1. Auditing refers to
   a) Preparation and checking of account
   b) Examination of accounts of business units only
   c) Examination of accounts of professional accountants
   d) Checking of vouchers

2. Main object of auditing is
   a) Detection of errors
   b) To find out whether P&L a/c & B/S show true and fair state affairs
   c) Detection of frauds
   d) Detection and prevention of frauds and errors.

3. Auditing is luxury for a
   a) Joint stock company
   b) Partnership firm
   c) Small shop-keeper
   d) Government company

4. Auditing is compulsory for
   a) Small scale business enterprises
   b) All partnership firms
   c) All joint stock companies
   d) All proprietary concerns

5. Propriety audit refers to
   a) Verification of accounts
   b) Examination accounts of propriety concerns
   c) Enquiry against justification and necessity of expresses
   d) Audit of Govt. companies

6. Propriety is normally undertaken in case of
   a) Joint stock company
   b) Government company
   c) Statutory corporation
   d) Govt. departments

7. Interim audit refers to
   a) Examination of accounts continuously
   b) Examination of accounts intermittently
   c) Audit work to find out and check interim profits of a company
   d) Carrying on audit for bonus purposes at the end of the year

8. Final audit implies
   a) Audit of accounts at the end of the year
   b) Finally checking of accounts to reveal frauds
   c) Audit for submitting report immediately at the end of the year
   d) Audit of banking companies

9. A continuous audit is specially needed for
   a) Any trading concern
   b) Smaller concerns
   c) Banking companies
   d) Any manufacturing companies

10. Joint audit implies
    a) Audit of two concerns together
11. Management audit means
   a) Audit undertaken on behalf of the management
   b) Evaluating performance of various management processes and functions
   c) Audit undertaken on behalf of Govt. to punish management
   d) Compulsory audit

12. Systems audit implies
   a) Systematic examination of accounts
   b) Audit undertaken to improve auditing systems
   c) Enquiring accounting and control systems
   d) Checking the performance of management

13. Internal audit means
   a) Audit undertaken to ascertain truth and fairness of state of affairs
   b) Audit undertaken internally to evaluate management functions
   c) Audit undertaken by employees of the organization to check financial irregularities
   d) Audit by independent auditor to improve internal affairs

14. Internal audit is
   a) Compulsory for a company with paid-up capital of Rs. 25 lakh and above
   b) Voluntary for a company
   c) Not necessary for a company
   d) Necessary for a company

15. Internal audit is undertaken
   a) By independent auditor
   b) Statutorily appointed auditor
   c) By a person appointed by the management
   d) By Government auditor

16. Internal auditor is appointed by the
   a) Management
   b) Shareholders
   c) Government
   d) C & A-G

17. The object of internal check is to
   a) Control wastage of resources
   b) Prevent errors and frauds
   c) Verify the cash receipts and payments
   d) Facilitate quick decision by the management

18. Effective internal check system reduces
   a) The liability of auditor
   b) Work of auditor
   c) Both work as well as auditor
   d) Responsibilities of an auditor

19. Internal check is a part of
   a) Internal audit
   b) Internal accounting
   c) External audit
   d) Internal control

20. Internal check is carried on by
   a) Special staff
   b) Internal auditor
   c) Accountant
21. Internal check is suitable for
   a) Larger concerns
   b) Smaller concerns
   c) Petty shop-keepers
   d) None of the above

22. Internal check is carried on by
   a) Staff specially appointed for the purpose
   b) Internal auditor
   c) The members of the staff among themselves
   d) Supervisor of the staff

23. Internal check is essential for
   a) Petty traders
   b) Cash transactions in a large concern
   c) A concern using automatic equipments
   d) None of the above

24. Misappropriation of goods may be checked by
   a) Proper supervision over stock
   b) Checking of employees
   c) Punishment of employees
   d) None of the above

25. Window dressing implies
   a) Curtailment of expenses
   b) Checking wastages
   c) Under-valuation of assets
   d) Over-valuation of assets

