

Tilak Maharashtra University
Bachelor of Business Administration (Distance)
(Semester - VI) - Internal Evaluation
Auditing

Marks : 80

Code : B - 601

Note:

- ❖ The Paper Consist of two sections I & II
- ❖ Section I & II are Compulsory

Section I

- Q.1 Define the term Audit. State its main features, advantages and disadvantages. 15
OR
- Q.1 What is continuous audit? State its advantages and limitations.
- Q.2 What is Internal check? State the elements of good internal check system. 15
OR
- Q.2 What is Vouching? Explain in detail vouching of cash transactions.
- Q.3 What is an Audit programme? Explain in detail its advantages and disadvantages. 15
OR
- Q.3 Write a detailed note on Audit note book and Audit working papers.
- Q.4 Write short notes on: 15
1. Types of report
 2. Qualifications of an auditor
 3. Statutory report
 4. Duties of an auditor
 5. Final audit.

Section II

- Q.5 Choose the most appropriate option. 20
1. A _____ is one in which only particular type of transactions are audited.
a. Private audit b. Partial audit c. Continuous audit d. Final audit
 2. The statutory meeting, statutory report and audit all are dealt with the _____
of the companies Act, 1956.
a. sec 196 b. sec 225 c. sec 126 d. sec 165
 3. Sales worth Rs.5000 was been made but no recording of it has been done in the
books then it is _____
a. error of commission b. error of omission c. error of duplication
d. error of compensation .
 4. An auditor adds a _____ when he is not satisfied with certain facts

disclosed in accounts, P&L A/c or balance sheet etc.

a.Working note b.Complaint note c.Qualificatory note d.Audit note

5. When two or more persons or firms are appointed to conduct the audit then it is known as _____ .
a.Group audit b.Cash audit c.Cost audit d.Joint audit.
6. _____ is the essence of auditing.
a. Verification b. Vouching c. Checking d.Evidence
7. _____ is a written plan containing exact details with regards to the conduct of a particular audit.
a.Audit plan b.Audit programme c.Audit working papers d. Audit note book
8. According to Montgomery every audit cycle can be conceived of comprising of _____ major steps.
a. 7 b. 8 c.9 d. 6
9. _____meeting is held only once in the life time of the company.
a.Board meeting b.Statutory meeting c.Annual general meeting
d.Special meeting.
10. The _____ implies thorough examination of the cost accounting records of a company.
a.Cash audit b.Interim audit c.Continuous audit d.Cost audit
11. The provisions of the _____ of the company Act provides that the company auditor must sign the report to be submitted.
a.sec165 b.sec226 c.sec229 d.sec227
12. The directors of the company are required to send the statutory report to every member of the company atleast _____days before the date of the meeting.
a.12 b.18 c.21 d.16
13. Periodical audit is also known as _____.
a.Interim audit b.Final audit c.Internal audit d.Compulsory audit.
14. _____ meeting is held only once in a year.
a.Statutory b.Board c.Annual general d.Special.
15. Sales worth Rs.10000 has been recorded twice in the accounts then it is known as Error of _____.
a. Compensation b. Duplication c.Principles d. Ommission

16. The Central government can direct special audit under section_____
- a.233A b.165 c.226A d.227A
17. A final audit is also known as _____
- a.Partial audit b.Voluntary audit c.Compulsory audit d.Balance sheet audit
18. If Amount received from Mr.A is wrongly posted in the account of Mr.B , then it is known as error of_____
- a.Omission b.Commission c.Compensation d. Duplication
19. There is theft of cash or goods in _____.
- a. All frauds b. Some Frauds c. None of frauds
20. Error of commission includes _____.
- a. Wrong posting b. Wrong totaling c. Wrong balance d. Any of these