

**SIXTH SEMESTER B.Com. DEGREE EXAMINATION
MARCH/APRIL 2015**

(U-G-CCSS)

Core Course

BC 6B 13—AUDITING

Time : Three Hours

Maximum 30 Weightage

Part A*This part consists of **three** bunches carrying equal **weightage** of 1.**Each bunch consists of **four** objective type questions.**Answer all questions.*

Choose the correct answer :

I. Internal audit is undertaken :

- | | |
|------------------------------|--|
| (a) By independent Auditor. | (b) Statutorily appointed auditor. |
| (c) By a Government auditor. | (d) By a person appointed by the management. |

2. Stock should be valued at :

- | | |
|-------------------|---|
| (a) Cost. | (b) Cost or market price whichever is less. |
| (c) Market price. | (d) Cost less depreciation. |

3. Payment for wage should be vouched with the help of :

- | | |
|--------------------------|---------------------|
| (a) Piece Work Statement | (b) Wage sheets. |
| (c) Minutes book. | (d) Bank pass book. |

4. Who is responsible for the appointment of statutory auditor of a limited company ?

- | | |
|-------------------------------|-----------------------------|
| (a) Directors of the company. | (b) Members of the company. |
| (c) The Central Government. | (d) All of the above. |

Fill in the blanks :

5. A sale of Rs. 25,000 to A was entered as a sale to B. This is an example of _____
6. The authority to remove the first auditor before the expiry of term is with _____
7. For vouching of _____, ~~the auditor is most likely~~ to examine cost records.
8. An auditor should study and evaluate internal controls to _____

Turn over

State whether True or False :

9. Internal control system reduces the possibility of occurrence of employee fraud and management fraud.
10. Management fraud is more difficult to detect than employee fraud.
11. Continuous audit is conducted at regular interval.
12. A partnership firm can be appointed as a statutory auditor of limited company.

(12 x 3 = 36 weightage)

Part B (Short Answer Type Questions)

Answer all questions.

13. Define Auditing.
14. What is statutory audit ?
15. State the meaning of contingent liability.
16. Give the meaning of cost audit.
17. What do you mean by tax audit ?
18. What is social audit ?
19. Who appoints the first auditor of a company ?
20. What is EDP audit ?
21. What do you mean by verification of assets ?

(9 x 1 = 9 weightage)

Part C

*Answer any five questions.
Each question carries 2 weightage.*

22. Enumerate the qualities of an auditor.
23. What are the advantages of continuous audit ?
24. Briefly explain different types of audit report.
25. Distinguish between Auditing and Investigation.
26. List the duties of an auditor regarding the valuation of assets.
27. What is internal check ? What are the principles of good internal check system ?
28. Define vouching ? What are the objectives of vouching ?

(5 x 2 = 10 weightage)

Part D

*Answer any two questions.
Each question carries 4 weightage.*

29. How will you vouch the important items in the receipt side of cash book ?
30. "An Auditor is a watch dog not a blood haunt". Discuss.
31. What is management audit ? What are its objectives and functions of management audit ?

(2 x 4 = 8 weightage)