



Extra Reading Time: 15 Minutes
Time Allowed: 02 Hours

Maximum Marks: 100

Roll No.:

INSTRUCTIONS TO THE EXAMINEES:

- (i) Attempt all sections of the question paper.
- (ii) Write your Roll No. in the space provided above.
- (iii) Answers must be ticked/ submitted in online CBE Application, for Section-A – Multiple Choice Questions (MCQs), and typed in provided solution file(s) available on desktop of allocated PC, for Section-B – Short Cases, and should be relevant and brief. It is not necessary to maintain the sequence.
- (iv) Use of non-programmable scientific calculators is allowed.
- (v) Read the instructions printed on the Top Cover Sheet CAREFULLY before attempting the paper.
- (vi) In marking the question paper, the examiners take into account clarity of exposition, logic of arguments, effective presentation, language and use of diagram/ chart, where appropriate.
- (vii) DO NOT write your Name, Reg. No. or Roll No., or any irrelevant information inside the answers/ solutions.
- (viii) Question No. 1 – “Section-A – MCQs” available separately through CBE Application, is an integral part of this question paper.
- (ix) Question Paper, along with Working Sheet(s), must be attached with the provided Top Cover Sheet before leaving the examination hall.

DURING EXTRA READING TIME, WRITING/ TYPING IS STRICTLY PROHIBITED

SECTION-A – MULTIPLE CHOICE QUESTIONS (MCQs)

[Hint: Examinees are supposed to attempt the given MCQs, using online CBE Application through Exam Supervisor’s Password and submit the answers before quitting exam session.]

Question No. 1

Suggested Time : 01 Hour 30 Min. | Total Marks : 80

Multiple Choice Questions [MCQs]

Attempt all MCQs, choosing most appropriate answers as appear on computer screen [illustrated below for understanding]:

1. _____ is the custodian authority for audit working papers.

- Shareholders
- Managing Director
- Company Secretary
- Auditor

2. Which of the following is/ are the phase(s) of system analysis?

- Analysis strategy
- Requirements gathering
- System proposal
- All of the above

3.

4.

5.

60. _____ results from significant condition or circumstances, which could adversely affect the entity's ability to achieve its targets.

- Non-financial risk
- Business risk
- Inverted risk
- Immaterial risk

SECTION-B – SHORT CASES

[Hint: Examinees are supposed to attempt the given cases, using MS Word Template through the given Password <*****> and attach the printouts of solutions with provided Top Cover Sheet, duly signed by the Invigilator, before leaving the exam lab.]

Question No. 2

Suggested Time : 15 Min. | Total Marks : 10

XYZ Limited is a retailer of home appliances. An officer of the company takes orders from customers through emails or telephones. The company has a computerized built-in pro-forma on which basic data related to customers is recorded i.e., details of the home appliance to be delivered, address and accounts details of the customers. This data is automatically integrated with the company's inventory control system. The customers allow credit term of 2/10, n/30 from the date of the order is dispatched. Most of the customers pay online via credit card or debit cards. The statements of receivable are sent to customers at the end of the every month.

Required:

Being the auditor of XYZ Limited, advise the management about the necessary internal controls that should be in place to strengthen the sales system of the company over the receipt, processing and recording of orders.

Question No. 3

Suggested Time : 15 Min. | Total Marks : 10

You are the Audit Manager of Asif & Co. During the course of the audit of Bhimani Enterprises, the following issue has arisen:

Bhimani Enterprises' computerised payroll program is backed up on daily basis, however, for a period of three months the payroll records and the back-ups have been corrupted, and therefore cannot be accessed. Salaries for these three months are Rs.1.32 million. Profit before tax of the company is Rs.12 million.

Required:

Discuss the issue and describe the impact on the audit report, if the above issue remain unresolved.

THE END