

LEAD CITY UNIVERSITY,IBADAN
Faculty of Environmental, Management & Social Sciences.
Department of Accounting & Finance
2017/2018 Session- Second Semester Tutorial Questions
COURSE TITLE :- Principles & Practice of Auditing, Course Code:- ACC 217
LECTURER:- Dr .O.Oguntola

SECTION A:

INTRODUCTION: Auditing Principle & Practice is a compulsory course for Accounting student at 700 Level carrying 2 units. The course is taught for 2 hours weekly.

COURSE DESCRIPTION:

The course is set to build a solid foundation for the student future knowledge in Auditing Theory that will be done at the 800 Level of studies for Master's degree program. This course will cover various nature and purpose of Audit, Audit professional independence, Qualification and Ethics of the profession, rights, duties, appointment, resignation and removal of Auditor, Relationship with management, planning, controlling and recording an Audit Chart, Relationship between internal and external Audit. All these with some other topics will laid a solid foundation for the student course work at the 800 Level of studies.

COURSE OBJECTIVES:

To examine students:

- Mastery of the concepts and principles of Auditing and other applications to various business entities.
- Ability to be able to apply the principles of Auditing to various aspect of Life and future prospects of the training of an Auditor.
- Ability to determine and applied the knowledge to information technology and how to carried out public sector audit.

TEACHING PLAN:

WEEK

TOPICS

- | | |
|----|---|
| 1. | Introduction and General overview of Auditing |
| 2. | Nature and purpose of an Audit. |
| 3. | Rules & Ethics governing the work of an Auditor |

Professional independence and the legal status.

4. Appointment, Resignation and removal of Auditor
And relationship with Director and Management.
 5. Duties, Rights and Remuneration of Auditors, his
Professional responsibilities.
 6. Auditor Liabilities and some related cases.
 7. Planning, Controlling and recording of Audit Chart.
 8. Relationship between internal and external Audit-
Internal control system, allocation & supervision
Of the work.
 9. Auditors working papers and planning/ control
Of Audit report.
- 10 – 11. Assets Verification & Liabilities.
12. Computer Audit.
13. Introduction to public sector Audit, Revision/
Assignment/Tests/Examination.

ASSESSMENT BASIS:

Attendance	10%
Test	20%
Examination	<u>70%</u>
Total	<u>100%</u>

REFERENCES:

1. Olowookere Kola - Fundamentals of Auditing – Slicon publishing company.
2. Spicer’s Practical Auditing 8th Edition – Butterworths/APL.
3. ICAN - Auditing study pack - V I Publishers Lagos, Nigeria(2009)

Faculty of Environment Management & Social Science.
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2017/2018 Session- Second Semester Tutorial Questions
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Instruction: Answer any four questions **2 hours**
LECTURER: MR A.O TAIWO/Dr .O. OGUNTOLA

Q 1.State and briefly discuss those essential qualities that are required in an Auditor.

Q 2. An audit is seen as a process whereby the accounts of an enterprise is subjected to scrutiny by a suitable qualified auditor in such detail as would enable the auditors to form an opinion as to their truth and fairness.

You are required:

- a. Define Auditing.
- b. What are the objectives of Auditing?
- C .Give the advantages and disadvantages of the following audit:
 - i. Final or Completed audit.
 - ii. Continuous Audit.

Q 3. S.358(1) of Cama(2004) specifies certain qualification which an auditor must possess. They are also vested with certain power and duties.

- a. What are the qualification's?
- b. What are the powers and duties vested on the Auditor.

Q 4. Briefly write on the rights and duties of an external Auditor of a Limited liability Company in accordance with the Company and Allied matters Acts.

Q 5. a. Describe any five(5) kinds of relationships which could impaired the independence of an Auditor.

- b. Briefly discuss on any five statutory provisions and professional requirement which tend to ensure the independence of an Auditor.

