

CLASS- TYBBI

SEM-VI

SUBJECT- AUDITING-II

01. Which of the following is not the responsibility of a company's directors?

- (a). Reporting to the shareholders on the accuracy of the accounts
- (b). Establishment of internal controls
- (c). Keeping proper accounting records
- (d). Supplying information and explanations to the auditor

02. International auditing standards are issued by the:

- (a). international accounting standards board
- (b). Financial accounting standards board
- (c). International audit and assurance standards board
- (d). Auditing practices board

03. How long is the auditor's term of office?

- (a). Until the audit is complete
- (b). Until the financial statements are complete
- (c). Until the next agm
- (d). Until the directors remove them

04. Which one of the following is not considered to be part of planning?

- (a). background i.e. Industry
- (b). Previous year's audit i.e. Any qualifications in the report
- (c). Considering the work to be done by the client staff e.g. Internal audit
- (d). Considering whether the financial statements show a true and fair view

05. Which should not be considered at the planning stage?

- (a). The timing of the audit
- (b). Analytical review
- (c). Last year's written representation letter
- (d). Obtaining written representations

06. At the planning stage you would not consider:

- (a). The timing of the audit

- (b). Whether corrections from the inventory count have been implemented
- (c). Last year's audit
- (d). The potential use of internal audit

07. Which of the following is not a main element of a purchases system?

- (a). Placing orders
- (b). Receiving purchase invoices
- (c). Goods received
- (d). Decisions at board level on whether to incur capital expenditure

08 which of the following is normally the most reliable source of audit evidence?

- (a). Internal audit
- (b). Suppliers' statements
- (c). Board minutes
- (d). Analytical review

09. vouchers relate to

- a) Cash receipt
- b) Cash payment
- c) Credit transaction
- d) All of the above

10. the fundamental objective of the audit of a company is to:

- a) Protect the interests of the minority shareholders
- b) Detect and prevent errors and fraud
- c) Assess the effectiveness of the company's performance
- d) Attest to the credibility of the company's accounts

11. which of the following is not a main element of a purchases system?

- a) Receiving purchase invoices
- b) Goods received
- c) Decisions at board level on whether to incur capital expenditure
- d) Sales invoices

12. Payment for wages should be vouched with the help of

- a) Piece work statement
- b) Wage sheets

- c) Minute book
 - d) Bank pass book
13. Valuation of Fixed Assets is based on the concept
- a) Going concern
 - b) Conservation
 - c) Money measurement
 - d) Dual aspect
14. Investments in hand should be verified with the help of _____.
- a) Schedule of investments
 - b) Balance sheet
 - c) Inspection of securities
 - d) Certificate from the bank
15. Auditor should see that amount received for premium on issue of shares should be shown in
- a) Subscribed capital
 - b) Capital Reserve Account
 - c) Share Premium account
 - d) Paid- up capital account