

(6 Pages)

Reg. No. : .....

**Code No. : 20315 E      Sub. Code : GMCO 64**

B.Com. (CBCS) DEGREE EXAMINATION,  
APRIL 2020.

Sixth Semester

Commerce — Main

AUDITING

(For those who joined in July 2012 – 2015)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL the questions.

Choose the correct answer :

1. An audit note-book is a book which is maintained by the \_\_\_\_\_
  - (a) Cashier
  - (b) Auditor
  - (c) Audit clerk
  - (d) Accountant

2. \_\_\_\_\_ is one which counter-balanced by any other errors
- (a) Error of principle
  - (b) Error of omission
  - (c) Error of commission
  - (d) Error of compensation
3. \_\_\_\_\_ is concerned with devising the form and flow of operation of an entity that automatic checks are carried out as the transactions occur
- (a) Internal audit            (b) Internal control
  - (c) Internal check            (d) Investing action
4. Test checks should not be applied to \_\_\_\_\_
- (a) Purchase book            (b) Cash book
  - (c) Sales book                (d) Stock register
5. \_\_\_\_\_ book is used for recording credit purchases of the business only
- (a) Cash                        (b) Bought journal
  - (c) Sales                        (d) Return books
6. \_\_\_\_\_ expenditure is known as non-recurring expenditure
- (a) Deferred                    (b) Deferred revenue
  - (c) Selling                      (d) Advertisement

7. Verification means \_\_\_\_\_
- (a) Value (b) Conformation  
(c) Confirm (d) Valuation
8. \_\_\_\_\_ are those assets which cannot be seen or touched
- (a) Tangible (b) Intangible  
(c) Fixed (d) Book debts
9. Chartered accountant Act was enacted in the year \_\_\_\_\_
- (a) 1947 (b) 1948  
(c) 1949 (d) 1950
10. Remuneration of the internal auditor is fixed by the \_\_\_\_\_
- (a) Management  
(b) Share holder  
(c) External auditor  
(d) Audit clerk

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Answer should not exceed 250 words.

11. (a) Write short notes on Errors of omission and errors of commission.

Or

- (b) Explain the precautions to be taken while applying test checks.

12. (a) Define internal control. Explain its objectives.

Or

- (b) Describe the evaluative criteria for good internal check.

13. (a) State the importance of vouchers.

Or

- (b) What do you mean by vouching?

14. (a) Write a short notes on verification of investment.

Or

- (b) How would you verify bills receivable?

15. (a) State the qualifications and disqualifications of auditor.

Or

- (b) State the contents of auditors report.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Answer should not exceed 600 words.

16. (a) Describe the advantages of an audit.

Or

- (b) Explain the filing of working papers in detail.

17. (a) Explain internal check regarding cash.

Or

- (b) Explain the advantages and disadvantages of internal check.

18. (a) Explain voucher in detail.

Or

- (b) Describe the precautions to be taken by the auditors while examining vouchers.

19. (a) Explain verification of different types of liabilities.

Or

- (b) How would you verify the following assets?

- (i) Stock in hand
- (ii) Patent rights
- (iii) Book debts.

20. (a) Explain appointment of auditor in detail.

Or

- (b) Explain the duties of auditor.
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