



TECHNICAL UNIVERSITY OF MOMBASA

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.

QUESTION ONE

- a) Explain the procedure to be followed when appointing an auditor **(10 marks)**
- b) Explain the benefits that may accrue to a partnership whose accounts have been audited **(10 marks)**
- c) Explain FIVE ways in which the internal auditor can assist the external auditor during his audit work **(10 marks)**

QUESTION TWO

- a) Define an audit programme **(5 marks)**
- b) List the advantages and disadvantages of an audit programme **(15 marks)**

QUESTION THREE

- a) What is audit evidence **(5 marks)**
- b) Explain the main techniques of gathering audit evidence **(15 marks)**

QUESTION FOUR

Write brief explanatory notes on the following

- i) Letter of engagement **(5 marks)**
- ii) Management letter **(5 marks)**
- iii) Continuous audit **(5 marks)**
- iv) Interim audit **(5 marks)**

QUESTION FIVE

- a) Explain the factors to which an external auditor may rely on the work of an internal auditor **(10 marks)**
- b) Write brief notes on the following:
 - i) Statutory audits **(5 marks)**
 - ii) Private audits **(5 marks)**