FBQ1: The two objectives of auditing areâ€lâ€lâ€lâ€l

Answer: \*Primary and secondary\*

FBQ2: Audit carried out by employees of an organization is known asâ€lâ€lâ€l

Answer: \*Internal audit\*

FBQ3: An audit that enquires into the effectiveness and efficiency of management in executing the organization's policies, programs and plans is calledâ€!â€!.

Answer: \*Management audit\*

FBQ4: An audit approach which tries to authenticate the validity and accuracy/ correctness of accounting records and the source documents used in preparing the financial statements is known as……

Answer: \*Transaction-audit\*

FBQ5: Member of audit committee shall be maximum of----- members Answer: \*Six\*

FBQ6: An auditor shall be removed before his expiration by ----- resolution Answer: \*Ordinary\*

FBQ7: ISA 300 provides guidance on what should be included in the ------Â Answer: \*Audit plan\*

FBQ8: ----- threat to auditor independence emanates due to a long or close relationship with a client or employer.

Answer: \*Familiarity\*

FBQ9: The system by which companies are directed and controlled is known as ------

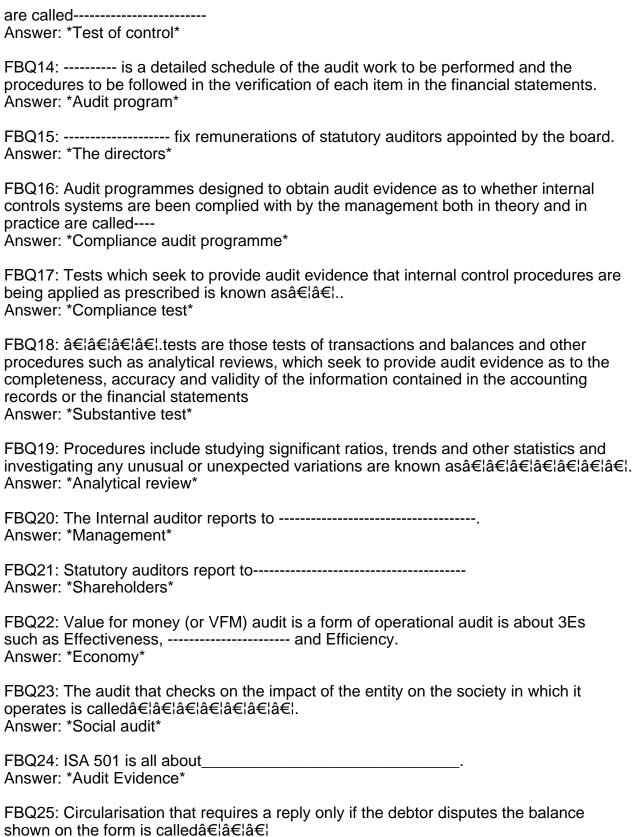
Answer: \*Corporate governance\*

FBQ10: -----is the whole system of controls, financial and otherwise, established by the management in order to carry on the business of the enterprise, in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets and secure as far as possible the completeness and accuracy of the records. Answer: \*Internal control\*

FBQ11: Graphic illustrations of the physical flow of information through the accounting system is called ------

Answer: \*Flowchart\*

FBQ13: Tests performed to obtain audit evidence about the effectiveness of the design of the accounting and internal control systems and the operation of the internal controls



Answer: \*Negative circularisation\*

FBQ27: ISA 705 establishes three types of modified opinions such as a qualified, an adverse, and a ------

Answer: \*Disclaimer of opinions\*

FBQ28: The auditor's report may be modified by adding â€lâ€l..paragraph to highlight and draw users' attention to a matter presented or disclosed in the financial statements which is fundamental to an understanding of the financial statements.

Answer: \*Emphasis of matter\*

FBQ29: External auditor reports to management typically through a letter

called…………….

Answer: \*Letter of weakness\*

FBQ30: Evidence of auditing existed during Babylonian times,

around…………….

Answer: \*3000BC\*

FBQ31: The specific use of audit procedures within a forensic investigation to find facts and gather evidence, usually focused on the quantification of a financial loss is calledâ€lâ€lâ€lâ€lâ€lâ€l...

