



**NAGINDAS KHANDWALA COLLEGE  
AUTONOMOUS**

Revised Syllabus

And

Question Paper Pattern

Of

**Second Year B.Com.  
Semester IV**

**Auditing**

Under Academic Autonomy and Credit, Grading and  
Semester System

With effect from Academic Year 2017- 18

			<b>CIE</b> <b>25</b>	<b>SEE</b> <b>75</b>	<b>Total</b> <b>100</b>	<b>3 Credits</b>
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**Syllabus: Auditing**  
Modules at a Glance

Sr. No.	Topics	No. of lectures
Module 1	Introduction to Auditing	10
Module 2	Audit Planning, Procedures and Documentation	10
Module 3	Auditing Techniques and Internal Audit Introduction	10
Module 4	Auditing Techniques: Vouching & Verification	10
Module 5	Company Audit	05
	<b>Total</b>	<b>45</b>

**Detailed Syllabus**

Module	Topics	No. of Lectures
<b>1</b>	<b>Introduction to Auditing</b>	<b>10</b>
	<ul style="list-style-type: none"> <li>A. Basics –Definition of Auditing, Objectives of Auditing, Inherent limitations of Audit, Difference between Accounting and Auditing, Investigation and Auditing.</li> <li>B. Errors &amp; Frauds – Definitions, Types of Error, Types of frauds, Auditors Duties and Responsibilities in case of fraud.</li> <li>C. Principles of Audit, Materiality, True and Fair view</li> <li>D. Types of Audit –Balance sheet Audit, Interim Audit, Continuous Audit, Concurrent Audit and Annual Audit, Statutory Audit</li> </ul>	
<b>2</b>	<b>Audit Planning, Procedures and Documentation</b>	<b>10</b>
	<ul style="list-style-type: none"> <li>A. Audit Planning – Meaning, Objectives, Factors to be considered, Sources of obtaining information, Discussion with Client, Overall Audit Approach</li> <li>B. Audit Program– Meaning, Factors, Advantages and Disadvantages, Overcoming Disadvantages, Instruction before commencing Work, Overall Audit Approach.</li> <li>C. Audit Working Papers – Meaning, importance, Factors determining Form and Contents, Main Functions / Importance, Features, Contents of Permanent Audit File, Temporary Audit File, Ownership, Custody, Access of Other Parties to Audit Working Papers, Auditors Lien on Working Papers, Auditors Lien</li> </ul>	

	on Client's Books.	
<b>3</b>	<b>Auditing Techniques and Internal Audit Introduction</b>	<b>10</b>
	<p>A. Test Check – Test Checking Vs Routing Checking, test Check meaning, features, factors to be considered, when Test Checks can be used, advantages, disadvantages, precautions.</p> <p>B. Audit Sampling – Audit Sampling, meaning, purpose, factors in determining sample size – Sampling Risk, Tolerable Error and expected error, methods of selecting Sample Items, auditors Liability in conducting audit based on Sample</p> <p>C. Internal Control – Meaning and purpose, review of internal control, advantages, auditors duties, Inherent Limitations of Internal control, internal control samples for sales and debtors, purchases and creditors, wages and salaries. Internal Checks Vs Internal Control, Internal Checks Vs Test Checks.</p> <p>D. Internal Audit : Meaning, basic principles of establishing Internal audit, objectives, evaluation of internal Audit by statutory auditor, usefulness of Internal Audit, Internal Audit Vs External Audit, Internal Checks Vs Internal Audit</p>	
<b>4</b>	<b>Auditing Techniques: Vouching &amp; Verification</b>	<b>10</b>
	<p>A. Audit of Income: Sales, Sales Returns, Rental Receipts, Interest and Dividends Received.</p> <p>B. Audit of Expenditure : Purchases, Purchase Returns, Salaries and Wages, Insurance Premium, Advertisement, Interest Expense</p> <p>C. Audit of Assets: Debtors, Stocks, Investments, Plant and Machinery, Land and Buildings.</p> <p>D. Audit of Liabilities : Creditors, Outstanding Expenses, Bills Payable, Secured and Unsecured Loans, Contingent Liabilities</p>	
<b>5</b>	<b>Company Audit</b>	<b>5</b>
	Qualifications and Disqualifications of Auditors, Appointment of auditors, Removal of auditors, Powers and duties of auditors, Basics of Audit Report	

## Evaluation Pattern

The performance of the learners shall be evaluated in two components viz. **Continuous Internal Evaluation** of 25 marks as the first component and conducting the Semester End Examination of 75 marks as the second component. The allocation of marks for the CIE and SEE are as shown below:

### A) Continuous Internal Evaluation – 25% - 25 Marks

Students will choose any one of the following Two Options A and B.

#### Option A:

1. Mid Term Exam (Class test) to be conducted in the given semester 20 Marks
2. Active participation in routine class, instructional deliveries, overall conduct as a responsible learner, mannerism, articulation and exhibit of leadership qualities in organizing related academic activities 05 Marks

#### Option B:

1. Presentation on a topic, and written submission of the presentation assigned by the subject teacher 20 Marks
2. Active participation in routine class, instructional deliveries, overall conduct as a responsible learner, mannerism, articulation and exhibit of leadership qualities in organizing related academic activities. 05 Marks

### Option A: CONTINUOUS INTERNAL EVALUATION: 25 MARKS

Mid-Term Exam: 20  
Class Participation: 05

#### *Question Paper Pattern: Mid Term Exam*

Questions to be set: 03  
Duration: 30 minutes

#### **All Questions are Compulsory**

Question No	Particular	Marks
Q-1	Objective Questions True or False / Multiple Choice Questions	05 Marks
Q-2	Match the Columns/ Fill in the Blanks	05 Marks
Q-3	Answer any TWO from given THREE theory questions (05 Marks each )	10 Marks

### Semester End Examinations – 75 Marks

Duration : 2 ½ Hrs.

Questions to be set 5

All questions are compulsory.

<b>Question No</b>	<b>Particular</b>	<b>Marks</b>
Q. 1	Objective Questions ( Multiple choice/ True or False/Match the columns/fill in the blanks)	15 Marks
Q. 2	Full Length Question OR (a) Short Question (b) Short Question	15 Marks 8 Marks 7 Marks
Q. 3	Full Length Question OR (a) Short Question (b) Short Question	15 Marks 8 Marks 7 Marks
Q. 4	Full Length Question OR (a) Short Question (b) Short Question	15 Marks 8 Marks 7 Marks
Q. 5	Short Notes (Any 3 Out of 5)	15 Marks