



GOA UNIVERSITY

Bachelor of Commerce (Sem-V) (NEP)

Paper Title: Principles and Practice of
Auditing

Paper Code: CFA-321

Duration: 2:00 Hours

Total Marks: 80

Instructions: i) All Questions are Compulsory.
ii) Figures to the right indicate maximum marks allotted to questions/sub-questions.
iii) Answer all 2 marks questions in not more than 50 words, 4 marks questions in not more than 100 words, 12 marks questions in not more than 400 words.

Q1 Answer the following **(2X8=16)marks**

- a What is the definition of auditing?
- b What are the two types of working papers used in auditing?
- c Define internal audit.
- d Give any two merits of internal check.
- e What is meant by an audit report?
- f List any four contents of audit report.
- g Write a note on meaning of forensic audit.
- h State any two objectives of GST audit.

Q2A Explain the basic principles governing an audit. **12 marks**

OR

- B Explain the various classes of audit classified on the basis of time. **12 marks**
- C Summarise and write a note on audit evidence. **04 marks**

Q3A Identify the audit procedures for verification of Property, Plant and Equipment as well as loans, evaluating their significance in forming a true and fair view of financial statements. **12 marks**

- B As an auditor of Silverline Textiles Ltd., you observed that although the company has an internal control system for purchases, suppliers' invoices are often recorded late. How would you solve this situation? **04 marks**

OR

- C You are appointed as an internal auditor in a medium-sized manufacturing company. During your review, you notice that the company has a well-defined internal check system in place for its payroll process. Identify the internal check system in benefitting the payroll process in this case. **04 marks**

Q4A Examine the powers of auditors under the Companies Act, 2013. **12 marks**

B You are the statutory auditor of M/s Beta Ltd., a listed company. After your clean audit report was published, it was discovered that the company overstated profits. Investors, relying on the audit report, incurred heavy losses. They have now filed a complaint against you with ICAI and in civil court. Examine the nature of liability you may face. **04 marks**

OR

C Mr. Bharat, a Chartered Accountant, is offered the position of statutory auditor in Everglow Industries Ltd. However, it is found that his brother is one of the executive directors of the same company. He also holds a small number of equity shares in the company. In the light of the provisions relating to disqualifications of auditors, examine whether Mr. Bharat can accept the appointment. **04 marks**

Q5A Analyse the special features and considerations involved in the audit of banking companies. **12 marks**

B ABC Ltd. is planning to expand its operations globally. Before attracting international investors, the management decides to conduct an ESG audit. The CEO tells the team that this audit will not only enhance transparency but also build trust with stakeholders and improve long-term sustainability. Determine your understanding above an ESG audit? **04 marks**

OR

C Identify the applicability of tax audit to companies. **04 marks**