

Roll No.-----

**Paper Code**

**3 5 8**

(To be filled in the  
OMR Sheet)

प्रश्नपुस्तिका क्रमांक  
Question Booklet No.

O.M.R. Serial No.

--	--	--	--	--	--	--	--

प्रश्नपुस्तिका सीरीज  
Question Booklet Series

**D**

## BBA (Sixth Semester) Examination, July-2022

**BBA-605(N)**

**Auditing**

**Time : 1:30 Hours**

**Maximum Marks-100**

जब तक कहा न जाय, इस प्रश्नपुस्तिका को न खोलें

- निर्देश : —**
1. परीक्षार्थी अपने अनुक्रमांक, विषय एवं प्रश्नपुस्तिका की सीरीज का विवरण यथास्थान सही- सही भरें, अन्यथा मूल्यांकन में किसी भी प्रकार की विसंगति की दशा में उसकी जिम्मेदारी स्वयं परीक्षार्थी की होगी।
  2. इस प्रश्नपुस्तिका में 100 प्रश्न हैं, जिनमें से केवल 75 प्रश्नों के उत्तर परीक्षार्थियों द्वारा दिये जाने हैं। प्रत्येक प्रश्न के चार वैकल्पिक उत्तर प्रश्न के नीचे दिये गये हैं। इन चारों में से केवल एक ही उत्तर सही है। जिस उत्तर को आप सही या सबसे उचित समझते हैं, अपने उत्तर पत्रक (O.M.R. ANSWER SHEET) में उसके अक्षर वाले वृत्त को काले या नीले बाल प्वाइंट पेन से पूरा भर दें। यदि किसी परीक्षार्थी द्वारा किसी प्रश्न का एक से अधिक उत्तर दिया जाता है, तो उसे गलत उत्तर माना जायेगा।
  3. प्रत्येक प्रश्न के अंक समान हैं। आप के जितने उत्तर सही होंगे, उन्हीं के अनुसार अंक प्रदान किये जायेंगे।
  4. सभी उत्तर केवल ओ०एम०आर० उत्तर पत्रक (O.M.R. ANSWER SHEET) पर ही दिये जाने हैं। उत्तर पत्रक में निर्धारित स्थान के अलावा अन्यत्र कहीं पर दिया गया उत्तर मान्य नहीं होगा।
  5. ओ०एम०आर० उत्तर पत्रक (O.M.R. ANSWER SHEET) पर कुछ भी लिखने से पूर्व उसमें दिये गये सभी अनुदेशों को सावधानीपूर्वक पढ़ लिया जाय।
  6. परीक्षा समाप्ति के उपरान्त परीक्षार्थी कक्ष निरीक्षक को अपनी ओ०एम०आर० शीट उपलब्ध कराने के बाद ही परीक्षा कक्ष से प्रस्थान करें।
  7. निगेटिव मार्किंग नहीं है।

**महत्वपूर्ण : —** प्रश्नपुस्तिका खोलने पर प्रथमतः जाँच कर देख लें कि प्रश्नपुस्तिका के सभी पृष्ठ भलीभाँति छपे हुए हैं। यदि प्रश्नपुस्तिका में कोई कमी हो, तो कक्ष निरीक्षक को दिखाकर उसी सीरीज की दूसरी प्रश्नपुस्तिका प्राप्त कर लें।

**K-358**



1. Audit of Long Term Borrowings means:
  - (A) Audit of mortgage loan
  - (B) Audit of Debentures
  - (C) (A) & (B)
  - (D) Audit of Cash Credit
2. Which of the following steps to be followed by Auditor, while audit of share capital?
  - (A) Verify the existence of share capital
  - (B) Ensure that correct share capital is disclosed in balance sheet
  - (C) Check the total paid up shares capital & arrears if any
  - (D) All of these
3. The Audit of items in financial statements always goes through:
  - (A) Occurrence/ evidence
  - (B) Valuation
  - (C) Disclosure
  - (D) All of these
4. The Audit of sale of products or services is work out by:
  - (A) Internal Auditor
  - (B) External Auditor
  - (C) Cost Auditor
  - (D) Tax Auditor
5. The Audit of insurance Expenses, the auditor has to check:
  - (A) Policy document
  - (B) Validity period
  - (C) Pre-paid Insurance properly recorded
  - (D) All of these
6. While auditing of income from rent, the auditor need to check:
  - (A) Rent Agreement
  - (B) Tenant business
  - (C) (A) & (B)
  - (D) None of these

