



# UNIVERSITY OF THE PUNJAB

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

Paper: Auditing

Course Code: COMM-206/COM-22360 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 right answer cutting and overwriting is not allowed. (10x1=10)**

- |   |                                                   |    |                                                             |
|---|---------------------------------------------------|----|-------------------------------------------------------------|
| 1 | <b>Auditors qualifications are fixed by:</b>      | 6  | <b>The word "audit" is derived from:</b>                    |
|   | A Management                                      |    | A French word                                               |
|   | B Government                                      |    | B Arabic word                                               |
|   | C Audit Company                                   |    | C Persian word                                              |
|   | D Companies Act                                   |    | D Latin word                                                |
| 2 | <b>The fraud of cash may happen when:</b>         | 7  | <b>The investigator may be appointed by:</b>                |
|   | A Receipts are overstated                         |    | A Shareholders                                              |
|   | B Payments are understated                        |    | B Owners                                                    |
|   | C Receipts are understated                        |    | C Creditors                                                 |
|   | D All of above                                    |    | D All of the above                                          |
| 3 | <b>Continues audit is also called:</b>            | 8  | <b>Contingent liabilities are shown in:</b>                 |
|   | A Balance sheet audit                             |    | A Balance sheet                                             |
|   | B Running audit                                   |    | B Profit & loss account                                     |
|   | C Interim audit                                   |    | C Foot note attached to the balance sheet                   |
|   | D Ad-hoc audit                                    |    | D None of the above                                         |
| 4 | <b>The major drawback of an audit program is:</b> | 9  | <b>Fixed tangible assets are shown in balance sheet at:</b> |
|   | A Work will not be duplicated                     |    | A Cost price less depreciation                              |
|   | B No important work will be overlooked            |    | B Market price                                              |
|   | C Initiative may be lost                          |    | C Cost or market price whichever is higher                  |
|   | D Responsibility of each audit staff is fixed     |    | D Cost or market price whichever is lower                   |
| 5 | <b>Audit covers the:</b>                          | 10 | <b>A voucher may be:</b>                                    |
|   | A Examination of business accounts                |    | A Cash memo                                                 |
|   | B Examination of business record                  |    | B An invoice                                                |
|   | C Examination of financial statement              |    | C A bank receipt                                            |
|   | D All the above                                   |    | D All of the above                                          |



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

**Q # 2 Write short notes on the following:**

**(5x4=20)**

1. Test checking
2. Three benefits of audit program
3. Teeming and lading
4. Five objectives of internal control
5. Three techniques of verification

**Answer the following questions.**

**(3x10=30)**

**Q # 3** What points should be kept in mind by an auditor while examining the accounts of Banking Companies?

**Q # 4** List down the qualifications and disqualifications of an auditor under Company Act 2017.

**Q # 5** Under what circumstances an auditor can be held liable for:

- a) Criminal Liability
- b) Liability for libel

Support your answer with relevant case law.