

Objects of Auditing.

* Choose the correct answer:-

1. Purchased a machinery for Rs. 1000, but debited to purchase Account is :

- (a) clerical error
- (b) Error of Principle
- (c) Compensating error
- (d) None of these

Ans → (b)

2. Received Rs. 500 from Ram but credited his account by Rs. 5,000 is :

- (a) Error of principle
- (b) Clerical error
- (c) Compensating error
- (d) None of these

Ans → (b)

3. Ram's account was excess debited by Rs. 200 whereas shayam's account was under debited by Rs. 200, it is :

- (a) Compensating error
- (b) clerical error
- (c) Error of Principle
- (d) None of these

Ans → (a)

4. Domestic use of official telephone is :

- (a) Embezzlement of labour
- (b) Embezzlement of Property
- (c) Embezzlement of facility
- (d) None of these

Ans → (c)

5. Allocation of labourers in the construction of personal building engaged in the construction of official buildings:

- (a) Embezzlement of goods (b) Embezzlement of labour
(c) Embezzlement of property (d) None of these

Ans → (b)

6. Domestic use of official sofa is:

- (a) Embezzlement of goods (b) Embezzlement of labour
(c) Embezzlement of property (d) None of these

Ans → (c)

7. Errors and frauds by an auditor:

- (a) Can be checked (b) Cannot be checked
(c) Can be checked if the proprietor and employees of the firm desire (d) None of these

Ans → (c)

8. To render suggestions to be managers is ___ object of the auditor.

- (a) Primary (b) Secondary (c) Social (d) None of these

Ans → (b)

9. Protection from evasion of tax is ___ object of auditing.

- (a) Primary (b) Social (c) Secondary (d) None of these

Ans → (b)

10. Protection of investors is ___ object of auditing.

- (a) Social (b) Economic (c) Primary (d) Secondary

Ans → (a)

11. To examine the books of accounts is the _____ object of auditing.

(a.) Primary (b.) Social (c.) Secondary (d.) None of these

Ans → (c.)

12. Verification of fraud is _____ object of auditing.

(a.) Primary (b.) Social (c.) Secondary (d.) None of these

Ans → (b.)

13. Prevention of annual statement is _____ object of auditing.

(a.) Primary (b.) Social (c.) Secondary (d.) None of these

Ans → (a.)

14. Cost audit is _____ object of auditing.

(a.) Primary (b.) Secondary (c.) Specific (d.) None of these

Ans → (c.)

15. For which of the following auditing is necessary?

(a.) Sole-trading (b.) Partnership (c.) Company (d.) None of these

Ans → (c.)

16. Generally auditing is not necessary for small sole-trading business because.

(a.) Legally it is not necessary (b.) Its scope is limited

(c.) Its proprietor has full control on it (d.) None of these

Ans → (c.)