

PRINCIPLES AND PRACTICE OF AUDITING

First Term Examination, October 2023

STD: XI AA

Date: 20/10/2023

DURATION: 2 HRs

Max. Marks: 40

INSTRUCTIONS:

- i. There are four sections in the question paper (A,B, C & D) consisting of 20 questions
- ii. In Section A there are eight questions of which question no. 1 to 4 are Multiple Choice Questions, question no. 5 & 6 are to be answered in one word, phrase or figure and question no.7 & 8 are to be answered in one sentence each
- iii. Attempt all the questions however Internal choice is given for question number 18 and 20.
- iv. Figures to the right indicate marks allotted to each question.
- v. Write the number of each question clearly on the answer book.

SECTION A

1. The examination or inspection of various books of accounts by an auditor followed by physical checking of inventory. **(1mk)**
 - A) Book Keeping
 - B) Auditing
 - C) Accounting
 - D) Examining
2. The type of audit wherein the auditor is constantly engaged in checking the accounts during the whole period. **(1mk)**
 - A) Continuous Audit
 - B) Cost Audit
 - C) Final Audit
 - D) Interim audit
3. The plan of an organization instituted in a business firm, to check the accuracy and reliability of its financial accounting data, safeguards its assets and promote operational efficiency through effective performances. **(1mk)**
 - A) Internal Audit
 - B) Internal Check
 - C) Internal Control
 - D) Test Check
4. An arrangement of duties of members of staff in such a manner that the work performed by one person is automatically and independently checked by the others. **(1mk)**
 - A) Internal Audit

- B) Internal Check
- C) Internal Control
- D) Test Check

- 5. The type of audit, wherein the auditor examines only the cash transactions. (1mk)
- 6. This type of audit is carried out occasionally as per the need of the business. (1mk)
- 7. Explain 'Test Check'. (1mk)
- 8. Explain 'Internal Audit'. (1mk)

SECTION B

- 9. State and explain any two advantages of auditing. (2mks)
- 10. State and explain any two objectives of auditing. (2mks)
- 11. State and explain any two types of audit based on scope. (2mks)
- 12. State and explain any two advantages of continuous audit. (2mks)
- 13. Explain:- i) Interim audit and ii) Cost audit. (2mks)
- 14. State any four objectives of Internal control system. (2mks)

SECTION C

- 15. State and explain any three principles of auditing. (3mks)
- 16. State and explain any three types of audit based on authority. (3mks)
- 17. Distinguish between Internal audit and Statutory audit (any 3 points). (3mks)
- 18. State and explain any three precautions to be taken while applying test check. (3mks)

OR

- 18. State and explain any three auditors duty with regards to Internal check system. (3mks)

SECTION D

- 19. Distinguish between Internal audit and Internal check. (any 4 points). (4mks)
- 20. Distinguish between Book keeping, Accounting and Auditing. (any 4 points). (4mks)

OR

- 20. State and explain any four duties of an auditor. (4mks)
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