7. Audit of shipment of goods, the auditor has to see that shipment is done with:
- (A) Approval of concerned authorities
  - (B) Agreement of customer
  - (C) Recording in Outward Registration
  - (D) All of these
8. If the investment are held as floating Assets as in the finance company they are to be valued at:
- (A) At Cost price
  - (B) At Market price
  - (C) At Cost price or Market price whichever is more
  - (D) At Cost price or Market price whichever is lower
9. As an Auditor, how it is confirm that the bill is original?
- (A) The bill consists of GST numbers
  - (B) The bill consist of address of business
  - (C) The bill consists of serial number
  - (D) The bill consist of date of transaction
10. \_\_\_\_\_ comprises checking of cast, sub-cast, carry forward & other calculations of the books of original entry & ledger.
- (A) Verification
  - (B) Vouching
  - (C) Routine checking
  - (D) Internal checking
11. \_\_\_\_\_ is backbone of Auditing.
- (A) Verification
  - (B) Internal check
  - (C) Internal control
  - (D) Vouching

12. Management Audit is \_\_\_\_\_ by law.
- (A) Compulsory
  - (B) Not Compulsory
  - (C) Legal
  - (D) None of these
13. Management Auditor reports to:
- (A) Shareholders
  - (B) Management
  - (C) Company Law Board (CLB)
  - (D) Central Government
14. The Primary object of tax audit u/s. 44AB is:
- (A) To determine the tax liability
  - (B) To get effective the tax planning
  - (C) To assist the Tax Authorities in assessing the current income of the assessee
  - (D) None of these
15. Tax Audit was first introduced with effect from financial year:
- (A) 1984-85
  - (B) 1985-86
  - (C) 1986-87
  - (D) 1987-88
16. Under section \_\_\_\_\_ cost auditor is appointed by the company in general meetings.
- (A) 148
  - (B) 149
  - (C) 150
  - (D) 151

17. Cost audit is\_\_\_\_\_ audit.
- (A) Internal
  - (B) External
  - (C) Final
  - (D) Partial
18. \_\_\_\_\_audit is the process of verifying the cost of manufacture or production of any article, on the basis of accounts as regards utilization of material or labour or other item of cost.
- (A) Final
  - (B) External
  - (C) Internal
  - (D) Cost
19. Under Section 226 of the Companies Act, the appointment of qualified Auditor is\_\_\_\_\_ for both public and private company.
- (A) Not mandatory
  - (B) Mandatory
  - (C) Optional
  - (D) None of these
20. Investigation may involve:
- (A) Final Audit
  - (B) Continuous Audit
  - (C) Re-audit
  - (D) Balance Sheet Audit
21. According to Section\_\_\_\_\_ Special Audit is conducted at the central government.
- (A) Section 233 (A)
  - (B) Section 233 (B)
  - (C) Section 242 (A)
  - (D) Section 242 (B)

22. Audit of Banks is an example of:
- (A) Statutory Audit
  - (B) Balance Sheet Audit
  - (C) Concurrent Audit
  - (D) All of above
23. Auditor of a \_\_\_\_\_ company does not have right to visit foreign branches of company.
- (A) Unlimited Company
  - (B) Manufacturing Company
  - (C) Banking Company
  - (D) Non-Profit Making Company
24. Cost Audit under Section 233 (B) of The Company Act is \_\_\_\_\_.
- (A) Voluntary
  - (B) Compulsory
  - (C) Advisable
  - (D) Avoidable
25. Which of the following is not a duty of an auditor?
- (A) Duty to report company's banker
  - (B) Duty to report to the members
  - (C) Duty to sign the audit report
  - (D) Duty to report on any violation of law

26. Before the work of audit is commenced, the auditor plans out the whole of audit work is known as:
- (A) Audit plan
  - (B) Audit note
  - (C) Audit risk
  - (D) Audit program
27. Internal auditor is appointed by:
- (A) The management
  - (B) The shareholders
  - (C) The government
  - (D) Statutory body
28. Interim audit refers to:
- (A) Examination of accounts continuously
  - (B) Examination of accounts intermittently
  - (C) Audit work to find out & check interim profits of a company
  - (D) Carrying on audit for bonus purposes at the end of year
29. A company auditor should see that the dividend is paid:
- (A) After charging depreciation
  - (B) Without charging depreciation
  - (C) Out of capital
  - (D) None of the above
30. Verification refers to:
- (A) Examination of journal & ledger
  - (B) Examination of vouchers related to assets
  - (C) Examining the physical existence & valuation of assets
  - (D) Calculation of valuation of assets



