

TECHNICAL UNIVERSITY OF MOMBASA
SCHOOL OF BUSINESS
DEPARTMENT OF ACCOUNTING AND FINANCE
DIPLOMA IN ACCOUNTANCY
BAC 2211: AUDITING
END SEMESTER EXAMINATIONS
SERIES: JANUARY/APRIL 2016
TIME: 2HOURS

INSTRUCTIONS:

- **This paper consists of Five questions**
- **Answer question one (compulsory) and any other two questions**
- **Do not write on the question paper**
- **Marks will be awarded for correct, clear and logical answers**

QUESTION ONE

- a) Outline the matters covered by an auditor's report. (10marks)
- b) You have been asked to facilitate a seminar to Chief Executive Officers (CEOs) of private companies on the benefits of auditing. Describe ten main benefits that you will include in your presentation. (10marks)
- c) State and explain any five types of non-statutory audit (10marks)

QUESTION TWO

- a) Outline the contents of the current file (20marks)

QUESTION THREE

- a) Discuss the four types of audit opinion (12marks)
- b) It is essential that all members of the audit team full understand the client's industry. Describe eighty sources of knowledge of the client's industry (8marks)

QUESTION FOUR

- a) Explain any three desirable qualities of a good auditor (9marks)
- b) Explain what understand by internal control and outline its objectives and components (11marks)

QUESTION FIVE

- a) Distinguish the role of internal and external auditors in terms of scope, approach to work and responsibility (6marks)
- b) Explain what you understand by audit planning and outline the contents of an audit plan (14marks)