

BACHELOR'S DEGREE PROGRAMME

Term-End Examination

December, 2007

ELECTIVE COURSE : COMMERCE

ECO-12 : ELEMENTS OF AUDITING

Time : 2 hours

Maximum Marks : 50

(Weightage 70%)

Note : Attempt any **five** questions. All questions carry equal marks.

1. Define the term auditing. Explain different modes of audit.
2. What do you mean by Internal Check system ? Outline an effective Internal Check system for cash sales.
3. What should be the qualifications of a person who can be appointed as an auditor ? Describe the procedure to be followed for removal of a company auditor.
4. Differentiate between routine checking and test checking. List the advantages and limitations of test checking.
5. What do you mean by vouching ? How will you vouch the following :
 - (a) Rent paid
 - (b) Commission received

6. Give the meaning and objectives of verification of assets and liabilities. How should an auditor verify patents ?
7. Write a detailed note on 'Auditor as an agent of shareholders.'
8. What is a qualified audit report ? Give a specimen of a qualified audit report.
9. What is Divisible Profit ? How should an auditor ensure that the dividend is not paid out of capital ?
10. Briefly explain the rights and duties of a company auditor.