

END SEMESTER EXAMINATION, MAY - 2026**B. Com. (Hons.) Semester – VI****Subject Name: Auditing & Assurance Practices****Subject Code: BCM601****Time allotted: 03 Hours****Max. Marks: 100****Note: Read all the instructions carefully.**

Q.1	VERY SHORT ANSWER QUESTIONS – Attempt All.	(10 x 2 = 20 Marks)
a.	Define auditing and state its primary objectives.	CO1
b.	Recall the meaning of 'audit evidence' and why it is essential.	CO1
c.	State the meaning of materiality in auditing.	CO1
d.	List any two qualities of a competent auditor.	CO1
e.	Define 'internal control' in the context of auditing.	CO1
f.	Name any two money market instruments used in audit sampling.	CO1
g.	Recall the meaning of 'audit programme'.	CO1
h.	Define vouching and state its purpose.	CO2
i.	State the meaning of 'disqualification of an auditor'.	CO2
j.	Define 'audit report' and mention its significance.	CO2
Q.2	SHORT ANSWER QUESTIONS – Attempt any Five.	(5 x 4 = 20 Marks)
a.	Apply the concept of audit objectives to distinguish between an audit of accounts and an investigation. Illustrate with an example.	CO3
b.	Illustrate the difference between errors and frauds in auditing with suitable examples from a small business context.	CO3
c.	Apply the principles governing an audit to assess how independence affects audit quality.	CO3
d.	Apply the concept of internal check to evaluate how it reduces the risk of fraud in a retail firm.	CO3
e.	Analyse the significance of surprise checks and test checks in detecting irregularities during an audit.	CO4
f.	Analyse the process of vouching of cash receipts and explain what an auditor should look for.	CO4
g.	Analyse how the audit of ledgers helps in verifying assets and liabilities of a company.	CO4
Q.3	STRUCTURED QUESTIONS – Attempt any Three.	(3 x 10 = 30 Marks)
a.	Examine the distinction between bookkeeping, accounting, and auditing. Assess the role of auditing in enhancing the reliability of financial information for stakeholders.	CO4
b.	Evaluate the effectiveness of internal control systems in minimising business risk. Assess how an auditor tests and relies upon internal controls during fieldwork.	CO4
c.	Examine the process of vouching of purchase transactions and remuneration paid to managerial personnel. Justify how this process detects material misstatements.	CO5
d.	Critically evaluate the audit procedures applied during the verification of assets and liabilities. Assess the role of third-party confirmations and physical verification.	CO5
Q.4	Case Analysis/ Situation Based QUESTIONS – Attempt any Two.	(2 x 15 = 30 Marks)
a	A mid-sized manufacturing company has weak internal controls, a history of delayed audit reports, and complex related-party transactions. As the statutory auditor, critically evaluate the audit risks involved and design a comprehensive audit plan addressing evidence gathering, internal check review, and reporting obligations. Justify your approach with reference to auditing principles.	CO5
b	Construct a detailed audit programme for the audit of a trading company covering vouching of sales, purchases, receipts, and payments. Critically evaluate how each step of the programme contributes to detecting fraud and ensuring the accuracy of financial statements.	CO6
c	Critically evaluate the rights, duties, and liabilities of a company auditor under the Companies Act. Assess how professional standards and ethical considerations shape the conduct and reporting responsibilities of a statutory auditor.	CO6
