

Roll No.

Total No. of Questions – 7

Total No. of Printed Pages – 04

Time Allowed – 3 Hours

Maximum Marks – 100

FNA

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 who has not opted for Hindi Medium, answers in Hindi, his/her answers in Hindi will not be valued.

Question No. 1 is compulsory.

Attempt any five questions out of the remaining six questions.

In case, any candidate answers extra question(s)/sub-question(s) over and above the required number, then only the requisite number of questions first answered in the answer book shall be valued and subsequent extra questions(s) answered shall be ignored.

Marks

- | | |
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| 1. Discuss the following : | |
| (a) What are the circumstances that may result in other than an unqualified opinion on the Financial Statements by an auditor ? | 5 |
| (b) Securities premium can be utilized only for certain purposes laid down in the Companies Act, 2013. | 5 |
| (c) Clarification on the Auditor's rights where clients and other Auditors seek access to their audit working papers. | 5 |
| (d) In the context of SA 560 "Subsequent events", state specific enquiries on matters by an auditor which may have effect on Financial Statements. | 5 |

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P.T.O.

(2)

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Marks

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

- (a) The basic objective of audit does not change with reference to nature, size or form of an entity.
- (b) Depreciation is charged by the company on purchase of stand-by depreciable assets which are ready to use.
- (c) Casual vacancy of a Cost Auditor of a company is filled by shareholders in general meeting within one month.
- (d) Board of Directors can contribute to any charitable and other funds any amount in a financial year.
- (e) The Managing Director of a company has shifted company's books of accounts from Registered office (Mumbai) to Corporate Office (New Delhi).
- (f) Vouching of payments is merely check proof that money has been paid.
- (g) Engagement letter need not be entered for each year of the period of auditor's appointment.
- (h) There is no relation between Inherent risk, Control risk and Detection risk.
- (i) Written representation can be a substitute for other audit evidence.
- (j) Negative balance of 'Reserves & Surplus' is shown on the Assets side of Balance Sheet.

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(3)

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Marks

2. How will you Vouch/Verify the following ?

4×4

=16

- (a) Expenditure incurred for promotion of a product.
- (b) Inventories – Work-in-progress.
- (c) Purchase returns.
- (d) Discounted bills receivable dishonoured.

4. Answer **all** questions :

- (a) In the context of SA-315, state the assertions used by auditor to consider the different types of potential mis-statements that may occur w.r.t. classes of transactions and events for period under audit. 4
- (b) A person shall not be eligible for appointment as an auditor of a company where subsidiary or associate company or any other form of entity is engaged as on the date of appointment in consulting and specialized services as provided in Sec.144. Explain. 6
- (c) What steps would you take into consideration in auditing the receipts from patients of a Hospital ? 6

5. Answer **all** questions :

- (a) Discuss the need of CAATs in a CIS environment. 4
- (b) 'Knowledge of Client business' is one of the important principles in developing an overall audit plan. Explain. 6
- (c) Is detection of fraud and error duty of an auditor ? 6

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P.T.O.

(4)

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Marks

6. Answer **all** questions :

- (a) State various factors that help the auditor to ascertain as to what is sufficient and appropriate audit evidence. **4**
- (b) Prior approval of the company by a special resolution is required for entering into transaction(s) with any related party. Discuss. **6**
- (c) Explain different connotation of 'Cost' in terms of inventories. **6**

7. Write short notes on any **four** of the following :

**4×4
=16**

- (a) Propriety audit
 - (b) Narrative record
 - (c) Responsibility of Joint Auditors
 - (d) Applicable financial reporting framework
 - (e) Haphazard sampling.
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