

**BACHELOR OF COMMERCE (Hons)
SIXTH SEMESTER
AUDITING AND CORPORATE GOVERNANCE
BCM-601**

Duration : 3 hrs.

Full Marks: 70

Time : 20 min.

(PART-A: Objective)

Marks : 20

Choose the correct answer from the following:

1X20=20

1. Instruction of audit issued by controller and auditor general of India is:
a. Management Audit
b. Final Audit
c. Interim Audit
d. Government Audit
2. Vouchers relates to:
a. Cash receipt
b. Cash payment
c. Credit transaction
d. All of the above
3. Who, among the following, can be appointed as an auditor of a company?
a. A partner or director of a company
b. A person of unsound mind
c. Mr. Y who owes Rs. 500 to the company
d. Mr. Z the holder of C.A certificate
4. When a transaction has not been recorded in the books of accounts either wholly or partially such errors are called _____
a. Error of commission
b. Error of omission
c. Compensatory error
d. Error of principle
5. The liabilities of an auditor can be _____
a. Civil
b. Criminal
c. Civil and criminal
d. Official
6. Professional skepticism requires that the auditor assume that management is _____
a. Honest
b. Neither honest nor dishonest
c. Not necessarily honest
d. Dishonest, unless proved otherwise
7. The retiring auditor does not have right to:
a. Make written representations
b. Get his representation circulated
c. Be heard at the meeting
d. Speak as a member of the company
8. Which of the following is the most desirable type of audit report
a. Unqualified opinion
b. Qualified opinion
c. Adverse opinion
d. Disclaimer of opinion

9. On receipt of which of the following report, a business entity needs to go for re-audit?
- a. Unqualified opinion
 - b. Qualified opinion
 - c. Adverse opinion
 - d. Disclaimer of opinion
10. Management audit is:
- a. Compulsory
 - b. Not compulsory
 - c. Compulsory under Income Tax Act
 - d. Compulsory under Indian Contract Act
11. Which type of audit refers to the evaluation of Company's performance against planned goals in the area of social responsibility?
- a. Cost Audit
 - b. Social Audit
 - c. Management Audit
 - d. Tax Audit
12. The concept of stewardship means that a company's directors
- a. Are responsible for ensuring that the company complies with the law
 - b. Are responsible for ensuring that the company pays its tax by the due date
 - c. Safeguard the company's assets and manage them on behalf of shareholders
 - d. Report suspected fraud and money laundering to the authorities
13. Which of the following does not act as an external corporate governance mechanism?
- a. External auditors
 - b. The SEC
 - c. Credit Analysts
 - d. Independent board of directors
14. According to Cadbury (2002), corporate governance is an issue of power and _____
- a. Rights
 - b. Accountability
 - c. Profit
 - d. Appropriability
15. When a firm charges different prices to different groups of customers, it may be accused of:
- a. Cultural relativism
 - b. Money laundering
 - c. Facilitating payments
 - d. Price discrimination
16. What is ethics to do with?
- a. The wider community
 - b. Business
 - c. Right and wrong
 - d. Nothing
17. A successful business ethics training need to focus on:
- a. Personal opinions of employees
 - b. Limited to upper executives
 - c. Educate employees on formal ethical
 - d. Promote the use of emotions in

frameworks and models of ethical decision making

making tough ethical decisions

18. Triple bottom line is _____
- a. An accounting tool that makes impact on people, planet and profit
 - b. A management strategy which states all attention should be on profit
 - c. An accounting tool that looks at cost, profit and loss
 - d. A management strategy which focuses on corporate social responsibility
19. Most companies begin the process of establishing organizational ethics programs by developing _____
- a. Ethics training programs
 - b. Codes of conduct
 - c. Ethics enforcement mechanisms
 - d. Hidden agendas
20. Managerial Ethics can be characterized by all of the following, except:
- a. Immoral Management
 - b. Amoral Management
 - c. Demoral Management
 - d. Moral Management

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(PART-B : Descriptive)

Time: 2 HRS 40 MINS

Marks : 50

[Answer question no.(1) & any four (4) from the rest]

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| 1. What is auditing? Discuss the different classification of audit. | 2+8=10 |
| 2. Discuss the concept of vouching. Highlight the vouching procedure. | 4+6=10 |
| 3. Write a detailed note on the qualifications of auditor of a limited company. | 10 |
| 4. What is an audit report? Discuss the different types of audit reports. | 3+7=10 |
| 5. Highlight the need for Auditing standards. Mention the national and international bodies framing such standards. | 4+6=10 |
| 6. Explain the concept of Corporate Governance. Highlight the different committees for Corporate Governance. | 2+8=10 |
| 7. What is listing agreement? Write in detail about Clause 49 of the Listing Agreement | 3+7=10 |
| 8. Write short notes on:
i. CSR and business ethics
ii. Corporate philanthropy | 5+5=10 |

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