



B.Com. (Semester – V) Examination, October 2015
Accounting Major – 3 (New Course)
AUDITING – I

Duration : 2 Hours

Total Marks : 80

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

2) Answer sub-questions in question number 1 and 2 in **not** more than **100** words.

3) Answer question number 3 to question number 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 **any four** of the following :

(4×4=16)

- a) Benefits of auditing.
- b) Audit independence.
- c) Audit note book.
- d) Objectives of internal check.
- e) Vouching procedure for revenue expenditure.
- f) Objectives of verification of assets.

2. Write short notes on **any four** of the following :

(4×4=16)

- a) Reliability of audit evidence.
- b) Test checking.
- c) Internal audit.
- d) Objectives of vouching.
- e) Verification procedure of trademarks.
- f) Basic principles governing an audit (any four).



3. Define auditing. Explain the objectives of auditing. 12
 OR
 Explain the classification of audit based on time. 12
4. What is audit planning ? Explain the steps in audit planning. 12
 OR
 What is audit evidence ? Explain the sources of evidence and the audit procedures for obtaining evidence. 12
5. Define internal check. Explain the principles to be considered in determining the internal check system. 12
 OR
 Explain the methods used by an auditor for evaluation of the internal control system. 12
6. What are the duties of an auditor regarding valuation and verification of stock-in trade of a manufacturing concern ? Support the answer with relevant case laws. 12
 OR
 Explain the procedure to be followed by an auditor while vouching the following items :
 a) Cash sales
 b) Rent received
 c) Sale on approval basis. 12
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