

Note:-all questions are compulsory.

Marks:-100

Question 1

(a) *'After the statutory audit has been completed a fraud has been detected at the office of the auditee.'* What is your defence as an auditor?

(4 Marks)(Intermediate-Nov 2000)

(b) *'Doing a statutory audit is full of risk. 'Narrate the factors which cause the risk.*

(4 Marks)(Intermediate-Nov 2000)

Question 2

(i) *What is an "Audit Evidence"?* *(6 Marks)*

(ii) *What are the various methods of obtaining audit evidence? Mention the same in brief.* *(6 Marks)*

(iii) *Discuss the principles, which are useful in assessing the reliability of audit evidence.*

(4 Marks)(Intermediate-Nov 2001)

Question 3

Write a short notes on the following:

(a) *Audit Note-book* *(6 Marks)*

(b) *Continuous Audit – Advantages and disadvantages.* *(6 Marks)(Intermediate-Nov 2001)*

Question 4

'In vouching payments, the auditor does not merely check proof that money has been paid away.' Discuss. *(6 Marks)(Intermediate-Nov 2000)*

Question 5

Give your comments and observations on the following:

(a) *Balance confirmations from debtors/creditors can only be obtained for balances standing in their accounts at the year-end.*
(4 Marks)

(b) *The management has obtained a certificate from an actuary regarding provision of gratuity payable to employees.*
(5 Marks)

- (c) *Fixed assets have been revalued and the resulting surplus has been adjusted against the brought forward losses.* (5 Marks)(Intermediate-Nov 2000)

Question 6

'At the AGM of ICI Ltd., Mr X was appointed as the statutory auditor. He, however, resigned after 3 months since he wanted to give up practice and join industry.

State, how the new auditor will be appointed by ICI Ltd. (4 Marks)(Intermediate-Nov 2000)

Question 7

As an auditor comment on the following situations:

- (a) *A company had acquired a 10 Tonner delivery van valued at Rs.6.5 lakhs on instalment basis from a dealer. During the year, the company paid Rs.1.5 lakhs being the instalment for the year and provided depreciation on the said amount paid.*

(4 Marks)

- (b) *A sum of Rs.15,000 per month has been paid as remuneration to a Director, who is not in the whole-time employment of the company.* (4 Marks)

- (c) *A company received a subsidy of Rs.1 crore for establishing an undertaking in the backward/notified area.* (4 Marks)(Intermediate-May 2000)

Question 8

Mention the special points in the case of an audit of the entity from Incomplete Records.

(12 Marks)(Intermediate-May 2001)

Question 9

Write a short note on – Errors of Commission. (5 Marks)(Intermediate-May 2001)

Question 10

- (a) *What audit points are to be borne in mind in the case of issue of Sweat Equity Shares by a limited company?* (8 Marks)

- (b) *Explain the advantages of "Audit Working Papers".* (8 Marks)(Intermediate-May 2002)

Exams important questions for students of IPCC