Roll No. ....

Total No. of Questions – 7

Total No. of Printed Pages – 3

Time Allowed – 3 Hours

Maximum Marks – 100

PSK

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/her answers in Hindi will not be valued.

Question No. 1 is compulsory .

Candidates are also required to answer any **five** questions from the remaining **six** questions.

Marks

1. (a) Discuss with reference to SAs :

   (i) The auditor shall communicate all significant findings with those charged with Governance. **5**

   (ii) Factors effecting form, contents and extent of audit. **5**

   (b) Discuss the following :

   (i) Is surprised checks desirable in audit, if so give important recommendations. **5**

   (ii) Inquiry is one of the audit procedure to obtain audit evidence. **5**

2. Comment on any **eight** of the following : **8×2 = 16**

   (i) PQR Ltd. include underwriting commission and stamp duty as preliminary expenses.

   (ii) AGM is not held in time, auditor automatically vacates his office.

   (iii) Selling and distribution cost included in the cost of inventories.

   (iv) Internal check is part of internal control system.

Marks

(v) Company can provide lower rate of depreciation than prescribed by Schedule XIV of the Companies Act, 1956.

(vi) Compliance procedures are tests designed to obtain audit evidence as to completeness, accuracy and validity of data produced by accounting system.

(vii) ABC Ltd. having turnover of ₹ 100 crores during financial year 2011-12, need not get its branch audited whose turnover is ₹ 1.5 crores during the same year.

(viii) Computer software which is the integral part of the related hardware can be treated as intangible assets or fixed assets ?

(ix) CARO, 2004 does not apply to a foreign company .

(x) Define shortly arm's length transaction.

3. (a) What is continuous audit and what are the precautions which should be taken to avoid the disadvantages of continuous audit ? 8

(b) Explain the basic principles governing audit. 8

4. (a) To prepare an audit plan in CIS environment an auditor should gather information. Mention any four such important information which he has to collect. 4

(b) How will you vouch/verify the followings ? 3×4 =12

(i) Purchase with invoice

(ii) Patterns, dies, loose tools etc.

(iii) Work-in-Progress

5. (a) State the circumstances which could lead to any of the following in an Auditors Report : 4×2 =8

(i) A modification of opinion

(ii) Disclaimer of opinion

(iii) Adverse opinion

(iv) Qualified opinion

Marks

(b)	What are the cases in which special audit may be called by Central Government ?	4
(c)	Anandbhai & Co. Ltd. issued shares to the equity shareholders in the proportion of one bonus share for every three existing shares. As an auditor of the Company how would you verify this issue ?	4
6. (a)	Mention important points which auditors will consider while conducting audit of accounts of a partnership firm.	8
(b)	What are the points on which an auditor should concentrate while planning audit of an N.G.O. ?	8

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

(i) Audit Planning & Materiality

(ii) Impairment of Assets

(iii) Internal Control Questionnaire

(iv) Letter of Weakness

(v) Assertion about balance at the end of the reporting period.