



**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 –August 2020**

**VI Semester**

**Class : III UG**

**Major: Commerce / B.Com Computer Applications**

**Time : 2 Hours**

**Max.marks : 50**

**15BCOC27 / 15BCCC27 Auditing**

**Part A**

**10x1=10**

**Choose the Correct Answer**

1. Instruction of audit issued by controller and auditor general of India
  - a. statutory audit
  - b. final audit
  - c. management audit
  - d. government audit
2. The kind of audit conducted generally between two annual audit is
  - a. internal audit
  - b. interim audit
  - c. final audit
  - d. continuous audit
3. Before commencement of audit work , the auditor plan out the whole of audit work is called
  - a. audit plan
  - b. audit note
  - c. audit risk
  - d. audit programme
4. Voucher relates to (i) cash receipt (ii) cash payment (iii) credit transaction
  - a. only (i)
  - b. both (i) and (iii)
  - c. both (ii) and (iii)
  - d. (i),(ii)and (iii)
5. Internal auditor is appointed by
  - a. the management
  - b. the shareholders
  - c. the government
  - d. the statutory body
6. The audit that is made compulsory under statute is called
  - a. statutory audit
  - b. partial audit
  - c. completer audit
  - d. continuous audit
7. Periodical audit is also called
  - a. final audit
  - b. interim audit
  - c. balance sheet audit
  - d. income statement audit
8. One of the audit procedures to check the issue of share capital of the newly formed company is
  - a. the memorandum of association and articles of association
  - b. the sharer of transfer register
  - c. the issue of debentures
  - d. issue of shares
9. A vacancy caused by resignation of an auditor is filled by
  - a. board of directors
  - b. managing director
  - c. general meeting
  - d. central government
10. Cost audit under section 233(b) of the Companies Act is
  - a. voluntary
  - b. compulsory
  - c. advisable
  - d. avoidable

**Part B**

**3 x 6 = 18**

Answer any **Three** questions

**Each answer should not exceed 400 words or two pages**

11. Discuss the objectives of audit. Explain the importance of auditing in managerial decision making.
12. What are the requisites of a good internal control system?
13. Explain the classification of audit? Give examples for each classification.
14. What are the processes of Standard Setting in IAASB ?
15. Briefly explain the various types of audit programmes.
16. State the features of vouching.
17. Explain the importance of valuation of assets.
18. List out the procedure for preparing sales audit .
19. What is the liability of an auditor of a public limited company with regard to the stock –in-trade?
20. What is secret reserve? What safeguards the auditor should observe with regard to their creation, existence and utilization?

**Part C**

**2 x 11 = 22**

Answer any **Two** questions

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

21. Explain about the relationship of auditing with other disciplines.
22. Explain the audit file and explain the current and permanent audit files. What are the methods of obtaining audit evidence?
23. Distinguish between the Accounting System and Auditing System.
24. Explain the requirements of quality control for audit work and audit working paper.
25. Explain the general principles for verification and valuation of assets.
26. Explain the procedure for capital audit.
27. Explain the duties of an auditor at the time of vouching of trade transactions.
28. Discuss the points to be borne in your mind while vouching of cash book.
29. Discuss the civil and criminal liabilities of an auditor.
30. Discuss the types of audit report.

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