

College Name: _____

Student Name: _____ Seat No: _____

Copy No: _____

**KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION JUNE 2017; AFFILIATED COLLEGE
AUDITING; BA (M)-612
MBA – IV**

Date: July 11, 2017

**Max Time: 100 Mins
Max Marks: 40**

INSTRUCTIONS:

- 1. Attempt 4 questions, where Q5 is compulsory. Do not write anything on the question paper, EXCEPT the initials mentioned above.**
- 2. Mobile phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

- Q1 Internal control consists of five components. Please list and explain each component.
- Q2 Define scope and need of audit. What are the objectives of audit according to ISA-240?
- Q3 What major considerations should the auditor take into account in determining how extensive the review of subsequent events should be?
- Q4 Explain why the analysis of differences is important in the confirmation of accounts receivable, even if the misstatements in the sample are not material.
- Q5 What is audit engagement letter? Draft an engagement letter issued by ABC Chartered accountant firm to conduct external audit of XYZ textile firm for the year July 2014 to June 2015.

END OF SUBJECTIVE PAPER