

Q1) A) State whether True Or False. (any 8)

(8)

1. A clean audit report indicate that the business will continue to be profitable in future.
2. Errors are usually more difficult for an auditor to detect than frauds.
3. An audit program is a part of permanent audit life.
4. An audit program helps to fix the responsibility of each audit assistance in case of any mistake.
5. The audit technique of confirmation is formal inquiry from insiders.
6. Basically the management is responsible for establishing and operating the internal control.
7. Separate staff is appointed to conduct internal checks .
8. Statutory audit cannot start unless internal audit is complete.
9. The internal auditor must be appointed in A.G. M. every year.
10. Internal auditors are appointed by statutory auditors.

B) Match the following columns(any 7)

(7)

Group 'A'	Group 'B'
1. Internal auditor	a) SA 610
2. Unintentional Mistake	b) Secret reserves
3. Current audit file	c) SA320
4. SA dealing with internal audit	d) Prevention of errors or frauds
5. Materiality	e) Audit Program
6. Audit planning	f) SA 300
7. Making less provision for bad debts.	g) SA570
8. Audit Program	h) Appointed by management
9. Internal check	i) Window dressing
10. Going concern	j) Error
	k) Nature, timing, extent of audit
	l) Fraud

Q2. A) Distinguish between accounting and auditing.

(8)

B) Explain the basic principles of audit.

(7)

OR

C) What is fraud . Explain its types.

(8)

D) What is secret reserves .

(7)

Q3. A) Distinguish between internal audit and statutory audit

(8)

B) Distinguish between statutory and voluntary audit.

(7)

OR

C) Explain Test check and its importance.

(8)

D) Explain sampling risk . What is the relation between sampling risk and sample size.

(7)



Q4) A) Explain internal audit. What are its objectives.

(8)

B) What is internal control. How the internal control is important in audit process.

(7)

OR

C) What do you mean by internal check. How is it different from internal control.

(8)

D) What is routine checking. How is it different from Test checking.

(7)

Q5) A) What are the advantage and disadvantages of audit program.

(8)

B) Explain the different techniques of audit.

(7)

OR

C) Short notes (any 3)

(15)

1. Audit in depth.
2. Audit working papers
3. Balance sheet audit
4. Objectives of audit
5. Materiality

Q1