



Aud/Bc-303

2023

(Old Course)
(3rd Semester)

COMMERCE

Paper No. : BC-303

(Auditing)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

*The figures in the margin indicate full marks
for the questions*

1. (a) What do you understand by the term 'auditing'? Explain in detail the objectives of auditing. 2+7=9

Or

- (b) Write a note on continuous audit and statutory audit. 4½+4½=9

2. (a) What is audit planning? Explain the various steps required in planning for financial audit. 2+7=9

Or

- (b) What are the types of audit programme? Explain the contents of audit programme. $3+6=9$

3. (a) What is verification? Distinguish between verification and valuation. $2+7=9$

Or

- (b) What do you mean by the term 'internal check'? Distinguish between internal control and internal check. $2+7=9$

4. (a) Explain the rights and powers of a company auditor. $5+4=9$

Or

- (b) Who appoints the first auditor of a company? Discuss the civil liabilities of a company auditor. $3+6=9$

5. (a) What is investigation? Briefly discuss the features and objectives of investigation. $2+4+3=9$

Or

- (b) Discuss the procedures of investigation on behalf of bank initiating to advance loan.

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COMMERCE

Paper No. : BC-303

(Auditing)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

1. State whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark : 1×5=5

(a) Management audit is statutorily compulsory.

(T / F)

(b) Test checking is based on the statistical theory of sampling.

(T / F)

(c) Internal control includes internal check as well as internal audit.

(T / F)

- (d) Removal of a company auditor is contained under Section 224(7) of the Companies Act.

(T / F)

- (e) An Investigator must be a Chartered Accountant.

(T / F)

2. Choose the correct answer and place its code in the brackets provided : 1×10=10

- (a) Final audit implies

(i) audit of account at the end of the year

(ii) to detect frauds

(iii) audit for submitting report immediately at the end of the year

(iv) audit of banking companies []

- (b) The scope of work of statutory audit for a company is decided by the

(i) shareholders

(ii) management

(iii) government

(iv) law []

(c) Test checking refers to

- (i) testing of accounting records
- (ii) testing of honesty of employees
- (iii) intensive checking of selected number of transactions
- (iv) checking of all transactions recorded

[]

(d) Test checking should not be applied to

- (i) Purchase book
- (ii) Sales book
- (iii) Stock book
- (iv) Cash book

[]

(e) Vouching implies

- (i) inspection of receipts
- (ii) examination of voucher to check authenticity of records
- (iii) surprise checking of accounting records
- (iv) examining the various assets

[]

(f) Valuation means

- (i) calculating value of assets
- (ii) checking the value of assets
- (iii) checking the physical existence of assets
- (iv) examining the authenticity of assets

[]

- (g) The first auditor of a company will hold office
- (i) for a period of one year
 - (ii) till the holding of statutory meeting
 - (iii) till the conclusion of first annual general meeting
 - (iv) till a new auditor is appointed []
- (h) An auditor, in general, is an
- (i) employee of the company
 - (ii) agent of the company
 - (iii) agent of the shareholders
 - (iv) authority of the company []
- (i) Investigation can be conducted
- (i) yearly
 - (ii) half-yearly
 - (iii) quarterly
 - (iv) whenever needed []
- (j) Statutory investigations are conducted under
- (i) Section 235
 - (ii) Section 166
 - (iii) Section 180
 - (iv) Section 210 []

3. Write short notes on the following :

2×5=10

(a) Periodical Audit

(b) Audit Notebook

(c) Internal control

(d) Disqualification of an auditor

(e) Types of investigation
