



TECHNICAL UNIVERSITY OF MOMBASA

School of Business

Department of Accounting & Finance

UNIVERSITY EXAMINATION FOR:

BACHELOR OF SCIENCE IN MATHS AND FINANCE

BAC 4252: AUDITING AND ASSURANCE

SUPPLEMENTARY EXAMINATION

SERIES: JULY 2025

TIME: 2 HOURS

DATE: Pick Date Jul 2025

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

Audit sampling is a technique for drawing conclusions about the characteristics of a population by testing a sample drawn therefrom. Internal and external auditors use it for both tests of controls, and substantive testing.

Required:

- Define and discuss the Judgment sampling, its advantages and disadvantages. **(10 marks)**
- Define and discuss the Statistical sampling, its advantages and disadvantages. **(10 marks)**
- Distinguish between an internal audit and an external audit. **(10 marks)**

Question TWO

Internal control system encompasses all the policies and procedures adopted by the management of an entity to assist it achieving management objectives.

- Identify and explain five management objectives that an internal control system can help management achieve. **(10 marks)**
- Discuss the advantages of a good audit planning. **(10 marks)**

(20 marks)

QUESTION THREE

- a) Discuss how the independence of the auditor could be compromised in the course of his duties **(10 marks)**
- b) Discuss the advantages and disadvantages of auditing. **(10 marks)**

(20 marks)

Question FOUR

- a) What is an unqualified audit report? **(6 Marks)**
- b) State and explain the different types of qualified audit reports. **(14 Marks)**

(20 marks)

Question FIVE

There are several different methods of obtaining audit evidence. These methods overlap and may be used for different purposes during an audit of financial statements.

- a) Identify the methods for obtaining evidence
- b) Discuss two of the above methods and how they are related.

(20 marks)