

Note:-all questions are compulsory.

Marks:-100

Question 1

As an auditor comment on the following situation:

A company had a branch office, which recorded a turnover of Rs.1,99,000 in the earlier year. The auditor's report of the earlier year had no reference regarding the branch although, the branch audit had not been carried out by the statutory auditor.

(4 Marks)(Intermediate-May 2000)

Question 2

Comment on the "Credit for the profit arising out of a hire-purchase sale was fully adjusted in the year of sale".

(4 Marks)(Intermediate-May 2000)

Question 3

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

Question 4

What are the basic principles governing an audit as laid down in AAS 1 (SA 200)?

(10 Marks)(Intermediate-Nov 2000)

Question 5

Write short notes on the following :

(a) Preliminary Expenses

(5 Marks)

(b) Fundamental Accounting Assumptions(6 Marks)(Intermediate-May 2001)

Question 6

State General considerations in framing a system of Internal check.

(8 Marks)(Intermediate-May 2001)

Question 7

'Doing an audit in an EDP environment is simpler since the trial balance always tallies' Analyse critically?

(4 Marks)(Intermediate - Nov 2000)

Question 8

How will you vouch/verify the following:

(a) Goods sent on consignment

(b) Foreign travel expenses

(c) Receipt of capital subsidy

(d) *Provision for income tax* (4 × 4 = 16 Marks) (Intermediate-Nov 2000)

Question 9

As an auditor, what would you do in the following situations?

(a) *The method of depreciation on plant and machinery is to be changed from SLM basis to WDV basis from the current year.* (4 Marks)

(b) *The company has sent semi-finished goods to third parties for further processing, which is lying with them at the end of the year.* (5 Marks)(Intermediate-Nov 2000)

Question 10

(a) *An auditor purchased goods worth Rs.1,500 on credit from a company being audited by him. The company allowed him one month's credit, which it normally allowed to all known customers.* (4 Marks)

(b) *An auditor became aware of a matter regarding a company, only after he had issued his audit opinion. Had he become aware of the same prior to his issuing the audit report, he would have issued a different opinion.* (4 Marks)(Intermediate-May 2000)

Question 11

Comment on the Interest on share capital was paid to the shareholders as the company had a long gestation period before it could become operational. (4 Marks)(Intermediate-May 2000)

Question 12

Mention the special points to be examined by the auditor in the audit of a charitable institution running hostel for students pursuing the Chartered Accountancy Course and which charges only Rs.500 per month from a student for his lodging/boarding.

(16 Marks)(Intermediate-Nov 2000)

Question 13

Write a short notes on - Audit Trail. (4 Marks)(Intermediate-Nov 2000)