

N.B. : (1) All questions are compulsory.

(2) Figures to the right indicate full marks allotted to the question.

1. (a) What is Continuous Audit? What are it's advantages and disadvantages? 8
(b) Explain "Permanent Audit File." Give examples of it's contents. 7
- OR
1. (a) Distinguish between "Auditing" and "Accounting" in brief. 8
(b) What is an Audit Note Book? What are it's contents? 7
2. (a) What is Internal Audit? What are it's objects? 8
(b) How would you vouch the following:—
(i) Consignment Sales 4
(ii) Salaries to staff 3
- OR
2. (a) What is test checking in auditing ? Explain it's advantages. 8
(b) What are the special considerations which auditors should keep in mind during the course of vouching? 7
3. (a) What are the qualifications and disqualifications of a Company Auditor? 8
(b) How would you verify the following:—
(i) Land & Building 4
(ii) Bills Payable 3
- OR
3. (a) As per Companies Act, 1956 under what circumstances can the auditor of a company be appointed by a special resolution? 8
(b) Explain the meaning and objectives of verification. 7
4. (a) Select the most appropriate option and rewrite the full sentence. 8
(1) The scope of work of a statutory auditor is determined by _____
• Management
• Government
• Institute of Chartered Accountants of India.
• Concerned Law.

- (2) Audit programme must be prepared _____
- Before commencement of an audit
 - During the conduct of an audit
 - After completion of an audit
 - After submission of an audit report.
- (3) Misappropriation of goods is generally done by _____
- Auditors
 - Employees,
 - Shareholders
 - All of the above
- (4) SA _____ deals with audit sampling.
- 530
 - 400
 - 610
 - 500
- (5) A casual vacancy which arises due to resignation of an auditor may be filled by _____
- Board of directors
 - Shareholders
 - Registrar of the company
 - State Government
- (6) Closing stock with consignee is to be shown as the assets of _____
- The consignee
 - The consignor
 - Both the above
 - None of the above
- (7) Analytical review is _____
- An Audit Technique
 - A compliance procedure
 - Reporting requirement
 - Principle of Audit.
- (8) The responsibility for adopting sound accounting policies and maintaining adequate internal control rests with _____
- Chief Accountant
 - Company management
 - Company's internal audit department
 - Statutory auditor.

(b) Match the following column and rewrite :—

7

Column 'A'	Column 'B'
(1) Interim Audit (2) Window Dressing (3) Current Audit file (4) Work performed by others (5) Final Audit (6) Internal Check (7) Accountant	<ul style="list-style-type: none"> • Annual Audit • Audit programme • Interim Dividend • Budgetary control • Making less provision for bad debts • Compile the Accounts • Memorandum of Association • Work of one person checked by any other person. • Principle of Audit

OR

15

4. Write short notes on any three of the following:—

- (1) Methods of selecting sample items.
- (2) Balance sheet Audit
- (3) Error of Principle
- (4) Removal of auditor other than first auditor of the company
- (5) Routine checking.