

**PRINCIPLES AND PRACTICE OF AUDITING**

**First Term Examination, October 2025**

STD: XI AA  
Date: 09/10/2025

DURATION: 2 HRs  
Max. Marks: 40

**INSTRUCTIONS:**

- i. There are four sections in the question paper (A,B, C & D) consisting of 20 questions
- ii. 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
- iii. Attempt all the questions however Internal choice is given for question number 18 and 20
- 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 examination or inspection of various books of accounts by an auditor followed by physical checking of inventory. **(1mk)**
  - A) Book Keeping
  - B) Auditing
  - C) Accounting
  - D) Examining
2. The kind of audit which is conducted between two annual audits or final audits. **(1mk)**
  - A) Continuous Audit
  - B) Cost Audit
  - C) Final Audit
  - D) Interim audit
3. An independent appraisal activity established within an Organisation as a service. **(1mk)**
  - A) Internal Audit
  - B) Internal Check
  - C) Internal Control
  - D) Test Check
4. An arrangement of duties of members of staff in such a manner that the work performed by one person is automatically and independently checked by the others. **(1mk)**
  - A) Internal Audit
  - B) Internal Check
  - C) Internal Control
  - D) Test Check

5. The type of audit, the auditor is not required to examine all the books of accounts, only a part of the accounts are scrutinized. (1mk)
6. This type of audit is carried out occasionally as per the need of the business. (1mk)
7. Explain 'Test Check'. (1mk)
8. Explain 'Internal Control'. (1mk)

### SECTION B

9. State and explain any two scope of auditing. (2mks)
10. State and explain any two objectives of auditing. (2mks)
11. State and explain any two types of audit based on Object. (2mks)
12. State and explain any two advantages of continuous audit. (2mks)
13. Explain:- i) Balance sheet audit and ii) Cash audit. (2mks)
14. State any four features of Internal control system. (2mks)

### SECTION C

15. State and explain any three qualities of an auditor. (3mks)
16. State and explain any three types of audit based on authority. (3mks)
17. Distinguish between Internal audit and Internal check. (any 3 points). (3mks)
18. State and explain any three precautions to be taken while applying test check. (3mks)

OR

18. State and explain any three auditors duty with regards to Internal check system. (3mks)

### SECTION D

19. Distinguish between Internal audit and Statutory audit (any 4 points). (4mks)
20. Distinguish between Book keeping, Accounting and Auditing. (any 4 points). (4mks)

OR

20. State and explain any four duties of an auditor. (4mks)
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