

B.B.A. Part-III (Semester-VI) Examination
BBA/603 : AUDITING

Time : Three Hours]

[Maximum Marks : 80]

- Note :—**
- (1) There are three Sections (A,B and C).
 - (2) Section A-20 marks, Section B-20 marks, Section C-40 marks.
 - (3) All questions are compulsory.
 - (4) In Section A, First solved MCQ's will be taken into consideration.
 - (5) Section B and Section C comprise of short and long questions respectively, **one** each from respective having internal choice from same unit.
 - (6) Show necessary working notes wherever necessary.

SECTION-A

Choose the appropriate option :

- (1) The auditor should plan his work so as to enable him to conduct :

(a) An effective audit	(b) Efficient conduct of audit
(c) Both (a) and (b)	(d) None of these
- (2) Which of the following is component of Audit Program ?

(a) Financial Statement Preparation	(b) Management's representation letter
(c) Auditor's opinion	(d) Audit procedure and tests
- (3) Audit program should be _____.

(a) Oral	(b) Flexible
(c) Rigid	(d) None of these
- (4) What is the main advantage of an external audit ?

(a) Cost-effectiveness	(b) Independence
(c) Detailed internal knowledge	(d) Timely reporting
- (5) Internal check is meant for :

(a) Prevention of frauds	(b) Detection of frauds
(c) Helping audit in depth	(d) Detection of errors

(6) Internal control and internal check are :

- (a) One and the same
- (b) Different
- (c) Internal control includes internal check
- (d) None of the above

(7) A voucher is prepared on the basis of _____.

- (a) The Journal entries
- (b) The ledger entries
- (c) The documentary evidence
- (d) All of the above

(8) The main object of vouching is :

- (a) To prepare trial balance
- (b) Conduct routine checking
- (c) Checking of vouchers
- (d) None of these

(9) Valuation is the base of _____.

- (a) Verification
- (b) Marketing
- (c) Internal Checking
- (d) Vouching

(10) Valuation of fixed assets based on :

- (a) Investment value
- (b) Residual value
- (c) Market Value
- (d) None of these

(11) Patent right is _____.

- (a) Tangible assets
- (b) Intangible fixed asset
- (c) Fictitious liability
- (d) Fixed liability

(12) Livestock is valued at _____.

- (a) Cost
- (b) Market Value
- (c) Both (a) and (b)
- (d) Cost or Market Value whichever is less

(13) A special auditor is appointed by the _____.

- (a) Shareholders
- (b) Board of directors
- (c) Central Government
- (d) CAG

- (14) First auditors of newly formed company can be appointed by the board of directors within _____.
(a) 2 Months (b) 1 Month
(c) 3 Months (d) 1 Week
- (15) Duties of an auditor is _____.
(a) Statutory duties imposed by the Companies Act
(b) Duties imposed by Legal or Court decision
(c) Duties arising out of professional etiquettes
(d) All of the above
- (16) Interest on debenture is payable _____.
(a) Out of income (b) Out of profit
(c) Current liabilities (d) Provisions
- (17) Banking Companies carry business as per _____.
(a) Banking Regulation Act 1949
(b) Companies Act 2013
(c) Maharashtra Co-Operative Societies Act 1960
(d) Insurance Act 1938
- (18) Admission fees or examination fees received should be vouched in auditing of _____.
(a) Insurance Company (b) Banking Company
(c) Educational Institutions (d) All of these
- (19) Audit of Banks is an example of :
(a) Statutory Audit (b) Balance Sheet Audit
(c) Concurrent Audit (d) All of the above
- (20) Regulating body in case of insurance is _____.
(a) SEBI (b) IRDA
(c) RBI (d) ICAI

$1 \times 20 = 20$

SECTION-B

1. (a) Explain objectives of Audit.

4

OR

- (b) Explain the limitations of Audit Program.

4

2. (a) Explain objectives of vouching. 4

OR

- (b) Explain the features of Internal Check system. 4

3. (a) What points should be considered by an Auditor while conducting verification ? 4

OR

- (b) Explain the modes of valuation of fixed assets. 4

4. (a) Elaborate the duties of Company Auditor. 4

OR

- (b) Explain the importance of Audit Report. 4

5. (a) Explain the provision for unexpired risk of insurance company. 4

OR

- (b) Explain the Internal Control system in Bank. 4

SECTION-C

1. (a) Distinguish between annual audit & continuous audit. 8

OR

- (b) Explain the Advantages & Limitations of Audit. 8

2. (a) Describe vouching. How would you vouch the cash book ? 8

OR

- (b) Explain the duties of an auditor in regard to internal check. 8

3. (a) Differentiate between verification and valuation. 8

OR

- (b) As an Auditor, how would you value current assets ? 8

4. (a) Explain the qualification & disqualification of an auditor of any company. 8

OR

- (b) Distinguish between qualified audit report and unqualified audit report. 8

5. (a) Discuss special points to bear in mind while conducting the audit of Banking Company. 8

OR

- (b) Discuss special points to bear in mind while conducting the audit of Insurance Company. 8