9 Oct-06

Test Audit — 38 Marks

Study 1 & 2

Qus:1 Explain inherent Limitations of audit. Also explain the duty of auditor with respect to such Limitations. (6)

Qus:2 What is audit evidence? Mention the method of obtaining audit evidence. Also name the procedure which are used to obtain audit evidence. (8)

Qus:3 Discuss the concept of auditors independence in brief. Also explain any 4 advantages of independent audit. (6)

Qus:4 Mention any 5 Basic principles in brief which governs audit. (5)

Qus:5 Distinguish between Any 2 :- (Only 4 Points)
(i) Investigation and auditing
(ii) Internal & External auditor.
(iii) Internal & External evidence.
(iv) fraud & Error. (7)

Qus:6 Short Note :- (Any 2)
(i) Error of Commission
(ii) Letter of Engagement
(iii) Analytical Review.
(iv) Scope of audit. (6)

9-12-06

Test Audit

26 Marks

Study-3

Qus:-1 What are audit working papers? and why should they be carefully preserved by the auditors. (6.)

Qus:-2 What do you mean by Audit Risk. And also explain its components briefly. (5.)

Qus:-3 What do you mean by statistical sampling. just [name] the methods of such sampling. Also mention advantages of statistical sampling in Auditing. (6.)

Qus:-4 Short Notes :- (Any 3)

(i) Knowledge of Client business
(ii) Audit Note book
(iii) Surprise Check
(iv) Test Check
(v) Audit Planning. (9.)

17 Dec. 06

Test Audit

28 Marks

Internal Control

Qus:-1 State the inherent limitation of internal Control. (5.)

Qus:-2 Discuss any 3 Problems which are encountered while shifting from manual based accounting records to computer based accounting records. (4.)

Qus:-3 Distinguish between the following :-

(i.) Internal Check and Internal Audit

(ii.) Auditing around the computer and auditing with the computer. (7.)

Qus:-4 Short Note (Any 2)

(i.) Examination in Depth.

(ii.) EDP Environment

(iii) Environment of Internal Control (7.)

Qus:-5 Can the statutory auditor rely upon the work of an internal auditor. (5.)

Qus:-6 Use of Computer facilities by a small business may increase the control risk. Comment. (5.)

[Any 1 question for Qus No- 5 or 6]

31 Dec. 2006

Test

37 Marks

Vouching

Qus:-1 What do you mean by Vouching? Explain in brief the role of internal Control in the audit of cash transaction. (6)

Qus:-2 Short Notes:- (Attempt any 2)
(i) Analytical Procedure
(ii) Direct Confirmation from Third Parties.
(iii) Cut off Arrangements (6)

Qus:-3 Mention any 6 factors which increases the Gross Profit. (5)

Qus:-4 Vouch the following :- (Attempt any 5 with 5 or 6 relevant Points)

(i) Discounted B/R Dishonoured.
(ii) Recovery of Bad debts written off
(iii) Sale proceeds of junk Materials
(iv) Custom and Excise duties
(v) Remuneration paid to Directors
(vi) Travelling Expenses
(vii) Research and Development Expenditure
(viii) Refund of General insurance premium

(20)

13 January 2007

Test AUDIT

40 Marks

VERIFICATION OF ASSETS AND LIABLITIES

Qus:-1 What do you mean by verification. Explain any 3 Points of distinction between verification and vouching. (6)

Qus:-2 What is auditor's duty w.r.t. Depreciation. Also explain disclosure requirements of depreciation in Balance Sheet and Profit & Loss Account. (6)

Qus:-3. Distinguish between the following:- (Any 2) (Only 3 Points required)

(i) Reserve and provision

(ii) Capital and Revenue Expenditure

(iii) Reserve Capital and Capital Reserve. (8)

Qus:-4 Verify the following Assets:-(Any 3)

(i) Goodwill

(ii) Leasehold property

(iii) Investment

(iv) Patent Rights

(v) Bills Receivables. (12)

Qus:-5 Verify the following Liabilities:- (Any 2)

(i) Creditors

(ii) Contingent Liabilities.

(iii) Borrowing from Banks.

(iv) Bills Payable (8)

24 Jan 2007

Test Audit — Test - II — 42 Marks.

COMPANY AUDIT

Qus:-1 Comment on the following audit situations :-

(i.) Ajay is the sole proprietor of Ajay & Co., Chartered Accountants. Can he be appointed by his firm name. (3.)

(ii.) Sumit holds majority of Preference shares in Tehri steels Ltd. can he be appointed as its auditors. (2.)

(iii.) Kamal & Co., a firm of Chartered Accountants, is appointed as auditors of a public Company. Besides it is entrusted with the work of preparing a feasibility report (survey report) as to modernization of the working of the sales and accounts department of the Company. Is the appointment valid. (3.)

(iv.) How is cost auditor of a Company appointed. (2.)

(10.)

Qus:-2 Mention the situations under which the Central Govt. can order a special audit. (4.)

Qus:-3 Ashish is a partner in ABC Associates, Chartered Accountants. Analyse whether disqualification provisions are attracted in the following situations :-

(a.) Ashish is indebted for an amount exceeding Rs.1,000. Can the firm be appointed as auditor in its individual name.

(b.) The firm is indebted for an amount exceeding Rs. 1,000. Can Ashish be appointed as auditor in his individual name.

