

Date Stamp

Aud/BC-303

2022

(3rd Semester)

COMMERCE

Paper No. : BC-303

(Auditing)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

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

1. (a) Discuss the advantages and limitations
of auditing. 5+4=9

Or

- (b) Explain the various types of auditing. 9

2. (a) Explain test checking and routine
checking. 5+4=9

Or

- (b) Explain the basic principles of auditing. 9

L23/35a

(Turn Over)

(2)

3. (a) What is internal control? Explain its objective. 3+6=9

Or

- (b) Distinguish between vouching and verification.

4. (a) Describe the qualification and disqualification of an auditor. 4+5=9

Or

- (b) Explain the various duties of an auditor.

5. (a) Distinguish between investigation and audit.

Or

- (b) Explain how you will investigate a business when fraud is suspected.

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(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) Audit notebook and audit programme are same.

(T / F)

(b) Auditor of a government company is appointed by the concerned government.

(T / F)

(c) Verification of assets includes their valuation also.

(T / F)

(d) Internal audit is different from internal check.

(T / F)

(e) Continuous audit is suitable for small concerns.

(T / F)

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

(a) Internal auditor can be removed by the

(i) management

(ii) shareholders

(iii) government

(iv) company law board []

(b) 'Window dressing' can be done by

(i) curtailment of expenses

(ii) checking of wastages

(iii) undervaluation of assets

(iv) overvaluation of assets []

- (c) The objective of internal checking is to
- (i) verify cash receipts and payments
 - (ii) control wastages of resources
 - (iii) prevent errors and frauds
 - (iv) None of the above []
- (d) 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 []
- (e) If an auditor is found guilty of falsification of company books, he will incur
- (i) civil liability
 - (ii) contractual liability
 - (iii) criminal liability
 - (iv) None of the above []
- (f) Remuneration of a company auditor is fixed by
- (i) the Central Government
 - (ii) the State Government
 - (iii) the Board of Directors
 - (iv) appointing authority []

(g) Valuation of assets on wrong basis is

- (i) technical error
- (ii) clerical error
- (iii) compensating error
- (iv) error of principle []

(h) An internal auditor is appointed by the

- (i) shareholders
- (ii) government
- (iii) management
- (iv) C & AG []

(i) Civil liability of an auditor implies liability for

- (i) fraud
- (ii) misfeasance
- (iii) misappropriation of cash
- (iv) misappropriation of goods []

(j) An auditor can be appointed by the Central Government under Section

- (i) 224 (3)
- (ii) 224 (6)
- (iii) 224 (2)
- (iv) 224 (1) []

3. Write short notes on the following :

2×5=10

(a) Audit programme

(b) Vouching

(c) Errors and frauds

(d) Internal audit

(e) Qualification of company auditor

★ ★ ★