



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 Test II - April 2025
SEMESTER VI

Class : III UG
Major : BCom/BCom(CA)

Time:2 Hours
Maximum Marks:60

21BCOC27/21BCCC27 – Auditing

Course Outcomes:

- 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 and authenticity of cash flow transactions
CO4: Implement effective internal control system in a firm through audit
CO5: Apply the Knowledge gained in conduct of company audit and special audit

Part-A

(6x1=6)

Choose the correct answer

1. Which of the following is not a principle of verification? CO3:K2
 - a. Physical examination
 - b. Document inspection
 - c. Inquiry from third parties
 - d. Internal control evaluation only
2. What is the primary risk in the verification of inventory? CO3:K2
 - a. Overstatement or understatement of stock values
 - b. Missing sales invoices
 - c. Depreciation miscalculations
 - d. Wrong classification of assets
3. Which document is most important for verifying the issuance of shares? CO4:K1
 - a. Share certificate
 - b. Purchase order
 - c. Bank passbook
 - d. Stock register
4. If a company issues shares at a premium, where is the premium amount recorded? CO4:K1
 - a. Share capital account
 - b. Securities premium account
 - c. Profit & Loss account
 - d. Dividend Reserve
5. Who appoints the first auditor of a company? CO5:K2
 - a. Share holders
 - b. Board of Directors
 - c. Government
 - d. SEBI
6. Which section of the companies Act, 2013, deals with the auditor's report? CO5:K2
 - a. Sec 134
 - b. Sec 143
 - c. Sec 129
 - d. Sec 149

Part- B

(3x6=18)

Answer ALL Questions

(Each answer should not exceed 400 words or two pages)

7. a. Explain the meaning and objectives of verification and valuation. CO3:K2

(Or)
7. b. Explain the procedures for verification of different types of assets. CO3:K2
8. a. Identify the different types of reserves. CO4:K3

(Or)
8. b. Compare the functions of share application and share allotment. CO4:K2
9. a. Identify the rights and duties of an Auditor. CO5:K3

(Or)
9. b. Summarize on the importance of auditor's report for share holders. CO5:K2

Part-C

(3x12=36)

Answer ALL questions

(Each answer should not exceed 800 words or four pages)

10. a. Identify the special provisions relating to verification of stocks and liabilities. CO3:K3

(Or)
10. b. Discover the Auditor's duty regarding verification and valuation. CO3:K3
11. a. Explain the Auditor's duty pertaining to share transfer audit. CO4:K2

(Or)
11. b. Discover the duties of an Auditor pertaining to Reserve fund, Secret Reserves, Sinking fund and Provisions. CO4:K3
12. a. Identify the Laws relating to an Auditor. CO5:K3

(Or)
12. b. Discover the different kinds of report and reporting aspects relating to Standard Auditing Principles (SAP). CO5:K3