

SIXTH SEMESTER B.Com. DEGREE EXAMINATION, MARCH 2012

(CCSS)

B.Com. – Core Course

BC 6 B 13 – AUDITING

(Common with B.Com. Vocational Stream)

Time : Three Hours

Maximum : 30 Weightage

Part A*This part consists of three bunches carrying equal weightage of 1.**Each bunch consists of four objective type questions.**Answer all questions.*

1. Errors in totaling and balancing is an example of _____.
 - (a) Error of omission.
 - (b) Error of commission.
 - (c) Compensating errors.
 - (d) Error of principal.
2. SAP stands for _____.
 - (a) Standard auditing practices.
 - (b) Standard accounting practices.
 - (c) Sectional auditing practices.
 - (d) Sectional accounting practices.
3. Who is disqualified from being appointed as auditor as per Section 226 (3) of Companies Act ?
 - (a) A body corporate.
 - (b) An employee of the company.
 - (c) Person who is indebted to the company.
 - (d) All the above.
4. _____ is not an object of internal check.
 - (a) To minimize errors.
 - (b) To enhance efficiency.
 - (c) To escape from annual audit.
 - (d) To exercise moral pressure over staff.

Fill up the blanks :

5. _____ is the examination of books of accounts conducted by salaried officials throughout the year.
6. EDP stands for _____.

Turn over

7. Verification of the authenticity and authority of transaction recorded in the books of accounts is _____
8. In the case of verification of free hold property he should examine _____ to check fair possession.

State whether True or False :

9. An auditor submits an unqualified report when he finds the accounts exhibiting a true and fair view.
10. Continuous auditing is a comprehensive critical review of all aspects of process of management.
11. Internal audit is a compulsory audit as per Companies Act 1956.
12. Tax audit is to be carried out in respect of the accounts of a person carrying business and his gross receipt exceeds 10,000.

(12 × ¼ = 3 weightage)

Part B (Short Answer Type Questions)

Answer all **nine** questions.

Each question carries weightage of 1.

13. Define Auditing.
14. What do you understand by the term valuation of asset?
15. What is internal control?
16. What is meant by qualified report?
17. What do you mean by tax audit?
18. Define audit standards.
19. What is meant by EDP?
20. State basic qualifications of an auditor.
21. How will you vouch Cash sales of a company?

(9 × 1 = 9 weightage)

Part C

Answer any **five** questions.

Each question carries 2 weightage.

22. Discuss the principal objects of an audit.
23. What are the advantages of internal check?
24. What are the points to be considered by the auditor while examining vouchers?
25. Discuss the nature of mechanical system of accounting.
26. Discuss on the contents of an audit report.

27. Define management audit and mention its objects.
28. Write a short note on audit planning.

(5 × 2 = 10 weightage)

Part D

Answer any two questions.

Each question carries 4 weightage.

29. Explain the term internal control, internal check and internal audit. What is the purpose of internal audit?
30. Write an essay on the verification of different types of assets.
31. Who is an auditor? Discuss rights, duties and liabilities of an auditor.

(2 × 4 = 8 weightage)