

SYBcom

25/4/18

2 to 5 pm

pg. 1 & 2

Financial Accounting and  
Auditing

(3 Hours)

Q. P. Code : 36250

(Total Marks: 100)

400

Please check whether you have the right question paper.

- N.B.: 1) All questions are compulsory.  
2) Figures to the right indicate full marks.

1. A) State whether the following statements are True or False (Any Ten) : (10)
- 1) A voucher decides authenticity of the transaction.
  - 2) Internal audit is compulsory for listed companies.
  - 3) There is no risk involved in audit sampling.
  - 4) Frauds do not affect financial statements.
  - 5) Copy Right is Current Asset.
  - 6) Secret reserve means part of profits secretly reserved for future use.
  - 7) Aim of Internal Audit Report is to suggest remedial action.
  - 8) Inventory is valued at cost or Net Realisable Value whichever is less.
  - 9) Routine checking saves time of the auditor.
  - 10) Repairs to building is debited to Building Account is an error of Principle.
  - 11) Audit programme must be in writing.
  - 12) Concurrent Audit is done with the occurrence of the transactions.

1. B) Match the Columns (Any Ten) : (10)

Column 'A'	Column 'B'
1) Statutory Auditors	a) Delivery Challan
2) An Auditor	b) Principle of Auditing
3) Manipulation of Accounts	c) Memorandum of Association
4) Audit Note Book	d) Random Number Table
5) Fraud	e) Error of Commission
6) Audit Sampling	f) Report to shareholders
7) Final Audit	g) Audit working papers
8) Permanent Audit File	h) Done at the end of the year
9) Confirmation	i) Should be Independent
10) Document for Goods dispatched	j) Intentional mistake
11) Income recorded twice	k) Management fraud
12) Confidentiality	l) Used for debtors verification

2. A) Distinguish between Accounting and Auditing. (08)  
B) Explain the term 'Window Dressing'. What are the objections against it? (07)
- OR**
2. C) What are the advantages of Interim Audit? (08)  
D) What are the drawbacks of Continuous Audit? (07)

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3. A) Give meaning and objectives of Audit Planning. (08)  
 B) Discuss the sources of obtaining information about client's business by the auditor. (07)

OR

3. C) Explain the importance of Audit Working Papers. (08)  
 D) What are the essentials of good Audit Programme? (07)

4. A) Give the internal control for Purchases. (08)  
 B) Explain the Internal Audit. (07)

OR

4. C) Explain the points which are generally considered while framing a system of internal control. (15)

5. A) How would you verify "Plant and Machinery"? (08)  
 B) How would you vouch "Rent Received"? (07)

OR

5. C) How would you vouch "Sale on Consignment"? (08)  
 D) What are the duties of an auditor regarding Stock Verification? (07)

6. A) Explain the points which are to be considered by an auditor in the course of Vouching? (10)

- B) How would you verify "Sundry Debtors"? (10)

OR

6. C) Write short notes (Any Four) : (20)

- 1) Audit Evidence.
- 2) True and Fair View.
- 3) Error of Commission.
- 4) Audit Sampling.
- 5) Test Checking.
- 6) Financial Statements and its users.

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