

END TERM EXAMINATION

FOURTH SEMESTER [B.COM(HONS.)] APRIL - MAY 2019

Paper Code: B.COM-204

Subject: Auditing

(Batch 2017 Onwards)

Time: 3 Hours

Maximum Marks: 75

Note: Attempt any five questions. All questions carry equal marks.

- Q1/ ✓ What is Auditing? Why is it necessary to inspect the ^{Imp.} accounts of a business? How does auditing help in detection and prevention of ^{Obj.} accounting errors and frauds?
- Q2/ ✓ What is internal audit? How does it supplement the main audit? State the features of strong internal control system. ✓
- Q3/ ✓ (a) "An adequate ^{pre-plan skeleton} planning benefits the audit of financial statements". Discuss.
(b) Audit Documentation provides evidence of the auditor's basis for a conclusion about the achievement of overall objectives of the auditor. Explain clearly nature and impose of Audit Documentation.
- Q4 Write some circumstances of conflicting or missing evidence that indicate the possibility of fraud.
- Q5/ ✓ (a) "An auditor is required to make specific evaluation while forming an ^{types} opinion in an audit report". Explain.
(b) State the reasons which could lead to the following in Auditor's [✓] Report:
(i) Adverse opinion
(ii) Qualified opinion
(iii) Disclaimer of opinion
- Q6/ ✓ The Auditor appointed under section 139 was removed from his office before the expiry of his term by an ordinary resolution of the company. Comment explaining clearly the procedure of removal of auditor before expiry of term. ^{First subsequent}
- Q7/ ✓ "Verification of liabilities is as important as that of assets, for, if any liability is omitted for understand or overstated, the Balance sheet will not show a true and fair view of the state of affairs of the company," Discuss. ^{Valuati}
- Q8/ ✓ (a) Advice a few special points in a social audit.
(b) How will you vouch and/or verify the following:
(i) Sale proceeds of scrap
(ii) Trademarks and Copyrights.

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