



**B.Com. (Semester – V) Examination, October/November 2017**  
**ACCOUNTING MAJOR – 3 : AUDITING – I (New Course)**

Duration : 2 Hours

Max. Marks : 80

- Instructions:** 1) *All questions are **compulsory**, however internal choice is available.*
- 2) *Answer sub-question 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) Window dressing.
  - b) Advantages of internal audit.
  - c) Current file of working papers.
  - d) Distinguish between vouching and verification.
  - e) Vouching procedure for cash purchases (any 6 points).
  - f) Vouching procedure for wages paid (any 6 points).
2. Write short notes on the following (**any four**) : (4×4=16)
- a) Misappropriation of cash and goods.
  - b) Audit evidence.
  - c) Purpose of audit notebook.
  - d) Usefulness of internal control system.
  - e) Objectives of valuation.
  - f) Verification procedure for patents.
3. A) Explain the advantages and limitations of auditing. 12
- OR
- B) Explain various classes of audit according to timing and scope. 12



4. A) Explain the purpose and contents of audit working papers. 12
- OR
- B) What is audit programme ? Explain the objectives and limitations of an audit programme. 12
5. A) What is Internal Control System (ICS) ? Explain the procedure for evaluating the ICS. 12
- OR
- B) How is a 'Flow chart' used in evaluation of internal control system ? Explain its merits and demerits. 12
6. A) What is meant by verification ? Explain the procedure for verification and valuation of inventories with case laws. 12
- OR
- B) Explain the procedure for vouching the following : (4×3=12)
- i) Commission received
  - ii) Rent received
  - iii) Receipts from debtors.
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