Answer: _

A2AU522

Sem2-Regular-May 22
Date: 09/05/2022
Sub: Auditing-I

Roll	No: Duration: 1 Hour Jr.	Supe	ervisor Sign
Q.1 ñ	Multiple Choice Question		35 Marks.
1)	Standards on Audits are to be applied by the audite	ors w	hile conducting the audit of
1)	a) Corporate entities	b)	Corporate entities including foreign companies
	c) Non-corporate entities	d)	Any enterprise
	Answer:		
2)	Profits may be understated by a) Treating an item of income as capital receipt c) Overvaluation of closing stock	b) d)	Undervaluation of opening stock Goods sent on consignment basis treated a regular basis
	Answer:		
3)	Ownership of audit documentation a) Is that of the auditor c) Is that of the Assistants performing the audit Answer:		Is that of the management Is that of the shareholders
4)	An Audit programme must be prepared		
4)	a) Before commencement of an Audit	b)	During the conduct of an audit
	c) After completion of an Audit Answer:	d)	After Submission of an Audit Report
5)	Which of the following need not be checked by a	n aud	itor?
<i>-</i>	a) Efficiency of business firm	b)	Existence of assets
	c) Occurrence of transaction Answer:	d)	Completeness of ledger
6)	Test checking reduces		The state of the s
	a) The work of an auditor c) Both work and liability of the auditor Answer:	b) d)	The liability of an auditor The remuneration of the auditor
7)	If a material fraud is detected, auditor should		
')	a) Report it to the owners or shareholder c) Ignore it Answer:	b)	Report it to the Institute of C.A. of India Report it to the police
		J	'andit colo' this is an evample of
8)	'Goods sent on approval basis' have been recorded	as as hì	Error of commission
	a) Error of principlec) Error of omission		Error of duplication
	Answer:		
•	m		
9)	The concept of materiality is to be applied in a) Planning the audit	b)	Performing the audit
	c) Planning and performing the audit Answer:	/	Concluding the audit
10)	Audit working papers do not contain		
,	a) The audit plan		The audit procedures performed
	c) The books of account Answer:	d) -	The conclusions from evidence
11)	Audit documentation is prepared by		
)	a) Management	,	Auditor
	c) Both (a) and (b)	d)	Shareholder

12)	Test checking of entries in the audit work refers tag. The internal checks		The internal control
	 c) Checking some sample items from a large number of similar items 		The internal controls Checking all entries
	Answer:		
13)	Audit in depth refers to		
	a) Audit of each and every item for 2 yearsc) Detailed audit of each and every item		
	Answer:	/	
14)	Audit plan should be based on knowledge of the		
	a) Clients share capital		Clients' business
	c) Clients' family Answer:	d)	Clients' reputation
15)	Which of the following is not an audit technique?		
	a) Inspection	,	Observation
	c) Flow chart Answer:	a)	Analytical review
16)		audi	ting?
,	Preparation of Balance sheet and Profit & Loss account		
	c) Discussion with officers of firm to seek	d)	Preparation of Audit report
	explanations Answer:	•	
17)		ы	Limitation of Audit
	a) Advantages of Auditc) Technique of Audit		Principle of Audit
	Answer:	4)	· morpro or reading
18)	Which of the following information is not a part o	fper	manent audit file of an auditor?
	a) Principal products of the client		
	c) Errors and frauds detected during the audit	d)	Ownership details of the client
	Answer:		
19)	In which of the following audit technique, the audit	litor	is required to examine the documents and bills
	personally? a) Inspection	h)	Observation
	c) Confirmation	-	Computation
	Answer:		
20)	Current file and permanent file are together known	n as	
20)	a) Audit Plan		Audit Programme
	c) Audit Procedures	d)	Audit working papers
	Answer:		
21)	Method of selecting sample ensures that all selection.		
	a) Random selection	•	Systematic selection
	c) Haphazard selection Answer:	a)	Test checking
22)	Which of the following errors will affect the Trial	Bala	nce?
)	a) Repairs to machinery wrongly debited to		
	machinery account c) Freight paid on purchase of new machinery	d)	Goods sold but not recorded in sales book
	debited to freight account	,	
	Answer:		

23)	SA deals with Audit Sampling a) 530 c) 610 Answer:	b) 400 . d) 630	
24)	Auditing commences after a) Investigation is carried out c) The general meeting is over Answer:	b) Accounting work is over d) Completion of accounting year	
25)	The objective of internal control is to a) Prevent Frauds c) Improve financial Answer:	b) Prevent inefficiency d) Select right people	
26)	Audit in depth is synonymous fora) Complete Audit c) Final Audit Answer:	b) Incomplete Audit d) Detailed Audit	•
27)	Calculating the gross profit as a percent of sale of audit method?	s and comparing it with previous periods is what ty	/pe
	a) Inspection c) Observation Answer:	b) Analytical Procedures d) Inquiry	
28)	When auditor use documents to support records a) Inquiry c) Inspection Answer:	b) Inquiry d) Inspection	
	An example of document originating from and land Confirmation c) Vendor invoice Answer:	b) Sales invoice d) Bank reconciliation	
30)	For effective internal control, billing should be (a) Accounting department c) Shipping department Answer:		
8	What is the major aim of an independent audit? a) To form an opinion on the financial statements	b) To detect fraud	
<i>A</i>	c) To evaluate management Answer:	d) To assess internal control	
32) <u> </u>	is a systematic examination of the book Auditing Congression Answer:	s and records or a business b) Auditing d) Verification	
33) V	Which of the following is least likely to uncover	fraud?	
a c	External Auditors Internal controls	b) External Auditorsd) Internal controls	

34)	is fraud that involves theft of an entity a) Manipulation of records c) Misappropriation of assets	b)	Manipulation of records Misappropriation of assets
	Answer:		
35)	A financial audit is intended to give	_	
	a) Qualified Assurance	b)	Qualified Assurance
	c) Positive Assurance Answer:	d)	Positive Assurance

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Class:- FYBAF-Sem 2-Regular-May 22

Date : 09/05/22

Sub: Auditing - I Marks: 75

Duration: 2 hour & 45 Minutes.

Du	ration: 2 hour & 45 Minutes.	
Q.1	Multiple Choice Question (Separate Sheet Attached)	35
Q.2	 Answer any one Question out of 3. A. What is window dressing & Secret reserve? Explain the Auditors duty regarding window dressing and Secret reserve. B. What is error? What are the responsibility of auditor for errors and frauds? C. What is Auditing? What are the advantages of auditing? 	10
Q.3	Answer any one Question out of 3. A. Explain the contents of current file and permanent file. B. What is the meaning of audit planning? Explain the objectives of Audit Planning. C. Explain the steps taken before commencement of audit work.	10
Q.4	Answer any one Question out of 3. A. What do you mean by Audit Techniques? Explain various audit technique. B. Explain the term Test Checking. Explain its advantages and disadvantages. C. Explain the methods of selecting sample items and explain the liability of auditor conducting audit based on sample.	10
Q.5	Answer any one Question out of 3. A. What id fraud? Explain types of frauds? B. Define audit note book. Explain the functions of audit note book. C. What are the features of internal control for Sales and Debtors?	10