

**B.B.A. (Part—II) Examination  
AUDITING**

Time : Three Hours]

[Maximum Marks : 80

**Note** :—(1) All questions are compulsory.

(2) All questions carry equal marks.

1. (a) "Accountancy is a necessity while Auditing is a Luxury." Comment. 4
- (b) What do you understand by Auditing ? 4
- (c) Explain the advantages of continuous audit. 4
- (d) Draw up an audit programme of an Educational Institution. 4

**OR**

- (e) What are the objects of the Audit programme ? 4
  - (f) What are the disadvantages of Fixed Audit programme ? 4
  - (g) What are the advantages of Periodical Audit ? 4
  - (h) What are the main objectives of an Audit ? 4
2. (a) Distinguish between 'Internal Control' and 'Internal Audit'. 4
  - (b) How would you vouch the receipts side of your clients Cash Book ? 4
  - (c) What do you understand by the term 'Vouching in Audit' ? 4
  - (d) Explain the points you would keep in view while auditing the Sales. 4

**OR**

- (e) Discuss the general principles to be applied when allocating expenditure as between Capital and Revenue. 4
  - (f) Describe the salient features in the vouching of wages in an industrial concern. 4
  - (g) Is internal check synonymous with internal control ? 4
  - (h) How an auditor evaluates the efficiency of internal control system ? 4
3. (a) State the importance of verification and valuation of assets from the point of view of an auditor of a limited company. 16

**OR**

- (b) How would you verify the following assets and liabilities :
  - (i) provision for taxation
  - (ii) Leasehold property
  - (iii) Contingent liabilities ? 16

4. (a) What are the rights of company auditor ? 4  
(b) Explain the qualifications of an auditor of any company. 4  
(c) Describe the provisions of Company Act in relation to special audit of companies. 4  
(d) What is "Qualified Report" ? 4

**OR**

- (e) Write a short note on Disclaimer of opinion. 4  
(f) What are the duties of a company auditor ? 4  
(g) Write in brief about an 'Audit Report'. 4  
(h) Explain the duties of Cost Auditor u/s 227 (1) of the Company Act. 4
5. (a) What special points would you bear in mind besides the normal audit routine, while conducting the audit of an insurance company ? 16

**OR**

- (b) Draft an audit programme for a District Co-operative Bank. 16