

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF PURCHASING AND SUPPLIES MANGEMENT

BPSM 406: AUDITING

STREAMS: BPSM Y4S2

TIME: 2 HOURS

DAY/DATE: TUESDAY 10/04/2018

2.30 P.M – 4.30 P.M

INSTRUCTION:

- **Answer question one and any other two questions**
- **Do not write on the question paper**

1. (a) Explain under what circumstances can the following types of Audit be recommended in an organization.
 - (i) Continuous audit [5marks]
 - (ii) Final Audit [5marks]
 - (iii) External Audit [6marks](b) Describe the various methods which the auditor uses to obtain valid audit evidence in the course of his work. [14marks]
2. (a) In auditing environment an auditor is expected to be independent in his audit work. Describe in audit practices the provisions laid down to give an auditor independence. [12marks]
 - (b) Highlight and rights of an auditor. [8marks]
3. Write short notes on the following :
 - (a) Adoption of distinctive ticks. [7marks]
 - (b) Routine checking [6marks]

- (c) Audit working papers. [7marks]
4. (a) You have been appointed as an external auditor of a public company. There is a public complain that a newly constructed company building the tendering process was wrongly done and its cost was overpriced. You have been asked to carry out the verification process of the matter. Explain how you would carry out the verification process for purpose of reporting. [12marks]
- (b) Highlight the various liabilities of an auditor. [8marks]
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