

VVM's
R M Salgaocar Higher Secondary School Margao goa
Preliminary Examination January 2024

Sub: Principles and Practice of Auditing

Std: XII AA

Date: 23/01/2024

Marks: 50

Time: 2hrs

Instructions:

- i. There are four sections in the question paper (A, B, C and D) consisting of 23 questions.
 - ii. In section A there are eight questions no.1 to 4 are multiple choice questions and 5 to 8 are to be answered in one sentence each
 - iii. Attempt all the questions. Internal choice is given for question no. 20 and 23
 - iv. Figures to the right indicate marks allotted to each question
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SECTION A

1. The concealment of shortages by delaying the recording of cash receipt is known as -
----- 1
 - a) Lapping
 - b) Teeming
 - c) Padding
 - d) Ladding

2. Assets which are acquired for resale or are produced for the purpose of sale are known as ----- 1
 - a) Fixed assets
 - b) Floating assets
 - c) Tangible assets
 - d) Intangible assets

3. If the patents have been purchased the auditor should examine ----- 1
 - a) Mortgage deed
 - b) Assignment deed
 - c) Sale deed
 - d) Tax deed

4. When the auditor finds some discrepancies in the treatment of some items he gives -
----- 1
 - a) Qualified report
 - b) Unqualified report
 - c) Negative report
 - d) Adverse report

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| 5. Liabilities which may or may not arise at future date. | 1 |
| 6. Give the meaning of capital expenditure. | 1 |
| 7. Write the full form of EDP. | 1 |
| 8. What is vouching in auditing? | 1 |

SECTION B

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| 9. Mention any two duties of an auditor with regards to payment of wages. | 2 |
| 10. Explain any two points of vouching procedure with respect to rent received. | 2 |
| 11. As an auditor how will you verify outstanding expenses. (two points) | 2 |
| 12. Explain any two duties of an auditor with regards to credit purchases. | 2 |
| 13. Mention any two general principles of valuation and verification of assets. | 2 |
| 14. Explain any two elements of audit report. | 2 |

SECTION C

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| 15. Explain vouching procedure for the payment to creditors. (any three points) | 3 |
| 16. Explain any three points for valuation and verification of furniture and fixtures. | 3 |
| 17. As an auditor what procedure needs to be followed for verification and valuation of book debts. | 3 |
| 18. Explain any three advantages of EDP system in auditing. | 3 |
| 19. Explain any three points of distinction between audit report and audit certificate. | 3 |
| 20. Explain any three points involved in the procedure for vouching of agents and traveler's commission. | 3 |

OR

Explain any three points involved in the vouching procedure of sale of investment.

SECTION D

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| 21. Write any four steps to be followed for an efficient internal check system for "credit sales". | 4 |
| 22. Write any four steps to be followed by an auditor in the vouching procedure of purchase of patents. | 4 |
| 23. Explain the procedure for verification and valuation of stock in hand. | 4 |

OR

Explain the procedure for verification of loan given against security of land and property.