

060522

VCD: _____ CLASS: FYBAF SEM: II SUB: AUDITING HOUR: 2.1/2hrs
MARKS: 75

Q – 1 Choose correct alternative and rewrite the sentence (40 Marks)

1. Statutory Auditor has a right to attend _____
 - a. Shareholders meeting
 - b. Board meeting
 - c. Creditors meeting
 - d. Union meeting
2. Audit Sampling is _____
 - a. Application of audit procedure for less than 100% transactions
 - b. Verification of all the transactions
 - c. Verification of Cash transactions
 - d. Verification of goods distributed as free sample
3. Which of the following is responsible for establishing a private company's internal control?
 - a. Senior Management
 - b. Internal Auditors
 - c. ICAI
 - d. Audit Committee
4. Which of the following errors is an error of omission _____
 - a. Sale of Rs. 500 was written in the purchase journal
 - b. Wages paid to Mohan have been debited to his account
 - c. The total of the sales journal has not been posted to the Sales Account
 - d. None of these
5. Preparation of the financial statements _____
 - a. Auditor is responsible
 - b. Management is responsible
 - c. Both are responsible
 - d. Neither are responsible
6. An Audit Programme may be _____
 - a. Statutory
 - b. Permanent
 - c. Fixed or Flexible
 - d. Standard
7. Determine the known and likely errors or misstatements _____
 - a. Auditor is responsible
 - b. Management is responsible
 - c. Both are responsible
 - d. Neither are responsible
8. Sales to Ram Rs. 143 posted to his account as Rs. 134. This is _____
 - a. Error of Omission
 - b. Error of Commission
 - c. Error of Principle
 - d. None of the above
9. _____ is a systematic examination of the books and records of a business.

- a. Auditing
 - b. Vouching
 - c. Verification
 - d. Checking
10. The independence of Auditor means that _____
- a. The auditor must perform without bias with respect to client under audit
 - b. The auditor must start the audit with suspicion of fraud
 - c. The auditor is answerable to no one
 - d. The auditor should not depend on assistants for audit work
11. _____ are the link between the client records & audit report.
- a. Working Papers
 - b. News
 - c. Loose papers
 - d. Rules papers
12. Written Audit plan is called as _____
- a. Audit Programme
 - b. Content
 - c. Audit Note Book
 - d. Proof
13. Working papers are the property of the _____
- a. Client
 - b. Client and the auditor
 - c. Auditor
 - d. Employees
14. Test checks are generally applied by _____
- a. Internal Auditor
 - b. Statutory auditor
 - c. Sub-auditor
 - d. Cost-auditor
15. Audit plans should be based on knowledge of the client's _____
- a. Profits
 - b. Net worth
 - c. Business
 - d. Previous Audit Report
16. Detect material error _____
- a. Auditor is responsible
 - b. Management is responsible
 - c. Both are responsible
 - d. Neither are responsible
17. Internal Auditor can be removed by _____
- a. The Central Govt.
 - b. The management
 - c. The Shareholders
 - d. No one
18. Current Audit file relating to audit of a partnership firm will not contain _____
- a. Audit Plan

- b. Audit Programme
 - c. Partnership Deed
 - d. Letters of confirmation
19. The objective of internal control is to _____
- a. Prevent frauds
 - b. Prevent Inefficiency
 - c. Improve financial soundness
 - d. Select right people
20. Routine checking involves checking of _____
- a. Castings
 - b. Ledger
 - c. Trial Balance
 - d. Preparation of Journal

Q – 2 Answer the following (Any 01) (07 Marks)

- a. What are the Types of error in Auditing ?
- b. Explain auditors duty regarding frauds ?
- c. What are advantages of auditing ?

Q – 3 Answer the following (Any 01) (07 Marks)

- a. Explain audit planning (SA 300)
- b. Explain need of Audit Notebook
- c. Explain Advantages of audit programme

Q -4 Answer the following (Any 01) (07 Marks)

- a. What is Test check ? Explain advantages of Test check.
- b. Explain advantages of internal control system.
- c. Explain factors consider while internal control for debtors.

Q – 5 Answer the following (Any 01) (07 Marks)

- a. What is continuous audit ? Explain its advantages and Disadvantages.
- b. Explain Audit in Depth in detail.
- c. Explain advantages and disadvantages of sampling in auditing.

Q – 6 Write short note (Any 02) (07 Marks)

- a. Window dressing
- b. Statutory audit
- c. Audit evidence
- d. Interim audit
- e. Distinguish between Accounting and Auditing.