

PARUL UNIVERSITY
FACULTY OF COMMERCE
M.Com. (Hons) Summer 2017 – 18 Examination

Semester: 2**Subject Code: 16201154****Subject Name: Advanced Auditing****Date: 14/05/2018****Time: 10.30 am to 1.00 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. Goods sent on approval basis' have been recorded as 'Credit sales'. This is an example of:
 - a) Error of omission
 - b) Error of commission
 - c) Compensating error
 - d) Error of principle
2. Under verification of copyrights, the value of copyrights is determined on the basis of:
 - a) Breaking down terminal value basis
 - b) Perpetuity growth value basis
 - c) Revaluation basis and period of copyrights.
 - d) None of the above
3. In External Audit, the auditor can provide his opinion to the members by way of audit report which are of two types namely:
 - a) Qualified and unqualified report
 - b) Modified and unmodified report
 - c) Adverse and diversified report
 - d) Disclaimed and undisclaimed report
4. Which of the following is NOT true with regard to verification of assets?
 - a) It involves substantiation of occurrence of transactions
 - b) Its objective is to establish existence, ownership, possession, valuation and disclosure of assets
 - c) The auditor has to form an opinion on different aspects
 - d) All are true
5. Audit is a fact-finding process that compares actual results with.....
 - a) Expected Results
 - b) Specified Standards and Plans
 - c) Premature Results
 - d) Preliminary Results
6. State whether the following statement is true or false: Internal audit is mandatory for every separate entity.
 - a) True
 - b) False

B) Do as directed one-liners. (Each of one mark)**(06)**

1. Define auditing
2. Define vouching
3. In the audit of co-operative societies, how much percentage (%) of first profit must be transferred to the reserve fund?
4. Who is qualified to be an auditor of a company?
5. In hotel business, while verifying details under receipts for the collection of taxes, what are the various types of taxes charged from the customers?
6. Define audit programme.

Q.2 Answer the following questions. (Each of 04 mark)**(12)**

1. How Auditing is connected with other disciplines
2. What are the advantages and disadvantages of an Audit Programme?
3. Write a short note on - Audit of charitable institutions.

Q.3 Answer the following. (Any Three)

(18)

1. How would an auditor conduct vouching of receipt side or debit side of cash book?
2. What are the major classes of internal controls in a CIS environment?
3. What special points you would keep in mind while doing the audit of co-operative societies?
4. What are the basic principles governing an audit?

Q.4 Answer the following. (Any two)

(18)

1. Write down the differences between Internal Audit and External Audit.
2. What are the steps involved in the audit of a club?
3. Write down a detailed note on “Effect of Computers on Internal Controls”