

1. Explain the commonly used technique in the comparison of current data with the prior period balance or with a trend in two or more prior period balances.
2. When designing and performing substantive analytical procedures, either alone or in combination with tests of details, as substantive procedures in accordance with SA 330, the auditor shall determine the suitability of particular substantive analytical procedures for given assertions, taking account of the assessed risks of material misstatement and tests of details, if any, for these assertions. Explain the other relevant points in this context.
3. The design of a substantive analytical procedure is limited only by the availability of reliable data and the experience and creativity of the audit team. In this context, discuss the techniques available as Substantive Analytical Procedures.
4. Mention the Analytical Review procedures that may be useful as a means of obtaining audit evidence regarding various assertions relating to Trade receivables, loans and advances
5. Analysis by computation of ratios includes the study of relationships between financial statement amounts. State Commonly used ratios.
6. For the purposes of the SAs, the term “analytical procedures” means evaluations of financial information through analysis of plausible relationships among both financial and non-financial data. Explain giving examples of both.
7. Ratio analysis is useful for analysing asset and liability accounts as well as revenue and expense accounts. An individual balance sheet account is difficult to predict on its own, but its relationship to another account is often more predictable (e.g., the trade receivables balance related to sales). Explain stating the techniques available as substantive analytical procedures.

Analytical procedures are least likely to be use in the audit of

- a) Cash balance
- b) Investments
- c) Bills receivables
- d) Debtors

Which of the following is relevant factor for determining whether data is reliable for purposes of designing substantive analytical procedures

- a) Complexity of information
- b) Source of information is available
- c) Nature and relevance of the information
- d) Comparability of the information available

Which of the following is not a reasonableness test

- a) Sales discounts and commissions against sales volume
- b) Inventory turnover
- c) Interest expenses against interest bearing obligation
- d) Rental revenues based on occupancy of premises

