

SR. N	QUESTION	OPTION 1	OPTION 2	OPTION 3	OPTION 4
1	Audit programme is prepared by	The auditor	Board of Directors	The client	The Managemen
2	Audit programme should be	Oral	Rigid	Flexible	Oral & rigid
3	Ownership of working papers is with	Assistant	Auditor	Client	Government
4	Routine checking is	Verificatio n of books of original	Examinatio n of trial balance	Examination of Profit & Loss Account	Examinatio n of balance
5	Size of the sample depends on	Internal control system	Test checking	Routine checking	Balance sheet audit
6	Scientific sample selection involves	Selection of the sample scientific	Selection of the sample on Random	Selection of the sample statistically	Selection of the sample by the employees
7	scope of internal audit is decided by	The sharehold	The manageme	The employees	The chief Auditor
8	Statutory auditor has a right to attend	Sharehold ers	Board meeting	Creditors meeting	Union meeting
9	Internal auditor is appointed by	Managem ent	Shareholde rs	Comptroller and Auditor General of	Central Governmen t
10	Window dressing means	showing worse financial position than actual financial	showing better financial position than actual financial position	showing same financial position & actual financial position	Making No change in Fiancial position
11	Verification involves _____	existence, possessio n and ownership	recording of assets in books	vouching on the basis of invoice only	checking of Airthmatic accuracy of transaction s only
12	Auditor is appointed by _____	Managem ent	chief auditor	directors	shareholder s
13	Independent Auditor is a	Watchdog for	Watchdog for	Watchdog for employees	Watchdog for
14	The risk of fraud increases when -	Single person does the manage ment	Working capital is low	cash sales are high	same auditor is appointed every year

15	After examination of records the auditor has to communicate his	Shareholders	board of directors	public	central government
16	Fraud through defalcation is -	employee's fraud	management's	Auditor's Fraud	Assistant's Fraud
17	Manipulation of accounts to show a better position is called as -	window dressing	error of commission	error of omission	Error of Duplication
18	Special audit can be ordered by -	central government	state government	municipality	gram panchayat
19	Routine checking involves checking of -	Financial statement	day to day entries & casting	trial balance	balance sheet
20	Random sampling is -	purposive sampling	quota sampling	generally accepted auditing technique	cluster sampling
21	Random sampling includes the following types -	sequential	lottery method	convenience sampling	Quota Sampling
22	Routine checking can ensure -	arithmetical accuracy	agreement of balance	agreement of trial balance	fraud free accounts
23	Internal audit is -	balance sheet	statutory audit	annual audit	continuous audit
24	Test checks are generally applied by	internal auditor	statutory auditor	sub auditor	cost auditor
25	The auditor should examine bills of lading to vouch -	sale of approval	export	sales within the state	sales outside the state
26	Fixed assets are valued at	cost or market value whichever is less	market value	cost or market value whichever is high	cost
27	Verification involves	recording of assets in the books of	vouching on the basis of invoice	existence, possession and ownership	checking papers
28	Arrears of preference dividend is a	long term liability	contingent liability	fictitious liability	fixed liability
29	The auditor will examine sales invoice for vouching	credit sales	cash purchase	credit purchase	annual turnover
30	Misappropriation of goods is conducted by	employees	auditors	management	auditor assistant

31	The auditor's report gives an opinion on _____ of the financial	true and correct	true and fair view	correctness	only fair view
32	Current file and permanent file are together known as	audit plan	audit working	audit programme	audit notebook
33	Window dressing is most likely to be committed by	management	auditors	staff	auditor assistant
34	_____ is an example of external documentary evidence	Balance confirmation letters	Salary slips of employees	Carbon copies of receipts	Department requisition slips
35	Loose tools are disclosed under _____	investments	current assets	current liabilities	fixed assets
36	Test check is instituted by -	the management	the client	The Government	the auditor
37	Rent received is valued on the basis of -	purchase journal	rent register,	sales journal	building account
38	_____ papers are link between the client records and audit report	loose	loose	news	working
39	Internal ----- means the work of one person is checked by another person.	control	check	audit	policy
40	The purpose of internal control is to safeguard ----- of the organisation.	assets	liabilities	employees	debtors
41	The ----- are issued when goods are returned by customers.	invoice	bill	debit note	credit note
42	Internal control includes-----	audit planning	sampling	internal check	test check
43	Arrears of preference dividend is a	long term liability	contingent liability	fictitious liability	fixed liability
44	The auditor will examine sales invoice for vouching	credit sales	cash purchase	credit purchase	annual turnover
45	Balance Sheet audit does not include	Verification of assets and liabilities	Vouching of income and expenses accounts related to assets and	Examination of adjusting and closing entries	Routine checks
46	Useful life of patents as per AS-26 is	10years	20years	5years	15years
47	Loose tools to be disclosed under	non-current	current assets	fixed assets	tangible fixed

48	Patent rights are verified on the basis of	certificate for grant of	asset register	balance sheet	income statement
49	When an auditor seeks information or explanation from other employees of the client, the process is known as -----	observation	analytical review	computation	inquiry
50	Confirmation can be for ----- verification	stock	Debtors List	building	machinery