

(6 Pages)

Reg. No. : .....

**Code No. : 20477 E      Sub. Code : SMCO 64**

B.Com. (CBCS) DEGREE EXAMINATION,  
APRIL 2020.

Sixth Semester

Commerce — Main

AUDITING

(For those who joined in July 2017 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL the questions.

Choose the correct answer :

1. The word audit has been derived from the Latin word \_\_\_\_\_

(a) Audire

(b) Audit

(c) Hear

(d) Audi

2. An audit conducted in between two annual audits is \_\_\_\_\_
- (a) Statutory audit      (b) Interim audit  
(c) Periodical              (d) Final audit
3. Internal check and internal audit are part of the \_\_\_\_\_
- (a) Internal control      (b) Internal audit  
(c) External audit      (d) Test check
4. Internal auditor sends the report to \_\_\_\_\_
- (a) shareholders      (b) management  
(c) partners              (d) chief accountant
5. Sale of fixed assets can be vouched with \_\_\_\_\_
- (a) Cash book  
(b) Auctioneer's account  
(c) Sale contract  
(d) Both (b) and (c)
6. Which one of the following is documentary evidence?
- (a) Vouching              (b) Voucher  
(c) Violence              (d) None of these

7. Verification is done by the \_\_\_\_\_  
(a) Auditor (b) Clerk  
(c) Assistant (d) Accountant
8. Verification means \_\_\_\_\_  
(a) Proving the truth (b) Confirmation  
(c) Both (a) and (b) (d) Neither (a) nor (b)
9. Auditor is liable to \_\_\_\_\_  
(a) His client (b) The third parties  
(c) The public (d) Both (a) and (b)
10. The liability of an auditor when he is appointed by a private concern is stated in \_\_\_\_\_  
(a) Indian companies Act, 1956  
(b) Agreement with the client  
(c) Industrial disputes Act  
(d) The auditor's report given by him

PART B — ( $5 \times 5 = 25$  marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) What are the contents of audit programme?  
Or  
(b) What are the characteristics of a good working papers?

12. (a) Distinguish between internal audit and external audit.

Or

- (b) What are the advantages of internal check?

13. (a) Define vouching. What are its objects?

Or

- (b) Explain the types of voucher.

14. (a) Define verification. What do you mean by valuation?

Or

- (b) What are the duties of an auditor in verification?

15. (a) Explain the different kinds of auditor's report.

Or

- (b) What are the statutory duties of a company auditor?

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Explain the advantages of an audit.

Or

- (b) What are the objectives of audit?

17. (a) Describe the system of internal check as to cash sales and cash payments.

Or

- (b) What are the objectives of internal check?

18. (a) How will you vouch the credit sales and credit purchases?

Or

- (b) Explain the importance of vouchers.

19. (a) What factors to be considered while valuing assets?

Or

- (b) How would you verify the land and Building and bank balance?

20. (a) Describe the disqualifications for appointment as auditor of a company.

Or

- (b) Describe the various rights conferred on a company auditor.
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