

Q.P. Code :07266**[Time: 2.30 Hours]****[Marks:75]**

Please check whether you have got the right question paper.

- N.B:
1. All Questions are compulsory.
 2. Figures to the right indicate full marks

Q.1 A Select the correct alternative and re-write the statement (any eight) **08**

- 1) ----- is fundamental accounting assumption. (materiality , going concern)
- 2) When books of account are made in such way to show much worse condition than the actual it is called as ----- (window dressing, secret reserve)
- 3) Working paper are the property of the ----- (client , auditor)
- 4) SA ----- deals with Audit planning. (300 ,320)
- 5) Audit technique of -----means a formal inquiry from outsiders. (Inquiry , confirmation)
- 6) Internal Auditor is appointed by -----(management , shareholders)
- 7) Application of Audit procedure to less than 100% of items is termed as----- (internal check , sampling)
- 8) ----- is examination of accounts for specific purpose. (auditing , investigation)
- 9) ----- is usually in the form of a bound book. (audit note book, audit report)
- 10) SA 570 deals with ----- (audit planning , going concern)

B State whether the following statements are True or False and re-write the statement (any seven) **07**

- 1) Any type of error causes difference in the Trial Balance.
- 2) Audit evidence is not conclusive in nature.
- 3) The auditor should act like Bloodhound not watch dog.
- 4) Audit plan is based on nature of client Business.
- 5) Internal control helps in prevention of frauds and errors.
- 6) Audit note book is part of working papers.
- 7) Random selection method of sampling is knows as interval sampling.
- 8) Developing the internal control system is Auditors responsibility.
- 9) Internal Audit is carried out during the accounting work itself.
- 10) Audited accounts are free from errors and frauds.

Q.2 Define fraud and explain the types of fraud. **15**

OR

- Q.2**
- a) Define Auditing. Explain basic principles of auditing. **08**
 - b) What are the advantages of independent Audit? **07**

- Q.3**
- a) What is continuous audit and what are its Disadvantages? **08**
 - b) Briefly explain the importance of audit programme. **07**

OR

- Q.3**
- a) What are the various methods used to obtain audit evidence? **08**
 - b) What are the pre-considerations for audit sampling? **07**

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- Q.4** a) Briefly explain the general consideration for framing the system of internal check. **08**
 b) What do you mean by internal Audit? Explain its objectives. **07**

OR

- Q.4** a) Write the stages involved in the study and evaluation of internal control system. **08**
 b) Distinguish between internal Auditor and statutory Auditor. **07**

- Q.5** a) Explain the contents of audit notebook. **08**
 b) What are the pre-audit considerations? **07**

OR

- Q.5** Write short notes (any three) **15**
 a) Window dressing
 b) Going concern
 c) Users of financial statements.
 d) Error of commission
 e) Concurrent audit