

**Subject Code : Aud/BC-303**

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**To be filled in by the Candidate**

BA / BSc / BCom / BBA / BCA  
3rd Semester End Term  
Examination, **2020**  
  
Subject .....  
  
Paper .....

**INSTRUCTIONS TO CANDIDATES**

- 1. The Booklet No. of this script should be quoted in the answer script meant for descriptive type questions and vice versa.**
- 2. This paper should be ANSWERED FIRST and submitted within 1 (one) Hour of the commencement of the Examination.**
- 3. While answering the questions of this booklet, any cutting, erasing, overwriting or furnishing more than one answer is prohibited. Any rough work, if required, should be done only on the main Answer Book. Instructions given in each question should be followed for answering that question only.**

*Signature of  
Scrutiniser(s)*

*Signature of  
Examiner(s)*

**Booklet No. A**

Date Stamp .....

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Roll No. ....  
Regn. No. ....  
Subject .....  
Paper .....  
  
DESCRIPTIVE TYPE  
Booklet No. B .....

*Signature of  
Invigilator(s)*

**Aud/BC-303**

**2 0 2 0**

( 3rd Semester )

**COMMERCE**

Paper No. : BC-303

**( Auditing )**

( PART : A—OBJECTIVE )

( Marks : 25 )

*The figures in the margin indicate full marks for the questions*

**1.** State whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark : 1×5=5

(a) 'Window Dressing' is one of the ways of falsification or manipulation of accounts.

( T / F )

(b) Test checking is one of the techniques of auditing.

( T / F )

(c) The objectives of internal control are determined by the management.

( T / F )

( 2 )

(d) Vouching is the process of verifying the authenticity of a transaction.

( T / F )

(e) An investigator must be a Chartered Accountant.

( T / F )

2. Choose the correct answer and place its code in the brackets provided : 1×10=10

(a) Auditing is compulsory for

(i) small-scale business enterprises

(ii) all partnership firms

(iii) all joint-stock companies

(iv) all proprietary concerns [      ]

(b) The scope of work of statutory audit for a company is decided by the

(i) government

(ii) shareholders

(iii) management

(iv) law [      ]

- (c) Final audit implies
- (i) audit of accounts at the end of the year
  - (ii) final checking of accounts to reveal fraud
  - (iii) audit for submitting report immediately at the end of the year
  - (iv) audit of banking companies [       ]
- (d) Test checking refers to
- (i) testing of accounting records
  - (ii) testing of honesty of employees
  - (iii) intensive checking of selected number of transactions
  - (iv) checking of all transactions recorded [       ]
- (e) Internal control includes
- (i) internal check
  - (ii) vouching
  - (iii) verification
  - (iv) valuation [       ]
- (f) Who can apply for investigator?
- (i) The registrar of companies
  - (ii) The members of the companies
  - (iii) The company
  - (iv) All of the above [       ]

- (g) Which of the following statements is correct?
- (i) Valuation is a part of verification
  - (ii) Verification is a part of valuation
  - (iii) Valuation has nothing to do with verification
  - (iv) Auditor is a valuer [       ]
- (h) To verify goodwill, the auditor should check
- (i) Sales Deed
  - (ii) Purchase Agreement
  - (iii) Balance Sheet
  - (iv) Certificate from the Management [       ]
- (i) The first auditor of a company will hold office
- (i) for a period of one year
  - (ii) till holding of statutory meeting
  - (iii) till the conclusion of first annual general meeting (AGM)
  - (iv) till a new auditor is appointed [       ]
- (j) An auditor can be appointed by Central Government under Section
- (i) 224 (3)
  - (ii) 224 (6)
  - (iii) 224 (2)
  - (iv) 224 (1) [       ]

**( 5 )**

**3.** Write on the following in 3 to 4 sentences each :

2×5=10

(a) Government audit

( 6 )

(b) Routine checking

( 7 )

(c) Vouching



( 8 )

(d) Qualities of an auditor

( 9 )

(e) Characteristics of investigation

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