

**2020**

**AUDITING — HONOURS**

**Sixth Paper**

**(A-32-A)**

**Full Marks : 100**

*The figures in the margin indicate full marks.*

*Candidates are required to give their answers in their own words  
as far as practicable.*

**Group – A**

Answer *any two* questions

5×2

1. What do you mean by Audit File? Mention any two items those are kept in a Permanent Audit File. 5

**Or,**

Write a short note on Audit Note Book. 5

2. What are the advantages and disadvantages of Test Checking? 5

3. Write a brief note on Joint Audit. 5

**Or,**

Can dividend be paid out of Capital Profit? Discuss. 5

4. Explain Materiality Concept. 5

5. Explain the concept of Ethics in Auditing. 5

**Or,**

Write a brief note on Social Audit. 5

**Group – B**

Answer *any two* questions

20×2

6. Define Audit Programme. State its advantages. 8+12

**Or,**

What do you mean by Audit Evidence? State the different sources of Audit Evidence. 10+10

7. How does Audit Sampling helps an auditor? Explain the term 'Stratified Sampling'. 8+12

**Or,**

Discuss Analytical Procedure with an example. 20

**Please Turn Over**

8. What do you mean by Auditor's Report? Is there any differences between Auditor's Report and Certificate? 8+12
9. Prepare a brief outline of Investigation in respect of misappropriation of cash. 20
10. What is Management Audit? Why Management Audit is required to be done even after Financial Audit? 8+12

**Or,**

Explain the concept of Propriety Audit. Is it done in India? 12+8

**Group – C**

Answer **any two** questions 25×2

11. (a) What are the basic principles governing an audit?  
 (b) Distinguish between Periodical Audit and Continuous Audit with examples. 13+12

**Or,**

'Accounting is necessary but Auditing is luxury'. — Discuss. 25

12. Suggest a suitable Internal Control System in respect of sales in a large departmental store. 25

13. How will you verify the following items (**any two**)? 12½×2

- (a) Machinery
- (b) Patent
- (c) Creditors.

**Or,**

- (a) How will you vouch the following items (**any two**) ? 6×2

- (i) Preliminary expenses
- (ii) Travelling expenses
- (iii) Income from dividend.

- (b) State the essential features of a valid voucher. 13

14. How the remuneration of a Statutory Auditor is fixed? How is he removed? 5+20

**Or,**

Can a company pay dividend in the following situations? 25

- (a) out of capital
- (b) out of current revenue profit before writing off past capital losses
- (c) out of current revenue profit before writing off past revenue losses
- (d) out of past revenue profit though there is no revenue profit in the current year.

15. (a) What do you mean by NPA?  
 (b) Prepare an Audit Programme on a University. 5+20