Answer: \*Forensic audit\*

FBQ32: A body corporate can be appointed \_\_\_\_\_ auditor.

Answer: \*External\*

FBQ33: There are two types of review engagement; namely\_\_\_\_\_ and a

direct engagement.

Answer: \*Attestation engagement\*

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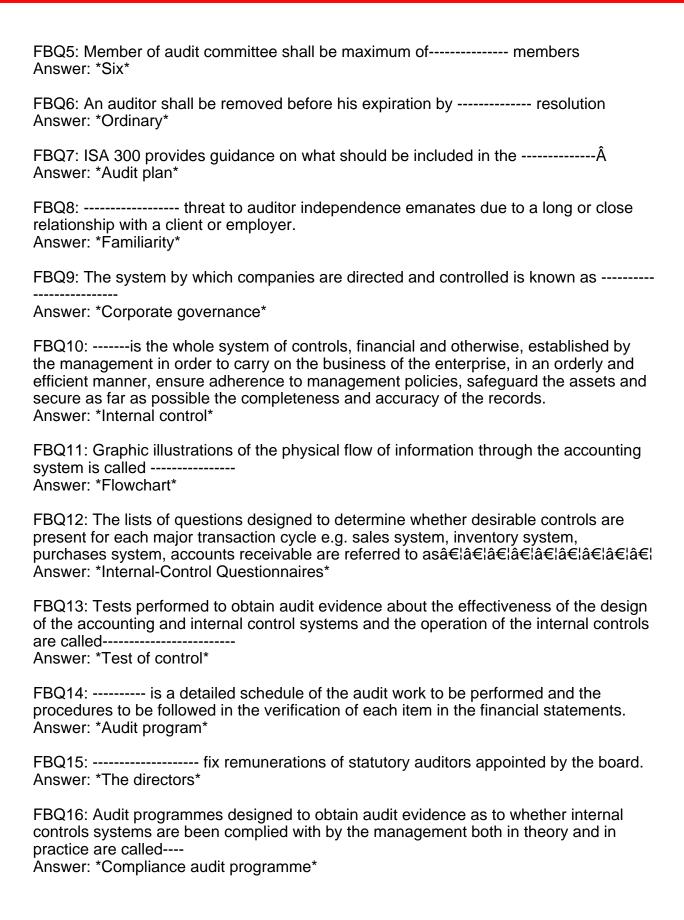
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FBQ17: Tests which seek to provide audit evidence that internal control procedures are being applied as prescribed is known asâ€lâ€l..

Answer: \*Compliance test\*

FBQ18: â€lâ€lâ€lâ€l.tests are those tests of transactions and balances and other procedures such as analytical reviews, which seek to provide audit evidence as to the completeness, accuracy and validity of the information contained in the accounting records or the financial statements

Answer: \*Substantive test\*

Answer: \*Analytical review\*

FBQ20: The Internal auditor reports to -----.

Answer: \*Management\*

FBQ21: Statutory auditors report to-----

Answer: \*Shareholders\*

FBQ22: Value for money (or VFM) audit is a form of operational audit is about 3Es

such as Effectiveness, ----- and Efficiency.

Answer: \*Economy\*

FBQ23: The audit that checks on the impact of the entity on the society in which it operates is called…………………….

Answer: \*Social audit\*

FBQ24: ISA 501 is all about

Answer: \*Audit Evidence\*

FBQ25: Circularisation that requires a reply only if the debtor disputes the balance shown on the form is called………

Answer: \*Negative circularisation\*

FBQ26: Debtor circularisation which requests in every case the confirmation of details of sums shown as outstanding in the records of the debtor is known as ------

