

**FINAL YEAR B.Com. DEGREE EXAMINATION, MARCH/APRIL 2002**

Part III—Commerce

Paper XI—AUDITING

(Regular/Improvement/Supplementary)

Three Hours

Maximum : 100 Marks

**Section A**

*Answer any ten of the following questions in not exceeding one paragraph each.  
Each question carries 2 marks.*

Define Internal Check.

Why is it necessary to have a audit programme ?

Explain the term compensating error.

What is the importance of audit note book ?

What is management audit ?

What is a reserve fund ?

Give an example of any good type of asset for which depletion method of depreciation is suitable.

What is base stock method of valuation of stock ?

What are capital profits ?

Distinguish Dividend and Divisible profit.

What do you mean by teaming and lading ?

What is a working paper ?

(10 × 2 = 20 marks)

**Section B**

*Answer any ten of the following in not exceeding one page each.  
Each question carries 5 marks.*

Distinguish between Auditing and Investigation.

Outline the points to be kept in while verifying the stock-in-trade.

How would you check the existence of "ghost workers" in a factory ?

What are the special requirements of Share transfer audit ?

What is vouching ? List out the chances of fraud in wage payment ?

What is a capital profit ? When can these profits be distributed as dividend ?

- 19. What considerations should be kept in mind by the directors before they decide to pay dividend ?
- 20. In what circumstance does an auditor of a company find it necessary to qualify his member of the company.
- 21. What are the rights of an auditor ?
- 22. List out the internal check as regards sales.
- 23. Why is verification of assets and liabilities done in addition to vouching ? What pre scope of verification ?
- 24. Explain the procedure for conducting an investigation.

(10 x 5)

**Section C**

Answer any two of the following questions in not exceeding four pages each. Each question carries 15 marks.

- 25. Define Audit and explain in detail various objectives.
- 26. Describe the position and duties of an auditor of a limited company as against those of a private firm.
- 27. What are the points to be noted while auditing an Co-operative society ? Explain.

(2 x 15 = 30)

**Section D**

Answer any ten of the following questions in not exceeding one page each. Each question carries 3 marks.

1. Define audit and list its objectives.

2. What are the duties of an auditor of a limited company?

3. What are the points to be noted while auditing the stock-in-trade?

4. What are the duties of an auditor of a Co-operative society?

5. What are the points to be noted while auditing the stock-in-trade?

6. What are the duties of an auditor of a limited company?

7. What are the points to be noted while auditing the stock-in-trade?

8. What are the duties of an auditor of a limited company?

9. What are the points to be noted while auditing the stock-in-trade?

10. What are the duties of an auditor of a limited company?