

SIXTH SEMESTER UG DEGREE EXAMINATION, APRIL 2025

B.COM. HONOURS

GBCH6B23T: AUDITING AND ASSURANCE

Time: 3 Hours

Maximum Marks: 80

Part A: Answer *all* the following questions. Each carries *one* mark.

Choose the Correct Answer.

- The word “auditing” has been derived from Latin word “audire” which means:
 - To hear.
 - To listen.
 - To inspect.
 - To review.
- The ownership of audit working papers lies with _____.
 - Stake holders
 - Auditor
 - Share holders
 - Organisation
- Which of the following is not an example of “General IT controls”?
 - Controls pertaining to Disaster recovery plan.
 - Controls pertaining to batch preparation.
 - Controls pertaining to data security.
 - Controls pertaining to validation of input data in an application.
- Audit evidence is defined as per Standards of Auditing _____.
 - SA 300
 - SA 200
 - SA 500
 - SA 315
- Who is responsible for identifying subsequent events in an audit?
 - The external auditors
 - Management
 - The board of directors
 - Both management and auditor

Fill in the Blanks.

6. The audit of accounts by the staff specially appointed for the purpose is called _____.
7. _____ is the whole system of control established by the management for the proper and efficient conduct of various activities of the organization.
8. Internal Check and Internal Audit form the _____ in an organisation.
9. Most of the auditor's work in forming the auditor's opinion consists of obtaining and evaluating_____.
10. The quality of audit evidence is affected by the _____ and reliability of the information upon which it is based.

(10 X 1 = 10 marks)

(PTO)

Part B: Answer any *eight* questions. Each carries *two* marks.

11. How is an audit different from review?
12. Why are written representations necessary in an audit?
13. What is Audit Memorandum?
14. "Audit is an independent examination of financial information." What does the term independence imply in this context?
15. There exists an inverse relation between control risk and efficiency of internal control of an entity. Explain.
16. Define Internal Checks.
17. Why is General IT controls also called Pervasive controls?
18. What is External Audit?
19. What do you mean by Audit Trail?
20. What is the significance of the going concern assumption in financial reporting?

(8 x 2 = 16 marks)

Part C: Answer any *six* questions. Each carries *four* marks.

21. Explain the qualifications and qualities of an auditor.
22. Explain financial statement assertions.
23. What is audit outsourcing? What are the different types of audit outsourcing?
24. Explain the three types of Internal Controls with examples.
25. Write a note on Internal audit and its scope.
26. What are the disadvantages of internal check?
27. What is Internal Control System? What are the essentials of good internal control?
28. Explain Audit Evidence.

(6 x 4 = 24

marks)

Part D: Answer any *two* questions. Each carries *fifteen* marks.

29. Write notes on:
(a) Audit Notebook. (b) Audit Files. (c) Audit Programme.
30. Explain Audit Evidence. Explain the various Audit procedures to obtain audit evidence.
31. Describe the process of audit finalization and final review. Why are these steps critical in ensuring the quality of an audit?

(2 x 15 = 30 marks)

