

# **WAY TO PINNACLE**

## **AUDITING & ASSURANCE (CA-INTER)**

### **LIST OF IMPORTANT QUESTIONS-(OLD & NEW)**

**BY: CA. NITIN GUPTA**

#### **Question 1**

What are the advantages of audit of financial statements? Or what are the advantages of independent examination?

#### **Question 2**

Define the concept of true and fair view in an audit of financial statements.

#### **Question 3**

Discuss principal aspects to be considered by an auditor while conducting an audit of financial statements.

#### **Question 4**

What are the auditor's responsibilities relating to fraud in an audit of financial statements? [Hint: Refer SA 240]

#### **Question 5**

What are the basic principles of an audit?

#### **Question 6**

Mention the areas in which different accounting policies are encountered and how that would be disclosed.

#### **Question 7**

Short note on "Reliability of Audit Evidences"

#### **Question 8**

Explain various methods to obtain audit evidences.

#### **Question 9**

The auditor may exercise his judgement to identify which risks are significant risks. Explain the above in the context of SA- 315.

### **Question 10**

As an auditor how will you obtain an understanding of the entity and its environment in an audit of financial statements? [Hint: Refer SA 315]

### **Question 11**

In the context of SA 315, state the assertions used by auditor to consider different types of potential misstatements that may occur w.r.t. Classes of transactions & events, account balances at the end of reporting period and overall presentation and disclosure of the financial statements.

### **Questions 12**

How test of controls is performed by the auditor in an audit of financial statements? [Hint: Refer SA 330]

### **Question 13**

How substantive audit procedures are performed by the auditor in an audit of financial statements? [Hint: Refer SA 330]

### **Question 14**

Define external confirmation procedures. [Hint: Refer SA 505]

### **Question 15**

How analytical procedures are performed by auditor in an audit of financial statements? [Hint: Refer SA 520]

### **Question 16**

What are the factors that determine the extent of reliance that auditor can place on results of analytical procedures? Explain with reference to SA 520.

### **Question 17**

Define audit risk and its components.

### **Question 18**

Explain the concept of materiality and factors which act as guiding factors to this concept. [Hint: Refer SA 320]

### **Question 19**

With reference to SA 320 indicate the factors which may affect the identification of appropriate benchmark in determining materiality for the financial statements as a whole.

### **Question 20**

What are the preconditions for an audit of financial statements? [Hint: Refer SA 210]

### **Question 21**

Indicate the factors which make it appropriate for an auditor to send a new engagement letter for a recurring audit. [Hint: Refer SA 210]

### **Question 22**

How an audit strategy is established? What are its advantages? [Hint: Refer SA 300]

### **Question 23**

M & Co. is appointed as auditor of G Ltd. As an auditor what are the factors that would be considered in the development of overall audit plan? [Hint: Refer SA 300]

### **Question 24**

What are the advantages and disadvantages of audit programme?

### **Question 25**

Mention the factors which affect the form, content and extent of audit documents. [Hint: Refer SA 230]

### **Question 26**

What are the additional number of purposes served by audit documentation? [Hint: Refer SA 230]

### **Question 27**

With reference to SA 530, meaning of audit sampling and requirement of sample design, sample size and selection of items for testing.

### **Question 28**

Precautions to be taken in applying test check technique.

### **Question 29**

"The auditor is faced with sampling risk in both tests of control and substantive procedures." Comment on this statement with reference to SA 530.

### **Question 30**

Short Note on "Random Sampling".

### **Question 31**

What are the advantages of "Statistical Sampling"?

### **Question 32**

Is surprise check desirable in audit, if so, give important recommendations?

### **Question 33**

Short Note on "Examination in Depth"

**Question 34**

What is continuous audit and what are the precautions should be taken to avoid the disadvantages of continuous audit?

**Question 35**

What instructions should be given to client before start of actual audit?

**Question 36**

Write short note on “Internal Financial Controls”

**Question 37**

What are the inherent limitations of internal controls?

**Question 38**

What are the inherent limitations of auditing?

**Question 39**

Write short note on Narrative Records, Check List, Internal Control Questionnaire and Flow Chart.

**Question 40**

Write short note on “Letter of Weakness”

**Question 41**

What are the general considerations in framing a system of internal check?

**Question 42**

What are the prohibited services for auditor of company? [Hint: Refer Section 144]

**Question 43**

Discuss power of the Tribunal for removal of auditor of company. [Hint: Refer Section 140(5)]

**Question 44**

Discuss duties of company auditor for reporting on fraud to CG. [Hint: Refer Section 143(12)]

**Question 45**

Discuss provisions for filling of casual vacancy in the office of auditor of company. [Hint: Refer Section 139(8)]

**Question 46**

What is the Companies (Auditor’s Report) Order, 2016? Discuss its applicability.

