

GAME CHANGER TIPS FOR AUDIT PAPER

(Improve marks by 20-30%)

How you approach audit paper is very important, follow these to excel in exams.

1. First thing is to select questions & do ranking (determining solving sequence), it may be 3rd and then 6th etc (Spend 10 minutes). Initial few answers create impression about candidate and his knowledge so they should be best you know.
2. Please spend 2-3 minutes in **designing your answers** (draft key points & flow of answer in rough), recall all SAs, AS, Company Act Sections, for finals do these also:- Prof Ethics, Form 3CD Clauses, Read only **HEADINGS** of all guidance notes and give their reference in all relevant cases. More references more marks.
Example if related party question is there you have to give reference to SA 550, AS 18, Section 188 / 189 it is must (Highlight /Underline)

Majority of students know whether answers are yes or no, correct or incorrect but you have to justify focus on why yes / no, why correct/ incorrect, for this read question **minimum** thrice.

“CONTENT is as important as end conclusion”

3. All answers wherever possible (specially cases) should be written in 4 highlighted (underlined) parts viz.
 - a. Applicable SA,AS etc... (Reference)
 - b. Provisions / Prescription/Content of SA,AS etc...
 - c. Application to given case
 - d. Conclusion

Length of answer is also important **“include all relevant points”** try to give good big size answers 1 & ½ to 2 page (single side) answers for 5 marks, write as if reader doesn't know anything , you will automatically include all points.

Important points should be written first and then less important points, for example in vouching of sales concept of fake sales bill, importance of pre numbered sales bill should be discussed first as compared to date of bill, name of client etc

4. Be ready with short 2-3 lines summary for each SA , as particular SA is applicable write summary to start with.
5. When difference between is expected either give tabular answer with headings explaining point of difference or proper paragraphs with again headings explaining content of paragraph.
6. Highlight purpose of answers and important points with pencil, such answers tend to get good marks

SHARE it with others to get mutual benefit.




EASY WAY TO REMEMBER SAs ALONG WITH CONCEPTUAL CLARITY
SA KI KAHANI WITH 3 IDIOTS (Just 15 Minutes)






Step1:- Slowly Read kahani (Story) and keep visualizing it along with images






Step2:- Now correlate relevant SAs with story (Last Column)





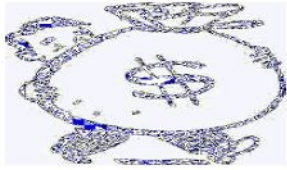

Do it part by part, first complete Initial Phase then Week 1 then Week 2 and so on






Now you will remember SA numbers, there content and get conceptual clarity of the whole audit process.



Kahani (Story)	Images for photobased memory	Relevant SAs
Initial Phase		
Rancho ko Engg College ka audit mila, Jaise hi audit mila usne management ke sath <u>Audit Agreement sign</u> kiya.		SA 210 Agreeing The Terms Of Engagement
Itni badi jimmedari akele nibhana mushkil tha isliye management ne rancho ke sath farahn ko <u>Joint Auditor</u> appoint kiya		SA 299 Joint Auditors
Audit milne ke baad audit mai kya karna chahiye <u>(OBJECTIVES)</u> aur audit kaise karna chahiye <u>(PRINCIPLES)</u> iske liye rancho ne Standards on Auditing ki maddat li.		SA 200 Objectives & Principles





Week 1:- Quality		
Rancho perfectionist hai isliye woh Audit mai Quality maintain karna chahta hai		SA 220 Quality Control
Quality maintain karne ke liye Rancho ne tagdi Planning ki		SA 300 Planning
Planning ko successful banane ke liye logo se taalmel jaruri hai isliye breakfast pe Branch Auditor Kareena Kapoor se baat kar li.		SA 600 Using The Work Of Another Auditor
Phir Lunch Internal auditor Rani Mukherjee ke saath liya.		SA 610 Using The Work Of An Internal Auditor
Aur Dinner Expert Katrina Kaif ke saath liya.		SA 620 Using The Work Of An Auditor's Expert

Week 2:- Risk		
<p>Agle haftein college jaake pata laga sabse jyada gadbadi ki Risk admissions aur result mein ho sakti hai.</p>		<p>SA 315 Risk Assessment</p>
<p>Admissions aur results mein Fraud 2 log kar saktein hai Virus aur uska assistant Chatur.</p>		<p>SA 240 Fraud</p>
<p>Jaisehi rancho ko shaq hua usne Response mai team leader Raju ko virus aur chatur ke bare mein sari jankari collect karne ke liye bhej diya</p>		<p>SA 330 The Auditor's Responses To Assessed Risks</p>
Week 3:- Evidence		
<p>Rancho admission aur result ke Evidence collect karna shuru kar deta hai.</p>		<p>SA 500 Audit Evidence</p>
<p>Rancho ne saal ke shuruvat se checking shuru ki. (Opening Balances)</p>	<p>Opening Balance</p>	<p>SA 510 Initial Audit Engagements- Opening Balances</p>
<p>Rancho ne pichle 5 saal ka admission data (management quota) ka graph banaya (Analytical procedure)</p>		<p>SA 520 Analytical Procedures</p>

