

**Exam. Code : 108505**  
**Subject Code : 2020**

**B.Com. 5<sup>th</sup> Semester**  
**BCG-505 : AUDITING**

Time Allowed—3 Hours] [Maximum Marks—50

**Note :—** Attempt *five* questions in all, selecting at least *one* question from each section. The **fifth** question may be attempted from any section. All questions carry equal marks.

**SECTION—A**

1. (i) What do you mean by auditing ? Discuss in detail, its objectives.  
(ii) Describe the characteristics of a good audit plan. 5,5
2. What is continuous audit ? How does it differ from periodical audit ? Discuss the advantages and disadvantages of continuous audit. 10

**SECTION—B**

3. Define internal control. Describe the purposes of internal control. Also, highlight the characteristics of an effective internal control system. 10
4. Define internal check. Describe the objectives of internal check. Also discuss in detail, the advantages and disadvantages of internal check. 10

**SECTION—C**

5. (i) Define vouching and describe the objectives of vouching.  
(ii) How would an auditor vouch the wages paid to workers ? 5,5
6. (i) How would you verify the following assets and liabilities appearing in the balance sheet of a limited company ?  
(a) Investments  
(b) Copyrights  
(c) Outstanding liabilities and expenses  
(d) Bills payable.  
(ii) Explain the objectives of verification. 5,5

**SECTION—D**

7. Discuss the provisions of Companies Act regarding qualifications, disqualifications and removal of auditors. 10
8. (i) Describe the points which should be borne in mind by the management auditor before the commencement of management audit.  
(ii) Write a detailed note on the role of Auditor under Income Tax Act. 5,5