

15.implies that the information influencing the decisions of the users should be disclosed in detail and should make sense.
- a. Fair disclosure
 - b. Full disclosure
 - c. Adequate disclosure
 - d. None of them
16. What is the meaning of IASC
- a. Indian accounting standard Committee
 - b. International Audit Standard Committee
 - c. International Accounting Standards Committee
 - d. None of the above
17. Valuation method of inventory for the propose of Audit.
- a. FIFO
 - b. LIFO
 - c. MIFO
 - d. All of the above
18. What are the object of financial Audit
- a. Checking the arithmetical accuracy
 - b. Detection of frauds and errors
 - c. Providing an opinion based on audi
 - d. All of the above
19. The examination of the objective evidence underlying the financial data as reported is called an
- a. Audit
 - b. Auditing
 - c. Audit Report
 - d. Financial Audit
20. Can a company be appointed as a statutory auditor to another company
- a. True
 - b. False
 - c. Both A & B
 - d. None of them
21. Full form of SAP
- a. Standard Auditing Practices
 - b. Standardized Auditing Practice
 - c. Standard Audit Practice
 - d. None of them
22. Full form of IFAC
- a. Indian Federation of Accountants
 - b. International Federation of Accountants
 - c. International Federation of Accountants Corporationd.
 - d. None of them
23. As the name suggests there are no physical records available to prove in case such evidence are known as.
- a. Visual Evidence
 - b. Oral Evidence
 - c. External Evidence
 - d. None of the above
24. In Auditing most used technique of collection of evidence in audit and is peculiar to audit are known as
- a. Internal Confirmation
 - b. External confirmation
 - c. Both A & B
 - d. None of the above
- 25 Cash management policies should be decide by the management such statement are
- a. True b. False
 - c. Both A & B d. None of them
26. Budgets for capital expenditure are to be approved by top management like board of directors- such statement are
- a. True
 - b. False
 - c. Both A & B
 - d. None of them
27. Maintenance of petty cash book under IMPREST System is most useful
- a. True
 - b. False
 - c. Both A & B
 - d. None of them
28. Internal control is computerized environment includes are substantially different than those in a manual system
- a. True.
 - b. False
 - c. Both A & B
 - d. None of them
29. This is a cash of two opposite errors canceling each other and not revealing their existence in the final statement such error are known as
- a. Error of principal
 - b. Compensating Error
 - c. Error of Commission
 - d. Error of omission
- 30 Fraud involving one or more members of management or those charged with governance is known as.
- a. Employee Fraud
 - b. Management Fraud
 - c. Cyber Fraud
 - d. None of the above

- 31 Frauds using Computer. These are also called as -
a. Computer Frauds
b. Cyber Frauds
c. Both A & B
d. None of the above
- 32 Full form of IASB
a. International Standard Accounting Budget
b. International Accounting Standards Board
c. Indian Audit Standard Board
d. International Audit accounting of standard Board
- 33 What is the Full form ICAI
a. The institute of chartered Accounts of India
b. The institute of company secretary accounts of india
c. The institute of cost Accountants of inida
d. None of the above
- 34 What is the full form of GAAP
a. Generally Accounting & Auditing Principal
b. Generally Accepted Auditing Principal
c. Generally Accepted Accounting Principal
d. None of the above
- 35 Definite accounting period is also called as-
a. Periodicity Concept
b. Business entity Concept
c. Historical cost concept
d. Realization concept
- 36 In cash flow from operating activities are regular business activities of a company. Such statement are-
a. False
b. True
c. Both A & B
d. None of the above
- 37 Balance sheet and Profit/loss A/c are the major financial statement
a. True
b. False
c. Both A & B
d. None of the above
- 38 The institution like |CA| not to be issue Accounting Standard in india
a. True
b. False
c. Both A & B
d. None of the above
- 39 Audit is done in this cash before the transaction is finalized. Such typed audit are known as-
a. Interim Audit
b. Annual Audit
c. Per Audit
d. Post Audit
- 40 Audit is legally necessary for Companies due to provisions of the companies Act.
a. False
b. True
c. Both A & B
d. None of the above
- 41 What are the clemerits of flow chart as a tool of evaluation of internal control
a. Preparing a flow chart is a complex job
b. Preparing a flow chart is a time consuming job
c. Flow chart provides only historic or static description of control
d. None of the above
- 42 Internal control for purchase department are:
a. Ordering processing
b. Receipts of good
c. Payment to suppliers / creditors
d. All of the above
- 43 What are the basic internal control required for sales function.
a. Standard price lists maintained
b. Written order from customers received invariably
c. Credit limits are fixed for customers individually
d. All of the above
- 44 What are the feature of internal controls in a computerized environment
a. Consistency in operations
b. Lack of transaction trails
c. Lack f segregation of function
d. None of the above
- 45 Consistency of computer not a good feature of computer
a. If a program has been written wrongly then result are effected.
b. Nobody notices the mistake the computer will go on repeating the mistake

- c. Both A & B
- d. None of the above

46 ...which contain information relating primarily to the audit of a single period

- a. Permanent audit files
- b. Current audit file
- c. Audit file
- d. None of the above

