

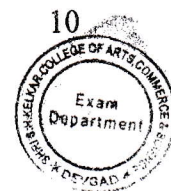
Q1. A. Select the most appropriate alternative from the following. (Any 10)

1. The auditors report gives an opinion on
 - a. 'True and Fair View'
 - b. "True and Correct View"
 - c. Correctness
 - d. None of the above
2. Repairs of equipment debited to Equipment Account is an
 - a) Error of Commission
 - b. Error of Omission
 - c. Error of Principle
 - d. None of the above
3. Current file and Permanent file are together known as
 - a. Audit Plan
 - b) Audit Working Papers
 - c. Audit Programme
 - d. None of the above
4. Internal audit may be done
 - a. To prevent errors
 - b. To prevent frauds
 - c) To update accounting records
 - d) All of the above
5. Audit programme is prepared by
 - a. The auditor
 - b. The accountant
 - c. The client
 - d. The client and the auditor
6. Window Dressing is most likely to be committed by,
 - a) Staff
 - b) Management
 - c) Auditors
 - d. None of the above
7. is a fraud that involved theft of an entity's assets.
 - a) Window Dressing
 - b) Falsification of records
 - c) Misappropriation of Assets
 - d) All of the above.
8. is an example of external documentary evidence.
 - a) Carbon copies of Receipts
 - b. Salary sheets of Employees
 - c) Department requisition slips
 - d) Balance confirmation letters from Debtors
9. When an Auditor seeks information or explanation from others/employees of the client, the process is known as
 - a) Inquiry
 - b) Observation
 - c. Computation
 - d) Analytical Review
10. method of sample selection ensures that all items in the population have an equal chance of selection.
 - a) Systematic Selection
 - b) Random Selection
 - c) Haphazard Selection
 - d). None of the above.
11. Vouching of telephone charge is done on the basis of
 - a. Telephone Bill
 - b. Payment Voucher
 - c. a and b
 - d. None of the above
12. Self-constructed assets should be valued on the basis of
 - a. Cash Memo
 - b. Invoice
 - c. Contractor's bill
 - d. Market Price

Q1. B. State whether the following statements are True or False: (Any Ten):

10

1. Inventory is valued at cost or Net Realisable Value whichever is less.
2. Routine checking saves time of the auditor.
3. Repairs to building is debited to Building Account is an error of Principle.
4. Concurrent Audit is done with the occurrence of the transactions.
5. A sale of 10,000 to Prajakta was entered as a sale to Prasiddha. This is an example of Error of Commission.
6. Window Dressing is exactly opposite of Secret Reserves.
7. An auditor can take the help of experts during the course of audit.
8. Under efficient internal control system, the auditor has to keep the sample size large.
9. Stock checking involves actual verification and counting.
10. An internal control system is designed and established by the auditor.
11. Ownership of plant and machinery can be in the name of the director of the company.
12. Current file is a file which contains working papers of the year under audit.





Q2. Answer any two of the following: 20

- A. Explain the different types of clerical errors.
- B. Explain qualities of good auditor.
- C. What are the responsibilities of auditor for errors and frauds?

Q3. Answer any Two of the following: 20

- A. What are the sources of obtaining information of clients business.
- B. Explain the importance of working papers.
- C. What do you mean by Permanent File? Explain its contents.

Q4. Answer any Two of the following: 20

- A. How would you verify Plant and machinery?
- B. How would you vouch cash Sales?
- C. What points should be considered while framing a system of Internal Check?

Q5 A. What is test checking and what can it adopted? 10

B. How would you verify sundry debtors? 10

Q5 Write Short Notes (Any Four) 20

- A. True and Fair View
- B. Internal Check
- C. Audit Sampling
- D. Error of Commission
- E. Vouching
- F. Balance Sheet Audit