



# MASENO UNIVERSITY

## UNIVERSITY EXAMINATIONS 2017/2018

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

#### MAIN CAMPUS

#### ABA 305: AUDITING I

Date: 21<sup>st</sup> February, 2018

Time: 3.30 - 6.30pm

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#### INSTRUCTIONS:

- Answer Question ONE and any other THREE
- Show all the workings clearly



### **QUESTION ONE**

- a) Explain the term sufficient appropriate evidence giving relevant examples. (10 marks)
- b) What is audit evidence? How does an auditor get a reliable audit evidence? (7.5 marks)

### **QUESTION TWO**

- a) In certain instances the external Auditor may seek to rely on the internal Auditor. State such instances and the extent of cooperation between the two auditors. (10 marks)
- b) Discuss the importance of internal auditing. (7.5 marks)

### **QUESTION THREE**

- a) Distinguish between internal check and internal control. (7.5 marks)
- b) Discuss the essential elements of internal control systems. (10 marks)

### **QUESTION FOUR**

- a) Discuss the elements of a good internal audit evidence. (7.5 marks)
- b) Explain the factors to be considered when assessing the reliability of audit evidence. (10marks)

### **QUESTION FIVE**

- a) Discuss the features of computerized information systems (CIS). (10 marks)
- b) The auditor's approaches in a computerized environment differs from that of a non-computerized one. Discuss. (7.5 marks)

### **QUESTION SIX**

- a) Discuss the historical development of auditing in Kenya. (10 marks)
- b) Examine the powers of the controller and auditor general. (7.5 marks)