26. Falsification of accounts is undertaken by
   a) Auditors
   b) Clerks
   c) Accountants
   d) Responsible officials

27. Errors of omission are
   a) Technical errors
   b) Error of principle
   c) Compensating errors
   d) None of the above

28. Test checking refers to
   a) Testing of accounting records
   b) Testing of honesty of employees
   c) Intensive checking of a selected number of transactions
   d) Checking of all transactions recorded

29. Test checking should not be applied to
   a) Sales book
   b) Purchase book
   c) Bank reconciliation statement
   d) Bills book

30. Test checking should not be applied to
   a) Purchase book
   b) Sales book
   c) Stock book
   d) Cash book

31. Vouching implies
a) Inspection of receipts  
b) Examination of vouchers to check authenticity of records  
c) Surprise checking of accounting records  
d) Examining the various assets  

32. Payment for goods purchased should be vouched with the help of  
a) Creditors statement  
b) Correspondence with suppliers  
c) Cash memos  
d) Ledger accounts  

33. Payment for wages should be vouched with the help of  
a) Piece work statement  
b) Wage sheets  
c) Minute book  
d) Bank pass book  

34. Payment for building purchased should be vouched with the help of  
a) Title deed  
b) Correspondence with Brokers  
c) Building account  
d) Cash book  

35. Investment should be vouched with the help of  
a) Commission book  
b) Brokers book  
c) Sales deeds  
d) Minute book  

36. Receipt from debtors should be vouched with the help of  
a) Counterfoil Receipts cash book  
b) Suppliers statement  
c) Sales Deeds  
d) General Ledger  

37. Receipt from sale of investment should be vouched with the help of  
a) Brokers Budget Notes  
b) Brokers Sold Notes  
c) Minute Book  
d) Inventory of investment  

38. Purchases returns should be vouched with the help of  
a) Bought Notes  
b) Credit Notes  
c) Goods inward Book  
d) Cash Book  

39. Verification refers to  
a) Examination of journal and ledger  
b) Examination of vouchers related to assets  
c) Examining the physical existence and valuation of assets  
d) Calculation of value of assets  

40. Object of verification of assets  
a) Physical verification of assets  
b) Checking value of assets  
c) Examining the authority of their acquisition  
d) All of the above  

41. Which of the following statements is correct?  
a) Valuation is a part of verification  
b) Verification is a part of valuation
c) Valuation has nothing to do with verification  
  d) Auditor is a valuer  
42. Stock should be valued at  
  a) Cost  
  b) Market price  
  c) Cost price or market price whichever is lower  
  d) Cost less depreciation  
43. Valuation of Fixed Assets is based on the concept  
  a) Going concern  
  b) Conservation  
  c) Money measurement  
  d) Dual aspect  
44. Valuation means  
  a) Calculating value of assets  
  b) Checking the value of assets  
  c) Checking the physical existence of assets  
  d) Examining the authenticity of assets  
45. “Auditor is not valuer” was stated in  
  a) Kingston Cotton Mills case  
  b) London & General Bank case  
  c) Lee V. Neuchatel Co. Ltd case  
  d) London oil Storage Co. case  
46. Fixed assets are valued at  
  a) Cost  
  b) Market price  
  c) Cost price or market price whichever is less  
  d) Cost less depreciation  
47. Floating assets are valued at  
  a) Cost  
  b) Market price  
  c) Cost price or market price whichever is less  
  d) Cost less depreciation  
48. The scope of work of internal audit is decided by the  
  a) Share holders  
  b) Management  
  c) To improve financial control  
  d) All of the above  
49. Outstanding expenses should be verified with the help of  
  a) Cash book  
  b) Balance book  
  c) Journal proper  
  d) None of the above  
50. Book debts should be verified with the help of  
  a) Balance sheet  
  b) Amount received from Debtors  
  c) Debtors schedule  
  d) Certificate from the management  
51. Investments in hand should be verified with the help of  
  a) Schedule of investments  
  b) Balance sheet  
  c) Inspection of securities  
  d) Certificate from the bank
52. First auditor of a company is appointed by the
   a) Shareholders  
   b) Central Govt.  
   c) Company Law Board  
   d) Board of Directors

