

SRM UNIVERSITY – FACULTY OF SCIENCE AND HUMANITIES

DEPARTMENT OF COMMERCE – LESSON PLAN – ODD SEMESTER

*SUBJECT HANDLED BY – Mrs.D.Bhuvaneshwari, Assistant Professor
COMMERCE*

III YEAR – VI SEMESTER – CORE PAPER - XIV		L	T	P	TOTAL	CREDIT
UCM 15502	PRACTICAL AUDITING	4	0	0	4	4

Maximum: 100 Marks (Internal: 50 Marks; External: 50 Marks)

OBJECTIVES

1. To understand the various techniques of auditing and need for auditing.
2. To understand the role of an auditor in an organization.

UNIT - I – INTRODUCTION TO AUDITING

Definition of Audit – Difference between Auditing and Accountancy – Scope of Auditing – Objectives of Auditing –nature and scope of internal check, internal audit and internal control – audit note book and audit working papers.

S.NO	DATE	DAY ORDER	DESCRIPTION
1	21-06-2017	I	Issue of Syllabus and Introduction to Audit
2	22-06-2017	II	Definition and Meaning of Audit and Accounting and Difference between Audit, Auditing, Accounting and Accountancy
3	23-06-2017	III	Scope and Objectives of Auditing
4	27-06-2017	IV	Internal Audit – Definition, Meaning and Features – Process of Internal Audit – Internal Auditor
5	29-06-2017	I	Internal Check – Need and Scope – Merits and Demerits of Internal Check
6	30-06-2017	II	Internal Control – Characteristics – Advantage to the Organization and to the Community
7	03-07-2017	III	Audit Note Book – Need – Maintenance of Audit Note Book
8	04-07-2017	IV	Audit Working Papers – Ownership of Audit Working Papers
9	06-07-2017	I	SEMINAR
10	07-07-2017	II	ISSUE OF ASSIGNMENT QUESTIONS

UNIT - II – VOUCHING

Vouching of cash transactions – trading transactions – Audit of various ledger – Outstanding liabilities, Assets – Scrutinizing of expense Accounts – Income Accounts – Asset accounts – Liabilities Balance sheet Audit – Direct confirmation of Balances – Capital and Revenue Expenditures – Verification and Valuation of Assets and Liabilities – Depreciation and Reserves.

S.NO	DATE	DAY ORDER	DESCRIPTION
11	10-07-2017	III	Vouching – Introduction and Need for Vouching
12	11-07-2017	IV	Transactions – Cash and Trading- Debit side Credit Side of Cash Book
13	13-07-2017	I	Income and Expenditure Account - Audit of Ledgers – Trading Transactions
14	14-07-2017	II	Balance Sheet Audit
15	17-07-2017	III	Verification and Valuation of Assets and Liabilities
16	18-07-2017	IV	Depreciation – Types – Need for Verification of Depreciation
17	20-07-2017	I	Reserves – Meaning and Need for Reserve
18	21-07-2017	II	Types of Reserves and Auditor Duty in Verification of Allocation of Reserves
19	24-07-2017	III	SEMINAR
20	25-07-2017	IV	SEMINAR

UNIT - III – APPOINTMENT OF AUDITOR

Appointment Auditor – Appointment of First Auditor – Filing of casual vacancy – Ceiling on number of audits – Appointment of Auditor of Govt. company – Auditors Remuneration – Removal of Auditors – Qualifications & Disqualification - Powers and Duties of Auditors.

S.NO	DATE	DAY ORDER	DESCRIPTION
21	27-07-2017	I	Appointment of Auditor – Qualification
22	28-07-2017	II	Different kinds of appointing an Auditor
23	31-07-2017	III	First Auditor – Duty and Liability
24	01-08-2017	IV	Appointment of Auditor in General Meeting, Government Company
25	03-08-2017	I	Ceiling on Number of Audit
26	04-08-2017	II	Remuneration – Regulations
27	07-08-2017	III	Disqualification and Removal of Auditor
28	08-08-2017	IV	Powers, Duties and Liabilities of an Company Auditor
29	10-08-2017	I	CYCLE TEST – I
30	11-08-2017	II	CYCLE TEST – I
31	16-08-2017	III	SEMINAR

32	17-08-2017	IV	SEMINAR
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UNIT - IV - INVESTIGATION AND LIABILITIES

Investigation – Distinction between investigation and Auditing – Objectives of investigations – Classes of Investigation – Liabilities of an Auditor – Legal position – Liabilities under companies Act – Liability under Statute – Civil Liability – Criminal Liability – Liability of Joint Auditor – Liability of Auditor of Holding company – Liability for un-audited Accounts – Independence of Auditors – Professional conduct and Ethics.

