

B.Com. (CBCS) DEGREE EXAMINATION,  
NOVEMBER 2022.

Sixth Semester

Commerce — Core

AUDITING

(For those who joined in July 2017 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Auditing begins where \_\_\_\_\_ ends.  
(a) Selling (b) Inventory valuation  
(c) Accounting (d) Purchases
2. Before the work of audit is commenced, the auditor plans out the whole of audit work is called \_\_\_\_\_.  
(a) Audit plan (b) Audit note  
(c) Audit programme (d) both (b) and (c)

7. Stock in trade is valued \_\_\_\_\_.  
(a) at cost price  
(b) at market price  
(c) at cost price or market price whichever is less  
(d) at cost price less depreciation
8. Verification is \_\_\_\_\_.  
(a) the art of recording the business transaction  
(b) an examination of the books of accounts  
(c) the act of establishing the accuracy of entries in the books of accounts  
(d) none of the above
9. The liabilities of an auditor can be \_\_\_\_\_.  
(a) civil (b) criminal  
(c) civil and criminal (d) official
10. The auditor has a right to \_\_\_\_\_.  
(a) obtain information and explanation  
(b) obtain information and explanation from the employees and officers  
(c) obtain information and explanation necessary for the purpose of audit  
(d) both (b) and (c)

3. Internal check is meant for \_\_\_\_\_.  
(a) prevention of frauds  
(b) detection of frauds  
(c) helping audit is depth  
(d) detection of errors
4. Internal controls and internal check are \_\_\_\_\_.  
(a) one and the same  
(b) different  
(c) internal control includes internal check  
(d) none of the above
5. Voucher relates to \_\_\_\_\_.  
(a) cash receipt (b) cash payment  
(c) credit transactions (d) all the above
6. The purpose of the audit of wage payment is to determine that \_\_\_\_\_.  
(a) the work is executed completely for which the workers are paid wages  
(b) the workers are paid the correct amount of wages under proper authorization  
(c) the workers are working regularly  
(d) none of the above

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).  
Each answer should not exceed 250 words.

11. (a) State the objectives of auditing.  
Or  
(b) What do you understand by audit programme?
12. (a) Define internal check. Explain its significance.  
Or  
(b) Distinguish between internal control and internal audit.
13. (a) What are the objectives of vouching?  
Or  
(b) How do you vouch the interest received and interest payments?
14. (a) Describe the various classifications of assets.  
Or  
(b) How do you value the plant and machinery? Explain.

15. (a) Explain the qualifications of a company auditor.

Or

- (b) What is audit report? Explain its contents.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b)  
Each answer should not exceed 600 words.

16. (a) Bring out the advantages of auditing.

Or

- (b) Write a detailed note on audit working papers.

17. (a) Mention the advantages and disadvantages of internal check.

Or

- (b) Explain the procedure for internal check of fixed assets.

18. (a) How do you vouch the payment of wages and collection from debtors?

Or

- (b) State the precautions to be taken by the auditor before examining vouchers.

19. (a) Explain the procedure involved in verification and valuation of stock in trade.

Or

- (b) How do you verify and value the book debts?

20. (a) Explain the rights and duties of a company auditor.

Or

- (b) Discuss about the removal of a company auditor.
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