

**SYBCOM/SEM IV/Regular/Auditing(FAA)**

Time: 3 hrs.

Marks:100

- Note:
1. All questions are compulsory with internal options.
  2. Figures to the right indicate full marks.

- Q. 1 (A) State whether the following statements are True or False. (Attempt any 10) (10)
- (1) Compensating errors affect the Trial Balance.
  - (2) The Audit Note Book is maintained by the auditor.
  - (3) An audit program must be fixed.
  - (4) The primary duty of the auditor is to detect errors and frauds.
  - (5) An internal control system is designed and established by the auditor.
  - (6) Current file is a file which contains working papers of the year under audit.
  - (7) A voucher decides the authenticity of the transaction.
  - (8) There is no risk involved in audit sampling.
  - (9) Secret reserve means part of profits secretly reserved for future use.
  - (10) An auditor cannot take the help of experts.
  - (11) Auditing begins where the accounting ends.
  - (12) Repairs to building debited to Building Account is an error of principle.

- Q.1. (B) Match the following. (Attempt any 10) (10)

| (1) | Column A                       | Column B                         |
|-----|--------------------------------|----------------------------------|
| 1.  | Statutory Auditors             | A) Delivery Challan              |
| 2.  | An Auditor                     | B) Random Number Table           |
| 3.  | Manipulation of Accounts       | C) Principle of Auditing         |
| 4.  | Audit Note Book                | D) Error of Commission           |
| 5.  | Fraud                          | E) Used for Debtors Verification |
| 6.  | Audit Sampling                 | F) Memorandum of Association     |
| 7.  | Final Audit                    | G) Management Fraud              |
| 8.  | Permanent Audit File           | H) Intentional mistake           |
| 9.  | Confirmation                   | I) Should be independent         |
| 10. | Documents for Goods dispatched | J) Audit Working Papers          |
| 11. | Income Recorded twice          | K) Report to Shareholders        |
| 12. | Confidentiality                | L) Done at the end of the year   |

- Q.2. (A) What are the basic principles of audit? (10)  
 (B) What is auditing? What are the objects of auditing? (10)  
 (OR)
- Q.2. (A) What are the inherent limitations of audit? (10)  
 (B) What is an error? Explain the different types of error. (10)
- Q.3. (A) What do you mean by audit programme? What is its content? (10)  
 (B) What are audit working papers? What are the main functions of audit working papers? (10)  
 (OR)
- Q.3 (A) What is test checking? What are the advantages of test checking? (10)  
 (B) What are the factors determining sample size? (10)
- Q.4. (A) What is vouching? Explain the importance of vouching. (10)  
 (B) How would you vouch sales? (10)  
 (OR)
- Q.4. (A) How to audit plant and machinery? (10)  
 (B) What is verification? Explain its objectives. (10)
- Q.5 (A) Distinguish between internal audit and statutory audit. (10)  
 (B) What points to be considered while framing a system of internal check? (10)  
 (OR)
- Q.5. Short notes. (Attempt any 4) (20)  
 (a) Distinguish between window dressing and secret reserve.  
 (b) Teeming and Lading.  
 (c) Audit notebook.  
 (d) Methods of selecting a sample.  
 (e) Users of financial statements.  
 (f) Error of commission.

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