



'সমানো মন্ত্র: সমিতি: সমানী'

**UNIVERSITY OF NORTH BENGAL**

B.Com. Honours Part-III Examination, 2022

**B.COM.**

**PAPER-3H4**

**AUDITING**

Time Allotted: 4 Hours

Full Marks: 100

*The figures in the margin indicate full marks.*

**GROUP-A**

**Answer any four questions**

15×4 = 60

1. (a) "In a good system of internal check, the work of one is checked indirectly by the work of another". Explain the statement with suitable examples. 7+8=15  
(b) Explain clearly the role of auditor with regard to internal check and internal control.
2. Discuss the provisions of the Companies Act with regard to appointment, removal and remuneration of an auditor. 5+5+5=15
3. (a) Define Vouching. What are its important features? 2+4  
(b) How would you vouch the following: 3+3+3
  - (i) Payment to Creditors
  - (ii) Sale of Investments
  - (iii) Purchase of Fixed Assets.
4. (a) What do you mean by Auditing? 3+6+6=15  
(b) "Accounting is a necessity while auditing is a luxury". Do you agree? Give reasons for your answer.  
(c) "Auditing is a dynamic social science" — Discuss.
5. What is Interim Dividend? How does it differ from Final Dividend? What points would be considered before declaring an interim dividend? 3+4+8=15
6. What is periodical audit? What are its disadvantages? Distinguishing between periodical audit and continuous audit. 4+4+7=15

7. Why is verification necessary in addition to vouching? What are the duties of an auditor with respect to verification of assets? 7+8=15
8. Bank has been approached by his customer for more credit of huge amount. You have been asked by the bank to investigate his credit worthiness. How would you proceed? 15

**GROUP-B**

9. Answer any *four* questions: 5×4 = 20
- (a) Write a note on “Teeming and Lading Process”.
  - (b) “An auditor is a watchdog and not a bloodhound”. Justify the statement.
  - (c) Distinction between Vouching and Verification.
  - (d) Distinguish between Capital Reserve and Revenue Reserve.
  - (e) Define contingent liabilities. What are the duties of an auditor with respect to such contingent liabilities?
  - (f) Write a short note on auditing in depth.
  - (g) Write a short note on qualified audit report.
  - (h) Distinguish between auditing and investigation.

**GROUP-C**

10. Answer any *ten* questions: 2×10 = 20
- (a) What is test checking?
  - (b) Define statutory audit.
  - (c) Define audit working papers.
  - (d) What is compensating error? Give an example.
  - (e) Give two examples of Capital Profits.
  - (f) What is meant by “window dressing” of Balance Sheet?
  - (g) Is there any difference between Intangible Assets and Fictitious Assets?
  - (h) What is divisible profit?
  - (i) Distinguish between book value and market value.
  - (j) What do you mean by ‘true and fair view’?
  - (k) What is clean report?
  - (l) What is the difference between cash fraud and stock fraud?
  - (m) Write two differences between verification and valuation.
  - (n) Distinguish between final dividend and interim dividend.
  - (o) What is capital expenditure?

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