

# VI/COM (xvii)

2014

( 6th Semester )

COMMERCE

Paper : BC-617

( Auditing )

Full Marks : 75

Time : 3 hours

( PART : B—DESCRIPTIVE )

( Marks : 50 )

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

Answer **one** question from each Unit

## UNIT—I

1. Define an 'audit' and state the various objects of an audit. 3+7=10
2. What steps would you take before commencement of audit of a business concern? 10

14G—400/546a

( Turn Over )

( 2 )

UNIT—II

3. Write short notes on : 5+5=10
- (a) Audit programme
- (b) Audit notebook
4. Point out the distinction between internal check and internal control. 10

UNIT—III

5. What is vouching? What are the factors to be kept in mind while examining vouchers? 2+8=10
6. Explain the purpose of verification of assets and liabilities in the course of an audit with suitable illustrations. 10

UNIT—IV

7. Describe the procedure of appointment and remuneration of a company auditor as laid down in the Companies Act. 10
8. Discuss the provisions of the Companies Act regarding declaration and payment of dividend. 10

( 3 )

UNIT—V

9. Draft a suitable audit programme to conduct the audit of any *two* of the following :  $5 \times 2 = 10$
- (a) Club
  - (b) School
  - (c) Nursing Home
10. What is cost audit? What is the principle behind it? How does it differ from statutory audit?  $2+2+6=10$

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**VI/COM (xvii)**

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( 6th Semester )

**COMMERCE**

Paper : BC-617

**( Auditing )**

( PART : A—OBJECTIVE )

( Marks : 25 )

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

Answer **all** questions

**SECTION—A**

( Marks : 10 )

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

(a) Where accountancy ends, auditing begins.

( T / F )

(b) The term 'surprise checks' means that audit verifications are planned on a non-routine basis.

( T / F )

( 2 )

(c) Distribution of work is an essential part of an audit programme.

( T / F )

(d) Internal check and internal audit are parts of accounting controls.

( T / F )

(e) Vouching and routine checking are the same thing.

( T / F )

2. Choose the correct answer and put its code in the brackets provided : 1×5=5

(a) An audit undertaken under law is called

(i) audit of accounts

(ii) statutory audit

(iii) periodical audit

(iv) final audit

[       ]

( 3 )

(b) A documentary evidence produced in support of each and every entry made in the books of account is

(i) voucher

(ii) primary voucher

(iii) collateral voucher

(iv) vouching

[ ]

(c) A company auditor is normally appointed by

(i) the annual general meeting of the company

(ii) board of directors

(iii) central government

(iv) None of the above

[ ]



( 4 )

(d) The main functions of cost audit is

(i) verification

(ii) examination

(iii) analysis and evaluation

(iv) All of the above

[       ]

(e) The main objectives of management audit are

(i) to promote organisational efficiency

(ii) to enhance operational efficiency

(iii) to facilitate performance evaluation

(iv) All of the above

[       ]

( 5 )

SECTION—B

( Marks : 15 )

3. Answer/Write notes on the following not more than 6 sentences each : 3×5=15  
(a) Continuous audit



( 6 )

(b) Internal control

( 7 )

(c) What is voucher?

( 8 )

(d) Meaning of verification

( 9 )

(e) Qualities of a good report

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