

[Time: 2 Hours]

[Marks:60]

Please check whether you have the right question paper.

- N.B:
1. All Questions are compulsory having internal option.
  2. Each questions carries 15 marks
  3. Figures shown to the extremely right indicate maximum marks allotted to that question.
  4. Workings/ References should form part of the answer.

Q: 1 A] Scrutinize and give your comment of the following Ledger Account [10]

In the Book of AMOG &amp; Co

Mr. Mohan Account

Date	Particulars	F	Rs.	Date	Particulars	F	Rs.
2/2/2019	To Bal. b/f		8,000	5/2/2019	By Sales		
4/2/2019	To Sales		32,000		Return		1,800
5/2/2019	To Sales		1,800	13/2/2019	By Bank		38,000
17/2/2019	To Sales		20,000	13/2/2019	By Discount		2,000
26/2/2019	To Sales		26,000	19/2/2019	By Bills		
					Receivable		20,000
				27/2/2019	By Bills		
					Receivable		16,000
				28/2/2019	By Bal. c/d		10,000
			87,800				87,800

- B] A & B Associates, Chartered Accountants in practice have been appointed as [5]  
statutory auditor of XYZ Ltd. for the accounting year 2018-19. Mr. A holds 400  
equity shares of PBM Ltd. a subsidiary company of XYZ Ltd. Whether "Mr. A" is  
qualified from being appointed as an auditor of "XYZ Ltd."? Justify your answer.

Or

Q: 1 Explain the various aspects to be considered in the Audit of a Charitable Trust. [15]

Q:2 What are the Qualification and Disqualifications of a company Auditor? [15]

Or

Q:2 A] Define Cost Audit and explain general objectives of Cost Audit [8]

B] Distinguish between Cost Reduction and Cost Control [7]

Q:3 A] Explain the duties of an auditor in regard to reduction of share capital [8]

B] What are the duties of Auditors in examining forfeiture of shares? [7]

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Or

Q:3 A] Explain the need for Tax Audit and also explain who needs to get a Tax Audit done under section 44AB. [8]

B] Explain Sweat Equity Shares and Conditions for issue of Sweat Equity Shares [7]

Q:4 A] State Whether True or False [8]

1. Determining materiality requires professional judgment.
2. The Auditor issues a disclaimer of opinion when he cannot form an overall opinion about the matters contained in the Financial Statements.
3. The shareholder of the company has no statutory right to demand a copy of cost Audit report.
4. For the purpose of Tax Audit, clearing, forwarding and shipping is held to be a business.
5. Where a vacancy is caused due to the death of an auditor, the vacancy may be filled by the Board of Directors.
6. A Qualified Audit Report is one where an auditor gives an opinion subject to certain reservations.
7. Audit report covers entire account of books and vouchers.
8. If the system of Internal controls is found to be ineffective, it would be necessary for the auditor to increase the scope of verification of balances of the accounts in the ledgers.

B] Match the column

[7]

Column A	Column B
1. Debtors Ledger Account	a. Individuals Accounts of suppliers
2. Creditors Ledger Account	b. Individuals Accounts of customers
3. Memorandum of Association	c. Regulates the relationship between company and its members and between the members inter se.
4. Articles of Association	d. form of reward to its directors or employees
5. Sweat Equity shares	e. Need not be approved by Central Government
6. Removal of first Auditor appointed by Board	f. Standard of Auditing-SA 320
7. Materiality	g. Defines the relation between company and outsider

Or

Q:4 Write Short Notes (Any Three)

[15]

- a. Buy back of Shares
- b. Bonus Share
- c. Specific problems of EDP Audit
- d. Joint Audit
- e. Environmental Audit

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