

Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2019

Course: Auditing Program: BBA (AIS) Course code: FINC2006 Instructions:	Semester: III Time: 03 Hours Max. Marks: 100
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SECTION A (10*2=20 Marks)

1	The fundamental objective of the audit of a company is to: (a).Protect the interests of the minority shareholders (b). Detect and prevent errors and fraud (c). Assess the effectiveness of the company’s performance (d). Attest to the credibility of the company’s accounts	CO1
2	Which of the following is NOT the responsibility of a company’s directors? (a). Reporting to the shareholders on the accuracy of the accounts (b). Establishment of internal controls (c). Keeping proper accounting records (d). Supplying information and explanations to the auditor	CO3
3	How long is the auditor’s term of office? (a). Until the audit is complete (b). Until the financial statements are complete (c). Until the next AGM (d). Until the directors remove them	CO3
4	Which should NOT be considered at the planning stage? (a). The timing of the audit (b). Analytical review (c). Last year’s written representation letter (d). Obtaining written representations	CO2
5	Which of the following is NOT an accepted method of selection in sampling? (a). Systematic selection (b). Pervasive selection (c). Random selection (d). Haphazard selection	CO2
6	Which of the following is NOT a main element of a purchases system? (a). Placing orders (b). Receiving purchase invoices (c). Goods received (d). Decisions at board level on whether to incur capital expenditure	CO2
7	Which of the following is responsible for establishing a private company’s internal control? a.Management. b.Auditors. c.Management and auditors. d.Committee of Sponsoring Organization	CO3
8	First directors are appointed with ----- of the date of the registration of the Company. a)One month	CO3

	b)two months c)Three months d)Six months	
9	Examples of casual vacancy are vacancy arising due to a)Resignation of the auditor b)Death of the auditor c)Disqualification of the auditor d)All of the above	CO3
10	A person shall not be qualified to be appointed as an auditor of the company if he is in the employment of a)An officer of the company b)An employee of the company c)Both (a) and (b) d)None of the above	CO3
SECTION B (4*5=20 Marks)		
1	How will you vouch/verify Goodwill?	CO2
2	Mention the important items to be Examined by the Auditor in the Audit of a hospital.	CO4
3	Explain The concept of “True and Fair” view.	CO1
4	Explain the advantages of “Audit working papers”.	CO2
SECTION-C (10*3=30 Marks)		
1	What is ‘Audit Evidence’ and how it is obtained?	CO1
2	What are the powers of the auditor of a company? Can a company restrict the rights of its Statutory Auditor?	CO3
3	What are the steps involved in conducting the audit of an Educational Institution? Are there any special steps that has to be taken care of while auditing an Education Institution?	CO4
SECTION-D (10*3=30 Marks)		
1	What are the obvious assertions relating to the following items appearing in the Financial statement? 1) Profit and Loss statement Travelling Expenditure 80000 2) Balance sheet Debtors 5,00,000	CO1
2	The Dayal Singh college an institution managed by Dayal Trust,has received a grant of 2 crore from Government modal agencies for funding a project of research on rural health systems in India. Draft an audit programme for auditing this fund in the accounts of the college comment.	CO 4

3	How will you vouch and/or verify the following 1 Trade Marks and Copyrights 2 Building 3 Cash 4 Creditors	CO2
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