

**FINAL YEAR B.Com. DEGREE EXAMINATION, MARCH/APRIL 2005****Part III—Commerce****Paper XI—AUDITING—Model I****(New Scheme)****Three Hours****Maximum : 80 Marks****Part A**

*Answer any ten questions.  
Each question carries 1 mark.*

- What is cost audit ?
- Define secret reserve.
- What is Auditing ?
- What is test checking ?
- Explain the term "Audit in depth".
- State any two functions of Audit Committee.
- What is Audit Memorandum ?
- What is computer virus ?
- Define the term "vouching".
- State the objective of share transfer Audit.
- What is statutory audit ?
- What is error of commission ?

**(10 × 1 = 10 marks)****Section B**

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

- Bring out the difference between a certificate and a report.
- State the important objective of management Audit.
- What are the essentials of a valid voucher ?
- Distinguish between vouching and verification.
- Explain Audit principle and Audit technique.
- What are the objects of creating secret reserve ?

**Turn over**

19. What are the disqualifications prescribed by the Companies Act, 1956 for an auditor?
20. State the law relating to the removal of an auditor of a company.
21. Distinguish between Auditing and Investigation.
22. What is the primary objective of auditing?
23. What are the advantages of continuous audit?
24. Explain the problem of computer fraud in EDP environment.

(10 × 4)

### Section C

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

25. Explain different classes of audit under legislative control.
26. What special points must be borne in mind while examining vouchers?
27. What is verification of assets? What are the duties of an auditor as regards verification?
28. Discuss the duties of an auditor under the Companies Act., 1956.

(2 × 15)