17/10/18

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[3 Hours] [ Marks: 100] Please check whether you have got the right question paper. N.B 1. All questions are compulsory. Figures to the right indicate full marks. 1. (A) State whether the following statements are True or False (Any Ten) 10 The primary duty of the auditor to detect errors & frauds. Auditing begins where the accounting ends. 3. Compensating errors effect the Trial Balance. Audit Note Book is maintained by the auditor. Test checking involves checking of all the transactions in the books of original entry. Sampling is an independent audit technique. An audit program must be fixed. A Debit Note is for purchase refurn. 8. Stock checking involves actual verification & counting. 9. An Internal control system is designed & established by the auditor. 10. Ownership of plant & machinery can be in the name of the director of the company. 11. Current file is a file which contains working papers of the year under audit. 12 (B) Select the most appropriate answer and write the complete sentence (Any Ten) 10 The Auditor's Report gives an opinion on of the financial statements. a) 'True and Fair View' b) 'True and Correct View' c) Correctness d) None of the above 2. Repairs of equipment debited to Equipment Account is an a) Error of Commission b) Error of Principle c) Error of Omission d) None of the above Current file and Permanent file are together known as \_\_\_\_\_\_

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a) Audit Plan

c) Audit Working Papers

a) To prevent errors

Internal audit may be done

c) To update accounting records

Page 1 of 6

b) Audit Programme

d) None of the above

b) To prevent frauds

d) All of the above

## Paper / Subject Code: 77706 / Financial Accounting and Auditing Auditing

Addit programme is prepared by	
a) The auditor	b) The client
c) The accountant	d) The client and the auditor
<ol><li>Window Dressing is most likely</li></ol>	to be committed by
a) Staff	b) Management
c) Auditors	d) None of the above
7 is a fraud that involved th	eft of an entity's assets
a) Window Dressing	b) Falsification of records
c) Misappropriation of Assets	d) All of the above
8 is an example of external	
a) Carbon copies of Receipts	b) Salary sheets of Employees
c) Department requisition slips	d) Balance confirmation letters from Debtors
<ol><li>When an Auditor seeks information</li></ol>	or explanation from others/employees of the client,
the process is known as	T and the client,
a) Inquiry	b) Observation .
c) Computation	d) Analytical Review
10 method of sample selection	on ensures that all items in the population have an
equal chance of selection	an terms in the population have an
a) Systematic Selection	b) Random Selection
c) Haphazard Selection	d) None of the above
<ol> <li>Vouching of telephone charge is dor</li> </ol>	e on the basis of
a) Telephone bill b)	Payment voucher
c) a and b	None of the above
12. In verification of a fixed asset, the au	ditor checks
a) Confirmation from Debtors	b) Bank Reconciliation Statement
c) The existence, ownership, non-omi-	d) None of the above
and disclosure of the asset	Trone of the above
2. (A) Explain different types of Errors and Frauds.	
	OR 15
2. (B) Explain Interim Audit.	
(C) Explain Continuous Audit.	07
	08

## Pr per / Subject Code: 77706 / Financial Accounting and Auditing Auditing

3. (A) What are audit working papers? Explain the importance of audit working	Contract to	
and the importance of audit working	papers. 15	
3. (B) What are the contents of Posses	V 3	
OR     What are the contents of Permanent Audit files and Temporary Audit files:	,	
4. (A) Explain Internal Control.	15	
very expean internal Control.		
OR OR	15	
(B) Write an Internal control system for Salaries and Wages.  (C) What is Test Obs. 1:		
(C) What is Test Checking and when can it be adopted?	07	
	08	
5. (A) What is a voucher? Explain vouching.		
(B) What points should be considered by the Auditor in verification?		
	08	
(C) Explain Verification.		
(D) How would you vouch 'Purchases'?	07	
dichases y	08	
6. (A) How would you verify 'Plant & Machinery'?	08	
(B) How will you will		
(B) How will you verify sundry debtors?	10	
6. Write chard	10	
"The short notes on (any four):		
a) Any five principles of Audit	20	
b) Balance sheet audit		
c) Audit Procedure		
d) Audit sampling and purpose of sampling		
e) Internal check		