

GOVERNMENT COMMERCE COLLEGE, VADALI
INTERNAL EXAMINATION-FEB-MAR-2024
SUBJECT:AUDITING-I (SUBJECT CODE: CE 204 A)
B.COM. – 4 (WEF' 2020)
SECTION-A

DATE: 05/03/2024
DAY : TUESDAY

EXAM TIME: 20 MINUTES
TOTAL MARKS : 10

You are required to attempt following Multiple Choice Questions. Students have to write compulsorily only "Correct Option" in the given Box. (Attempt Only 10 out of 12) (10)

01. "Auditor is not valuer" was stated in _____

- A. Kingston Cotton Mills case
- B. London & General Bank case
- C. Lee. V. Neuchatel Co. Ltd case
- D. London oil Storage Co. case

02. Due to lack of audit evidence, auditor issues a _____

- A. Qualified opinion
- B. Unqualified opinion
- C. Adverse opinion
- D. Disclaimer of opinion

03. _____ is the specific guidelines and directions for efficient and effective completion of the audit work on timely and daily basis, so as to minimize audit risk.

- A. Audit planning
- B. Audit report
- C. Audit programme
- D. Audit certificate

04. Share premium account should be shown in the Balance sheet under _____

- A. Paid-up capital
- B. Subscribed capital
- C. Reserves & surplus
- D. Reserved capital

05. Effective internal check system reduces _____

- A. The liability of auditor
- B. Work of auditor
- C. Responsibilities of an auditor
- D. All of the above

06. Accounting standards are prepared by _____.

- A. SEBI
- B. RBI
- C. ASB
- D. ITA

07. Sole proprietary concerns are _____ to get their financial statements audited by independent financial auditors.

- A. Legally required
- B. Not legally required
- C. Ethically required
- D. Not ethically required

08. _____ lays out the strategies to be followed to conduct an audit.

- A. An action plan
- B. An audit plan
- C. An audit programme
- D. All of the above

09. An audit programme is a set of _____ which are to be followed for proper execution of audit.

- A. Rules
- B. Policies
- C. Instructions
- D. Actions

10. It is the duty of the auditor to _____ to the members of the company on the Accounts examined by him.

- A. Give suggestions
- B. Comment
- C. Refer certain points
- D. Make a report

11. The auditor must have a thorough understanding of the entity, the client's business strategies, processes, and measurement indicators for critical success. This analysis helps the auditor to____

- A. Decide if they want to accept the engagement
- B. Identify risks associated with the client's strategy that could affect the financial statements
- C. Assess the level of materiality that is appropriate for the audit
- D. Identify the potential for fraud in the financial reporting process

12. Misstatements may result from _____.

- A. An inaccuracy in gathering or processing data from which financial statements are prepared
- B. An omission of an amount or disclosure
- C. An incorrect accounting estimates
- D. All of above

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SUBJECT:AUDITING-I (SUBJECT CODE: CE 204 A)
B.COM. – 4 (WEF' 2020)
SECTION - B

DATE: 05/03/2024
 DAY : TUESDAY

EXAM TIME: 1 HOUR
 TOTAL MARKS : 30

Q-1. Answer the following questions: (15)

- (A). Elucidate the Crucial Duties of the Company Auditor.
 (B). Clarify the term Audit Programme. Elaborate its pros and cons with regard to Auditing Work.
 (C). Make a contradiction arguments between Continuous Audit & Annual Audit.
 (D). “Vouching is the essence of Auditing”. Justify your answer with respect to this phrase.

OR

Q-1. Answer the following questions: (15)

- (A). Explicate the obligatory Qualifications & Disqualifications of the Company Auditor.
 (B). Present your thoughts on the following:
 (i). Environmental Audit concerning Joint Stock Company’s Environmental Performance
 (ii). Teeming & Lading Technique of Suppressing Cash Receipts.
 (C). How would you verify “Contingent Liabilities as an Official Auditor of Reliance Jio Ltd. ?”
 (D). “Accountancy is a necessity while Auditing is a luxury”. Exhibit your reasons to prove the validity of this expression.

Q-2. Answer the following questions: (15)

- (A). Elaborate the Vital Rights of the Company Auditor.
 (B). How would you vouch the following as an Official Auditor of One Plus Ltd. ?
 (i). Insurance Premium Paid
 (ii). Interest & Dividend Received
 (C). How would you verify “Plant & Machinery” as an Official Auditor of Apple Ltd. ?
 (D). Indicate dissimilarities with reference to Verification & Valuation.

OR

Q-2. Answer the following questions: (15)

- (A). Illuminate the process of Appointment of the Company Auditor with respect to New Companies’ Act’ 2013.
 (B). Express your ideas on the following:
 (i). Audit Notebook as Valuable Guide & Conclusive Proof
 (ii). Essential Assumptions governing an effective Internal Check System.
 (C). Throw light on “Routine Checking & Test Checking” as Techniques of Auditing.
 (D). Suppose you are appointing as an Official Auditor of Samsung Ltd., put into your words commitments as an Auditor as regards Detection of Frauds & Errors through a combination of control tests & procedures.