

**PRINCIPLES AND PRACTICE OF AUDITING**  
**Mid Term Exam, July 2025**

STD: XI AA  
Date: 26/07/2025

DURATION: 1 HR  
Max. Marks: 20

**Instructions:**

- i. All questions are compulsory.
- ii. There are four sections in this questions paper (A, B,C&D) consisting of 10 questions.
- iii. In Section A there are four questions of which question number 1& 2 are multiple choice questions, question number 3 is to be answered in a word, phrase or figure and question number 4 is to be answered in one sentence only.
- iv. Figures to the right indicate marks allotted to each question.
- v. Write the number of each question clearly on the answer book.

**SECTION A**

1. The process of identifying, summarizing and interpreting all the financial transactions. (1mk)  
A) Book Keeping  
B) Auditing  
C) Accounting  
D) Examining
2. Audit where the auditor, or his staff is constantly engaged in checking the accounts during the whole period is known as \_\_\_\_\_ (1mk)  
A) Final audit  
B) Interim audit  
C) Complete audit  
D) Continuous audit
3. The examination or inspection of various books of accounts by an auditor followed by physical checking of inventory. (1mk)
4. Explain 'Partial audit'. (1mk)

**SECTION B**

5. State and explain any two advantages of auditing. (2mks)
6. State and Explain two types of audits based of object? (2mks)
7. Explain any 2 of the following: - (2mks)
  - a) Occasional audit
  - b) Audit in depth
  - c) Cash audit

**SECTION C**

8. State and explain any 3 principles of auditing. (3mks)
9. Give 3 points difference between Book-keeping, Accounting and Auditing. (3mks)

**SECTION D**

10. State and explain any 4 advantages of Continuous audit. (4mks)