

(6 Pages)

Reg. No. : .....

Code No. : 22094 E Sub. Code : SMC0 64

B.Com. (CBCS) DEGREE EXAMINATION, APRIL 2022

Sixth Semester

Commerce — Core

AUDITING

(For those who joined in July 2017 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The word audit is derived from the Latin word 'audire' which means \_\_\_\_\_.  
(a) To speak (b) To feel  
(c) To hear (d) To smell
2. \_\_\_\_\_ is one of the essential qualities of good working paper.  
(a) Completeness (b) Coherence  
(c) Connectivity (d) Conciseness

3. Internal check and internal audit are part of the \_\_\_\_\_.  
(a) Internal control (b) Internal audit  
(c) External audit (d) Test check
4. \_\_\_\_\_ is one of the evaluation criteria for good internal check.  
(a) Job rotation (b) Job analysis  
(c) Job description (d) Job determination
5. Inspection of documentary evidence of a transaction is called as \_\_\_\_\_.  
(a) Voucher (b) Vouching  
(c) Verification (d) Valuation
6. Carbon copy of an invoice given to a debtor is a \_\_\_\_\_.  
(a) Primary voucher  
(b) Collateral voucher  
(c) Voucher  
(d) Secondary voucher

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7. The whole of the stock is valued at the rate of latest purchases made under \_\_\_\_\_ method of stock taking.

- (a) FIFO (First In First Out)
- (b) LIFO (Last In First Out)
- (c) Base stock
- (d) Average

8. The debt which is \_\_\_\_\_ not shown in balance sheet.

- (a) Recoverable                      (b) Irrecoverable
- (c) Both (a) and (b)              (d) None

9. The auditor is required to submit his report to the \_\_\_\_\_

- (a) Central Government
- (b) State Government
- (c) Persons who appoints him
- (d) Owner

10. Auditor is an \_\_\_\_\_

- (a) Independent                      (b) Employees
- (c) Agent                              (d) Officer

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**PART B — (5 × 5 = 25 marks)**

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

Each answer should not exceed 250 words.

11. (a) Distinguish between accountancy and auditing.

Or

(b) Bring out the qualities of good working paper.

12. (a) Define internal control and explain its objectives.

Or

(b) Describe the evaluative criteria for good internal check.

13. (a) State the importance of vouchers.

Or

(b) Differentiate vouching from voucher.

14. (a) As auditor how you are to verify the stock in trade.

Or

(b) How the assets are classified?

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15. (a) Describe the qualification and disqualifications of an auditor.

Or

- (b) Describe the types of audit report.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Discuss the classifications of auditing.

Or

- (b) Explain the advantages and limitations of audit programming.

17. (a) Give a scheme of internal check with regard to payment of wages.

Or

- (b) Briefly explain the objectives and importance of vouching.

18. (a) Explain the scheme of vouching book debts.

Or

- (b) Mention the points to be borne in mind while vouching of credit transactions.

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19. (a) Enumerate the methods of valuation of assets.

Or

- (b) What are the points to be kept in mind the auditor while verifying stock in trade?

20. (a) Explain the appointment of an auditor in various situations.

Or

- (b) Discuss the liabilities of auditor.
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