



# LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

**B.Com. DEGREE EXAMINATION – COMMERCE**

**FIFTH SEMESTER – APRIL 2025**

**UCO 5501 – AUDITING AND ASSURANCE**



Date: 24-04-2025

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

## SECTION A - K1 (CO1)

	<b>Answer ALL the Questions</b>	<b>(10 x 1 = 10)</b>
<b>1.</b>	Write a short note on the following	
a)	Audit Engagement	
b)	Statutory Report	
c)	Teaming and Lading	
d)	Window Dressing	
e)	Automation in Auditing	
<b>2.</b>	<b>Fill in the blanks</b>	
a)	Internal audit is conducted by the _____ of the organization to evaluate the effectiveness of internal controls.	
b)	The _____ appoints the first auditor of a company within 30 days of its registration.	
c)	Vouching of _____ expenditure involves verifying payments made for long-term benefits.	
d)	Valuation involves determining the _____ value of assets and liabilities.	
e)	The process of confirming balances with third parties is covered under SA _____.	

## SECTION A - K2 (CO1)

	<b>Answer ALL the Questions</b>	<b>(10 x 1 = 10)</b>
<b>3.</b>	<b>Match the following</b>	
a)	Internal Financial Control (IFC) – Audit evidence for specific terms	
b)	Joint Audit – Determining the monetary value	
c)	Cut-off Test – Conducted by multiple auditors	
d)	Valuation – Ensuring transaction are recorded in correct period	
e)	SA 501 – Detailed examination of financial records	
<b>4.</b>	<b>True or False</b>	
a)	The primary purpose of internal control is to detect fraud within an organization.	
b)	An auditor can be a director of the company they are auditing.	
c)	Capital expenditure is recorded in the impersonal ledger.	
d)	Verification and valuation are the same processes in auditing.	
e)	SA 530 is concerned with the audit of accounting estimates.	

## SECTION B - K3 (CO2)

	<b>Answer any TWO of the following in 100 words each.</b>	<b>( 2 x 10 = 20)</b>
<b>5.</b>	Apply the concept of materiality to determine which items in a financial statement should be audited.	
<b>6.</b>	Demonstrate the process of preparing an audit report and explain its key components.	
<b>7.</b>	Use examples to illustrate the process of vouching for contingent liabilities.	
<b>8.</b>	Develop a comprehensive audit procedure to verify inventory, adhering to the principles outlined in SA 500.	

**SECTION C – K4 (CO3)**

**Answer any TWO of the following in 100 words each. (2 x 10 = 20)**

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|-----|--|
| 9.  | Examine the components of an audit engagement and explain how each component contributes to the overall audit process. |
| 10. | Interpret the impact of auditor independence on audit quality.   |
| 11. | Compare and contrast the vouching procedures for cash transactions and trading transactions.                           |
| 12. | Analyze the influence of automation trends on conventional auditing methodologies.                                     |

**SECTION D – K5 (CO4)**

**Answer any ONE of the following in 250 words (1 x 20 = 20)**

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|-----|---|
| 13. | Evaluate the effectiveness of internal financial controls (IFC) in preventing fraud within an organization. |
| 14. | Distinguish between audit and investigation, and suggest scenarios where each would be more appropriate.    |

**SECTION E – K6 (CO5)**

**Answer any ONE of the following in 250 words (1 x 20 = 20)**

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|-----|---|
| 15. | Formulate a strategy to enhance the accuracy and reliability of the verification and valuation process for intangible assets. |
| 16. | Develop a framework for integrating automation tools into the audit process while adhering to the standards on auditing.      |

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