



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**UNIVERSITY EXAMINATIONS 2016**

**(SEPTEMBER-DECEMBER 2016)**

**YEAR THREE FIRST SEMESTER EXAMINATIONS FOR BACHELOR OF BUSINESS  
ADMINISTRATION WITH INFORMATION TECHNOLOGY**

**(MAIN CAMPUS)**

**ABA 305: AUDITING**

**Date:**

**Time: 2Hours**

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### **INSTRUCTIONS**

- 1. Answer Question ONE and any other TWO Questions**
- 2. Question ONE carries 30 marks, the rest 20 marks each**

### **QUESTION ONE**

- a) Describe how an appointed auditors of a company can be dismissed (10 marks)
- b) Discuss the objectives of auditing (10 marks)
- c) "Accounting is a necessity while auditing is a luxury" Discuss (10 marks)

### **QUESTION TWO**

- a) Toba Ltd Company is experiencing the problem of internal control systems, yet final accounts are required by the management for decision making. You have been invited by the company to give a professional advice on the importance of continuous Audit. (10 marks)
- b) Describe desired Qualities of a successful Auditor. (10 marks)

### **QUESTION THREE**

By use of the diagram illustrate the audit planning procedures for a manufacturing Firm. (20 marks)

### **QUESTION FOUR**

You are an auditor senior responsible for understanding the entity and its environment and assessing the risk of material misstatement for the audit of Palm Hotel, a listed company who is engaged in the whole sale import, manufacture and distribution of basic cosmetics and toiletries for sale to a wide range of stores, under a variety of brand names.

#### **Required**

- a) Explain the information you will seek and procedures you will perform in order to understand the entity environment and assess risk for the audit of Rock company. (10 marks)
- b) You are nearing the completion of the Audit of Palm Hotel for the year ending December 2010. Draft of the Financial statement have been produced, Some of the audit working papers have been produced electronically but all of them have been printed out for you. Describe the salient features of those working papers that show that they have been properly completed. (10 marks)

### **QUESTION FIVE**

- a) Highlight the contents of Audit Memorandum (10 marks)
- b) Discuss the methods of obtaining Audit Evidence (10 Marks)

