

B. COM
SEMESTER VI
Accounting Major 3
AUDITING- II
(100 Marks – 75 Lectures)

UNIT I: AUDIT OF LIMITED COMPANIES (32 Marks - 30 lectures)

- Basic and Statutory consideration in commencing the Company Audit
- Qualification and disqualification of company auditor
- Appointment and removal of an auditor
- Branch and joint auditors
- Rights/Powers and Duties of Auditor
- Liabilities of company Auditor with reference to case laws
 - Liabilities towards clients- Civil, Criminal and Professional
 - Liabilities towards third party- Civil, Criminal and professional
- Divisible Profit and Dividends
- Managerial remuneration
- Depreciation
- Audit of share capital (New issue, rights & bonus issues, sweat equity, buy back of share)
- Audit Committee and Corporate Governance

UNIT II: AUDIT OF SERVICE UNITS (20 Marks -12 lectures)

- Audit of Banking Companies-special features of audit of Banking companies
- Audit of General Insurance Companies – special feature of audit of general insurance companies
- Educational Institutions – special features of audit of school and colleges
- Hotel – special features of audit of hotels

- Audit of Cooperative societies-Special features of audit of cooperative societies.
- Audit of mutual funds and stock brokers.
- Government audit, Local bodies and Comptroller and Auditor General and its constitutional role.

UNIT III: Reporting and investigation
Lectures)

(20 Marks -15

A. Reporting

- Meaning & features of audit report
- Types of audit reports
- Qualification, reasons for qualification
- Notes on accounts, distinction between notes and qualifications
- Distinction between reports and certificates
- Reporting requirement under CARO-2003.

B. INVESTIGATION:

- Investigation – Meaning and features
- Objects of investigation
- Investigation V/s Auditing
- General procedure for investigation
- Classes of investigation
- Due Diligence- concept

UNIT IV: Developments in auditing
lectures)

(28 Marks-18

- Tax Audit
- Management Audit
- Cost Audit
- Value added Tax (VAT) Audit
- Social audit
- Forensic audit
(Concepts, objectives and regulatory requirements)
- Peer review - meaning and procedure
- Sarbanes – Oxley Act, (SOX) 2002 with reference to reporting on internal control.
- Code of Ethics with special reference to the relevant provisions of The Chartered Accountants Act, 1949
- Audit under computerized information system (CIS) environment
- Special aspects of CIS Audit Environment, need for review of internal control especially procedure controls and facility controls. Approach to audit in CIS Environment, use of computers for internal and

management audit purposes: audit tools, test packs, computerized audit programmes.

Note.

3. Relevant auditing standards to be covered wherever applicable
4. Syllabus will be revised on regular basis at the beginning of the year to accommodate changes made in auditing standards

Books for Study and Reference:

10. Aruna Jha, Students guide to auditing. Taxman publication New Delhi.
11. Gupta Kamal: Contemporary Auditing, Tata McGraw-Hill, New Delhi
12. Tandon B. N. Principles of Auditing: S. Chand & Co, New Delhi.
13. Pagare Dinkar: Principles & Practice of Auditing: Sultan Chand, New Delhi
14. Sharma T.R.: Auditing Principle & Problems: Sahitya Bhavan, Agra.
15. Sekhar & Sekhar: Auditing: Vikas Publishing House Ltd., New Delhi.
16. Saxena R. G. & Others: Practical Auditing: Himalaya Publishers, Mumbai.
17. S.D Sharma: Auditing Principles, Taxman publication New Delhi
18. Ravinder Kumar & Virender Sharma: Auditing Principles & Practice: Prentice Hall of India, New Delhi.