

Hello everyone, as promised I am giving you something which will make audit studies very easy "Magic Sheet" for Self Study . Each and every question in PM and all important points are marked linked to notes with page numbers. In PM around 100 questions are mere repetition. Which you can easily identify from sheet and save loads of time & efforts.

PM with print date Apr 2016 is linked with notes released in July 2017 Video Edition. Even if have you old PM or notes this analysis will be off immense help. This will help you in last 1 day before exams.

PM--- means study from PM
Read remarks before going to question.

How to Study ?

- Pick up small topic you are targeting, quickly go to PM and read questions only and not answers, just get aware of type of questions
 - Watch video lecture / Read from regular notes
 - Mark important areas, make it super strong
- Now go answer questions, and improve your answering skills by looking at PM answers, many time PM answers are weird dont get tensed accept it and give best answer from your side. Specially SA 240 answers are wierd.

Notes Page Number are as per July 2017 Video Edition

1	Company Audit I	First read only questions from PM of the sub topic you want to study, which will increase curiosity and give you hang of questions which can be asked. Cover everything from this chapter. You can ignore bare sections & rules.
2	Company Audit II	First read only questions from PM of the sub topic you want to study, which will increase curiosity and give you hang of questions which can be asked. Cover everything from this chapter. You can ignore bare sections & rules.
3	Basics of Audit	First Cover PM & IMP then remaining, some questions are very simple / wiered / which are marked as PM study them PM only.
4	SA 200 Series	
5	SA 500 Series	
6	SA 600 Series	
7	SA 700 Series	
8	CARO	
9	Government Audit	
10	Special Audit	
11	Vouching & Verification	
12	FDP	
13	ICS	
14	SA 300	Round 100 questions in PM are from AS & Schedule III, I have marked them so that you can study it at last after accounts, I have commented on each question regarding keythings use it.
15	SA 400	
16	Audit of Share Capital	
17	Accounting	
		Use below Notes When Instructed in Magic Sheet
		These points in inquiry are subsequent events as per IAS 10, where adjusting events are accounted and significant non adjusting events are shown in notes to accounts. So how to remember these use flow of balance sheet.
		Asset Side Sale or acquisition of asset Any event affecting recoverability of asset
		Liability Side Issuance of Capital New Commitment / Borrowings / Guarantees
	Note 1	Financial Statements (Whole) Development clarifying contingencies Unusual accounting adjustments Appropriateness of Accounting Policy Appropriateness of Going Concern Relevant for measurement of estimates

	Note 2	Question was on misappropriation on cash but in answer they focused only on misappropriations while receipts of money. -Sales not recorded -Sale recorded in fake receipt book -Sales recorded but latter declared cancelled -Sale recorded at lower prices -Sales recorded with excessive discount -Money received is not recorded immediately -Teeming & Lading (Fraud of A concealed by money from B and cycle continues) -Money received but latter declared bad debt & money is stolen -Money received but latter adjusted discount & stole it Check there should e segregation of duty to have internal check. -Person preparing sales bill / collecting cash / giving delivery / doing accounting all should be different -Sale bill should be pre numbered so that nothing is left out. -Match sale as per inventory records to sale as per carbon copy further match it to sales book & cash summary then match total of cash summary to pay in slip for daily banking next day then match it to cash book and also to customers accounts Quantity / Rate / Discount / Date across all documents should match
	Note 3	Internal control can provide only reasonable, but not absolute, assurance that the objectives stated above are achieved. This is because there are some inherent limitations of internal control, such as: <u>C</u>ost (Cost should not benefit System of Rs 1,00,000 for frauds of Rs 10,000) <u>A</u>buse of authority (Store in charge steals goods & keeps empty boxes) <u>C</u>ollusion among employees (Purchase Manager & Store Manger Collude with Supplier) <u>H</u>uman Error (Packed extra units in error) - No control for <u>U</u>nusual transaction (Exchange of goods) - Manipulations by <u>m</u>anagement <u>I</u>nadequate procedure (Not as per changing conditions like GST)

Chapter	Topic	PM Ch	Q.No	Sub Q.No	Vol	Pg No	Sub Pg	Remarks
Company Audit I	Disqualification	7	14	b	2	2	2	Disqualifications are for auditors & not for Tax Consultants.
Company Audit I	Qualification	7	47	xi	2	2	2	
Company Audit I	Qualification / CA not holding COP	7	9	b	2	2	2	
Company Audit I	Qualification, Partnership Firm	7	47	iv	2	2	2	
Company Audit I	Disqualification / Rented office in clients building	7	21	c	2	2	3	I disagree with answer in PM, office in client owned building will lead to business relationship and auditor will be disqualified.
Company Audit I	Disqualification / Relative of MD	7	34		2	2	5	
Company Audit I	Disqualification (Relative of Director)	7	47	iii	2	2	5	
Company Audit I	Disqualification / MD wants to become auditor	7	15	a	2	2	5	He cannot become auditor
Company Audit I	Disqualification / Partner is a Employee	7	4	a	2	2	5	
Company Audit I	Disqualification (Securities)	7	47	x	2	2	6	
Company Audit I	Disqualification holding shares of subsidiary	7	7	a	2	2	6	
Company Audit I	Disqualification, Holding Securities	7	47	v	2	2	6	
Company Audit I	Disqualification / Indebtedness	7	1	a	2	2	7	
Company Audit I	Disqualification / Indebtedness	7	29	c	2	2	7	
Company Audit I	Disqualification / Indebtedness	7	39		2	2	7	
Company Audit I	Disqualification / Indebtedness	7	41		2	2	7	
Company Audit I	Disqualification / Indebtedness / Advance for Fees or Expenses	7	9	c	2	2	7	
Company Audit I	Ceiling Limit	7	1	b	2	2	9	
Company Audit I	Ceiling Limit	7	15	b	2	2	9	
Company Audit I	Ceiling on Number of Audits	7	33	a	2	2	9	
Company Audit I	Appointment of First Auditor	7	47	ii	2	2	14	
Company Audit I	Appointment of First Auditor	7	47	ix	2	2	14	
Company Audit I	Appointment of Auditor through Appointment AOA / MOA	7	47	viii	2	2	15	
Company Audit I	First Auditor of Government Company	7	8	a	2	2	15	
Company Audit I	Appointment of Auditor	7	29	b	2	2	16	
Company Audit I	Appointment of First & Subsequent Auditor	7	46		2	2	16	
Company Audit I	No AGM for 3 years	7	14	d	2	2	16	Old auditor will continue.
Company Audit I	Ratification & No appointment of joint auditor will means removal at AGM	7	14	c	2	2	16	It is better to read it removal before AGM and removal at AGM. If there is no ratification full process of Removal at AGM (5 Steps) in Images will be applicable.
Company Audit I	Casual Vacancy on Resignation	7	2		2	2	17	
Company Audit I	Casual Vacancy on Resignation	7	5	a	2	2	17	
Company Audit I	Casual Vacancy on Resignation	7	33	b	2	2	17	
Company Audit I	Casual Vacancy on Resignation	7	35		2	2	17	
Company Audit I	No appointment / reappointment of retiring auditor	7	25		2	2	18	
Company Audit I	Voting Power of Auditor in Audit Committee	7	38		2	2	18	Auditor can attend meeting of Audit Committee but he cannot vote.
Company Audit I	Applicability of Rotation of Auditor	7	44		2	2	21	
Company Audit I	Applicability of Rotation of Auditor	7	47	vii	2	2	21	
Company Audit I	Manner of Rotation	7	48		2	2	21	
Company Audit I	Removal before expiry	7	16		2	2	24	4 steps in flow.
Company Audit I	Removal of First Auditor	7	36	b	2	2	24	
Company Audit I	Dissolution of Audit Firm	7	21	b	2	2	26	
Company Audit I	Power of Auditor to Visit Branch	7	18		2	2	28	He can visit any branch he wants without any conditions.
Company Audit I	Powers of Auditor	7	4	c	2	2	28	Books include all statutory records, including voucher. BOD Minutes is part of statutory records.
Company Audit I	Powers of Auditor	7	5	b	2	2	28	
Company Audit I	Audit Inquiry Under Sec 143(1)	7	10		2	2	29	Use flow to remember
Company Audit I	Audit Report Matter as per 143(3)	7	13		2	2	30	Use flow of the story, we also saw practical report of reliance for 143 (3)
Company Audit I	Director Disqualified Under Sec 164(2)	7	8	d	2	2	30	
Company Audit I	Disqualification Under Sec 164(2)	7	14	a	2	2	30	
Company Audit I	Inquiry under Sec 143(1)	7	8	b	2	2	30	
Company Audit I	Cab BOD appoint branch auditors	7	20		2	2	32	Appointment is similar to regular auditor, such power cannot be delegated. This delegation of power from branch auditor was allowed in old law. Answer in PM is wrong regarding delegation.
Company Audit I	Role of CAG in Government Company Audit	9	5	b	2	2	32	
Company Audit I	Compliance with SA	7	29	a	2	2	33	Compulsory to follow SA in all types of companies.
Company Audit I	Fraud Reporting	7	47	xii	2	2	34	
Company Audit I	Auditors Attendance at AGM	7	11	b	2	2	35	It is compulsory to attend AGM. Either he can send someone else or Company can exempt him from attending.
Company Audit I	Right to attend AGM	7	21	a	2	2	35	He can attend all the meetings, irrespective of area of discussion.
Company Audit I	Sending Audit Report to Shareholders	7	8	c	2	2	35	Auditor has to send his report to company, then its there responsibility to send it to shareholders as per Sec 134
Company Audit I	Signing Audit Report by Employee / Manager of Audit Firm	7	7	b	2	2	35	Only Partner who is CA in Practice can sign audit report on behalf of Firm as per Sec 145 / 141 (2) & CA Act
Company Audit I	Cost Audit	7	12	b	2	2	36	
Company Audit I	Exemption from Cost Audit	7	12	c	2	2	36	
Company Audit I	Maintenance Cost Records	7	12	a	2	2	36	
Company Audit II	Access to books of accounts	7	47	vi	2	3	2	
Company Audit II	Change in Location of Books of Accounts	7	31	a	2	3	2	
Company Audit II	Location of Books of Accounts	7	11	a	2	3	2	
Company Audit II	Non Compliance of AS	7	45		2	3	4	
Company Audit II	Director Responsibility Statement	8	24		2	3	6	

