D 140001 **(Pages : 2)** **Name..**

Reg. No....................................

SIXTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION APRIL 2026

B.Com.

BCM 6B 13—AUDITING AND CORPORATE GOVERNANCE

(2020 Admission onwards)

Time : Two Hours and a Half Maximum : 80 Marks

Answers should be written in English only.

Section A

Answer **all** *questions.*
Each question carries 2 *marks.*
Ceiling 25 *marks.*

1. Define Auditing.
2. What is AAS ?
3. What is auditing in depth ?
4. What do you mean by errors of commission ?
5. Define internal audit.
6. What is auditing technique ?
7. Define teaming and lading.
8. What is Verification ?
9. What do you mean by contingent assets ?
10. What is the primary objective of the auditing ?
11. What do you mean by surprise checks ?
12. What is Whistleblowing ?
13. What are the different types of audit report ?

Turn over

14. What is corporate governance rating ?

15. What do you mean by investigation ?

(15 × 2 = 30 marks ; Ceiling 25 Marks)

Section B

Each question carries 5 *marks.*
Ceiling 35 *marks.*

16. What are the various situations where the management would conduct an investigation ?

17. Write a note on Auditing Assurance Standards.

18. What are the different types of errors ?

19. Explain the process of verification of cash at bank.

20. Discuss the limitations of auditing.

21. Distinguish between Auditing principles and auditing techniques.

22. What are surprise checks ? Write about its advantages.

23. What are the objectives of auditing ?

(8 × 5 = 40 marks ; Ceiling 35 Marks)

Section C

Answer any **two** *questions.*
Each question carries 10 *marks.*

24. Explain the important theories of Corporate Governance.

25. Briefly discuss the various classifications of audit.

26. Explain the process of vouching the receipt side of cash book.

27. Explain in detail the civil and criminal liabilities of an auditor.

(2 × 10 = 20 marks)

D 140001–A **(Pages : 6)** **Name.......................................**

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SIXTH SEMESTER (CBCSS-UG) DEGREE EXAMINATION, APRIL 2026

B.Com.

BCM6B13—AUDITING AND CORPORATE GOVERNANCE

(2020 Admission onwards)

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes	**Total No. of Questions : 20**	**Maximum : 20 Marks**

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

BCM6B13—AUDITING AND CORPORATE GOVERNANCE

(Multiple Choice Questions for SDE Candidates)

1. The term 'Audit' is derived from a Latin word "*audire* " which means :

   (A) To inspect. (B) To examine.

   (C) To hear. (D) To investigate.

2. The main object of an audit is :

   (A) Expression of expert opinion.

   (B) Detection and Prevention of fraud and error.

   (C) Both (A) and (B).

   (D) Depends on the type of audit.

3. Lapping is also known as :

   (A) Teeming and lading. (B) Embezzlement.

   (C) Looping. (D) Hacking.

4. A sale of Rs. 25,000 to A was entered as a sale to B. This is an example of ————.

   (A) Error of omission. (B) Error of commission.

   (C) Compensating error. (D) Error of principle.

5. Which of the following statements is not true ?

   (A) Management fraud is more difficult to detect than employee fraud.

   (B) Internal control system reduces the possibility of occurrence of employee fraud and management fraud.

   (C) The auditor's responsibility for detection and prevention of errors and frauds is similar.

   (D) All statements are correct.

6. Which of the following statements is not correct about materiality ?

   (A) Materiality is a relative concept.

   (B) Materiality judgments involve both quantitative and qualitative judgments.

   (C) Auditor's consideration of materiality is influenced by the auditor's perception of the needs of an informed decision maker who will rely on the financial statements.

   (D) At the planning state, the auditor considers materiality at the financial statement level only.

7. The audit risks... the materiality and.......the audit effort.

   (A) Lower, Higher, Lower. (B) Lower, Lower, Higher.

   (C) Higher, Lower, Lower. (D) Lower, Higher, Higher.

8. In determining the level of materiality for an audit, what should not be considered ?

   (A) Prior year's errors.

   (B) The auditor's remuneration.

   (C) Adjusted interim financial statements.

   (D) Prior year's financial statements.

9. In an audit of financial statements, substantive tests are audit procedures that ————.

   (A) May be eliminated for an account balance under certain conditions.

   (B) Are designed to discover significant subsequent events.

   (C) Will increase proportionately when the auditor decreases the assessed level of control risk.

   (D) May be test of transactions, test of balance and analytical procedures.

10. Which of the following factors is most important in determining the appropriations of audit evidence ?

   (A) The reliability of audit evidence and its relevance in meeting the audit objective.

   (B) The objectivity and integrity of the auditor.

   (C) The quantity of audit evidence.

   (D) The independence of the source of evidence.

Turn over

11. The quantity of audit working papers complied on engagement would most be affected by

    (A) Management's integrity.

    (B) Auditor's experience and professional judgment.

    (C) Auditor's qualification.

    (D) Control risk.

12. Which of the following is not an advantage of the preparation of working paper ?

    (A) To provide a basis for review of audit work.

    (B) To provide a basis for subsequent audits.

    (C) To ensure audit work is being carried out as per programme.

    (D) To provide a guide for advising another client on similar issues.

13. A company has bought patents. Which of the following methods is most suitable for providing depreciation on them ?

    (A) SLM. (B) WDV.

    (C) Sum of year digits. (D) Any of the above.

14. Mr. A, a Charted Accountant, has nineteen audits, Out of following audits which audits should he accept to ensure he doesn't violate provisions of section 224 (IB) ————.

    (A) Audit of a private company.

    (B) Audit of branch of a foreign company.

    (C) Audit of two branches of an Indian company.

    (D) All of them.

15. Which of the following statements with regard to rules regarding exemption from branch audit is not true ?

    (A) A branch office of a company can be granted exemption on the basis of quantum of activity criterion.

    (B) If a satisfactory arrangement of scrutiny check of the books of account of a branch office of a manufacturing company has been made, it can be exempted from branch audit.

    (C) Cost consideration should be considered as an important factor/ground for exemption from branch audit.

    (D) The auditor should state in his audit report that branch office is exempted by virtue of quantum of activity or any other basis.

16. Which of the following report not result in qualification of the auditor's opinion due to a scope limitation ?

    (A) Restrictions the client imposed.

    (B) Reliance on the report of other auditor.

    (C) Inability to obtain sufficient appropriate evidential matter.

    (D) Inadequacy of accounting records.

17. Which of the following documents is not relevant for vouching cash sales ?

    (A) Daily cash sales summary.

    (B) Salesmen's summary.

    (C) Monthly statements sent to customers.

    (D) Bank statement.

18. In case of sales return, the auditor should examine which documents ?

    (A) Credit notes, advice notes and inward return notes.

    (B) Debit notes, advice notes and inward return notes.

    (C) Purchase invoices, advice notes and inward return notes.

    (D) Credit notes, inspection report and inward return notes.

19. An auditor is verifying valuation of building which has been self-constructed by the client. Which of the following documents is least relevant to the auditor for verification purposes ?

    (A) Bills of contractor.

    (B) Minutes of meeting of board of directors.

    (C) Certificates of engineer and architect.

    (D) Loan agreement.

20. An analysis of fixed assets account has revealed possibility of unrecorded sale of plant and machinery. Which of the following audit procedures may be adopted to discover it ?

    (A) Examination of property tax files.

    (B) Inquiry of plant manager.

    (C) Examination of debits to accumulated depreciation.

    (D) All of the above.