**164. Which of the following SAs deals with auditor’s responsibilities w.r.t. audit planning in an audit of financial statements**

**a)** SA 300

**b)** SA 315

**c)** SA 320

**d)** SA 330

**165. The auditor shall**

**a)** Establish audit strategy on the basis of overall audit plan.

**b)** Develop overall audit plan on the basis of audit strategy

**c)** Both (a) and (b)

**d)** None of these

**166. The audit plan is \_\_\_\_\_\_\_\_\_\_\_\_\_\_ detailed than the overall audit strategy.**

**a)** Less

**b)** More

**c)** Equal

**167. Which of the following enable the auditor to conduct an effective audit in an efficient and timely manner?**

**a)** Audit Strategy

**b)** Audit Plan

**c)** Audit Programme

**d)** Knowledge of the client’s accounting system

**168. Audit Plan should be based on**

**a)** Knowledge of client’s business

**b)** Knowledge of the applicable financial reporting standards

**c)** Knowledge of the required accounting and auditing standards

**d)** Nature and size of the business

**169. Planning is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ process of an audit that often begins shortly after (or in connection with) the completion of the previous audit and continues until the completion of the current audit engagement.**

**a)** Continuous

**b)** Discreet

**c)** Neither continuous nor discreet.

**170. The auditor shall develop an audit plan that include a description of:**

**a)** The nature, timing and extent of planned risk assessment procedures.

**b)** The nature, timing and extent of planned further audit procedures at the assertion level.

**c)** Other planned audit procedures that are required to be carried out so that the engagement complies with SAs.

**d)** All of the above

**171. An auditor who accepts an audit but does not possess the industry expertise of the business entity should**

**a)** Engage experts

**b)** Obtain knowledge of matters that relate to the nature of entity’s business

**c)** Inform management about it

**d)** Take help of other auditors

**172. Auditor can obtain knowledge of client’s business from**

**a)** Discussion with people within client entity

**b)** Publication relating to industry

**c)** Previous experience

**d)** All of these

**173. Benefit(s) of audit planning is**

**a)** Helping auditor to devote appropriate attention on important areas of the audit

**b)** Better preparation of engagement letter

**c)** Effective communication with retiring auditor

**d)** It ensure compliance with applicable law and regulation

**174. Planning should be made to cover, among other things:**

**a)** acquiring knowledge of the client’s accounting system, policies and internal control procedures

**b)** establishing the expected degree of reliance to be placed on internal control

**c)** coordinating the work to be performed

**d)** all of above

**175. Which of the following is incorrect**

**a)** In establishing the audit strategy the auditor shall identify characteristics of the engagement that define its scope.

**b)** The auditor shall develop an audit plan that shall include a description of the nature, timing and extent of risk assessment procedures and further audit procedures which are proposed to be performed.

**c)** The auditor shall establish audit strategy on the basis of overall audit plan.

**d)** The auditor shall update and change the audit strategy and audit plan as necessary during course of the audit.

**176. The overall audit strategy and the audit plan remain the \_\_\_\_\_\_\_\_\_\_\_\_\_ responsibility.**

**a)** Auditor’s

**b)** Management’s

**c)** Those charged with governance

**d)** All of the above

**177. Prior to commencing field work, an auditor usually discusses the general audit strategy with the client’s management. Which of the following details do management and the auditor usually agree upon at this time?**

**a)** The specific matters to be included in the communication with the audit committee

**b)** The minimum amount of misstatements that may be considered to be reportable conditions

**c)** The schedules and analyses that the client’s staff should prepare

**d)** The effects that inadequate controls may have over the safeguarding of assets

**178. Which of the following is not a source of obtaining knowledge of client’s business**

**a)** Annual reports circulated among the shareholders

**b)** Communication from previous auditor

**c)** Client’s policy and procedure manual

**d)** Discussion with client

**179. In establishing the overall audit strategy, the auditor shall:**

**i.** Identify the characteristics of the engagement that define its scope

**ii.** Ascertain the nature, timing and extent of resources necessary to perform the engagement

**iii.** Ascertain the reporting objective of the engagement to plan the timing of the audit and the nature of the communication required

**iv.** Consider the factors that, in the auditor’s professional judgement are significant in directing the engagement team.

**a)** Both (i) and (ii)

**b)** All (i), (ii) and (iii)

**c)** Both (iii) and (iv)

**d)** All of the above

**180. State which of the following statement is not true with reference to SA 300?**

**a)** The nature and extent of planning activities will not vary according to the size and complexity of the entity, the key engagement team members previous experience with the entity, and changes in circumstances that occur during the audit engagement.

