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B.Com. (CBCS) DEGREE EXAMINATION,
APRIL 2023.

Sixth Semester

Commerce — Core

AUDITING

(For those who joined in July 2017-2020)

Time : Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. _____ is a systematic examination of the books and records of a business.
- (a) Auditing (b) Vouching
(c) Verification (d) Checking

2. 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 submit the accounts of government of India
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. The work of one clerk is automatically checked by another clerk is called _____
- (a) Internal control (b) Internal check
(c) Internal audit (d) None of the above
5. Vouching of the balances of all incomes and expenses account is known as vouching of _____
- (a) Personal ledger (b) Impersonal ledger
(c) Cash (d) Sales

6. A sale of Rs. 50000 to Mr. A was entered as a sale to Mr. B. This is an example of

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

7. Depreciation is _____

- (a) the decrease in the value of an asset
- (b) the increase in the value of an asset
- (c) an appreciation to the company
- (d) a credit to shareholders

8. Audit of company account is _____

- (a) compulsory
- (b) unnecessary
- (c) avoidable
- (d) depends upon directors

9. Auditor shall report on the accounts examined by him _____

- (a) to the shareholders
- (b) to the court
- (c) to the bank
- (d) to the general public

10. The auditor of a government company shall be appointed by _____

- (a) the government company itself
- (b) the central government
- (c) the share holders
- (d) the debenture holders

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).
Each answer should not exceed 250 words.

11. (a) Define auditing. Explain its advantages.

Or

(b) Write short note on audit programme.

12. (a) What do you understand by internal check? State its importance.

Or

(b) State the procedure involved in internal check of cash sales.

13. (a) State the objectives of vouching.

Or

(b) Explain about vouching of payment of wages.

14. (a) What are the various classification of assets?

Or

(b) How do you value the book debts? Explain.

15. (a) Explain the procedure involved in appointment of auditor.

Or

(b) What are the rights of auditors?

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b)
Each answer should not exceed 600 words.

16. (a) Briefly explain the various objectives of auditing.

Or

(b) State the preliminary steps taken before audit.

17. (a) Explain the differences between internal control and internal audit.

Or

(b) Discuss the procedure involved during the internal check of fixed assets.

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18. (a) Mention the precautions to be taken by the auditors while examining the vouchers.

Or

(b) How do you vouch collection from debtors and payment to suppliers? Explain.

19. (a) Describe the procedure involved in verification and valuation of stock.

Or

(b) How do you verify and valued the investments?

20. (a) Explain the status of auditor in an organisation.

Or

(b) Elaborate the contents of auditor's report.

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