

2024

COMMERCE

Paper : CC-403

[Auditing and Assurance Service (AAS)]

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) What are the factors which influence the Auditor's judgement as to what is sufficient and appropriate audit evidence?
- (b) State the principles in assessing the reliability and relevance of audit evidence. 5+5

Or,

“Social audit values the voice of stakeholders, including marginalised groups whose voices are rarely heard.” – In light of the statement, discuss the objectives and major advantages of social audit in the present corporate environment. 5+5

2. (a) What do you mean by audit risk?
 - (b) Discuss the relationship between the concept of materiality and audit risk.
 - (c) An assistant of ABC Associates, a Chartered Accountant firm, detected an error of ₹ 2.5 per interest payment which incurred number of times. The General Manager (Finance) of PQR Ltd. advised him not to request for passing any adjustment entry as individually the errors were of small amounts. PQR Ltd. had 25,000 deposit accounts and interests were paid monthly. As a statutory auditor, how would you deal with the situation? 2+4+4
3. (a) Discuss the different essentials of a good audit report.
 - (b) “An opinion expressed by the auditor is neither an assurance as to the future viability of the enterprise nor the efficiency or effectiveness with which management has conducted the affairs of the enterprise.” — Discuss. 5+5
4. Write short notes on (*any two*) : 5×2
 - (a) Structure of standards issued by the AASB
 - (b) Philosophy of auditing
 - (c) Purposes of internal control system.

Please Turn Over

Module - II

Answer *any two* questions.

5. (a) A Ltd. has two operating units. Unit-1 belongs to an SEZ area while Unit-2 is in a non-SEZ area. Explain the applicability of cost audit for these individual units in view of the applicable rule under Companies (Cost Records and Audit) Rules, 2014 if A Ltd. belongs to a regulated sector industry.
- (b) Prior to an expansion program, ABC Ltd. is planning to appoint CA as a management auditor of the company to guide them in the expansion program. However, the top management of the company is afraid that such appointment may lead to antagonism on the part of the employees. What could be the possible ways through which such antagonism may be tackled?
- (c) State the procedure for appointment of a secretarial auditor. 3+5+2
6. (a) What do you mean by Green audit?
- (b) Discuss the nature and scope of Green audit in the modern business environment.
- (c) What are the current practices of Green (Environmental) Audit in India? 2+6+2
7. (a) Mr. Ritesh Jha, a Chartered Accountant in practice opened a blog where he put up a colourful profile of his firm. In addition, he highlighted the achievement of his firm and posted a list of his major clients during the last two years.
- Discuss with relevant rules, whether this action by Mr. Jha would amount to professional misconduct or not.
- (b) Mention any five occupations that a practising Chartered Accountant may take up without seeking specific permission from the Council of Chartered Accountants. 5+5
8. (a) Distinguish between Government Audit and Commercial Audit.
- (b) State the powers of the Comptroller and Auditor General in connection with audit of accounts.
- (c) What is an expenditure audit? Mention the conditions to be fulfilled in the context of the expenditure audit. 3+2+(2+3)
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