



# UNIVERSITY OF THE PUNJAB

B.S. 4 Years Program / Sixth Semester – 2019

Paper: Auditing

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

Time: 15 Min. Marks: 10

Roll No. in Fig. ....

Roll No. in Words. ....

Signature of Supdt.: .....

**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.**

**Q.1. Encircle the correct choice.**

**(1x10=10)**

- (i) Auditing work \_\_\_\_\_ accounting.
- precedes
  - follows
  - goes parallel to
  - None of the above
- (ii) In the process of \_\_\_\_\_, the auditor physically inspects the assets.
- vouching
  - verification
  - inspection
  - investigation
- (iii) A \_\_\_\_\_ is an intentional misrepresentation of financial information.
- negligence
  - pilferage
  - error
  - fraud
- (iv) Any documentary evidence in support of a transaction is called:
- voucher
  - account
  - income statement
  - balance sheet
- (v) While conducting audit of a \_\_\_\_\_, the auditor should examine compliance of the Prudential Regulations.
- hotel
  - newspaper company
  - bank
  - insurance company
- (vi) \_\_\_\_\_ is the evaluation of performance of management.
- management audit
  - operational audit
  - financial audit
  - accounting

**P.T.O.**

- (vii) \_\_\_\_\_ means all the policies, procedures, methods, measures etc. adopted by the management to ensure that everything is working in the organization as it should.
- Internal control system
  - Internal audit
  - Internal check
  - Interim audit
- (viii) \_\_\_\_\_ is a detailed list of audit procedures to be performed in the conduct of an audit.
- audit plan
  - working paper
  - accounting
  - audit program
- (ix) Which of the following is the primary object of external audit?
- detection of errors and frauds
  - expression of independent opinion that whether or not financial statements give true and fair view
  - shareholders' satisfaction
  - prevention of errors and frauds
- (x) This type of error arises when the correct amount is entered but in the wrong account.
- error of omission
  - error of principle
  - error of commission
  - errors of original entry



**ATTEMPT THIS (SUBJECTIVE) ON THE SEPARATE ANSWER SHEET PROVIDED**

**Q # 2. Answer the following short questions. (20)**

- 1- Define INTERIM AUDIT.
- 2- Define UNQUALIFIED OPINION?
- 3- What is AUDITOR'S LIABILITY FOR LIBEL?
- 4- Define COMPUTER ASSISTED AUDIT TECHNIQUES (CAATs).
- 5- Define INTERNAL CHECK.
- 6- Define AUDIT WORKING PAPERS?
- 7- What is MANIPULATION OF ACCOUNTS?
- 8- Define QUALIFIED AUDIT REPORT?
- 9- What is the difference between THEFT and PILFERAGE?
- 10- What are TESTS OF CONTROLS?

**Q # 3. Differentiate between Continuous Audit and Final Audit. (10)**

**Q # 4. What is a Statutory Report? State contents of the statutory report. (10)**

**Q # 5. Discuss rights (powers) and duties of auditor of a company. (10)**