

Name:	
Enrolment No:	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2018

Course: FINC 2006 Auditing	Semester: III
Programme: BBA-AIS	
Time: 03 hrs.	Max. Marks: 100
Instructions:	

SECTION A
(2*10=20 Marks)

Note: Choose the appropriate option in each question. Each question carries 2 marks.

S. No.		Marks	CO
Q 1			
i.	Which of the following is a famous auditing firm in India? a) Sharekhan b) CRISIL c) SEBI d) None of the above	2	1
ii.	Which of the following performs the audit of insurance companies in India? a) IRDA b) LIC c) SEBI d) None of the above	2	1
iii.	The first auditor or auditors of a company is appointed by: a) Board of Directors b) Government of India c) Concerned State Government d) CAG	2	5
iv.	Auditor of a Government company is appointed or re-appointed by: a) SEBI b) Central government on the advice of the CAG c) Board of Directors d) RBI	2	1
v.	Auditor of a limited company should be: a) A Chartered Account b) An MBA c) A CFA d) A Management Graduate	2	5
vi.	An independent examination of the policies, practice, and performance of an organization to determine if the desired results or benefits established by the legislature or other authorizing body are being achieved or not is known as:	2	2

	a) Management audit b) HR audit c) Performance audit d) External audit		
vii.	_____ is defined as concealment of a shortage by delaying the recording of cash receipts. a) Lapping b) Vouching c) Auditing d) Tagging	2	3
viii.	CAG stands for: a) Council of Auditing Generals b) Council of Accounting Generals c) Centre of Auditing Journals d) None of the above	2	4
ix.	The risk that the auditor expresses an inappropriate audit opinion when the financial statements are materially misstated is referred to as: a) Audit risk b) Business risk c) Financial risk d) Operating risk	2	1
x.	_____ are employed by individual companies to investigate and appraise the effectiveness of company operations for management. a) Internal auditors b) External auditors c) Government auditors d) Statutory auditors	2	2

SECTION B
(5*4=20 Marks)

Note: Attempt any four questions. Each question carries 5 marks.

Q2.	What do you mean by the term 'Audit'? Explain important objectives of auditing with the help of suitable examples.	5	1
Q3.	What do you mean by the term 'Audit Report'? Briefly explain the structure of an audit report.	5	4
Q4.	Explain various types of auditors with the help of suitable examples.	5	2
Q5.	What do you mean by the term 'Social Audit'? Explain in brief.	5	2
Q6.	"Auditing begins where accounting ends". Comment. Differentiate between accounting and auditing.	5	1
Q7.	How will you vouch the premium income of a general insurance company? Explain in brief.	5	3,4

SECTION-C
(10*3=30 Marks)

Note: Attempt any three questions. Each question carries 10 marks.

Q8.	What is the need of doing the audit of cooperative societies? Explain important aspects of audit of cooperative societies.	10	5
Q9.	What do you mean by the term 'Internal Control'? Discuss important aspects of internal control with the help of suitable examples.	10	4
Q10.	"Vouching is the back-bone of auditing". Elucidate the statement by explaining the importance of vouching. Also discuss important objectives of vouching.	10	3
Q11.	"Auditing is an organized process carried out by independent and competent professionals". Discuss. Explain various steps of this process with the help of suitable examples.	10	1
Q12.	"A company auditor not only has rights but also has duties". Comment. Throw light on the rights and duties of a company auditor with the help of suitable examples.	10	5
SECTION-D (15*2=30 Marks)			
Note: Attempt any two questions. Each question carries 15 marks.			
Q13.	"In most of the cases auditing failures are responsible for accounting scams". Comment. Throw light on the case of Enron Corporation or Satyam Computers Ltd. from the point of view of auditing failure.	15	1
Q14.	"Audit of banks is the audit of systems, balance sheet and advances". Comment. Discuss the important aspects of audit of banking companies.	15	5
Q15.	"Audit is critical and intelligent examination of facts - financial or otherwise". Comment. Explain various types of audit with the help of suitable examples.	15	2