

Time: 2:30 Hours

MARKS : 75

Q.1) a) Match the following Columns (Any 8)

(8 Marks)

Column A	Column B
1. Purchase Return	a) Lease Deed
2. Travelling Expenses in Foreign Currency	b) Board of Directors
3. Royalty	c) Need not be approved by Central Government
4. Salary	d) Debit note of Auditee
5. Future Instalments under hire purchase agreements for the purchase of asset	e) Sanction from Reserve Bank of India
6. First Auditor	f) Pay rolls
7. Removal of subsequent auditor by share holder	g) Show separately as Secured Loans
8. Auditor of Government Company	h) Must be approved by Central Government
9. Removal of first auditor appointed by Board	i) Materiality
10. SA320	j) C & AG

Q.1) Multiple Choice Questions (Any 7)

(7 Marks)

- The retiring auditor does not have a right to _____.
 a) make written representation b) get his representations circulated
 c) be heard at the meeting
 d) make a written representation exceeding reasonable length
- To check whether all sales have been recorded, auditor should check _____.
 a) Salesmen's payroll b) Sales bills
 c) Sales Orders d) Goods Received Notes
- In order to check additions to fixed assets, auditor should _____.
 a) Examine supplier's invoice b) take physical inventory of fixed assets
 c) obtain confirmations from suppliers
 d) Match the supplier's invoices with the payments to suppliers.
- Checking the serial no. of vouchers on the voucher during vouching helps the auditor to obtain evidence that _____.
 a) the transaction took place b) there are no unrecorded transactions
 c) the transaction is recorded in the books on the right date
 d) the transaction is valid
- New bank loans will be taken under the authority of _____.
 a) Board of Directors b) Purchasing Department
 c) Accounting Department d) Accounts Payable Department

- 6) Checking the date of entry of voucher in the books mainly helps the auditor to obtain evidence that _____.
- a) entry was made on the same day as that of the voucher
 - b) there was no missing voucher
 - c) the vouchers are filed every day
 - d) the accountant was not absent on that day
- 7) Goods Received Notes support entries in _____.
- a) Sales Book and Sales Return Book
 - b) Purchase Book and Sales Return Book
 - c) Cash Book and Purchase Book
 - d) Sales Book and Purchase Return Book
- 8) The overall objective in the audit of creditors is to determine whether balance of creditors _____.
- a) is fairly stated and properly disclosed
 - b) is overstated
 - c) is understated
 - d) is accurately stated
- 9) A _____ is a document that indicates a request for goods by a customer.
- a) Sales Invoice
 - b) Vendor Invoice
 - c) Customer Order
 - d) Sales Order
- 10) If the financial statements are prepared as per the financial reporting framework, the auditor gives an opinion that the financial statements _____.
- a) are true and correct
 - b) are correct and fair
 - c) give a true and fair view
 - d) are reliable

Q.2) How would you vouch the Following : (Any 2) (15 Marks)

- i) Purchase
- ii) Rent Received
- iii) Dividend Income

OR

Q.2) Define vouching. Explain the special considerations which Auditor should keep in mind during the course of vouching (15 Marks)

Q.3) a) What are the points to be considered in Verification of Assets? (7 Marks)

b) How would you verify the following: (Any 1) (8 Marks)

- i) Public deposit
- ii) Unsecured loan

OR

Q.3) How would you Audit the following: (Any 2) (15 Marks)

- i) Debtors
- ii) Account Receivable
- iii) Plant & Machinery

Q.4) Explain the auditor's responsibilities relating to fraud under section 240 in an audit of financial statements (15 Marks)

OR

Q.4) a) What is Materiality? Explain requirements regarding Materiality. (8 Marks)
b) Outline the duties of the auditors vide SA 250. (7 Marks)

Q.5) Write in detail of provision of Companies Act, 2013 Regarding appointment of an auditor of Non-government of company. (15 Marks)

OR

Q.5) Write short notes (Any 3) (15 Marks)

1. Appointment of new auditor
2. Branch Auditors
3. Audit of Liabilities
4. Standards on Auditing
5. Points conceded valuation of Assets.
