

Eastern University, Sri Lanka

Faculty of Commerce and Management

Second Year First Semester Examination in Bachelor of Business Administration/

Bachelor of Commerce – 2016/2017 (July/August 2018)

DAF 2032 Taxation and Auditing (Auditing Part)

Answer All Questions

Time: 01 Hour

Any assumption should be stated clearly.

No of Pages: 02

- (a) List three (3) benefits of assurance engagements (03 Marks)
- (b) Explain the major elements of assurance service. (03 Marks)
- (c) Define Audit Evidence. (06 Marks)
- (d) List types of Audit evidence (05 Marks)
- (e) State Audit Procedures to be carried out to obtain audit Evidence (05Marks)
- (f) State five duties of the internal audit (05 Marks)
- (g) What do you understanding by Vouching (06 Marks)
- (h) What are the matters that external auditors considers in using of specific work of Internal Auditors (04 Marks)
- (i) Define the following terms
- i. Internal Audit Function
 - ii. Substantive test
 - iii. Fraud
 - iv. Accountability
 - v. Financial Statements (05 x 02 = 10 Marks)
- (j) Briefly Explain the techniques used for fraudulent Financial Reporting (03 Marks)

(Total: 50 Marks)

2) SLAus 210 (Agreeing the terms of engagement) state that “ The Auditor and client should agree on the terms of Engagement”.

- (a) State purpose of engagement Letter (06)
- (b) List Five (05) matters that could be included in an engagement letter (10)
- (c) State three (3) primary objectives of audit documentation as mentioned in the SLAus 230 (06)
- (d) State four (4) types of information and documents generally includes in the work papers (10)
- (e) What do you understand by Analytical procedure (08)
- (f) State four examples of the followings
 - i. Misstatements resulting from fraudulent financial reporting.
 - ii. Misstatements resulting from misappropriation of Assets (10)

(Total: 50)