

2022

**AUDITING AND ASSURANCE — HONOURS**

**Paper : CC-5.1Ch (C51SH)**

**Full Marks : 80**

*The figures in the margin indicate full marks.*

*Candidates are required to give their answers in their own words  
as far as practicable.*

**Group - A**

1. Discuss the objectives of independent financial audit. 5

*Or,*

- (a) What do you mean by auditor's independence?  
(b) Discuss the significance of auditor's independence in the statutory audit. 2+3

2. Distinguish between audit and investigation. 5

3. What is Audit Note Book? State its importance. 2+3

*Or,*

- Documentation of audit plan serves as an important record of audit. Why is it so important? 5

**Group - B**

4. What is test checking? What precautions will you take as an auditor before undertaking test checking? 3+7

*Or,*

- Discuss the essential steps involved in conducting the audit of a Hotel. 10

5. What do you mean by internal control? Distinguish between internal control and internal audit. 3+7

6. "In vouching payments, the auditor does not merely seek proof that money has been paid away."  
— Critically examine the statement. 10

*Or,*

- How will you verify the following items of the balance sheet (*any two*)? 5+5

- (a) Investments (b) Secured Loan (c) Goodwill.

**Please Turn Over**

7. (a) State the reporting responsibility of the statutory auditor in respect of the following clause under paragraph 3 of Companies (Auditor's Report) Order, 2020 (CARO, 2020) :
- Clause (i) Property, Plant and Equipment and Clause (vii) Deposit of Statutory dues.
- (b) Discuss the significance of the term 'True and Fair View' as per Companies Act, 2013. 5+5

**Or,**

Explain the concept of materiality and the guiding factors to determine the materiality of an item. 3+7

8. Write short notes on **any two** :

- (a) Tax Audit  
(b) Social Audit  
(c) Propriety Audit. 5+5

**Group - C**

9. (a) What is joint audit? Discuss the principles to be followed in joint audit in respect of division of work among the joint auditors as per the relevant standard on auditing.
- (b) Can a company pay dividend out of capital profit? Explain with reference to the relevant legal decision. (3+7)+5

**Or,**

- (a) What do you mean by unclaimed dividend? How is it treated in accounts?
- (b) Discuss the provisions of the Companies Act, 2013 regarding unclaimed dividend. (3+2)+10
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