

(L)
DPIODK

SYAF.
Auditing II.

Time: 2 ½ hours

Marks: 75

NOTE: 1) All questions are compulsory with internal options.

2) Figures to the right indicate marks.

Q 1 A) Match the following (any 8)

08

A	B
a. Goods despatched	1. Certificate from architect
b. Travelling expenses in foreign currency	2. Tenancy agreement
c. Value of building	3. Confirmation
d. First auditor	4. Impartial behavior
e. Rental receipts	5. Delivery challans
f. Petty Cash expenses	6. Payrolls
g. Creditors	7. Boards of directors
h. Casual vacancy due to resignation	8. Shareholders
i. Salary	9. Sanction from RBI
j. Principle of objectivity	10. Imprest system

B) State whether the following statements are TRUE or FALSE (any 7): 07

1. Auditors should ensure that the recovery of bad debts earlier written off is credited to the concerned debtors accounts
2. Vouchers helps to know the nature of transactions
3. Verification involves obtaining and examining evidence in respect of an item of assets or liability at the beginning of the year
4. Loans are never shown in the balance sheet at realisable value
5. An auditor cannot take the help of experts such as valuers etc
6. It is the objective of the audit to give an opinion on the efficiency or effectiveness of the management
7. A debtor of the company for an amount exceeding One thousand rupees cannot be appointed as an auditor of the company

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8. Verification means comparing the entries in the book of accounts with documentary evidence in support thereof
9. If an asset is in possession of a company, it is necessarily owned by the company
10. Vouching includes valuation

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|----|----|--|----|
| Q2 | a) | Discuss the basic principles of governing an audit | 10 |
| | b) | Explain the essentials of a Vouchers | 05 |

OR

- | | | | |
|----|----|---|----|
| Q2 | a) | What are the points to be considered by an auditor during verification? | 08 |
| | b) | Distinguish between Vouching and Verification | 07 |

Q3 How would you as an auditor, vouch the following income 15

- a. Rental Income
- b. Sales
- c. Recovery of bad debts w/off

OR

Q3 How will the auditor verify the following liabilities: 15

- a. Accounts payable
- b. Contingent liability
- c. Outstanding expenses

Q4 How would you as an auditor, vouch the following expenditure 15

- a. Salaries
- b. Rent Paid
- c. Customs duty

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OR

Q4 How would an auditor verify the following assets 15

- a. Furniture and Fixtures
- b. Accounts receivable
- c. Patent rights

Q5 a) Discuss the appointment of auditor in case of 08

- i. First Auditor
- ii. By Central government

b) Discuss the disqualification of an auditor 07

OR

Q5 Write Short notes (any 3) 15

- a. Going concern
- b. Current file and Permanent file
- c. Appointment of auditor in casual vacancy
- d. Removal of auditor
- e. Audit of petty cash payment

X-X-X-X-X

(3)