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A2AU522

Class : BBA
Sem 2 - Regular - May 22
Date : 09/05/2022
Sub : Auditing - I

Roll No: _____ Duration : 1 Hour Jr. Supervisor Sign. _____

Q.1 Multiple Choice Question

35 Marks.

- 1) Standards on Audits are to be applied by the auditors while conducting the audit of _____
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
b) Undervaluation of opening stock
c) Overvaluation of closing stock
d) Goods sent on consignment basis treated as regular basis
Answer: _____
- 3) Ownership of audit documentation _____
a) Is that of the auditor
b) Is that of the management
c) Is that of the Assistants performing the audit
d) Is that of the shareholders
Answer: _____
- 4) An Audit programme must be prepared _____
a) Before commencement of an Audit
b) During the conduct of an audit
c) After completion of an Audit
d) After Submission of an Audit Report
Answer: _____
- 5) Which of the following need not be checked by an auditor?
a) Efficiency of business firm
b) Existence of assets
c) Occurrence of transaction
d) Completeness of ledger
Answer: _____
- 6) Test checking reduces _____
a) The work of an auditor
b) The liability of an auditor
c) Both work and liability of the auditor
d) The remuneration of the auditor
Answer: _____
- 7) If a material fraud is detected, auditor should _____
a) Report it to the owners or shareholder
b) Report it to the Institute of C.A. of India
c) Ignore it
d) Report it to the police
Answer: _____
- 8) 'Goods sent on approval basis' have been recorded as 'credit sale' this is an example of _____
a) Error of principle
b) Error of commission
c) Error of omission
d) Error of duplication
Answer: _____
- 9) The concept of materiality is to be applied in _____
a) Planning the audit
b) Performing the audit
c) Planning and performing the audit
d) Concluding the audit
Answer: _____
- 10) Audit working papers do not contain _____
a) The audit plan
b) The audit procedures performed
c) The books of account
d) The conclusions from evidence
Answer: _____
- 11) Audit documentation is prepared by _____
a) Management
b) Auditor
c) Both (a) and (b)
d) Shareholder
Answer: _____

- 23) SA _____ deals with Audit Sampling
a) 530
b) 400
c) 610
d) 630
Answer: _____
- 24) Auditing commences after _____
a) Investigation is carried out
b) Accounting work is over
c) The general meeting is over
d) Completion of accounting year
Answer: _____
- 25) The objective of internal control is to _____
a) Prevent Frauds
b) Prevent inefficiency
c) Improve financial
d) Select right people
Answer: _____
- 26) Audit in depth is synonymous for _____
a) Complete Audit
b) Incomplete Audit
c) Final Audit
d) Detailed Audit
Answer: _____
- 27) Calculating the gross profit as a percent of sales and comparing it with previous periods is what type of audit method?
a) Inspection
b) Analytical Procedures
c) Observation
d) Inquiry
Answer: _____
- 28) When auditor use documents to support recorded transactions, the process is often called _____
a) Inquiry
b) Inquiry
c) Inspection
d) Inspection
Answer: _____
- 29) An example of document originating from and held by the entity being audited, is an
a) Confirmation
b) Sales invoice
c) Vendor invoice
d) Bank reconciliation
Answer: _____
- 30) For effective internal control, billing should be done by the _____
a) Accounting department
b) Sales department
c) Shipping department
d) Credit and collection department
Answer: _____
- 31) What is the major aim of an independent audit?
a) To form an opinion on the financial statements
b) To detect fraud
c) To evaluate management
d) To assess internal control
Answer: _____
- 32) _____ is a systematic examination of the books and records of a business
a) Auditing
b) Auditing
c) Verification
d) Verification
Answer: _____
- 33) Which of the following is least likely to uncover fraud?
a) External Auditors
b) External Auditors
c) Internal controls
d) Internal controls
Answer: _____

34) _____ is fraud that involves theft of an entity's assets.

a) Manipulation of records

b) Manipulation of records

c) Misappropriation of assets

d) Misappropriation of assets

Answer: _____

35) A financial audit is intended to give _____

a) Qualified Assurance

b) Qualified Assurance

c) Positive Assurance

d) Positive Assurance

Answer: _____

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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.

Q.1 Multiple Choice Question (Separate Sheet Attached)

35

Q.2 Answer any one Question out of 3.

10

- 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?

Q.3 Answer any one Question out of 3.

10

- 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.

Q.4 Answer any one Question out of 3.

10

- 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.

Q.5 Answer any one Question out of 3.

10

- A. What is 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?