

PCE

GROUP I - PAPER 2

Roll No. AUDITING AND ASSURANCE

IFCC

GROUP-II PAPER-6

AUDITING AND ASSURANCE

Total No. of Questions – 7

Total No. of Printed Pages – 4

Time Allowed – 3 Hours

MAY 2012

Maximum Marks – 100

WWF-H

Answers to questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi medium, his answers in Hindi will not be valued.

Question No. 1 is compulsory.

Attempt any five questions from the remaining six questions.

- | | Marks |
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| 1. Discuss on the following : | |
| (a) Standards collectively known as the Engagements Standards issued by AASB under the authority of the council of ICAI. | 5 |
| (b) Payment of interest to the shareholders on capital raised by issue of shares to meet the cost of construction of building which cannot be made profitable for a long period. | 5 |
| (c) Distinguish between Reserves and Provisions. | 5 |
| (d) In Joint Audit, "each Joint Auditor is responsible only for the work allocated to him". | 5 |
| 2. (a) What are the general considerations in framing a system of internal check ? | 8 |
| (b) Discuss the audit procedure for verification of payment of dividends. | 8 |
| 3. (a) How will you verify/ vouch the retirement gratuity to employees ? | 6 |
| (b) Discuss appointment of Auditor by special resolution. | 6 |
| (c) State the matters which only the shareholders can sanction at a General Meeting. | 4 |

WWF-H

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(2)

WWF-H

Marks

4. (a) Explain "Going Concern" assumption with reference to SA. State some financial events or conditions that may cast doubt about going concern assumption. 8
- (b) You are the auditor and examining the book debts of a company. Give some indications which leads to doubt about recovery as uncollectable debts from debtors and advances. 8
5. (a) Mention the eight important points which an auditor will consider while conducting the audit of educational institutions. 8
- (b) Explain the meaning of term " Subsequent Events" as used in the SA560. Should all types of subsequent events be considered by the auditor in his attest functions ? 8
6. (a) Discuss CARO 2003 requirement with regard to internal audit system. What are the factors to be considered by the auditor to examine whether the internal audit system is commensurate with the size of the company and the nature of its business ? 8
- (b) What are the advantages of an independent audit ? 8
7. Write short notes on any **four** of the following : 4x4 =16
- (a) Preliminary Expenses
- (b) Initial Engagements
- (c) Disadvantages of the use of an audit programme
- (d) Audit Techniques
- (e) Simple random sampling

WWF-H