

Roll No.

Total No. of Questions – 7

Total No. of Printed Pages – 4

Time Allowed – 3 Hours

Maximum Marks – 100

NPA

Answers to questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi medium, his/her answers in Hindi will not be valued.

Question No. 1 is compulsory.

Answer any **five** questions from the remaining **six** questions.

In case, any candidate answers extra question(s)/sub-question(s) over and above the required number, then only the requisite number of questions first answered in the answer book shall be valued and subsequent extra questions answered shall be ignored.

Marks

1. Discuss the following :

- ✓(a) With reference to SA-550, "Identification of significant related party transaction outside the entity's normal course of business". 5
- ✓(b) With reference to SA-530, meaning of audit sampling and requirements relating to sample design, sample size and selection of items for testing. 5
- ✓(c) How does an audit programme help to plan and perform the audit ? 5
- ✓(d) What are the specific risks related to internal control in an IT environment ? 5

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P.T.O.

(2)

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Marks

✓ State with reasons (in short) whether the following statements are correct or incorrect (Answer any **eight**) : $8 \times 2 = 16$

- (a) The scope of work of an internal auditor may extend even beyond the financial accounting.
- (b) An auditor has nothing to do with prudence or profitability of a company.
- (c) Evaluating responses to enquiries is an integral part of the inquiry process.
- (d) Internal control questionnaires are a good source of identifying weakness in internal control system.
- (e) Cluster sampling is less effective than random sampling.
- (f) Errors of duplication affects the Trial Balance.
- (g) Substantive procedures do not test the balances of accounts.
- (h) The first auditors of a Government company was appointed by the Board of Directors.
- (i) The members of XYZ Ltd. preferred a complaint against the auditor stating that he has failed to send the auditor's report to them.
- (j) Mr. Pawan, a practising Chartered Accountant, is appointed as "Tax-Consultant" of ABC Ltd., in which his father. Mr. Singh is the Managing Director.

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(3)

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Marks

4×4
=16

3. How you will vouch/verify the following ?
- (a) Preliminary expenses
 - (b) Customs & Excise Duties
 - (c) Floating assets
 - (d) Recovery of bad debts written-off
4. (a) Mention the disclosure requirement of current investments as per Schedule III of the Companies Act, 2013. 6
- (b) What are the significant matters observed during the course of audit, a record of which should be kept in the Audit Note Book ? 6
- (c) Write short note on the use of flowcharts in evaluation of internal control. 4
5. (a) Mention any six special points which you as an auditor would look into while auditing the books of a partnership firm. 6
- (b) Draft an audit programme for conducting audit of accounts of a local body. 6
- (c) What precautions should be taken by an auditor while applying test check techniques ? 4

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P.T.O.

(4)

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Marks

6. (a) What are the matters to be included in Director's Responsibility statement ? 6
- (b) Discuss the provisions of Section 134 of the Companies Act, 2013 regarding the authentication of financial statements. 6
- (c) State the factors to be considered to verify the validity of any transaction. 4
7. Write short notes on any four of the following : 4×4 =16
- (a) Provisions for applicability of internal audit as per Companies Act, 2013.
- (b) Prohibition to buy-back its own securities in certain circumstances.
- (c) Advantages of CAAT.
- (d) Changes in accounting policies.
- (e) Recognition of interest on deposits.

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