



THE MOMBASA POLYTECHNIC UNIVERSITY COLLEGE

Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

DIPLOMA IN ACCOUNTANCY II

BB 22012: AUDITING

STAGE EXAMS

SERIES: APRIL/MAY 2010.

TIME: 3 HOURS

INSTRUCTIONS TO CANDIDATES:

Answer any **FIVE** Questions.

All Questions carry equal marks.

- Q.1 (a) Explain **three** primary objectives of auditing. [6 marks]
- (b) Explain any **five** advantages of an audit. [10 marks]
- (c) Distinguish between Internal Audit and External Audit. [4 marks]
- Q.2 (a) State **five** differences between Auditing and Accountancy. [10 marks]
- (b) Explain **five** control measures that may be put in place to prevent errors. [10 marks]
- Q.3 (a) Explain the **five** circumstances under which an auditor is appointed. [10 marks]
- (b) State **five** qualifications for one to be appointed as an auditor. [10 marks]
- Q.4 (a) Explain **five** merits of audit planning. [10 marks]
- (b) What are the contents of the letter of Engagement? [10 marks]
- Q.5 (a) What documents are contained in the current audit file? [10 marks]
- (b) How does the work of the internal auditor assist the external auditor? [10 marks]
- Q.6 (a) Explain any **five** types of internal control. [10 marks]
- (b) Explain the audit procedure that should be used for the audit of motor vehicles. [10 marks]
- Q.7 (a) Outline **four** rights of an auditor. [10 marks]
- (b) Explain the word 'DOVE' in auditing. [10 marks]