

## B.com Sem-6 Auditing

No.	Question	Ans . A	Ans. B	Ans. C	Ans. D	Ans.
1	According to sec. 208, the percentage o dividend on capital should not be more than	10%	12%	5%	45%	<b>D</b>
2	The percentage of unwriting commission on shares and debentures are the following respectively	For shares 2.5% and for debentures 5%	For shares 5% and for debentures 2.5 %	For shares 2% and for debentures 3%	For shares 12% and for debentures 5%	<b>B</b>
3	Can the securities premium be utilized to convert partly paid up equity shares in to fully paid up shares as bonus ?	No	Yes	Can be utilised if articles of association of the Company Providers	Companies Act does not provide anything with respect to this	<b>A</b>
4	After the end of Financial year, within how much time, Final Accounts of a Company should be presenyted in Anmual General Meeting ?	Three Months	Six Months	At anytime before the end of next financial year	None of the above	<b>B</b>
5	Minimum time lag required between two bonus issue is :	12 Months	24 Months	36 Months	None of the above	<b>D</b>
6	Dividend warrants should be issued to or dividend should be paid to the members within how much time, after the dividend is declared ?	21 days	42 days	Before the end of respective financial year	30 days	<b>D</b>
7	As per the requirements of Companies Act, the gap between date of Profit and Loss A/c and the date of A.G.M at which it is laid, should not exceed:	Six months	Thress months	Nine months	Four months	<b>A</b>
8	Unpaid dividend should be transferred to a sepcial unpaid dividend account after days of declaration of dividend ?	Sixty days	Fourty two days	Thirty days	Fourty days	<b>C</b>
9	The surplus realised on forfeiture of shares is transferred to which account?	General Reserve Account	Capital Reserve Account	Profit and Loss Account	Share Premium Account	<b>B</b>
10	The conditions for issue of shares at discount are laid down in _____ section of The Companies Act.	Section 79	Section 78	Section 80	Section 82	<b>A</b>
11	To which of the following parties is the auditor expected to address his Report ?	Board of Directors of the company	Central Government	Shareholders of the Company	Recognised stock exchange on which the shares of the company are listed	<b>C</b>

12	The report issued to company having no defect in books of accounts is known as_____.	Clean Report	Interim Report	Partial Report	Qualified Report	<b>A</b>
13	To which companies does the Order of 2003 not apply ?	Foreign companies	Banking and insurance companies	The Private Companies whose share capital and reserves are more than one crore.	Guarantee company	<b>C</b>
14	To which of the following Act is the auditor exoected to address his Report ?	1932 Partnership Act	1956 Company Law	1960 Company Law	1913 Company Law	<b>B</b>
15	To which of the following Parties is the auditor expected to address his certificate ?	Board of Directors of the company	Central Governm,ent	Not addressed to any party	Shareholders of the company	<b>C</b>
16	To which of the following parties is the company auditor expected to address his Report ?	Shareholders of company	Central Government	Board of Directors of company	Company Secretary	<b>A</b>
17	To which of the following act is the company auditor expected to address his Report	1949 Law and order Rules	1932 Partnership Act	1956 Company Act	2,000 Income Tax act	<b>C</b>
18	_____ is a statement of collected and considered facts	Audit Programme	Report	Audit statement	None of the above	<b>B</b>
19	Maximum % of underwriting commission payable on shares is _____.	2%	2.50%	5%	12%	<b>C</b>
20	Total paid up equity share capital of a company is Rs. 25 lakhs. Current year's profit after depreciation and tax is Rs. 7 lakhs. What will be the minimum amount to be transferred to reserve, if the recommended rate of dividend is 18%	Rs. 4,50,000	Rs. 2,50,000	Rs. 52,500	Rs. 70,000	<b>C</b>
21	Unpaid dividend should be transferred to a special unpaid dividend A/c after _____ days of declaration of dividend	30	42	37	60	<b>A</b>
22	The profit that is to be distributed among shareholders as per prescribed rate of dividend is called	Divisible Profit	Gross Profit	Reserve Profit	Capital Profit	<b>A</b>
23	Dividend warrants should be issued to or dividend should be paid to the members within how much time, after the dividend is declared ?	21 days	30 days	42 days	45 days	<b>B</b>