53. Which of the following persons is qualified to be a company auditor?
   a) An employee of the company  
   b) A body corporate  
   c) A person who is indebted to the company for an amount exceeding Rs. 1000  
   d) A practicing chartered accountant

54. The first auditor of a company will hold office
   a) For a period of one year  
   b) Till holding of statutory meeting  
   c) Till the conclusion of first annual general meeting  
   d) Till a new auditor is appointed

55. Normally, a company auditor is appointed by the
   a) Central Government  
   b) Shareholders  
   c) Board of Directors  
   d) Company Law board

56. An auditor in a casual vacancy is appointed by the
   a) Board of Directors  
   b) Shareholders  
   c) Central Government  
   d) Company Law board

57. If an auditor is not appointed at annual general meeting, he is appointed by the
   a) The Central Government  
   b) Board of Directors  
   c) Shareholders  
   d) Company Law board

58. A vacancy caused by resignation of the auditor is filled by
   a) Board of Directors  
   b) At the general meeting of shareholders  
   c) By the Central Government  
   d) By the Company Law board

59. A special auditor is appointed by the
   a) Shareholders  
   b) Board of Directors  
   c) Central Government  
   d) C & A - G

60. A government Co. auditor may be appointed by the
   a) C & A – G  
   b) Shareholders  
   c) Central Government  
   d) None of the above

61. A company auditor can be removed before expiry of his term by
   a) Shareholders  
   b) Board of Directors  
   c) Central Government  
   d) State Government

62. Remuneration of a company auditor is fixed by the
   a) Shareholders
b) Board of Directors
c) Central Government
d) Appointing authority

63. A company auditor, in general has to submit his report to
   a) Shareholders
   b) Board of Directors
   c) Central Government
   d) C & A – G

64. An auditor of Government company has to submit his report to the
   a) Shareholders
   b) Central Government
   c) C & A – G
   d) Ministry concerned

65. Internal auditor has to submit report to
   a) Shareholders
   b) Government
   c) Company Law board
   d) None of the above

66. Auditor should be dutiful like a
   a) A watch dog
   b) A blood hound
   c) A detective
   d) An insurer

67. Auditor, in general is an
   a) Employee of the company
   b) Agent of the company
   c) Agent of the shareholders
   d) None of the above

68. While checking allotment of shares the auditor should see that it is made within
   a) 100 days of issue of prospectus
   b) 120 days of issue of prospectus
   c) 150 days of issue of prospectus
   d) 80 days of issue of prospectus

69. Which of the following percentage of nominal amount of shares should be received with application
   a) 10
   b) 15
   c) 5
   d) 6

70. While checking allotment, auditor should see that amount
   a) Equal to estimated fixed capital is received
   b) Equal to estimated working capital is received
   c) Necessary for purchase of land & building has been received
   d) None of the above

71. For restriction regarding allotment of shares, the auditor should refer to section
   a) 25
   b) 75
   c) 64
   d) 69

72. For checking that allotment of shares has been properly made, an auditor should refer to
   a) Cash Book
   b) Shares Ledger
   c) Directors minutes book
   d) Shareholders minutes Book

73. Auditor should see that the return of allotment has been sent to Registrar within
   a) 1 month
   b) 2 months
   c) 3 months
   d) 40 days

