

Please check whether you have got the right question paper.

- N.B:
1. All Questions are compulsory.
 2. Figures to the right indicate full marks

Q.1 A Select the correct alternative and re-write the statement (any eight)

08

- 1) The term Audit is derived from ----- language. (latin , greek)
- 2) ---- is a systematic examination of books and records of a business. (auditing , vouching)
- 3) Working papers are the property of the ---- (auditor , management)
- 4) Standard on audit ---- deals with Audit planning. (300 , 500)
- 5) Audit technique of ---- means a formal inquiry from outsiders. (confirmation , inspection)
- 6) Trial balance of the current year will be filed in -----audit file. (current , permanent)
- 7) Division of work is an integral part of ---- check. (internal , test)
- 8) The smaller the tolerable error ---- will be the sample size. (greater , smaller)
- 9) ----- means plans and policies adopted by the management of a concern to ensure orderly and efficient conduct of its business (internal control , internal audit)
- 10) ----- checking means checking of arithmetical accuracy of books of original entry and ledgers (routine , sampling)

B State whether the following statements are True or False and re-write the statement (any seven)

07

1. Cash embezzled from cash box is a type of fraud.
2. Pocketing first receipt from party X and showing second receipt from party Y as received from Party X is known as teeming and lading.
3. Sales bill of Rs. 1000 on Ms Pooja's account is posted on Ms.Puja's account is an error of commission.
4. Final audit and periodic audit is one and the same.
5. An auditor should state the reasons for disclaimer opinion.
6. Accounting standard 5 treats a prior- period item as a material item.
7. Audit sampling means application of audit procedure to less than 100% of item of an account.
8. Internal audit is compulsory for every listed company.
9. Auditor has right of lien on correspondence done with tax department.
10. Audit programme does not ensure repetition of work.

Q.2 a) Explain Basic principles of audit.

03

b) What is error? Explain the types of errors?

07

OR

Q.2 a) Enumerate advantages and disadvantages of continuous audit.

03

b) What are the qualities an auditor should possess?

07

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- Q.3 a) What are the steps taken by the auditor before commencement of audit? 08
b) Explain the merits of audit programme. 07

OR

- Q.3 a) Explain the meaning and requisite contents of audit working papers. 08
b) Describe the importance of audit note book. 07

- Q.4 a) What do you mean by test check? Explain precautions to be taken by the auditor before adopting test check. 08
b) Explain meaning and uses of audit plan. 07

OR

- Q.4 a) How auditor should evaluate internal control for purchases? 08
b) Distinguish between internal auditor and statutory auditor. 07

- Q.5 a) Explain meaning and types of frauds. 08
b) Discuss the concept of true and fair view. 07

OR

- Q.5 Write short notes (any three) 15
a) Inherent limitation of audit
b) Concurrent audit
c) Auditing v/s Investigation.
d) Auditors right of lien
e) Auditors duty regarding internal check