Company Audit II	Applicability of Internal Audit	4	29		2	3	11	Simple Case, we have to see TO of Last year and not average TO.
Company Audit II	Sec 138 Internal Audit	4	33	i	2	3	11	
Company Audit II	Donation for Charity Purpose	5	32		2	PM		
Company Audit II	Donation for Charity Purpose	7	17	b	2	PM		
Company Audit II	Political Contribution	5	45		2	PM		
Basics of Audit	Basic Principles Governing an Audit	1	13		2	1	3	Very popular as per old standards. Use flow of audit to remember
Basics of Audit	Types of Audit	1	16		2	1	3	
Basics of Audit	Continuous Audit	3	3	b	2	1	6	Only explain continuous audit
Basics of Audit	Continuous Audit	3	32		2	1	6	Repeat Question Only explain continuous audit
Basics of Audit	Behavioral Science & Audit	1	22	c	2	1	7	Just recollect CPT / IPCC subjects
Basics of Audit	Self Revealing	1	20	b	2	1	9	Use additional examples in PM
Basics of Audit	Errors of Commission	1	2		2	1	10	
Basics of Audit	Audit Vs Investigation	1	12		2	1	11	Use flow of doing audit to remember points. Recollect example fraud in chemical company.
Basics of Audit	Surprise Checks	3	14		2	1	11	
Basics of Audit	Surprise Checks	3	22		2	1	11	Study from PM Use it for movable assets & application of system when auditor is not present.
Basics of Audit	Surprise Checks	3	33		2	1	11	Repeat Question
Basics of Audit	Audit Procedure Vs Technique	3	30		2	1	13	You can use table or express in paragraphs
Basics of Audit	Examination in Depth	4	2		2	1	13	It is similar to following audit trial and vouching. Use example to elaborate answer, as given.
Basics of Audit	Different Accounting Policies	2	15		2	1	14	Remember in sequence of balance sheet
Basics of Audit	General Purpose Financial Statements	1	10	a	2	1	14	Write as per requirements of question, can give reference of SA 700
Basics of Audit	Auditors Independence	2	12		2	1	15	Include points from PM about how company act protects independence.
Basics of Audit	Cash Defalcation	1	24		2	PM		
Basics of Audit	Casting / Totaling	5	43		2	PM		
Basics of Audit	Instruction to Client before Start of Audit	3	25	b	2	PM		Alternative answer in PM is better, it is simply management responsibility as per SA 210
Basics of Audit	Operational Audit	1	4		2	PM		This question is from final course by mistake included here in IPCC. It simply means going beyond financial aspects and find out how we can improve efficiency & effectiveness of activities.
Basics of Audit	Test Check in System Based Audit	3	17		2	PM		Simple the explain where automated systems are used for accounting, after test of controls we can use sampling in test details, that will be sufficient.
Intro to SA's	Name of any 12 SA's	1	6		1	1	0	You can ignore this question. If they ask, then use shortcut trick to remember all SA numbers and names.
Intro to SA's	Types of Standards	1	17		1	1	4	
Intro to SA's	Standards Vs Guidance Notes	1	22	a	1	1	6	Standards--- Mandatory GN--- Recommendatory
Intro to SA's	Objectives & Functions of AASB	1	26		1	1	7	
SA 200	Objectives of Audit	1	27		1	1	10	
SA 200	Audit is full of risk	1	1	b	1	1	13	
SA 200	Inherent Limitations of Audit	1	14		1	1	13	Repeat Question
SA 200	Audit Risk	3	26	b	1	1	14	Use class notes
SA 200	Audit Risk	3	29	b	1	1	14	Use class notes
SA 200	Inherent Risk	3	7		1	1	14	They have covered points from SA 315 & SA 330. While deciding audit procedure under SA 330 risk is considered. How to consider risk is explained in SA 315. Its mix answer study from PM
SA 200	Professional Skepticism	1	23	c	1	1	16	Refer examples for better understanding
SA 200	Qualities of Auditor	1	8		1	PM		Explain in one line each JESS in SA 200, including all points of ethical requirements
SA 210	Letter of Engagement	3	4		1	1	22	Simple question where they explain EL. You can add more points from SA 210
SA 210	Change in Terms of Engagement	3	26	a	1	1	24	Recollect examples and use key to remember
SA 210	Engagement Letter in recurring audits	3	31		1	1	24	Use examples for clarity and flow of point. Some are external / some from management side and some from our side.
SA 210	Reduction in fees & Part Audit	7	4	b	1	1	24	PM has not mentioned SA 210, but it was required. Should withdrawn from such assignment. Responsibilities as per law cannot be ignored.
SA 210	Request to give lower level of assurance	3	34		1	1	25	Due to lack of time client may request to change from audit to review. If situation is genuine do it. Read matter in PM for further explanation.