74. Application money should not be withdrawn unless
   a) Allotment is made
   b) Cash book has been prepared
c) Certificate to commence business obtained
d) Certificate of incorporation obtained
75. Shares issued for consideration other than cash should be vouched with the help of
   a) Directors minutes book
   b) Shareholders minutes book
   c) Contract with the party concerned
   d) Cash book
76. A company can issue Redeemable Preference shares, if authorized by
   a) Memorandum of association
   b) Articles of association
   c) Companies Act, 1956
   d) None of the above
77. Auditor should see that amount received for premium on issue of shares should be shown in
   a) Subscribed capital
   b) Capital Reserve Account
   c) Share Premium account
   d) Paid-up capital account
78. Share premium account should be shown in the Balance sheet under
   a) Paid-up capital
   b) Subscribed capital
   c) Reserves & surplus
   d) Reserved capital
79. Amount of share premium may be utilized for
   a) Payment of dividend
   b) Writing of preliminary expenses
   c) Routine expenses
   d) Purchase of fixed assets
80. Shares can be issued at discount under section
   a) 76   b) 75   c) 79   d) 89
81. Interest on calls paid in advance, according to Table A, should not exceed
   a) 6%   b) 5%   c) 10%   d) 14%
82. Shares can be issued at premium, under section
   a) 76   b) 75   c) 78   d) 79
83. A company can accept calls in advance from its shareholders under section
   a) 82   b) 79   c) 92   d) 78
84. Shares can be issued at discount only after
   a) 2 years of the commencement of the business
   b) 1 year of the commencement of the business
   c) 3 years of the commencement of the business
   d) 5 years of the commencement of the business
85. With regard to issue of share warrants to the bearers, the auditor should see that it is
   a) Permitted by Memorandum of Association
   b) Sanctioned by the Central Government
   c) Permitted by the Board of Directors
   d) None of the above
86. For the forfeiture of shares, the auditor should check that it is permitted
   a) by Memorandum of Association
   b) by articles of association
   c) under Companies Act, 1956
   d) None of the above
87. Premium received on issue of shares, later forfeited, should be transferred to
   a) Capital reserve
b) Shares forfeited Account  
c) Capital Account  
d) None of the above  

88. With regard to issue of share certificates, the auditor should refer to section  
    a) 110  b) 113  c) 114  d) 123  

89. Increase in share capital is permitted by  
    a) Memorandum of Association  
    b) Articles of association  
    c) Court  
    d) Companies Act, 1956  

90. Divisible profit should not include  
    a) Interest on capital  
    b) Capital  
    c) Depreciation  
    d) None of the above  

91. Dividend can not be paid out of  
    a) Capital profit  
    b) Capital receipts  
    c) Revenue receipts  
    d) None of the above  

92. Capital profit imply profit earned  
    a) Through business transaction  
    b) From capital  
    c) From sale of fixed assets  
    d) From sale of current assets  

93. Capital profits  
    a) Can be paid by way of dividends  
    b) Cannot paid by way of dividends  
    c) Can be paid by way of dividend under certain conditions  
    d) None of the above  

94. If there is capital loss, the auditor should  
    a) Not allow payment of dividend  
    b) Allow payment of dividends  
    c) Allow payment of dividends after making such losses good  
    d) None of the above  

95. A company auditor should see that the dividend should be paid  
    a) After charging depreciation  
    b) Without charging depreciation  
    c) Out of capital  
    d) None of the above  

96. In his report, the auditor gives his  
    a) Judgment  
    b) Opinion  
    c) Guarantee to correctness of accounts  
    d) True state of affairs  

97. Civil liability of an auditor implies liability for  
    a) Misappropriation of cash  
    b) Misappropriation of goods  
    c) Fraud  
    d) Misfeasance  

98. An auditor can be held liable under companies Act 1949 for  
    a) Negligence
b) Criminal offence

c) Professional misconduct

d) Breach of contract

99. Investigation of books of accounts and records is :
   a. Not legally compulsory
   b. Compulsory
   c. Compulsory as per Companies Act
   d. Compulsory as Income Tax Act

100. Investigation is carried on behalf of
   a. Manager
   b. Employee
   c. Client
   d. On behalf of owner and third parties

101. Examination of accounting records undertaken for a special purpose is called
   a. Auditing
   b. Internal check
   c. Investigation
   d. Internal control

102. The prime importance of investigation on behalf of an individual or firm intending to purchase an existing business is to
   a. Ascertain value of asset
   b. Ascertain the earning capacity of the concern
   c. Estimation of value of good will
   d. Extend of liabilities

103. Inflation of closing stock results in:
   a. Inflation of loss
   b. Deflation of loss
   c. Inflation of profit
   d. Deflation of profit

104. Inflation of profit is possible due to:
   a. Overvaluation of closing stock
   b. Overstating purchase
   c. Overstating opening stock
   d. Overstating expenses

