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**TECHNICAL UNIVERSITY OF MOMBASA**

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SCHOOL OF BUSINESS  
DEPARTMENT OF ACCOUNTING & FINANCE  
**UNIVERSITY EXAMINATION FOR:**  
DIPLOMA IN ACCOUNTANCY  
BAC 2211: AUDITING

END OF SEMESTER EXAMINATION  
**SERIES: AUGUST 2019**  
**TIME: 2 HOURS**  
**DATE: AUGUST, 2019**

**Instructions to Candidates**

You should have the following for this examination

*-Answer Booklet, examination pass and student ID*

This paper consists of **FIVE** questions. Attempt question ONE (Compulsory) and any other TWO questions.

**Do not write on the question paper.**

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**QUESTION ONE**

With reference to the laws of Kenya:

- a) Who may be appointed an auditor of a ltd company **(10 marks)**
- b) Who may not be appointed an auditor of a ltd company **(10 marks)**
- c) Explain the procedures to be followed when appointing an auditor **(10 marks)**

**QUESTION TWO**

Explain the types of controls established by the management in order to carry on the business of an enterprise in an orderly and efficient manner **(20 marks)**

**QUESTION THREE**

- a) Explain the sources of audit evidence **(10 marks)**
- b) As an audit clerk explain the techniques you would use to collect audit evidence **(10 marks)**

**QUESTION FOUR**

- a) Explain the reasons for circularization of debtors **(10 marks)**
- b) Explain the detection of teaming and lading **(10 marks)**

**QUESTION FIVE**

Explain the rights (powers) and duties of an auditor **(20 marks)**