

QP Code : 02371

(2 Hours)

[ Total Marks : 60

N.B. (1) All questions are **compulsory** carrying 15 marks each.

(2) Working and necessary **assumptions** to be made and stated clearly.

1. (a) From the following scrutinise and interpret Bills Receivable Account in the books of M/s. Babita and Co. 8

M/s. Babita and Co.

Dr.				Bills Receivable Account				Cr.			
Date	Particulars		₹	Date	Particulars		₹				
2011				2011							
Jan. 01	To Balance b/d.	A	20,000	April 30	By Bank	A	20,000				
May 01	To Iyer	B	10,000	June 02	By Bank	B	9,800				
June 06	To Jethalal	C	20,000	June 02	By Discount	B	200				
Aug. 18	To Bhide	D	15,000	Aug. 20	By Bank (Collection)	B	15,000				
Sep. 10	To Jethalal	E	20,400	Sep. 09	By Jethalal	C	20,000				
Dec. 01	To Mehta	F	10,000	Dec. 01	By Abdul	F	10,000				
Dec. 29	To Roshan	G	14,000	Dec. 31	By balance c/d.		34,400				
			1,09,400				1,09,400				

- (b) As an Auditor, describe briefly how would you audit the following ledger account. 4

(i) Cash Purchase 3

(ii) Spare Parts

OR

1. (a) Scrutinise and comments on the following ledger account in the books of Kinjal 8

Shivkumar's Account

Date	Particulars		₹	Date	Particulars		₹
2013				2012			
March 02	To Purchase return	A	2,000	April 01	By Balance b/d		800
March 07	To Bank	A	4,000	2013			
March 07	To Purchase return	B	1,800	March 01	By Purchases	A	10,000
March 09	To Bank	B	6,000	March 05	By Purchases	B	9,000
March 31	To balance c/d		30,000	March 26	By Purchases	C	18,000
				March 27	By Purchases	D	10,000
			47,800				47,800

- (b) As an auditor, describe briefly how would you audit the following ledger account.

(i) Trade Marks

(ii) Lease hold properties.

2. What are the Special Consideration in audit of —

(a) Advance by a bank against goods

(b) Bill Purchased and Discounted

OR

[ TURN OVER ]

2. Explain provisions of Sec. 44 AB in relation to —
- Tax Auditor
  - Tax audit procedure

8  
7

3. Explain the various audit aspects to be taken care of in the audit of a Hospital ? 15
- OR
3. Explain the various audit aspects to be taken care of in the audit of a Small Company ? 15

8

4. (a) Match the pairs :—

**Group A**

- (1) Propriety audit
- (2) Form No. 3CD
- (3) Insurance Business
- (4) Marine Insurance
- (5) Section 233 A
- (6) Contingent Liabilities
- (7) Nostro Account
- (8) Branch Adjustment Account

**Group B**

- (a) Statement of particulars required to be furnished under Section 44 AB annexed to the audit report
- (b) Reserve for unexpired risk at 100%
- (c) Bill discounted with bank and not matured
- (d) Bank maintain stocks of foreign currency in the form of bank account with overseas branches
- (e) Inter branch debit and credit
- (f) Money at call
- (g) Special Audit of a company
- (h) Controlled by IRDA
- (i) S.227(1A)

- (b) Select the correct alternative and rewrite a sentence :—

7

- (1) What percentage of provision is required on performing assets.  
(a) 10 (b) 40 (c) 40% (d) 25% 0.40
- (2) For the purpose of tax audit architecture is held to be a.  
(a) Profession (b) Business (c) Both (d) None
- (3) Employees Security deposit is shown by a bank under.  
(a) Deposits (c) Other liabilities  
(b) Advances (d) Contingent liabilities
- (4) As per Income Tax act, sales includes.  
(a) Sale of by-product (c) Sale of assets  
(b) Sale of Scrap (d) Both a & b
- (5) Premium is verified by checking.  
(a) Cash receipts book (c) Agent's premium A/c.  
(b) Cheque dishonoured book (d) All of the above
- (6) Specified date by which tax audit should be done is.  
(a) 15<sup>th</sup> October of the A.Y. (c) 15<sup>th</sup> June of the A.Y.  
(b) 31<sup>st</sup> October of the A.Y. (d) 31<sup>st</sup> August of the A.Y.
- (7) Endorsement is shown by banks under.  
(a) Contingent liabilities (c) Deposits  
(b) Advances (d) Other liabilities

OR

4. Write a short notes (any two) :—

15

- (a) Audit of Education Institute
- (b) Audit of Partnership Firm
- (c) Scope of Government Audit