

Please check whether you have got the right question paper.

N.B:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Working notes should form part of the main answer
4. Use of simple calculators is allowed.

Q. 1. A. State whether the following sentences are True or False (Any Ten):

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1. Fictitious entries made in the books of accounts with certain motives are called errors.
2. Auditor can give an assurance about future profitability and prospects of the company.
3. Financial statements always reflect current values of the assets and liabilities.
4. Long term investments are normally valued at cost price at the end of the year.
5. The treatment of capital expenditure as revenue expenditure is a compensating error.
6. Audit Plan should be based on knowledge of client's business
7. An auditor can take help of experts during the course of audit.
8. Entries selected for test checking must be representative of all transactions.
9. Window Dressing is exactly opposite to Secret Reserves.
10. Audited statements are helpful in settlement of disputes.
11. In Test Checking client's staff become careless.
12. Credit Sales are vouched on the basis of Cash Memo.

Q. 1. B. Match the Columns (Any Ten):

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Column 'A'	Column 'B'
1. Statutory Auditors	a) Delivery Challan
2. An Auditor	b) Principle of Auditing
3. Manipulation of Accounts	c) Memorandum of Association
4. Audit Note Book	d) Random Number Table
5. Fraud	e) Error of Commission
6. Audit Sampling	f) Report to Shareholders
7. Final Audit	g) Audit Working Papers
8. Permanent Audit File	h) Done at the end of the year
9. Confirmation	i) Should be independent
10. Documents for Goods Dispatched	j) Intentional Mistake
11. Income recorded twice	k) Management Fraud
12. Confidentiality	l) Used for Debtors Verification

- Q. 2. A. Distinguish between Investigation & Auditing 8
- Q. 2. B. Explain in brief the different types of Errors. 7
- OR**
- Q. 2. C. What is Window Dressing? What are the objections against it? 8
- Q. 2. D. What is Continuous Audit? What are its advantages & disadvantages? 7
- Q. 3. A. What is Audit Programme? What are its advantages & disadvantages? 8
- Q. 3. B. Distinguish between Principles of Audit, Audit Procedures & Techniques of Audit. 7
- OR**
- Q. 3. C. Explain the importance of Audit Working Papers. What are the contents of working papers? 8
- Q. 3. D. Explain "Permanent Audit File." Give examples of its contents. 7
- Q. 4. A. What do you understand by internal control? What are the duties of an auditor relating to internal control? 8
- Q. 4. B. What do you understand by internal check? What are the duties of an auditor in respect of internal check? 7
- OR**
- Q. 4. C. Distinguish between internal audit & statutory audit? 8
- Q. 4. D. What is Test Checking? What are the features of Test Checking? 7
- OR**
- Q. 5. A. What is Vouching? What are the objectives of vouching? 8
- Q. 5. B. What do you mean by Vouching? What points should be checked by an auditor while vouching the Sales. 7
- OR**
- Q. 5. C. What are the points to be considered by an auditor during verification? 8
- Q. 5. D. How would you verify – 1) Plant & Machinery 2) Unsecured Loans 7
- Q. 6. A. Explain Secret Reserves. 10
- B. Explain Interim Audit. 10
- OR**
- Q. 6. C. Write Short Notes (Any Four): 20
1. True & Fair View
 2. Audit Planning
 3. Audit Sampling
 4. Routine Checking
 5. Audit Marks
 6. Secret Reserve

*****End*****