

Reg. No. :

Code No. : 22094 E Sub. Code : SMCO 64

(CBCS) DEGREE EXAMINATION, APRIL 2022

Sixth Semester

Commerce — Core

AUDITING

(For those who joined in July 2017 onwards)

Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

The word audit is derived from the Latin word 'audire' which means _____

- (a) To speak (b) To feel
- (c) To hear (d) To smell

_____ is one of the essential qualities of good working paper.

- (a) Completeness (b) Coherence
- (c) Connectivity (d) Conciseness

The whole of the stock is valued at the rate of latest purchases made under _____ method of stock taking.

- a) FIFO (First In First Out)
- b) LIFO (Last In First Out)
- c) Base stock
- d) Average

The debt which is _____ not shown in balance sheet.

- a) Recoverable (b) Irrecoverable
- c) Both (a) and (b) (d) None

The auditor is required to submit his report to the _____

- a) Central Government
- b) State Government
- c) Persons who appoints him
- d) Owner

Auditor is an _____

- a) Independent (b) Employees
- c) Agent (d) Officer

3. Internal check and internal audit are part of the _____

- (a) Internal control (b) Internal audit
- (c) External audit (d) Test check

4. _____ is one of the evaluation criteria for good internal check.

- (a) Job rotation (b) Job analysis
- (c) Job description (d) Job determination

5. Inspection of documentary evidence of a transaction is called as _____

- (a) Voucher (b) Vouching
- (c) Verification (d) Valuation

6. Carbon copy of an invoice given to a debtor is a _____

- (a) Primary voucher
- (b) Collateral voucher
- (c) Voucher
- (d) Secondary voucher

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

- 11. (a) Distinguish between accountancy and auditing.

Or

- (b) Bring out the qualities of good working paper.

- 12. (a) Define internal control and explain its objectives.

Or

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

- 13. (a) State the importance of vouchers.

Or

- (b) Differentiate vouching from voucher.

- 14. (a) As auditor how you are verify the stock in trade.

Or

- (b) How the assets are classified?

15. (a) Describe the qualification and disqualifications of an auditor.

Or

- (b) Describe the types of audit report.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Discuss the classifications of auditing.

Or

- (b) Explain the advantages and limitations of audit programming.

17. (a) Give a scheme of internal check with regard to payment of wages.

Or

- (b) Briefly explain the objectives and importance of vouching.

18. (a) Explain the scheme of vouching book debts.

Or

- (b) Mention the points to be borne in mind while vouching of credit transactions.

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19. (a) Enumerate the methods of valuation of assets.

Or

- (b) What are the points to be kept in mind the auditor while verifying stock in trade?

20. (a) Explain the appointment of an auditor in various situations.

Or

- (b) Discuss the liabilities of auditor.
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