31. Valuation of fixed assets is based on the concept:
- (A) Going concern
  - (B) Money measurement
  - (C) Dual aspect
  - (D) Cost concept
32. Outstanding expenses should be verified with the help of:
- (A) Cashbook
  - (B) Balance book
  - (C) Journal proper
  - (D) None of above
33. A special auditor is appointed by the:
- (A) Shareholders
  - (B) Board of directors
  - (C) Central government
  - (D) CAG
34. Internal auditor has to submit report to:
- (A) Shareholders
  - (B) Government
  - (C) Company law board
  - (D) None of above
35. Auditor in general is:
- (A) Employee of the company
  - (B) Agent of the company
  - (C) Agent of the shareholders
  - (D) None of the above

36. The term Standard Auditing Practices refers:
- (A) Auditing techniques adopted by auditor for collecting & vouching evidences
  - (B) Test checking
  - (C) Standards of auditing
  - (D) True & fair view
37. The panel of Auditors of cooperative society is maintained by:
- (A) Chartered Accountant
  - (B) Central Government
  - (C) Registrar
  - (D) Shareholders
38. Audit in depth means:
- (A) Audit of each and every item
  - (B) Intensive audit of each and every item
  - (C) intensive audit of few items
  - (D) Audit of a few selected items
39. A company auditor can be removed by:
- (A) Board of directors
  - (B) Managing director
  - (C) Any director
  - (D) General Meeting
40. Auditors of a joint stock company are appointed by:
- (A) Directors of the company
  - (B) Annual general meeting
  - (C) Election at the annual general meeting
  - (D) Debenture holders

41. Special audit is necessary for:
- (A) Inefficient concern
  - (B) Processing concern
  - (C) Trading concern
  - (D) Manufacturing concern
42. The main object of investigation is:
- (A) To discover errors and frauds
  - (B) To prevent errors and frauds
  - (C) To verify statements
  - (D) All the above
43. Verification is:
- (A) The art of recording the business transactions
  - (B) An examination of the books of accounts
  - (C) The act of establishing the accuracy of entries in the book of accounts
  - (D) None of the above
44. A number of checks & controls exercised in a business to ensure its efficient working is known as:
- (A) Internal check
  - (B) Internal control
  - (C) Internal audit
  - (D) Interim check
45. Voucher relates to:
- (A) Cash receipt
  - (B) Cash payment
  - (C) Credit transactions
  - (D) All the above

46. The first auditor or auditors are appointed by:
- (A) Central Government
  - (B) Company Law Board
  - (C) Board of Directors
  - (D) Shareholders
47. Valuation is the base of:
- (A) Verification
  - (B) Marketing
  - (C) Internal checking
  - (D) Vouching
48. The main object of vouching is:
- (A) To prepare trial balance
  - (B) Conduct routine checking
  - (C) Verify authenticity & authority of transactions
  - (D) Checking of vouchers
49. An internal auditor is:
- (A) Temporary Employee
  - (B) Permanent Employee
  - (C) Daily Wager
  - (D) None of the above
50. Audit Note Book contains :
- (A) Various dates of reference
  - (B) Details of work done
  - (C) Notes regarding item requiring clarification, explanations, etc.
  - (D) All of the above

51. Internal auditor has to submit report to:
- (A) Company law board
  - (B) Government
  - (C) Shareholders
  - (D) None of the above
52. Which of the following statements is correct?
- (A) Valuation is a part of verification
  - (B) Verification is a part of valuation
  - (C) Valuation has nothing to do with verification
  - (D) None of the above
53. Instruction of audit issued by controller and auditor general of India\_\_\_\_\_.
- (A) Cost audit
  - (B) Tax audit
  - (C) Government audit
  - (D) Management audit
54. System audit implies:
- (A) Checking the performance of management
  - (B) Enquiring accounting and control system
  - (C) Audit undertaken to improve auditing system
  - (D) Systematic examination of accounts
55. Outstanding expenses should be verified with the help of:
- (A) Cash book
  - (B) Balance proper
  - (C) Journal proper
  - (D) None

56. A company auditor can be removed by:
- (A) General meeting
  - (B) Board of director
  - (C) Managing director
  - (D) Shareholder
57. Retiring auditor does not have right to:
- (A) Be heard at the meeting
  - (B) Speak as member of company
  - (C) Make written representation
  - (D) Get his representation circulated
58. Internal check is carried by:
- (A) Accountant
  - (B) Internal auditor
  - (C) The member of the staff among themselves
  - (D) Special staff
59. A continuous audit is special needful for:
- (A) Banking companies
  - (B) Any trading concern
  - (C) Smaller concern
  - (D) Manufacturing concern
60. Final audit implies to:
- (A) Audit of accounts at the end of the year
  - (B) Finally checking of accounts to reveal frauds
  - (C) Audit of banking companies
  - (D) Audit for submitting report immediately at the end of the year