105. Charging excessive provision for depreciation results in
   a. Less profit
   b. More profit
   c. No change in profit
   d. No change in loss

106. The main purpose of management audit is to
   a. Review the management operations
   b. Check arithmetical accuracy
   c. Prevent travel
   d. Prevent error

107. Management audit is
   a. Compulsory
   b. Not compulsory
   c. Compulsory under Income Tax Act

108. Special resolution means -------------------
   a. 1/3 majority
   b. 2/3 majority
109. Ordinary resolution means -----------------------
   a. 1/3 majority
   b. 2/3 majority
   c. More than 1/2

110. The chartered Accountants Act is in -----------------
   a. 1956
   b. 1959
   c. 1949

111. Section 633 of the companies Act deals with
   a. Liability of auditor
   b. Relief to the auditor
   c. Punishment to the auditor

112. Auditor is an -------------- of a shareholder
   a. Owner
   b. Agent
   c. Employer

113. Cost audit means audit of -------------- records
   a. Financial
   b. Cost
   c. Tax

114. Financial auditor submits reports to the ------------
   a. Shareholder
   b. Board of director
   c. Employees

115. Cost auditor submits reports to the ------------
   a. Share holder
   b. Board of directors
   c. Employees

116. -------------- audit is forward looking -
   a. Financial
   b. Cost
   c. Tax

117. Cost auditor of a company is ------------
   a. Chartered Accountant
   b. Cost Accountant
   c. Tax Accountant

118. Auditor finds that there is change in the method of valuation of stock whether he should
   a. Allow it
   b. Disallow it
   c. Allow it with a note to this effect

119. Audit under any statute in a country is called --------------
   a. Final audit
   b. Internal audit
   c. Statutory audit

120. Books of Accounts are prepared and audited as per the provisions of the ------------
   b. Companies Act 1956
   c. Chartered Accountants Act 1949

121. CAATTS is also known as ------------
   a. Cost And Accounts Treatments
   b. Computer Assisted Audit Tools and Techniques
122. Auditor has got no lien on --------------
   a. Audit Note Nook
   b. Audit working papers
   c. Books to Accounts of Client

123. Statutory Report should be sent to registrar before -------------- days of statutory meeting
   a. 30 days
   b. 14 days
   c. 21 days

124. The meeting held by the company with in a period of not less than one month and not more
     than 6 months is called --------------
     a. Statutory
     b. Annual
     c. General

125. -------------- audit is not a statutory requirement
     a. Management
     b. Financial
     c. Tax Audit

126. -------------- audit refers to the evaluation of company’s performance against planned
     goals in the areas of social responsibility.
     a. Cost audit
     b. Social audit
     c. Management audit

127. Bonus shares are issued to --------------
     a. New members
     b. Existing share holders
     c. Employees

128. -------- Section of the Companies Act deals with Appointment of Company auditor.
     a. Sec-226
     b. Sec-224
     c. Sec-227

129. -------- Section of the Companies Act deals with qualification of Company auditor.
     a. Sec-226
     b. Sec-224
     c. Sec-227

130. Amount of Share premium may be utilized for
     a. Payment of dividend
     b. Writing of preliminary expenses
     c. Routine expense

131. Share Premium Account should be shown in Balance sheet under
     a. Paid-up capital
     b. Subscribed capital
     c. Reserves and surpluses

132. Auditor should see that amount received for premium on issue of shares should be shown in
     a. Subscribed capital
     b. Capital Reserve Account
     c. Share Premium Account

133. A company can issue redeemable preference shares if authorized by
     a. Memorandum of Association
     b. Articles of Association
     c. Companies Act-1956
134. A company can issue bonus shares if authorized by
   a. Memorandum of Association
   b. Articles of Association
   c. Companies Act-1956

135. Interest on calls paid in advance according to table A, should not exceed
   a. 6%
   b. 5%
   c. 10%

136. For the forfeiture of shares, the auditor should check that it is permitted
   a. Memorandum of Association
   b. By articles of association
   c. Under Companies Act 1956