47 Contents of working paper

- a. The nature of management
- b. From of the auditors report
- c. Nature of the clients business
- d. All of the above

48 Which factor affecting audit plan

- a. Complexity of the Audit
- b. Environment in which the entity operates
- c. Knowledge of the client business
- d. all of the above

49 Knowledge of the Business matter to consider

- a. General Economic factor
- b. Financial performance
- c. Reporting environment
- d. all of the above

50 Contents engagement

- a. The objective of the audit of financial statement
- b. Managements responsibility for the financial statement
- c. Managements responsibility for the maintenance of adequate accounting records
- d. All of the above

51 Compliance procedure is involved in testing internal controls for effectiveness. Such statement are

- a. False
- b. True
- c. Both A & B
- d. None of the above

52 Substantive procedure is involved in verifyng the items in

- a. Audit report
- b. Balance sheet
- c. Financial statement
- d. None of the above

53 Method used in selection by the auditors during audit

- a. Random selection
- b. Systematic selection
- c. Haphazard selection
- d. All of the above

54 Process of audit sampling it involves

- a. Designing audit sample
- b. Selection of audit sample
- c. Evaluation of sample result
- d. all of the above

55 Method of sampling in audit

- a. Test checking
- b. Statistical sampling
- c. Both A & B
- d. None of these

56 In what test to find out whether all the transactions of the period are recorded and whether only valid transactions have been recorded.

- a. Casting test
- b. Cut off test
- c. Tracing test

d. Surprise test

57 In audit techniques under posting techniques means

- a. Comparing of transitions in ledger with cashbook
- b. Balance of subsidiary ledger to general ledger
- c. Both A & B
- d. None of the above

58 What is the relationship between materiality and audit risk

- a. The higher the materiality level, the lower the audit risk
- b. The lower the materiality level, the higher the audit risk
- c. Both A & B
- d. None of the above

59 The nature of evidence used by auditor is called

- a. Persuasive evidence
- b. Conclusive evidence
- c. Sufficient evidence
- d. Corroborative evidence

60 What is the meaning of IIA

- a. Accounting standard of the institute of Auditors
- b. Accounting standard of internal auditors
- c. Accounting standard of the institute of internal auditors
- d. None of the above

61 What control activity is required if you were to identify that following risks exist in different situations. In a department store the goods are stolen by customers.

- a. Supervisors
- b. Installing closed circuit TV
- c. Appointing honest persons
- d. All of the above

62 In a class, student create commotion and voice of the faculty is not heard.

- a. Disciplinary action against student who disturb
- b. Providing sound system to faculty
- c. Appointing faculty with good voice and class control
- d. all of the above

63 In a museum, people crowd together to listen to the guide

- a. Control over crowd to be exercised by having queue system for tourists
- b. Limiting the number of people in a group of tourists
- c. Allowing tourists inside the museum in batches
- d. All of the above

64 Why is there a need for evaluation of internal controls.

- a. Whether prescribed management policies are being properly interpreted by the employees.
- b. Whether the prescribed procedure need a revisions because of changed circumstances or because they have become redundant
- c. Whether effective corrective measures are taken promptly when the system appears to breakdown
- d. All of the above

65 What are the advantages of a narrative record.

- a. It is useful in firms where no written, formal system of internal controls like Manuals
- b. Most of the time it can be applied to small business organizations
- c. Both A & B
- d. None of the above

66 What is ICQ

- a. Internal control questionnaires
- b. Internal control queue
- c. Internal control question
- d. None of the above

67 What are the merits of flowchart as a tool of evaluation of internal controls-

- a. Easy to recollect
- b. Summarize the internal control at one place and provides a bird eye view
- c. Communication is easier through the use of flow chart
- d. All of the above

68 What are the processes involved in purchase function

- a. Ordering process
- b. Payment to creditors
- c. Receipts of good
- d. All of the above

69 What are the internal control measures require as to the receipt of cash

- a. Daily banking of cash control
- b. Limits and authorities to be fixed as to cash collection by different level of employees
- c. separate cheques are to be drawn for payment of expenses

d. All of the above

70 Importance of financial audit to companies-

- a. To net the nee of diverse stakeholders.
- b. Goal conflict in companies
- c. Prevention of frauds and errors
- d. All of the above

71 What is the full form of CARO

- a. Cost Auditors Report Order
- b. Computerized Audit report office
- c. Companies Auditors Report order
- d. None of the above

72 Central Government order such audit report under section

- a. 232A
- b. 231 B
- c. 233A
- d. 230A

73 Under what section of cost record has been prescribed by the control government if the companies act 1956

- a. 4/5 209 (1) (a)
- b. 4/5 209 (1) (a)
- c. 4/5 209 (1) (c)
- d. 45 209 (1) (D)

74 Contents of current audit file

- a. Correspondence relating to acceptance f annual reappointment
- b. Analysis of transactions and Balance
- c. letter of representation and Balance
- d. All of the above

75which are updated currently with information of counting importance to succeeding

- a. Audit files
- b. Current Audit Files
- c. Permanent Audit files
- d. None of the above

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