

Q.P. Code:00000945

[Time: 3.00 Hrs]

[Marks: 100]

Please check whether you have got the right question paper.

- N.B:
1. All question are compulsory.
 2. Figures to the right indicate full marks.

Q.1 A State whether the following sentences are True or False. **10**
(Attempt any 10 out of 12)

1. Goods taken by proprietor for personal use not recorded anywhere is an error of omission.
2. Current file and permanent file are together known as audit working papers.
3. Depreciation is to be provided on all investments annually.
4. Land and building is subject to physical verification.
5. Secret reserves are disclosed on the asset side of the Balance Sheet.
6. Audit plan should be primarily based on the knowledge of the clients business.
7. Window dressing means display of the true and fair state of affairs of the entity.
8. Vouching and verification are the same process in an internal audit.
9. Audit sampling means applying audit procedures to less than 100% of the items within a class of transactions.
10. Compensating errors do not affect the trail balance.
11. Audit report is a part of annual report in a limited company.
12. Loans are never shown in the Balance sheet a realizable value.

Q.1 B **10**

1. In auditing error means a _____ mistake (intentional, unintentional, malafide)
2. Audit working papers are the property of the _____ (auditor, shareholders, bank)
3. _____ is the comparison of entries in the books of accounts with documentary evidence in support thereof. (vouching, verification, documentation)
4. _____ is the examination of few selected transactions from origin to their conclusion through the entire flow of the transaction. (audit in depth, test check, audit drill)
5. Not making provision for outstanding expenses is an error of _____ (commission, omission, principle)
6. Ownership of goods sent on approval basis is with the _____ (seller, agent, buyer)
7. _____ Principle is one of the corner stones in Auditing. (true and correct, true and fair, true and authentic)
8. Audit Program should be _____. (flexible, statutory, rigid)
9. Audit report should be prepared _____ the audit is done. (before, during,

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after)

10. A person who conducts audit work is know as _____. (auditor, checker, monitor)

11. A voucher must have a _____ (date, logo of company, DIN of directors)

12. Telephone charges must be examined on the basis of (telephone bills, cash memos, sales bills)

Q.2 A What is Audit planning? What factors must be considered while making an effective audit plan? **08**

OR

Q.2 B Enumerate the advantages and disadvantages of an audit program.

Q.2 C Differentiate between accounting and auditing **13**

Q.3 A Define Auditing. Explain the principles and objectives of auditing. **10**

OR

Q.3 B State the meaning, advantages and disadvantages of Internal audit. **10**

Q.3 C How would an auditor perform audit of cash and credit Purchases? **10**

Q.4 A What is audit sampling? What are the factors to be kept in mind while determining an audit sample? **10**

OR

Q.4 B State the meaning, advantages and disadvantages of Continuous Audit. **10**

Q.4 C How would an auditor perform audit of Furniture and Fixtures **10**

Q.5 A Differentiate between Vouching and Verification. **10**

Q.5 B Explain the meaning and purpose of internal control. **10**

OR

Q.5 C Short Notes (Attempt any **Four**) **20**

1. Auditors Duties and Responsibilities in case of fraud

2. Meaning and importance Audit Working Papers

3. Test Checking Vs Routing Checking

4. Inherent limitations of auditing

5. Audit of Dividends received and Royalties received

6. Meaning and purpose of internal control.