



SK – 16

**B.Com. (Semester – V) Examination, April/May 2019**  
**ACCOUNTING**

**Major – 3 : Auditing – I (New Course)**

Duration : 2 Hours

Total Marks : 80

**Instructions :** 1) **All questions are compulsory, however internal choice is available.**

2) **Answer sub-questions in Question No. 1 and 2 in not more than 100 words.**

3) **Answer Question No. 3 to Question No. 6 in not more than 400 words.**

4) **Figures to the right indicate full marks for respective question/sub-question.**

1. Write short notes on the following (**any four**) : (4×4=16)
- Qualities of an auditor
  - Limitations of audit programme
  - Objectives of internal control system
  - Vouching of capital expenditure
  - Distinction between verification and valuation
  - Vouching of travelling expenses.
2. Write short notes on the following (**any four**) : (4×4=16)
- Audit independence
  - Contents of permanent audit file
  - Judgmental sampling
  - Objectives of internal check
  - Verification of goodwill
  - Vouching of cash sales.



3. a) Explain the basic principles governing an audit. 12  
OR  
b) Explain the objectives of auditing. 12
4. a) Explain the various methods of obtaining audit evidence. 12  
OR  
b) What are audit working papers ? Explain the issue of ownership and confidentiality of working papers. 12
5. a) Explain the procedure for evaluation of internal control system in an organization. 12  
OR  
b) What is internal audit? Explain the significance of internal audit. 12
6. a) Explain the procedure for verification and valuation of inventories. 12  
Substantiate the answer with relevant case laws.  
OR  
b) Explain the procedure of verification and valuation for the following items : (6×2=12)  
i) Investments  
ii) Secured and unsecured loans.