

Eastern University, Sri Lanka
Faculty of Commerce and Management

**Third Year Second Semester Examination in Bachelor of Business Administration
(BBA)/BBA (Specialization in Marketing Management)/ BBA (Specialization in
Human Resource Management) 2015/2016 (July - August 2018)**

Proper/Repeat

MGT3053 Advanced Taxation and Auditing (Part I – Auditing)

Answer all Questions

Time: 1 ½ Hours

- (a) Sri Lanka Accounting and Auditing Standard Act No. 15 of 1995 contain provisions relating to Auditing and Audit of Specified Business Enterprises. State the following.
- (i) Three types of specified business enterprises. **(06 Marks)**
 - (ii) Duties of specified business enterprises. **(05 Marks)**
 - (iii) Duties of the Auditor of the specified business enterprises. **(05 Marks)**
- (b) The Finance Act. No. 38 of 1971 contains provisions relating to audit of Public Corporations, Statutory Boards and Authorities.
- (i) State the provisions of Finance Act relating to
The auditor of Public Corporation **(05 Marks)**
 - (ii) Rights of the Auditor of Public Corporations **(08 Marks)**
 - (iii) State three (03) areas generally examines in the audit of Public Corporations
by the auditor. **(06 Marks)**

- (c) The companies Act No. 7 of 2007 contain provisions relating to audit of limited liability companies. State the provision of companies Act relating to
- (i) The appointment of first auditors
 - (ii) The disqualification of being an auditor of a company
 - (iii) Replacement of an auditor
 - (iv) Information accessibility
 - (v) Right of the Auditor

(05 X 05 = 25 Marks)

(Total 60 Marks)

02. (a) State five interrelated components of internal control as described by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)
- (20 Marks)
- (b) Briefly explain the elements of control environment and control activities.
- (12 Marks)
- (c) State four kinds of segregation of duties relating to system of internal control.

(08 Marks)

(Total 40 Marks)