

(2½ Hours)

(Total Marks : 75)

- Note:** 1) All questions are **compulsory**.
2) Each question carries **15 marks**.

Q.1. A) Multiple Choice Questions. (any 08)

(08)

1. A _____ is a document that indicates a request for goods by a customer.
(sales invoice/ vendor invoice/customer order/ sales order)
2. The following points should be checked by the auditor while vouching:
(checking the voucher/ checking supporting documents/ checking the entry in the books / all of the above)
3. Which of the following is most reliable for verifying the correct balance of creditors?
(supplier's invoices/ supplier's statements/ confirmations/ bills of lading)
4. New bank loans will be taken under the authority of _____
(board of directors/ purchasing department/ accounting department/ accounts payable department)
5. Fraudulent financial reporting may be accomplished through manipulation of _____
(assets/ revenues/ liabilities/ all of the above)
6. _____ is responsible for preparation of financial statements
(auditor / management / both / neither)
7. If it is probable that the judgement of a reasonable person will be changed or influenced by the omission or misstatement of information, then that information is _____
(material/ insignificant/ significant/ relevant)
8. The company auditor may _____
(issue written communications to branch auditor/ advise the branch auditor of significant matters/ require the branch auditor to answer a questionnaire/ any or all of the above)
9. The first auditor shall hold office till the conclusion of the _____ annual general meeting.
(second/ first/ fifth/ sixth)
10. The auditor of a company shall have a right of access to _____
(financial books/ statutory books/ stock books/ all of the above)

Q.1. B) State whether the following statements are True or False. (any 07)

(07)

- 1) An auditor must retire once he attains the age of 60.
- 2) The auditor of Government Company is appointed by shareholders.
- 3) Every company auditor is a chartered accountant but every chartered accountant cannot be an auditor of a company.
- 4) Audited accounts are free from errors and frauds.

- 5) The requirements of each SA are contained in a separate section and expressed using the word “may”.
- 6) Loans are never shown in the balance sheet at realisable value.
- 7) Vouching includes verification.
- 8) If an asset is in the possession of a company, it is compulsorily owned by the company.
- 9) Auditor should verify whether the payee has signed on a revenue stamp, if the sum exceeds Rs. 500.
- 10) Date of the voucher is checked to see that the transaction pertains to current year.

Q.2. As an Auditor, how will you vouch the following: (15)

- a) Interest Income
- b) Insurance Premium

OR

Q.2. As an Auditor, how will you vouch the following: (15)

- p) Purchases
- q) Rent Received

Q.3. As an Auditor, how will you verify the following: (15)

- a) Investments.
- b) Public Deposits

OR

Q.3. As an Auditor, how will you verify the following: (15)

- p) Furniture & Fixtures
- q) Outstanding Expenses

Q.4. a) Explain SA 230. (08)

- b) Explain in detail, the provisions of Companies Act, 2013 regarding “Disqualification of Auditors.” (07)

OR

Q.4. p) Write a note on SA 240. (08)

- q) Explain the duties of company auditors. (07)

Q.5. a) Explain SA 300. (08)

- b) Explain the provisions of appointment of first and subsequent auditors of non-government company. (07)

OR

Q.5. Short Notes. (Any three) (15)

- p) Vouching of commission received
- q) Procedure for issue of Auditing Standards in India
- r) Importance of Vouching
- s) Objectives of verification
- t) Any 5 rights of company auditors.