

VVMS
RAMACRISNA MADEVA SALGAONCAR HIGHER SECONDARY
SCHOOL

MARGAO GOA

FIRST TERMINAL EXAMINATION OCTOBER 2024

STD: XII AA

DATE: 24 /10/2024

TIME: 2 hrs

SUB: PRINCIPLES AND PRACTICE OF AUDITING

MARKS :40

INSTRUCTIONS:

1. There are four sections in the question paper (A, B, C & D) consisting of 20 questions
 2. In Section A there are eight questions of which question no. 1 to 4 are Multiple Choice Questions, question no. 5 & 6 are to be answered in one word, phrase or figure and question no.7 & 8 are to be answered in one sentence each
 3. Attempt all the questions however Internal choice is given for question number 18 and 20.
 4. Figures to the right indicate marks allotted to each question
 5. Write the number of each question clearly on the answer book.
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SECTION A

1. Profit or loss on sale of fixed assets is transferred to -----, 1
 - a) Capital A/C
 - b) Capital Reserve A/C
 - c) Profit and loss A/C
 - d) Fixed asset A/C

2. Travelling allowances paid to the directors to attend the board meeting should be authorised by -----, 1
 - a) Memorandum of Association
 - b) Article of Association
 - c) Board meeting
 - d) Contract of appointment

3. When cash is received it should be acknowledged by means of -----, 1
 - a) Opening balances
 - b) Closing balances
 - c) Printed receipts
 - d) Printed vouchers

4. All the orders send out should be recorded in ----- 1
- Order receipt book
 - Goods inward book
 - Goods outward book
 - Purchase order book
5. Balances that are to be verified with the previous years audited balance sheet. 1
6. The procedure of establishing the accuracy and authenticity of the entries in the books of accounts by examining the vouchers. 1
7. What are Vouchers? 1
8. Write the meaning of Lapping method. 1

SECTION B

9. Explain the concept of capital Expenditure. 2
10. Explain any two points for vouching of commission received. 2
11. Write any two duties of an auditor in connection with credit sales. 2
12. Explain the concept of Fixed assets. 2
13. List any two points for vouching of payment of salaries. 2
14. Mention any two points the auditor has to keep in mind in connection with credit purchases. 2

SECTION C

15. Explain any three points involved in the procedure for vouching of Insurance premium. 3
16. Write any three steps to be followed for an efficient internal check system of credit sales. 3
17. State the three basic principles used in the valuation of floating assets. 3
18. Explain the procedure for vouching of purchase of patents. (any 3 points) 3

OR

Explain vouching procedure for plant and machinery. (any three points)

SECTION D

19. As an auditor how will you vouch payment to creditors. (any 4 points) 4
20. Explain any four points involved in verification of assets. 4

OR

Explain the procedure for verification and valuation of intangible assets. (any 4 points)
