

Scope of audit in case of joint stock companies is defined by.

- A. Auditor
- B. Management
- C. Law
- D. Shareholders

ANSWER: C

Following are the advantages of continues audit except.

- A. Interim dividend
- B. Auditors-employee friendship
- C. Detailed checking
- D. Moral Check

ANSWER: B

Following are accounting techniques except.

- A. Depreciation Rate
- B. Interest Rate
- C. Verification
- D. A & B

ANSWER: C

Auditing techniques include.

- A. Vouching
- B. Verification
- C. Valuation
- D. All of Above

ANSWER: D

The purposes of audit program include.

- A. Timetable
- B. Controls cost of audit

C. Future references

D. All of Above

ANSWER: D

Following are disadvantages of final audit except.

A. Accounts delayed

B. Planned fraud cannot be detected

C. Companies can fulfil their legal requirements

D. Detailed checking is not possible

ANSWER: C

Contents of audit program include.

A. Duration

B. Old report

C. Checking book

D. All

ANSWER: D

The right, duties & liabilities of a company auditor is defined by.

A. Management

B. Law

C. Both A & B

D. None of Above

ANSWER: B

The first auditor is appointed by directors within.

A. 30 Days of incorporation

B. 60 Days of incorporation

C. 90 Days of incorporation

D. None of Above

ANSWER: B

Reason of conducting interim audit.

- A. Required by Law
- B. Specific purpose
- C. Both A & B
- D. None of above

Answer B

11. Following are the rights of an auditor except

- A. Call for information
- B. Branch inspection
- C. Make company's policies
- D. Access books of accounts

ANSWER: C

The status of company auditor is that he is an.

- A. Employee of the company
- B. Manager of the company
- C. Outsider and independent person
- D. All of above

ANSWER: C

Following persons cannot become auditor of the company.

- A. Employee of the company
- B. Employee of Director
- C. Partner of Director
- D. All of Above

ANSWER: D

Auditor should be qualified as per.

- A. Chartered Accountants Ordinance 1951
- B. Chartered Accountants Ordinance 1961

C. Chartered Accountants Ordinance 1971

D. Chartered Accountants Ordinance 1981

ANSWER: B

Repair to machinery is considered as addition to machinery.

A. Error of commission

B. Error of omission

C. Error of compensation

D. Error of principle

ANSWER: D

Various types of quality audit are.

A. Product

B. Process

C. System management

D. All of above

ANSWER: D

When the auditor is an employee of the company audit is called.

A. Internal

B. External

C. Compliance

D. A & B

ANSWER: A

The most comprehensive type of audit system is.

A. Quantity

B. Quality

C. Preliminary

D. Sequential

ANSWER: B

Each of the three parties involved in an audit success is.

- A. Client, auditor, auditeer
- B. Client, Auditor, Auditee
- C. Client, Moderator, Auditee
- D. Client, Auditor, Auditee

ANSWER: D

An audit is usually conducted in three steps.

- A. Pre examination
- B. suitable
- C. depth
- D. A & B

ANSWER: A

Audit is a fact finding process that compares actual results with.

- A. Standard and plan
- B. Expected Results
- C. Premature results
- D. Preliminary results

ANSWER: A

The _____ is expected to provide the resources to the auditor.

- A. Client
- B. Internal Auditor
- C. External Auditor
- D. Auditee

ANSWER: D

The auditing standard different from audit procedure is.

- A. Audit assumptions

- B. Acts to be performed
- C. Quality
- D. Method of work

ANSWER: B

The most difficult type of misstatement to detect fraud is based on.

- A. Related party purchases
- B. Related party sales
- C. restatement of sale
- D. omission of sales

ANSWER: D

The fundamental objective of the audit of a company is.

- A. Protect the interest of the minority shareholder
- B. Prevent error and fraud
- C. Assess the performance of a company
- D. Assess the credibility of the company

ANSWER: D

The Concept of stewardship means that company directors.

- A. Are responsible for ensuring the law of company
- B. Are responsible for ensuring the tax of the company
- C. Are responsible for ensuring the assets of the company
- D. Report suspected fraud and money laundering

ANSWER: C

Why do auditors concentrate their efforts on material items in accounts.

- A. Because they are easier to audit
- B. Because it reduces the audit time
- C. Because the risk to the accounts of their being incorrectly stated
- D. Because the directors have asked for it

ANSWER: C

Which of the following is not the responsibility of company directors.

- A. Reporting to the shareholder
- B. Establishment of internal control
- C. keeping proper accounting record
- D. Information and explanation to the auditor

ANSWER: A

International auditing standard are issued by.

- A. International accounting standard board
- B. Financial accounting standard board
- C. International audit assurance board
- D. Auditing practice board

ANSWER: C

Which one of the following is not a duty of auditor.

- A. Duty to report to the company bank
- B. Duty to report to the member
- C. Duty to sign the audit report
- D. Any violation of law

ANSWER: A