



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**SCHOOL OF BUSINESS & ECONOMICS**  
**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS**  
**ADMINISTRATION WITH IT**  
**3<sup>rd</sup> YEAR 1<sup>st</sup> SEMESTER 2016/2017 ACADEMIC YEAR**  
**KISII CAMPUS-PART TIME**

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**COURSE CODE: ABA 305**

**COURSE TITLE: AUDITING**

**EXAM VENUE:**

**STREAM: (BBA )**

**DATE:**

**EXAM SESSION:**

**TIME: 2 HOURS**

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**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.**

Q1.

i ) Write brief notes on the following:

i) Final or completed audit:

(4 marks)

- ii) Interim audit (4 marks)
- iii) Continuous audit; (4 marks)
- iv) Balance Sheet audit (4marks)
- ii) Distinguish between auditing and accounting ( 8marks)
- iii) Identify and explain three users od audited financial statements. (6marks)

## Q2

- i) According to the audit act, auditors must qualify certain conditions for them to be appointed either by shareholders or directors to serve in the office. Explain five qualifications of an auditor. ( 10marks)
- ii) Identify five types of errors spelt in audit profession. (5marks)
- iii) Explain the events likely to increase the risk of errors and fraud in a business organization. (5marks)

## Q3

- i) Differentiate between internal audit and external audit and explain how an internal auditor assist an external auditor in their work of audit in the company. (15marks)
- ii) Explain five main objectives of internal control system (ICS). (5marks)

Q4 i) Audit working papers should always be sufficiently complete and detailed to enable an experienced auditor with no previous connection with the audit subsequently to ascertain from them what work was performed and to support the conclusions reached.'

Required:

- a) Describe the benefits that the auditor will obtain from working papers that meet the above requirement (10marks)
- b) Explain five ways in which working papers are gathered in an audit firm. (10marks)

## Q5

- i) Identify five audit evidence available to the audit firm. (5marks)

- ii) Explain what is vouching audit. (3marks)
- iii) Explain the advantages of a good audit plan. (12marks)