

National Management College – Perundurai

CA Intermediate Batch : 2022 – 2023

Gr-2: Paper 06: Auditing and assurance

Maximum marks : 30

Time allowed: 1 hr

Part – I (6 Marks)

I. State with reasons (in short) whether the following statement is correct or incorrect:

1. Auditor needs to report to Central Government in case of fraud involving 20 cr. Rupees
2. Unusual delays by the entity in providing requested information shows problematic or unusual relationships between the auditor and management.
3. The Company auditor need not report on the efficacy of Internal Financial controls in his Audit Report in the case of a One Person Company.

Part – II (24 Marks)

II. Answer the all the questions

1. With respect to audit in an automated environment, explain the following:
 - (i) CAATS
 - (ii) Data Analytics
 - (iii) Database
 - (iv) Information Systems
 - (v) Privileged access
2. In an audit of financial statements of PQR Ltd. CA Suganya finds that the cash receipts have been suppressed. Give examples of such techniques which may have led him suspect this.
3. Enlist the instances which induce Management / Employees to commit fraud?
4. During the Statutory Audit of a Public Limited Company, XYZ Ltd. its auditor, Mr. Balaji, the engagement partner of Bajaj Chopra & Associates, encounters some exceptional circumstances that bring into question his ability to continue performing the audit while suspecting a fraud arising from material misstatements. Explain the steps to be taken in such a case.