**409. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ means evaluation of financial information through analysis of plausible relationships among both financial and non-financial data.**

**a)** Risk assessment

**b)** Analytical Procedures

**c)** Substantive Procedures

**d)** Test of Controls

**410. Which of the following SAs deals with auditor’s responsibilities to design and perform analytical procedures as substantive analytical procedure?**

**a)** SA 315

**b)** SA 330

**c)** SA 520

**d)** SA 500

**411. What are analytical procedures?**

**a)** Substantive tests designed to assess control risk.

**b)** Substantive tests designed to evaluate the validity of management’s representative letter.

**c)** Substantive tests designed to study relationship between financial and non-financial**.**

**d)** All of the above

**412. Analytical procedures used in the planning stage of an audit, generally**

**a)** helps to determine the nature, timing and extent of other audit procedures

**b)** Directs attention to potential risk areas

**c)** Indicate important aspects of business

**d)** All of above**.**

**413. The basic assumption underlying the use of analytical procedures is**

**a)** It helps the auditor to study relationship among elements of financial information

**b)** Relationship among data exist and continue in the absence of known condition to the contrary

**c)** Analytical procedures will not be able to detect unusual relationships

**d)** None of the above

**414. Which of the following is not an analytical procedure**?

**a)** Tracing of purchases recurred in the purchase book to purchase invoices.

**b)** Comparing aggregate wages paid to number of employees.

**c)** Comparing the actual costs with standard costs.

**d)** All of them are analytical procedures.

**415. Analytical procedures used in the planning stage of an audit, generally**:

**a)** Helps to determine the nature, timing and extent of other audit procedures

**b)** Directs attention to potential risk areas

**c)** Indicates important aspects of business

**d)** All of the above

**416. The basic assumption underlying the use of analytical procedures is:**

**a)** It helps the auditor to study relationship elements of financial information.

**b)** Relationship among data exist and continue in the absence of known conditions to the contrary

**c)** Analytical procedures will not be able to detect unusual relationships.

**d)** None of the above

**417. What is the primary objective of analytical procedures used in the overall review stage of an audit?**

**a)** To help to corroborate the conclusions drawn from individual components of financial statements

**b)** To reduce specific detection risk

**c)** To direct attention to potential risk areas

**d)** To satisfy doubts when questions arise about a client’s ability to continue

**418. Which of the following is a technique available as substantive analytical procedure?**

**a)** External confirmation

**b)** Ratio Analysis

**c)** Trend Analysis

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

**419. Timing of analytical procedure is**

**a)** At Planning stage only

**b)** Throughout the audit engagement

**c)** At planning stage and in addition these are also required during completion phase.

**d)** None of these

**420. Reliability of data is influenced by**

**a)** Its source

**b)** Its nature

**c)** Circumstances under which it is obtained

**d)** All of these

**421. Which of the following is not a typical analytical procedure?**

**a)** Study of relationships of the financial information with relevant nonfinancial information

**b)** Comparison of the financial information with similar information regarding the industry in which the entity operates

**c)** Comparison of recorded amounts of major disbursements with appropriate invoices

**d)** Comparison of the financial information with budgeted amounts

**422. Which of the following is not a technique for substantive analytical procedures**

**a)** Ratio Analysis

**b)** Trend Analysis

**c)** Structural Modelling

**d)** None of these

**423. 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

**424. 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

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

**a)** Cash balance

**b)** Investments

**c)** Bills receivables

**d)** Debtors

**426. Substantive analytical procedures are generally more applicable to \_\_\_\_\_\_\_\_\_ of transactions that tend to be predictable over time**

**a)** No effect on volume of data

**b)** Low volume

**c)** Large volume

**d)** Any type