

SIXTH SEMESTER B.Com. DEGREE EXAMINATION, MARCH 2014

(U.G.—CCSS)

BC 6B 13—AUDITING

Time : Three Hours

Maximum : 30 Weightage

I. Objective Type Questions. Choose the correct answer :

- 1 The basic rules according to which the books of accounts of a business should be audited :
 - (a) Audit techniques.
 - (b) Audit principle.
 - (c) Audit procedure.
 - (d) Audit standard.
- 2 Audit conducted by the employees of the organisation :
 - (a) Interim Audit.
 - (b) Internal Audit.
 - (c) Cash Audit.
 - (d) Government Audit.
- 3 Documentary evidence in support of a transaction is called :
 - (a) Voucher.
 - (b) Verification.
 - (c) Valuation.
 - (d) Comparison.
- 4 First general meeting of a company :
 - (a) Annual general meeting.
 - (b) Statutory meeting.
 - (c) Extraordinary general meeting.
 - (d) None of these.

Match the following :

- | | |
|----------------------|-----------------------|
| 5 First Auditor | — Internal control. |
| 6 Internal check | — Goodwill. |
| 7 Fictitious Asset | — Board of directors. |
| 8 Compensating error | — Fraud. |
| | — Clerical errors. |

State whether the following statements are True or False :

- 9 The first auditor of a newly started company are appointed by the shareholders.
- 10 Auditor is the agent of the shareholders.

Turn over

11 The first general meeting of a public limited company is called Annual general meeting.

12 EDP stands for Economic Data Processing.

(12 × ¼ = 3 weightage)

II. Short Answer Type Questions. Answer *all*.

13 What is Audit manual ?

14 What is a primary voucher ?

15 Define Auditing.

16 What is error of duplication ?

17 Define Audit Report.

18 Why a company is issuing bonus shares ?

19 State the meaning of the issue of shares at premium.

20 Who is appointing the first auditor of a company ?

21 What is interim audit ?

(9 × 1 = 9 weightage)

III. Short Answer Type Questions. Answer any *five* questions from seven.

22 State the features of a good Audit report ?

23 What are the advantages of Computer Audit Programme ?

24 Explain the contractual liabilities of an auditor.

25 What are the duties of an auditor in connection with shares issued at premium ?

26 What are the objectives of vouching ?

27 Mention the important element of internal check.

28 What are the objectives of share transfer audit ?

(5 × 2 = 10 weightage)

IV. Essay Questions. Answer any *two* questions from three :

29 Discuss the qualities of an Auditor.

30 What are the important steps to be taken by the auditor before commencement of a new Audit ?

31 Explain the liabilities of an auditor under the Companies Act.

(2 × 4 = 8 weightage)