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PRESIDENCY UNIVERSITY BENGALURU

SCHOOL OF COMMERCE MID TERM EXAMINATION - MAY 2023

Semester : Semester IV - 2022 - 23 - BCH - 2021

Course Code : COM2017

Course Name : Sem IV - COM2017 - Principles and Practices of Auditing

Program : BCH

Date : 18-MAY-2023

Time : 2.00 PM - 3.30 PM

Max Marks : 50

Weightage : 25%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

PART A

ANSWER ALL THE QUESTIONS

(5 X 2 = 10M)

1. Why independence of an auditor is important?
(CO1) [Knowledge]
2. State with reasons (in short) whether the following statement is correct or incorrect:
One of the directors of Very Fresh Fruits Limited was of the view that internal auditor to be appointed must be an employee of Very Fresh Fruits Limited.
(CO2) [Knowledge]
3. State with reasons (in short) whether the following statement is correct or incorrect:
The basic objective of audit does not change with reference to nature, size or form of an entity.
(CO1) [Knowledge]
4. What you mean by Professional skepticism?
(CO2) [Knowledge]
5. State with reasons (in short) whether the following statements are correct or incorrect-
The purpose of an audit is to enhance the degree of confidence of intended users in the financial statements.
(CO1) [Knowledge]

PART B

ANSWER ALL THE QUESTIONS

(2 X 10 = 20M)

6. Explain Components of internal control over financial reporting. (CO2) [Comprehension]
7. Explain the Principles and Characteristics of an Internal check. (CO1) [Comprehension]

PART C

ANSWER THE FOLLOWING QUESTION

undefined

8. Windy Limited is an unlisted public limited company. During the financial year 2020-21, the paid up share capital of Windy Limited was 60 crore. During the financial year 2021-22, Board of Directors of the company , in order to comply with the provisions of Companies Act, 2013 appointed an internal auditor. Give the justification of this appointment done by Board of Directors of Windy Limited. Explain all provision of appointment of internal auditor according to the provisions of Companies Act, 2013.

(CO1) [Application]