SINDHI COLLEGE

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Re-accredited by NAAC B++(CGPA 2.98), Recognized by
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33/2B, Kempapura, Hebbal, Bengaluru - 24.

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KNOWLEDGE IS POWER · FROM DARKNESS UNTO LIGHT

1787

I / II Internal Examination

Date :	15/02/2023	Marks Awarded	35
Name/Reg. No. :	C2017884	Maximum Marks	40
Sem. & Course :	5th Sem B.Com		
Section :	A	Signature of the Valuer with date	
Subject :	Auditing and Corporate governance		
No. of Pages Used :	09	Signature of the Invigilator	

38/40

INSTRUCTIONS :

1. Rough work, if any, should be done in the answer scripts.
2. Copying, carrying book or manuscripts and any malpractice is strictly prohibited.
3. Nothing to be written on the Question Papers.
4. Do not waste Answer Scripts.
5. Answers must be Legibly written.

ANSWERS :

SECTION-C

1) Vouching is the process of Examining the transactions entered in the books of accounts with documentary evidence i.e bills, Invoices etc. It is done to know the truth and fair value of amounts entered in the books of accounts. Vouching will be carried out without the help of Internal auditor or the internal staff of the company / client. "Vouching is the Essence of Auditing" it is very important to carry out auditing.

The principles and techniques of vouching are:-

* Arranged vouchers
* Checking of dates
* checking of authority
* list of missing vouchers
* case of personal vouchers
* case of cancelled vouchers
* Printer vouchers.

* Transactions related to business.
* Minute's book.
* Payment
* Important note
* Agreement
* Revenue stamp
* Compare words and figures
* cutting and change.

- **Arranged vouchers:-**

The vouchers have to arranged properly by the auditor according to the dates of received or issued. This makes the auditor to check the entries in the voucher and books accordingly.

- **Checking of dates:-**

The auditor have to verify the dates in the vouchers as well as dates recorded in the books of accounts. All the vouchers have to be filed with dates. If vouchers are not mentioned with dates it is noted as invalid and same will be recorded in audit note book.

- **Checking of authority:-**

Auditor have to check whether the voucher have been come from authorised person / vendor. The voucher must contain the authorisation from vendor / from the client. If not this voucher will be invalid.

- **List of missing vouchers:-**

In the process of vouching if a voucher is missing which have been recorded in the books of a/c have to be made as a list and seek proper explanation from client.

- **Case of personal vouchers:-**
  Personal vouchers of the client have to be verified properly with interest. It also have to be verified that these vouchers belongs to client himself/ herself.

- **Case of cancelled vouchers:-**
  The cancelled vouchers have to be checked and have to be seeked proper explaination from the client for the same.

- **Printer vouchers:-**
  Printed vouchers are accepted mostly and shows the accurate information. These vouchers are in the printed form and have all details printed.

- **Transaction related to business:-**
  The vouchers are checked whether all the vouchers are related to the business transactions are not. The price have to be mentioned precisely and fair value in the books of accounts.

- **Minute's book:-**
  It is a book which contains the process of vouching.

- **Payment:-**
  Auditor have to check in what mode the payment have been done. Same have to be entered to the cash book / Bank book. Specifically the mode of payment have to be checked.

- **Important notes:-**
  During the process of vouching any important information observed in the process will be noted down in the important notes and later will be verified and seek

the Explanation from the client.

* Agreement :-

The vendor's and client's agreement of sales or purchase have to be verified. whethere the information on the agreement is same in the conduct of the business have to be checked.

* Revenue stamps:-

For a voucher to be eligible for going to the process of vouching it should contain the revenue stamp from appropriate person. It is a must for a valid vouchers

* Compare of words and figures :-

The vouchers have to contain the amount both in words and figures. Auditor have to check whethere the amount in words and figures are same and rectify it and seek Explaination from the client or from the company.

• cutting and change :-

The auditor have to verify that there is no cut or the voucher have been changed from the arranged vouchers which have been recorded in the books of accounts.

These are the principles and techniques of vouching carried out during the process of auditing. If any of these principles are not followed or found as not valid the entire process of auditing will not be 100% true or faire value. It is the very important step in auditing.

