Roll No. ....

Total No. of Questions – 7

Total No. of Printed Pages – 4

Time Allowed – 3 Hours

Maximum Marks – 100

SAD

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 opted for Hindi Medium, his/her answer in Hindi will not be valued.

Question **1** is compulsory.

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

Marks

1. Discuss the following :

(a) "Statements" and "Guidance Notes" of ICAI-whether mandatory or recommendatory ? **5**

(b) As an auditor what are the essential points to be borne in mind while examining a voucher ? **5**

(c) Payment of interest out of capital during construction period. **5**

(d) What is Modified Reports ? Discuss disclosure pattern when the auditor includes an Emphasis of Matter paragraph in the Auditor's Report. **5**

Marks

2. State with reasons (in short) whether the following statements are correct or incorrect. (Answer any **eight**) **8×2 =16**

(i) The Revised Schedule VI is applicable only to Public Limited Companies from the Financial Year 2012-13.

(ii) Specific disclosure is required of the fundamental accounting assumptions followed in the financial statements.

(iii) The Whole Time Director of a public company is automatically entitled for remuneration.

(iv) Companies (Auditor's Report) Order, 2003 shall not apply to a Private Limited Company whose paid up capital and reserves are not more than rupees fifty lakhs.

(v) 'Errors of commission' is where a transaction has been omitted either wholly or partially.

(vi) There is no difference in terms "Audit Procedure" and "Audit Technique".

(vii) Maintenance of internal control system is responsibility of Auditor.

(viii) ABC Ltd. declared dividends without providing depreciation for the current year.

Marks

(ix) ABC Ltd., a government company came into existence in year 2012, donated ₹ 50,000 to a political party.

(x) The Board of Directors can fill the casual vacancy caused by the resignation of an auditor, who shall hold office until the conclusion of the next annual general meeting.

3. How will you vouch/verify the following ? 4×4 =16

(a) Preliminary expenses

(b) Building

(c) Recovery of bad debts written off

(d) Cut-off arrangement/procedures

4. Discuss with reference to SAs :

(a) What do you mean by "Written Representations" ? As an auditor, how you will deal if management does not provide requested written representations ? 5

(b) "Operating Conditions" that may cast doubt about going concern assumption. 5

(c) The auditor is responsible for maintaining an attitude of professional skepticism throughout the audit. Do you agree with the statement ? 6

Marks

5. (a) You are the auditor of a company. What precautions you will suggest in adopting test checking technique for audit work ? 8

(b) State the background of "Local Bodies". Draft an audit programme for audit of local bodies. 8

6. (a) Describe "Analytical Review Procedures" in Audit. Briefly discuss analytical procedures for verification of debtors. 8

(b) Mention any eight important points which an auditor will consider while conducting the audit of hospital. 8

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

(a) Indicate expenses which are essentially of a revenue nature, if incurred for, creating an asset, are also regarded as expenditure of a capital nature.

(b) Conditions for issue of shares at a discount.

(c) Advantages of Statistical Sampling in Auditing.

(d) Auditing through the computer.

(e) Introductory Paragraph in the Auditor's Report.
