

**BACHELOR OF COMMERCE [HONs]
SIXTH SEMESTER
AUDITING AND CORPORATE GOVERNANCE
BCM – 601**



[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

(Objective)

Marks: 20

Choose the correct answer from the following:

1 × 20 = 20

1. The framework for establishing good Corporate governance and accountability was originally set up by the
 - a. Nestle Committee
 - b. Rowntree Committee
 - c. Thornton Committee
 - d. Cadbury Committee
2. Corporate Governance is a _____ approach.
 - a. Top-down
 - b. Bottom-top
 - c. Hybrid
 - d. Scientific
3. 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
4. Cost audit means audit of _____ records.
 - a. Financial
 - b. Cost
 - c. Tax
 - d. Sales
5. Which of the following audit is forward looking?
 - a. Financial
 - b. Cost
 - c. Tax
 - d. Management
6. Audit trail is an example of _____ control.
 - a. Detective
 - b. Application
 - c. Preventive
 - d. Correction
7. 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
8. The _____ dimension of social responsibility refers to a business's societal contribution of time, money and other resources.
 - a. Ethical
 - b. Philanthropic
 - c. Volunteerism
 - d. Strategic

9. Which of the following does the term corporate social responsibility related to?
 a. Ethical conduct
 b. Environmental practice
 c. Community investment
 d. All of these
10. What is ethics to do with?
 a. The wider community
 b. Business
 c. Right and wrong
 d. Nothing
11. Which type of error occur when GAAP are not observed while recording any transaction?
 a. Error of omission
 b. Compensating errors
 c. Error of duplication
 d. Error of principle
12. _____ refers to identification and assessing the risk of material misstatement through understanding the entity and its environment.
 a. Internal control
 b. Internal check
 c. Internal audit
 d. None of these
13. In an organization if there is lack of satisfactory system of internal check, _____ audit is considered to be more suitable.
 a. Continuous audit
 b. Periodical audit
 c. Balance sheet audit
 d. Management audit
14. In a company, internal auditor is appointed by _____.
 a. shareholders
 b. creditors
 c. Board of Directors
 d. Government
15. As per Section 139(5) of Companies Act, 2013, an auditor in government company is appointed by _____.
 a. Central government
 b. State government
 c. Controller and Auditor general
 d. Company Law Board
16. Management audit is also known as
 a. Efficiency audit
 b. Standard audit
 c. Performance audit
 d. Propriety audit
17. Early detection of frauds and errors are possible in which type of audit?
 a. Continuous audit
 b. Internal audit
 c. Statutory audit
 d. Interim audit
18. Accounts and audit department is headed by
 a. Ministry of finance
 b. Home minister
 c. Comptroller and Auditor General of India
 d. Prime Minister
19. The underlying principles of Combined Code of Corporate Governance and Conduct are:
 a) Acceptability
 b) Openness
 c) Integrity
 d) Accountability and Responsibility
 a. Only (a)
 b. (a) & (c)
 c. (b) & (d)
 d. Only (d)

20. Under which theory both internal and external corporate governance mechanism intended to induce managerial actions that maximize profit and shareholder value?
- a. Shareholder theory
 - b. Agency theory
 - c. Stakeholder theory
 - d. Corporate Governance theory

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(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

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

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| 1. Define auditing. Discuss in detail the objectives of auditing. | 2+8=10 |
| 2. Write a detailed note on the classification of audit. | 10 |
| 3. Discuss the qualifications and disqualification of a Company Auditor. | 10 |
| 4. What is an Audit Report? Discuss the different types of audit report. | 3+7=10 |
| 5. Write short notes on:
a) Tax Audit
b) CAAT | 5+5=10 |
| 6. What is Corporate Governance? Discuss the different theories of Corporate Governance. | 2+8=10 |
| 7. Write a detailed note on Clause 49 and Listing Agreement. | 10 |
| 8. Discuss the different CSR provisions laid down under the Companies Act of 2013. | 10 |
