



RN – 21

B.Com. (Semester – VI) Examination, April 2012
MAJOR – 3 : AUDITING – II
Paper – III

Duration : 2 Hours

Total Marks : 80

- Instructions :** 1) **All questions are compulsory.** However internal choice is available.
2) Answer sub-questions in question No. 1 and question No. 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 subquestion/ question.

1. Explain **any four** of the following : (4x4=16)
- a) Removal of an auditor
 - b) Audit of Hotels
 - c) Auditors duty as regards issue of bonus shares
 - d) Distinguish between notes and qualification
 - e) Interim dividend
 - f) Management audit.
2. Explain **any four** of the following : (4x4=16)
- a) Procedure for investigation
 - b) Problems in a EDP environment
 - c) Audit of educational institutions
 - d) Criminal liability
 - e) Disqualification of a company auditor
 - f) Issue of shares at discount.
3. State the basic and statutory considerations the auditor has to borne in mind prior to starting of an audit. 12

OR

Explain the liabilities of an auditor towards third parties, liabilities of joint auditor and honorary auditor. 12

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4. Special features of audit of Banking companies. 12

OR

5. Special features of audit of insurance companies. 12

5. Explain matters to be reported by the auditor under CARO-2003. 12

OR

What points would you bear in mind in conducting an investigation on behalf of an individual proposing to purchase a running business ? 12

6. What is EDP audit and briefly explain the types of EDP accounting systems ? 12

OR

Answer the following :

(6x2=12)

i) VAT audit

ii) Cost audit.