

[Time: 2½ Hours]

[ Marks:75]

Please check whether you have got the right question paper.

- N.B.-: 1. All questions are compulsory.  
2. Question Nos. 2 to 5 has internal options.  
3. Figures to the right indicate full marks.

**Q1. A) Select the most appropriate answer from the alternatives given below and rewrite the sentences: (any eight) (08)**

1. After examination of records the auditor has to communicate his judgment to \_\_\_\_\_
  - a) Shareholders
  - b) Board of Directors.
  - b) Public
  - d) Central Government
2. Audit plan should be based on client's \_\_\_\_\_
  - a) Business
  - b) Profits .
  - c) Net worth
  - d) Reputation.
3. Special audit can be ordered by \_\_\_\_\_
  - a) Central Government.
  - b) State Government.
  - c) Municipality.
  - d) Grampanchayat.
4. Independent auditor may apply \_\_\_\_\_
  - a) Test check.
  - b) Internal check
  - c) Routing check.
  - d) Cross check
5. Remuneration of Internal Auditor is fixed by \_\_\_\_\_
  - a) Management
  - b) Shareholders
  - b) State Government
  - d) Central Government.
6. The auditor will examine sales invoice for vouching \_\_\_\_\_
  - a) Cash Sales.
  - b) Credit Purchase
  - c) Cash Purchase.
  - d) Credit Sales.
7. Internal audit is a \_\_\_\_\_
  - a) Annual Audit
  - b) Statutory Audit
  - c) Balance Sheet Audit
  - d) Continuous audit
8. Random sampling is \_\_\_\_\_
  - a) Purposive sampling.
  - b) Quota sampling.
  - c) Cluster sampling.
  - d) Generally accepted audited technique.
9. While developing audit programme the following factors should be considered \_\_\_\_\_
  - a) Audit Note Book
  - b) Letter of Communication.
  - c) Audit working Papers.
  - d) Clients activities.
10. Arrears of Pref. dividend is a \_\_\_\_\_
  - a) Long Term Liability
  - b) Fixed Liability.
  - c) Fictitious liability
  - d) Contingent Liability

**B) Rewrite the complete sentence and state whether it is true or false:- (any seven) (07)**

1. Audit Should be systematically planned.
2. Audit Note Book is maintained by an auditor.
3. Petty cash expenses are verified from petty cash voucher.
4. Auditing ensures legal compliance.
5. SA 530 deals with Audit sampling.
6. Statutory audit is voluntary.
7. Internal audit increases chances of fraud.
8. Loose Tools should be disclosed under fixed assets.
9. Sampling is an important audit technique.
10. Test check detects all errors & frauds.

Q.2. a) Define the term 'Auditing'. Explain scope of auditing. (08)

b) Explain types of fraud. (07)

**OR**

c) Explain Interim Audit and explain advantages of interim audit. (08)

d) Explain distinguish between Internal Audit and Statutory Audit. (07)

Q.3. a) Write a distinguish between Working Papers and Audit Note Book (08)

b) What are the Contents of Audit Programme? (07)

**OR**

c) Write a distinguish between Test Checking and Routing Checking (08)

d) What are the limitations of Internal Control? (07)

Q.4. a) How would you vouch 'Salaries'? (08)

b) How would you vouch Credit purchases? (07)

**OR**

Q.4. c) What are the objectives of Vouching? (08)

d) How would you vouch Cash Sales? (07)

Q.5. a) How would you verify 'Outstanding Expenses'? (08)

b) How would you verify 'Copy Rights'? (07)

**OR**

Q.5. Write short notes on the followings: (any three) (15)

- i) True & Fair View.
- ii) Audit in depth.
- iii) Audit working papers.
- iv) Essentials of voucher.
- v) Verification.

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