

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com.(Hons) Winter 2019 – 20 Examination

Semester:3

Subject Code: 16101202

Subject Name: Audit and Assurance

Date:02/12/2019

Time:10:30 am to 01:00 pm

Total Marks: 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as directed.**A) Multiple choice type questions. (Each of one mark)****(06)****1. Balance sheet audit includes verification of _____.**

- | | |
|--|---------------------|
| a) Assets | b) Liabilities |
| c) Income and expense accounts where appropriate | d) All of the above |

2. Which of the following statements is NOT true about continuous audit?

- | | |
|--|---|
| a) It is conducted at regular interval | b) It may be carried out on daily basis |
| c) It is needed when the organization has a good internal control system | d) It is expensive |

3. A sale of Rs. 50,000 to A was entered as a sale to B. This is an example of _____.

- | | |
|-----------------------|------------------------|
| a) Error of omission | b) Error of commission |
| c) Compensating error | d) Error of principle |

4. The definition of auditing states that the auditor _____.

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|-----------------------------------|----------------------|
| a) Objectively obtains evidence | b) Is independent |
| c) Must evaluate internal control | d) None of the above |

5. Audit is conducted by _____.

- | | |
|-------------------------|----------------------|
| a) Cost Accountant | b) Company Secretary |
| c) Chartered Accountant | d) Any person |

6. International auditing standards are issued by the: _____.

- | | |
|--|---|
| a) International Accounting Standards Board | b) Financial Accounting Standards Board |
| c) International Audit and Assurance Standards Board | d) Auditing Practices Board |

B) Definitions (Each of one mark)**(06)**

1. Compensating error.
2. Auditing
3. Verification
4. Vouching
5. Audit Programme
6. Error of omission.

Q.2 Write short notes on the following: (Each of 04 mark)**(12)**

1. Rights of an auditor.
2. Audit of an insurance company.
3. Relationship of audit with other disciplines

Q.3 Answer the following. (Any Three)**(18)**

1. What are the advantages and disadvantages of an audit programme?
2. How will an auditor conduct an audit of a club?
3. Receipt side of cash cashbook
4. Verification of bill receivable

Q.4 Answer the following. (Any two)**(18)**

1. What are the different types of liabilities of an auditor?
2. Write down the differences between internal audit and external audit.
3. Explain are the basic principles governing an audit.