**331. Which of following SA deals with auditor’s responsibility to design and perform audit procedures in such a way to enable the auditor to obtain sufficient and appropriate audit evidence to be able to draw reasonable conclusions on which to base the auditor’s opinion**

**a)** SA 500

**b)** SA 501

**c)** SA 330

**d)** SA 315

**332. Sufficient audit evidence is a measurement of**

**a)** Quality of audit evidence

**b)** Quantity of audit evidence

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

**d)** None of these

**333. Appropriate audit evidence is a measurement of**

**a)** Quality of audit evidence

**b)** Quantity of audit evidence

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

**d)** None of these

**334. The auditor must obtain following audit evidence to draw reasonable conclusion**

**a)** Sufficient audit evidence

**b)** Appropriate audit evidence

**c)** Sufficient and appropriate audit evidence

**d)** None of these

**335. Which of the following is the least persuasive type of audit evidence?**

**a)** Bank statements obtained from the client

**b)** Documents obtained by auditor from third parties directly

**c)** Carbon copies of sales invoices inspected by the auditor

**d)** Computations made by the auditor.

**336. Following audit procedures are performed by auditor to obtain sufficient appropriate audit evidence**

**a)** Risk assessment procedures

**b)** Test of controls

**c)** Substantive audit procedures

**d)** Both (b) and (c)

**337. Which of the following is not a factor to determine sufficient audit evidence**

**a)** Reliability of information

**b)** Materiality of item

**c)** Risk of material misstatements

**d)** Size and characteristics of the population

**338. Which of the following is a factor to determine sufficient audit evidence**

**a)** Materiality of item involved

**b)** Risk of material misstatements

**c)** Size and characteristics of the population

**d)** All of these

**339. Which of the following is a factor to determine appropriate audit evidence**

**a)** Reliability of information

**b)** Relevancy of information

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

**d)** None of these

**340. Depending upon nature audit evidence can be classified as**

**a)** Visual evidence

**b)** Oral evidence

**c)** Documentary evidence

**d)** All of these

**341. Depending upon source audit evidence can be classified as**

**a)** Internal audit evidence

**b)** External audit evidence

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

**d)** None of these

**342. Which of the following is not internal audit evidence**

**a)** Bank Reconciliation Statement

**b)** Bank Statement

**c)** Copy of Sales Invoice

**d)** Voucher

**343. Which of the following is not external audit evidence**

**a)** Bank Statements

**b)** Purchase Invoice

**c)** External Confirmation

**d)** Salary Sheet

**344. Techniques to obtain audit evidence are**

**a)** Inspection

**b)** Recalculation

**c)** External confirmation

**d)** All of these

**345. Pick the odd one**

**a)** Confirmation

**b)** Inquiry

**c)** Re-computation

**d)** Ledger posting

**346. Pick the odd one**

**a)** Bank reconciliation statement

**b)** Copy of sales invoice

**c)** Purchase invoice

**d)** Minutes book

**347. Which of following statement is incorrect**

**a)** Recalculation consists checking reasonableness of appropriates of accounting policies

**b)** Inspection consists of examining records, documents whether internal or external in paper form or electronic form and physical examination of assets

**c)** An external confirmation represents audit evidence obtained by auditor as direct written response to the auditor from a third party.

**d)** Evaluating responses of inquiry is an integral part of inquiry process.

**348. Observation consists**

**a)** Review of financial statements

**b)** Looking at a process, procedure being performed by others

**c)** Independent execution of procedure or controls that were originally performed as part of entity’s internal control.

**d)** All of these

**349. Before using the work of an expert the auditor shall evaluate**

**a)** Competency of expert.

**b)** Capability of expert

**c)** Objectivity of expert

**d)** All of above

**350. Information regarding the competence, capabilities and objectivity of management’s expert may come from a variety sources such as:**

**a)** Discussion with expert

**b)** Personal experience with previous work of that expert

**c)** Published papers or books written by that expert

**d)** All of these

**351. Pick the most appropriate. Auditing evidence is more reliable when**

**a)** Received from third party

**b)** Received from reliable third party

**c)** Received from audited organization resources

**d)** Both a & b

**352. Which is NOT a technique of obtaining evidence**

**a)** Correction

**b)** Computation

**c)** Confirmation

**d)** Both a & b

**353. Which of the following statements is, generally correct about the reliability of audit evidence?**

**a)** To be reliable, evidence should be conclusive rather than persuasive

**b)** Effective internal control system provides reliable audit evidence

**c)** Evidence obtained from outside sources routed through the client

**d)** All are correct

**354. In case of inconsistency between audit evidences obtained by auditor for ant item of the financial statement, the auditor shall**

**a)** Withdraw from audit engagement

**b)** Perform alternative audit procedures

**c)** Perform additional audit procedures to obtain corroborative audit evidence

**d)** All of the above

**355. Which of the following is incorrect w.r.t. inquiry**

**a)** Inquiries may range from formal written inquiries to informal oral inquiries

**b)** Conducting inquiry alone is not sufficient to obtain sufficient and appropriate audit evidence

**c)** Inquiry can be conducted with the person within the entity and with the person outside the entity

**d)** Evaluation of responses of enquiries is not an integral part

**356. Which of the following is correct**

**a)** Audit procedures and audit techniques are not one and same thing.

**b)** Audit procedures and audit techniques are often used interchangeably.

**c)** Inspection of bank reconciliation statement is an audit technique.

**d)** All of the above

**357. Audit is usually conducted in three steps:**

**1. A pre-examination or opening meeting with the auditee marks the beginning of the process**

**2. Involves a suitability audit of the documented procedures against the selected reference standard**

**3. The auditor examines in depth the implementation of the quality system**

**a)** True

**b)** False

**c)** Partially false

**d)** None of the above

**358. In auditing most of the time we deal with persuasive audit evidence which helps the auditor**

**a)** To understand the nature of audit

**b)** To understand the source of audit evidence

**c)** For conclusion of the audit

**d)** None of the above

**359. State which of the following techniques are not used for obtaining audit evidence**

**a)** Questioning the management with objective to get suitable response

**b)** Involve inspection record or documents internal or external

**c)** Detailed examination of some specific areas

**d)** Trend analysis

**360. Reperformance involves**

**a)** Evaluation of financial information using financial and non-financial data.

**b)** Questioning the management with objective to get suitable response

**c)** Auditor’s independent execution of procedures or controls that were originally performed by management

**d)** Checking the mathematical accuracy documents or record. It can be manually or electronically

**361. State which of the following statement is true**

**a)** Audit evidence are persuasive in nature

**b)** Audit evidence are conclusive in nature

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

**d)** None of the above

**362. Which of the following are designed to obtain audit evidence as to completeness, accuracy and validity of data produced by the accounting system**

**a)** Test of controls

**b)** Substantive procedures

**c)** Analytical procedures

**d)** All of the above

**363. Substantive procedures does not involves**

**a)** Checking of transactions

**b)** Analytical review

**c)** Checking of balance

**d)** Checking whether internal controls are working effectively

**364. Test of controls involves in**

**a)** Testing of transaction and balance

**b)** Analytical review

**c)** Check the internal control exist and operating effectively

**d)** All of the above

**365. The reliability of audit evidence is influenced by its**

**a)** Source

**b)** Nature

**c)** Circumstances

**d)** All of the above