



**MASENO UNIVERSITY**  
**UNIVERSITY EXAMINATIONS 2016/2017**

**THIRD YEAR FIRST SEMESTER EXAMINATION FOR THE  
DEGREE OF BACHELOR OF BUSINESS ADMINISTRATION  
WITH INFORMATION TECHNOLOGY**

**CITY CAMPUS – EVENING**

**ABA 305: AUDITING I**

Date: 20<sup>th</sup> June, 2017

Time: 5.30 - 8.30pm

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**INSTRUCTIONS:**

- Answer Question ONE and any other THREE Questions.

**Question One**

- a) Describe any FOUR of the techniques used by auditors to obtain audit evidence. (10 marks)
- b) Describe the necessary stages in an audit of a company? (10 marks)

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- c) Explain how an auditor should be appointed under the Companies Act (Cap 486)? (10 marks)
- d) Explain the auditor's planning process and how audit planning assist in the conduct of an audit (10 marks)

**Question Two**

The primary purpose of auditing is to test assertions and to provide assurance on those assertions. Explain. (10 marks)

**Question Three**

Explain the nature and purpose of analytical procedures that an auditor may use in an audit (10 marks)

**Question Four**

Name four types of audit opinion and explain the circumstances under which each opinion can be issued. (10 marks)

**Question Five**

- a) What is the purpose of the letter of engagement in audit assignments? (5 marks)
- c) Explain the term 'internal control system' (5 marks)