REV-01
BCM/05/10

2025/05

SET A

BACHELOR OF COMMERCE
FOURTH SEMESTER [REPEAT]
AUDITING AND ASSURANCE
BCM – 403
[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 1.30 hrs. **Full Marks: 35**

Objective

Time: 15 mins. **Marks: 10**

Choose the correct answer from the following: *1×10=10*

1. Internal Auditor is appointed by the……………..
   a. Board of Director of the company
   b. Shareholders of the company
   c. Institute of Chartered Accountants of India
   d. Company Secretary

2. An auditor anticipates assessing control risk at a low level in an IT environment. Under these circumstances, on which of the following controls would the auditor initially focus?
   a. Data capture control
   b. Application control
   c. Output control
   d. General control

3. Which of the following statements about internal control is correct?
   a. Documentation must include narrative memorandums.
   b. No documentation is necessary to satisfy auditing standards, however, oral inquiry is required at minimum.
   c. Internal control questionnaires are specifically tailored to meet the needs of each individual entity.
   d. The auditor's assessment of the level of control risk can be documented using a structured working paper, an internal control questionnaire or a memorandum.

4. Who is eligible to be appointed as an auditor of a company under the Companies Act, 2013?
   a. A chartered accountant
   b. Any individual with an accounting degree
   c. An employee of the company
   d. A shareholder of the company

5. What is the main principle followed in vouching?
   a. Trust but verify
   b. No transaction should be recorded without proper evidence
   c. Ensure full compliance with tax laws
   d. Focus on mathematical correctness of accounts

6. Under the Companies Act, 2013, which of the following is not a duty of the auditor?
   a. Verifying financial statements
   b. Ensuring compliance with accounting standards
   c. Managing the company's internal audit department
   d. Reporting on fraud, if any

7. Which of the following duties is assigned to auditors under Section 143 of the Companies Act, 2013?
   a. Conduct board meetings
   b. Report on the company's accounts to the shareholders
   c. Manage company's investments
   d. Approve internal control systems

8. A firm can be appointed as an auditor if:
   a. All partners are lawyers
   b. The firm is a listed company
   c. It is registered as an NGO
   d. The majority of partners are Chartered Accountants in practice

9. The auditor shall assemble the audit documentation in an audit file and complete the administrative process of assembling the final audit file on a timely basis within..................... of the date of the auditor's report.
   a. 30 days
   b. 60 days
   c. 90 days
   d. 120 days

10. Goods purchased but not recorded in the purchase register is an example of:
    a. An error of omission
    b. An error of commission
    c. Compensatory error
    d. An error of duplication

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Descriptive

Time : 1 Hr. 15 Mins. **Marks : 25**

[Answer question no.1 & any two (2) from the rest]

1. What is an audit report and what are the different types of audit report? 5

2. Who is qualified to be appointed as an auditor under the Companies Act, 2013? Also, explain any four disqualifications of an auditor as per Section 141 of the Companies Act, 2013. 4+6= 10

3. Narrate the different classification of audit. 10

4. What is vouching? Highlight the different types of vouching with suitable examples. 3+7= 10

5. Discuss the steps involved in verification of Plant and Machinery and Bills Payable. 5+5=10

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