



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

Class : III UG
Major : B.Com. / B.Com (CA)

Time : 3 Hours
Max. Marks: 100

18BCOC27 / 18BCCC27 Auditing

Part A

10 x 1 = 10

Choose the Correct Answer

1. Auditing refers to
 - a. Preparation of checking of account
 - b. Examination of account of business unit only
 - c. Examination of Professional Accountants
 - d. Checking of Voucher
2. Auditor should be dutiful like a
 - a. A watch dog
 - b. A blood hound
 - c. A detective
 - d. An insurer
3. Internal check is carried on by
 - a. Special staff
 - b. Internal auditor
 - c. Accountant
 - d. Employee of the company
4. Verification refers to
 - a. Examination of journal and ledger
 - b. Examination of vouchers related to assets
 - c. Examining the physical existence and valuation of assets
 - d. Calculation of value of assets
5. The examinations of financial transactions with supporting evidences is called
 - a. Verification
 - b. Vouching
 - c. Auditing
 - d. Investigation
6. Fixed assets are valued at
 - a. Cost
 - b. Market price
 - c. Cost price or market price whichever is less
 - d. Cost less depreciation
7. Shares issued for consideration other than cash should be vouched with the help of
 - a. Directors' minutes book
 - b. Shareholders minutes book
 - c. Contract with the party concerned
 - d. Cash book
8. A company auditor should see that the dividend should be paid
 - a. After charging depreciation
 - b. Without charging depreciation
 - c. Out of capital
 - d. Share Capital
9. An auditor in a casual vacancy is appointed by the
 - a. Board of Directors
 - b. Shareholders
 - c. Central Government
 - d. Company Law board
10. _____ is the medium through which an auditor expresses his opinion on the financial statements
 - a. Auditor's observation
 - b. Auditors comments
 - c. Auditors' views
 - d. Auditor's report

Part B

5 x 6 = 30

Answer ALL questions

Each answer should not exceed 400 words or two pages

- 11.a. Explain the Qualities of an Auditor.
(or)
11.b. List out the advantages of auditing.
- 12.a. Explain the various forms of internal control.
(or)
12.b. Explain the position of an auditor in relation to internal check.
- 13.a. Explain the methods of valuation.
(or)
13.b. Distinguish Between Verification and Valuation.
- 14.a. Explain the Objectives of creating secret reserve.
(or)
14.b. Explain the audit procedure regarding Share Transfer.
- 15.a. What are all the Various Duties of a Company Auditor?
(or)
15.b. Explain the contents of audit report.

Part C

5 x 12 = 60

Answer ALL questions

Each answer should not exceed 800 words or four pages

- 16.a. Explain in detail the classification of audit
(or)
16.b. Distinguish Between Auditing and Accounting.
- 17.a. What are features of internal check system?
(or)
17.b. List out the contents of an audit note book.
- 18.a. Discuss in detail the verification and valuation of different assets.
(or)
18.b. Explain in detail the procedure for vouching of cash transactions.
- 19.a. Describe briefly the audit procedure of share capital.
(or)
19.b. Explain the classification of Reserve.
- 20.a. Explain the various provisions regarding the appointment of an auditor.
(or)
20.b. Discuss in detail the various rights and powers of an auditors.
