

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom (PA) DEGREE EXAMINATION MAY 2022
(Fourth Semester)

Branch – COMMERCE (PROFESSIONAL ACCOUNTING)

AUDITING - I

Time : Three Hours

Maximum : 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (10 x 1 = 10)

1. Main objective of auditing is
 - (a) Detection of errors
 - (b) Detection of frauds
 - (c) To find out whether P&L a/c and B/S show true and fair state affairs
 - (d) Detection and prevention of frauds and errors.
2. Periodical audit is also called as _____
 - (a) Final audit
 - (b) Interim audit
 - (c) Balance sheet audit
 - (d) Income statement audit
3. The retiring auditor does not have a right to
 - (a) Make written representations
 - (b) Get his representation circulated
 - (c) Be heard at the meeting
 - (d) Speak as a member of the company.
4. Which of the following auditing assurance standard deals with audit planning?
 - (a) AAS7
 - (b) AAS8
 - (c) AAS9
 - (d) AAS10
5. The specific guidelines and directions for the efficient and effective completion of the audit work on timely and daily basis, so as to minimize audit risk is _____
 - (a) Audit planning
 - (b) Audit report
 - (c) Audit programme
 - (d) Audit certificate
6. An audit programme is a set of _____ which are to be followed for proper execution of audit.
 - (a) Rule
 - (b) Policies
 - (c) Instructions
 - (d) Actions
7. Internal control included _____
 - (a) Internal audit
 - (b) Internal check
 - (c) Internal audit and Internal check
 - (d) Internal check and external audit
8. Control risk is assessed at
 - (a) Overall financial statements level
 - (b) Fraud risk factor level
 - (c) Financial statement assertion level
 - (d) Control environment level
9. To determine if a sample is truly representative of the population, an auditor would be required to
 - (a) Conduct multiple samples of the same population
 - (b) Never use sampling because of the expensive involved
 - (c) Audit the entire population
 - (d) Systematic sample selection
10. Which of the following is not IT related risk
 - (a) Unauthorized access to data
 - (b) Authorized changes to system of program
 - (c) Sampling risk
 - (d) Lack of adequate segregation of duties

Cont...

SECTION -B (35 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 7 = 35)

- 11 a Briefly discuss the scope of auditing.
OR
b State the secondary objectives of auditing.
- 12 a What are the consideration to be kept in mind before taking up a new audit?
OR
b List out the quality control for an audit of financial statement (SA 220).
- 13 a What are the factors influencing audit planning?
OR
b Give the contents of audit working papers.
- 14 a Bring out the five elements of internal controls.
OR
b Point out the risk assessment procedures of an auditor.
- 15 a What are the various types of controls?
OR
b Mention the key features of an automated environment.

PART-C (30 Marks)

Answer any THREE questions

ALL questions carry EQUAL Marks

(3 x 10 = 30)

- 16 Explain the basic principles governing an audit.
- 17 Enumerate auditing and assurance standard issued by the institute and explain in brief the standards as regards reporting.
- 18 Discuss the merits and demerits of audit programme.
- 19 Explain the judgment of the auditor that there is fraud risk in an audit of financial statement which affects the auditor.
- 20 What are the factors which determine scope of audit testing (or) sampling? Explain.

Z-Z-Z

END