ALLAMA IQBAL OPEN UNIVERSITY

Level: Bachelor
Paper: Auditing (481)
Time Allowed: 3 hrs

OVERSEAS

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

Note:- ATTEMPT FIVE QUESTIONS. ALL QUESTIONS CARRY EQUAL MARKS.
QUESTION No. (8) IS COMPULSORY.

Q.No.1	What do you know about the "Audit Programme"? Discuss its advantages & disadvantages.	**20**
Q.No.2	Explain the "Internal control". What are the principles of such " Internal Control"? Discuss in detail.	**20**
Q.No.3	Discuss the necessity for verification of assets and liabilities. How will you verify the existence of (a) Goodwill (b) Patents and (c) Trade Marks.	**20**
Q.No.4	Define investigation. Discuss the principal objects for which investigations are usually undertaken.	**20**
Q.No.5	"An Auditor is a watching dog and not a blood-hound". Discuss this statement and draw up a plan for audit of a Hotel.	**20**
Q.No.6	As an Auditor which points will you consider for certification of " Statutory Report".	**20**
Q.No.7	Discuss the liabilities of the Auditor for "Negligence". Illustrate your answer with "Case Law".	**20**
Q.No.8	**(A) Following statements are True or False.** i) If a company has gone into liquidation, misfeasance proceedings cannot be initiated against the Auditor by the liquidators . **T/F** ii) Auditor will be held criminally liable for not taking reasonable care in performance of duties. **T/F** (iii) It is liability for libel, when Auditor's Report carries defamatory matter regarding any employee under malice. **T/F** iv) The Auditor will be liable for any fraudulent scheme which cannot be detected. **T/F** (v) If Auditor breaches his duties specified by companies ordinance he be considered negligent. **T/F** **(B) Fill in the blanks.** (i) An Auditor's Report is addressed to.............. (ii) The date of representation letter is normally the date on which.......... (iii) If detection risk cannot be reduced to certain extent, Auditor should .... (iv) Contents of Statutory Report are discussed in section.......... (v) The expression used by the Auditor for qualifying his report are...........	**20**

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