

2018
(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) Continuous audit is needed when the organization has a good internal control system.
(T / F)

(b) An audit notebook is a book maintained by the clerk.
(T / F)

(c) Internal control, internal check and internal audit mean the same thing.
(T / F)

(d) Only individuals can be appointed as auditors of a company.

(T / F)

(e) Investigation is usually carried on when the books of account are already subjected to regular audit.

(T / F)

2. Fill in the blanks :

1×5=5

(a) Tax audit refers to audit.

(b) The methods by which an auditor obtains evidences are known as of auditing.

(c) A documentary evidence in support of transaction is known as

(d) The auditors of Government Companies are appointed on the advice of the

.....

(e) Investigation involves critical examination and

..... of specific records.

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

(a) A sale of ₹ 50,000 to Mr. A was entered as a sale to Mr. B. This is an example of

(i) error of omission

(ii) error of commission

(iii) compensating error

(iv) error of principles []

(b) The work of one clerk is automatically checked by another clerk is called

(i) internal control

(ii) internal check

(iii) internal audit

(iv) None of the above []

(4)

(c) Payment for wages should be vouched with the help of

(i) piecework statement

(ii) wage sheet

(iii) minute book

(iv) bank passbook

[]

(d) A company auditor does not have a right

(i) to get dividend and bonus

(ii) to sign audit report

(iii) to receive notice and attend meeting

(iv) to call for information and explanation

[]

(e) Purpose of investigation is to establish

(i) effectiveness of the business transaction

(ii) efficiency of the business transaction

(iii) economy of the processes of the business transaction

(iv) All of the above

[]

(5)

4. Write on the following in 3 to 4 sentences each : 2×5=10

(a) Errors of omission

(b) Audit programme

(a) Errors of omission

1. Errors of omission are those errors which are not recorded in the books of account. They are of two types: (i) errors of commission and (ii) errors of omission. Errors of omission are of two types: (i) errors of commission and (ii) errors of omission.

2. Errors of omission are of two types: (i) errors of commission and (ii) errors of omission.

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7. Errors of omission are of two types: (i) errors of commission and (ii) errors of omission.

8. Errors of omission are of two types: (i) errors of commission and (ii) errors of omission.

9. Errors of omission are of two types: (i) errors of commission and (ii) errors of omission.

10. Errors of omission are of two types: (i) errors of commission and (ii) errors of omission.

(7)

(c) Vouching

10

(8)

(d) Rights of an auditor

(9)

(e) Audit working papers
