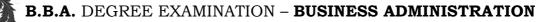
LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



FIFTH SEMESTER – NOVEMBER 2011

BU 5401 - AUDITING

Date : 12-11-2011 Time : 9:00 - 12:00 Dept. No.

Max. : 100 Marks

PART-A

Answer all questions. Each carries a maximum of 2 marks	(10x2=20)
Explain the following:	
1 Internal audit	

- 1. Internal audit
- 2. Error of commission
- 3. Balance sheet audit
- 4. Test checking
- 5. Teeming and lading
- 6. Statutory meeting
- 7. Revenue expenditure
- 8. Cost audit
- 9. Qualification of a company auditor
- 10. Audit report

PART - B

Answer any FIVE questions. Each carries a maximum of 8 marks: (5x8=40)

11. What is an error and how does it differ from a fraud? Explain different types of frauds.

- 12. Explain the auditors duty of 'reasonable care and skill' in his work.
- 13. Distinguish between a fixed and a flexible audit programme.
- 14. What is internal check? State a suitable internal check as to wages.
- 15. 'Voucher is the essence of audit'. Discuss.
- 16. Describe the procedure relating to vouching of cash sales.
- 17. How would you vouch petty cash payments?
- 18. Enumerate the methods of valuation of stock.

PART – C

Answer any TWO questions. Each carries a maximum of 20 marks:

(2x20=40)

19. How would you verify the following assets:

- i. Copyright
- ii. Plant and machinery
- iii. Leasehold property
- iv. Goodwill
- 20. Describe the rights and duties of a Company Auditor.
- 21. Describe the main classes of errors and frauds usually found while auditing the accounts of a business. State the auditor's duty as to detection and prevention of errors.