



Avinashilingam Institute for Home Science and Higher Education for Women

(Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956)

Re-accredited with 'A+' Grade by NAAC. Recognised by UGC Under Section 12B

Coimbatore - 641 043, Tamil Nadu, India

Bachelor's Degree Examination June – 2021

VI Semester

18BCPC27 Auditing and Assurance

Class : III UG

Major : B.Com (PA)

Time : 3 Hours

Max. Marks: 100

Part A

10 x 1 = 10

Choose the Correct Answer

- International auditing standards are issued by the:
 - International Accounting Standards Board
 - Financial Accounting Standards Board
 - International Audit and Assurance Standards Board
 - Auditing Practices Board
- Which of the following is normally the most reliable source of audit evidence?
 - Internal audit
 - Suppliers' statements
 - Board
 - Analytical review
- Which of the following are you unlikely to see in the current file of auditors' working papers?
 - Memorandum & articles of association
 - Audit planning memorandum
 - Summary of unadjusted errors
 - Details of the work done on the inventory count
- This kind of audit is conducted generally between two annual audits.
 - Internal audit
 - Interim audit
 - Final audit
 - Continuous audit
- Effective internal check system reduces
 - The liability of auditor
 - Work of auditor
 - Responsibilities of an auditor
 - None of the above
- Auditing begins where _____ ends.
 - Selling
 - Inventory valuation
 - Accounting
 - Purchases
- A continuous audit is specially needed for
 - Any trading concerns
 - Smaller concerns
 - Banking companies
 - Any manufacturing companies
- Approach to computer auditing is known as _____.
 - Auditing around the computers
 - Auditing with the computers
 - Internet auditing
 - Electronic auditing

9. The fundamental objective of the audit of a company is to:
 - a. Protect the interests of the minority shareholders
 - b. Detect and prevent errors and fraud
 - c. Assess the effectiveness of the company's performance
 - d. Attest to the credibility of the company's accounts
10. Which one of the following is NOT a duty of the auditor?
 - a. Duty to report to the company's bankers
 - b. Duty to report to the members
 - c. Duty to sign the audit report
 - d. Duty to report on any violation of law

Part B

5 x 6 = 30

Answer ALL questions

Each answer should not exceed 400 words or two pages

- 11.a. State the features of auditing.
(or)
- 11.b. Explain the functions of auditing.
- 12.a. State the objectives of physical verification of auditing.
(or)
- 12.b. What Are the asset audit techniques for physical verification?
- 13.a. Narrate the characteristics of internal audit.
(or)
- 13.b. Explain the purpose of audit sampling.
- 14.a. Summarize the benefits of payroll audit.
(or)
- 14.b. State the difference between reserves and provisions.
- 15.a. List out the rights and duties of auditors.
(or)
- 15.b. Describe the types of government audit.

Part C

5 x 12 = 60

Answer ALL questions

Each answer should not exceed 800 words or four pages

- 16.a. Examine the nature and limitations of auditing.
(or)
- 16.b. Discuss about the audit planning and control.
- 17.a. Discuss the different methods of obtaining audit evidence.
(or)
- 17.b. Enumerate the procedure of verification in assets and liabilities.
- 18.a. Describe in detail the types of internal audit.
(or)
- 18.b. Explain the advantages and disadvantages of audit test checking.
- 19.a. Classify the procedure for payroll audit.
(or)
- 19.b. Describe the importance and challenges of capital expenditure audit.
- 20.a. Examine qualifications and disqualifications of auditors.
(or)
- 20.b. Explain in detail the basic principles and special features of government audit.