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**Presidency University**

**Bengaluru**

**SCHOOL OF LAW**

**Make-Up Examinations July 2024**

**Semester**: III

**Course Code**: BCL2002

**Course Name**: Auditing

**Program & Sem**:

**Date**: 02 July 2024

**Time**: 9:30AM-12:30PM

**Max Marks**: 100

**Weightage**: 50%

**Instructions:**

1. *Read the all questions carefully and answer accordingly.*
2. *Question paper consists of three parts.*
3. *Scientific and Non Programable Calculators are Permitted.*
4. *Do not write any information on the question paper other than roll number.*

**Part A**

**Answer any FOUR Questions. (4 Q x 5 M = 20 M)**

1. Compare and contrast the different types of vouchers with example. (C.O.No.1) [Remember]

2. Discuss the four important components in the verification process of an asset. (C.O.No.2) [Remember]

3. Discuss the documents that needs to be checked while vouching receipts from debtors. (C.O.No.2) [Remember]

4. Describe the significance of sales invoices while vouching for cash sales. (C.O.No.3) [Remember]

5. State with reasons 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. (C.O.No.4) [Remember]

6. 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. (C.O.No.4) [Remember]

**Part B**

**Answer any FOUR Questions. (4 Q x 10 M = 40 M)**

7. Differentiate between Accounting and Auditing, highlighting their key functions and purposes in financial management.

(C.O.No.1) [Understand]

8. Discuss how an auditor would vouch these transactions:  
(a) Cash Sales  
(b) Wage Payment

(C.O.No.2) [Understand]

9. An auditor is a watchdog, and not a bloodhound.” - Examine the validity of this statement with reference to SA 240. (C.O.No.2) [Understand]

10. Discuss the concept of Vouching. Evaluate whether it differs from Routine Checking and provide an explanation. (C.O.No.4) [Understand]

11. Distinguish between Internal Audit and External Audit. (C.O.No.4) [Understand]

12. Explain the Principles and Characteristics of an Internal check.

(C.O.No.4) [Understand]

**Part C**

**Answer any TWO Questions. (2 Q x 20 M = 40 M)**

13. The auditor Mr. A of ABC & Co., a firm of Chartered Accountants conducting the audit of Larsen & Smith Ltd. requests the management to provide Banker’s certificate in support of fixed deposits whereas the management provides only written confirmation in this regard. Comment on the situation and specify the significance of sufficient appropriate audit evidence as per SA 500.

(C.O.No.1) [Apply]

14. Explain how an auditor would verify the following items:  
(a) Land and Building  
(b) Investments  
(c) Stock-in-trade  
(d) Sundry Creditors

(C.O.No.2) [Apply]

15. Explain the Auditing principles and differentiate Between Internal check and Internal control system. (C.O.No.3) [Apply]