

Time: 2.30 hrs

Marks: 75

1 A State whether the following statements are True or False (Any 8)

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- 1) Audit program should be rigid
- 2) Test check reduces the workload of auditors
- 3) Internal audit can be done by employees of company
- 4) In window dressing assets are undervalued
- 5) Developing internal control is management's responsibility
- 6) Audits of small enterprises is voluntary
- 7) Error is intentional mistake in financial statement
- 8) Integrity is the main quality of auditor
- 9) Vouching means examining documentary evidence
- 10) Confidentiality means auditor should disclose the information of client to outsiders

B Multiple Choice Question (Any 7)

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- 1) _____ is examination of records of some specific purpose
 - i) Accounting
 - ii) Investigation
 - iii) Auditing
 - iv) Marketing
- 2) When one error nullifies the effect of another is called as _____
 - i) Error of omission
 - ii) Mathematical error
 - iii) Error of principle
 - iv) Compensating error
- 3) Audit notebooks are very useful for the auditor to prepare _____
 - i) Audit program
 - ii) Audit plan
 - iii) Audit evidence
 - iv) Audit report
- 4) From the list of officers, auditors get to know the _____
 - i) Directors
 - ii) CEO
 - iii) Authorized signatories
 - iv) President
- 5) Internal auditors must report to _____
 - i) Management
 - ii) Shareholders
 - iii) Government
 - iv) SEBI
- 6) Test checking is suitable for _____ organizations
 - i) Small size
 - ii) Large size
 - iii) Private
 - iv) Government
- 7) _____ means the entire set of data from which sample has to be selected
 - i) Census
 - ii) Population
 - iii) Sample size
 - iv) Data collection
- 8) Debtors arise due to _____ transaction
 - i) Credit sales
 - ii) Cash sales
 - iii) Credit purchases
 - iv) Cash purchases
- 9) Vouchers should be _____ by concerned officer
 - i) Made
 - ii) Authorized
 - iii) Filed
 - iv) Stored
- 10) Outstanding expenses should be shown as _____ in Balance sheet
 - i) Fixed assets
 - ii) Loans
 - iii) Current liabilities
 - iv) Current assets

