

Seat No: _____

Enrollment No: _____

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com (Hons) Sem III
Mid Semester Examination 2018

Semester : I
Subject Code: 16100103
Subject Name: Audit and Assurance

Date: 11/09/2018
Time: 7.30 am to 9.30 am
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: (05)

1. Goods sent on approval basis' have been recorded as 'Credit sales'. This is an example of _____

- a) Error of principle
b) Error of commission
c) Error of omission
d) Error of duplication

2. Which of the following statements is not true?

- a) Management fraud is more difficult to detect than employee fraud
b) Internal control system reduces the possibility of occurrence of employee fraud and management fraud
c) The auditor's responsibility for detection and prevention of errors and frauds is similar.
d) All statements are correct.

3. 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) Internal audit.
d) Interim check.

4. Auditing begins where _____ ends.

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

5. Voucher relates to _____.

- a) Cash receipt.
b) Cash payment.
c) Credit transactions.
d) All the above.

(B) Define the following terms:

1. Vouching (03)
2. Internal audit
3. Audit Programme

Q.2 Answer the following questions: (4+4) (08)

1. What are the basic principles governing an audit?
2. How auditing is connected with other disciplines?

Q.3 Answer the following questions: (4+4) (08)

1. State the advantages and disadvantages of audit programme in detail.
- 2.

Q.4 Explain the difference between Internal audit and External audit (08)

Q.5 Write notes on the following: (Any 2 out of 3) (08)

1. Internal audit procedure
2. Receipt side of cash cashbook
3. Verification of bill receivable
