

2021

( 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) What is continuous audit? Discuss its merits and demerits. 3+3+3=9
- Or
- (b) What is auditing? Discuss its objectives. 3+6=9
2. (a) What is test checking? Explain its advantages and limitations. 3+3+3=9
- Or
- (b) What are audit procedures and audit techniques? Explain. 9

3. (a) Define internal check and point out its objectives. 3+6=9

Or

(b) Distinguish between verification and valuation of assets. How would you value the fixed assets? 6+3=9

4. (a) Discuss the rights of a company auditor. 9

Or

(b) Who appoints the first auditor of a company? Discuss the civil liabilities of a company auditor. 3+6=9

5. (a) What is investigation? Discuss its objectives. 3+6=9

Or

(b) Discuss the procedures of investigation on behalf of bank initiating to advance loan. 9

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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) The word 'audit' is derived from the Greek word 'audire'.

( T / F )

(b) Test checking involves full checking of accounts.

( T / F )

(c) Internal control is control over financial and non-financial areas.

( T / F )

(d) The auditor of a government company is appointed by the Central Government.

( T / F )

(e) Auditing and investigation are same.

( T / F )

2. Choose the correct answer and place its code in the brackets provided :

1×10=10

(a) Interim audit is conducted

(i) at the beginning of the year

(ii) at the end of the year

(iii) in between the two annual audits

(iv) any time

[       ]

(b) Auditing is

(i) an art of recording business transaction

(ii) done by junior clerks

(iii) also called investigation

(iv) verification of book entries and accounts

[       ]

- (c) Routine checking means checking of
- (i) arithmetical accuracy of book of original entry
  - (ii) accounting principles
  - (iii) accounting laws
  - (iv) expenditure [      ]
- (d) Audit planning involves
- (i) appropriate attention to important areas
  - (ii) potential problems promptly identified
  - (iii) time-bound progress and completions
  - (iv) All of the above [      ]
- (e) Internal control is
- (i) control over financial and non-financial areas
  - (ii) accounting procedure
  - (iii) conducted by chartered accountant
  - (iv) All of the above [      ]
- (f) Internal check means checking of day-to-day transaction that work of one person
- (i) is final
  - (ii) is verified
  - (iii) is automatically checked by other person
  - (iv) is carried to next year [      ]

- (g) Disqualification of an auditor is given in
- (i) Section 226(3) of the Companies Act
  - (ii) Section 227(3) of the Companies Act
  - (iii) Section 228(3) of the Companies Act
  - (iv) Section 229(3) of the Companies Act

[ ]

- (h) The first auditor of a company shall be appointed by the

- (i) Central Government
- (ii) State Government
- (iii) Company
- (iv) Board of Directors

[ ]

- (i) Investigation means

- (i) inquiry
- (ii) first-hand information
- (iii) report
- (iv) conclusion

[ ]

- (j) Investigation can be conducted

- (i) yearly
- (ii) half-yearly
- (iii) quarterly
- (iv) whenever needed

[ ]

3. Write short notes on the following :  $2 \times 5 = 10$

(a) Continuous Audit

(b) Audit Notebook

- (1) Section 2274B of the Companies Act
  - (2) Section 2274C of the Companies Act
  - (3) Section 2274D of the Companies Act
  - (4) Section 2274E of the Companies Act
- (ii) The first auditor of a company shall be appointed by the -
- (1) Central Government
  - (2) State Government
  - (3) Company
  - (4) Board of Directors
- (iii) Appointment made -
- (1) by the
  - (2) first class company
  - (3) public
  - (4) private
- (iv) Appointment made by -
- (1) State Government
  - (2) Central Government
  - (3) Company
  - (4) Board of Directors



(c) Internal Control

(d) Qualification of an Auditor