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I / II Internal Examination

ADDITIONAL SHEET

Name : LOKESH.V

Reg. No. : C2017884

Class/Sec/Sem : 5th sem B.com A

Subject : ACG

Sign. of the invigilator with date

SECTION-B

3. Verification is the process of finding the true and fair information or value of Assets and Liabilities. It is very important process if there is not carried out the final audit reports will not be fair.

* Land and Building :-

- The auditor have to verify that the land or building is belongs / registered in the name of the ~~client~~ client.
- It have to be verified that the land or building is a free-hold property or lease basis.
- If it is a free-hold property the expenses incurred have to be verified.
- If it is lease hold basis the owner of these assets have to be verified and the basis, terms of the lease agreement have to be checked.

* Goodwill :-

- If the goodwill have been purchased by the running business the vendor with the purchased deed have to be verified.
- If the expenses are credited and goodwill a/c have been debited by the client auditor have to rectify ~~if~~ If management does not agree to it. Same have to be reported in the reports.

* Bills payable :-

- The amount of the bill have to be verified with the help of purchase note.
- The same bills have to be verified with the bank of the vendor whether the payment have been done or not.
- ~~The amount have to verified in the appropriate ledger accordingly. And it should contain all the details of maturity date etc.~~

2. Verification is the process of finding the true and fair value of the business assets and liabilities. It is the very important process and carried out by the auditor. It should be given more interest as it is more complicated to verify all the assets and liabilities.

* Investment :-

- The entire initial investment have to be verified.
- If there is a new issue of shares the amount of issue have to be verified with bank.
- The allotment of share details have also to be verified. If the certificate of shares have not been provided as it is new issue the auditor have to verify it with bank payments.
- If certificate of shares have been issued it also have to be verified.
- ~~The entire investments have to verified.~~
- ~~If there are government investments or securities all the details with supporting documents are to be checked.~~
- The companies / clients investments with other banks should also be checked and verify the amount precisely.

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I / II Internal Examination

ADDITIONAL SHEET

Name : LOKESH V

Reg. No. : C2017884

Class/Sec/Sem : 5th sem B.com 'A'

Subject : ACG

Sign. of the invigilator with date

* Sundry creditors :-

- The name of the creditors have to be verified with their identity.
- The amount given by creditors have to crossed checked with the balance sheet of the company.
- The verification of creditors have to be done to prevent the future complications in the business.

4

1. "Vouching is the Essence of Auditing".

Vouching is the process of Examining the transactions entered in the books of accounts with documentary evidence i.e bills, invoices etc. It is done to know the true and fair value of amounts entered in the books of accounts. Vouching will be carried out without the help of internal auditor or the internal staff of the client / company.

It is stated as essence of auditing because without vouching the process of auditing cannot be done. The primary and important process of auditing starts with vouching. It gives the clear view on the amount and value entered in the books of accounts

→ The advantages of vouching are:-

* Documentary Evidence :-

Each and every voucher are documentary evidence to the transactions entered in the books of accounts. It acts as the supporting document for entries.

- **Transaction related to business:-**
  The vouching gives the details of transactions whether it relates to the business or not.

- **Detection of errors and frauds:-**
  vouching detects the errors and frauds made by the internal auditor or staff of the client of the company.

- **check of ommission:-**
  vouching helps to findout whethere the amount or value of some transactions are ommitted and get rectified to it.

- **check of dates:-**
  The auditor will verify the dates in the vouching process as well as dates recorded in the books of accounts. All the vouchers have to be filed with dates.

- **Revenue and Capital Items:-**
  During the process of vouching shows whether the transactions are revenue items or capital items.

- **Accuracy:-**
  vouching is do given Importance because it gives the accurate information on the process of auditing.

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I / II Internal Examination

ADDITIONAL SHEET

Name : LOKESH.V

Reg. No. : C2017884

Class/Sec/Sem : 5th sem B.com A

Subject : ACG

Sign. of the invigilator with date

SECTION - A

1. There are two types of vouchers:-
   * Primary vouchers.
   * Secondary vouchers.

6. Valuation is the process of valuing the assets and liabilities in the precised manner and find its true and fair value. Valuation is very important process in auditing.

