

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2025  
(Sixth Semester)

Branch – COMMERCE

**AUDITING & FINANCIAL REPORTING**

Time: Three Hours

Maximum: 50 Marks

**SECTION-A (5 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

- 1 State the type of error if the transaction has not been recorded in the books of account either wholly or partially.  
(i) Error of Commission (ii) Error of omission  
(iii) Compensating error (iv) Error of principle
- 2 Identify the document which is used as evidence of a transaction done.  
(i) Journal (ii) Voucher  
(iii) Ledger (iv) Index
- 3 Who appoints the first auditor of a company?  
(i) Board of Directors (ii) Share holders  
(iii) Promoters (iv) Central Government
- 4 Which of the following companies can create secret reserve?  
(i) Public Limited Company only (ii) Private Limited Company only  
(iii) Government Companies only (iv) Banking and Financial Companies only
- 5 Which one of the following is not an element of financial reporting?  
(i) Profit and Loss account (ii) Balance Sheet  
(iii) Cash flow Statement (iv) Ratio Analysis

**SECTION - B (15 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a Narrate the nature of auditing.  
OR  
b Show the requisite of Audit plan as per SA 300
- 7 a Summarize the duty of an auditor as regards to vouching of cash payments.  
OR  
b Sketch out the differences between verification and vouching
- 8 a Enumerate the appointment of auditors of Companies as per SA 550 revised standards  
OR  
b Explain the rights of an auditor

Cont...

- 9 a State the auditors duty as regards share capital.  
OR  
b Outline the duties of an Auditor as regards to charitable institutions
- 10 a Describe the objectives of financial reporting.  
OR  
b Discuss the purpose of financial reporting.

**SECTION -C (30 Marks)**  
**Answer any Three questions**  
**ALL questions carry EQUAL Marks** (3 x 10 = 30)

- 11 Examine the objectives of auditing.
- 12 Enumerate the process of verification and valuation of assets.
- 13 Highlight the steps involved in the preparation of audit report as per CARO rules.
- 14 Point out the auditors' duty as regards depreciation and reserves
- 15 Analyse the elements of financial reporting.

Z-Z-Z

END