

VI/COM (xvii)

2015

(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. Explain the classification of audit.** 10
- 2. "Auditing begins where accounting ends."
Explain. How does auditing differ from
accounting?** 5+5=10

G15—400/330a

(Turn Over)

UNIT—II

3. What is audit notebook? What are the advantages and disadvantages of audit notebook? 3+7=10
4. What is internal check? Explain the essential features of a good internal system. 3+7=10

UNIT—III

5. (a) What is verification? 4
- (b) How would you verify any *two* of the following? 3×2=6
- (i) Cash in hand
- (ii) Share capital
- (iii) Plant and machinery
6. What is vouching? Explain the objectives of vouching. 3+7=10

UNIT—IV

7. Discuss the duties and liabilities of Company Auditor. 10
8. Distinguish between standard report and qualified report. 10

(3)

UNIT—V

9. What is management audit? Explain the audit procedure for conducting management audit. 3+7=10
10. Outline a suitable audit programme for any *two* of the following : 5×2=10
- (a) Cooperative society
 - (b) Hotel
 - (c) College

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(**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 : 1×5=5

(a) The detection and prevention of fraud is outside the scope of an audit.

(T / F)

(b) Internal auditor has to submit report to the shareholders of the company.

(T / F)

(2)

- (c) The auditor should verify that doubtful liabilities are not included in actual liabilities.

(T / F)

- (d) Dividend cannot be declared out of past undistributed profits.

(T / F)

- (e) The tax audit report is to be given by Chartered Accountant only.

(T / F)

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

- (a) The scope, terms and conditions of the audit are laid down in the

(i) Audit Engagement Letter

(ii) Audit Report

(iii) Audit Notebook

(iv) Audit Working Papers

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(b) Internal control involves

- (i) safeguarding of assets
- (ii) prevention and detection of error
- (iii) reliability of data
- (iv) All of the above []

(c) The auditor should not verify the liabilities through

- (i) examination of records
- (ii) direct confirmation procedure
- (iii) employees' opinion
- (iv) None of the above []

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

(i) Board of Directors

(ii) top-level Management

(iii) Shareholders

(iv) Accountant General

[]

(e) The audit that primarily seeks to prevent the excessive profiteering of manufacturing concern is

(i) tax audit

(ii) cost audit

(iii) financial audit

(iv) management audit

[]

(5)

SECTION—B

(Marks : 15)

3. Write notes on the following :

3×5=15

(a) Errors of principle

(b) Audit programme

(7)

(c) Importance of vouching

(8)

(d) Unqualified audit report may be considered (c)

(9)

(e) Cost audit
