# 2026

## 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) "Though the work of the auditor may not be directly needed for the operation of the business, yet he is concerned with appraisal, interpretation, analysis and valuation."– In light of this statement, discuss the philosophy of audit. 5

***Or***

Differentiate between internal control and internal check. What connection do these bear with the concept of internal audit? 3+2

(b) Social audit measures for enhancing transparency by enforcing the right to information in the planning and implementation of local development activities. On the basis of this statement, discuss the advantages of social audit. 5

***Or***

Social audit has certain fundamental ingredients in its conceptual framework and application. Explain with proper illustrations. 5

2. (a) What do you mean by 'Emphasis of Matter' paragraph in audit report? What is the duty of an auditor in this context?

(b) Discuss the circumstances, when an auditor will express qualified opinion, adverse opinion and disclaimer of opinion while presenting the audit report. (2+2)+6

3. (a) What do you mean by audit risk?

(b) Discuss the different components of audit risk.

(c) Discuss the concept of professional scepticism in brief. 1½+6+2½

4. Write short notes on (***any two***) : 5×2

(a) Importance of standards on auditing

(b) Objectives of internal control system

(c) Functions of accounting firms.

**Please Turn Over**

## Module - II

Answer ***any two*** questions.

**5.** (a) Discuss the meaning of audit in a CIS environment.

(b) Discuss major types of CAATs.

(c) Discuss the qualifications of Cost Auditor as per Companies Act, 2013. 2+5+3

**6.** (a) What is 'Secretarial Audit'? Briefly state its significance in ensuring robust corporate governance in a listed company.

(b) Stellar FinServ is a non-banking financial company (NBFC) that recently migrated its loan processing system to an automated Electronic Data Processing (EDP) ecosystem. During the year-end statutory audit, the audit team discovers two major processing variables :

(i) For standard retail home loans, the system's input data (loan application files) and final output data (monthly printed bank statements) are completely visible, easily traceable and perfectly mirrored in offline physical paper records; and

(ii) For high-value corporate micro-loans, the system processes interest rates dynamically every second based on real-time market fluctuations. The Junior Audit Assistant suggests : *To save time and cost, we should apply a uniform approach across the entire company*. Evaluate the Junior Assistant's proposal. Identify and define the two distinct EDP auditing approaches required to audit the retail home loans versus the corporate micro-loans. (2+3)+5

**7.** (a) What are the powers of the Board of Discipline under Section 21A of the Chartered Accountants Act, 1949?

(b) State any two acts that constitute Professional Misconduct of a Chartered Accountant in Practice under Part II of the Second Schedule.

(c) Ms. Rishita Roy, a practicing Chartered Accountant, audited the accounts of Sunflower Ltd. During the audit, she discovered a material misstatement in the financial statements but did not report it. She also issued her audit opinion without obtaining sufficient audit evidence. Further, she disclosed the company's confidential financial information to a third party without the client's consent.

Examine the conduct of Ms. Roy and discuss the instances of professional misconduct under the Chartered Accountants Act, 1949. State the relevant clauses and reasons. 2+2+6

**8.** (a) State the powers of the Comptroller and Auditor General in connection with the performance of his duties.

(b) Draft an audit programme for conducting an audit of a municipality. 4+6

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