



PRESIDENCY UNIVERSITY

BENGALURU

Roll No.													
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End - Term Examinations – MAY/JUNE 2025

Date: 06-06-2025

Time: 01:00 pm – 04:00 pm

School: SOC	Program: B.COM	
Course Code : COM3059	Course Name: Auditing Principles and Practices	
Semester: IV	Max Marks: 100	Weightage:50%

CO - Levels	C01	C02	C03	C04	C05
Marks	25	25	25	25	

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2 marks.

10Q x 2M=20M

1.	Define financial audit.	2 Marks	L1	C01
2.	Name any two limitations of auditing.	2 Marks	L1	C01
3.	List any two objectives of audits.	2 Marks	L1	C01
4.	Define internal control.	2 Marks	L2	C02
5.	List any two fundamental principles of internal checking.	2 Marks	L1	C02
6.	Give any two advantages for internal control.	2 Marks	L1	C02
7.	How are the Cash receipts vouched?	2 Marks	L1	C03
8.	Mention any two items that requires verification in an audit.	2 Marks	L2	C03
9.	Define verification.	2 Marks	L1	C04
10.	Mention two disqualifications of company auditor.	2 Marks	L2	C04

Part B

Answer ALL the Questions. Each question carries 7 Marks.

Total Marks 35M

11.	a.	Describe with examples how a good internal control system improves operational efficiency.	07 Marks	L2	CO 1
Or					
12.	a.	A big sized company is debating whether to conduct an audit. Explain to them the advantages of conducting regular audits.	07 Marks	L2	CO 1
13.	a.	Discuss the concept of Basel regulations. Explain Basel 2 guidelines to manage NPA in banking.	07 Marks	L2	CO 2
Or					
14.	a.	A company wants to streamline its audit process. Explain how implementing an audit program would help them.	07 Marks	L2	CO 2
15.	a.	Discuss the concept of valuation and explain its importance in financial reporting.	07 Marks	L2	CO 3
Or					
16.	a.	During a board meeting, a director confuses internal check with internal audit. How would you clarify the difference with suitable examples?	07 Marks	L2	CO 3
17.	a.	Explain the special audit procedures adopted for auditing educational institutions or co-operative societies.	07 Marks	L3	CO 3
Or					
18.	a.	Explain the special audit procedures adopted for auditing in Insurance companies.	07 Marks	L3	CO 4
19.	a.	An auditor is facing a dilemma about professional behavior while auditing his friend's company. Explain the concept of professional ethics for auditors.	07 Marks	L2	CO 4
Or					
20.	a.	During an audit of fixed assets, discrepancies were found. Explain how you would verify and value the fixed assets.	07 Marks	L2	CO 4

Part C

Answer any Three Questions. Each question carries 15 marks

3Q x 15M=45M

21.	a.	While auditing "SkyNet Technologies," you find that the company has a lawsuit pending, which may become a liability in the future. How would you verify and report such contingent liabilities in your audit report?	15 Marks	L3	CO 1
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22.	a.	Describe the process of conducting a forensic audit when a company suspects embezzlement of funds. How would the steps differ from a normal statutory audit?	15 Marks	L3	CO 2
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23.	a.	You are appointed as the first auditor of a newly incorporated company. Describe your role, powers, duties, and challenges you might face in the first year of audit.	15 Marks	L3	CO 3
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24.	a.	Discuss the steps you would take to ensure the reliability of audit working papers. How do properly maintained working papers support the audit report? Illustrate with examples.	15 Marks	L3	CO 4
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