137. Profits on reissue of forfeited Shares should be transferred to
   a. Share forfeited Account
   b. Capital Reserve Account
   c. Profit and Loss Account

138. Shares issued for consideration other than cash should be vouched with the help of
   a. Director’s minute Book
   b. Shareholder’s minute Book
   c. Contact with the party concerned

139. While checking the allotment of shares, the auditor should see that it is made within
   a. 100 days of issue of prospectus
   b. 120 days of issue of prospectus
   c. 150 days of issue of prospectus

140. Which of the following percentage of nominal amount of shares should be received with application
   a. 10
   b. 15
   c. 5

141. Accounting standards are prepared by
   a. SEBI
   b. RBI
   c. ICAI
   d. ITA

142. Which of the following is referred to confirm the allotment of shares to the vendor
   a. Cash book
   b. Pass book
   c. Director’s minute

143. Share premium Account is shown on the ________________
   a. Asset side of Balance sheet
   b. Liability side of Balance sheet
   c. Credit side of profit and loss Account

144. Issue of shares at discount should be sanctioned by the ________________
   a. Board of directors
   b. Share holders
   c. Company Law Board

145. The maximum rate of discount on shares shall not exceed______________
   a. 20%
   b. 15%
   c. 10%
146. Discount on issue of shares not written of is shown separately in Balance sheet under the head ____________
   a. Miscellaneous expenditure
   b. Preliminary expanses
   c. Current assets

147. ________________section of Companies Act deals with share Capital
   a. 69
   b. 60
   c. 50

148. Which among the following is not a function of the author
   a. Checking errors and frauds
   b. Vouching with original documents
   c. Preparing final Accounts

149. Audit conducted as per the provisions of law is ____________
   a. Statutory Audit
   b. Continuous Audit
   c. Social Audit

150. The scope of auditing does not cover.
   a. Vouching
   b. Checking arithmetical accuracy
   c. Ledger posting

151. Internal audit is conducted
   a. Periodically
   b. Throughout the year
   c. Once in a year

152. The amount of application money received shall be deposited in a scheduled bank until ______
   a. Annual general meeting
   b. General meeting
   c. Certificate to commencement obtained

153. Amount received as premium can be used to ____________
   a. Purchase Assets
   b. Pay of liabilities
   c. Issue bonus shares

154. The auditors are liable under
   a. Companies Act Only
   b. Income Tax Act Only
   c. All above

155. The maximum number of audit assignment an auditor can accept is limited to ____________ companies
   a. 10
   b. 15
   c. 20

156. Auditors can be appointed by ____________ when the shareholders fail to appoint auditors at the general meeting
   a. Board of directors
   b. Central government
   c. Company Law board

157. The examinations of financial transactions with supporting evidences is called
   a. Verification
   b. Vouching
c. Auditing

158. Which among the following is an example of intangible asset?
   a. Goodwill
   b. Patents
   c. All of these

159. Which of the following is not an item current asset?
   a. Stock
   b. Sundry debtors
   c. Furniture

160. The term inventories stands for
   a. Raw materials
   b. Work in progress
   c. All of these

161. Sales day book is used for recording
   a. Credit sales
   b. Cash sales
   c. All sales

162. ________ audit is more suitable for small business houses
   a. Continuous
   b. Annual
   c. Partial

163. Vouching is an examination of ________ to ascertain the accuracy and authenticity of transactions in
    the book of accounts
   a. Audit files
   b. Audit note book
   c. Documents

164. ________ is a written plan containing details with regard to the conduct of a particular audit
   a. Audit Note book
   b. Audit programme
   c. Audit files

165. ________ is the verification of books of accounts from Income tax point of view
   a. Cost audit
   b. Tax audit
   c. Management audit

166. Investigation is conducted
   a. Regularly
   b. Quarterly
   c. As and when required

167. Investigation is required when
   a. Fraud is suspected in business
   b. On acquisition of running business
   c. All of them

168. Which among the following is not a right of company auditors
   a. Right to access the book accounts
   b. Right to seek explanations
   c. Right to lies on books of accounts

169. Test checking is done when there is an effective system of ________
   a. Internal control
   b. Internal audit
   c. Internal check

