

**Eastern University, Sri Lanka**  
**Faculty of Commerce and Management**  
**Third Year-Second Semester Examination in BBA - 2017/2018 (Jan 2020)**  
**[Proper/Repeat]**  
**MGT 3053 Advanced Taxation and Auditing-Advanced Auditing (Part-II)**

**Answer All Questions.**

**Time: 1 ½ Hours**

**Q1.**

- (a) The Companies Act, No. 7 of 2007 contains provisions relating to audit of Limited Liability Companies. Explain the following provision of the Companies Act:
- I. Appointment of First auditor
  - II. Qualification of being an auditor of a Limited Liability Company
  - III. Remuneration of Auditor
- (3 X 5 = 15 Marks)**
- (b) In order to comply with statutory requirements of the Companies Act, No. 07 of 2007, what are the matters the auditor should be included in the Audit Report of the Limited Liability Companies.
- (06 Marks)**
- (c) State five (05) matters to be included in the Annual Report of the Limited Liability Company as per the provision of the Companies Act.
- (05 Marks)**
- (d) Sri Lanka Accounting and Auditing Standards Act, No.15 of 1995 contain provisions relating to Accounting and Auditing of the Specified Business Enterprises. State the following:
- I. Duties of Specified Business Enterprises. **(04 Marks)**
  - II. Duties of the auditor of the Specified Business Enterprises. **(04 Marks)**
  - III. What are the Committees and Board established according to the Sri Lanka Accounting and Auditing standards Act, No. 15 of 1995. **(06 Marks)**

(e)

I. State five (05) types of Public Sector Entities' audit carried out by the Auditor General in terms of Section 41 (2) of the National Audit Act, No. 19 of 2018.

(05 Ma

II. Briefly explain the scope of Audit on Public Sector Entities as specified in Section 03 of the National Audit Act, No. 19 of 2018.

(05 Ma

(Total 50 Ma

Q2.

(a)

I. Briefly explain the importance of good corporate governance to the Companies Act, 2013.

(08 Ma

II. List out three (03) types of mandatory requirements of Corporate Governance applicable to the Companies.

(06 Ma

(b) Write short notes on the following:

I. Audit Service Commission

II. Disclaimer Opinion

(8 X 2= 16 Ma

(c) The Finance Act, No. 38 of 1971 contains provisions relating to Financial Control of Public Corporations. Briefly explain the following provisions:

I. Matters / areas to be examined by the Auditor of Public Corporations

(10 Ma

II. Rights of the Auditor of Public Corporations

(10 Ma

(Total 50 Ma