

JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATIONS 2013/2014
BACHELOR OF BUSINESS ADMINISTRATION

ABA 305 : AUDITING I

Date:

Time: 3 hrs

Instructions: Answer questions ONE and any other THREE questions

Question One

- (a) In order for an auditor to discharge his duties well he/she needs to possess certain key qualities. Briefly discuss any five qualities of an auditor. (15 mks)
- (b) While auditing and accounting are related disciplines, they are still distinct from each. Clearly outline five differences between an auditor and an accountant. (10mks)

Question Two

Discuss the various key areas that you would consider when verifying assets during an audit exercise. (15mks)

Question Three

For there to be an effective internal control system, certain features must be evident in the system. Briefly discuss any five such features of an effective internal control system. (15mks)

Question Four

- (a) While auditing of sole proprietorships is not compulsory, nevertheless some individuals do undertake to audit such organizations. Briefly explain the benefits of auditing sole proprietors. (10mks)
- (b) Outline five duties of an auditor as laid down by Company Act. (5mks)

Question Five

- (a) Discuss the procedure of appointing a Limited Company external Auditor. (5mks)
- (b) You have been assigned the task of auditing sales and debtors in a certain firm; Develop a specimen Internal Control questionnaire under the following areas:-
 - (i) Receipt of orders. (2½mks)
 - (ii) Dispatch of goods (2½mks)
 - (iii) Invoicing (2½mks)
 - (iv) Bad debts (2½mks)

