

Roll No. ....

Total No. of Questions – 7

Total No. of Printed Pages – 04

Time Allowed – 3 Hours

Maximum Marks – 100

## FNA

Answers to questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate who has not opted for Hindi Medium, answers in Hindi, 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 questions(s) answered shall be ignored.

- |  | <b>Marks</b> |
|--|--------------|
| 1. Discuss the following :   |              |
| (a) What are the circumstances that may result in other than an unqualified opinion on the Financial Statements by an auditor ?                    | <b>5</b>     |
| (b) Securities premium can be utilized only for certain purposes laid down in the Companies Act, 2013.   | <b>5</b>     |
| (c) Clarification on the Auditor's rights where clients and other Auditors seek access to their audit working papers.                              | <b>5</b>     |
| (d) In the context of SA 560 "Subsequent events", state specific enquiries on matters by an auditor which may have effect on Financial Statements. | <b>5</b>     |

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P.T.O.

(2)

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Marks

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

- eg?
- (a) The basic objective of audit does not change with reference to nature, size or form of an entity.
  - (b) Depreciation is charged by the company on purchase of stand-by depreciable assets which are ready to use.
  - (c) Casual vacancy of a Cost Auditor of a company is filled by shareholders in general meeting within one month.
  - (d) Board of Directors can contribute to any charitable and other funds any amount in a financial year.
  - (e) The Managing Director of a company has shifted company's books of accounts from Registered office (Mumbai) to Corporate Office (New Delhi).
  - (f) Vouching of payments is merely check proof that money has been paid.
  - (g) Engagement letter need not be entered for each year of the period of auditor's appointment.
  - (h) There is no relation between Inherent risk, Control risk and Detection risk.
  - (i) Written representation can be a substitute for other audit evidence.
  - (j) Negative balance of 'Reserves & Surplus' is shown on the Assets side of Balance Sheet.

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(3)

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Marks

4×4

=16

3. How will you Vouch/Verify the following ?

- (a) Expenditure incurred for promotion of a product.
- (b) Inventories – Work-in-progress.
- (c) Purchase returns.
- (d) Discounted Bills receivable dishonoured.

4. Answer **all** questions :

- (a) In the context of SA-315, state the assertions used by auditor to consider the different types of potential mis-statements that may occur w.r.t. classes of transactions and events for period under audit. **4**
- (b) A person shall not be eligible for appointment as an auditor of a company where subsidiary or associate company or any other form of entity is engaged as on the date of appointment in consulting and specialized services as provided in Sec.144. Explain. **6**
- (c) What steps would you take into consideration in auditing the receipts from patients of a Hospital ? **6**

100/100  
100/100  
100/100

5. Answer **all** questions :

- (a) Discuss the need of CAATs in a CIS environment. **4**
- (b) 'Knowledge of Client business' is one of the important principles in developing an overall audit plan. Explain. **6**
- (c) Is detection of fraud and error duty of an auditor ? **6**

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P.T.O.

(4)

FNA

Marks

6. Answer **all** questions :

a-21  
eg-39

Basic concept

- (a) State various factors that help the auditor to ascertain as to what is sufficient and appropriate audit evidence. 4
- (b) Prior approval of the company by a special resolution is required for entering into transaction(s) with any related party. Discuss. 6
- (c) Explain different connotation of 'Cost' in terms of inventories. 6

7. Write short notes on any **four** of the following :

4×4  
=16

- (a) Propriety audit
- (b) Narrative record
- (c) Responsibility of Joint Auditors
- (d) Applicable financial reporting framework
- (e) Haphazard sampling.

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