

(6 Pages)

Reg. No. :

Code No. : 32020 E Sub. Code : SMCO 64/
AMCO 64

B.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2023.

Sixth Semester

Commerce — Core

AUDITING

(For those who joined in July 2017–2020)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. _____ is a systematic examination of the books and records or a business.
- (a) Auditing (b) Vouching
(c) Verification (d) Checking

2. Which of the following are not objectives of auditing?
- (a) Ascertain the profit and preparation of P/L account, balance sheet
(b) Detection and prevention of frauds and errors
(c) Give a true and fair view of financial amount
(d) To submit the accounts of government of India
3. A number of checks and controls exercised in a business to ensure its efficient working is known as _____
- (a) internal check (b) internal control
(c) internal audit (d) interim check
4. The work of one clerk is automatically checked by another clerk is called _____
- (a) Internal control (b) Internal check
(c) Internal audit (d) None of the above
5. Vouching of the balances of all incomes and expenses account is known as vouching of _____
- (a) Personal ledger (b) Impersonal ledger
(c) Cash (d) Sales

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6. A sale of Rs. 50000 to Mr. A was entered as a sale to Mr. B. This is an example of
- (a) Error of omission
 - (b) Error of commission
 - (c) Compensating error
 - (d) Error of principle
7. Depreciation is ———
- (a) the decrease in the value of an asset
 - (b) the increase in the value of an asset
 - (c) an appreciation to the company
 - (d) a credit to shareholders
8. Audit of company account is ———
- (a) compulsory
 - (b) unnecessary
 - (c) avoidable
 - (d) depends upon directors
9. Auditor shall report on the accounts examined by him ———
- (a) to the shareholders
 - (b) to the court
 - (c) to the bank
 - (d) to the general public

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10. The auditor of a government company shall be appointed by ———
- (a) the government company itself
 - (b) the central government
 - (c) the share holders
 - (d) the debenture holders

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).
Each answer should not exceed 250 words.

11. (a) Define auditing. Explain its advantages.

Or

- (b) Write short note on audit programme.

12. (a) What do you understand by internal check?
State its importance.

Or

- (b) State the procedure involved in internal check of cash sales.

13. (a) State the objectives of vouching.

Or

- (b) Explain about vouching of payment of wages.

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[P.T.O.]



14. (a) What are the various classification of assets?

Or

- (b) How do you value the book debts? Explain.

15. (a) Explain the procedure involved in appointment of auditor.

Or

- (b) What are the rights of auditors?

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Briefly explain the various objectives of auditing.

Or

- (b) State the preliminary steps taken before audit.

17. (a) Explain the differences between internal control and internal audit.

Or

- (b) Discuss the procedure involved during the internal check of fixed assets.

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18. (a) Mention the precautions to be taken by the auditors while examining the vouchers.

Or

- (b) How do you vouch collection from debtors and payment to suppliers? Explain.

19. (a) Describe the procedure involved in verification and valuation of stock.

Or

- (b) How do you verify and valued the investments?

20. (a) Explain the status of auditor in an organisation.

Or

- (b) Elaborate the contents of auditor's report.

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