



EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT

SECOND YEAR - FIRST SEMESTER EXAMINATION IN BACHELOR OF BUSINESS ADMINISTRATION / COMMERCE - 2014/2015 (November/December 2016) (PROPER/REPEAT/RE-REPEAT)

DAF 2032 - Auditing and Taxation

Auditing Part

Answer ^{All} both Questions.

Time Allowed: 01 Hour

01. a) Explain the ethical requirements required to the auditor when conduct an audit on Financial Statements. (10 Marks)
- b) State differences between auditing and assurance service. (10 Marks)
- c) Briefly explain the key elements of assurance services. (10 Marks)
- d) List four (04) benefit of assurance engagement. (08 Marks)
- e) State three (03) limitations of assurance service. (06 Marks)
- f) State main objective of an auditing of Financial Statements. (06 Marks)

[Total : 50 Marks]

02. "SLAuS 610 using the work of Internal Auditor state that the objective of the external auditor, where the entity has an internal audit function that the external auditor has determined is likely to be relevant to the audit, are:
- To determine whether, and to what extent, to use specific work of the internal auditors: and
 - If using the specific work of the internal auditors, to determine whether that work is adequate for the purposes of the audit."
- a) State objectives of the internal audit function. (06 Marks)
- b) i) State five (05) differences between internal and external audit. (05 Marks)
- ii) What are the matters that external audit considers in using of specific work of internal auditors. (05 Marks)
- c) Explain the term fraud and errors. (04 Marks)
- d) State purposes of auditing standards. (05 Marks)

[Total : 25 Marks]

03. Write short notes on the following.

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| i) Accountability | ii) Qualities of Auditor |
| iii) Audit Risk | iv) Financial Statements |
| v) Auditing standard | |

(05 x 05 = 25 Marks)