

K L UNIVERSITY
DEPARTMENT OF COMMERCE
B.Com (Honours) (Accounting & Finance)
IV – SEMESTER

AUDITING

Unit I: INTRODUCTION TO AUDITING (Hours : 8)

Introduction – meaning- definition – difference between accountancy and auditing – types of audit - – advantages of auditing – preparation before commencement of new audit - Auditor: Qualifications and disqualifications – Qualities - Appointment and Reappointment – Remuneration – Removal – Rights – Duties – Liabilities.

Unit II: Audit planning and Internal Check (Hours : 11)

Audit planning: - Engagement letter - Audit programme -Audit note book -Audit papers - Audit work book - Audit contents - Audit markings - Meaning and objects of internal check – internal control-meaning definition-fundamental principles-internal check as regards wages, cash sales, cash purchases - internal check in a departmental stores-internal audit – meaning-importance – advantage and disadvantages.

UNIT III : VOUCHING (Hours : 10)

Meaning -definition –importance – routine checking and vouching – voucher-types of vouchers – vouching of receipts-cash sales- receipt from debtors – bills receivable-proceeds of the sale of investments and buildings- payments-vouching of cash purchases –payment of creditors, bills payable-purchase of fixed assets-vouching of deferred revenue expenditure-preliminary expenses – cost of issue of shares and debentures –underwriting commission

Unit IV: VERIFICATION AND VALUATION OF ASSETS AND LIABILITIES (Hours: 8)

Meaning and objectives – position of an auditor as regards to the valuation of assets – verification and valuation of different items – assets –fixed assets -goodwill – stock in trade – investments – liabilities – capital – debentures – bills payable sundry creditors – contingent liabilities

Unit V: AUDIT OF DIFFERENT ORGANIZATIONS (Hours : 8)

Drafting of audit program or trading and non-trading organization in a tabular form . Preparation of clean and qualified audit report with special reference to manufacturing and other Companies Audit Report – Recent trends in auditing - Nature and significance of cost audit – tax audit-management audit

Text Books

1. Ravinder Kumar and Virender Sharma, Auditing Principles & Practice, PHI, 2009, 1st Edition, New Delhi.
2. R.G.Saxena, Practical Auditing, Himalaya Publications,2010, 1st Edition, Mumbai

Reference Books:

1. Kamal Gupta & Ashok Gupta, Fundamentals of Auditing, Tata McGraw hills, 2009, 1st Edition, New Delhi..
2. S.Sundharabahu, S.Sudharsnam, and B.N.Tandon, A Hand Book of Practical Auditing, S.Chand, 2009, 2nd Edition, New Delhi.