**366. Which of the following SA deals with deals with special consideration by auditor in obtaining sufficient appropriate audit evidence with respect to existence and condition of inventory, completeness of litigation and claim and presentation and disclosure of segment information:**

**a)** SA 500

**b)** SA 501

**c)** SA 505

**d)** SA 510

**367. The responsibility for determining the quantity and value of inventory rests with**

**a)** Management

**b)** Auditor

**c)** Auditor and Management both

**d)** None of these

**368. The auditor shall obtain sufficient appropriate audit evidence regarding the existence and condition of inventory by attending physical inventory count, unless impracticable, to**

**a)** Evaluate the management’s instruction and procedures for recording and controlling the results of the entity’s physical inventory counting

**b)** Observe the performance of management’s count procedures

**c)** Inspect the inventory

**d)** All of above

**369. If auditor is unable to attend physical inventory counting due to unforeseen circumstances the auditor shall**

**a)** Obtain a written representation from management of entity

**b)** Conduct external confirmation form third party

**c)** Make or observe some physical count on an alternative date, and perform audit procedures on intervening transactions

**d)** All of these.

**370. If attendance at physical inventory counting is impracticable, the auditor shall**

**a)** Perform Alternative audit procedures

**b)** Perform Additional audit procedures

**c)** Obtain written representation from management of entity

**d)** None of the above

**371. When inventory under the custody and control of a third party is material to the financial statements, the auditor shall obtain sufficient appropriate audit evidence regarding the existence and condition of that inventory by**

**a)** Request confirmation from third part as to the quantities and condition of inventory held by third party

**b)** Perform inspection or other audit procedures appropriate in the circumstances

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

**d)** None of the above

**372. Litigation and claim involving the entity may have a material effect on the financial statements and thus may be required**

**a)** To be disclosed in the financial statements

**b)** To be accounted in the financial statements

**c)** Either (a) or (b)

**d)** Both (a) and (b)

**373. The auditor shall design and perform audit procedures in order to identify litigation and claims involving the entity which may give rise to a risk of material misstatement including:**

**a)** Inquiry of management and others within the entity

**b)** Performing analytical procedures as are appropriate

**c)** Reviewing minutes of meetings of members

**d)** All of above

**374. When the audit procedures performed indicated that other material litigation or claims may exist, then the auditor shall**

**a)** Seek direct communication with the entity’s internal legal counsel through a letter of inquiry, prepared by auditor and sent by the management.

**b)** Seek direct communication with the entity’s external legal counsel through a letter of inquiry, prepared by management and sent by the auditor

**c)** Seek direct communication with the entity’s external legal counsel through a letter of inquiry, prepared by auditor and sent by the management

**d)** Seek direct communication with the entity’s internal legal counsel through a letter of inquiry, prepared by management and sent by the auditor

**375. If management does not permit auditor to communicate with legal counsel or legal counsel refuses to respond to auditor, the auditor shall**

**a)** Express unmodified opinion

**b)** Modify opinion

**c)** Provide key audit matter section in his report

**d)** All of these

**376. With respect to segment information, the auditor shall obtain evidences regarding \_\_\_\_\_\_\_\_ of segment information as per\_\_\_\_\_\_\_\_\_\_\_.**

**a)** Preparation, Standard on auditing

**b)** Disclosure, Standard on auditing

**c)** Preparation, Financial reporting framework

**d)** Presentation and Disclosure, Financial reporting framework**.**

**377. State which of the following is covered under AS 17 and SA 501**

**a)** Claims & Litigation

**b)** Segment Reporting

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

**d)** None of the above