<p>Hazaro bacho ke sare forms check karna possible nahi tha isliye Rancho ne Sample basis pe kuch baccho ke forms aur receipt check kiye</p>		<p>SA 530 Sampling</p>
<p>Document padh kar pata chala ki virus ne university ka Rules / (Law) tod kar management quota mai jyada admissions kiye hai</p>		<p>SA 250 Laws And Regulations In An Audit</p>
<p>Tabhi usko 10 aise admissions mile jaha forms mai 90% marks likhe the lekin mark sheet mai 50% the jinko approve Virus ne kiya tha (Misstatement)</p>		<p>SA 450 Misstatements</p>
<p>Rancho college ke office se important Documents collect kar leta hai</p>		<p>SA 230 Audit Documentation</p>
<p>Yeh gadbadi bahut bade level ki nikali (Materiality)</p>		<p>SA 320 Audit Materiality</p>
<p>Agar ye bat prove hoti hai to college ka registration cancel ho jayega aur college band ho jayega (Going Concern)</p>		<p>SA 570 Going Concern</p>

<p>Rancho ne management ko internal control mein chatur kaisi gadbadi macchata hai woh bhi bataya (Internal Control Deficiency).</p>		<p>SA 265 Deficiencies In Internal Control</p>
<p>Rancho ghabra kar management ke paas gaya aur iss bare mai sari jankari likh kar le li (Written Representation)</p>		<p>SA 580 Written Representations</p>
<p>Isi silsile mein who company ke lawyer se bhi mila. (Additional evidence)</p>		<p>SA 501(R) AUDIT EVIDENCE – Additional Consideration For Specific Items</p>
<p>Week 4 – Important Area</p>		
<p>College ne aapni printing activities “Mona” ko <u>outsource</u> kiya hua hai. (Service Organisation)</p>		<p>SA 402 Audit Considerations Relating To An Entity Using A Service Organisation</p>
<p>Mona toh virus ki beti hai, matlab yeh toh Related party hai.</p>		<p>SA 550 Related Parties</p>

Rancho ne Estimate kiya ki printing cost kitna aata hoga aur dekha ki woh reasonable hai ki nahi.		SA 540 Estimates
Rancho ne Mona se Confirmation managawaya ki kitni printing ki is saal.		SA 505 External Confirmations
Week 5 – Audit Report		
Sab log eikahta hue Audit report bananke liye	Audit Report	SA (700)R Forming an Opinion on the Financial Statements(Audit Report)
Rani ne bola jitni galtiya hai usko report mein likhna chahiye (Modification) .		SA (705) Types of Opinion
College ke upar band hojane ka jo khatra hai uspe Emhphasis karna chahiye		SA (706) Emphasis of Matter Paragraphs & Other Matter Paragraphs in the Independent Auditor's Report

<p>Rancho ne Audit Report ka approach tay kiya.</p>		<p>SA (710)R Comparative Information</p>
<p>Kareena said lets First read some important documents such as BOD report etc before finalizing</p>		<p>SA 720 Other Information</p>
<p>Report dene ke baad Subsequently pata chala ki college mein zamin ghotala bhi hai.</p>		<p>SA 560 Subsequent Events</p>
<p>Aapne aache kaam aur communication se rancho ne Top level management ka dil jeet liya. (Communication with TCWG)</p>		<p>SA 260 Communication With Those Charged With Governance (TCWG)</p>

