Roll No. ..............................

Total No. of Questions – 7 | Total No. of Printed Pages – 2

Time Allowed – 3 Hours | Maximum Marks – 100

# OPD

Answers to questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi medium, his answers in Hindi will not be valued.

Question No. 1 is compulsory.

Attempt any **five** questions from the remaining six questions.

**Marks**

1. Comment on the following :

   (a) "It is not mandatory to send a new engagement letter in recurring audit, but sometimes it becomes mandatory to send new letter." Explain those situations where new engagement letter is to be sent. **5**

   (b) Vouching of payment of taxes. **5**

   (c) Removal of auditor before expiry of term. **5**

   (d) What procedure an auditor should adopt to test the authenticity of cash at bank. **5**

2. (a) Explain the objectives of internal audit. **8**

   (b) How an auditor can audit allotment of debentures ? **8**

3. (a) Explain the process of external confirmation. Give some examples where external confirmation can be used as audit evidence. **8**

   (b) What are the duties of an auditor in case of reduction of capital ? **8**

Marks

4. (a) What is CAATS ? Why are CAAT required in Computerised information system (CIS) environment ? 8

(b) What is Companies (Auditor's Report) Order. 2003 ? Explain the companies which are not covered by the CARO order. 8

5. (a) Mention 8 special points which you as an auditor would look into while auditing the accounts of a Recreation Club with facilities for indoor games and in house eatery. 8

(b) What are the focus points in doing propriety audits by C & AG as regards government expenditure ? 8

6. (a) Discuss the areas in which different accounting policies may be adopted. 6

(b) Discuss the types of audits required under law. 5

(c) Disclosure requirements of debtors in the financial statements. 5

7. Write short notes on any **four** of the following : 4×4 =16

(a) Importance of working papers.

(b) Reliability of Audit Evidence.

(c) Audit of sale of Investments.

(d) Verification of assets acquired on lease.

(e) Advantages of statistical sampling in Auditing.