1. Discuss the following:
   (a) The first auditors of ABC Ltd., a Government company, were appointed by the Board of Directors. (5 Marks)
   (b) Audit procedure for verification of payment of dividends. (5 Marks)
   (c) The auditor may exercise his judgement to identify which risks are significant risks. Explain in the context of SA-315. (5 Marks)
   (d) Auditor’s responsibilities in respect of corresponding figures. (5 Marks)

2. State with reasons (in short) whether the following statements are correct or incorrect:
   (Answer any Eight)
   (i) Sufficiency is the measure of the quality of audit evidence.
   (ii) Director’s relative can act as an auditor of the company.
   (iii) The auditor shall express a qualified opinion when the auditor concludes that the financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.
   (iv) Every auditor of a company shall have a right of access at all times to the books of account and vouchers of the company kept at the registered office of the company only.
   (v) Narrative Record is a series of instructions and/or questions which a member of the auditing staff must follow and/or answer.
   (vi) Standards on Review Engagements (SREs) - to be applied in the audit of historical financial information.
   (vii) Purchase invoice is an example of internal evidence.
   (viii) Auditor’s right of lien is unconditional.
   (ix) The remuneration of subsequent auditors appointed under the Companies Act, 2013 shall be fixed by the Board of Directors.
Teeming and lading is one of the techniques of inflating cash payments.  

(8 x 2 = 16 Marks)

3. How will you vouch and/or verify the following:
   (a) Personal expenses of directors met by the company.
   (b) Preliminary expenses.
   (c) Advances given to suppliers.
   (d) Endowment Policies.  

(4 x 4 = 16 Marks)

4. (a) Mention any four areas where surprise checks can significantly improve the effectiveness of an audit.  

(4 Marks)

(b) Explain in detail the duties of Comptroller and Auditor General of India.  

(6 Marks)

(c) Under what circumstances the retiring Auditor cannot be reappointed?  

(6 Marks)

5. (a) “Risk of material misstatement at the assertion level for classes of transactions, account balances and disclosures need to be considered.” Explain.  

(4 Marks)

(b) What are the various audit procedures to obtain audit evidence? Mention the same in brief.  

(6 Marks)

(c) What are the different design and procedural aspects of Computerised Information Systems (CIS)?  

(6 Marks)

6. (a) Mention any eight special points which you as an auditor would look into while auditing the books of a partnership firm.  

(6 Marks)

(b) The auditor of XYZ Ltd. did not report on the matters specified in sub-section (1) of Section 143 of the Companies Act, 2013, as he was satisfied that no comment is required. Explain.  

(4 Marks)

(c) Explain the audit procedure for conducting the audit of a Non-Governmental Organisation (NGO).  

(6 Marks)

7. Write short notes on any four of the following:
   (a) Fraudulent financial reporting.
   (b) Concept of ‘Materiality’.
   (c) Advantages of Statistical sampling in Auditing.
   (d) Quality control for audit work at firm level.
   (e) Audit Trail  

(4 x 4 = 16 Marks)