

FINAL YEAR B.Com. DEGREE EXAMINATION, SEPTEMBER 2007

Paper XI—AUDITING

(New Scheme)

Three Hours

Maximum : 80 Marks

Part A

Answer any ten questions in one or two sentences each.

Each question carries 1 mark.

- Define Auditing.
What is Compensating error ?
Define Wasting Asset.
What is transmission of shares ?
What is Cost Audit ?
What is a Clean Audit Report ?
What is a share warrant ?
State two limitations of auditing.
What is blank transfer ?
Define Propriety Audit.
What is Private Audit ?
Define Vouching.

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(10 × 1 = 10 marks)

Part B

Answer any ten questions in not exceeding one page each.

Each question carries 4 marks.

- Distinguish between Internal check and Internal audit.
State the objectives of verification of assets.
Explain the essentials of a valid voucher.
What are the objectives of Management Audit ?
How would you vouch goods sent on consignment ?
What are the advantages of audit programme ?
Write a note on profit prior to incorporation.
What is Continuous Audit ? What are its advantages ?
What are the advantages of audit note-book ?

22. What are the steps to investigate on behalf of an incoming partner ?
23. What are the differences between Valuation and Verification ?
24. State the liability of an auditor to third parties.

(10 × 4 = 40)

Part C

*Answer any two questions in not more than four pages each.
Each question carries 15 marks.*

25. What is Cost Audit ? What are its objects ? How it differs from Financial Audit ?
26. Define Auditing. What are its advantages and limitations ?
27. How will you vouch the receipt side of a cash book ?
28. What are the rights, powers and duties of a Company Auditor ?

(2 × 15 = 30)