

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 ?

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|-------------------------------------|--|
| (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 |

- (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

1×20=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