								Use flow drawn in class. Explain headings in one line. SA 220 explains implementation of firm level procedures to audit assignment level.
SA 220	Quality Control	3	29	c	1	1	27	
SA 220	Acceptance & Continuance	1	25	a	1	1	30	
SA 230	Advantages of Working Papers	2	4		1	1	35	Advantages / Importance / Purpose of AD all are same
SA 230	Advantages of Working Papers	2	7		1	1	35	Repeat Question on Advantages of AD
SA 230	Audit Working Papers	2	20	b	1	1	35	Repeat Question Advantages / Importance / Purpose of AD all are same
SA 230	Types of Audit File	3	11		1	1	36	its fine to cover 5-6 example of each type
SA 230	Factor affecting form / content / extent	1	19	b	1	1	38	Remember in flow of going for audit.
SA 230	Health Zone changes auditor	3	20	b	1	1	39	Its our property even after audit
SA 230	Ownership of Audit Documentation	7	31	c	1	1	39	
SA 230	Ownership of Working Papers	3	13		1	1	39	See point sharing of documents
SA 230	Utility / Ownership / Custody / Retention of Audit Working Paper	3	21		1	1	39	It's a mix answer, very simple read once from PM
SA 230	Utility of Audit Working Paper	3	19		1	1	39	Repeat Question Advantages / Importance / Purpose of AD all are same
SA 230	Audit Note -Book	3	3	a	1	1	40	Popular question in exams
SA 230	Audit Note -Book	3	23	b	1	1	40	Repeat Question Popular question in exams
SA 230	Auditor Lien	7	3		1	1	41	
SA 240	Fraudulent Financial Reporting	1	29		1	1	42	
SA 240	Misappropriation of CASH	2	6		1	1	43	Refer Note 2 at the end
SA 240	Conditions or Events which increase risk of fraud	1	3		1	1	44	Use class notes
SA 240	detection of fraud and error duty of an auditor	1	28	b	1	1	46	
SA 240	Failure to detect misstatement	7	37		1	1	46	Repeat Question
SA 240	Fraud detected after completion of audit	1	1	a	1	1	46	
SA 240	Fraud detected after completion of audit	1	7		1	1	46	Repeat Question
SA 240	Joint Auditors Failed to Discover Fraud	7	9	a	1	1	46	Also give reference of SA 299. Each joint auditor is responsible for his work
SA 240	Teeming & Lading	2	24			PM		
SA 250	Indicators of Non Compliance	1	21	a	1	1	57	Use short cut given in notes.
SA 260	Communication of Significant Findings from Audit (With 4 sub points)	1	19	a	1	1	62	Study with the help of examples given after each point.
SA 260	Significant Difficulties	1	25	b	1	1	62	
SA 260	Factors affecting mode of communication to ICWG	3	28	b	1	1	63	Use Shortcut & Examples
SA 265	Letter of Weakness	4	26		1	1	68	Management Letter & Letter of Weakness is same. Written representation is different
SA 265	Letter of Weakness	4	33	ii	1	1	68	
SA 299	Joint Audit	7	26	b	1	1	71	Repeat Question Study Both Q 2 Duties & Q 3 Reporting
SA 299	Joint Audit	7	32		1	1	71	Repeat Question Study Both Q 2 Duties & Q 3 Reporting
SA 299	Joint Audit Responsibilities	7	33	c	1	1	71	Repeat Question Study Both Q 2 Duties & Q 3 Reporting
SA 299	Responsibilities of Joint Auditor	2	19		1	1	71	Study Both Q 2 Duties & Q 3 Reporting
SA 299	Responsibilities of Joint Auditor	7	22	a	1	1	71	Repeat Question Study Both Q 2 Duties & Q 3 Reporting
SA 299	Responsibilities of Joint Auditor	7	27		1	1	71	Repeat Question Study Both Q 2 Duties & Q 3 Reporting
SA 500	Audit Evidence	2	3	(i)	1	1	111	Use key to remember
SA 500	Sufficient & Appropriate Evidence	2	21		1	1	112	Use shortcut PRIMA
SA 500	Inquiry as method of collecting evidence	2	23		1	1	113	Read full answer from PM to express this point of enquiry in detail.
SA 500	Methods of collecting Audit Evidence	2	3	(ii)	1	1	113	Use flow of image
SA 500	External Vs Internal Evidence	2	17		1	1	115	Read answer from PM to understand how to explain
SA 500	Reliability of Audit Evidence	2	3	(iii)	1	1	115	Explain only points related to reliability, use key to remember, in flow of receiving external confirmation
SA 500	Xerox Copies / Books taken away by IT department	2	22		1	1	115	Explain points of reliability of audit evidence. Then explain xerox is not reliable. So certified copies from IT dept. and other evidence will be required. If not obtained qualify / disclaimer
SA 500	Actuarial Valuation	6	4	b	1	1	116	Use key to remember, recollect points & discussion of SA 610
SA 500	Management Expert (Assumed)	6	40	b	1	1	116	Use key to remember, recollect points & discussion of SA 610
SA 501	Attendance at Physical Verification	6	42		1	1	120	Explain detail as per key to remember
SA 501	Existing & Condition of Inventory	6	2	b	1	1	120	It can come for 6-8 marks use key to remember.
SA 501	Inventory Physical Verification	6	20	b	1	1	120	Its managements responsibility to manage Inventory
SA 501	Quantity & Value of Inventory (Management Responsibility)	6	2	a	1	PM		Its managements responsibility to manage Inventory
SA 505	External Confirmation	2	14		1	1	125	Use key to remember
SA 505	External Confirmation	6	4	a	1	1	125	As per guidance note date of confirmation can be year end or any suitable date
SA 505	Areas for external confirmation	5	47		1	1	125	

