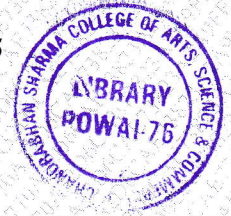


Time: 2 ½ Hours

Marks: 75



All questions are compulsory subject to internal choice.
Figures to the right indicate marks.

Objective type questions:

Q.1 A) State whether the following statements are true or false: (any 8) (8)

- 1) The primary objective of auditing is detection and prevention of errors and frauds.
- 2) Auditing can be done by an employee of the company.
- 3) Continuous audit and internal audit are one and the same.
- 4) For declaring interim dividend, interim audit is compulsory.
- 5) Audit Planning is a continuous process.
- 6) Audit working papers are the property of the client.
- 7) Test check reduces the liability of the auditor.
- 8) Developing the internal control system is auditor's responsibility.
- 9) Vouching help to know the nature of transactions.
- 10) All errors are detected in test check.

B) Fill in the blanks: (any 7) (7)

- 1) Audit has been derived from the Latin word Audire which means to _____.
- 2) _____ Means showing the books of accounts more attractive.
- 3) _____ is a unintentional mistake.
- 4) Internal audit is a part of _____ system.
- 5) Statutory auditor is responsible to _____.
- 6) First auditor is appointed by _____ of the company.
- 7) Memorandum of Association is the part of _____ audit file.
- 8) _____ error is the maximum error in the population that the auditor would be willing to accept.
- 9) The auditor has to _____ the internal controls system.
- 10) Internal _____ is a part of internal control system.

Q2. A) What is Auditing? Discuss its advantages and disadvantages of auditing? (15)

OR

Q2. B) Discuss Final audit with its advantages and disadvantages? (15)

Q3. A) Explain the contents of Audit Programme? (8)

B) Explain the factors determining the sample size? (7)

OR

Q3. A) What are the auditors duties regarding internal check? (8)

B) Discuss the advantages of Internal Audit? (7)

- Q4. A) Discuss the points to be considered in the course of vouching? (8)
B) How would an auditor verify Receipts from Debtors? (7)

OR

- Q4 A) How would an auditor vouch: Travelling expenses? (8)
B) How will you as an auditor verify Investments? (7)

- Q5. A) Explain the types of frauds in detail? (8)
B) How would an auditor verify the payments made to supplier of goods? (8)

OR

- Q 5) Short Notes on any 3: (15)

- A. Distinguish between Accounting and Auditing.
- B. Difference between Statutory audit and Internal audit.
- C. Auditors Lien.
- D. Internal audit vs Internal check
- E. Vouchers.