2. The four causes of depreciation :-
   * wear and tear of assets.
   * Fault in working conditions of assets.
   * Working for many years.
   * not functioning accurately.
   * long time use etc.

3. Subsidiary voucher is a additional supporting document which acts as evidence to the primary and secondary voucher.

4. The two items of contingent liability are:
   * Creditors
   * Bills payable.

SINDHI COLLEGE
INTERNAL EXAMINATION – I (2023- 2024)
SUB: PRINCIPLES AND PRACTICES OF AUDITING

Class: V SEM B. Com"A & C" **MARKS:40**
DATE:20/11/2023 **TIME:1 ½ hour**

SECTION-A

I. Answer all the questions each carries two marks. **(4*2=8)**

1. Give the meaning of Auditing
2. What is Auditing program
3. What is Audit Working Papers?
4. What is Audit note book?
5. What do you mean by Tax Audit?

SECTION - B

II. Answer any three of the following each carries five marks. **(3*5=15)**

6. Explain the Advantages and Disadvantages of Auditing
7. Explain Audit program
8. What are the difference between Accounting and Auditing
9. Write a note Commencement of new Auditing.

SECTION – C

III. Answer any one of the following each carries fifteen marks **(1*12=12)**

10. What are the objectives of Auditing
11. Explain the different types of Auditing

SECTION – D **(1*5=5)**

IV Compulsory

12. Write a brief note on Characteristics of an Auditor

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26937

I / II Internal Examination

Date : 19-12-2022	Marks Awarded 40
Name/Reg. No. : Ancia Saloni Pais f / U18IP21C0192	Maximum Marks 40
Sem. & Course : III rd sem B.Com LSCM	
Section : 'C'	Signature of the Valuer with date
Subject : Cost accounting	
No. of Pages Used :	Signature of the Invigilator

INSTRUCTIONS :

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5. Answers must be Legibly written.

ANSWERS :

I

a. Cost refers to the expenses incurred directly or indirectly in the firm. It can be in monetory term or non-monetory as well.

02

b. (i) Ascertaing cost
(ii) Controlling cost
(iii) Preventing fraud and misuse.
(iv) Determination of cost of product.

02

c. There are two types of element Direct cost and Indirect cost under direct there is direct material, labour & expenses and in Indirect there is Indirect material, labour & expense. At the end of direct we get prime cost and at the end of Indirect we get total cost.

02

d. Material cost is a direct cost ~~wh~~ which are identified and considered directly. These materials are most essentials ~~Parts~~ to complete finished goods.

02

f. (i) Factory expense
(ii) Gas and Power
(iii) Coal fuel etc.
(iv) Depreciation on plant and machinery.

02

Answer the following.

3 Proforma of cost sheet.

Particulars	₹	₹
Opening stock of raw materials	xxx	
Add:- Purchase of raw materials	xxx	
Add:- Carriage inward / Frieght	xxx	
Less:- Closing stock of raw materials	(xxx)	
Raw materials consumed	xxx	
Add:- Direct wages	xxx	
Add:- Direct labour	xxx	
PRIME COST	~~xxx~~	xxx
Add:- Factory overheads.		
all factory expenses	xxx	
WORK	xxx	
Add:- Opening work-in-progress	xxx	
Less:- Closing work in progress	(xxx)	
WORK COST	~~xxx~~	xxx
Add:- Office / Administrative overheads.		
all office expenses.	xxx	
COST OF PRODUCTION	~~xxx~~	xxx
Add:- Opening stock of finished goods	xxx	
Less Closing stock of finished goods	(xxx)	
COST OF GOODS SOLD		xxx
Add:- Selling & Distribution overheads	xxx	
TOTAL COST		xxx
Add:- Profit		xxx
SALES		xxx

05

4. Identify the overheads

Factory overheads	Office overheads	Selling & distribution overheads	Excluded
① Indirect materials	① Office salaries	① Carriage outwards	① Income Tax
② Indirect wages	② Depreciation on office furniture	② Commission	② Donation
③ Depreciation on plant & machinery	③ Audit fees		

05

5.