170. Test checking means
a. Checking of all transactions  
b. Checking of half of the transactions  
c. Checking of selected items  

171. Audit working papers are  
a. Important information about audit  
b. Appointment letters regarding audit  
c. Letter of notice  

172. Current audit file consists of  
a. Matters of future importance  
b. Matters relations to post years  
c. Matters relating to the year of audit  

173.  begins where accounting ends  
a. Bookkeeping  
b. Auditing  
c. Internal check  

174. audit is compulsory for joint stock companies  
a. Statutory  
b. Final  
c. Continuous  

175. Treating revenue expenditure as capital expenditure is an example of  
a. Principle  
b. Compensating  
c. Clerical  

176. Financial statements are prepared by  
a. The accountant  
b. The auditor  
c. Managing director  

177. Preliminary expenses not written off are treated as  
a. Fixed assets  
b. Intangible assets  
c. Fictitious assets  

178. Verification of assets involves a critical examination of  
a. Ownership  
b. Existence  
c. All of these  

179. Finished goods are valued for a balance sheet purpose  
a. At cost price  
b. At market price  
c. At lower of cost or market price  

180. includes financial and non-financial control  
a. Internal check  
b. Internal control  
c. Internal audit  

181. is concerned with the allocation of work among employees  
a. Internal control  
b. Internal check  
c. Internal audit  

182. The duties of internal auditor is prescribed by  
a. Companies act  
b. Company law board  
c. Management  

183. Internal audit is considered as a service to  

a. Share holders
b. Board of directories
c. Management

184. Pre-arranging and coordinating the audit work is called ------------------
   a. Audit planning
   b. Vouching
   c. Verification

185. A fixed audit programme is also called a -------- programme
   a. Tailor made
   b. Man made
   c. Auditor made

186. Share holders minute book should be vouched for
   a. Payment to vendors
   b. Payment to promoters
   c. Issue of bonus shares

187. ---------------- is deducted from called up capital to get paid up capital
   a. Subscribed capital
   b. Issued capital
   c. Calls in arrears

188. Discount on issue of shares is shown under the -------------- lead
   a. Current asset
   b. Preliminary expanses
   c. Miscellaneous expanses

189. To forfeit shares -------------- days notice to the share holder's given
   a. 40
   b. 14
   c. 24

190. ---------------- of the companies Act 1956 prescribes the duty of preparing a report by an auditor
   a. Sec-227(2)
   b. Sec-273(1)
   c. Sec-224(2)

191. A -------------- report is one which contains the opinion of the auditor subject to certain conditions
   a. Unqualified
   b. Qualified
   c. Clean

192. -------------- is made out of reserves or share premium
   a. Preference shares
   b. Bonus shares
   c. Debentures

193. -------------- shares cannot be issued if the company makes any default in the payment of its obligation
   a. Preference
   b. Equity
   c. Bonus

194. Capitalization of reserves means ------------------
   a. Creation of provision
   b. Declaration of dividend
   c. Issue of bonus shares

195. Provisions regarding bonus issue should be given in ---------------- document
   a. Memorandum of association
   b. Articles of association
c. Prospectus

196. Balance remaining in the forfeited Account after reissue is transferred to --------------- account
   a. General reserve
   b. Capital reserve
   c. Premium account

197. If reissue of shares are more than face value of shares, the excess amount is transferred to ---------- account.
   a. General reserve
   b. Capital reserve
   c. Premium account

198. Share call amount due is credited to ------------------ account
   a. Share application account
   b. Share allotment account
   c. Share capital account

199. When excess applications money is refunded to applicants it is vouched with cash book and -------
   a. Letter of allotment
   b. Letter of call
   c. Letter of regret

200. Partial auditing is usually done by
   a. Sole trading concern
   b. Joint stock company
   c. Govt. department

ANSWERS

1) C  2) B  3) C  4) C  5) C  6) D  7) C  8) A
81) A 82) C 83) C 84) B 85) B 86) B 87) D 88) B
89) B 90) D 91) B 92) C 93) C 94) B 95) A 96) B
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