

Note:-all questions are compulsory.

Marks:-100

Question 1

- (a) *What do you understand by the term "Government Audit"?* (8 Marks)
(b) *Explain briefly the approaches to EDP auditing?* (8 Marks)(Intermediate-May 2002)

Question 2

What are the different design and procedural aspects of EDP systems?
(8 Marks)(Intermediate-Nov 2001)

Question 3

How will you, as an auditor, vouch and/or verify the following ?

- (i) *Deferred Revenue Expenditure* (4 Marks)
(ii) *Goodwill* (4 Marks)(Intermediate-May 2001)

Question 4

State briefly the duty of an auditor with regard to each of the following:

- (a) *No depreciation has been charged for the year ended 31st March 2001, in respect of a spare Bus purchased during the year and kept ready by the company for use as a stand-by on the ground that it was not used during the year. (5 Marks)*
(b) *A sum of Rs.10,00,000 is received from an Insurance company in respect of a claim for loss of goods in transit costing Rs.8,00,000. The amount is credited to the Purchases Account. (5 Marks)*
(c) *Cost of structural alterations amounting to Rs.60,000 to self-owned factory premises has been charged to Building Repairs. (4 Marks)*
(d) *A loss of Rs.2,00,000 on account of embezzlement of cash was suffered by the company and it was debited to Salary Account. (4 Marks)(Intermediate-May2001)*

Question 5

Write short notes on the following:

- (a) *Auditor's Lien*
(b) *Disclaimer of Opinion* (4 ×2 =8 Marks)(Intermediate-Nov 2000)

Question 6

- (a) *The interest of a director in a transaction, entered into by the company has not been disclosed in the records maintained by the company. (4 Marks)*

- (b) *The auditor is responsible for failure to disclose the affairs of the company kept out of books and concealed from him. (4 Marks)(Intermediate-May 2000)*

Question 7

- (a) *An audit of Expenditure is one of the major components of Government Audit. In the context of 'Government Expenditure Audit', write in brief, what do you understand by:*

- (i) *Audit against Rules and Orders*
- (ii) *Audit of Sanctions*
- (iii) *Audit against Provision of Funds*
- (iv) *Propriety Audit*

- (v) *Performance Audit (5 Marks)*

- (b) *What role is played by Comptroller and Auditor General of India in the audit of a Government company? (3 Marks)(Intermediate-Nov 2001)*

Question 8

- (a) *Do you agree with the view that there are inherent limitations of Audit? (8 Marks)*

- (b) *Mention briefly the conditions or events, which increase the risk of fraud or error leading to material misstatement in Financial Statements.*

(8 Marks)(Intermediate-Nov 2001)

Question 9

Comment on "For initial audit engagements, the auditor should obtain sufficient appropriate audit evidence as per AAS 22 (SA 510)". (6 Marks)(PE-II Nov 2002)

Question 10

"The audit firm should implement quality control policies and procedures", Explain.

(8 Marks)(PE-II Nov 2002)

Question 11

Write a short note on - the Audit Risk.

(4 Marks)(PE-II Nov 2002)