

MKG

Roll No814592.....

Total No. of Printed Pages: 4

Total No. of Questions – 6

Maximum Marks: 70

GENERAL INSTRUCTIONS TO CANDIDATES

1. The question paper comprises two parts, Part I and Part II.
 2. Part I comprises Multiple Choice Questions (MCQs).
 3. Part II comprises questions which require descriptive type answers.
 4. Ensure that you receive the question paper relating to both the parts. If you have not received both, bring it to the notice of the invigilator.
 5. Answers to MCQs in Part I are to be marked on the OMR answer sheet as given on the cover page of descriptive answer book only. Answers to questions in Part II are to be written in the same descriptive answer book. Answers to MCQs, if written inside the descriptive answer book or on Part-I Question paper will not be evaluated.
 6. OMR answer sheet given on the cover page of descriptive answer book will be in English only for all candidates, including for Hindi medium candidates.
 7. The bar coded sticker provided in the attendance register, is to be affixed only on the descriptive answer book.
 8. You will be allowed to leave the examination hall only after the conclusion of the exam. If you have completed the paper before time, remain in your seat till the conclusion of the exam.
 9. Duration of the examination is 3 hours. You will be required to submit (a) Part I of the question paper containing MCQs, and (b) the answer book in respect of descriptive answer book with OMR cover page to the invigilator before leaving the exam hall, after the conclusion of the exam.
 10. The invigilator will give you acknowledgement on Page 2 of the admit card, upon receipt of the above-mentioned items.
 11. Candidate found copying or receiving or giving any help or defying instructions of the invigilators will be expelled from the examination and will also be liable for further punitive action.
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PART-II

70 Marks

1. Question paper comprises 6 questions. Answer Question No. 1 which is compulsory and any 4 out of the remaining 5 questions.
2. Working notes should form part of the answer.
3. Answers to the questions are to be given only in English except in the case of candidates who have opted for Hindi Medium. If a candidate has not opted for Hindi Medium, his/her answers in Hindi will not be evaluated.

Question 1 (a)

Kriti, a CA student, has joined articles in a reputed audit firm. She considers audit engagement to be an “assurance engagement”. Her understanding is that audit engagement is the only kind of assurance engagement in which practitioner gives a written assurance report in appropriate form. However, her friend Somaya, does not agree with her. She is of the view that assurance engagements are not restricted to audit alone. Besides, Somaya also thinks that assurance engagements can also relate to matters other than historical financial information. Whose view appears to be correct? State with reasons. **(3 Marks)**

Question 1 (b)

CA N, engagement partner of LPS & Associates, is planning for audit of a large company. As part of preliminary engagement activities being performed in this regard, he wants to ensure that compliance with independence requirements is adhered. How shall he form a conclusion that audit firm complies with independence requirements? **(3 Marks)**

Question 1 (c)

Quality Products Limited is engaged in manufacturing of bicycles. As part of manufacturing activities, it sends raw material to some business entities and procures finished components from them. As on 31st March 2024 inventories lying with such business entities are material. Being statutory auditor of Quality Products Limited, how you will obtain sufficient appropriate audit evidence regarding existence and condition of inventories lying with such business entities? **(4 Marks)**

Question 1 (d)

An important factor in determining the form, content and extent of audit documentation of significant matters is the extent of professional judgment exercised in performing the work and evaluating the results. Explain stating clearly the examples of significant matters. **(4 Marks)**

Question 2(a)

Discuss the points to be considered by auditor for the purpose of constructing an audit programme. **(5 Marks)**

Question 2(b)

Mention the Analytical Review procedures that may be useful as a means of obtaining audit evidence regarding various assertions relating to Trade receivables, loans and advances. **(4 Marks)**

Question 2(c)

How can an auditor verify the existence of related party relationships and transactions? **(5 Marks)**

Question 3(a)

What is Emphasis of matter Paragraph? State the circumstances when EOM para can be included in Auditor's report. **(4 Marks)**

Question 3(b)

When corresponding figures are presented, the auditors' opinion shall not refer to the corresponding figures. Discuss the exceptions of the above statement when the prior period financial statements. **(6 Marks)**

Question 3(c)

X Ltd. has a branch office in Malaysia. The company has appointed Mr. X, who is qualified to audit accounts as per Malaysian laws. Mr. Z, the statutory auditor objects to the same, contending that he alone can audit the branch office accounts. Discuss. **(4 Marks)**

Question 4(a)

Communicating Key Audit Matter is not a substitute for disclosure in the Financial Statements rather Communicating key audit matters in the auditor's report is in the context of the Auditor having formed an opinion on the financial statements as a whole. Analyse. **(5 Marks)**

Question 4(b)

Audit documentation provides evidence of the auditor's basis for a conclusion about the achievement of the overall objectives of the auditor and evidence that the audit was planned and performed in accordance with SAs and applicable legal and regulatory requirements. Explain stating clearly purpose of audit documentation. **(5 Marks)**

Question 4(c)

Write short note on: Statistical and Non-statistical Sampling. **(4 Marks)**

Question 5(a)

Write short note on: Stratified sampling. **(4 Marks)**

Question 5(b)

Discuss the techniques available as substantive analytical procedures. **(6 Marks)**

Question 5(c)

CA A, auditor of ABC Ltd, wants to design substantive analytical procedure and for that he wants to check whether the data is reliable or not. Mention the relevant points which he has to consider whether data is reliable for purpose of designing the substantive analytical procedures. **(4 Marks)**

Question 6(a)

Examine the applicability of CARO, 2020 in the below mentioned cases:

(a) Educating Child is a limited company registered under section 8 of the Companies Act, 2013.

(b) Ashu Pvt. Ltd. having paid capital and reserves of Rs.50 lakh. During the year, the company had borrowed Rs.70 lakh each from a bank and a financial institution independently. Turnover for the year was Rs.900 lakh. **(4 Marks)**

Question 6(b)

Sufficiency is the measure of the quantity of audit evidence. The quantity of audit evidence needed is affected by the auditor's assessment of the risks of misstatement and also by the quality of such audit evidence. Obtaining more audit evidence, however, may not compensate for its poor quality. Explain also stating the factors affecting auditor's judgment as to sufficiency of audit evidence. **(5 Marks)**

Question 6(c)

Explain various methods to obtain audit evidence. **(5 Marks)**

SPACE FOR ROUGH WORK