24	Current year profit of a company is Rs. 4,00,000, Calculate the amount required to be transferred to General Reserve. If the company decides to declare dividend on share capital at the rate of 13.5%	Rs. 54,000	Rs. 30,000	Rs. 20,000	Rs. 1,00,000	<b>C</b>
25	The rate of interest not exceed _____ per annum or such order rate as prescribed by the Central Government by notification in the official u/s Gazette when interest paid out of capital of 208.	4%	10%	14%	7.50%	<b>A</b>
26	The rate of interest not exceed _____ per annum or such order rate as prescribed by the Central Government by Notification in the Official Gazette, when interest paid out of capital of u/s 208	8%	7.50%	4%	10%	<b>C</b>
27	Current year profit of a company is Rs. 6,00,000. Calculate the amount required to be transferred to general reserve if company decides to declare dividend on share capital at the of 13.5%	Rs. 60,000	Rs. 1,00,000	Rs. 30,000	Rs. 45,000	<b>C</b>
28	Which one of the following is not required to be considered for 'Investigation in case of suspected fraud' ?	The nature of fraud suspected	The period of investigation to be covered	Qualifications of directors of the company	Embezzlement of cash to be examined	<b>C</b>
29	Which one of the following points is not relevant while conducting an investigation on behalf of a creditor or a bank granting loan ?	Examine the purpose of loan	Examine the securities offered	Get details regarding loan application rejected in the past;	Carry out, in detail, the valuation of stock and other assets of the prospective borrower	<b>D</b>
30	Which one of the following is not required to be considered for "Investigation in case of suspected fraud"?	Embezzlement of cash to be examined	The nature of fraud suspected	Disqualifications of Directors of the company	The period of investigation to be covered	<b>C</b>
31	Which one of the following details is not required to be obtained before preparing an audit programme ?	System of internal check;	Technical details of business or institution	Accounting system adopted by the competitors	Report of the previous auditor	<b>C</b>

<b>No.</b>	<b>Question</b>	<b>Ans . A</b>	<b>Ans. B</b>	<b>Ans. C</b>	<b>Ans. D</b>	<b>Ans.</b>
<b>32</b>	Audit can be divided into two categories	Internal audit and external audit	Audit required under law and voluntary audit	Financial audit and cost audit	None of the above	<b>B</b>
<b>33</b>	In comparison to the independent auditors, an internal auditor is more likely to be concerned with	Cost accounting system	Internal control system	Legal compliance	Accounting system	<b>B</b>
<b>34</b>	The term "Audit" originated from the Latin word	Audire	Adhere	Adhere	None of the above	<b>A</b>
<b>35</b>	The basis for decision making by the management is	Accounting statements	Financial Statement	Bank statements	None of the above	<b>B</b>
<b>36</b>	The management takes so many decisions on the basis of	Accounting statement	Financial statements	Bank statements	None of the above	<b>B</b>
<b>37</b>	The authenticity of financial statements is very essential and such authenticity of accounts can be assured with the help of an	Internal Audit	Performance Audit	Independent Audit	None of the above	<b>C</b>
<b>38</b>	Examination of books of accounts with supporting vouchers and documents in order to detect and prevent error and fraud is the main function of	Accountant	Management	Company Director	Auditing	<b>D</b>
<b>39</b>	Express an opinion on the financial or non financial areas is the goal of	Accounting	Managing	Auditing	None of the above	<b>C</b>
<b>40</b>	In the case of financial audit, a set of financial statements are said to be true and fair when they are free of	Error	Fraud	Material Misstatements	None of the above	<b>C</b>
<b>41</b>	Internal audit is an evaluation and analysis of the business operation conducted by the	Accounting staff	Management	Internal audit staff	External audit staff	<b>C</b>
<b>42</b>	In big organization an internal audit is carried out by the team of professionals	in the organization	outside the organization	As outsourcing function	as retailers	<b>A</b>
<b>43</b>	The purpose of internal Audit is to keep proper control	over accounting activities	over audit activities	over management activities	over business activities	<b>D</b>
<b>44</b>	The purpose of internal audit is to evaluate the	Accounting system	Internal audit system	Management accounting system	Statutory audit system	<b>A</b>
<b>45</b>	The purpose of internal audit is to review the	Accounting aspects	Auditing aspects	working of employees	Working of business	<b>D</b>

<b>46</b>	The purpose of internal audit is to protect the	Accounting staff	Audit staff	Management	Assets	<b>D</b>
<b>47</b>	The purpose of internal audit is to evaluate the	Internal control system	Internal audit system	Internal check system	All of the above	<b>C</b>
<b>48</b>	The purpose of Internal audit is to detect the error in the	Bank records	Cash records	Accounting records	Employees records	<b>C</b>
<b>49</b>	The purpose of Internal audit is to detect frauds in the	bank accounts	Cash accounts	Cost accounts	Books of account	<b>D</b>
<b>50</b>	The purpose of internal audit is to determine liabilities of –	Accountant	Internal auditor	External auditor	Employees	<b>D</b>