**b)** Planning is not a discrete phase of an audit, but rather a continual and iterative process that often begins shortly after (or in connection with) the completion of the previous audit and continues until the completion of the current audit engagement.

**c)** Planning an audit involves establishing the overall audit strategy for the engagement and developing an audit plan. Adequate planning benefits the audit of financial statements in several ways.

**d)** The auditor may decide to discuss elements of planning with the entity’s management to facilitate the conduct and management of the audit engagement

**181. The methodology of audit planning is**

**a)** Not prescribed in any law

**b)** Prescribed in Companies Act, 2013

**c)** Prescribed in Chartered Accountants Act, 1949

**d)** Prescribed by the appointing authority.

**182. \_\_\_\_\_\_\_\_\_\_\_\_\_ shall be involved in the planning of audit**

**a)** Engagement partner

**b)** Other key members of engagement team

**c)** Both (a) and (b)

**d)** Either (a) or (b)

**183. The auditor shall consider the factors that, in the auditor’s professional judgement, are significant, are significant in directing the engagement team’s effort, while**

**a)** Establishing the overall audit strategy

**b)** Developing the audit programme

**c)** Designing the audit programme

**d)** All of the above

**184. The auditor may summarize \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_in the form of a memorandum that contains key decisions regarding the overall scope, timing and conduct of the audit.**

**a)** The overall audit plan

**b)** The overall audit strategy

**c)** Audit programme

**d)** Audit note

**185.** \_\_\_\_\_\_\_\_\_\_\_\_\_\_ **refers to such audit programme where plans for the auditor are not fixed.**

**a)** Special audit

**b)** Fixed audit

**c)** Pre-determined audit

**d)** None of above

**186. When a company engage a Chartered Accountant as its Internal Auditor, the external auditor**

**a)** Need not check the areas covered by internal auditor

**b)** Should ignore the existence of internal auditor

**c)** Should incorporate the internal auditors report with his own

**d)** Should examine the system and efficiency of internal audit and devise a suitable audit programme**.**

**187. Which of the following in incorrect w.r.t audit programme**

**a)** An audit programme consists of a series of verification procedures to be applied.

**b)** It is desirable in respect of each audit and more particularly for bigger audits an audit programme should be drawn up.

**c)** An audit programme is a summarized plan

**d)** There should be periodic review of the audit programme to assess whether the same continues

**188. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ sets the scope, timing and direction of the audit.**

**a)** Overall audit strategy

**b)** Adequate planning

**c)** Audit programme

**d)** Overall objective of audit

**189. State which of the following statement is not true**

**a)** Evolving one audit programme applicable to all business under all circumstances is not practicable

**b)** An audit programme is a detailed plan of applying the audit procedures in the given circumstances with instructions for the appropriate techniques to be adopted for accomplishing the audit objectives.

**c)** An audit programme consists a series of verification procedures to be applied to the financial statements and accounts of a given company for the purpose of obtaining sufficient evidence to enable the auditor to express an informed opinion on such statements.

**d)** The auditor may summarize the audit note in the form of a memorandum that contains key decisions regarding the overall scope, timing and conduct of the audit**.**

**190. The auditor can formulate his entire audit programme only after**

**a)** How far the weakness have been removed at an interim date

**b)** He has had a satisfactory understanding of the internal control system and their actual operation

**c)** The existence and operation of internal control

**d)** None of the above

**191. An audit programme is:**

**a)** List of examination and verification steps to be applied

**b)** Examination in depth

**c)** List of audit queries

**d)** All of these

**192. Responsibility fixing is a feature of**

**a)** Audit plan

**b)** Audit

**c)** Audit programme

**d)** All of the above

**193. Pick the odd one**

**a)** Audit programme helps in distribution of work amongst the people doing audit

**b)** Audit programme is mechanical

**c)** Audit program acts as a evidence against change of negligence

**d)** Audit programme helps in covering all the areas where audit is required

**194. Audit programme is a failure if**

**a)** Instructions are not followed property

**b)** Audit plan is not made correctly

**c)** The instructions are ambiguous

**d)** All of the above

**195. Pick the odd one**

**a)** A hard and fast audit programme may kill the initiative of efficient and enterprising assistants

**b)** An audit programme can make the audit exercise rigid and mechanical.

**c)** The principal can control the progress of the various audits in hand by examination of audit programme.

**d)** There is a risk that if any matter escaped attention of auditor at the time of audit programming may remain unaudited during the entire audit