

Time: 2Hrs. 30 Mins.

Total Marks: 75

Instructions: (a) All questions are compulsory subject to internal choice.
(b) Figure to the right indicates marks.

Q.1a) Select the most appropriate option to complete the following sentences (Any Eight)

08

- 1) Appointment of first Auditor should be done within _____ days of registration of the company
a) 40 b) 50 c) 60 d) 30
- 2) The Auditor has a right to receive notice of the _____
a) Office meeting b) General meeting c) Staff meeting d) Managers meeting
- 3) The Audit working papers are the property of _____.
a) Shareholder b) Auditor c) Manager d) Employee
- 4) The auditors should obtain _____ management representations to complement the audit procedures.
a) oral b) written c) spoken d) verbal
- 5) In Marine Insurance, reserve for unexpired risk is _____ % of net premium.
a) 25% b) 50% c) 75% d) 100%
- 6) IRDA regulates _____ sector in India.
a) Banking b) Auditing c) Accounting d) Insurance
- 7) Operational audit is _____.
a) Annual audit b) audit of day to day activities c) Weekly audit d) Interval audit
- 8) Books of Accounts of a company must be preserved for _____.
a) 5 years b) 6 years c) 7 years d) 8 years
- 9) _____ approach is also known as auditing through computer.
a) White box b) Black box c) Yellow box d) Red box
- 10) There should be effective screening done at the time of credit cards _____.
a) cancellation b) issue c) payment d) termination

Q.1b) State whether the following statements are True or False (Any Seven)

07

- 1) A Chartered accountant can advertise in newspapers to solicit professional assignments.
- 2) Auditor need to have technical knowledge to perform audit in computerized environment.
- 3) An insurance company should have joint auditors.
- 4) An auditor can audit maximum 30 companies at a time, as per Companies Act 2013.
- 5) Management representations serve as an evidence to the auditor.
- 6) Unqualified report is also known as clean report.
- 7) Auditor is liable only if there is a loss to the party.
- 8) Every Insurer must keep separate accounts relating to funds of shareholders and policyholders.
- 9) Books of accounts of company should be maintained at the auditor's office.
- 10) Company cannot pay dividends without providing full depreciation.

Q 2 a) What are the duties of company auditor? 08

Q.2 b) Distinguish between Audit certificate and Audit Report. 07

OR

Q.2 c) What are the different types of liabilities of company auditor? 08

Q.2 d) Explain the provisions relating to the appointment of the company auditor. 07

Q.3 a) How would the auditor verify items appearing in the financial statements of an Insurance company? 08
i) Premium
ii) Claims

Q.3 b) What is LFAR? Explain its significance. 07

OR

Q.3 c) How would an auditor evaluate internal control system of a bank? 08

Q.3.d) Explain the applicable provisions for audit of accounts in Insurance company. 07

Q.4 a) What are the features of an effective Computerised Audit Program. 08

Q.4 b) Write note on Environment Audit. 07

OR

Q.4 c) What are the approaches to audit in CIS Environment? 08

Q.4 d) What is Forensic Audit? Explain the scope and the use of Forensic Audit. 07

Q. 5 a) Discuss the various instances of professional misconduct indicated in Part II and Part III of First Schedule of Chartered Accountant Act 1949. 08

Q.5 b) what do you mean by professional ethics? Explain the objectives of code of ethics. 07

OR

Q.5) Write short notes on the following (Any THREE) 15

- i. Status of company auditor
- ii. AS - 17
- iii. Social Audit
- iv. Branch Audit
- v. Classification of Non-Performing Assets of banks
