

Seat No: _____

Enrollment No: _____

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com (Hons) Sem III
Mid Sem Internal Examination 2017

Semester : III
Subject Code : 16101202

Date: 11/10/2017
Time: 8.00 to 9.30

Subject Name: Audit and Assurance

Total Marks: 40

Instructions:

1. Attempt all questions from each section
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.

Q.1 (A) Choose the correct options from given below

(08)

1. Which of the following is NOT true with regard to verification of assets?

- a. It invoices 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

2. An analysis of fixed assets account has revealed possibility of unrecorded sale of plant and machinery. Which of the following audit procedures may be adopted to discover it?

- a. Examination of property tax files
- b. Inquiry of plant manager
- c. Examination of debits to accumulated depreciation
- d. All of the above

3. Which of the following are NOT objectives of auditing?

- a. Ascertain the profit and preparation of P/L Account, Balance sheet.
- b. Detection and prevention of frauds and errors.
- c. Give a true and fair view of financial amount.
- d. To submits the accounts to the Government

4. An audit which is compulsory by the law _____.

- a. Government audit.
- b. Internal audit.
- c. Cost audit.
- d. Statutory audit.

5. A number of checks and controls exercised in a business to ensure its efficient working is known as _____.

- a. Internal check.
- b. Internal control.
- c. International audit.
- d. Interim check.

6. Internal auditor is appointed by _____.

- a. The management.
- b. The shareholders
- c. The government.
- d. The statutory body.

7. The phrase (Scope of an Audit) refers to which one of the followings?

- a. Engagement letters
- b. Audit procedures
- c. Audit evidence
- d. Reasonable assurance

8. Auditing begins where _____ ends.

- a. Selling.
- b. Inventory valuation.
- c. Accounting.
- d. Purchases.

Q.2 Answer the following (Any 2 out of 3) (08)

- 1. How Auditing is connected with other disciplines?
- 2. What are the objectives of auditing?
- 3. What are the advantages and disadvantages of an audit programme?

Q.3 Describe the factors to be considered while vouching? (08)

Q.4 Write a detailed note on Internal Audit Control Tests (08)

Q.5 Write down the difference between Internal Audit and External Audit. (08)