61. Propriety audit refers to:
- (A) Verification of accounts
  - (B) Enquiry against justification and necessity of expenses
  - (C) Audit of government companies
  - (D) Examination accounts of propriety concerns
62. Management audit is useful for:
- (A) Suggestion for target
  - (B) Assistance to management
  - (C) Goof staff relationship
  - (D) All of the above
63. Effective internal check system reduces:
- (A) Work of auditor
  - (B) The liability of auditor
  - (C) Both worker as well as auditor
  - (D) Responsibilities of an auditor
64. Window dressing implies:
- (A) Checking wastage
  - (B) Curtailment of expenses
  - (C) Over – valuation of assets
  - (D) Under valuation of assets
65. Contingent liability is:
- (A) Trade liability
  - (B) Possible liability
  - (C) Outstanding liability
  - (D) None of the above

66. Test checking should not be applied to:
- (A) BRS
  - (B) Bills book
  - (C) Sales book
  - (D) Purchase book
67. A person qualified for appointment as a company auditor is:
- (A) A graduate
  - (B) A corporate
  - (C) Employee of company
  - (D) None of them
68. Which of the following statement is true?
- (A) Audit of a sole proprietorship is voluntary
  - (B) Audit of companies is compulsory
  - (C) Audit of partnership firm is mandatory if turnover exceed Rs. 1 crore or Rs. 50 lakhs
  - (D) All of the above
69. An in depth examination to detect a suspected fraud is termed as:
- (A) Internal check
  - (B) In depth analysis
  - (C) Auditing
  - (D) Investigation
70. Which audit is conducted every month on a progressive manner?
- (A) Interim audit
  - (B) Internal audit
  - (C) Efficiency audit
  - (D) Continuous audit



71. The main object of the audit of the cash book may be \_\_\_\_\_.  
(A) To verify the assets and liability  
(B) To check the bank balance  
(C) Both (A) & (B)  
(D) To know that all receipts and payments have been properly recorded
72. Periodical audit is also called as \_\_\_\_\_.  
(A) Final audit  
(B) Income statement audit  
(C) Balance sheet audit  
(D) Tax audit
73. Verification of the value of assets, liabilities, the balance of reserve, provision and the amount of profit earned or loss suffered a firm is called \_\_\_\_\_.  
(A) Balance sheet audit  
(B) Continuous audit  
(C) Interim audit  
(D) Partial audit
74. Secret reserve can be created by \_\_\_\_\_.  
(A) Private limited companies only  
(B) Public limited companies only  
(C) Banking and financial companies only  
(D) Co-operative societies
75. Sale of land is a \_\_\_\_\_.  
(A) Revenue receipt  
(B) Capital receipt  
(C) Revenue expenditure  
(D) Capital expenditure

76. Confirmation of the court is necessary for \_\_\_\_\_.  
(A) Reduction of share capital  
(B) Issue of new share  
(C) Increasing the share capital  
(D) Conversion of share into stock
77. Who among the following can be appointed as auditor of a company?  
(A) Mr. A who owes Rs. 1000 to the company  
(B) A person of unsound mind  
(C) Mr. B the holder of C.A certificate  
(D) A partner or a director of the company
78. Audit is a fact-finding process that compares actual results with \_\_\_\_\_.  
(A) Expected result  
(B) Specified standards and plans  
(C) Preliminary result  
(D) Premature result
79. Each of the three parties involved in an audit \_\_\_\_\_ plays a role that contributes to its success.  
(A) The client, the auditor and the auditeer  
(B) The client, the auditor and the audite  
(C) The client, the moderator and the auditee  
(D) The client, the auditor and the auditee
80. The most comprehensive type of audit is the \_\_\_\_\_ system audit, which examines suitability and effectiveness of the system as a whole.  
(A) Quantity  
(B) Quality  
(C) Preliminary  
(D) Sequential

81. Most of the audit evidence are in the form of:
- (A) Documentary evidence
  - (B) Written representation
  - (C) Electronic form
  - (D) Oral evidence
82. Process of collecting and preparing working papers is known as:
- (A) Audit evidence
  - (B) Planning an audit
  - (C) Policies and procedures
  - (D) Documentation
83. Which of the following is type of audit working papers?
- (A) Current audit file
  - (B) Permanent file
  - (C) Both (A) & (B)
  - (D) None of above
84. Which of the following is/are advantage of audit working papers?
- (A) It helps in proper planning and performance of audit
  - (B) It helps seniors to supervise the audit work performed by the juniors
  - (C) It helps to support the auditor's opinion
  - (D) All of above
85. Which of the following is not advantage of the preparation of audit working papers?
- (A) To provide a basis for review of audit work
  - (B) To provide a basis for subsequent audit
  - (C) To ensure audit work is being carried out as per programme
  - (D) To provide a guide for advising another client on similar issues

