

Gurukripa's Summary of Nov 2016 Exam Questions CA Inter (IPC) Auditing & Assurance



References are given from Padhuka's A Student Handbook on Auditing & Assurance

Qn. No	Marks	Padhuka's Page Reference	Past Exam Reference
1(a)	5	See Pg.144, Q.No.6	N 97
1(b)	5	See Pg.12.24, Q.No.27-30	
1(c)	5	See Pg.14.12, Q.No.15	M 97, N 97, N 02, M 06
1(d)	5	See Pg.5.11, Q.No.12	RTP, N 00, M 10
2(i)	2	See Pg.2.9, Q.No.1	
2(ii)	2	See Pg.101, Point 2	
2(iii)	2	See Pg.4.5, Para 4.1.6, Point 4	
2(iv)	2	See Pg.8, SA 200, Para 15	
2(v)	2	See Pg.3.21, Para 3.6.6	
2(vi)	2	See Pg.10.12, Para 10.3.1	N 06
2(vii)	2	See Pg.4, Point 2	M 07
2(viii)	2	See Pg.158, Point b	
2(ix)	2	See AS 26.	
2(x)	2	See Pg.26, Para SA A.25	
3(a)	4	See Pg.7.26, Q.No.41	RTP, M 88, N 90, N 06
3(b)	4	See Pg.9.9, Q.No.8	N 00, M 09, M10
3(c)	4	See Pg.6.14, Q.No.16	N 03
3(d)	4	See Pg.6.14, Q.No.5	RTP, N 93, N 09
4(a)	6	See Pg.10.2, Para 10.1.3	
4(b)	6	See Pg.3.26, Q.No.10	
4(c)	4	See Pg.4.5, Para 4.1.6	
5(a)	6	See Pg.1, Q.No.1	
5(b)	6	See Pg.10.13, Illus	N 95, M 06
5(c)	4	See Pg.11.22, Point (i)	
6(a)	6	See Pg.13.17, Q.No.8	M 02, M 00, M 03, N 13
6(b)	6	See Pg.8.36, also Refer Sch.III in Pg.11.2	
6(c)	4	See Pg.91, Q.No.12	
7(a)	4	See Pg.46, Point C	
7(b)	4	See Pg.12.25, Q.No.34	
7(c)	4	See Pg.15.23, Para 15.3.8	
7(d)	4	See Pg.7.27, Q.No.58	M 06
7(e)	4	See Pg.133, Q.No.2	M 96 N 05, M 07, M 14

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Roll No.

Total No. of Questions – 7

Total No. of Printed Pages – 4

Time Allowed – 3 Hours

Maximum Marks – 100

DPT

Answers to the questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be valued.

Question No. 1 is compulsory.

Attempt any five questions out of the remaining six questions.

In case, any candidate answers extra question(s)/sub-question(s) over and above the required number, then only the requisite number of questions first answered in the answer book shall be valued and subsequent extra question(s) answered shall be ignored.

- | | Marks |
|--|-------|
| 1. Discuss the following : | |
| (a) Relationship between statutory auditor and internal auditor. | 5 |
| (b) What constitutes true and fair view is a matter of auditor's judgement, but some specific points must be seen by the auditor to ensure true and fair view. | 5 |
| (c) Audit against the propriety seeks to ensure that expenditure conforms to certain principles. | 5 |
| (d) Auditor's job becomes simpler in CIS environment, where trial balance always tally. | 5 |

DPT

P.T.O.

(2)

DPT

Marks

2. State with reasons (in short) whether the following statements are correct or incorrect : (Answer any **Eight**) **8×2**
=16

- (i) One of the techniques used for gathering evidence is substantial review.
- (ii) The method which involves dividing the population into groups of items is known as block sampling.
- (iii) A flow chart is a graphic presentation of each point of the company's system of internal control.
- (iv) It is necessary for the auditor to maintain professional skepticism throughout the audit.
- (v) Capital Reserve and Reserve Capital are the same.
- (vi) Central Government permission is required when auditors are to be removed before expiry of their term, but not so when auditors are changed after expiry of their term.
- (vii) It is not necessary to follow standards on auditing as they are meant only for reference purposes.
- (viii) An auditor issues unqualified opinion when he concludes that the financial statements give true and fair view.
- (ix) All intangible assets are not required to be amortized.
- (x) Auditor's right of lien is unconditional.

DPT

(3)

DPT

Marks

3. How will you vouch/verify the following ? 4×4
=16
- (a) Foreign Travel Expenses
- (b) Receipt of Capital subsidy
- (c) Royalties received
- (d) Goods sent out on Sale or Return basis
4. (a) State the services which are not to be rendered by an auditor as per the provisions of Companies Act, 2013. 6
- (b) Mention the purposes for which capital expenditure is incurred. 6
- (c) What is the difference between Narrative records and Check-list ? 4
5. (a) Discuss which class of companies are specifically exempt from the applicability of CARO 2015. 6
- (b) As one of the Joint auditors of X Ltd. for the immediately preceding three financial years, you have been considered for ratification by the members in the AGM as the sole auditor, while the said Joint auditors are not re-appointed. Comment. 6
- (c) State the disclosure requirements in respect of Statement of profit and Loss as per Schedule III of Companies Act, 2013, in case of Employee benefits expenses. 4

DPT

P.T.O.

(4)

DPT

Marks

6. (a) What audit points are to be borne in mind in case of issue of "Sweat Equity Shares" by a limited company ? **6**
- (b) Is there any statutory necessity to make disclosure of depreciation in company's accounts ? **6**
- (c) Discuss external confirmation procedure as per SA-505. **4**
7. Write short notes on any **four** of the following : **4×4 =16**
- (a) Written communication in respect of deficiencies of internal control.
- (b) Audit enquiry w.r.t. Companies Act 2013
- (c) Compilation engagement
- (d) Scrutiny of General Ledger
- (e) Management representation

DPT