

VVMS  
RAMACRISNA MADEVA SALGAONCAR HIGHER SECONDARY  
SCHOOL

MARGAO GOA

FIRST TERMINAL EXAMINATION OCTOBER 2023

STD: XII AA

MARKS :40

DATE:20/10/2023

SUB: PRINCIPLES AND PRACTICE OF AUDITING

TIME: 2 hrs

INSTRUCTIONS:

1. There are four sections in the question paper (A, B, C & D) consisting of 20 questions
2. 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
3. Attempt all the questions however Internal choice is given for question number 18 and 20
4. Figures to the right indicate marks allotted to each question
5. Write the number of each question clearly on the answer book.

SECTION A

1. All the payments except for petty cash should be made by ..... 01  
A. Cheque  
B. Demand draft  
C. Bills of exchange  
D. Cash
2. To check the increments & allowances in the salary, the auditor has to refer.....01  
A. Bank pass book  
B. Contract of appointment  
C. Letter of allotment  
D. Trust deed
3. On Arrival of goods the gate keeper should make record in ..... 01  
A. Goods outward book  
B. Goods inward book  
C. Purchase order book  
D. Order receipt book
4. The method in which names of Ex-employees are included in the wage sheet is ..... 01  
A. Lapping method  
B. Padding method  
C. Lading method  
D. Teeming method

5. The assets which are acquired for using in the business as permanent equipment and not for sale in the ordinary course of business. 01
6. The procedure of establishing the accuracy and the authenticity of the entries in the books of account by examining the vouchers. 01
7. Write the meaning of vouchers. 01
8. How is the opening balance verified. 01

### SECTION B

9. Mention any two points the auditor has to keep in mind with regards to internal checks of purchases. 02
10. List any two points for vouching of payments to creditors. 02
11. Explain the concept of wasting assets. 02
12. Explain any two duties of an auditor in connection with credit purchases. 02
13. Write any two points for vouching of cash sales. 02
14. Explain the concept of capital expenditure. 02

### SECTION C

15. Explain any three points involved in the procedures for vouching of advertisement expenses. 03
16. Explain the mode of valuation of current assets. 03
17. Write any three steps to be followed for an efficient internal check system for credit sales. 03
18. Explain the procedure for vouching of insurance premium. (any 3 points) 03

**OR**

Mention any three points involved in the procedures for vouching of receipts from sale of fixed assets. (any 3 points)

### SECTION D

19. Explain the vouching procedure for purchase of patents (any 4 points) 04
20. Explain the principles of valuation and verification of assets (any 4 points) 04

**OR**

Explain the procedures for verification and valuation of intangible assets.

*22/01/23*

*Udd IX*