

## Financial accounting auditing Introduction to management accounting

[Time: 3.00 Hrs.]

[ Marks: 100 ]

Please check whether you have got the right question paper.

- N.B:
1. All question are compulsory.
  2. Figures to the right indicate full marks.

Q.1 A State whether the following statement is true or false [Attempt any Ten] 10

1. A clean audit report assures that the business will be profitable in future.
2. In window dressing the net worth is understated in the final accounts.
3. Auditing of accounts is compulsory in a partnership firm.
4. An auditor cannot have any lien on the books of accounts of the company audited by him.
5. A copy of the Audit Working Papers should also be given to the company for their reference.
6. Once internal control system is implemented, there can be no fraud or error
7. The rights of company auditor are laid down in the Companies Act.
8. Basically, the management is responsible for establishing and operating the Internal Control System
9. The confirmation of amount to an employee can be done with the help of the appointment letter.
10. Depreciation is an example of non-cash expenses.
11. Bills receivable account can be useful to find the balance of the creditors.
12. Company auditor is appointed by the management in the AGM.

Q.1 B Choose the most appropriate alternative [Attempt any Ten] 10

1. Auditing is examination of books of accounts in a \_\_\_\_\_.
  - a. Practical Manner
  - b. Systematic Manner
  - c. Secret Manner
  - d. Theoretical Manner
2. \_\_\_\_\_ begins when book-keeping ends.
  - a. Auditing
  - b. Accounting
  - c. Investigation
  - d. Reporting
3. \_\_\_\_\_ means an unintentional mistake in financial information.
  - a. Error
  - b. Fraud
  - c. Bonafide
  - d. Malafide
4. Audit planning involves developing \_\_\_\_ showing the nature timing and extent of audit procedures.
  - a. Audit programme
  - b. Flow chart
  - c. Fraud
  - d. Plan
5. \_\_\_\_\_ is the procedure to check the totals of the books, ledgers etc.
  - a. Posting
  - b. Verification
  - c. Valuation
  - d. Casting
6. Internal Auditor is accountable to \_\_\_\_\_.
  - a. Shareholders
  - b. Government
  - c. Management
  - d. Society
7. Rent received is valued on the basis of \_\_\_\_\_.
  - a. Rent Register
  - b. Cash book
  - c. Purchase
  - d. Building A/c
8. Verifying the signature of the person preparing the voucher helps the

