

Note:-all questions are compulsory.

Marks:-100

Question 1

Explain the difference between Reserves and Provision.

(5 Marks)(Intermediate-May 2001)

Question 2

Explain in detail the duties of Comptroller and Auditor General of India.

(8 Marks)(PE-II May2003)

Question 3

(a) "The auditors should consider the effect of subsequent events on the financial statement and on auditors report" according to AAS 19 (SA 560) – Comment.

(12 Marks)

(b) Briefly explain the inherent limitations of audit. (4 Marks)(PE-II May 2003)

Question 4

What are Audit working papers and why should they be carefully preserved by the Auditor?

(6 Marks)(PE-II Nov 2003)

Question 5

Medical Council of India organised a three-day International Conference of Doctors in Delhi. You are asked to audit the accounts of the conference. Draft the audit programme for audit of receipt of participation fees from delegates to the conference. Mention any six points, peculiar to the situation, which you will like to include in your audit programme. (6 Marks)(PE-II May 2005)

Question 6

What is an Audit Trail? Briefly state the special audit techniques using the computer as an audit tool.

(8 Marks)(PE-II May 2004)

Question 7

How will you verify/vouch the following ?

(a) Sales Commission Expenditure.

(b) Sales Return.

(4 × 2 = 8 Marks)(PE-II Nov 2005)

Question 8

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

- (a) A Ltd wanted to treat the heavy advertisement expenditure incurred by them to launch a new product as Revenue expenditure. The product did not pick up and the sales were negligible. It is anticipated that no material benefit will accrue in future from such heavy advertisement expenditure. (5 Marks)*
- (b) B Ltd. acquired a car for its Managing Director on hire-purchase basis. The interest payable as well as penalty for late payment of installments was added to the cost of the car. (4 Marks)*
- (c) The debit balance in the profit and loss account is shown as a deduction from Investment Allowance Reserve on the liabilities side of the Balance Sheet (4 Marks)*
- (d) Assets purchased under hire-purchase system were reflected at their full value and the outstanding installments payable have been included under Sundry Creditors. (5 Marks)(Intermediate-May 2002)*

Question 9

- (a) How would you as an auditor distinguish between Reports and Certificates? (8 Marks)*
- (b) State the circumstances when qualified Audit Report is obligatory. (8 Marks)(Intermediate-May 2002)*

Question 10

Explain 'Option on Share Capital'. (4 Marks)(Intermediate-May 2001)

Question 11

Mention any eight special points which you as an auditor would look into while auditing the books of a partnership firm. (8 Marks) (PE-II May 2003)

Exams important questions for students of IPCC