

**Q.P. Code: 23324****[Time: 2½ Hours]****[Marks: 75]**

Please check whether you have got the right question paper.

- N.B:
1. Question no 1 is compulsory.
  2. Question no 2, 3, 4, & 5 is compulsory with internal choice.
  3. Figures to the right indicate marks.

**Q1 A) Rewrite the statement and state whether True or False. (Attempt any 8) (8)**

- 1) Auditing around the computer" is most appropriate when the client has not maintained detailed output or source documents in a form readable by humans.
- 2) "The use of computer facilities by a small enterprises may increase the control risk"
- 3) Output controls focus on detecting errors after processing is completed rather than preventing errors prior to processing.
- 4) A client imposed scope limitation will generally result in disclaimer of opinion.
- 5) If financial statement contains a material departure from the generally accepted accounting principles, the auditor s usually should not issue an unqualified opinion.
- 6) An interior decorator will be subject to tax audit only if his gross receipts exceed 10 lakhs.
- 7) A chartered accountant who s in employment of a concern cannot be appointed as tax auditor.
- 8) An auditor gives a qualified report when the accounts are reflecting true and fair view.
- 9) A practicing CA is allowed to promote the work done by him.
- 10) An auditor has to sign the auditors report.

**Q1 B) Multiple choice question. (Any 7) (7)**

- 1) The auditor of a company shall have a right of access to the books of accounts \_\_\_\_\_.
  - a) after the year end
  - b) 3 months after the year end.
  - c) 3 months before AGM
  - d) at all times.
- ii) When the auditor is not provided the information required by him, he should report this \_\_\_\_\_.
  - a) to the Central Government
  - b) to the Registrar of Companies
  - c) to the Institute of CA of India
  - d) to the members.
- iii) Misfeasance means \_\_\_\_\_.
  - a) Fraud
  - b) Misstatement
  - c) Breach of trust or duty
  - d) Negligence

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- iv) For the purpose of tax audit Firm acting is considered as \_\_\_\_\_.
  - a) profession                                  b) business
  - c) both    d) none
  
- v) The expression 'Management Consultancy and Other Services "shall not include \_\_\_\_\_.
  - a) Financial management n planning and financial policy determination
  - b) System analysis and design
  - c) Working capital management
  - d) Acting as liquidator
  
- vi) A person is debarred from having his name entered in or borne on the Register of Members, if \_\_\_\_\_.
  - a) if he has not attained the age of 21 at the time of applying for registering his name
  - b) He is of unsound mind and stands so adjusted by a competent court
  - c) If he is an undischarged insolvent
  - d) any of the above
  
- vii) A control that relates to all parts of the IT system is called a or an \_\_\_\_\_.
  - a) General control                                  b) Systems control
  - c) Universal control                                d) Application control
  
- viii) Auditors should evaluate the \_\_\_\_\_ before evaluating application controls because of the potential for pervasive effects.
  - a) Input controls                                  b) Control environment
  - c) Processing controls                            d) General controls
  
- ix) The auditors has the right to \_\_\_\_\_.
  - a) Obtain information and explanations
  - b) Obtain information and explanations from the employees and officers
  - c) Obtain information and explanation necessary for the purpose of audit
  - d) Both (b) and (c)
  
- x) Where a company has a branch office in India or outside India, proper books of accounts relating to the transactions effected at the branch office should be kept \_\_\_\_\_.
  - a) the branch office                              b) the registered office
  - c) both the branch and registered office d) the head office.

**Q2 a) Give the meaning of "Professional Misconduct "as per Chartered Accountants Act 1949. Also state any five clauses which constitute professional misconduct. (8)**

**Q2 b) Explain the problems in CIS environment in implementation of Internal control. (7)**

**OR**

**Q2 p) Explain auditing done around the computers and auditing through the computers. (8)**

**Q2 q) What do you mean by CARO Reporting, what matters should be included in the report with inventories and fixed assets under CARO 2013 by an auditor. (7)**

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**Q3 a)** What is report? Explain the different types of report that an auditor prepares. **(15)**

**OR**

**Q3 p)** What is Tax Audit Report in form No 3 CD and how does an auditor give his opinion with regards to the same? **(8)**

**Q3 q)** What do you mean by "Misfeasance ".When can an auditor be held liable for Misfeasance? **(7)**

**Q4 a)** While qualifying a report what things must be kept in mind by the auditor. State few reasons for qualifying a report. **(8)**

**Q4 b)** Give the features of effective Computerized Audit Program and give its advantages. **(7)**

**OR**

**Q4 p)** What are the duties of an auditor? **(8)**

**Q4 q)** Explain the provisions of Companies Act, 2013 regarding Branch audit. **(7)**

**Q5 a)** Explain in detail the provision of the Income Tax Act, 1961 u/s 44 AB regarding compulsory tax audit. **(8)**

**Q5 b)** Distinguish between Computer based system of accounting and Conventional accounting system **(7)**

**OR**

**Q5 p) Write short notes (any3)** **(15)**

- 1) Audit Trail
- 2) Test Pack
- 3) Joint Auditors
- 4) Tax Auditors
- 5) Negligence