PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2026
(Sixth Semester)

Branch – **CORPORATE SECRETARYSHIP**

MAJOR ELECTIVE COURSE – II PRACTICAL AUDITING

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	Which of the following best describes auditing? a) Recording financial transactions b) Systematic examination of financial records c) Preparing budgets d) Managing company operations	K1	CO1
	2	What is the main purpose of an investigation? a) To prepare financial statements b) To express audit opinion c) To find out specific facts or truth d) To maintain records	K2	CO1
2	3	Which of the following is a disqualification of an auditor? a) Being a Chartered Accountant b) Being an employee of the company c) Having audit experience d) Being independent	K1	CO2
	4	An auditor carefully checks all records before giving an opinion. This shows: a) Carelessness　b) Confidentiality c) Due diligence　d) Laziness	K2	CO2
3	5	Separation of duties among employees is an example of: a) Internal audit　b) Internal check c) External audit　d) Investigation	K1	CO3
	6	An auditor writes down suspicious transaction during audit. This is recorded in: a) Cash book　b) Journal c) Audit note book　d) Ledger	K2	CO3
4	7	What is valuation of assets? a) checking physical existence b) Determining correct value of assets c) Recording transaction d) Posting entries	K1	CO4
	8	If stock is valued lower than its actual value, it results in: a) No change　b) Profit increase c) Creation of secret reserve　d) Loss	K2	CO4
5	9	What is the role of an auditor in computerized accounts? a) To write programs b) To check accuracy and reliability of data c) To manage employees d) To prepare accounts	K1	CO5
	10	Which of the following is a limitation of the conventional accounting system? a) High speed b) Accuracy c) Time – consuming process d) Automation	K2	CO5

Cont...

SECTION - B (35 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Write a short note on the advantages and limitations of auditing.	K2	CO2
		(OR)		
	11.b.	Distinction between Auditing and Investigation		
2	12.a.	List the essential qualities, qualifications, and disqualifications of an auditor.	K2	CO2
		(OR)		
	12.b.	Explain the purpose and importance of an audit report in auditing.		
3	13.a.	Define internal control and list its objectives.	K3	CO3
		(OR)		
	13.b.	Analyze the steps involved in vouching cash book		
4	14.a.	Explain the role of an auditor in the verification and valuation of assets and liabilities.	K3	CO4
		(OR)		
	14.b.	Define Reserves and Provisions. State their key features and objectives		
5	15.a.	Differences between Computers based Accounting and Conventional Accounting System.	K5	CO5
		(OR)		
	15.b.	Write a short note on Electronic Auditing.		

SECTION -C (30 Marks)

Answer **ANY THREE** questions

ALL questions carry **EQUAL** Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Evaluate the role of an audit programme in ensuring effective auditing.	K2	CO1
2	17	Explain the Rights, Duties and Liabilities of Auditors.	K3	CO2
3	18	Describe how an auditor prepares and maintains working papers.	K4	CO3
4	19	Explain the concept of depreciation and its need in accounting	K3	CO4
5	20	Describe the advantages and limitations of computerized accounting systems.	K5	CO5

Z-Z-Z END