



# Technical University of Mombasa

***Faculty of Business & Social Studies***

**DEPARTMENT OF BUSINESS STUDIES**

**UNIVERSITY EXAMINATIONS FOR DEGREE IN  
BACHELOR OF BUSINESS IN COMMERCE  
(B.COM. Y2 S1)**

**BAC 4301 : PRINCIPLES OF AUDITING I**

**END OF SEMESTER EXAMINATIONS**

**SERIES: AUGUST 2013**

**TIME: 2 HOURS**

**INSTRUCTIONS:**

-Attempt questions **ONE (COMPULSORY)** and any other **TWO** questions.  
This paper consists of **3 printed** pages

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**QUESTION 1 (COMPULSORY)**

- (a) State **FIVE** features of :
- (i) Interim audit
  - (ii) Final audit **(10 marks)**
- (b) Define the term audit and explain **FOUR** objectives of an external audit loan organization **(10 marks)**
- (c) Explain **FIVE** rights of an external auditor during the audit work with the client. **(10 marks)**

## QUESTION 2

- (a) Define the term independence and explain the factors to be used by an auditor during the audit work. **(10 marks)**
- (b) Identify **FIVE** parties and their information that are interested in the audited accounts. **(10 marks)**

## QUESTION 3

- (a) Define the following terms:-
- (i) Auditing through the computer
  - (ii) Auditing around the computer. **(4 marks)**
- (b) Highlight **FOUR** controls that are to be used CAATs giving examples. **(16 marks)**

## QUESTION 4

- (a) Highlight **FIVE** ways of appointing an external auditors using company Act Cap 486 **(10 marks)**
- (b) State the causes of a qualified report and explain **FOUR** types of qualified report. **(10 marks)**