

**V semester B.Com examination, Nov./Dec. 2006
(Semester scheme)**

COMMERCE

Elective Paper-5.6: Auditing - I

Time : 3 hrs max. marks:90

SECTION-A

1. Answer any 10 sub-questions. Each sub question carries 2 marks (10x2=20).

- a) What are compensating errors?
- b) State any 4 advantages of auditing.
- c) Write any two elements of fraud.
- d) What is confirmation?
- e) What are intangible assets?
- f) Define internal auditing.
- g) Define verification of assets.
- h) Define audit working papers.
- i) State any two disadvantages of audit note book
- j) State the different steps involved in using accounting software.
- k) State any two precautions against disadvantages of audit programme.
- l) Name the types of audit files.

SECTION-B

Answer any five of the following. Each question carries 5 marks.

2. Briefly state the advantages and disadvantages of interim audit.
3. Briefly state the instructions to be given to the client before commencement of actual audit work.
4. State the important contents of audit note book.
5. Distinguish between Internal check and internal audit.
6. State the internal check procedure that should be adopted to avoid fraud in payment of wages.
7. How do you verify Land and Building and Goodwill?
8. State the need for proper verification and valuation of stock in trade.
9. Explain 2 different ways in which computerized audit can take place.

SECTION-C

Answer any three of the following. Each question carries 15 marks.

10. Discuss briefly the advantages and limitations of auditing.
11. Suggest a system of Internal check in respect of Purchase of Raw materials of a large manufacturing organisation.
12. Explain in detail the different methods used to ascertain the cost price of stock.
13. Discuss the important and essentials of Audit Working papers.
14. Briefly discuss Permanent and current audit files and also state the advantages of audit files.