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(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) Explain in detail the objectives of auditing. 9

Or

- (b) Explain the different types of audit. 9

2. (a) What is meant by audit planning?
Explain the benefits of audit planning. 3+6

Or

- (b) What is test checking? What are the advantages and disadvantages of test checking? 2+7

3. (a) What do you mean by internal check?
Explain its purposes. 2+7

Or

- (b) What do you mean by valuation of
assets? Distinguish between valuation
and verification. 2+7

4. (a) Explain the duties of a company
auditor. 9

Or

- (b) Explain the procedure for the
appointment of a company auditor. 9

5. (a) Distinguish between auditing and
investigation. 9

Or

- (b) How would an auditor investigate when
a fraud is suspected in a business? 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) Continuous audit is needed when the organization has a good internal control system.

(T / F)

(b) An audit notebook is a book maintained by the clerk.

(T / F)

(c) Internal control, internal check and internal audit mean the same thing.

(T / F)

(d) Only individuals can be appointed as auditors of a company.

(T / F)

(e) Investigation is usually carried on when the books of account are already subjected to regular audit.

(T / F)

2. Fill in the blanks :

1×5=5

(a) Tax audit refers to
audit.

(b) The methods by which an auditor obtains evidences are known as
..... of auditing.

(c) A documentary evidence in support of transaction is known as

(d) The auditors of Government Companies are appointed on the advice of the

.....

(e) Investigation involves critical examination and

..... of specific records.

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

1×5=5

(a) A sale of ₹ 50,000 to Mr. A was entered as a sale to Mr. B. This is an example of

(i) error of omission

(ii) error of commission

(iii) compensating error

(iv) error of principles []

(b) The work of one clerk is automatically checked by another clerk is called

(i) internal control

(ii) internal check

(iii) internal audit

(iv) None of the above []

(c) Payment for wages should be vouched with the help of

(i) piecework statement

(ii) wage sheet

(iii) minute book

(iv) bank passbook []

(d) A company auditor does not have a right

(i) to get dividend and bonus

(ii) to sign audit report

(iii) to receive notice and attend meeting

(iv) to call for information and explanation []

(e) Purpose of investigation is to establish

(i) effectiveness of the business transaction

(ii) efficiency of the business transaction

(iii) economy of the processes of the business transaction

(iv) All of the above []

(5)

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

2×5=10

(a) Errors of omission

(b) Audit programme

(c) Vouching

(d) Rights of an auditor

(e) Audit working papers
