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Auditing (H)

By, Sujeet R. Suman
R.N. College
Haripur

Procedure of Audit - objectives.

* Choose the correct answer:

1. Before the audit of new institution:

- (a) Scope is determined (b) Nature of the institution is studied
(c) methods of accounting are studied (d) All the above

Ans → (d)

2. Audit programme should be:

- (a) Written (b) Verbal (c) Brief (d) None of these

Ans → (a)

3. Audit Programme should be:

- (a) Flexible (b) Clear cut (c) wider (d) All the above

Ans → (d)

4. By Routine checking:

- (a) Expenses of business increases (b) Expenses of business decreases.
 (c) Business expenses remain unaffected (d) None of these

Ans → (c)

5. Routine checking is done:

- (a) By Employees of the firm (b) By Auditors
 (c) By management (d) None of these

Ans → (a)

6. Under test checking:

- (a) All books of accounts are examined (b) specific books of accounts are examined
(c) None of these

Ans → (b)

7. Under Intensive checking:

- (a) All books of accounts are examined, (b) Specific books of accounts are examined (c) None of these

Ans → (b)

8. Under overall checking:

- (a) All books of accounts are examined (b) All methods of checking are used (c) All employees are involved (d) None of these

Ans → (b)

9. Vender verification:

- (a) Attention is paid on the materiality of assets and liabilities (b) Attention is paid on the originality of assets and liabilities (c) None of these

Ans → (a)

10. Verification and valuation both:

- (a) Are the same things (b) Are separate things (c) Are complementary to each other (d) None of these

Ans → (b)

11. Fill in the blanks:

- (i) Audit Programme should be flexible.
(ii) Audit programme is written.
(iii) Routine checking involves checking of all enterprises.
(iv) Test checking involves checking at selected enterprises.
(v) In checking enterprises different colour marks should be used.