

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

RESIT/SPECIAL EXAMINATION

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF PURCHASING
AND SUPPLIES MANAGEMENT**

BPSM 406: AUDITING

STREAMS: BPSM Y4S2

TIME: 2 HOURS

DAY/DATE: THURSDAY 26/07/2018

11.30 A.M. – 1.30 P.M.

INSTRUCTIONS:

- **Answer question ONE (compulsory) and any other TWO questions.**
- **Do not write on question paper.**

1. (a) Describe the features and advantages of the following classifications of auditing.

(i)	Continuous audit	(6 marks)
(ii)	Final audit	(6 marks)
(iii)	Interim audit	(6 marks)

(b) Describe the various techniques that an auditor may use to gather valid evidence in his auditing processes. (12 marks)
2. (a) Describe the rights of an auditor. (12 marks)

(b) Highlight the duties of an auditor. (8 marks)
3. (a) You have been requested to advice a company dealing with purchasing and supplies of farm equipments and products. Explain the qualities of good internal control system the company may need to establish. (12 marks)

(b) Highlight any four any provisions given in auditing practices that gives an auditor his independence. (8 marks)

4. (a) Describe how can you verify cash receipts in an organization dealing with selling of food products both in credit and cash. (12 marks)

(b) Briefly explain the liabilities of an auditor. (8 marks)
