

Aud/BC-303

2 0 1 5

(3rd Semester)

COMMERCE

Paper No. : BC-303

(**Auditing**)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(*Marks : 45*)

*The figures in the margin indicate full marks
for the questions*

Answer **all** questions

1. (a) What do you understand by the term 'auditing'? What are its objectives? 2+7=9

Or

- (b) What do you mean by 'continuous audit'? To which class of business is it suitable? State its merits and demerits.

1+1+7=9

L16—1300/71a

(Turn Over)

(2)

2. (a) What is test checking? What precautions should be taken before applying test checking? 2+7=9

Or

- (b) "The working papers are in fact a record of work done." Explain the statement in the light of objective and importance of working papers. 9
3. (a) What do you mean by the term 'internal check'? Suggest a suitable system of internal check for wage payment in a large manufacturing concern. 2+7=9

Or

- (b) What do you mean by 'verification of assets'? How does it differ from 'valuation of assets'? As an auditor, how would you verify the following?
- (i) Plant and Machinery
- (ii) Book Debts 1+2+3+3=9

4. (a) Explain the provisions of the Companies Act, 1956 regarding the appointment of a company auditor. 9

Or

- (b) Discuss the statutory rights and duties of an auditor under the Companies Act, 1956.

(3)

5. (a) Define investigation and state its salient features. Distinguish between investigation and audit. $2+2+5=9$

Or

- (b) As an auditor, how would you investigate when a fraud is suspected in a business? 9