SA 505	Factors while designing confirmation request	6	51		1	1	127	Use diagram of letter
SA 505	Reliability of External Confirmation	3	28	a	1	1	130	Notes has more points, use sequence in image.
SA 510	Change on Auditors & Checking of Opening Stock	1	9	a	1	1	133	Simple application of SA 510, accuracy & consistency of Accounting Policy.
SA 520	Analytical Procedures	2	13	(i)	1	1	135	in PM they have listed only to uses, we should write all 3 to be on safer side. Use Images / Charts
SA 520	Analytical Review	6	17		1	1	135	Definition & Uses
SA 520	Reliability of Data used in Analytical Procedures	5	38		1	1	137	Use table & examples.
SA 520	Reliance on Analytical Procedure	3	27	b	1	1	137	This question is not covered in SA. It is from old audit literature. Whether to rely on Analytical procedure or Test of Details. RO-MAT R-Risk / O-Other Audit Procedures / M-Materiality / A-Accuracy of expected results / T-Test of Controls
SA 520	Reliance on Analytical Procedures	6	12	b	1	1	137	This question is not covered in SA. It is from old audit literature. Whether to rely on Analytical procedure or Test of Details. RO-MAT R-Risk / O-Other Audit Procedures / M-Materiality / A-Accuracy of expected results / T-Test of Controls
SA 530	Sampling Risk	1	19	c	1	1	139	
SA 530	Sampling Risk	3	27	a	1	1	139	Repeat Question
SA 530	Sample Design / Sample Size / Sampling Method	1	21	b	1	1	140	Explain concepts in short.
SA 530	Sample Design / Sample Size / Sampling Method	3	35		1	1	140	Repeat Question
SA 530	Methods of Sampling	3	2		1	1	142	Explain all methods in brief.
SA 530	Advantages of Statistical Sampling	3	23	a	1	1	143	Use key to remember
SA 530	Random Sampling	3	36		1	1	144	
SA 530	Random Selection Method	3	1		1	1	144	Read answer in PM it is simple and explains statement with reason.
SA 530	Stratified sampling	3	29	a	1	1	144	
SA 530	Precautions of Test Check	3	12		1	1	146	Use key to remember explain each point in 1-2 sentences
SA 540	Accounting Estimates/ Types / High Low Uncertainty	2	11		1	1	151	Define Estimates / Types / High and Low Uncertainty
SA 550	Transactions outside normal course of business	1	20	a	1	1	157	Transactions which happen rarely. Use examples given in short notes.
SA 550	Arms Length Transactions	1	18	c	1	1	158	Simple definition.
SA 560	Define Subsequent Event	6	8	a	1	1	160	It covers 2 things events till date of signing & facts after signing
SA 560	Audit Procedures for Subsequent Event	6	8	c	1	1	161	Study from Image, if question is silent they mean events till date of signing. For points related to inquiry refer Note 1
SA 560	Inquiry of Subsequent Event	1	22	b	1	1	161	Refer Note 1 at bottom
SA 560	Subsequent Events (SA 560)	1	5		1	1	161	Study from Image, if question is silent they mean events till date of signing. For points related to inquiry refer Note 1
SA 570	Appropriateness of going concern assumption	2	10		1	1	166	Little background of SA 570 & Events & Conditions creating significant doubt over going concern.
SA 570	Operating Conditions creating doubt over going concern.	1	23	b	1	1	166	Explain points which are asked, remember points in flow, purchase--production--sales
SA 570	Procedure to verify going concern	3	28	c	1	1	168	Question doesn't specify but they have covered additional audit procedures. So use key to remember
SA 570	Recurring Losses / Going Concern Invalid	8	25		1	PM		If going concern is in valid & management still uses going concern assumption go for adverse opinion
SA 580	Existence & Valuation of Goods with transporter	3	20	a	1	1	171	It cannot substitute regular audit procedure.
SA 580	Management Representation	3	8		1	1	171	Use key to remember
SA 580	Misuse of Written Representation	3	15		1	1	171	It cannot substitute regular audit procedure.
SA 580	Written Representation	3	37		1	1	171	
SA 580	WR not provided	1	23	a	1	1	172	Use image for better studies.
SA 600	Qualified branch audit report	6	28	a	1	1	176	Consider branch qualifications / misstatements if they are material. Further try to resolve them if not then Qualify etc.
SA 610	Can external auditor rely on work done by internal auditor	4	7		1	1	179	Use table and examples
SA 610	External Audit Vs Internal Audit	4	17		1	PM		Use the flow of doing audit.
SA 610	External Audit Vs Internal Audit	4	20		1	PM		Repeat Question
SA 610	Independence of Internal Auditor	4	12		1	PM		Use the flow of doing audit. There is reference of Sec 150. Independence of Internal Auditor is not as good as Statutory Auditor. But because it reports to BOD, he can freely communicate his view points without any pressure so he is adequately Independent.
SA 700	Basic Elements Audit Report	7	23		1	1	189	Explain each element in 2-3 lines
SA 700	True & Fair View	2	9		1	1	193	Use small chart drawn during lecture
SA 700	Framing an opinion on financial statements	1	11		1	1	194	Use flow given to remember points. Give SA 700 reference

SA 700	Reports Vs Certificates	7	6		1	1	194	You can use answer either in polarography form or table form which ever is comfortable.
SA 700	Process of Judgement Formation (For Audit Report)	7	22	b	1	PM		Question is misleading, they should have specified audit report.
SA 700	Unqualified Opinion (What it indicates)	7	24		1	PM		
SA 705	Adverse Opinion	7	42		1	1	196	For concept use chart, rest of the material can be read from PM for explanation
SA 705	Disclaimer Opinion	7	26	a	1	1	196	For concept use chart, rest of the material can be read from PM for explanation
SA 705	Disclaimer Opinion	7	42		1	1	196	For concept use chart, rest of the material can be read from PM for explanation
SA 705	Modificaion of Audit Report	7	47	i	1	1	196	
SA 705	Modification of Opinion	7	42		1	1	196	For concept use chart, rest of the material can be read from PM for explanation
SA 705	Modification of Opinion	7	49		1	1	196	
SA 705	Modified Reports	7	43		1	1	196	For concept use chart, rest of the material can be read from PM for explanation
SA 705	Qualified Opinion	7	42		1	1	196	For concept use chart, rest of the material can be read from PM for explanation
SA 710	Auditors responsibilities with respect to corresponding figures (it should be comparatives) give same answer if asked in exams	1	19	d	1	1	205	Heading of PM is not proper it should have been comparatives & how to audit them.
CARO	Applicability of CARO	7	40		2	2	63	
CARO	Interest of director not disclosed in records	8	4		2	PM		Read case from PM
Government Audit	Audit of Expenditure	9	5	a	2	4	3	Use example used while teaching
Government Audit	Duties of CAG	9	8		2	4	3	
Government Audit	Audit against Rules & Orders	9	19		2	4	4	
Government Audit	Propriety Audit	9	17		2	4	5	
Government Audit	Performance Audit	9	2		2	4	6	
Government Audit	Audit of Commercial Accounts / Activity	9	12		2	4	8	
Government Audit	Audit of Stores	9	27		2	4	8	Use diagram in class
Government Audit	Powers of C&AG (CAG Act)	9	24		2	4	10	Powers are given to C&AG by Company Act as well as C&AG Act
Government Audit	Objectives of Local Body Audit	9	28		2	4	12	
Government Audit	Audit of Local Bodies	9	10		2	4	12	Simple audit of municipal corporations.
Government Audit	Audit of Local Bodies	9	20		2	4	12	Repeat Question Simple audit of municipal corporations.
Special Audit	Audit of Income of NGO	9	22		2	10	1	
Special Audit	Audit of NGO	9	7		2	10	1	Option --Can add some points from PM.
Special Audit	NGO (Receipts)	9	14	a	2	10	1	
Special Audit	Audit of Educational Institute	9	11		2	10	2	
Special Audit	Educational Institute	9	1		2	10	2	
Special Audit	Educational Institute (Focus on Hostel Receipts)	9	3		2	10	2	Imagine receipts & payments from start till end and write relevant points about receipt & payments.
Special Audit	Audit of Cinema Hall	9	16		2	10	4	
Special Audit	Receipts of Cinema Theatre	3	10	b	2	10	4	Cover only part related to ticket sell
Special Audit	Audit of Recreation Club	9	6		2	10	5	
Special Audit	Audit of Hospital	9	18		2	10	6	
Special Audit	Audit Of Hospital	9	25		2	10	6	
Special Audit	Audit of Receipts from Patients (Hospital)	9	23		2	10	6	
Special Audit	Audit of Hotels	9	13		2	10	7	
Special Audit	Incomplete Records	9	4		2	10	10	Use flow as discussed in class.
Special Audit	Advantages of Audit to Partnership Firms	9	21		2	10	13	Similar Points
Special Audit	Audit of Partnership Firm	9	9		2	10	13	
Special Audit	Advantage of Audit to Sole Trader	9	15		2	10	14	Repeat Question Use Class Notes
Special Audit	Advantages of Audit	1	15		2	10	14	Use Class Notes
Special Audit	Advantages of Independent Audit	1	28	a	2	10	14	
Special Audit	Importance of Audit	2	1		2	10	14	Repeat Question. It is similar to advantages of independent audit. Just mark extra points and include it in advantages.
Special Audit	Amusement Park (Receipts)	9	14	b	2	PM		Similar
Special Audit	Special Considerations Audit of Limited Company	8	21		2	PM		Use flow on "Constitution of Any Entity" as we study in special audit.
Verification	Bank Balance of Educational Institution	5	26		2	6	1	
Verification	Bank Balances	5	7	a	2	6	1	ERVCD
Verification	Cash at Bank	5	44		2	6	1	
Verification	Cash on Hand	5	30	a	2	6	1	Use ERVCD
Verification	Disclosure of Bank Balance	6	49	b	2	6	1	
Verification	Verification of Assets	6	33		2	6	1	
Verification	Verification of Building	6	7		2	6	1	ERVCD
Verification	Verification of CASH at Bank	6	48		2	6	1	
Verification	Bills Payable	5	7	b	2	6	2	ERVCD
Verification	Intangible Asset	6	56		2	6	3	
Verification	Leasehold Property	6	45		2	6	3	
Verification	Trade Marks & Copy Rights	5	6	b	2	6	3	ERVCD
Verification	Fixed assets Jointly Owned	6	15	b	2	6	4	Explain concepts and related points