86. Audit papers are \_\_\_\_\_.
- (A) Documents that belong to auditors
  - (B) Evidence showing the procedure used by the auditor for doing auditing
  - (C) Both (A) & (B)
  - (D) Papers prepared by company for the auditors
87. A request for the special Audit shall be given due consideration by C & AG or any other Officer so authorized if the request for such audit of a programme, project or organization is made with the approval of the:
- (A) Cabinet secretary
  - (B) Secretary of the concerned department
  - (C) Minister concerned
  - (D) None
88. \_\_\_\_\_ is the main expenses of Insurance Co.
- (A) Claims
  - (B) Premium
  - (C) Commission
  - (D) None of these
89. \_\_\_\_\_ is the main source of income of Insurance Company.
- (A) Claims
  - (B) Premium
  - (C) Commission
  - (D) None of these
90. Which one of the following is largest items in the Assets side of bank Balance Sheet?
- (A) Cash in hand & Balance with RBI
  - (B) Investment
  - (C) Fixed Assets
  - (D) Advances

91. Loans & Advances which are overdue or stop generating income for banks continuously for \_\_\_\_\_ days or more are called as NPA.
- (A) 60
  - (B) 90
  - (C) 120
  - (D) 180
92. Statutory Auditor of Banking Companies is appointed by RBI in association with:
- (A) Registrar of Co.
  - (B) Central Government
  - (C) CLB
  - (D) ICAI
93. For banking companies \_\_\_\_\_ audit is compulsory.
- (A) Concurrent
  - (B) Cost
  - (C) Partial
  - (D) Internal
94. Bank Audit is also called as:
- (A) Balance Sheet Audit
  - (B) Partial Audit
  - (C) Cost Audit
  - (D) Internal Audit
95. If audit of branch or branches is performed by the separate branch auditor/auditors required to submit his audit report to:
- (A) Company Law Board
  - (B) Internal Auditor
  - (C) Head Office of Statutory Auditor
  - (D) Government

96. Joint auditor are required to submit\_\_\_\_\_ Audit Report.
- (A) Separate
  - (B) Common
  - (C) (A) & (B)
  - (D) Final
97. Due to some reason the auditor may not get the required information & explanation, non-availability of books of accounts, in that case the auditor have to give:
- (A) Disclaimer opinion
  - (B) Adverse opinion
  - (C) Qualified opinion
  - (D) Unqualified opinion
98. Statutory duties of the Company Auditor are determined by:
- (A) Articles of Association
  - (B) Memorandum of Association
  - (C) Prospectus
  - (D) Companies Act. 2013
99. Auditor of Public Ltd Co. are generally appointed by:
- (A) Director
  - (B) Shareholder
  - (C) Company Law Board
  - (D) Central Government
100. Which of the following services not to be rendered by Co. Auditor?
- (A) Accounting & Book keeping services
  - (B) Internal audit
  - (C) Investment advisory services
  - (D) All of these

\*\*\*\*\*

## **Rough Work / रफ कार्य**

**DO NOT OPEN THE QUESTION BOOKLET UNTIL ASKED TO DO SO**

1. Examinee should enter his / her roll number, subject and Question Booklet Series correctly in the O.M.R. sheet, the examinee will be responsible for the error he / she has made.
  2. **This Question Booklet contains 100 questions, out of which only 75 Question are to be Answered by the examinee. Every question has 4 options and only one of them is correct. The answer which seems correct to you, darken that option number in your Answer Booklet (O.M.R ANSWER SHEET) completely with black or blue ball point pen. If any examinee will mark more than one answer of a particular question, then the answer will be marked as wrong.**
  3. Every question has same marks. Every question you attempt correctly, marks will be given according to that.
  4. Every answer should be marked only on Answer Booklet (O.M.R ANSWER SHEET). Answer marked anywhere else other than the determined place will not be considered valid.
  5. Please read all the instructions carefully before attempting anything on Answer Booklet **(O.M.R ANSWER SHEET)**.
  6. After completion of examination, please hand over the **O.M.R. SHEET** to the Examiner before leaving the examination room.
  7. There is no negative marking.
- Note:** On opening the question booklet, first check that all the pages of the question booklet are printed properly in case there is an issue please ask the examiner to change the booklet of same series and get another one.