



B.Com. (Semester – V) Examination, October/November 2017  
ACCOUNTING MAJOR – 3 : AUDITING – I (New Course)

Duration : 2 Hours

Max. Marks : 80

- Instructions:**
- 1) All questions are compulsory, however internal choice is available.
  - 2) Answer sub-question in question no. 1 and 2 in not more than 100 words.
  - 3) Answer question no. 3 to question no. 6 in not more than 400 words.
  - 4) Figures to the right indicate full marks for respective question/sub-question.

1. Write short notes on the following (any four) :

(4×4=16)

- a) Window dressing.
- b) Advantages of internal audit.
- c) Current file of working papers.
- d) Distinguish between vouching and verification.
- e) Vouching procedure for cash purchases (any 6 points).
- f) Vouching procedure for wages paid (any 6 points).

2. Write short notes on the following (any four) :

(4×4=16)

- a) Misappropriation of cash and goods.
- b) Audit evidence.
- c) Purpose of audit notebook.
- d) Usefulness of internal control system.
- e) Objectives of valuation.
- f) Verification procedure for patents.

3. A) Explain the advantages and limitations of auditing.

12

OR

B) Explain various classes of audit according to timing and scope.

12

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4. A) Explain the purpose and contents of audit working papers. 12

OR

B) What is audit programme ? Explain the objectives and limitations of an audit programme. 12

5. A) What is Internal Control System (ICS) ? Explain the procedure for evaluating the ICS. 12

OR

B) How is a 'Flow chart' used in evaluation of internal control system ? Explain its merits and demerits. 12

6. A) What is meant by verification ? Explain the procedure for verification and valuation of inventories with case laws. 12

OR

B) Explain the procedure for vouching the following : (4x3=12)

i) Commission received

ii) Rent received

iii) Receipts from debtors.