



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – CORPORATE SEC.

FIFTH SEMESTER – NOVEMBER 2011

BC 5401 - AUDITING

Date : 12-11-2011
Time : 9:00 - 12:00

Dept. No.

Max. : 100 Marks

PART-A

Answer all questions. Each carries a maximum of 2 marks: (10x2=20)

Explain the following:

1. Objects of audit
2. Error of principle
3. Teaming and Lading
4. Audit Note Book
5. Internal control
6. Sinking fund
7. Qualities of auditor
8. Qualified report
9. Voucher
10. Contingent liability

PART – B

Answer any **FIVE** questions. Each carries a maximum of 8 marks: (5x8=40)

11. How is Independent Auditing different from Internal Auditing?
12. Describe the main types of errors. State their effect on the trial balance before being discovered?
13. Distinguish between financial audit and cost audit.
14. What is routine checking? Explain the contents of audit note book.
15. Distinguish between Provision and reserve.
16. What documents should be examined while vouching receipts from debtors?
17. What is secret reserve? What is the duty of an Auditor regarding secret reserve?
18. Enumerate the methods of valuation of stock of finished goods.

PART – C

Answer any **TWO** questions. Each carries a maximum of 20 marks: (2x20=40)

19. Briefly discuss the concept of internal control. What are its objectives? State the important features of a good system of internal control. How does it affect the work of an auditor?
20. How would you vouch the following:
 - a. Recovery of bad debts written off
 - b. Insurance premium paid
 - c. Discounted bills receivable dishonoured
 - d. Income-tax payment.
21. What is verification? How will you verify (a) Goods on sale or return, (b) Bills receivable (c) Investments (d) sundry debtors.
