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sem IV Regular
25/4/2019
2:30pm to 5:30pm.
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TIME: 3 Hours

Marks: 100

N.B: (1) All questions are compulsory.

(2) Figures to the right indicate full marks.

1. (A) State whether the following statements are True or False (Any Ten) (10)

- i. The statutory auditor is responsible for taking and compiling the inventory.
- ii. An auditor should act like a bloodhound and not a watchdog.
- iii. An auditor cannot take the help of experts.
- iv. Routine Checking is normally done by the senior audit staff.
- v. The audit technique of confirmation is a formal inquiry only from insiders.
- vi. Internal Control System is the responsibility of the management.
- vii. An Audit Program will serve its purpose only if it is in writing.
- viii. Audit sampling does not reduce the responsibility of the auditor for his opinion.
- ix. An auditor has no right of lien on the books of accounts of the company.
- x. Continuous Audit is an audit conducted during the year with regular or irregular intervals.
- xi. Sample size depends also upon the auditor's assessment of degree of reliance to be placed on the internal controls.
- xii. An auditor should also verify contingent liabilities.

(B) Match the Columns (Any Ten) (10)

Column 'A'	Column 'B'
• Vouching	• Method of selecting sample
• Wrong Casting by mistake	• Helps in deciding Sample Size
• Teeming and Lading	• Examination of documentary evidence
• Audit History	• A type of error
• Random Selection	• A type of fraud
• Internal Check	• Window Dressing
• Internal Auditor	• Users of financial information
• Audit Working Papers	• Prescribed Qualification
• Statutory Auditor	• No Prescribed Qualification
• Bankers	• Part of Internal Controls
• Balance Sheet Audit	• Property of Auditor
• Fraud by Management	• In-depth Audit of Items in Balance Sheet

2. A) Explain the concept 'True and Fair View' in auditing. (08)
B) What are the primary objectives of Auditing? (07)

OR

- C) Explain the term 'Errors'. What are the different types of Errors? (08)
D) What is meant by 'Annual Audit'? What are its advantages? (07)
3. A) What is an 'Audit Note Book'? What are its contents? (08)
B) What is an 'Audit Program'? What are its disadvantages? (07)

OR

- C) What is a Permanent Audit File? What are the contents of a Permanent Audit File? (08)
D) Explain the importance of the Audit Working papers. (07)

4. A) Enumerate the factors influencing the sample size. (08)
B) What is Test Checking? Explain in brief the drawbacks of Test Checking. (07)

OR

- C) What are Internal Checks? What are the objectives of Internal Checks? (08)
D) Explain the Internal Controls for Debtors. (07)

5. A) How would you verify Plant and Machinery? (08)
B) How would you vouch Cash Sales? (07)

OR

- C) How would you verify Furniture and Fixtures? (08)
D) How would you vouch Consignment Sales? (07)

6. A) What is Auditing? What are the inherent limitations of Auditing? (10)
B) Explain the concepts of Verification and Valuation. (10)

OR

6. C) Write Short Notes (Any Four) (20)
- a) Principles of Auditing
 - b) Secret Reserve
 - c) Audit Planning
 - d) Sampling Risk
 - e) Internal Audit
 - f) Vouching
