



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF BUSINESS & ECONOMICS
UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS
ADMINISTRATION WITH IT
3RD YEAR 1ST SEMESTER 2016/2017 ACADEMIC YEAR
KISUMU CAMPUS

COURSE CODE: BBM 3211

COURSE TITLE: AUDITING

EXAM VENUE:

STREAM: (BBA-HRM)

DATE:

EXAM SESSION:

TIME: 2 HOURS

Instructions:

- 1. Answer Question ONE (COMPULSORY) and ANY other 2 questions**
- 2. Candidates are advised not to write on the question paper.**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room.**

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)**