Verification	Purchase of Motor car	6	22	b	2	6	4	ERVCD
Verification	Analytical Review for Inventories	6	23		2	6	6	
Verification	Debtor	1	9	b(ii)	2	6	6	Write as per marks.
Verification	Analytical Review Procedures in Brief for Debtors	6	55		2	6	7	Special Point
Verification	Patterns & Tools	6	54	b	2	6	7	
Verification	Assets Abroad	6	10	c	2	6	8	
Verification	Goods lying with third Party	6	41	a	2	6	9	Similar Points. Imagine transactions from start till end like in vouching.
Verification	Goods Sold on Approval	5	1	a	2	6	9	
Verification	Inventory at Contractor	6	29	b	2	6	9	
Verification	Inventory with third party	6	22	a	2	6	9	Can use ERVCD to recall points
Verification	Sales on Approval	5	33	a	2	6	9	
Verification	WIP	6	37	b	2	6	10	
Verification	WIP with third party	6	3	b	2	6	10	Similar Points. Imagine transactions from start till end like in vouching.
Verification	Work in Progress	5	6	d	2	6	10	Explain related concepts
Verification	Assets on HP	5	23	b	2	6	11	Similar Points. Imagine transactions from start till end like in vouching.
Verification	Endowment Policy	6	13	c	2	6	11	Explain concepts and related points
Verification	Goodwill	5	5	b	2	6	11	Explain related concepts
Verification	Goodwill	6	19	b	2	6	11	Explain related concepts
Verification	Machinery Acquired Under HP	5	6	c	2	6	11	Similar Points. Imagine transactions from start till end like in vouching.
Verification	Trade Payable	6	36	a	2	7	1	Can use ERVCD to recall points
Verification	Borrowings from Banks	6	37	a	2	7	2	Similar Points. Imagine transactions from start till end like in vouching.
Verification	Loan Taken from Bank	5	1	b	2	7	2	Similar Points. Imagine transactions from start till end like in vouching.
Verification	Amount due to subsidiary	6	24	c	2	7	3	
Verification	Capital Subsidy	5	3	c	2	7	3	
Verification	Floating Charge	6	14	b	2	7	3	Explain concepts and related points
Verification	Contingent Liability	6	57		2	7	4	
Verification	Contingent Liability	6	9		2	7	4	Can use ERVCD to recall points
Verification	Contingent Liability	6	13	a	2	7	4	Can use ERVCD to recall points
Verification	Advance to Director	6	31	a	2	PM		Can use ERVCD to recall points
Verification	Advance to Supplier	6	16	c	2	PM		Can use ERVCD to recall points
Verification	Advance to Supplier	6	36	b	2	PM		--
Verification	Balances with excise authority	5	19	c	2	PM		Write Concept & all related points
Verification	Bank OD	6	54	a	2	PM		Use ERVCD
Verification	Bank Overdraft	5	33	b	2	PM		Use ERVCD
Verification	Bought Ledger Having Debit Balance	5	35		2	PM		Frauds which can take place in creditors account
Verification	Bought Ledger having Debit Balance	6	47		2	PM		Frauds which can take place in creditors account
Verification	Capital WIP	6	19	c	2	PM		Explain concepts and related points
Verification	Deferred Revenue Expenditure	5	5	a	2	PM		Simply Explain concept and AS 26
Verification	Discounted bills dishonored	6	24	b	2	PM		Explain concepts and related points
Verification	Frauds in Bought Ledger	5	36		2	PM		Frauds which can take place in creditors account
Verification	Huge Cash Balance	6	1		2	PM		Read from PM
Verification	Indications of Doubtful Debt	6	52		2	PM		Common Sense points when are debtors doubtful
Verification	Investment in Shares & Debentures of Subsidiary	6	54	c	2	PM		Use ERVCD
Verification	Liability towards gratuity	5	19	a	2	PM		Write Concept & all related points
Verification	Outstanding Assets	6	12	a	2	PM		It simply means pre-paid expenses
Verification	Proposed Dividend	6	41	b	2	PM		Explain concepts and related points
Vouching	Payment of Revenue Expenditure	5	22	b	2	5	1	Similar Points
Vouching	Purchase with Invoice	5	40	c	2	5	1	
Vouching	Vouching	5	4		2	5	1	
Vouching	Vouching	5	12		2	5	1	
Vouching	Vouching	5	41		2	5	1	
Vouching	Purchase Return	5	14		2	5	2	
Vouching	Customs Duty	5	28	b	2	5	3	
Vouching	Excise Duty	6	13	b	2	5	3	
Vouching	Gratuity	6	10	a	2	5	4	
Vouching	Payment of Gratuity	5	24	a	2	5	4	
Vouching	Payment of Wages	5	30	b	2	5	4	
Vouching	Wages for seasonal labour	5	40	d	2	5	4	
Vouching	Wages to seasonal labours	6	19	d	2	5	4	
Vouching	Remuneration paid to directors	5	40	a	2	5	5	
Vouching	Remuneration paid to directors	5	48	a	2	5	5	
Vouching	Advertisement Expenditure	5	27	a	2	5	6	
Vouching	Advertisement Expenditure	6	29	d	2	5	6	
Vouching	Advertisement Expense	6	19	a	2	5	6	
Vouching	Expenditure for promotion	5	19	b	2	5	6	
Vouching	Foreign Travel Expenses	5	3	b	2	5	6	
Vouching	Payment of Income Tax	5	25		2	5	6	
Vouching	Preliminary Expense	6	16	b	2	5	6	
Vouching	Provision for Income Tax	5	3	d	2	5	6	Imagine transaction from start till end and remember trick.
Vouching	Travel Expenses	1	9	b(i)	2	5	6	Write as per marks.
Vouching	Travelling Expense / Foreign Travel	5	13		2	5	6	
Vouching	Travelling Expenses	5	39		2	5	6	
Vouching	Audit of Credit Sales	6	46		2	5	7	
Vouching	Cash Sale	5	23	c	2	5	7	
Vouching	Sale Return	5	11	b	2	5	7	Simple imagine flow and write related points
Vouching	Bad Debt	5	31	b	2	5	8	Simple imagine flow and write related points
Vouching	Consignment Sale	6	11	a	2	5	8	
Vouching	Goods Sent On Consignment	5	3	a	2	5	8	
Vouching	Recovery of Bad Debt Written Off	5	24	b	2	5	8	
Vouching	Sale of Scrap	6	10	b	2	5	8	
Vouching	Scrap Sales	5	6	a	2	5	8	
Vouching	Scrap Sales	5	9		2	5	8	
Vouching	Scrap Sales	5	27	b	2	5	8	
Vouching	Refund of Insurance Premium	5	40	e	2	5	9	

