

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

THIRD YEAR EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR
OF COOPERATIVE MANAGEMENT

BCOP 341: COOPERATIVE AUDITING

STREAMS: BCOP (Y3S1)

TIME: 2 HOURS

DAY/DATE: FRIDAY 26/03/2021

8.30 A.M. – 10.30 A.M.

INSTRUCTIONS:

- Answer question ONE and any other TWO questions
- Do not write anything on the question paper

QUESTION ONE

- (a) Distinguish between the following terms
- (i) Accountancy and auditing [6 marks]
 - (ii) Errors and fraud [6 marks]
- (b) What is continuous audit? Outline its four advantages and four disadvantages over final audit in the business operations [10 marks]
- (c) Describe the rights of an Auditor of public company [8 marks]

QUESTION TWO

- (a) You are the Auditor of Nyakongo-Gesima, company, you are requested in the mid of the year, to carry out a special audit to disclose issues raised that debtors of the company have been paying in cash but the cashiers have not been depositing the money into the bank account of the company, at the same time there has been payments made fraudulently to non-existing creditors.

Required: State and briefly explain the various audit techniques you can apply in getting valid evidence for such cases [15 marks]

BCOP 341

- (b) Highlight any five contents to be included in the audit report as stipulated international audit standards. [5 marks]

QUESTION THREE

- (a) Highlight any six duties of an auditor [6 marks]
- (b) An auditor is required to carry out his duties diligently, otherwise he will be held liable. Discuss disclosing the liabilities of an auditor. [14 marks]

QUESTION FOUR

As an auditor how can you audit the following items in the accounts records of your client

- (a) Cash receipts of both cash and credit sales [12 marks]
- (b) Good will of the company [8 marks]
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