

M-Com (CBCGS)

Sem - III 04/01/2019

Duration - 2 Hours

Marks : 60

Extra

N.B.

- 1) All questions are compulsory carrying 15 marks each.
- 2) SUB questions would carry equal marks unless indicated to the contrary to their extreme right
- 3) Working\ References to statuses, standards etc. (not necessarily with reference numbers) to form part of the solutions and assumptions to be made and stated clearly

Q. 1 (a) Audit the following account:

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In the books of ABC & Co.  
Dinesh A/c

Dr.			Cr.		
Date	Particulars	Amt. Rs.	Date	Particulars	Amt. Rs.
2018			2018		
Feb. 1	To Balance b/f	4,000	Feb. 4	By Sales Return	900
3	To Sales	16,000	12	By Bank	19,000
4	To Sales	900	12	By Discount	1,000
16	To Sales	10,000	18	By Bills Receivables	10,000
25	To Sales	13,000	26	By Bills Receivables	8,000
			28	By Balance c/d	5,000
		43,900			43,900

Q. 1 (b) How will you vouch Provision for taxation?

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OR

Q. 1 (a) Audit the following account:

8

In the books of Mr. Amit  
Sumit's A/c

Dr.			Cr.		
Date	Particulars	Amt. Rs.	Date	Particulars	Amt. Rs.
2018			2018		
Jan. 1	To Balance b/d	16,000	Jan. 1	By Purchase A/c	28,000
17	To Purchases (C.N. for excess rate)	1,000	Mar. 31	By Balance c/d	40,000
20	To Bank	10,000			
25	To Discount	1,000			
Mar. 25	To Bank	40,000			
		68,000			68,000

Q. 1 (b) How will you vouch Director Sitting Fees?

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- Q. 2 As an Auditor how will you conduct audit of college? 15  
OR
- Q. 2 Explain the Procedure and Special Points of Tax Audit. 15
- Q. 3 As an Auditor how will you conduct audit of Hospital? 15  
OR
- Q. 3 What are the Special Points to be considered in the Audit of 15  
a) Audit of Partnership Firm b) Government Audit
- Q. 4 A) Select the most appropriate option and rewrite the full sentence. 08
1. Audit of banks is an example of
    - a) Statutory audit
    - b) Balance Sheet audit
    - c) Concurrent audit
    - d) All of the above
  2. Credit balance in Debtors Account
    - a) is normal and no further scrutiny is required
    - b) may indicate advance from debtors
    - c) may indicate advance to supplier
    - d) none of the above
  3. In case of fire insurance, the provision required to make against unexpired risks is
    - a) 40%
    - b) 50%
    - c) 100%
    - d) 30%
  4. Unclaimed dividend is shown by a bank under
    - a) Deposits
    - b) Advances
    - c) Other Liabilities
    - d) Contingent Liabilities
  5. The C & AG of India, undertakes audit which are broadly categorised as
    - a) Financial audit, compliance audit and performance audit
    - b) Civil audit, commercial audit, railway audit and P & T audit
    - c) Receipt audit, expenditure audit and grant audit
    - d) All of the above
  6. The Statutory auditor of a Government Company submits his report to
    - a) The Board of Directors of the Company
    - b) The CAG
    - c) The Legislature
    - d) The company secretary
  7. For the purpose of tax audit, legal consulting is held to be a
    - a) profession
    - b) business
    - c) Both a and b
    - d) None
  8. Audit taken up after end of accounting year is called as
    - a) Periodic audit
    - b) Continuous audit
    - c) Performance audit
    - d) None

- Q. 4 B) State whether the following statements are true or false: 07
- a) Auditing of accounts is compulsory in a partnership firm.
  - b) Government audit functions as an investigation agency.
  - c) Concurrent audit is an audit conducted at regular intervals.
  - d) The debtor confirmation should be returned to the client.
  - e) Credit balances in overdrafts are shown by a bank as Demand Deposits.
  - f) For the purpose of tax audit Courier service is held to be a profession.
  - g) Tax audit of a company is conducted under S. 44AB of the Companies Act.

**OR**

- Q. 4 Write short notes on **any three** of the following: 15
- a) Concurrent Audit
  - b) Verification of Cash in Bank Audit
  - c) Audit of Hotel
  - d) Audit of a Firm
  - e) Audit of Creditors Ledger