

# ALLAMA IQBAL OPEN UNIVERSITY

Level: Bachelor  
 Paper: Auditing (481)  
 Time Allowed: 03 Hours

Semester: Autumn 2009  
 Maximum Marks: 100  
 Pass Marks: 40

**Note: ATTEMPT ANY FIVE QUESTIONS. ALL CARRY EQUAL MARKS.  
 QUESTION NO (8) IS COMPULSORY.**

Q.No.	Questions	Marks
Q.No.1	Define "Audit" and explain the role played by institution of audit in the economic development of the country.	20
Q.No.2	What are different types of Audit? Discuss the features, advantages & disadvantages of Final Audit.	20
Q.No.3	What do you understand by "Audit Note Book & Audit working papers"? Explain the contents which are included in these working papers.	20
Q.No.4	Discuss in detail the Auditors duty in respect of giving a certificate for the purpose of "Statutory Report"?	20
Q.No.5	Discuss the legal provisions governing the appointment and removal of an Auditor of a Public Limited Company.	20
Q.No.6	What is meant by Auditors Liability? Explain the circumstances under which they may be held liable to the business?	20
Q.No.7	Mention at least fifteen points that would require your attention in auditing the books a "Textile industry".	20
Q.No.8	<p><b>(A) Fill in the blanks.</b></p> <p>1) Audit working papers should not _____.</p> <p>2) An Auditor should be dutiful like _____.</p> <p>3) The primary purpose of audit working papers is _____.</p> <p>4) The most useful source of information for obtaining General understanding would be _____.</p> <p>5) The letter issued to client describing weakness in system referred to as _____ letter.</p> <p><b>(B True or False (use the proper terms for <u>Underlined</u> words)</b></p> <p>1. We <u>checked</u> the cash on hand.</p> <p>2. We <u>analysed</u> the bank statement with the ledger balance for cash in bank.</p> <p>3. We <u>confirmed</u> the ledger account for miscellaneous expenses by classifying debit and credit entries in the account.</p> <p>4. We <u>vouched</u> the "accounts receivable" by direct written communication with customers.</p> <p>5. We <u>reconciled</u> the minutes of "Directors meeting" for the entire period under Audit.</p>	20