

Note:-all questions are compulsory.

Marks:-100

Question 1

How will you vouch and/or verify the following ?

- (a) Sale proceeds of Scrap Material.*
- (b) Trade Marks and Copyrights.*
- (c) Machinery acquired under Hire-purchase system.*
- (d) Work-in-progress. (4×4=16 Marks)(Intermediate-Nov 2001)*

Question 2

Explain the difference between Depreciation and Fluctuation in Value.

(6 Marks)(Intermediate-May 2001)

Question 3

Give your comments and observations on the following:

- (i) KBC & Co. a firm of Chartered Accountants has three partners, K, B & C; K is also in whole time employment elsewhere. The firm is offered the audit of ABC Ltd. and its twenty branches. The firm already holds audit of 40 companies including audit of one foreign company. (5 Marks)*
- (ii) At the Annual General Meeting of CU Ltd., Mr. L is appointed as the auditor which later is held to be void ab initio. The company holds another general meeting and appoints a new auditor. (4 Marks)*
- (iii) At an Annual General Meeting, Mr. R a retiring auditor claims that he has been reappointed automatically, as the intended resolution of which a notice had been given to appoint Mr. P, could not be proceeded with, due to Mr. P's death. (4 Marks)*
- (iv) MNC Ltd. in which 24 per cent of the subscribed capital is held by a public financial institution at the time of issuing the notice for the Annual General Meeting, appoints RK & Co. as auditors by an ordinary resolution at the Annual General Meeting when the Public Financial Institution increased its Stake in MNC Ltd. to 25 per cent of its subscribed capital. (5 Marks)(Intermediate-May 2001)*

Question 4

Write a short note on - the Sweat Equity Shares.(4 Marks)(Intermediate-May 2000)

Question 5

Draft an Audit Programme to audit the accounts of a Recreation Club with facilities for indoor games and in-house eating. (16 Marks)(Intermediate-May 2002)

Question 6

Write a short note on - Operational Audit. (4 Marks)(Intermediate-May 2002)

Question 7

Write a short note on – Disclosure of Accounting Policies. (4 Marks)(PE-II Nov 2002)

Question 8

Define the purpose of a 'Letter of Engagement'. (8 Marks) (PE-II May 2003)

Question 9

Explain the Internal controls in an EDP Environment. (16 Marks)(PE-II Nov 2002)

Question 10

State how you would verify the following:

(i) Buildings

(ii) Patent Rights

(4 × 2 = 8 Marks)(Intermediate-May 2001)