#### **Question 47**

What are the provisions for appointment of subsequent auditor of company? [Hint: Refer Section 139(1), (5)]

#### **Question 48**

What are the provisions for appointment of first auditor of company? [Hint: Refer Section 139(6), (7)]

**Other Important Section- 141(3)(b)(c)(d)(e)(f)(g)(i), 139(2)**

**Clause of Para 3 of CARO (2016)- (i), (ii), (vi), (vii), (viii), (x), (xi), (xiii)**

#### **Question 49**

With reference of SA 250 give some examples or matters indicating to the auditor about non-compliance with law and regulations by the management.

#### **Question 50**

Discuss auditor's responsibilities in relation to reporting on non-compliance with law and regulation. [Hint: Refer SA 250]

#### **Question 51**

How a joint audit plan is developed by joint auditors in the joint audit of financial statements? [Hint: Refer SA 299]

#### **Question 52**

What are the points where joint auditors are jointly and severally responsible? [Hint: Refer SA 299]

#### **Question 53**

As an auditor how will you obtain sufficient and appropriate audit evidence for existence and condition of inventory? [Hint: Refer SA 501]

#### **Question 54**

As an auditor how will you obtain sufficient and appropriate audit evidence for opening balance in initial audit engagement? [Hint: Refer SA 510]

#### **Question 55**

As an auditor how will you assess risk of material misstatements in accounting estimates? [Hint: Refer SA 540]

#### **Question 56**

Mention some records or documents that may provide information about related part relationships and transactions. [Hint: Refer SA 550]

**Question 57**

Discuss with reference to SA 550, "Identification of significant related party transaction outside the entity's normal course of business.

**Question 58**

Inquiry from management is helpful for auditor to evaluate subsequent events. Discuss specific inquiries of SA 560, which might have effect on the financial statements.

**Question 59**

As an auditor how will you obtain sufficient and appropriate audit evidence for subsequent events in an audit of financial statements? [Hint: Refer SA 560]

**Question 60**

Mention events or conditions which may create significant doubt on the entity's ability to continue as going concern. [Hint: Refer SA 570]

**Question 61**

What are the additional audit procedures when auditor identifies events or conditions which may create significant doubt on the entity's ability to continue as going concern? [Hint: Refer SA 570]

**Question 62**

How external auditor determines the nature and extent of work that may be assigned to internal auditor to provide direct assistance? [Hint: Refer SA 610]

**Question 63**

Who is an expert and how is he appointed? [Hint: Refer SA 620]

**Question 64**

Short Note on- Unmodified Opinion, Adverse Opinion, Disclaimer of Opinion and Qualified Opinion.

**Question 65**

As an auditor how will you determine Key Audit Matters to communicate in audit report? [Hint: Refer SA 701]

**Question 66**

Define "Emphasis of Matter" and "Other Matter" paragraph in auditor's report. [Hint: Refer SA 706]

**Question 67**

Special Audits- Audit of Club, Hospital, Educational Institutions, Hire Purchase Co, NGO.

### **Question 68**

Short Note on “Power of CAG”

### **Question 69**

What are the focus points in doing propriety audit by CAG as regards government expenditure?

### **Question 70**

Internal Audit Requirement under the Co Act, 2013.

## **Only For Old Syllabus Students**

### **Vouching and Verification**

Goods on Consignment Basis, Sales Return, Income from Investment, sale of investment, sale of Fixed Assets, Wages & Salaries, Custom Duty, Remuneration paid to Directors, Preliminary Expenses, Research and Development Expenses, Retirement Gratuity to Employees, Advertisement Expenses, Advance Given to Director of Company.

Verification of Trade Mark and Copyrights, Goodwill, Cash at Bank, Inventory Lying with Third Party, Bank Borrowings, Contingent Liabilities.

### **The Company Audit-II**

Examination of Buy Back of Securities, Prohibition on Buy Back

Examination of Reduction of Share Capital

Examination of Alteration of Share Capital

Examination of Issue of Bonus Shares

Examination of Issue of Sweat Equity Shares

Examination of Payment of Dividend

### **Audit in CIS Environment**

Nature of Processing in CIS Environment

Different Design and Procedural Aspects of CIS

Specific Risk Relating to IC in CIS Environment

Internal Control in CIS Environment

Black Box and White Box Approach

Benefits of CAAT

Doing audit in CIS environment is simpler since Trial Balance always tallies. Discuss

## **Only For New Syllabus Students**

### **Audit of Co-Operative Society [4-5 Marks]**

Investment of Funds

Special Report to Registrar

Special Features in Audit- Examination of Overdue Debt

Schedules to be included in the audit report of Co-Operative Society

Power of CG to Direct Special Audit

Inquiry by Central Registrar

### **Audit of Banks [4-5 Marks]**

Audit of Advances,

Prudential Norms on Income Recognition, Assets Classification, Provisions

Pertaining to advances

Mode of Creation of Security

### **Audit in Automated Environment [4- 5 Marks]**

Key Features of an Automated Environment

Impact of IT Related Risk on Controls, Substantive Audit and Reporting

Types of Controls in an Automated Environment

Audit Approach in Automated Environment

Data Analytics for Audit

### **Audit of Items of Financial Statements [10-15 Marks]**

Cover entire Chapter from Book.

**Thanks**

**Team- Way To Pinnacle**

**For any Doubt/Query**

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