

POST-GRADUATE COURSE

Term End Examination : June, 2017

COMMERCE

Paper-XIX : Auditing

Time : 2 Hours

Full Marks : 50

(Weightage of Marks : 80%)

Special credit will be given for accuracy and relevance in the answer. Marks will be deducted for incorrect spelling, untidy work and illegible handwriting. The weightage for each question has been indicated in the margin.

MODULE - I

Answer any *two* questions : $12 \frac{1}{2} \times 2 = 25$

1. a) Define an Audit and state its objectives.
State the difference between Accounting and Auditing.
- b) State the advantages of Auditing in the context of modern era. $(2 + 3 + 3) + 4 \frac{1}{2}$

2. a) What do you mean by the term "Audit Planning" ? What is its need ?
- b) State briefly the steps involved in Audit Planning.
- c) State the necessity for an auditor to make notes in course of the conduct of an audit.

$(2 + 2) + 6 + 2 \frac{1}{2}$

3. a) Describe an internal control questionnaire or checklists. Prepare a checklist comprising of important aspects relating to purchases and creditors in respect of a manufacturing concern.
- b) Define Internal Audit, State the scope and objectives of Internal Audit.

$(2 + 5) + (2 + 3 \frac{1}{2})$

4. Write short notes on any *two* of the following :

$6 \frac{1}{4} + 6 \frac{1}{4}$

- a) Internal check and Internal control
- b) Income-Tax standards
- c) Significance of GAAP in audit
- d) Audit Risk.

MODULE – II

Answer any *two* questions : $12 \frac{1}{2} \times 2 = 25$

5. a) State the provisions regarding remuneration and removal of an auditor of a company.
- b) Mention the difference between "report" and "certificate". $(4 + 4) + 4 \frac{1}{2}$
6. a) What is Operational Audit ? Discuss the purpose and benefits of Operational Audit.
- b) Write an explanatory note on Audit of Interim financial reporting.

$$(2 + 2 \frac{1}{2} + 2) + 6$$

7. a) What are the types of internal control envisaged in a computer-based system ?
- b) Mr. Ray is a Chartered Accountant in practice. As a proprietor he died in a road accident. His widow sold the practice of her husband to another Chartered Accountant in practice for Rs. 10 lakhs. The price also included right to use the firm name of Mr. Ray.

Discuss the above matter with reference to the Chartered Accountants Act, 1949 and schedules attached thereto.

$$7 \frac{1}{2} + 5$$

8. Write short notes on any *two* of the following :

$$6 \frac{1}{4} + 6 \frac{1}{4}$$

- a) Disclaimer of opinion
- b) Management Audit
- c) Concept of code of conduct
- d) Computer audit programmes.
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