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(3rd Semester)

COMMERCE

Paper No. : BC-303

(**Auditing**)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

1. State whether the following statements are *True (T)*
or *False (F)* by putting a Tick (✓) mark : 1×5=5

(a) The word 'audit' is derived from the Greek word
'audire'.

(T / F)

(b) Test checking involves full checking of accounts.

(T / F)

(c) Internal control is control over financial and
non-financial areas.

(T / F)

(2)

(d) The auditor of a government company is appointed by the Central Government.
(T / F)

(e) Auditing and investigation are same.
(T / F)

2. Choose the correct answer and place its code in the brackets provided : 1×10=10

(a) Interim audit is conducted
(i) at the beginning of the year
(ii) at the end of the year
(iii) in between the two annual audits
(iv) any time []

(b) Auditing is
(i) an art of recording business transaction
(ii) done by junior clerks
(iii) also called investigation
(iv) verification of book entries and accounts []

(3)

(c) Routine checking means checking of
(i) arithmetical accuracy of book of original entry
(ii) accounting principles
(iii) accounting laws
(iv) expenditure []

(d) Audit planning involves
(i) appropriate attention to important areas
(ii) potential problems promptly identified
(iii) time-bound progress and completions
(iv) All of the above []

(e) Internal control is
(i) control over financial and non-financial areas
(ii) accounting procedure
(iii) conducted by chartered accountant
(iv) All of the above []

(f) Internal check means checking of day-to-day transaction that work of one person
(i) is final
(ii) is verified
(iii) is automatically checked by other person
(iv) is carried to next year []

(4)

- (g) Disqualification of an auditor is given in
- (i) Section 226(3) of the Companies Act
 - (ii) Section 227(3) of the Companies Act
 - (iii) Section 228(3) of the Companies Act
 - (iv) Section 229(3) of the Companies Act
- []
- (h) The first auditor of a company shall be appointed by the
- (i) Central Government
 - (ii) State Government
 - (iii) Company
 - (iv) Board of Directors
- []
- (i) Investigation means
- (i) inquiry
 - (ii) first-hand information
 - (iii) report
 - (iv) conclusion
- []
- (j) Investigation can be conducted
- (i) yearly
 - (ii) half-yearly
 - (iii) quarterly
 - (iv) whenever needed
- []

(5)

3. Write short notes on the following : 2×5=10

- (a) Continuous Audit

(6)

(7)

(b) Audit Notebook

(c) Internal Control

(8)

(d) Qualification of an Auditor

(9)

(e) Investigation
