

Note:-all questions are compulsory.

Marks:-100

Question 1

Is there any change in audit approach in the audit of computerised accounts as compared to audit of manual accounts? (8 Marks) (PE-II Nov 2005)

Question 2

How will you vouch and/or verify the following ?

- (a) Contingent Liabilities*
- (b) Excise Duty*
- (c) Recovery of Bad-debts written off*
- (d) Endowment Policies (4×4 = 16 Marks)(PE-II May 2004)*

Question 3

As an auditor, comment on the following situations/statements:

- (a) AAS Ltd. Is procuring the packing materials from M/s XY and Co., a partnership firm consisting of Mr. X and Mr. Y. Mr. Y is the Managing Director of AAS Ltd. The total value of purchases made from XY and Co. by AAS Ltd. During the year 2003-04 had been Rs. 38 lakhs. (4 Marks)*
- (b) X Ltd. is good in profits, but suffers temporarily in liquidity. It proposes to declare dividend of 10% in annual general meeting, but the Board proposes to defer payment of dividend by two months from the date of annual general meeting by getting a resolution passed in AGM (4 Marks)(PE-II Nov 2004)*

Question 4

Give your comments on the following:

- (a) M/s Verma and Sharma, Chartered Accountants were appointed as the first auditors of Good Luck Ltd. By virtue of their name being included as auditors in the Articles of Association. (3 Marks)*
- (b) The auditors were requested by the management to accept the draft minutes of Board, since the minutes book has been misplaced (3 Marks)*
- (c) The Board of Directors removed the first auditors before the expiry of the term and appointed another auditor in his place. (3 Marks)*
- (d) The auditors are being insisted by the management to hand over the letters of confirmation of balances received by the auditor from debtors and creditors.(3 Marks)*

- (e) *No cost accounting records are maintained though the company is required to maintain the same.* (3 Marks)
- (f) *A Government company appointed the auditors and fixed the remuneration in its general meeting.* (3 Marks)(PE-II May 2003)

Question 5

What are the powers of C&AG in relation to the accounts of Government Companies audited by the statutory auditors? (8 Marks) (PE-II Nov 2005)

Question 6

Write short note on the following:

- (a) *General Purpose Financial Statements*
- (b) *Going Concern Concept* (4 × 2 = 8 Marks) (PE-II Nov 2005)

Question 7

Write short notes on the following:

- (a) *Change in Accounting Policies*
- (b) *Management representation as an audit evidence* (4 × 2 = 8 Marks) (PE-II Nov 2007)

Question 8

From where and how auditor can obtain knowledge of Client's business to enable him to develop an overall Audit Plan? (8 Marks) (PE-II May 2007)

Question 9

Why are Computer Aided Audit Techniques (CAAT) required in EDP audit? What are the advantages of CAATs? (10 Marks) (PE-II May 2006)

Question 10

Write short notes on the following:

- (a) *Intangible Assets*
- (b) *Floating Charge* (4 × 2 = 8 Marks) (PE-II May 2004)

Exams important questions for students of IPCC