(6.)

Qus:-4 Appointment of auditor by Special Resolution. Comment !

OR

Qus:-5 Subhash, a duly qualified cost auditor, consented to the Company for his appointment as cost auditor, and accordingly, Govt. Approval for his appointment was obtained. The Cost auditor, later on, did not accept the offer. Advice the company how to proceed in this matter. (4.)

Qus:-6 Wipro solutions Limited, appointed at the A.G.M., Prabhat as the auditor and Sami as the joint auditor. The resolution provided that in the event of both or either declining the appointed, board may fill up the vacancy at their discretion. The Board of Director subsequently resolved that in the event of either Prabhat or Sami declining the appointment, Rakesh be appointed as joint auditor.

Later on, Sami declined the appointment and Rakesh was asked by the board to intimate his willingness or to accept the appointment. Advice Rakesh with reasons whteher his appointment is valid. (6.)

Qus:-7 ABC Pvt Limited, at its AGM held on 28-09-1998 had appointed another firm X & Co., Chartered Accountants as the auditor of the Co. for the year 1998-1999. However since the appointment of X & Co., was not made in accordance with the provisions of Sec-225, they had refused to accept the appointment made by the Company. Subsequently, the Co. sent a letter to the previous auditor Z Associates requesting to take up the audit of the Co. for the year 1998-1999.

Comment whether Z Associates can continue as auditors of the Company for 1998-99. since no resolution was passed at the AGM of the Company for removal of Z Associates as the auditors of the Company and they are not otherwise disqualified to be reappointed as such. (7.)

20-01-2007

Test - I

40 Marks

Company Audit

Qus:-1 Amit, a CA in Practice is a statutory auditor of MNO Ltd. He Purchased a car ~~for~~ from the Company under the hire purchase scheme run by the company on the same terms and conditions as applicable to all other customers. The cash down price of the car is Rs. 3,75,000. The initial payment of 25 % was made ~~for hiring~~ on signing the hire purchase agreement and the balance is payable in 24 monthly instalments the auditor has become indebted and is disqualified to act as auditor. Do you agree ? Why? (5.)

Qus:-2 Priyanka, a practicing CA is attending to the tax matters of ABC Ltd; and for that purpose has to regularly attend to the Co. from 10.00 A.M. to 2.00 P.M. on all working days. She is paid Rs. 5,000 P.M. for the same. ABC Ltd. wants to appoint Priyanka as its auditor at the coming A.G.M.. Advise whether she can accept the appoint. (7.)

Qus:-3 Can the auditor be automatically reappointed? State the exceptions, if any. (5.)

Qus:-4 Mention any 3 main rights and 3 main duties of statutory auditor with relevant section. (5.)

Ques:-5 Comment on the following situations:-

(i) Achal, owes Rs. 1,000 to Sidhbali Paper Limited of which he is an auditor. Is his appointment valid (2.)

(ii) Amar, a partner in the firm of M/S Goel & Company, chartered Accountant, is the secretary of Monika Pipes Limited. Can Amar or Goel & Company be appointed as company auditor. (3.)

(iii) Shipra, is a member of ICAI. The directors of a limited company say that she being a lady cannot be appointed as an auditor of the company. (2.)

Ques:-6 Mention the kinds of removal of auditor under the companies Act 1956 with relevant sections in brief. (6.)

Ques:-7 Short Note:- (in brief) (Any 2) (with sections)

(i) Use of Form 23 B

(ii) Remuneration of auditor.

(iii) Observations to be made in auditors report.

(iv) Signing of audit report.

(5.)

Test

AUDIT

Study-8
Company Audit - II

34 Marks

Qus:-1 Directors of J.C. Machines Ltd. declared an Interim dividend of Rs. 20% for 2005-06. Explain Points to be considered in this regard by the Company (6.)

Qus:-2 State, How will you audit the following in a company :- (Attempt any 4)

(i.) Issue of shares for consideration other then cash.
(ii.) Buyback of shares by the company
(iii.) Sweat equity shares.
(iv.) Redemption of Pref. Shares
(v) Verification of Debenture issue. (16.)

Qus:-3. In 'Share Transfer audit' what aspects would be required to be examined by you as an auditor. (6.)

Qus:-4 Explain the objective of company audit. Also mention the requirements and general considerations in company audit. (6.)

15 Sept '06

Test - Audit

Study-9

(Special Audit)

Qus:-1. An audit of Expenditure is one of the major components of Govt. Audit. In the context of Govt. Expenditure audit explain what do you mean by audit of Govt. Expenditure. (7.)

Qus:-2 Explain the duties of Comptroller and auditor General of India. (Any 3) (4.)

Qus:-3. Commant on the following :-

A Govt. Company appoint the auditor and fixed the remuneration in its G.M. (3.)

Qus:-4 Mention the important item to be examined by the auditor in the receipt of Income of N.G.O. (Any 5) (5.)

Qus:-5 ABC Limited is a Public company and its paid up Share capital is held by the following Public Financial Institutions in the following Ratio :-

IDBI - 20%
LIC - 20%
UTI - 15%

Company appointed the auditor in its AGM by passing special Resolution. You are required to state that whether such appointment is in order or not? (6.)

Qus:-6 Answer any 1 (Any 8 Relevent Points)

(i) Audit of Educational Institutional