



**Avinashilingam Institute for Home Science and Higher Education for Women**  
Deemed to be University Estd. u/s 3 of UGC Act 1956, Category 'A' by MHRD (now MoE)  
Re-accredited with 'A++' Grade by NAAC. CGPA 3.65/4, Category I by UGC  
Coimbatore - 641 043, Tamil Nadu, India

**Continuous Internal Assessment II – April 2025**  
**Semester – VI**

**Class : III UG**  
**Major : B.Com(PA)**

**Time : 2 hrs**  
**Max. Marks : 60**

**21 BCPC27 - Auditing and Assurance**

**Course Outcomes:**

1. Familiarize the auditing and assurance standards practiced in India
2. Understand the functions of International and Indian Accounting & Assurance standards board.
3. Apply the audit procedures in internal control and authenticity of cash flow transactions
4. Implement effective internal control system in a firm through audit
5. Apply the knowledge gained in conduct of company audit and special audit

**Part- A**

**Choose the correct the answer**

**6X1=6**

1. Which of the following is typically the responsibility of an internal auditor?  
a) Approving company expenditures      b) Conducting compliance reviews  
c) Setting the company's accounting policies      d) Determining the tax liability of the company  
CO3K2
2. An internal auditor is more likely to be concerned with  
(a) Cost accounting system      (b) Internal control system  
(c) Legal compliance      (d) Accounting system  
CO3:K1
3. The main object of vouching is  
(a) To prepare trial balance      (b) Conduct routine checking.  
(c) Verify authenticity & authority of transactions.  
(d) Checking of vouchers.  
CO4:K2
4. Investments in hand should be verified with the help of  
(a) Schedule of investments      (b) Balance sheet  
(c) Inspection of securities      (d) Certificate from the bank  
CO4:K2
5. Who is responsible for the appointment of statutory auditor of a limited company ?  
a) Board of Directors      b) Shareholders in the Annual General Meeting  
c) Chief Financial Officer      d) Company Secretary  
CO5: K1
6. What is the primary responsibility of an audit controller?  
a) To prepare financial statements for management      b) To oversee the audit process and ensure  
accounting standards      c) To approve the company's budget  
d) To make investment decisions for the company  
CO5K:3

**PART – B**

**3 x 6 = 18**

**Answer any two of the following**

- 7 a) What are important features of a good system of internal control?  
(Or)  
b) What are the various Techniques of Test Checks  
CO3:K3
- 8 a) What are the general considerations for vouching of cash sales?  
(Or)  
b) Distinction between Reserves and Provisions  
CO4:K3
- 9 a) Point out the qualification of auditors  
(Or)  
b) Write a role of Auditors in non - profit organizations  
CO5:K3

**PART – C**

**3 x 12 = 36**

**Answer any one of the following**

10. a) Define Internal Control. Explain its objectives and components  
(Or)  
b) Discuss briefly about types of audit sampling  
CO3:K5
11. a) Explain the duties of an auditor while examining cash and credit purchases  
(Or)  
b) How would auditor vouch and verify Repairs and Renewals?  
CO4:K5
12. a) Describe about the Powers and Duties of Auditors  
(Or)  
b) Explain the important items to be examined by the auditor in the audit of a Hospital.  
CO5:K5