

**V.V.M's**  
**R. M. Salgaocar Higher Secondary School.**  
**Margao – Goa.**  
**MID TERM TEST AUG. 2023**

**STD: XII (AA)                      MARKS: 20                      TIME: 1hr**  
**DATE: 11/08/2023                      SUB: Principles and Practice of Auditing**

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**INSTRUCTIONS:**

- I. All questions are compulsory.
  - II. There are four sections in the question paper section A,B,C &D.
  - III. Section A consists of two multiple choice questions, one question to be answered in a word, phrase or figure and one question to be answered in a sentence.
  - IV. Section B consists of three questions of two marks each to be answered in 20-30 words.
  - V. Section C consists of two questions of three marks each to be answered in 50-60 words.
  - VI. Section D consists of one question of four marks to be answered in 80-100 words.
  - VII. Figures to the right indicate marks allotted to each question
  - VIII. Write the number of each question clearly.
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**SECTION A**

1. Opening balances should be verified with -----, 1
  - a) Profit and loss account
  - b) Previous years audited balance sheet
  - c) Debtors ledger accounts
  - d) Cash flow statement
  
2. Profit or Loss on sale of fixed assets is transferred to -----, 1
  - a) Capital reserve account
  - b) Balance sheet
  - c) Trial balance
  - d) Capital account
  
3. Give correct term for the concealment of shortage by delaying the recording of cash receipt. 1
  
4. What is Vouching? 1

**SECTION B**

5. Explain any two points for vouching of Agents and travelling commission. 2
6. As an auditor how will you vouch the salaries paid. 2
7. Mention any two duties of an auditor in the vouching procedure with respect to rent received. 2

**SECTION C**

8. Explain any three points involved in the procedure for vouching of Advertisement expenses. 3
9. Write any three steps to be followed for an efficient internal check system for cash. 3

**SECTION D**

10. Explain the vouching procedure for purchase of Patents. 4