

SIXTH SEMESTER B.Com. DEGREE EXAMINATION, MARCH/APRIL 2016

(UG—CCSS)

Core Course

BC 6B 13—AUDITING

Time : Three Hours

Maximum : 30 Weightage

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

A. 1 Selecting and examining a representative sample from a large number of similar items is known as

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|-----------------------|---------------------|
| (a) Routine checking. | (b) Test checking. |
| (c) Internal check. | (d) Internal audit. |

2 Verification is related with assets and liabilities but valuation is related with :

- | | |
|---------------------|--------------------------|
| (a) Current assets. | (b) Current liabilities. |
| (c) Assets. | (d) None of the above. |

3 Audit conducted at the will of the proprietor of the concern is called :

- | | |
|----------------------|--------------------|
| (a) Complete audit. | (b) Private audit. |
| (c) Voluntary audit. | (d) Partial audit. |

4 Audit note book is a book kept by the :

- | | |
|-----------------|------------------|
| (a) Client. | (b) Auditor. |
| (c) Government. | (d) Audit clerk. |

B. 5 The aim of manipulations of accounts is to show :

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|----------------------------|--------------------------------|
| (a) Concealment of profit. | (b) Inflate or deflate profit. |
| (c) To evade tax. | (d) Declare less dividend. |

6 Special audit is conducted by :

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|---|
| (a) As per the Company's Act. |
| (b) The Central government under section 233 A. |
| (c) The State government. |
| (d) The management of a firm. |

Turn over

7 System audit is an audit of _____

- (a) Processing of computer system.
- (b) Processing of the financial information's.
- (c) An audit with the help of a computer system.
- (d) Audit conducted along with original work of accounting.

8 A clean audit report is which _____

- (a) Not include any qualifications.
- (b) Include some modifications.
- (c) Include reservations.
- (d) None of these.

C. 9 One of the important principles of internal check _____

- (a) Rotation of employees.
- (b) Division of work among staff.
- (c) No employees in the business to be trusted upon to much.
- (d) None of these

10 Capital expenditure means _____

- (a) Expenditure for purchase of goods.
- (b) Expenditure Incurred for purchases of fixed assets.
- (c) A current year expenditure.
- (d) A revenue expenditure.

11 Statutory duty of an auditor means :

- | | |
|--------------------------------|-------------------------------|
| (a) Duty to report. | (b) Duty to hear. |
| (c) Duty to maintain accounts. | (d) Duty. imposed by statute. |

12 The share holders who have paid the calls in advance will be entitled to get _____

- | | |
|---------------|---------------|
| (a) Bonus. | (b) Interest. |
| (c) Dividend. | (d) Profit. |

(3 x1 = 3 weightage)

Part B

Answer all **nine** questions in one **or** two sentences.

Each question carries a weightage of 1.

13. What is a collateral voucher ?
14. What is meant by bonus shares ?
15. What is misfeasance ?
16. What is meant by misappropriation of goods ?
17. Define statutory audit.
18. What is meant by Tax audit ?
19. Explain internal audit.
20. What is meant by deferred revenue expenditure ?
21. What do you mean audit certificate ?

(9 x 1 = 9 weightage)

Part C

Answer any **five** questions.

Each question carries a weightage of 2.

22. Distinguish between internal check and internal audit.
23. What are the limitations of auditing ?
24. Explain the procedure of vouching of wages.
25. Evaluate internal control in an EDP system.
26. Point out the duties of an auditor in respect of valuation of stock.
27. Classify audit on the basis of organizational structure.
28. What are the characteristics of an audit report ?

(5 x 2 = 10 weightage)

Turn over

Part D

Answer any two questions.

Each question carries a weightage of 4.

29. Explain the term Audit Standards and state the basic principles of auditing.
30. What are the preliminary steps taken by an auditor before commencement of new audit ?
31. Explain the procedure of vouching cash receipts.

(2 x 4 = 8 weightage)