S.NO	DATE	DAY ORDER	DESCRIPTION
33	21-08-2017	I	Investigation – Auditing – Meaning
34	22-08-2017	II	Distinction between Investigation and Auditing – Need for Investigation
35	23-08-2017	III	Objectives of Investigation – Financial statement and Auditor's work
36	24-08-2017	IV	Types/ Classes of Investigation- Conduct of Investigation – Appointment of Investigator
37	29-08-2017	I	Duties and Liabilities of Investigator
38	30-08-2017	II	Investigation Report
39	31-08-2017	III	Legal Position of an Auditor
40	01-09-2017	IV	Liabilities of an Auditor – Introduction
41	05-09-2017	I	Companies Act – Liabilities of an Auditor – Liability under Statue – Civil Liability
42	06-09-2017	II	Criminal Liability – Affects the Company – Liability of Joint Auditors and Auditor of a Holding and Subsidiary Company
43	07-09-2017	III	Un Audited accounts – Meaning – Auditors responsibility for Unaudited Accounts
44	08-09-2017	IV	CYCLE TEST – II
45	12-09-2017	I	CYCLE TEST – II
46	13-09-2017	II	Independence of an Auditor – Responsibility
47	14-09-2017	III	Professional Conduct and Ethics of an Auditor
48	15-09-2017	IV	SEMINAR
49	19-09-2017	I	ISSUE OF ASSIGNMENT QUESTIONS

UNIT - V – AUDIT THROUGH COMPUTERS

EDP Audit – auditing through computers – Approach to EDP Auditing – Features of Auditing through computer system – Documentation – Problems faced in audit of computerized accounts – test data – use of CAAT

S.NO	DATE	DAY ORDER	DESCRIPTION
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50	20-09-2017	II	Audit through Computers – Introduction
51	21-09-2017	III	Seminar by an Auditor – Practical Knowledge
52	22-09-2017	IV	EDP Audit – Features – Problems faced by Auditors
53	26-09-2017	I	Computerized Accounts – Test Data and use of CAAT
54	27-09-2017	II	REVISION – PART – A
55	03-10-2017	III	REVISION – PART – B
56	04-10-2017	IV	ISSUE OF QUESTION BANK
57	06-10-2017	I	MODEL EXAMINATION
58	09-10-2017	II	MODEL EXAMINATION
59	10-10-2017	III	MODEL EXAMINATION
60	11-10-2017	IV	MODEL EXAMINATION

TEXT BOOK

“Practical Auditing (2016)”, B.N.Tandon, S.Chand Publishing, New Delhi.

REFERENCES

1. DinakarPagare (2014), Practical Auditing, Sultan Chand and Sons, New Delhi
2. Basu, (2006), Auditing:“Principles and Techniques”, Dorlington Kindersley (India)
3. Chauhan K S, (2012), Auditing, Suchita Publication, Uttar Pradesh
4. Pathak J P, (1999), “Auditing in a Computerized Environment”, Allied Publishers,
5. ArunaJha (2016), Auditing, Taxmaan, New Delhi
6. L.Natarajan (2016), Practical Auditing, Margham Publications, Chennai
7. Pradeep (2015), Auditing, Vijay Nicole Publications, Chennai

QUESTION PAPER PATTERN – UNIT BASED

EXAMINATION	PART - A	PART – B	TOTAL MARKS
CYCLE TEST I - Unit I & II II – Unit III & IV	9 Questions – Equally Distributed- All questions to be answered and each carries TWO Marks	2 Questions – 1 Question from each Unit – Internal Choice Pattern – Each Carries 16	Part A – 18 Marks and Part B – 32 Marks = Total Marks – 50 Marks
MODEL EXAMINATION	10 Questions – 2 Questions from each Unit - All	5 Questions – 1 Question from each Unit – Internal	Part A – 20 Marks and Part B – 80

Full Syllabus	Questions carry 2 Marks each	Choice – All Questions carry 16 Marks each	Marks = Total Marks – 100 Marks
SEMESTER EXAMINATION Full Syllabus	10 Questions – 2 Questions from each Unit - All Questions carry 2 Marks each	5 Questions – 1 Question from each Unit – Internal Choice – All Questions carry 16 Marks each	Part A – 20 Marks and Part B – 80 Marks = Total Marks – 100 Marks

EVALUATION PATTERN:

1. Internal Examination – 40 Marks

Cycle Test – I – Marks obtained for 50 will be converted to 10

Cycle Test – II – Marks obtained for 50 will be converted to 10

Model Examination – Marks obtained for 100 will be converted to 20

2. Assignment – 5 Marks

5 Marks will be awarded for Assignment/Project/Seminar/Class Work Maintenance

3. Attendance – 5 Marks

Attendance Marks is as

95% and More Attendance – 5 Marks

90% to 94.99% - 4 Marks

85% to 89.99% - 3 Marks

80% to 84.99% - 2 Marks

75% to 79.99% - 1 Mark

Less than 75% - Nil

4. External Examination – 50 Marks

Examination will be conducted at the end of the Semester for 100 Marks – Marks Obtained for 100 will be converted to 50.

5. Qualification to Higher Semester

Student must appear for minimum of Three Subjects in the Current Semester to qualify for higher semester – failure will lead to detention in the present semester

6. Passing Criteria

Passing minimum is 40% in End Semester (External) Examination and 40% Overall (Internal and External)

***** Students securing less than 75% Attendance in the semester will be detained in the semester and they have to redo the semester in the forthcoming Academic Year on payment of fees as prescribed by the University**