Answer: \*Positive circularisation\*

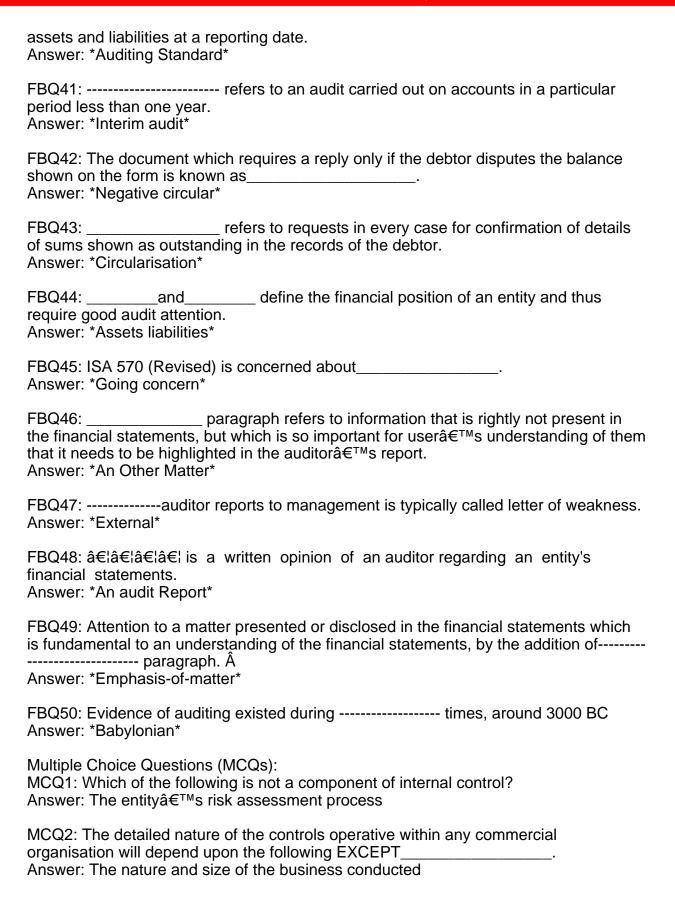
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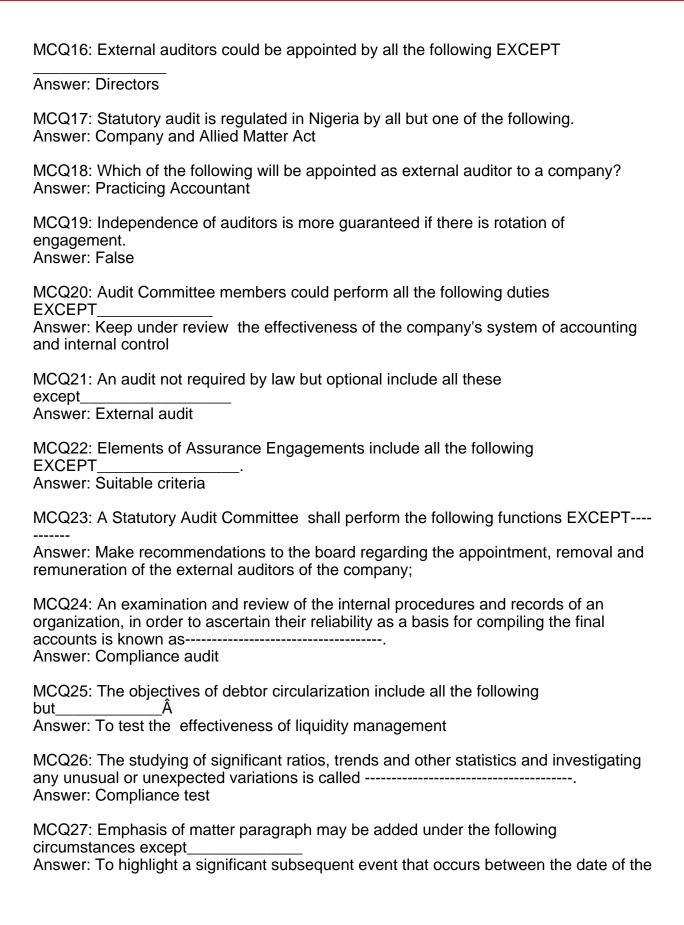
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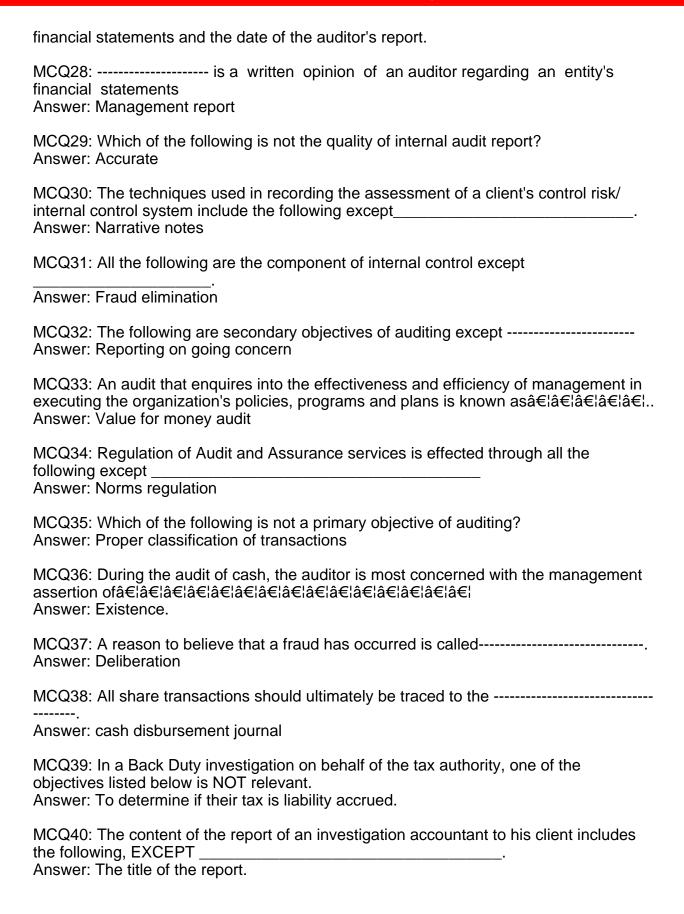
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MCQ3: Tracing one or more transactions through the accounting system and observing the application of relevant aspects of the internal control system is referred to asAnswer: Compliance test
MCQ4: Methods of obtaining audit evidence include all the following EXCEPT
Answer: Auditing
MCQ5: Typical functions of an internal audit function include all but one of the following. Answer: Monitoring of internal control
MCQ6: The checking on the impact of the entity on the society in which it operates is referred to asAnswer: Social audit
MCQ7: Auditing into the work force of an entity, to check whether the entity has adequate systems for the recruitment, training and development of employees to meet its current and future needs is referred to as
MCQ8: Which of the following is not an objective of stock taking? Answer: To verify the condition of stock
MCQ9: Â Which of the following is not an element of Auditors Report? Answer: Qualification of auditor
MCQ10: The following are audit programmes EXCEPT Answer: Compliance
MCQ11: All the following are secondary objectives of audit EXCEPT
Answer: Detection and Prevention of frauds
MCQ12: Audit carried out to ensure that expenditures have been incurred on approved services and in accordance with the enabling statutory provisions and regulations governing the particular expenditure is known asAnswer: Regulatory/ compliance audit
