

SY (A&F)

**CODE : RADIUM**

Time : 2 Hrs.

*Auditing*

*7.10.08*

Marks : 60

NOTE : 1] Attempt all questions.

2] Figures to the right indicate marks.

Q.1 What is internal check? What points should be considered while framing a system of internal check? 15

OR

Q.1 a) What is depreciation? Discuss the objects of providing depreciation. 10

b) What do you mean by test checking? What are the advantages and disadvantages of test checking? 05

Q.2 a) What do you understand by the term vouching? Explain the essence of vouching in auditing. 08

b) Distinguish between verification and vouching. 07

OR

Q.2 What are the objectives of internal control? Explain the steps in evaluation of the internal control system. 15

Q.3 What is the need for reading of ledger accounts to auditor? 15

OR

Q.3 a) What is capital expenditure? what are the duties of an auditor as regards to capital expenditure. 09

b) State the nature of the following items with reasons :

i) Amount spent on a legal suit.

ii) Cost of improving seating capacity of a cinema hall.

iii) White washing of factory building. 06

Q.4 Write short notes (Any 3) 15

1) Deferred revenue expenditure.

2) objects of internal check.

3) Techniques of verification

4) Demerits of internal control questionnaire.

5) Basis of valuation.

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