Q 6. As the Auditor of XYZ Limited, Lagos, whose Balance sheet as at 31

December,2016 includes an item of inventory for N60 m, which are held in more than one warehouse.

- a. What factors will assist you as the Auditor to determine the Location that will be visited for Audit purposes.
- b. Enumerate five factors which should be considered by the external Auditor in determining his level of reliance on the work carried out by the internal Auditor.

Q 7. Stock taking attendance is one of the ways by which the Auditor seeks to confirm the existence of inventory items through obtaining satisfaction that the procedure the client has laid down for proper inventory count have been complied with.

- a. Briefly explain “CUT- OFF” on an inventory procedure and relate this to receivable and payables CUT- OFF.
- b. Give four types of inventories.
- c. List and discuss any four duties of the Auditors before the inventory counts.

8. Auditors must strictly comply with “ Rules of professional conduct issued by their professional bodies as condition for membership’.

- a. You are required to mention and explain any four fundamental principles of professional code of conduct for Accountants.
- b. Every company shall appoint annually a person approved by shareholders ,whose duties shall be to present to the shareholders a report on the Annual financial statements of the company.

What are the condition to be met to qualify as an “Approved Auditor” ?

9. Mention methods of data processing and briefly explain on any five of the methods mentioned.

10a. What is Audit Planning?

- b. The nature and form of Audit planning are based on certain factors. Itemise 5 of the factors.
 - c. List 5 reasons for Audit Planning
11. What are audit working paper and what purpose do they serve?
- b. Distinguish between a current Audit file and a permanent audit file.
12. Internal control is a process. it is a means to an end , not an end in itself.
- a. Define the concept of Internal Control
 - b. What are the 4 critical objectives of an Internal Control
 - c. List the types of Internal Control.

SECTION C: MARKING GUIDE

ACC:217 PRINCIPLES OF AUDITING

1. - Listing of Essential Qualities	-	5
- Brief Explanation of each of the qualities-		<u>10</u>
		<u>15</u> MARKS
2. a. Good definition of auditing	-	2
b. Stating the objectives of Auditing	-	3
c. Advantages & Disadvantages of final and completed audits-		5
ii. Advantages&Disadvantages of continuous audit-		<u>5</u>
		<u>15</u> MARKS
3. a. Mentioning of qualifications of an auditor in accordance -		5
With CAMA		
b. Stating the power & Duties vetted by an Auditor-		<u>10</u>
		<u>15</u> MARKS

4. listing and Explanation of Rights & Duties of an external Auditor of a Company at least 5 each	15 MARKS
5. a. Mention of any five kinds of relationship -	5
b. A brief explanation of statutory provision and professional-requirement	<u>10</u>
	<u>15 MARKS</u>
6. a. Listing of the factors that will Assist the Auditor-	5
b. Enumerating 5 factors that will be considered by Auditors-	<u>10</u>
	<u>15 MARKS</u>
7.a. Definition of Cut-off as it relates to inventory procedure and- Receivables & payable	5
b. Stating 4 types of inventories -	4
c. List and Explaining 4 duties of the Auditors before inventory counts	- <u>6</u>
	<u>15 Marks</u>
8. a. Ability to Mention and Explaining 4 fundamental Principles of professional code of conduct of Auditor -	8
b. list of qualities of an approved Auditor -	<u>7</u>
	<u>15 Marks</u>
9. i. Mentioning of method of data processing(1 mark each)-	5
ii. Explanation of 5 of the above	- <u>10</u>
	<u>15 Marks</u>
10.a. A good definition of each of the listed attracts 3 marks each-	10
b. Stating the benefits of EDP	- <u>5</u>

15 Marks

11.a. Definition of computer service bureau -

5

b. i. Principal points to e -fraud in a computer service

bureau from customer's stand points -

5

ii. from bureau view points -

5

15 Marks

12.a. Definition of Application Controls

And General controls (4 marks Each) -

8

b. listing & Explanation of 3 types of application control &

5 types of general controls -

7

15Marks