

290323

VCD \_\_ CLASS: SYBCOM SUB: AUDITING SEM IV MKS: 100 DURATION: 3 HRS

N.B.

1) All Questions are Compulsory

2) Figures to the right indicate full marks

1. A) Multiple Choice Questions (Any Ten) (10)

- 1) Audit of Banks is an example of \_\_\_\_
  - a) Statutory Audit
  - b) Balance Sheet Audit
  - c) Concurrent Audit
  - d) All of the above
- 2) Balance sheet includes verification of \_\_\_\_
  - a) Assets
  - b) Liabilities
  - c) Income and expenses accounts where appropriate
  - d) All of the above
- 3) \_\_\_\_ is fraud that involves theft of an entity's assets
  - a) Manipulation of records
  - b) A secret reserve
  - c) Misappropriation of assets
  - d) Income smoothing
- 4) \_\_\_\_ is a systematic examination of the books and records of a business
  - a) Auditing
  - b) Vouching
  - c) Verification
  - d) Checking
- 5) Which of the following statements is the most correct regarding errors and fraud?
  - a) An error is unintentional, whereas fraud is intentional
  - b) frauds occur more often than errors in financial statements
  - c) Errors are always frauds and frauds are always errors.
  - d) Auditors have more responsibility for finding frauds than errors.
- 6) Window dressing is most likely to be committed by whom?
  - a) Line employees of the company
  - b) Outside members of the company's board of directors
  - c) Company management
  - d) The company's Auditors
- 7) Audit plans should be based on knowledge of the client's \_\_\_\_
  - a) Profits
  - b) Net worth
  - c) Business
  - d) Reputation
- 8) Working papers are the property of the
  - a) Client
  - b) Client and the auditor
  - c) Auditor
  - d) None of the above
- 9) Audit working papers record \_\_\_\_
  - a) The audit plan
  - b) The audit procedures performed
  - c) The conclusions drawn from the evidence obtained
  - d) All of the above



- 10) Current file and permanent file are together known as  
 a) Audit Plan                      b) Audit Programme  
 c) Audit Procedures              d) Audit working papers
- 11) This method of sample selection involves selecting items using a constant interval between selections, the first interval having a random start  
 a) Random Selection      b) Systematic Selection  
 c) Haphazard selection      d) None of the above
- 12) Audit sampling enables the auditor to \_\_\_\_\_ audit evidence about some characteristics of the items selected.  
 a) Ignore                      b) Obtain and evaluate  
 c) Manipulate              d) None of the above

**1. B) Match the columns (Any Ten)**

**(10)**

Column A	Column B
1. Statutory Auditor	a) Delivery challan
2. An auditor	b) Principle of Auditing
3. Manipulation of Accounts	c) Memorandum of Association
4. Audit Note Book	d) Random Number Table
5. Audit Sampling	e) Error of commission
6. Fraud	f) Report of shareholders
7. Final Audit	g) Audit working papers
8. Permanent audit file	h) Done at the end of the year
9. Confirmation	i) Should be independent
10. Documents for goods dispatched	j) Intentional mistake
11. Income recorded twice	k) Management fraud
12. Confidentiality	l) Used for debtors verification

2 A) Explain the term "Errors" what are the different types of Errors? (8)

B) Explain the term "Window Dressing" What are the objections against it? (7)

OR

2 A) Explain the points which are to be considered by an auditor in the course of vouching? (15)

3 A) What are the advantages of Interim Audit ? (8)

B) What are the drawbacks of Continuous Audit ? (7)



OR

3 C) Explain the importance of Audit working papers (8)

D) What are the essentials of good audit program? (7)

4 A) Explain the points which are generally considered while framing Internal control (15)

OR

4 B) what is Continuous Audit, its advantages and disadvantages? (8)

C) Write Principles of Audit (7)

5 A) Give the internal control for purchases (8)

B) Explain the internal audit (7)

OR

5 C) what is voucher? Explain vouching? (7)

D) What points should be considered by the auditor in verification (8)

6 A) How would you verify "Plant and Machinery"? (10)

B) How would you verify "Sundry Debtors" (10)

OR

6 C) Write Short Notes (Any four) (20)

1. Accounting Vs Auditing
2. Audit Evidence
3. Secret Reserves
4. Error of commission
5. Audit Sampling
6. Test Checking