



UNIVERSITY OF NORTH BENGAL

B.Com. Honours Part-III Examination, 2019

B.COM.

PAPER-3H4 (Revised New Syllabus)

AUDITING

Time Allotted: 4 Hours

Full Marks: 100

The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

All symbols are of usual significance.

GROUP-A

Answer any four questions

15×4 = 60

1. What is continuous Audit? For which organisations it is specifically suitable? Explain its advantages and limitations. What precautions should be taken by the auditor to safeguard its shortcomings? 3+2+6+4 = 15
2. What is meant by verification of assets? State the importance of verification and valuation of assets of a limited company. How would you, as an auditor, verify provision for taxation and cash in hand? 3+7+5 = 15
3. (a) What is auditing-in-depth? Discuss the advantages of auditing-in-depth. (3+5)+7 = 15
(b) Explain the role of an auditor with regard to internal check and internal control.
4. What is an audit programme? State the advantages and limitations of fixed audit programme. Discuss the steps to be taken for removing the drawbacks of fixed audit programme. 4+7+4 = 15
5. Differentiate 'depreciation' from 'fluctuation' and 'obsolescence'. As an auditor, how would you ensure that provision for depreciation has been adequate? 6+9 = 15
6. Define management audit. Distinguish clearly between 'management audit' and 'Financial audit'. Discuss the benefits and limitations of management auditing. 3+6+6 = 15
7. What is investigation? You have been appointed as an investigator by your client, who intends to purchase an existing business. How would you proceed? 3+12 = 15

8. Discuss the legal conditions regarding declaration and payment of dividends by a company. Also discuss the duties of an auditor in this regard. 8+7 = 15

GROUP-B

9. Answer any *four* questions: 5×4 = 20
- (a) What are the duties of an auditor regarding valuation of goodwill?
 - (b) Distinguish between general reserve and specific reserve.
 - (c) What do you mean by cost audit? What are its importances?
 - (d) Write a short note on teeming and lading process.
 - (e) Should the statutory auditor examine the accounts already checked by the internal auditor?
 - (f) Write a short note on social audit.
 - (g) What is secret reserve? Can it be kept as secret for long period of time?
 - (h) State the importance of vouching system.

GROUP-C

10. Answer any *ten* questions: 2×10 = 20
- (a) What is tax audit?
 - (b) What do you mean by qualified audit Report?
 - (c) What is a compensating error? Give an example.
 - (d) What is divisible profit?
 - (e) Is the Companies Act applicable to Indian Insurance Company?
 - (f) What is audit trial?
 - (g) What is misfeasance?
 - (h) Distinguish between book value and market value.
 - (i) Mention two differences between cash fraud and stock fraud.
 - (j) Distinguish between unclaimed dividend and unpaid dividend.
 - (k) Mention any two advantages of issuing bonus shares.
 - (l) Define capital reserve.
 - (m) What is balance sheet audit?
 - (n) What is the difference between intangible assets and fictitious assets?
 - (o) Who can be appointed as tax auditor?

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