

Time: 2Hrs. 30 Mins.

Total Marks: 75

- N.B. (a) All questions are compulsory subject to internal choice.**  
**(b) Figure to the right indicates marks.**

**Q.1a) Rewrite the sentences by choosing correct option. (Any Eight) 08**

- i) \_\_\_\_\_ are not required to furnish LFAR apart from statutory audit report.  
 (Public sector banks; Private sector banks; Insurance Companies; Foreign Banks)
- ii) The portion of profit, which can legally be distributed to the shareholders of the company by way of dividend, is called \_\_\_\_\_.  
 (Capital Profit; Revenue Profit; Divisible profit; Regular profit)
- iii) Bank Loans are to be granted only after verifying \_\_\_\_\_ of the borrower.  
 (Credit worthiness; Social Influence; Social Status; Profession)
- iv) Surrender value becomes a part of \_\_\_\_\_ in revenue account.  
 (Premiums; commissions; Benefits paid; tax paid)
- v) AS – 3 deals with \_\_\_\_\_.  
 (Revenue Recognition; Inventory Control; Cash Flow Statements; Accounting for Investments)
- vi) CAAT stands for \_\_\_\_\_.  
 (Cost Assisted Auditing Techniques; Computer Added Auditing Techniques; Computer Assisted Auditing Techniques; Computer Automatic & Authentic Techniques)
- vii) White box approach in CIS environment is also known as auditing \_\_\_\_\_ the computer.  
 (around; without; web based; through)
- viii) The auditors should obtain \_\_\_\_\_ management representations to complement the audit procedures.  
 (oral; written; spoken; verbal)
- ix) Books of accounts shall be kept at the \_\_\_\_\_ of the company.  
 (registered office; auditor's office; government office; overseas office)
- x) In case of Marine Insurance business, reserve for unexpired risk is \_\_\_\_\_ % of the net premium.  
 (25%; 50% ; 75% ; 100%)

**Q.1b) State whether the following statements are True or False (Any seven) 07**

- i. The remuneration of a bank auditor is fixed according to Section 151 of Companies Act, 2013.
- ii. Auditor is required to send a copy of his report to each member of the company individually.
- iii. A Chartered Accountant can disclose the client's financial information to any person.
- iv. Private companies are excluded in calculation of ceiling on number of audits of an auditor.
- v. Auditor can give qualified certificate.
- vi. In banks, cash should be counted physically at the end of year.
- vii. Separate application for registration has to be made for each class of general insurance business.
- viii. A Chartered accountant is expected to maintain the dignity and prestige of the profession.
- ix. Auditor need to have technical knowledge to perform audit in computerized environment.
- x. Provisions of section 44AAB of Companies Act 2013 are applicable to Human Resource audit.

Q.2a) What do you mean by audit report? Explain its types in brief. 08

Q.2b) What are the rights of company auditor? 07

OR

Q.2c) Explain the concept of related party disclosures. 08

Q.2d) Explain conditions and procedure of removal of auditors. 07

Q.3a) How would the auditor vouch/ verify the following items appearing in the financial Statements of a bank? 08

- i) Non-Performing Assets      ii) Money at call and Money at short notice

Q.3b) How would you evaluate the internal control system of the bank? 07

OR

Q.3c) How would the auditor vouch/ verify the following items appearing in the financial statements of an insurance company? 08

- i) Claims      ii) Commission

Q.3d) Write a note on AS – 9. 07

Q.4a) What do you mean by Cost Audit? Explain in detail. 08

Q.4b) What are the special aspects of CIS audit environment? 07

OR

Q.4c) Write a note on Tax Audit. 08

Q.4d) Explain the internal control system in computerised system. 07

Q.5a) What do you mean by “professional misconduct”? Enumerate any five instances of Part I of second schedule in Chartered Accountants Act, 1949. 08

Q.5b) Explain the procedure for enquiry into charges of Misconduct of Chartered Accountants. 07

OR

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

- (i) Divisible profits.  
(ii) Remuneration of auditor of banks.  
(iii) Forecast Audit  
(iv) Joint audit  
(v) Elements of audit report
-