

**B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2015****Sixth Semester****Core Course 16—PRACTICAL AUDITING**

(Common for model I B.Com., model II B.Com. and UGC sponsored B.Com. Degree programmes)

Time : Three Hours

Maximum Weight : 25

*Answers may be written in English or in Malayalam.*

**Part A**

*This section consists of four bunches of four questions each.  
Each bunch carries a weight of 1.*

**I. Choose the correct answer from the choices given :**

- 1 Comparing the entries in the books of accounts with documentary evidence is known as \_\_\_\_\_.  
(a) Verification. (b) Vouching.  
(c) Valuation. (d) Verification.
- 2 The bench mark by which the quality of audit performance can be measured is called \_\_\_\_\_.  
(a) EDP. (b) Auditing.  
(c) Performance audit. (d) AAS.
- 3 \_\_\_\_\_ is known as critical examination of books of accounts.  
(a) Investigation. (b) Auditing.  
(c) Book-keeping. (d) Routine checking.
- 4 An invitation to the public to subscribe to the shares and debentures of the company is called \_\_\_\_\_.  
(a) Memorandum of association.  
(b) Articles of association.  
(c) Prospectus.  
(d) Certificate of incorporation.

**II. Fill in the blanks :**

- 5 Teaming and lading is a method of misappropriating \_\_\_\_\_.
- 6 Auditor is \_\_\_\_\_ of the shareholder.

**Turn over**

7 Innocently created mistakes are called ———.

8 Assets which have no value are known as ———.

III. State whether the following statements are true or false :

9 Only a chartered accountant can carry out stator audit.

10 Working papers are the property of the client only.

11 There can be no standard audit programme in the case of investigation.

12 Automatic review of operations is known as internal control.

IV. Match the following :

- |                      |   |                                  |
|----------------------|---|----------------------------------|
| 13 Verification      | - | Procedure and practices of ICAI. |
| 14 First auditors    | - | Proving the truth.               |
| 15 Tax audit         | - | Audit memorandum.                |
| 16 Accounting system | - | Board of directors.              |

(4 × 1 = 4)

### Part B

*Answer any five questions.  
Each question carries a weight of 1.*

- 17 What do you mean by audit-in-depth ?
- 18 What is internal audit ?
- 19 What do you mean by performance audit ?
- 20 What is a qualified report ?
- 21 What is an audit working paper ?
- 22 What is forfeiture of shares ?
- 23 What is tax audit ?
- 24 What are the different types of vouchers ?

(5 × 1 = 5)

### Part C

*Answer any four questions.  
Each question carries a weight of 2.*

- 25 What is an audit note book ? Mention the contents of an audit note book.
- 26 Distinguish between management audit and statutory audit.
- 27 What is government audit? What are its objectives ?
- 28 What are the legal restrictions on the shares issued at a discount ?



- 29 What are the duties of an auditor in respect of internal check ?  
30 What is auditing in EDP ? What are its features ?

(4 × 2 = 8)

**Part D**

*Answer any two questions.  
Each question carries a weight of 4.*

31. What are the provisions of law relating to the qualifications, disqualifications and appointment of the auditor of a company ?  
32. How would you decide a system of internal check with regard to cash transactions of a business ? Explain briefly.  
33. What is meant by investigation report ? Explain how you would conduct an investigation on behalf of an incoming partner who wishes to join in an existing partnership firm.

(2 × 4 = 8)