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(Pages : 2)

Name.....

Reg. No.....

FINAL YEAR B.Com. DEGREE EXAMINATION, AUGUST 2010

Part III—Commerce

Paper XI—AUDITING

Maximum : 80 Marks

Time : Three Hours

Section A

Answer any ten questions in not exceeding 2 or 3 lines each.

Each question carries 1 mark.

1. What is meant by Auditing ?
2. What is Occasional Audit ?
3. What is Audit Engagement Letter ?
4. What are the different kinds of vouchers ?
5. What is a contingent asset ?
6. Define verification of assets.
7. What is meant by Forfeiture of shares ?
8. What is liability for Misfeasance of a company auditor ?
9. What are the different types of Audit Reports ?
10. Define Cost audit.
11. What is Management audit ?
12. What do you mean by Auditing Standards ?

(10 × 1 = 10 marks)

Section B

Answer any ten questions in not exceeding one page each.

Each question carries 4 marks.

13. Discuss in brief the limitations of auditing.
14. What is continuous audit ? State the advantages of continuous audit.
15. What is routine checking ? Explain the merits of routine checking.
16. Point out the precautions to be taken in applying test checks in auditing.
17. As an auditor how do you vouch petty cash ?
18. "An auditor is not a valuer, but he is intimately connected with values." Explain this statement.
19. Distinguish between general reserve and specific reserve.

Turn over

20. Briefly explain the duty of an auditor in connection with the issue of shares at a premium.
21. What are the points to be considered for determining payment of dividend ?
22. State the characteristics of a good audit report.
23. Explain the main points of distinction between cost audit and management audit.
24. What are the problems faced by an auditor in an EDP environment ?

(10 × 4 = 40 marks)

Section C

Answer any two questions in not exceeding four pages each.

Each question carries 15 marks.

25. Explain the steps to be taken by an auditor before commencing a new audit.
26. Describe the system of internal check as regards cash receipts.
27. Discuss the various points to be kept in mind while examining the vouchers.
28. The Companies Act, 1956 has given certain rights to a company auditor to enable him to discharge his duties effectively. Explain the various rights enjoyed by a company auditor.

(2 × 15 = 30 marks)