

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2025
(Third Semester)

Branch – COMMERCE (PROFESSIONAL ACCOUNTING)

AUDITING AND ASSURANCE - I

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	The primary objective of an audit is to _____. a) Detect all frauds b) Prepare accounts c) Express opinion on financial statements d) Maintain books of accounts	K1	CO1
	2	Assurance standards are issued by _____. a) ICAI b) RBI c) SEBI d) Ministry of Finance	K2	CO1
2	3	Audit planning helps in _____. a) Reducing audit time b) Preparing accounts c) Maintaining books d) Filing tax returns	K1	CO2
	4	An audit programme is a _____. a) Set of instructions for audit staff b) Annual financial report c) Income tax plan d) Cash flow statement	K2	CO2
3	5	Audit risk includes which of the following? a) Inherent risk b) Control risk c) Detection risk d) All of the above	K1	CO3
	6	Internal control means _____. a) Government control b) Management policies and procedures c) Auditor's supervision d) Legal control	K2	CO3
4	7	In an automated environment, records are maintained _____. a) Manually b) Electronically c) Both d) None	K1	CO4
	8	Audit sampling means _____. a) Checking all transactions b) Checking a part of transactions c) Preparing accounts d) None of the above	K2	CO4
5	9	Analytical procedures involve _____. a) Studying relationships among data b) Writing audit reports c) Filing tax returns d) Checking only invoices	K1	CO5
	10	A sample in auditing must be _____. a) Representative of the population b) Selected by management c) Very small d) Ignored	K2	CO5

Cont...

SECTION - B (35 Marks)Answer **ALL** questions**ALL** questions carry **EQUAL** Marks

(5 x 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	What are the main objectives of Auditing.	K2	CO1
	(OR)			
	11.b.	Associate and explain the standard setting process in auditing.		
2	12.a.	Figure out,What is an audit strategy?	K3	CO2
	(OR)			
	12.b.	Ascertain- What are audit files?		
3	13.a.	Predict about audit risk in brief.	K3	CO3
	(OR)			
	13.b.	Determine how is an internal control system evaluated?		
4	14.a.	Identify-What is meant by an automated environment in auditing?	K4	CO4
	(OR)			
	14.b.	Examine the different methods of testing in auditing.		
5	15.a.	Explore a brief account on: Audit sampling.	K4	CO5
	(OR)			
	15.b.	Express the steps in designing a sample for audit.		

SECTION - C (30 Marks)Answer **ANY THREE** questions**ALL** questions carry **EQUAL** Marks

(3 x 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Explain the basic principles governing an audit.	K4	CO1
2	17	Document the importance of audit planning and the steps involved in performing an audit.	K4	CO2
3	18	Identify the auditor's responsibility in the prevention and detection of frauds?	K4	CO3
4	19	Appraise the relevance of Information Technology (IT) in an audit.	K5	CO4
5	20	File on - What are Analytical Review Procedures under SA 520? Explain their importance in auditing.	K5	CO5

Z-Z-Z

END