2 0 2 1

(July)

COMMERCE

(Honours)

(Auditing)

(BC–403)

Marks : 75

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

1. *(a)* What are the basic principles governing an audit? 10

   (b) "The concept of an audit is not free from any limitation." Comment. 5

   Or

   (a) Under what circumstances, 'test checks' are undertaken by an auditor? Elaborate. 5

   (b) "Planning and programming are essential to the efficient conduct of an audit regardless of its size." Justify your answer highlighting the various 'phases' involved in planning and programming the flow of audit work. 10

(**2**)

2. *(a)* "In vouching payments, the auditor does not merely seek proof that money has been paid away." Discuss. 12

   (b) What is 'padding' in the wages sheets? 3

   Or

   How would you vouch the following? 5×3=15

   (a) Directors' remuneration and commission

   (b) Travelling expenses

   (c) Examiners' remuneration

3. *(a)* Indicate the important points that you will consider, if you are appointed in a limited company as—

   (i) the first auditor;

   (ii) the auditor in place of the retiring auditor;

   (iii) the auditor through an order of the government. 3×3=9

   (b) Write a note on Qualified Report of a company auditor. 6

   Or

   Discuss the liabilities of an auditor as per the Companies Act, 2013. 15

(**3**)

4. *(a)* What purposes does audit documenta-
    tion serve?   7½

    (b) What factors influence the form, content
    and extent of audit documentation?   7½

                    Or

    (a) What are the key requirements of an
    independent auditor under SA200?   8

    (b) Explain in detail the 'engagement
    performance'.   7

5. Outline the special features of an audit of
    (a) Cooperative Society and *(b)* Educational
    Institution.   7½+7½=15

                    Or

    (a) What are the features of an EDP
    environment that affect the nature,
    timing and extent of an audit?   2+2+2=6

    (b) Describe in brief the Common
    Computer-Assisted Audit Techniques.   9

                    ★★★