

Date:

(10)

Q.1 A State whether True or False (Any 10)

1. Fraud is an unintentional error.
2. Management audit is a statutory audit.
3. A voucher decides authenticity of the transaction.
4. Cost audit is compulsory for all the companies.
5. Documents of title of fixed assets need not be examined.
6. Internal control is designed by management.
7. A voucher need not be dated.
8. Audit report is a part of financial statements.
9. Any type of error causes difference in trial balance.
10. Audit notebook is part of working papers.
11. A voucher decides authenticity of the transactions.
12. Secret reserve means part of profits secretly reserved for future use.

Q 1.B Select the appropriate answer. (Any 10)

(10)

1. Manipulation of accounts is _____ fraud.
(employees, management, auditor)
2. Secret reserve means _____ reserve.
(free, capital, hidden)
3. Error means an _____ mistake in financial statements.
(intentional , unintentional, expected)
4. After examination of records the auditor should address his report to the _____.
(shareholders, Board of Directors, Central Government)
5. _____ means selecting & examining representative sample from a large number of similar items. (Sampling, Test checking, Internal control)
6. Window dressing means showing _____ pictures.
(Correct , True , Wrong)
7. Auditor may not be able to detect certain _____ which are committed with malafide intentions. (Frauds, Error , Corrections)
8. Not making provisions for outstanding expenses is an error of _____.
(commission, omission, principle)
9. _____ refers to examination as to whether assets/ liabilities are properly stated in balance sheet. (confirmation, vouching, verification)
10. The main objective of _____ is to avoid or reduce the tax liability.
(Window dressing, Secret reserve , defalcation)
11. Internal auditor is appointed by _____.
(Management , Shareholders, Board of Directors)
12. _____ is fundamental accounting assumption.
(Materiality, Going concern, audit planning)

Q.2 A) Define fraud & Explain types of fraud.

(15)

OR

Q.2 B) Define auditing & Explain basic principles of auditing.

(8)

C) What are advantages of independent audit.

(7)

Q.3 A) What is continuous audit & What are its advantages.

(8)

B) Briefly explain the importance of audit programme.

(7)

OR

Q.3 C) What is the importance of vouching?

(8)

D) What is test checking and what are the features of test checking?

(7)

Q.4 A) What is window dressing & what are objections against it?

(8)

B) Distinguish between Accounting & Auditing.

(7)

OR

Q.4 C) Explain verification.

(8)

D) How will you verify Sundry Debtors.

(7)

Q. 5 A) Explain Interim audit.

(8)

B) How would you vouch purchases.

(7)

OR

Q.5 C) Explain Internal control.

(8)

D) Give the meaning and objectives of audit planning.

(7)

Q.6. A) Explain the importance of audit working papers.

(10)

B) Explain the term window dressing? What are the objectives against it?

(10)

OR

Q. 6 C) Write short notes. (Any 4)

(20)

1. Types of error

2. Qualities of an auditor

3. Audit working papers

4. Special audit

5. Appointment of first auditor