

- Q.22 What are the basic concepts of auditing?
 Q.23 Explain four limitations of auditing.
 Q.24 What is the auditor responsibility with regard to detection of fraud and errors?
 Q.25 What do you mean by Statutory audit?
 Q.26 What is an Audit Notebook and its utility?
 Q.27 Explain audit process.
 Q.28 Is internal checking system an automatic process?
 Q.29 State the importance of internal audit.
 Q.30 State the difference between internal control and internal check.
 Q.31 Give two rules of verification.
 Q.32 State the procedure of verification of assets.
 Q.33 Draw the format of an audit report.
 Q.34 Discuss the salient features of an audit report.
 Q.35 Discuss the types of reports.

SECTION-D

Note: Long answer type questions. Attempt any two questions out of three questions. (2x10=20)

- Q.36 Write a detailed note on continuous audit.
 Q.37 What do you understand by Auditing? Briefly discuss the advantages and limitations of Auditing.
 Q.38 What are the main objects of verification of assets.

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5th Sem. / OMCA, Fin. Acc & Aud.

Subject:- Auditing

Time : 3Hrs.

M.M. : 100

SECTION-A

Note: Multiple choice questions. All questions are compulsory (10x1=10)

- Q.1 What is the primary objective of auditing?
 a) To prepare financial statements
 b) To detect all frauds
 c) To express an opinion on the truth and fairness of financial statements
 d) To maintain accounting records
 Q.2 Who is responsible for the preparation of financial statements?
 a) Auditor b) Internal Auditor
 c) Management d) Government
 Q.3 Which of the following is NOT a type of audit?
 a) Statutory Audit b) Internal Audit
 c) External Audit d) Budget Audit
 Q.4 Auditing is mainly based on:
 a) Laws and regulations b) Assumptions
 c) Evidence d) Hearsay
 Q.5 The first stage of the audit process is:
 a) Reporting b) Planning
 c) Evidence gathering d) Risk assessment

Q.6 An Audit programme is:

- a) A document that outline the client's objectives
- b) A detailed plan of audit procedures to be followed
- c) A financial budget for audit activities
- d) A code of ethics for auditors

Q.7 The main objective of internal control is:

- a) To increase production
- b) To prevent tax evasion
- c) To ensure accuracy and reliability of accounting data
- d) To reduce employee salary

Q.8 Internal check is a part of

- a) External audit
- b) Internal audit only
- c) Internal control system
- d) Management accounting

Q.9 A clean or unqualified audit report means:

- a) The auditor was unable to obtain sufficient evidence
- b) The financial statements are free from material misstatements
- c) The auditor found many errors
- d) The audit was incomplete

Q.10 Which of the following is NOT a type of audit opinion?

- a) Qualified
- b) Unqualified
- c) Disclaimed
- d) Confirmed

SECTION-B

Note: Objective type questions. All questions are compulsory. $(10 \times 1 = 10)$

Q.11 The main objective of auditing is to express an _____ on financial statements. (Outcome / Opinion)

Q.12 Auditing is done by an _____ person or firm. (dependent / independent)

Q.13 The word "audit" is derived from the Latin word "audire" which means _____ (to see / to hear)

Q.14 The person who conducts an audit is called an _____ (Accountant / Auditor)

Q.15 The final stage of the audit process is _____. (Reporting / Planning)

Q.16 Audit evidence must be sufficient and appropriate. (True / False)

Q.17 Audit procedures are the detailed steps performed during the audit process. (True / False)

Q.18 An audit plan helps the auditor to focus on important areas. (True / False)

Q.19 A good internal check system reduces the chances of errors and fraud. (True / False)

Q.20 Define Audit report.

SECTION-C

Note: Short answer type questions. Attempt any twelve questions out of fifteen questions. $(12 \times 5 = 60)$

Q.21 State briefly the essential qualities of an auditor.