

SIXTH SEMESTER B.Com. DEGREE EXAMINATION, MARCH/APRIL 2018

(CUCBCSS—UG)

BCM 6B 13—AUDITING

Time : Three Hours

Maximum : 80 Marks

Part A

Answer all questions.
Each question carries 1 mark.

I. Choose the correct Answer from the following :—

- 1 ——— are the documents which contain all the important facts about the accounts which are under audit.
- (a) Work papers. (b) Audit note book.
(c) Audit report. (d) Audit programme.
- 2 ——— is the verification of authority and authenticity of transactions recorded in the books of account.
- (a) Audit. (b) Vouching.
(c) Internal Check. (d) Internal audit.
- 3 ——— audit is compulsory audit and is to be carried out each year by an Auditor.
- (a) Continuous. (b) Government.
(c) Private. (d) Statutory.
- 4 ——— is a mechanism by which the management prevents the undesirable practice in the organisations.
- (a) Internal audit. (b) Internal control.
(c) Internal check. (d) Performance audit.
- 5 Remuneration of an Auditor of a company is fixed by ———.
- (a) Registrar. (b) Government.
(c) Board of Directors. (d) General meeting.

II. Fill in the blanks :

- 6 ——— is the mechanism through which an auditor expresses his opinion on the state of affairs of the client's business.
- 7 An Auditor has ——— liability for any loss caused to the client due to any lapse of duty from his part.

Turn over

- 8 ——— means an enquiry into the accounts of a business for a special purpose.
 9 ——— Involves checking of mathematical calculations, posting of ledgers etc.
 10 ——— means proving the truth or conformation of truth.

(10 × 1 = 10 marks)

Part B

*Answer any eight questions.
 Each question carries 2 marks.*

- 11 What is audit note book ?
 12 What is vouching ?
 13 What is audit certificate ?
 14 What is management audit ?
 15 What is internal control ?
 16 What is assurance ?
 17 What are bonus shares ?
 18 What is tax audit ?
 19 What is audit file ?
 20 What is special audit ?

(8 × 2 = 16 marks)

Part C

*Answer any six questions.
 Each question carries 4 marks.*

- 21 Explain the objectives and needs of management audit.
 22 What are the differences between financial audit and cost audit ?
 23 What are the different types of audit report ?
 24 Write a short note on remuneration of Auditors.
 25 Explain the liability of an Auditor of a limited company.
 26 What are the essentials of a valid voucher ?
 27 What are the general principles for verifying assets ?
 28 What are the advantages and disadvantages of continuous audit ?

(6 × 4 = 24 marks)

Part D

*Answer any two questions.
 Each question carries 15 marks*

- 29 Define auditing. Explain the objectives of auditing.
 30 Explain the Auditor's role under Income Tax Act.
 31 What is share transfer audit? Explain the procedure for conducting share transfer audit.

(2 × 15 = 30 marks)