

**2023**

**COMMERCE**

**Paper : CC-403**

**(Auditing and Assurance Services)**

**Full Marks : 40**

*The figures in the margin indicate full marks.*

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

**Module - I**

Answer *any two* questions.

1. (a) "Any branch of knowledge which directly or indirectly serves the society by rendering their services is known as social science."— In light of the statement present your arguments why auditing is regarded as social science.
- (b) Discuss the different methods of obtaining audit evidence as per relevant standard on auditing (SA). 5+5

*Or,*

Explain the extended meaning of an Audit and state with proper examples how can the services of providing assurances to a client be well regulated and perfectly aligned to the basic functions of an auditor. 2+8

2. (a) What do you mean by auditor's report?
- (b) Discuss the different types of audit report as per the relevant standard on auditing (SA). 2+8

*Or,*

- (a) What do you mean by Standard on Auditing?
- (b) What are the objectives of Standard on Auditing?
- (c) Explain the roles of IAASB. 2+4+4

3. (a) How would you evaluate the internal control system of an organisation? Mention the coverage of administrative control within an organisation.
- (b) "Doing a statutory audit is full of risk."— In light of the given statement discuss the factors which can cause such risk in conducting an audit. (4+2)+4

4. Write explanatory notes on *any two* : 5+5
- (a) Types of Auditor's Independence
- (b) Procedure of Issuing Standards on Auditing
- (c) Professional Scepticism.

**Please Turn Over**

**Module - II**

Answer *any two* questions.

5. (a) Discuss the process of appointment of cost auditor as per Rule 6 of Companies (Cost Records and Audit) Rules, 2014.  
(b) Point out the differences in the scope of work of a management auditor and an operations auditor. 5+5
6. (a) Briefly mention the duties and liabilities of the management in a secretarial audit as per Section 204 of the Companies Act, 2013?  
(b) Explain the concept of 'White Box Approach in EDP Audit'.  
(c) Mention three important applications of a generalized audit software used as an integral part of computer assisted auditing techniques (CAATs). 3+4+3

**Or,**

- (a) What is secretarial audit?  
(b) Mention the companies for which secretarial audit is mandatory.  
(c) Discuss the benefits of management audit. 2+3+5
7. (a) What do you understand by Government Audit.  
(b) What are the duties to be performed by the Comptroller and Auditor General of India relating to Audit work?  
(c) Chandannagar Municipality, a local body, working in Hooghly district. What should be the objectives of drafting audit programme of Chandannagar Municipality? Being an auditor you are also required to draft an audit programme of the said municipality. 2+2+(2+4)
8. (a) Explain any four fundamental principles of professional ethics.  
(b) Miss Basu, a practicing Chartered Accountant, had confirmed in the application made by her articled clerk to the Council for permission to study, that the normal working hours of his office were 11 a.m. to 6 p.m. and the hours during which the articled clerk was required to attend university classes were 7 a.m. to 9.30 a.m. On inquiry from the university, it was ascertained that the articled clerk used to attend classes from 10 a.m. to 1.55 p.m. The Chartered Accountant pleaded ignorance about the articled clerk attending the university classes during office hours.  
Will the Chartered Accountant be held guilty of professional misconduct? Justify your answer with the help of Chartered Accountants Act, 1949. 4+6

**Or,**

- (a) Mr. Rupak Bagchi, a practising Chartered Accountant is guilty of professional misconduct mentioned in the first Schedule. State the mechanism to enquire into the charges of misconduct and also the process of resolution of the case.  
(b) Mr. B.S. Narayan, a Chartered Accountant in practice and the owner of an audit firm in Kolkata, seeks professional works from C.P. Associates, a Patna based audit firm. Is Mr. Narayan guilty of professional misconduct? Explain with reference to the relevant schedule. 6+4