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Time : 1 Hour

SECOND TERM**PRINCIPLES AND
PRACTICE OF AUDITING****Subject Code**

V	4	2	2	2
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Total No. of Questions : 12**(Printed Pages : 2)****Maximum Marks : 20**

- INSTRUCTIONS :** (i) There are three sections in this question paper (A, B and C).
- (ii) In Section A there are four questions of which question nos. 1 and 2 are to be answered in a word, phrase or figure and question no. 3 and 4 are to be answered in one sentence each.
- (iii) Figures to the right indicate marks allotted to each question.
- (iv) Write the number of each question clearly on the answer book.
- (v) Answer all questions from Section A and Section B.
- (vi) Answer any *two* questions from Section C.

Section A

1. Name the audit report issued by an auditor, where in, he is fully satisfied with the information and explanation received from the company officials. 1
2. Write *one* example of 'Contingent liability'. 1
3. What is the life of Copyright ? 1
4. Write any *one* circumstance under which an auditor issues a 'Negative Audit Report' ? 1

Section B

5. Write any *four* essentials of Good Audit Report. 2
6. Distinguish between Audit report and Audit certificate on the basis of following points : 2
 - Scope of verification
 - Standard form.
7. Explain any *two* elements of Audit Report. 2
8. Explain in brief auditing under 'EDP' system. 2
9. Explain any *two* advantages of auditing under 'EDP' system. 2

Section C

10. As an Auditor, how would you verify Cash in Hand ? (any *three* points) 3
11. As an Auditor, what procedure will you follow for verification of stock in Hand ? (Any *three* points) 3
12. As an Auditor explain any *three* points to be followed for verifying and valuing of 'Trade Creditors'. 3