



UNIVERSITY OF THE PUNJAB

B.S. 4 Years Program / Sixth Semester – 2020

Roll No. in Fig.

Roll No. in Words.

Paper: Auditing

Course Code: BBA-306 Part – I (Compulsory)

Time: 15 Min. Marks: 10

ATTEMPT THIS PAPER ON THIS QUESTION SHEET ONLY.

Division of marks is given in front of each question.

This Paper will be collected back after expiry of time limit mentioned above.

Signature of Supdt.:

Q.1. Encircle the correct choice.

(10x1=10)

- (i) Accounting _____ auditing.
 - a. precedes
 - b. follows
 - c. goes parallel to
 - d. None of the above
- (ii) Payment for wages should be vouched with the help of
 - a. piece work statement
 - b. wage sheets
 - c. minute book
 - d. bank pass book
- (iii) Stock should be valued at
 - a. cost
 - b. market price
 - c. cost price or market price whichever is lower
 - d. cost less depreciation
- (iv) The first auditor of a company will hold office
 - a. for a period of one year
 - b. till holding of statutory meeting
 - c. till the conclusion of first annual general meeting
 - d. till a new auditor is appointed
- (v) Inflation of profit is possible due to:
 - a. overvaluation of closing stock
 - b. overstating purchase
 - c. overstating opening stock
 - d. overstating expenses
- (vi) Treating revenue expenditures as capital expenditures is an error of
 - a. error of omission
 - b. error of commission
 - c. compensating error
 - d. error of principle
- (vii) Financial statements are prepared by
 - a. accountant
 - b. auditor
 - c. CEO
 - d. director
- (viii) End product of audit work is
 - a. income statement
 - b. audit report
 - c. production report
 - d. balance sheet
- (ix) An audit report containing objections and material discrepancies regarding financial position is known as
 - a. statutory report
 - b. qualified audit report
 - c. unqualified audit report
 - d. annual report
- (x) Running audit refers to
 - a. continuous audit
 - b. final audit
 - c. interim audit
 - d. ad-hoc audit



ATTEMPT THIS (SUBJECTIVE) ON THE SEPARATE ANSWER SHEET PROVIDED

Q # 2. Answer the following short questions.

(20)

- 1- List down any five advantages of an audit program.
- 2- What is meant by error of commission?
- 3- What is meant by window dressing?
- 4- Define test checking.
- 5- Define working papers.
- 6- Define investigation.
- 7- List down the techniques of verification.
- 8- What is the difference between an error and a fraud?
- 9- Define an unqualified audit report.
- 10- What personal qualities an audit must possess?

Q # 3. What is meant by Internal Audit? How does it differ from External Audit?

(10)

Q # 4. Define Vouching. Explain the techniques of vouching in detail.

(10)

Q # 5. Explain the liability of an auditor for negligence with relevant case laws.

(10)