AUDITING

Chapter – 2
Basic Concepts in Auditing

Basic Concepts

Q.1 What do you mean by independence of an auditor ?
Q.2 Describe the relevance of Independence by different laws such as Companies Act, SEBI & professional ethics by ICAI ?
Q.3 Describe the democratic norms which have been taken care in Income Tax Act ?
Q.4 What are the matters which can influence an auditor as regard audit evidences ?
Q.5 What is an Audit ?
Q.6 What are Accounting Assertions ?

Audit Evidence

Q.1 What do you mean by Directional Testing ?
Q.2 What do you mean by Analytical Review ?
Q.3 Why should an auditor rely on evidence i.e. persuasive rather than convincing ?
Q.4 If you are not able to obtain evidence due to some difficulty, can you skip it ?
Q.5 What are the audit techniques used to obtain Audit Evidence ?

Types of Evidence

Q.1 Before formation of an opinion by the auditor, what are the steps that need to be taken ?

Q.2 What do you mean by “TRUE & FAIR” as regard to Financial Statements ?

Q.3 What is the information needed to make Financial Statements “TRUE & FAIR” ?