Vouching	Rental Receipt	5	23	a	2	5	9	
Vouching	Change in Gross Profit Rate	5	10		2	5	10	
Vouching	Change in Gross Profit Rate	5	16		2	5	10	
Vouching	Change in Gross Profit Rate	5	34		2	5	10	
Vouching	Change in Gross Profit Rate	5	37		2	5	10	
Vouching	Change in Gross Profit Ratio	5	21		2	5	10	
Vouching	Royalty Received	6	11	b	2	5	10	
Vouching	Sale of Empties	6	29	c	2	5	10	
Vouching	Audit of Sale of Investments	6	50	a	2	5	11	
Vouching	Personal Expenses by Director	6	16	a	2	5	11	
Vouching	Sale & Purchase of Investments without approval	8	13	a	2	5	11	
Vouching	Sale of Investments	5	22	a	2	5	11	
Vouching	Scrutiny of General Ledger	5	15		2	5	12	Study in flow opening balance to closing
Vouching	Cut-off Arrangement	5	8		2	5	13	
Vouching	Purchase of Investments	6	24	a	2	6	5	Simple imagine flow and write related points
Vouching	Grant Receipts	3	16		2	7	3	Use trick of vouching, imagine transaction from start till end and number points in that sequence.
Vouching	Subsidy from government	5	19	d	2	7	3	Simple imagine flow and write related points
Vouching	Audit of Leasing Activities of Leasing Company	9	26		2	PM		Imagine flow of leasing activity.
Vouching	Cheques received at year end not accounted	5	2		2	PM		Cheque received but not deposited should be accounted. Just explain relevant concepts
Vouching	Insurance Claim	5	28	a	2	PM		Simple imagine flow and write related points
Vouching	Insurance Premium for Motor Car	5	18		2	PM		
Vouching	Loss of Inventory by Theft	6	29	a	2	PM		Simple imagine flow and write related points
Vouching	Medical Council Conference / Audit Programme	3	6		2	PM		Simple programme to check receipts. Use
Vouching	Payment on Acquisition of Asset	5	48	b	2	PM		trick of vouching, imagine flow and remember points
Vouching	Production Incentive	5	31	a	2	PM		Simple imagine flow and write related points
Vouching	Profit / Loss on sale of Plots	5	40	b	2	PM		Simple imagine flow and write related points
Vouching	Repairs to Asset	5	46		2	PM		
Vouching	Repayment of Foreign Loan	6	31	b	2	PM		Imagine transactions from start till end and write relevant point.
Vouching	Sales Commission Expenditure	5	11	a	2	PM		Simple imagine flow and write related points
Vouching	Tuition fees	4	25		2	PM		Simple imagine flow and write control activities.
Vouching	Verification of Sale of Assets	6	50	b	2	PM		Simple imagine flow and write related points
EDP	What is different in CIS	4	5		2	9	2	
EDP	Overall Objective in CIS Environment	4	1		2	9	3	
EDP	Gathering information before EDP Audit Planning	4	32		2	9	4	Use the flow given in class.
EDP	Audit Trail	4	4		2	9	5	
EDP	Audit Trail & Special Audit Technique	4	8		2	9	5	Special Audit technique means CAAT, so define it and explain its types.
EDP	Trail Balance always tallies in EDP	4	3		2	9	5	Recollect Examples
EDP	Internal Controls in EDP	4	6		2	9	7	Recollect flow & example
EDP	Input Controls	4	16	a	2	9	8	Imagine a transaction file is prepared for weekly sales.
EDP	Approaches to EDP Audit	4	11		2	9	10	Use examples given in the class.
EDP	Audit Through Computer	4	22		2	9	10	Use examples given in the class.
EDP	Auditing through Computer	4	27	b	2	9	10	Use examples given in the class.
EDP	Reliability of ICS in EDP	4	24		2	9	10	Use Shortcut , it is similar to General Controls
EDP	CAAT & Advantages	4	13		2	9	13	
EDP	Need for CAAT	4	23		2	9	13	Read points related to need form PM.
EDP	Service Bureau	4	9		2	9	14	Service Bureau is nothing but Service Organisation where computer work is outsourced. Use example of SA 402.
EDP	Advantages & Disadvantages of EDP	4	10		2	PM		Use shortcut given in class.
ICS	Maintenance of ISD	4	31	a	2	8	3	Simple read once from PM
ICS	Flow Charts for review of ICS	4	30		2	8	6	They have added one general para.
ICS	Internal Control Questionnaire	4	27	a	2	8	7	
ICS	ICS in Small Business	4	28		2	8	8	
ICS	Inherent Limitation of ICS	4	18		2	8	10	Use shortcut & Class Notes / Refer Note 3
ICS	Accountant given responsibility of recovery.	4	15		2	PM		Simple case where segregation of duty / different hands is not followed in system which lead to fraud.
ICS	ICQ Vs ICE (Checklist)	4	21		2	PM		ICQ is filled by Management while ICE (Checklist) is filled by audit team member.
ICS	Internal Check	4	14		2	PM		
ICS	Internal Check Vs Internal Control	4	31	b	2	PM		Simple read once from PM
ICS	Internal Controls related to financial & accounting Aspects	4	19		2	PM		General objectives of ICS, how to study them in short with example.
SA 300	Audit Programme	3	9		1	1	75	They have explained meaning, content of Audit Programme. You can add of advantages of planning
SA 300	Audit Programme	3	10	a	1	1	75	Repeat Question They have explained meaning, content of Audit Programme. You can add of advantages of planning
SA 300	Disadvantages of Audit Programme	4	16	b	1	1	76	
SA 315	Understanding Entity & its Environment	3	5		1	1	81	Image of V shape is key to remember
SA 315	Understanding Entity & its Environment	3	24		1	1	81	Repeat Question Image of V shape is key to remember

