

Note:-all questions are compulsory.

Marks:-100

Question 1

Comment on the "Auditor is entitled to rely on work performed by others".

(4 Marks)(Intermediate-May 2000)

Question 2

Write a short note on - Audit Evidence. (4 Marks)(Intermediate-May 2000)

Question 3

Comment on the "In cases where audit sample selection has been done on a random basis, no statistical process for selection of samples need to be followed".

(4 Marks)(Intermediate-May 2000)

Question 4

Comment on the overall objective and scope of an audit does not change in an EDP environment. (6 Marks)(Intermediate-May 2000)

Question 5

How will you vouch and/or verify the following?

(a) Research and Development expenses

(b) Recovery of Bad Debts written off

(c) Goods sent out on Sale or Return Basis

(d) Borrowing from Banks (4 × 4 = 16 Marks)(Intermediate-May 2000)

Question 6

Comment on the "The cash-book showed a huge cash balance on hand consistently throughout the year". (4 Marks)(Intermediate-May 2000)

Question 7

Comment on the following:

(a) NM & Co., chartered accountants were appointed as the auditors of a public limited company in their Annual General Meeting. Various co-operative and term lending institutions held 51% of the paid-up share capital of the company. (4 Marks)

(b) Mr. L, a chartered accountant in full-time practice, was acting as the statutory auditor of a public limited company, till it was wound up. Mr. L was appointed as the liquidator for purposes of winding up proceedings. (4 Marks)(Intermediate-May 2000)

Question 8

Comment on the following:

(a) The surplus arising from a change in the basis of accounting was set off by X Ltd., against a non-recurring loss. (4 Marks)

(b) Z Ltd. gave a guarantee to the Court for payment of excise dues of Rs.10 lakhs for one of its subsidiaries. According to the company, since the guarantee was given on behalf of its subsidiary, no disclosure was required.(4 Marks)(Intermediate-May2000)

Question 9

Mention the special steps involved in the audit of an Educational Institution.

(16 Marks)(Intermediate-May 2000)

Question 10

Comment on the "An opinion expressed by the auditor is neither an assurance as to the future viability of the enterprise nor the efficiency or effectiveness with which management has conducted the affairs of the enterprise".

(6 Marks)(Intermediate-May 2000)

Question 11

What is the importance of having the accounts audited by independent professional auditors? (8 Marks)(Intermediate-May 2001)

Question 12

Write a short note on- Stratified Sampling.(4 Marks)(Intermediate-Nov 2000)

Question 13

Write a short note on - Examination in Depth. (4 Marks)(Intermediate-May 2000)

Question 14

Give your comments and observations on the No entry is passed for cheques received by the auditee on the last day of the year, but not yet deposited with the bank.

(4 Marks)(Intermediate-Nov 2000)

Question 15

Comment on the “Responsibility for properly determining the quantity and value of inventories rests with the management of the entity”.

(4 Marks)(Intermediate-May 2000)