Particular	₹	₹
Direct materials	90000	
Direct wages	60000	
PRIME COST		150000
Add:- Factory overheads.		
Depreciation on machinery	11500	
Power and consumable stores	12000	
Indirect wages at factory	15000	
lighting of factory	5500	
cost of rectification of defective work	3000	
WORK	47000	
Less:- Sale of scrap	(2000)	
	45000	45000
WORK COST		195000
Add:- Office / administrative overhead.		
Office & selling overhead	39000	39000
COST OF PRODUCTION		234000
Add:- Selling & distribution overhead	-	-
TOTAL COST		234000
Add:- Profit		82000
SALES		316000

05

III

1.

Particulars	₹	₹
~~Add~~:- Opening stock of raw materials	3000.	
Add:- Purchase of raw materials	1,10,000	
Less:- Closing stock of raw materials	(4000)	
Raw materials consumed.	109000	
Add:- Direct labour	65000.	
PRIME COST		174000
Add:- Factory overheads (65000×60%)	39000	
Add:- Opening work in progress	4000	
Less:- Closing work in progress	(6000)	
WORK.	37000	
Less:- Sales of Scrap	250	
~~WORK COST~~	36750	36750
WORK COST		210750
Add:- Office/Administrative Overheads		
administrative expenses (200000×5%)	10000	~~10000~~
COST OF PRODUCTION		220750 ~~220750~~
Add:- Opening stock of finished goods	7000	
Less:- closing stock of finished goods	(8000)	
COST OF Goods SOLD		219750
Add:- Selling & Distribution overhead ~~expenses~~.		
selling expenses (200000× 10%)	20000.	20000
TOTAL COST		239750
Add:- Profit		(39750)
SALES.		200000.

15

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INTERNAL EXAMINATION –I (2023-2024)

SUB: Cost Accounting

Class: III SEM B. Com **MARKS:40**

DATE: 20/11/2023 **TIME:1 ½hour**

Section A

1. Answer any five questions **(2*5=10)**

a. Define the term costing.

b. State any four objectives of cost accounting?

c. Which are the elements of cost?

d. Define Material cost.

e. Name any four techniques of inventory control.

f. List out any four factory overheads.

Section B

Answer any three of the following Questions. **(5*3=15)**

2. Differentiate between Cost Accounting and Financial Accounting.
3. Draft the pro-forma of cost sheet.
4. Identify the overheads of listed expenses.
Indirect Materials, Indirect Wages, Office Salaries, Depreciation on Office Furniture, Carriage Outwards, Commission, Audit Fees, Income tax, Depreciation of Plant and Machinery and Donation.
5. Mr Arjun furnishes the following details relating to the manufacture of a standard product for the month of January 2021

Materials	□ 90,000
Direct wages	□ 60,000
Depreciation of machinery	□11,500
Power and consumable stores	□12,000
Indirect wages at factory	□15,000
Lighting of factory	□5,500
Cost of rectification of defective work	□3,000
Sale of scrap	□2,000
Office and selling overhead	□ 39,000
Selling price	□316,000

Prepared cost sheet.

Section C

Answer any one of the following Questions. **(15*1=15)**

6. The following figures have been extracted from the costing records of the manufacturing company for the year 2021
Cost of materials RS 2,40,000, Wages Rs 2,00,000, Factory overheads Rs 1,20,000, Distribution expenses Rs 56,000 Administration expenses Rs 1,34,000, profit 1,50,000.
A work order is to be executed in the year 2022 and the following expenses are to be incurred.
Cost of material Rd 25,000 and direct wages is Rs 15,000.
Determine the price at which the work order should be accepted so as to earn the same rate of profit on selling price in 2022.
7. The modern manufacturing company submit the following information for the year ended 31-12-21:

Sales for the year	□ 200,000
Inventories at the beginning: Finished goods	□ 7,000
Work in progress	□ 4,000
Purchase of materials	□ 110,000
Materials inventory: Opening	□ 3,000
Closing	□ 4,000
Direct labour	□ 65,000.

Factory overheads 60% of direct labour, sale of scrap □ 250 after closing work-in-progress. Inventories at the end of the year: Work-in-progress □ 6,000, finished goods □ 8,000.
Other expenses for the year: Selling expenses 10% of sales, administrative expenses 5% sales. Prepared a statement of cost.