

Unique Paper Code: **22411601**

Name of the Paper: **Auditing and Corporate Governance Core**

Name of the Course: **B.Com (Hons.), CBCS**

Semester: **VI**

Duration: **2 hours**

Maximum Marks: **75 Marks**

**Instructions for Candidates**

**Note:** Answers may be written *either* in English or in Hindi; but the same medium should be used throughout the paper.

Attempt any *four* questions.

All questions carry equal marks.

Q1. What kind of opinion shall an auditor give when he/she is unable to obtain sufficient and appropriate audit evidence that the financial statements are free from material misstatement? Explain. Also discuss briefly the different types of modified reports.

Q2. You are working as the manager at an electronics manufacturing company for the past few years. One day you notice that the financial manager is window dressing the financial statements and is tampering with the books of accounts. As a loyal employee of the company, you want to disclose this foul play to the seniors, but you realise that even the seniors are involved. What would you do in such a scenario?

What is the act of exposing and making public wrongful acts of others called? Explain its concept, various types, pros and cons, and the legal provisions relating to it.

Q3. 'One of the major operating expenses related to its line costs (the fees that it paid to its third party telecom network providers for the right to access their networks) was underreported, by capitalising it on the balance sheet rather than properly expensing it. This resulted in both an increased net income and increased assets.' Identify and explain the scam being referred to above, bringing out the flaws in corporate governance.

Q4. 'The OECD code/principles cover the issues of corporate governance around international trade and global stock markets more comprehensively than the Cadbury code'. Discuss.

Q5. 'A code of ethics make decision-making easier at all levels of an organization by reducing ambiguity and considerations of individual perspectives in ethical standards'. Discuss.

Q6. Should a company spend money on CSR? An Indian listed public company has an annual turnover of Rs 2,500 crores in financial year 2019-20. Its net profits for the last three years were Rs. 205 crores, Rs. 190 crores, and Rs. 191 crores respectively. Make the CSR policy for this company.

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