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63/1 (SEM-5) CC12/DSE2A/
COMHC5126/COMRE5126

2023

COMMERCE

Paper : COMHC5126/COMRE5126

(Auditing and Corporate Governance)

Full Marks : 80

Pass Marks : 32

Time : Three hours

The figures in the margin indicate
full marks for the questions.

1. Choose the correct answer from the following :
1×6=6

- (a) Civil liability of an auditor implies liability for -
- (i) Misappropriation of cash
 - (ii) Misappropriation of accounts
 - (iii) Fraud
 - (iv) Misfeasance

Contd.

- (b) A company auditor in general has to submit his report to
- (i) Shareholder
 - (ii) Central Government
 - (iii) C & AG
 - (iv) Board of Director
- (c) A cost auditor is appointed by the
- (i) Shareholder
 - (ii) Board of Director
 - (iii) C & AG
 - (iv) Central Government
- (d) The audit of financial records to ascertain the correctness of taxable profits means -
- (i) Tax audit
 - (ii) Management audit
 - (iii) Profit audit
 - (iv) Financial audit
- (e) The Corporate Social Responsibility Committee must be composed of
- (i) 3 or more directors
 - (ii) only 1 director
 - (iii) 2 directors
 - (iv) 4 or more directors

- (f) Corporate Governance is primarily about
- (i) Rules
 - (ii) Values
 - (iii) Profits
 - (iv) Legal frameworks
- (g) The major aspect of environmental sustainability is
- (i) Role of packaging
 - (ii) Role of clean energy
 - (iii) Role of environmental reporting
 - (iv) All of the above
- (h) Which of the following is not the procedure for vouching of Cash Sales ?
- (i) Examine of Cash Book
 - (ii) Examine of Cash memos
 - (iii) Examine the counterfoils
 - (iv) Examine the Balance Sheet
- (i) Which of the following is an element of the Audit Report ?
- (i) Title and address
 - (ii) Introductory, scope and opinion paragraph
 - (iii) Date, place and auditor's signature
 - (iv) All of the above

(j) The arrangement of duties of staff must be in such a manner, that the work of one person is automatically checked by another during course of carrying out recording and processing a transaction –

- (i) Internal check
- (ii) Internal audit
- (iii) Internal control
- (iv) Internal examination

2. Answer the following questions : **(any five)**

2×5=10

- (a) Mention *two* main advantages of auditing.
- (b) Mention *two* elements of a good internal check system.
- (c) Write *two* distinctions between vouching and verification.
- (d) Explain what is meant by Electronic Data Processing (EDP).
- (e) Describe in brief the concept of 'Green Governance'.
- (f) Write a brief note on management audit.
- (g) Mention the needs for a good corporate governance.

3. Answer the following questions : **(any six)**

5×6=30

- (a) Write a critical note on the history of auditing in India.
- (b) Explain the general principles of vouching.
- (c) Discuss the various contents of the auditor's report.
- (d) Describe the important advantages of cost audit.
- (e) Distinguish between Auditing of Manual Accounts and Computerised Accounts.
- (f) Enumerate the provisions of Corporate Governance under Companies Act, 2013.
- (g) Write the various principles of business ethics.
- (h) What do you mean by relationship of Corporate Social Responsibility with Corporate Sustainability? Mention the pillars and benefits of Corporate Sustainability.
- (i) Write a note on qualification and disqualification of an auditor in auditing of a Limited Company.
- (j) Write the meaning of Auditing Standards also write the *four* Auditing Standards issued by ICAI.

4. Answer **any two** of the following questions :

10×2=20

- (a) What is meant by 'continuous audit' ?
To what type of business is it specially applicable ? State merits and demerits of such an audit. 2+2+3+3=10
- (b) Write the meaning of Good Corporate Governance. Mention the different models of Corporate Governance and explain each one of them briefly. 2+8=10
- (c) Explain in detail the main components of a sound ethical programme for an organisation.
- (d) Write the meaning of Tax audit and Management audit. Mention the different forms prescribed for issue of Audit Report under the Income Tax Act.

5. Answer **any one** of the following questions :

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- (a) What is meant by the term 'Internal check' ? What are the essential features of a good system of internal check ? What is the position of an auditor in relation to such a system ? 2+8+4=14

(b) Discuss in detail 'Corporate Social Responsibility' as a business strategy for Sustainable Development.

(c) Describe the basic issues to be considered for audit in EDP Environment. Also explain the different ways through which control can be exercised over an EDP Environment.

7+7=14