

**DIPLOMA EXAMINATION IN ENGINEERING/TECHNOLOGY/  
MANAGEMENT/COMMERCIAL PRACTICE, NOVEMBER – 2023**

**AUDITING**

[Maximum Marks: **100**]

[Time: **3 Hours**]

**PART-A**

[Maximum Marks: **10**]

I. (Answer **all** questions in one or two sentences. Each question carries **2** marks)

1. State the meaning of auditing.
2. Define the term internal check.
3. Define the term vouching.
4. State any two objectives of vouching.
5. State the meaning of audit report. (5 x 2 = 10)

**PART-B**

[Maximum Marks: **30**]

II. (Answer **any five** of the following questions. Each question carries **6** marks)

1. State the difference between auditing and investigation.
2. List out qualities of an auditor.
3. State the objectives of internal check.
4. List the limitations of internal audit.
5. State the difference between vouching and verification.
6. List the basic elements of audit report.
7. State the importance of verification and valuation of assets. (5 x 6 = 30)

**PART-C**

[Maximum Marks: **60**]

(Answer **one** full question from each Unit. Each full question carries **15** marks)

**UNIT – I**

- III. Explain classification of audits. (15)

**OR**

- IV. a. Explain advantages of audit. (8)  
b. Explain limitations of audit. (7)

**UNIT – II**

- V. a. Explain internal check system as regards cash receipts. (8)  
b. Explain internal check system as regards cash payments. (7)

**OR**

- VI. a. State the advantages of internal audit. (7)  
b. State the difference between internal audit and external audit. (8)

**UNIT- III**

- VII. Explain vouching of cash book. (15)

**OR**

- VIII. Explain vouching of trading transactions. (15)

**UNIT - IV**

- IX. a. State the difference between verification and valuation. (7)  
b. Explain verification and valuation of fixed liabilities. (8)

**OR**

- X. Describe verification and valuation of fixed assets and current assets. (15)

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