

Vidya Vikas Mandal's
RAMACRISNA MADEVA SALGAONCAR HIGHER SECONDARY SCHOOL
MARGAO GOA

PRELIMINARY EXAMINATION DECEMBER 2025

STD: XII AA

DATE: 17/12/2025

TIME: 2 Hrs

SUB: PRINCIPLES AND PRACTICE OF AUDITING

MARKS:50

Instructions:

- i. There are four sections in the question paper (A, B, C and D) consisting of 23 questions.
 - ii. In section A there are eight questions no.1 to 4 are multiple choice questions and 5 to 6 are to be answered in one word, phrase or figure and question no. 7 and 8 are to be answered in one sentence.
 - iii. Attempt all the questions. Internal choice is given for question no. 20 and 23
 - iv. Figures to the right indicate marks allotted to each question
 - v. Write the number of each question clearly on the answer book.
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1. As soon as the cash is received it should be first entered in the _____ 1
 - a. Cash book
 - b. Rough cash book
 - c. Ledger book
 - d. Journal book
2. An inquiry into the value, ownership title, existence and possession of any charges on the asset is known as _____ 1
 - a. Verification
 - b. Valuation
 - c. Classification
 - d. Validation
3. When the business concern makes their own tools, the cost of involvement in making such tools are taken as _____ 1
 - a. Market price
 - b. Variable cost
 - c. Cost price
 - d. Fixed cost
4. A document through which auditor expresses his opinion to the shareholders of the company is _____ 1
 - a. Balance sheet
 - b. Audit report
 - c. Audit certificate
 - d. Audit manual

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| 5. The process of establishing the accuracy and authenticity of the entries in the books of accounts by examining the vouchers. | 1 |
| 6. Write the full form of EDP. | 1 |
| 7. What is capital expenditure? | 1 |
| 8. What are wasting assets? | 1 |

SECTION B

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| 9. List any two points for vouching of payment to creditors. | 2 |
| 10. Explain any two points for vouching of insurance premium. | 2 |
| 11. Write any two duties of an auditor with regards to credit sales. | 2 |
| 12. State any two basic principles on which floating assets are valued. | 2 |
| 13. List any two points of verification and valuation of patent rights. | 2 |
| 14. State any four essentials of good audit report. | 2 |

SECTION C

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| 15. Explain the procedure for verification of cash at bank. | 3 |
| 16. Explain any three points to be considered by an auditor while examining voucher | 3 |
| 17. Explain any three points of difference between audit report and audit certificate. | 3 |
| 18. As an auditor how will you verify trade creditors. | 3 |
| 19. State and explain any three advantages of EDP system in auditing. | 3 |
| 20. As an auditor how will you verify advertisement expenses. | 3 |

OR

List any three points for the vouching procedure of rent received.

SECTION C

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| 21. Explain the procedure for vouching of investments. | 4 |
| 22. Explain any four duties of an auditor with regards to Credit purchases. | 4 |
| 23. Explain the procedure for verification and valuation of furniture and fixtures.(four points) | 4 |

OR

Explain the procedure for verification and valuation of plant and machinery.(four points)
