

1. Multiple choice question

- a. _____ Audit is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations
 - i. Internal
 - ii. External
 - iii. Statutory
 - iv. None of the above
- b. The internal auditor should ensure that his findings with recommendations should reach to _____
 - i. Shareholder
 - ii. Customers
 - iii. Management
 - iv. Employee
- c. Due to his professional standing, the external auditor acquires a _____ of experiences, whereas internal auditor has an _____ experience of the organization
 - i. Wide and in-depth
 - ii. In-depth and wide
 - iii. Small and large
 - iv. Large and small
- d. The main purpose of internal check is the prevention of errors
 - i. Finding of error
 - ii. Prevention of errors
 - iii. Prevention of fraud
 - iv. None of the above
- e. The main purpose of internal audit to find errors and frauds
 - i. Finding of error and fraud
 - ii. Prevention of errors
 - iii. Prevention of fraud
 - iv. None of the above

2. State whether true and false

- a. internal audit is undertaken by an outside audit firm or by an internal audit department of the company itself, the organizational status of the internal auditor must be low.
- b. The internal auditor should ensure that his findings with recommendations should reach to customers.
- c. Internal audit has to ensure that all assets of the company are properly recorded.
- d. The main purpose of internal check is the prevention of errors

3. Match the column

Sr.No.	Column A	Sr.No	Column B
1	Internal Audit	a	The management relies on the reports of internal auditors
2	Objectives of Internal audit	b	work of each employee is checked by another
3	Management Information System (MIS)	c	Evaluation of business control system
4	Internal check	d	It is an independent activity

4. Check your answer

1.a.i, b.iii, c.i, d.iii, e.i,

2. a. F, b. F, c. T, d. t

3. 1.d, 2.c, 3.a , 4.b ,

5. Theory Question

- a. What do you mean by Internal audit?
- b. Explain the Basic Principles of Establishing Internal Audit.
- c. What are the objectives of Internal Audit.
- d. What is difference between internal audit and statutory audit?
- e. Difference between
 - i. Internal Check and Internal auditor
 - ii. Internal audit and statutory audit.