority of _____. (Accounting department/ Board of directors/ CEO)

Q.1 B) State whether the following statements are true or false: (any 7)

07

- 1) Any type of error causes differences in the trail balance.
- 2) The old auditor must handover his working papers to the new auditor, appointed in his place.
- 3) Audit evidence is not conclusive in nature.
- 4) The smaller the tolerable error, the greater the sample size will be needed.
- 5) Audit plans are to be approved by the client being audited.
- 6) The debtor's confirmation should be returned to the client.
- 7) Audit notebook is a part of permanent audit file.
- 8) Vouching is same as valuation.
- 9) Internal audit helps to detect rather than prevent error.
- 10) Casting error is a type of four sided error.

Q2.A) Discuss Final audit with its advantages and disadvantages.

15

OR

Q2.B) What is Auditing? Discuss its advantages and disadvantages.

15

Q3.A) Explain the meaning & contents of Audit Notebook. 8
B) Explain the factors determining the sample size. 7

OR

Q3.C) Explain the advantages of internal audit. 8
D) What is Test Check? What precautions the auditor takes regarding test check? 7

Q4. A) Discuss the points to be considered in the course of vouching. 8
B) How would an auditor vouch: Travelling expenses. 7

OR

C) How will you as an auditor verify Investments? 8
D) How would an auditor verify Receipts from Debtors? 7

Q5. A) Explain the types of frauds in detail? 8
B) How would an auditor verify the payments made to supplier of goods? 7

OR

Q 5) Short Notes: (any 3) 15

1. Verification of Patents
2. Distinguish between Accounting and Auditing.
3. Statutory Audit
4. Auditor duty regarding internal check
5. Vouching v/s verification
