

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF COMMERCE

BCOM 411: AUDITING I

STREAMS: BCOM Y4S1 (ODEL)

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 06/10/2021

2.30 P.M – 4.30 P.M.

INSTRUCTIONS

- **Answer question ONE and any other TWO.**
- **Do not write anything on question paper.**

- (a) The role of auditing is not to audit financial books and statements, it involves other important functions. Discuss. (10 marks)

(b) Briefly explain the various classifications of auditing that can be carried out in an organization. (12 marks)

(c) Describe the fundamental principles of internal check. (8 marks)
- (a) As an auditor you were hired by the government department to audit subsistence allowances (travelling allowances) paid to staff for various travelling during the year 2020. There is a complain that employees are claiming payments fraudulently and in excess of what is due to them. You are required to carry out from 2nd February 2021.

REQUIRED:

- (a) Describe the preparation you need to make before auditing. (10 marks)

validity
marks)

(b) Explain the vouching process you can carry out to in documents for
of evidence. (10

3. Write short notes on the following

(a) Accounting errors to be audited. (7 marks)

(b) Provisions for appointment of an auditor of a public limited company in Kenya.
(8 marks)

(c) Audit note book. (5 marks)

4. (a) Explain why routine checking is essential in auditing and what constitute the
routine checking. (7
marks)

(b) Describe the liabilities of an auditor auditing a public institution in Kenya.
(13 marks)
