

1. Multiple Choice question

- a. The Board must appoint the first Auditor within \_\_\_\_\_ month from the date of registration of the company.
  - i. Two
  - ii. Three
  - iii. Four
  - iv. One
- b. "The auditor should plan his work to enable him to conduct an effective audit in an \_\_\_\_\_ manner.
  - i. An efficient and timely.
  - ii. Professional
  - iii. good
  - iv. excellent
- c. \_\_\_\_\_ says that the auditor should prepare a written audit programme setting forth the procedures that are needed to implement the audit plan.
  - i. AAS 4
  - ii. AAS 5
  - iii. AAS 8
  - iv. AAS 6
- d. \_\_\_\_\_ involves examining records or documents, whether internal or external, in paper form, electronic form or other media or a physical examination of an asset.
  - i. Observation
  - ii. Inquiry
  - iii. External confirmation.
  - iv. Inspection
- e. Working papers means
  - i. Aid in the planning and performance of the audit;
  - ii. Aid in the supervision and review of the audit work;
  - iii. Provide evidence of the audit work performed to support the auditor's opinion.
  - iv. All of the above
- f. Working papers are the property of the\_\_\_\_\_.
  - i. Management
  - ii. Auditor
  - iii. Debtors
  - iv. Workers

- g. Audit working papers are prepared by the\_\_\_\_\_.
  - i. Management
  - ii. Auditor
  - iii. Debtors
  - iv. Workers
- h. The \_\_\_\_\_ is helpful to defend an auditor in court cases.
  - i. Audit working paper
  - ii. Audit note book
  - iii. Audit planning
  - iv. All of the above
- i. \_\_\_\_\_ is a diary on which auditor scribble down all important inquiries to avoid the possibility of unquestioned material facts.
  - i. Audit working paper
  - ii. Audit note book
  - iii. Audit planning
  - iv. All of the above.
- j. Audit programme should be\_\_\_\_\_
  - i. Fixed
  - ii. Flexible
  - iii. Oral
  - iv. None of the above
- k. A permanent Audit file normally includes
  - i. Notes regarding significant accounting policies
  - ii. Analysis of significant ratios and trends.
  - iii. All of the above
  - iv. None of the above.

2. State whether true and false

- a. The Board must appoint the first Auditor within two month from the date of registration of the company
- b. AAS 8 says that the auditor should prepare a written audit programme setting forth the procedures that are needed to implement the audit plan.

- c. Observation consists of looking at a process or procedure being performed by others.
- d. Observation consists of seeking information of organization either forms within the entity or outside the entity.
- e. Working papers are the property of the management.
- f. Audit note book is a diary on which auditor scribble down all important inquiries to avoid the possibility of unquestioned material facts
- g. Audit programme should be fixed in nature.
- h. A permanent Audit file normally includes notes regarding significant accounting policies
- i. Analytical procedures consist of evaluations of financial information made by a study ratio or comparisons between the firms or comparisons between the two years.
- j. The audit planning ideally commences at the conclusion of the current year's audit.
- k. Audit programmes fixed the responsibilities of the staff.
- l. Inquiry is not used throughout the audit in addition to other audit procedures.
- m. Working papers should be designed and properly organized to meet the circumstances of each audit and the auditor's needs in respect thereof.

### 3. Match the column

Sr. No	Column A	Sr. No	Column B
1	AAS 8	a	Audit Procedure for obtaining audit Evidences
2	Inspection	b	A diary on which auditor scribble down all important inquiries
3	Permanent audit files	c	Dealing with audit planning
4	Audit note book	d	Copies of management letters issued by the auditor, if any

4. Match the column

Sr. No	Column A	Sr. No	Column B
1.	Audit Planning	a	It consists of seeking information
2.	Audit Programme	b	It involves examining records or documents
3.	Inspection	c	It consists of looking at a process
4.	Observation	d	It is a diary on which auditor scribble down all important inquiries.
5.	Inquiry	e	Auditor plan his work to enable him to conduct an effective audit
6.	Audit Note Book	f	It may also contain the audit objectives for each area

5. Check your answer

1. a. iv, b. I, c.iii, d.iii, e. iv, f. ii, g. ii, h. ii, i. ii, j. ii, k. iii
2. a. F, b. T, c .T, d. F, e. F, f. T, g. F, h. T, i. T, j. F, k. T, l. F, m. T.
3. 1- c, 2- a, 3. d, 4. b,
4. 1.e, 2.f, 3. b, 4.c , 5.a , 6.d ,

6. Theory Question

1. Explain the appointment of auditor in case of companies.
2. Explain the procedure for the appointment of first auditor.
3. In case of company who the casual vacancy is filled.
4. Why the auditor should plan before starting the audit?
5. What are the matters to be discussed with the client?
6. Explain the term audit programme.
7. What are the point to be consider while preparing audit programme ?
8. Explain the advantage of audit programme.

9. What are the disadvantages of audit programme?
10. What are the Audit Procedure for obtaining audit Evidences?
11. Explain the inspection as the audit procedure.
12. Explain the observation as the audit procedure.
13. What do you mean by audit programme?
14. What are content required for audit working paper?
15. What does a permanent Audit file normally includes?
16. List any 5 content of current audit file.
17. Who is the real owner of the working the paper?
18. Define the term Audit note book.
19. What are the importance of audit note book.
20. What are the advantage of audit note book?