

B. Com-1
18.08.

Auditing (H)

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Internal Control

(Objectives)

* Choose the correct Answer:-

1. Which of the following is based on the principle of division of labour?

- (a.) Internal Control (b.) Internal checking
(c.) Internal Audit (d.) None of these

Ans → (b)

2. The scope of which is broader:

- (a.) Internal Control (b.) Internal checking
(c.) Internal Audit (d.) None of these

Ans → (a)

3. Which type of employees of the firm are appointed as internal Auditor?

- (a) who are related to books of accounts
(b) who are not related to books of accounts
(c) who are not related to books of accounts but are versed in accounting and are honest
(d) None of these

Ans → (c)

4. Internal control includes:

- (a) only Economic control (b) Economic and Non-economic control
(c) Economic, Non-Economic and Administrative control (d) None of these

Ans → (c)

5. For which internal check is most suitable?

- (a) Big institutions (b) Small institutions
(c) Both of these (d) None of these

Ans → (a)

6. Any internal Auditor may be :

- (a) Any chartered Accountant (b) Any Graduate
(c) Any cost Accountant (d) None of these

Ans → (a)

7. An internal auditor is ~~may be~~ :

- (a) permanent Employee (b) Temporary Employee
(c) Part-time employee (d) None of these

Ans → (a)

8. Report of an auditor is :

- (a) Acceptable (b) Non acceptable
(c) Rejectionable (d) None of these

Ans → (b)

9. fill in the blanks :-

- (i) Internal check include the checking of Entry and checking both.
- (ii) Nature of internal check is its Discontinuity.
- (iii) A particular employee should be assigned only a part of job.
- (iv) Self-balancing system is necessary for successful internal check system.
- (v) Internal check system is Expensive.