



Cutting, Overwriting, Erasing, Fluid painting and use of Lead Pencil will earn no marks.
Write answer of the Question No.1 and 2 on this sheet and handover it to the supervisory
staff of examination within first 35 minutes.

Time Allowed: 35 Minutes

(OBJECTIVE PART)

Max. Marks: 32

*Sign of
Supdt.*

1- a) Encircle the correct answer:

1x8

- i) Audited accounts are considered to be more reliable for the purpose of:

 - a) Income Tax Assessment
 - b) Claim for Compensations
 - c) Raising a Loan
 - d) All of these

ii) Planning memorandum contains the following informations of a clients business.

 - a) Types of product
 - b) Current Tax Position
 - c) Purposes of investment
 - d) All of these

iii) The auditor should include the following items in the audit programme.

 - a) Name of the Client
 - b) Duration of Audit
 - c) System of Internal Control
 - d) All of these

iv) The Audit which is conducted in between two final audit is called:

 - a) Continuous Audit
 - b) Govt. Audit
 - c) Cost Audit
 - d) Interim Audit

v) Which ISA deals with the audit documentation:

 - a) ISA-210
 - b) ISA-220
 - c) ISA-230
 - d) ISA-240

vi) Audit techniques involve as:

 - a) Vouching
 - b) Testing
 - c) Enquiry
 - d) All of these

vii) A bailment of goods as security for the payment of debt is called:

 - a) Mortgage
 - b) Pledge
 - c) Hypothecation
 - d) All of these

viii) When an entry is omitted to record in the book is called:

 - a) Errors of commission
 - b) Errors of omission
 - c) Compensating Errors
 - d) All of these

b) Encircle True or False:

 1×4

- | | |
|--|--------------|
| i) Inspection of tangible assets does not consist of physical examination of assets. | True / False |
| ii) Evaluating responses to inquiries is an integral part of the inquiry process. | True / False |
| iii) Vouching is the very essence of Auditing. | True / False |
| iv) Fix charges is a bailment of goods as security for the payment of a debt. | True / False |

c) Fill in the blank meaningfully:

 1×4

- i) An independent appraisal of activity established within an organization as a service to it is called_____.
- ii) The Audit Programme may be fixed or _____.
- iii) An official written intimation by the management of an organization to the Auditor is called_____.
- iv) Internal Control can be divided into Two Categories:

1. Financial Control

(Continued Overleaf)

i) Principles Errors.

ii) Dual Liability of an Auditor.

iii) Partial Audit.

iv) Test Checking.

v) Statutory Report.

vi) Rotation Principles.

vii) Window Dressing.

viii) Output Devices.

Attempt **FOUR** Questions in all. All Questions carry equal marks.

SUBJECTIVE PART

- 3- Define Engagement Letter. Write a comprehensive note on it.
- 4- Define Audit Programme. How it is constructed? Explain its Merits & Demerits.
- 5- Discuss in detail the Quality Control Policies.
- 6- Define Audit Working Papers. Explain its Qualities and Contents. Who is the Owner of these Papers?
- 7- Define Statutory Audit Report. Whether it is compulsory for Public Limited Company? Give the Contents and Specimen of this Report.
- 8- a) Differentiate between Internal Audit and External Audit. 9
b) Explain the Qualification, Disqualification and removal of an Auditor. 8