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Reg. No.....

Name.....

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2014

Sixth Semester

Core Course 16—PRACTICAL AUDITING

(Common for Model I B.Com., Model II B.Com. and UGC Sponsored B.Com. Degree Programmes)

Time : Three Hours

Maximum Weight : 25

Answers may be written either in English or in Malayalam.

Section A

*This Section consists of four bunches of four questions each.
Each bunch carries a weight of 1.*

I. Choose the correct answer from the choices given :

- 1 Audit conducted by the employees of the organisation is called :
 - (a) Interim audit.
 - (b) Internal audit.
 - (c) Statutory audit.
 - (d) Final audit.
- 2 The work done by one person is automatically checked by another person is :
 - (a) Internal control.
 - (b) Varification.
 - (c) Internal cheek.
 - (d) Valuation.
- 3 The first auditors of a newly started company are appointed by :
 - (a) Board of Directors.
 - (b) Government.
 - (c) Shareholders.
 - (d) Chairman.
- 4 Teaming and lading is a method of misappropriation of :
 - (a) Goods.
 - (b) Accounts.
 - (c) Cash.
 - (d) None of these.

II. Fill in the blanks :

- 5 Critical examination and verification of specific records is known as _____.
- 6 _____ audit helps to improve quality of management.
- 7 Audit of financial accounts for satisfying the income tax authorities is called _____.
- 8 Liability of an auditor to pay damages is known as _____.

Turn over

III. State whether the following statements are True or False :

- 9 Interim audit is an audit conducted in between two annual audits.
- 10 Valuation is a part of varification.
- 11 A documentary evidence in support of a transaction is known as certificate.
- 12 Management audit may cover more than one financial year.

IV. Match the following :

- | | |
|-------------------------|--------------------------------|
| 13 Investigation | (a) Preliminary expenses. |
| 14 Status of an auditor | (b) Voluntary. |
| 15 Fictitious asset | (c) Invoice. |
| 16 Internal cheek | (d) Agent of the shareholders. |
| | (e) Comparison. |
| | (f) Internal control. |

(4 × 1 = 4)

Section B

Answer any five questions.

Each bunch carries a weight of 1.

- 17 What are contingent liabilities ?
- 18 Define Valuation.
- 19 What is meant by "Internal audit" ?
- 20 What is meant by Audit manual ?
- 21 What is continuous audit ?
- 22 What is "clean report" ?
- 23 What is auditor's lieu ?
- 24 Define Social audit.

(5 × 1 = 5)

Section C

Answer any four questions.

Each bunch carries a weight of 2.

- 25 Differentiate cost audit and financial audit.
- 26 Write a short note on audit assurance standards.
- 27 What are the differences between Auditing and investigation ?
- 28 Discuss the liabilities of an auditor under the Companies Act, 1956.

29 What is a Statutory report ? What are its contents ?

30 "An auditor is not a valuer". Discuss.

(4 × 2 = 8)

Section D

Answer any two questions.

Each bunch carries a weight of 4.

31 What is Vouching ? How would you vouch the cash book ?

32 What are the qualities needed for an auditor ?

33 Write a short note on :

(a) EDP environment.

(b) Audit programme.

(c) Bonus shares.

(d) Performance audit.

(2 × 4 = 8)