MCQ13: An auditor may be removed from office before his expiration by
Answer: Special resolution
MCQ14: All the following are characteristics for assessing whether criteria are suitable EXCEPT
MCQ15: Statutory audit is carried outin a year. Answer: Twice





MCQ41: One of the objectives listed below is NOT for fraud investigations.

Answer: To determine the existence if the fraud.

MCQ42: The valuation of small or minority shareholdings based on the present value of all future receipts due to shareholders and discounted at appropriate rate is best

carried out by using-----

Answer: Net Assets basis

MCQ43: Which of the following would probably not be considered an indication of a material weakness?

A second Weakiness:

Answer: Evidence of material misstatement.

MCQ44: Which of the following is not a benefit claimed for the practice of determining materiality in the initial planning stage of an adult?Â

Answer: Being able to fine-tune the audit work for effectiveness and efficiency.

MCQ45: Extraordinary items are those which derive from events outside the ordinary activities of the business. Which of the following events is NOT an extraordinary item? Answer: The discontinuance of a significant part of a business.

MCQ47: Which of the following is NOT indicator of going concern problem?

Answer: Adverse financial indicators.

MCQ48: Symptoms of overtrading do not include -----

Answer: Stocks increasing, possibly more than proportionately to sales.

MCQ49: Which of the following is not a popular period of financial report of a

company?Â

Answer: Annual financial statement

MCQ50: Financial reporting practices of each country is influenced by the following

factors EXCEPT -----

Answer: Legal system