

Time: 2 ½Hrs

Total Marks:75

Note:- (1) All questions are compulsory subject to internal choice.
(2) Figures to right indicate full marks.

Q.1a) Select the most appropriate option to complete the following sentences (Any Eight) 08

- i. Part I of First schedule of Chartered Accountant Act deals with professional misconduct in relation to _____.
a) Members in service b) members in practice c) members generally d) other misconduct
- ii. Tax Audit is covered under section 44AB of _____.
a) Companies Act 2013 b) Chartered Accountants Act 1949
c) Income Tax Act 1961 d) Finance Act 1991
- iii. Forecast audit helps in identifying weak areas of the _____ system.
a) Forensic b) Financial c) Forecasting d) External Control
- iv. If Board of directors fail to appoint first auditor, the shareholders can appoint him in EGM within _____ from the date of incorporation.
a) 30 days b) 45 days c) 60 days d) 90 days
- v. In case of all types of deposits, auditor should examine _____ procedure.
a) KYC b) account opening c) account closing d) account transfer
- vi. In case of nationalized bank, the auditor shall submit his report to _____.
a) Central Government b) RBI with a copy to the bank
c) President of India with a copy to RBI d) Bank with a copy to RBI
- vii. _____ regulates insurance sector in India.
a) RBI b) SEBI c) IRDA d) ICAI
- viii. Books of accounts should be preserved for at least _____ years.
a) three years b) five years c) six years d) eight years
- ix. The auditor of Insurance Company is appointed in _____.
a) Auditors meeting b) Management meeting c) interim meeting d) Annual general meeting
- x. Depreciation is to be charged on the basis of _____ of asset.
a) useful life b) sale value c) scrap value d) replacement

Q.1b) Match the following (Any seven)

(07)

	Column A	Column B
a.	Reserve for unexpired risk for fire insurance business	i. No opinion on financial statements
b.	Disclaimer of opinion	ii. Format of Balance Sheet of Life Insurance Company
c.	Audit certificate	iii. 50% of net premium
d.	Dividend must be paid	iv. 100% of net premium
e.	Reserve for unexpired risk for marine insurance business	v. Prevents loss of data
f.	Physical control	vi. Format of Balance sheet of a General Insurance Company
g.	Back up system	vii. In cash
h.	Segment Reporting	viii. Access to only authorized staff.
i.	Form A – BS	ix. Written Confirmation of facts
j.	Form B - BS	x. AS – 17

Q.2 a) What are the qualifications & disqualifications of company auditor? (08)

Q.2 b) What do you mean by “divisible profits”? What are the provisions in regard to dividends? (07)

OR

Q.2 c) What are the different types of liabilities of a company auditor? (08)

Q.2 d) Explain the appointment procedure of: (07)

- i) First auditor of a company ii) Appointment in case of casual vacancy

Q.3 a) How would the auditor verify the following items appearing in the financial statements of a bank? (08)

- i) Fixed assets ii) Borrowings

Q.3 b) What do you mean by non-performing assets? Explain the audit procedure of non-performing assets? (07)

OR

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

- i) Reinsurance ii) Claims paid

Q.3 d) Explain the Accounting standard (AS)13-Accounting for investments. (07)

Q.4 a) Write a detailed note on social audit. (08)

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

OR

Q.4c) What do you mean by management Audit? Explain its scope and objectives. (08)

Q.4 d) What do you mean by computerised audit program? Explain its features. (07)

Q.5. a) What do you mean by Professional Ethics? Explain the main objectives of code of ethics (08)

Q.5. b) Explain the procedure of enquiry into charges of misconduct of Chartered Accountant. (07)

OR

Q.5. c) Write Short Notes on: (any three) (15)

1. Audit Ceiling
2. Branch Audit
3. AS 3
4. Duties of Company Auditor
5. LFAR
