

FINAL YEAR B.Com. DEGREE EXAMINATION, MARCH/APRIL 2006

Part III—Commerce—Model I

Paper XI—AUDITING

(New Scheme)

Time : Three Hours

Maximum : 80 Marks

Part A

*Answer any ten questions in one or two sentences.
Each question carries 1 mark.*

1. Define "Voucher".
2. What do you mean by sinking fund ?
3. State two limitations of Auditing.
4. What do you mean by routine checking ?
5. What is Secret Reserve ?
6. Define Propriety Audit.
7. What is meant by deferred revenue expenditure ?
8. What is Blank Transfer ?
9. What is alteration of Share Capital ?
10. What is a Share Warrant ?
11. What is Audit Report ?
12. What are the qualifications for Cost Auditor ?

(10 × 1 = 10 marks)

Section B

*Answer any ten questions in not exceeding one page each.
Each question carries 4 marks.*

13. What are the objectives of Cost Audit ?
14. What are the steps to investigate on behalf of an in-coming partner ?
15. Discuss the position and status of Company Auditor.
16. What are the advantages and drawbacks of Audit Note Book ?
17. What are the distinctions between Auditing and Accountancy ?
18. What are the advantages of Audit ?

19. What are the differences between Valuation and Verification?
20. What are the Statutory duties of an auditor in regard to a Joint Stock Company?
21. What are the differences between Debenture and Share Capital?
22. What are the differences between Audit Report and Audit Certificate?
23. What are the statutory provisions for declaration and payment of dividend?
24. State the liabilities of an Auditor to third parties.

(10 × 4 = 40 m)

Part C

Answer any two questions in not exceeding four pages each.

Each question carries 15 marks.

25. What are the preliminary steps taken by an auditor before commencement of a New Audit?
26. "Vouching is the very essence of Auditing" Comment.
27. Explain the Civil and Criminal liability of an auditor.
28. What is Audit Report? What are its types.

(2 × 15 = 30 m)