



B.Com. (Semester – V) Examination, April/May 2019

ACCOUNTING

Major – 3 : Auditing – I (New Course)

Duration : 2 Hours

Total Marks : 80

Instructions : 1) **All** questions are **compulsory**, however **internal choice** is available.

2) Answer sub-questions in Question No. **1** and **2** in **not** more than **100** words.

3) Answer Question No. **3** to Question No. **6** in **not** more than **400** words.

4) Figures to the **right** indicate **full** marks for respective question/sub-question.

1. Write short notes on the following (**any four**) : (4×4=16)

- a) Qualities of an auditor
- b) Limitations of audit programme
- c) Objectives of internal control system
- d) Vouching of capital expenditure
- e) Distinction between verification and valuation
- f) Vouching of travelling expenses.

2. Write short notes on the following (**any four**) : (4×4=16)

- a) Audit independence
- b) Contents of permanent audit file
- c) Judgmental sampling
- d) Objectives of internal check
- e) Verification of goodwill
- f) Vouching of cash sales.



3. a) Explain the basic principles governing an audit. 12
- OR
- b) Explain the objectives of auditing. 12
4. a) Explain the various methods of obtaining audit evidence. 12
- OR
- b) What are audit working papers ? Explain the issue of ownership and confidentiality of working papers. 12
5. a) Explain the procedure for evaluation of internal control system in an organization. 12
- OR
- b) What is internal audit? Explain the significance of internal audit. 12
6. a) Explain the procedure for verification and valuation of inventories. 12
- Substantiate the answer with relevant case laws.
- OR
- b) Explain the procedure of verification and valuation for the following items : (6×2=12)
- i) Investments
 - ii) Secured and unsecured loans.