



# Avinashilingam Institute for Home Science and Higher Education for Women

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

Re-accredited with an A++ Grade by NAAC CGPA 3.65/4, Category I by UGC

Coimbatore - 641043, Tamil Nadu, India

## Continuous Internal Assessment II – October 2025

### III Semester

Class : II UG

Major : B.Com Professional Accounting

Time : 2 hours

Max. Marks: 60

### 23BCPC06 Discipline Specific Core Courses - Auditing and Assurance

#### Course Outcome:

CO1: Familiarize the auditing and assurance standards practiced in India.

CO2: Understand the functions of International and Indian Accounting & Assurance standards Board.

CO3: Apply the audit procedures in internal control.

CO4: Implement effective internal control system in a firm through audit.

CO5: Understand various statutory provisions relating to audit under Companies Act 2013.

#### Part A

6 x 1 = 6

#### Choose the Correct Answer

1. An auditor is most likely concerned with internal control policies and procedures that: CO3:K2
  - a. Promote general employee efficiency.
  - b. Are designed to detect and prevent errors and fraud in the financial statements.
  - c. Are related to the company's production processes.
  - d. Ensure that management policies are followed by all levels of staff.
2. Risk arises to inherent limitations of control is known as: CO3:K1
  - a. Inherent Risk
  - b. Control Risk
  - c. Risk of Material Misstatements
  - d. Detection Risk
3. When auditing payments, the auditor should primarily verify: CO4:K3
  - a. The company's marketing strategies
  - b. The authorization and documentation for each payment
  - c. The production process of the goods or services
  - d. The competitors' payment policies
4. A payment to a creditor will CO3:K2
  - a. Reduce an asset and reduce a liability
  - b. Reduce an asset and lower the owner's equity
  - c. Increase one or more assets and decrease another
  - d. To increase an asset or to increase a liability
5. The Companies Act, 2013, grants a statutory auditor the right to examine: CO4:K2
  - a. Only the financial statements
  - b. The company's account books, documents, and vouchers
  - c. The internal control system of the company
  - d. The internal audit reports only
6. An auditor is required to express an opinion on the financial statements. What kind of opinion is this generally? CO3:K2
  - A) A definitive opinion on the accuracy of the numbers.
  - B) A qualified or modified opinion.
  - C) An opinion that is both accurate and provides a true and fair view.
  - D) An unbiased opinion on the financial statements.

#### Part B

3 x 6 = 18

#### Answer ALL questions

Each answer should not exceed 400 words or two pages

7. a. Define statutory Audit and Differences between Internal Audit and Statutory Audit. CO3:K1

(OR)
- 7.b. What is audit sampling? List out the various types of sampling. CO3:K4
- 8.a. Describe the salient features in vouching of wages in industrial concern. CO4:K3

(OR)
- 8.b. what are the Implications of a Change in Accounting Basis.. CO4:K4
- 9.a. What is an Audit Committee? and its Role & Responsibilities. CO5:K3

(OR)
- 9.b. Describe in an Audit Report. CO5:K3

(OR)

**Part C**

**3 x 12 = 36**

**Answer ALL questions**

**Each answer should not exceed 800 words or four pages**

- 10.a. Briefly explain Test Checking and explain types of Audit Techniques. CO3:K2  
(OR)
- 10.b. Explain Internal Controls in Computer Information System (CIS). CO3:K2
- 11.a. Briefly explain Audit of Impersonal Ledger. CO4:K2  
(OR)
- 11.b. Explain the duties of an auditor at the time of vouching of trade transactions. CO4:K2
- 12.a. Write about the Powers and Duties of Auditors under Companies act 2013. CO5:K3  
(OR)
- 12.b. Explain the important items to be examined by the auditor in the audit of a Hospital. CO5:K2

**No of Copies: 60+30 = 90**