

# ARUNACHAL PRADESH PUBLIC SERVICE COMMISSION

## Subject: Auditing

Time: 3(Three)Hours

Full Marks:100

(Group- A is compulsory, Attempt any Four Questions from Group -B )

### Group- A (compulsory group)

**Q.No.1.** Attempt any 10 (Ten) of the following:

(10X2=20)

- a. Internal Audit
- b. Audit Note Book
- c. Internal control
- d. Vouching
- e. Outstanding Assets
- f. Special Resolution
- g. Interim Dividend
- h. Evidence
- i. Lockbox
- j. Proxy
- k. Random sample
- l. Requisition

### Group- B (Attempt any four)

**Q.No.2.** Attempt any 4(Four ) of the following:

(4X5=20)

- a. "An auditor is a watch -dog not a blood -hound ".Explain.
- b. Distinguish between financial audit and cost audit.
- c. What is routine checking ? Give its advantages and disadvantages.
- d. Describe the technique and principal of auditing.
- e. How will you control sales on the shop?
- f. "Vouching is back bone of auditing." Discuss.

**Q.No.3.** Attempt any 4(Four ) of the following: **(4X5=20)**

- a. What do you understand by Capitalization of Reserves?
- b. Who is to sign the audit report and which section of Companies Act applies to signing a report?
- c. Why can a company not pay dividend out of capital profit?
- d. Discuss an auditor 's liability for misfeasance.
- e. What is the liability of an honorary auditor?
- f. How auditor is verify provision for income tax?

**Q.No.4** Attempt any 4(Four ) of the following: **(4X5=20)**

- a. Describe the law regarding payment of dividend without providing for depreciation on fixed assets.
- b. What is Cost Audit? How does it differ from Financial Audit?
- c. Discuss the objectives of Management Audit.
- d. How will you audit the Provident Fund Accounts of an educational institution?
- e. Can a chartered accountant only be appointed an auditor of a cooperative society.?

**Q.No.5** Attempt any 4(Four ) of the following: **(4X5=20)**

- a. Discuss the precautions to be taken before ingestion.
- b. Discuss a few provision in regard to audit of public trusts.
- c. Advantage of independent audit
- d. Important of audit working papers.
- e. Verification of issue of sweat equity shares.

**Q.No.6** What special points will receive your attention while auditing the accounts of a Banking Company? **(20)**

**Q.No.7** The basic objective does not change with reference to nature size or form of an entity. **(20)**

**Q.No.8** Mention any eight important point which an auditor will consider while conducting audit of club? **(20)**