

**2017**  
( 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) Detection of errors is the primary objective of  
an audit.

( T / F )

(b) Procedure of auditing generally starts with  
notification.

( T / F )

(c) Internal control is only related to internal check  
and internal audit.

( T / F )

(d) The first auditors should not hold any security carrying voting right of that company.

( T / F )

(e) Investigation is not a regular process.

( T / F )

1. Fill in the blanks :

1×5=5

(a) External auditing refers to auditing by  
..... group.

(b) Principle of secrecy is the basic  
..... of auditing.

(c) ..... himself performs the  
work of verification.

(d) Remuneration of auditors will be fixed by ..... if he is appointed by the Board.

(e) Evidence is any type of ..... which tends to establish a fact material to the case.

3. Choose the correct answer and place its code in the brackets provided : 1×5=5

(a) Which one of audits is not audit based on objectives?

(i) Independent Audit

(ii) Financial Audit

(iii) Trust Audit

(iv) Secretarial Audit

[       ]

(b) Which one of these is the technique of auditing?

(i) Close meeting

(ii) Follow-up

(iii) Fieldwork

(iv) Inquiry

[       ]

- (c) Verification is related to
- (i) assets and liabilities
  - (ii) owners and companies
  - (iii) audit programme and liabilities
  - (iv) None of the above [      ]

- (d) Duty of auditors under Section 240 means
- (i) assist the management
  - (ii) assist the government inspectors
  - (iii) assist the local authority
  - (iv) All of the above [      ]

- (e) SFIO stands for
- (i) Serious Fraud Investigation Office
  - (ii) Several Frauds Investigation Officer
  - (iii) Security and Frauds Investigation Officer
  - (iv) Security File Investigation Officer [      ]

( 5 )

4. Write on the following in 3 to 4 sentences each :

2×5=10

(a) Window Dressing

(b) Audit Files

(c) Valuation

(d) Qualification of Auditors



(e) Investigation