SA 315	Understanding Entity & its Environment in further Detail	3	38		1	1	81	
SA 315	Assertions	2	16		1	1	83	Use images & examples for better understanding
SA 315	Assertions on Various Items	7	19		1	1	83	PM has not explained assertion as per SA 315 properly except in Point IV. We can explain it properly for all points.
SA 315	Risk at Assertion Level & Financial Statement Level	2	18		1	1	83	Change in Accounting Software--> FST Level Valuation of Closing Stock--> Assertion Level. Also see Assertions
SA 315	Significant Risks	1	25	c	1	1	84	
SA 320	Materiality	2	13	(ii)	1	1	88	While writing short note they have give overview of knowledge required to determine materiality. Study additional points in PM
SA 320	Materiality	3	25	a	1	1	88	While writing short note they have give overview of knowledge required to determine materiality. Study additional points in PM
SA 320	Materiality and Audit Risk	3	18		1	1	92	Read complete answer from PM to understand how to recall.
SA 330	Test of Controls	2	25		1	1	94	
SA 330	Substantive Procedures	2	20	a	1	1	97	We studied this with Core Audit Process, recollect example. They have also explained that it helps to get evident about assertions.
SA 330	Test of Controls Vs Substantive Tests	2	8		1	PM		After studying core audit process, you can understand this. Recollect examples given to distinguish them. Discussed many times.
Audit of Share Capital & Debentures	Application & Allotment of Shares Issued for Cash	8	29		2	11	1	
Audit of Share Capital & Debentures	Dividend out of Securities Premium	8	13	d	2	11	3	
Audit of Share Capital & Debentures	Issue of Shares for Consideration Other Than Cash	8	7	a	2	11	3	
Audit of Share Capital & Debentures	Treatment of Securities Premium	7	36	a(ii)	2	11	3	As per Sec 198 studied in MR calculation, final accounts of grp1, securities premium is not considered in profit.
Audit of Share Capital & Debentures	Issue of Shares at Discount	8	27		2	11	4	
Audit of Share Capital & Debentures	Sweat Equity Shares	8	5		2	11	4	
Audit of Share Capital & Debentures	Buy-Back of Shares	8	26		2	11	5	Study in sequence of buy back in real life.
Audit of Share Capital & Debentures	Split of Shares (Alteration of Share Capital)	8	7	b	2	11	9	
Audit of Share Capital & Debentures	Audit of Reissue of Forfeited Shares	8	22		2	11	11	
Audit of Share Capital & Debentures	Option on Share Capital	8	9		2	11	11	Requirement of Such III regarding share capital disclosure is useless not required.
Audit of Share Capital & Debentures	Share Transfer Audit	8	8		2	11	11	
Audit of Share Capital & Debentures	Audit of Bonus Shares	8	32		2	11	12	
Audit of Share Capital & Debentures	Allotment of Debentures	8	30		2	11	13	Study in sequence of issue of debenture.
Audit of Share Capital & Debentures	Dividend without depreciation	6	44		2	11	15	As per Sec 123 charging depreciation is must before providing for depreciation. Read Once from PM.
Audit of Share Capital & Debentures	Payment of Dividends	8	31		2	11	15	
Audit of Share Capital & Debentures	Set off Loss before Declaring Dividend	6	53		2	11	15	Losses cannot be adjusted with RVC. If dividend is from CY profits, adjust all past losses. If dividend is from General Reserves adjust only current year loss if any. Dividend can be given from capital reserve if 1. Realised in CASH 2. Approved by AOA 3. Losses on revaluation of assets & liabilities are adjusted. (Then Capital + Reserve shows proper value)
Audit of Share Capital & Debentures	Audit of Capital Reserve	8	11		2	PM		
Audit of Share Capital & Debentures	Capital Redemption Reserve	8	18		2	PM		It is prepared to compensate reduction in share capital as it has only one use , issue of bonus shares that is additional capital.

Audit of Share Capital & Debentures	Shareholders Register not updated	8	20	b	2	PM	It should be updated as per company act requirement
Accounting	10% amount will be received after in one year	5	20				Revenue should be booked in full if it is measurable & collectible. As per past history & present circumstances both are satisfied. Credit / time period doesn't matter.
Accounting	Accounting & Financial Statements of Pre-Operation Period	8	15				In this exceptional circumstances preparing P&L will be misleading because operations have not yet started. Hence just prepare development etc. account.
Accounting	Accounting for dividend income	6	32	b			Dividend income should be booked in year in which declared. Here dividend is declared after year end hence it should be booked in next year.
Accounting	Accounting for Government Grant	6	38	b			Repeat Question
Accounting	Accounting for Provision for Doubtful Debt	7	17	c			It is change in estimate about bad debts, changes should be booked in P&L.
Accounting	Accounting for Subsequent Event	6	20	a			If contingency is resolved before finalisation, provision should be adjusted whether increase or decrease.
Accounting	Accounting of Government Grant (AS 12)	6	26				As per AS 12 either adjust with cost or show as Deferred Grant.
Accounting	Accounting of Government Grant (AS 12)	7	30				Repeat Question
Accounting	Accounting of Insurance Claim	8	14	a			Correct revenue should be booked when measurable & collectible.
Accounting	Accounting of Insurance Claim Received	6	5	b			Ordinary course of business but Exceptional Nature Separate Disclosure should be done.
Accounting	Accounting of provision for repairs	6	25	a			AS per AS 29, provision for goods & services should be made when goods or services are received, repairs serviced next year so provide next year.
Accounting	Accounting of Repairs	6	5	c			If there increase life / usability / savings more than normal capitalise.
Accounting	Accounting of Subsequent Event	6	15	a			If there is any doubt over uncollected balance of 30,000 provision should be made.
Accounting	Accounting of Subsequent Event	6	40	a			If contingency is resolved before finalisation, provision should be adjusted whether increase or decrease.
Accounting	Accounting treatment of VAN	7	17	a			Asset coming in should recorder at PV or asset given or asset taken which ever is clearly evident. Here value of debtor is clearly evident that second hand van. Legal title not necessary to show control of asset.
Accounting	Adjustment against revaluation reserve	6	38	a			Repeat Question
Accounting	Adjustment of Revaluation Reserve	6	4	c			expense / Loss / Dividend / Bonus etc. cannot be adjusted with RR. Only Additional depreciation because of revaluation, subsequent increase / decrease and loss on sale can be adjusted. AS 10 applicable
Accounting	Adjustment of Sale of Scrap	8	12	d			Show separately if material.
Accounting	Capital Commitment	8	10	b			Correctly shown in notes to accounts.
Accounting	Capital Vs Revenue	6	32	a			All the cost till asset is ready for commercial use should be capitalised. Cost between dt of ready and date of actual use are debited to P&L.
Accounting	Capital Vs Revenue Expenditure	5	42				all the expense till the asset is ready for commercial use should be capitalised.
Accounting	Capitalisation of Interest	6	28	b			As per AS 16 notional interest cannot be capitalised. As money received through equity shares and not loan.
Accounting	Capitalisation of notional costs	8	10	d			Cannot capitalise notional costs. Capitalise actual costs.
Accounting	Change in Basis of Accounting	8	1	a			If material show separately as exceptional items, don't set off
Accounting	Change in method of depreciation	6	3	a			Valid Reason / Retrospective Effect / Difference Adjusted in P&L
Accounting	Changes in accounting policies	6	21				
Accounting	Contingent Liability	7	28	b			Disclosure in note to accounts is must.
Accounting	Damaged Goods Estimated at 4 Lakhs sold for 3 lakhs. I.e loss of Rs 1 lakh	6	28	d			No it is not prior period item is change in estimates. PPI only when there was mistake in last year.
Accounting	Deferred Tax Liability	6	31	d			AS 22, When IT act recovers less tax for example due to additional depreciation etc. but it will be recovered afterwards we create DTL. Part of CA Final.
Accounting	Delay in sales at request of Buyer	5	17				Generally revenue recognition takes place on delivery but as per AS 9 this is exception because seller is not a fault.
Accounting	Depreciation higher than schedule II	6	34	a			If useful life is different justification will be required.
Accounting	Depreciation not provided	8	10	a			Repeat Question