CA IPC AUDIT IMPs

CARO	<p>Applicability of CARO & All 12 Clauses</p> <p>1. Remember private company which subsidiary of public company is also a public company (No Exemption) but this rule is not applicable when holding company is foreign public company</p> <p>2. Only Interest accrued & due are included in loan outstanding on the other hand Interest only accrued is not included in loan outstanding.</p>
Company Audit I (Full Chapter/ Section 139 to Section 148 Very Important)	<p>Qualifications / Disqualifications / Appointment (First / Subsequent / Casual Vacancy) / Procedure of Appointment / Removal / Resignation / Remuneration / Powers & Duties of Auditor / Audit Reporting / Fraud Reporting / Signing Audit Report / Attending AGM / Penalties / Cost Audit Rules 2014 (Applicability of Cost Records & Cost Audit + Respective Exemptions)</p>
Company Audit II	<p>Sec 128 (Books of Accounts), Sec 129 (Financial Statements), Section 136 (Circulation of Financial Statements), Section 137 (Submission of financial statements to ROC) Section 138 (Internal Auditor) / Allotment of Shares / Buyback / Debentures</p>
Standards on Auditing	<p>200 / 210 / 230 / 240 / 265 / 299 / 300 / 315 / 330 / 450 / 500 / 501 / 505 / 510 / 530 / 570 / 580 / 600 / 620 / 700 / 705</p>
Special Audit	<p>NGOs / Local Authority / Educational Institutes / Cinema Hall</p>
Schedule III	<p>What you study in Accounts is sufficient</p>
Accounting Standards	<p>AS 1 / 2 / 4 / 6 / 10</p>
Vouching	<p>Sales / Scrap Sales / Rent Received / Travelling Expenses / Income Tax / Salary</p>
Verification	<p>P&M / Buildings / Motor Car / Trademark / Contingent Liability</p>
EDP	<p>Audit Trail / White Box Approach & Black Box Approach / CAAT</p>
Government Audit	<p>Provisions related to C&AG / Powers of C&AG / Duties of C&AG / Audit of Expenditure / Propriety Audit</p>
Miscellaneous	<p>Final Audit V/S Continuous Audit , Audit V/S Review, Audit V/S Investigation, Basic Principles Governing Audit , Audit Process, Independence of Auditor, Ethical Requirements, Depreciation, Dividend, Gross profit Analysis, Wasting Assets</p>

* If you have sufficient time then it is advisable to cover all the topics including **IMPs**.

CA Final AUDIT IMPs

CARO	Applicability of CARO & All 12 Clauses 1. Remember private company which subsidiary of public company is also a public company (No Exemption) but this rule is not applicable when holding company is foreign public company 2. Only Interest accrued & due are included in loan outstanding on the other hand Interest only accrued is not included in loan outstanding.
Company Audit	<u>Company Audit I</u> Disqualifications / Rotation of Auditors / Removal of Auditor/ Duties of Auditor (Reporting Duties) AUDIT REPORT/ Fraud Reporting / Penalties / Cost Audit Rules 2014 (Applicability of Cost Records & Cost Audit + Respective Exemptions) <u>Company Audit II</u> Section 129 (Consolidation) / Section 135 (CSR) / Section 138 (Internal Audit)
Standards on Auditing	220 / 250 / 315 / 402 /450 / 520 / 540 / 550 / 560 /610 / 620 / 706 / 710 / 720 / 805 / 810 / 3400 / 4400 / 4410
PE	First Schedule & Second Schedule
AS	2 / 4 / 5 / 9 /10 / 11 / 12 / 14 / 21 / 22 / 26
Bank Audit	NPA (Download shortcut from www.auditguru.in) / Investment Classification / Concurrent Audit
Audit of GIC	Insurance Amendment Act 2015 /Co-Insurance (Inward / Outward) / Re-Insurance & Types / Audit of Premium & Audit of Claim / Solvency Margin
Members of Stock Exchange	Types of Margin / Market Wide Circuit Breaker / Books Maintained / Bought Out Deals
Peer Review	Scope / Process / Qualifications of Reviewer / Categories of Firms / Latest amendment regarding disciplinary action
TAX Audit	Computation of Turnover for applicability of TAX Audit U/S 44AB / Clause Numbers & Brief Description (Each exam it comes for 4 marks)
Dividend	Very important expect practical question on dividend distribution out of reserves
EDP / CIS	Controls Systems:- General / Application /Organisation & Management / Access / Input / Process / Output / Documentation / CAAT / Audit Approach towards EDP
Corporate Governance Clause 49	Independent Director / CEO / CFO certification / Related Party Transactions/ Corporate Governance Report
Consolidation	Types of consolidation / Permanent Adjustments / Current Adjustments / Responsibility of Auditor
Audit of Co-operative Societies	Special Features of Co-operative Audit
NBFC	NBFC vs Bank /Types of NBFC /Mortgage Guarantee Companies / Micro Finance Company / Checklist for Hire Purchase Company
Mutual Fund	Accounting requirements of Mutual Fund as per Schedule IX
Environment Audit	Aspects of Environment Audit / Format of Environment Report
Energy Audit	Key points while performing energy audit
PSU Audit	Powers of C&AG / Performance Audit / Propriety Audit
Management & Operational Audit	Short Note on Management Audit / Operational Audit / Behavioural Aspects in Management Audit
Investigation & Due Diligence	Types of Due Diligence / Financial Due Diligence

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