Accounting	Depreciation on Van purchased on Installment Basis	8	3	a				Van should be booked at total cost and depreciation should be charged on total cost. Unpaid amount should be shown as liability.
Accounting	Difference between Depreciation & Fluctuation	6	6					Depreciation is due to usage etc. Fluctuations is due to market prices, it is of no use as Fixed Assets are not for sale.
Accounting	Disclosure as per AS 6	6	43					
Accounting	Disclosure of Accounting Policies	2	5					AS 1
Accounting	Disclosure of related party in notes to accounts	7	28	d				Related party transactions are disclosed in notes to accounts as per AS 18. No need to show transactions when related party relationship didn't exist.
Accounting	Disclosure of Trade Receivables	6	49	a				
Accounting	Disclosure requirements of Bank Balance	8	16					Use knowledge of final accounts of Grp 1 Accounts.
Accounting	Disclosures of Reserves & Surplus	8	17					Use knowledge of final accounts of Grp 1 Accounts.
Accounting	Distinguish between Reserves & Provisions	6	35					
Accounting	FIFO	6	27					
Accounting	Fundamental Accounting Assumptions	2	2					Basics of Accounting AS1
Accounting	Going Concern	1	10	b				Explain AS 1 & Give reference of SA 570
Accounting	Goodwill Accounting	7	36	a(i)				It should be amortised as per AS 26
Accounting	Grant for Revenue Expenditure	6	31	c				Imagine transactions from start till end and write relevant point.
Accounting	Guarantee given on behalf of subsidiary	8	1	b				Repeat Question
Accounting	Impairment of Assets	6	39					Asset may have user value but goods / service it produces may not have market. So we have to write down asset value over and above depreciation, it is called impairment.
Accounting	Inclusion of Software Cost in Hardware Cost	1	18	b				Simple question on AS 26
Accounting	Insurance Claim included in Miscellaneous Income	8	12	e				Show separately if material.
Accounting	Intangible Asset	6	14	a				
Accounting	Interest Capitalisation	8	12	c				Only till asset is ready for commercial use. (Till date of completion)
Accounting	Interest cost in inventory valuation	6	18					Never include interest cost, it does no value addition except in case of timber, liquor etc.
Accounting	Interest on Deposit	5	29					it should be booked on Accrual basis and not when FD matures.
Accounting	Loss in construction contract	6	28	c				As per AS 7 book all costs immediately.
Accounting	Motor Car received from debtor	8	6	a				Repeat Question
Accounting	No Depreciation	8	13	c				
Accounting	No depreciation on installed machine	7	28	c				Depreciation is charged from date it is ready for commercial use. Due to efflux of time, usage not required.
Accounting	No Depreciation on Standby Bus	6	5	a				Except land everything has finite life depreciation is must.
Accounting	Obsolete Spare Parts	8	12	b				Book Value or NRV which ever is lower as per AS 2 for obsolete items.
Accounting	Overhauling Expenses	8	12	a				If there increase life / usability / savings more than normal capitalise.
Accounting	Payment to lawyer treated as capital Expenditure	8	12	f				If dispute is after acquisition then it is revenue expenditure.
Accounting	Penal Interest on Unpaid Loan	8	6	b				Uncertainty still exist, provide for penal interest on accrual basis.
Accounting	Presentation of P&L	7	17	d				Only one P&L is prepared and product wise detail can be given in notes to accounts as segment reporting in AS 17.
Accounting	Profit on Hire Purchase Sale	8	2					Use AS 9 accrual concept. Difference between Cash Price & HP Price should be treated as interest income. Recollect Cash Price Method of Accounting.
Accounting	Purpose of Depreciation	6	12	c				Allocation of Cost / Retain Cash / Matching Concept / Real Profits etc. It is proper period item as accountant should have observed such a big difference in insurance premium, which any person of normal prudence would have detected.
Accounting	Rectification of Mistake	8	19					
Accounting	Related Party Transaction	8	23					Repeat Question

Accounting	Requirements of Schedule III for Reserves & Surplus	8	11	a				If there increase life / usability / savings more than normal capitalise.
Accounting	Requirements of Schedule III for Share Capital	8	9	a				Use knowledge of final accounts of Grp 1 Accounts.
Accounting	Reserves Vs Provision	6	30					
Accounting	Revaluation of Land & Building	7	31	b				AS 10 applicable.
								Repeat Question
Accounting	Revenue Recognition	6	34	b				Revenue should be booked in full if it is measurable & collectible. As per past history & present circumstances both are satisfied. Credit / time period doesn't matter.
Accounting	Revenue Vs Capital Expenditure	8	10	c				
Accounting	S&D costs included in cost of Inventory	1	18	a				Simple question on AS 2
Accounting	Sale & Lease Back	8	13	b				AS 19 applicable.
								Material losses due to subsequent even, not affecting going concern should be shown in BOD report as per AS 4 & Sec 134.
Accounting	Subsequent Event Adjustment	7	28	a				We assume that condition existed on balance sheet date only we were not aware as per AS4 in such case of subsequent insolvency.
Accounting	Subsequent Event Adjustment	8	14	b				Adjusting / Non Adjusting from AS 4
Accounting	Subsequent Events to be considered	6	8	b				Repeat Question
Accounting	Surplus on Sale of Investments	8	20	a				As per AS 11, there is para 46A, please follow it.
Accounting	Treatment for foreign Exchange Transactions	6	32	c				Ordinary course of business but Exceptional Nature Separate Disclosure should be done.
Accounting	Treatment of Loss due to theft	6	5	d				It will become contravention or AS 2.
Accounting	WIP not valued	6	25	b				CARO para added is useless, CARO doesn't talk about valuation of inventory, ignore it.