(7 pages)

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B.Com. (CBCS) DEGREE EXAMINATION, APRIL 2025.

Sixth Semester

Commerce — Core

AUDITING AND CORPORATE GOVERNANCE

(For those who joined in July 2021 and 2022 only)

Time : Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. What is the primary objective of an audit?
   (a) To detect fraud
   (b) To prepare financial statements
   (c) To express an opinion on financial statements
   (d) To assist management with decision-making

2. An internal audit is primarily conducted by
   (a) External auditor
   (b) Internal employees
   (c) Shareholders
   (d) Government agencies

3. What does GAAS stand for?
   (a) Generally Accepted Auditing Standards
   (b) General Accounting and Auditing Standards
   (c) General Audit and Assurance Standards
   (d) Generally Accepted Accounting Standards

4. Who appoints the external auditor of a company?
   (a) Management (b) Shareholders
   (c) Board of Directors (d) Government

5. What is a statutory audit?
   (a) Audit required by law
   (b) Voluntary audit
   (c) Internal audit
   (d) None of the above

6. Which of the following is a key principle of auditing standards?

   (a) Performing tax audits

   (b) Maximizing profits

   (c) Reducing audit fees

   (d) Independence and objectivity

7. Which of the following is a key principle of corporate governance?

   (a) Transparency

   (b) Secrecy

   (c) Flexibility

   (d) Profit maximization

8. Which of the following bodies usually oversees the implementation of corporate governance principles within a company?

   (a) The HR department

   (b) The Board of Directors

   (c) The Shareholders

   (d) The Marketing Department

9. What does "CSR" stand for in the context of business?

   (a) Corporate Service Regulations

   (b) Corporate Sales Revenue

   (c) Customer Satisfaction Response

   (d) Corporate Social Responsibility

10. Which of the following is an example of CSR?

   (a) Laying off employees to reduce costs

   (b) Outsourcing jobs to cut expenses

   (c) Donating a percentage of profits to charity

   (d) Increasing prices to maximize profits

PART B — ($5 \times 5 = 25$ marks)

Answer ALL questions by choosing (a) or (b).

Each answer should not exceed 250 words.

11. (a) What are the primary objectives of an audit?

Or

   (b) Explain the difference between internal control and internal audit.

12. (a) What are the primary rights of an auditor?

Or

(b) How is an auditor appointed in a limited company?

13. (a) Define cost audit. What are its objectives and benefits?

Or

(b) What are the key differences between a tax audit and a statutory audit?

14. (a) What is the agency theory in Corporate Governance?

Or

(b) What are the main principles of Corporate Governance?

15. (a) What are the four types of CSR initiatives?

Or

(b) Why are ethical practices important in CSR?

PART C — (5 × 8 = 40 marks)

Answer ALL questions by choosing (a) or (b).

Each answer should not exceed 600 words.

16. (a) Explain the difference between auditing and accounting.

Or

(b) What are the different types of audits and their purposes?

17. (a) What are the consequences of failing to appoint an auditor within the prescribed time?

Or

(b) Describe the different types of audit reports.

18. (a) Discuss the role of a management auditor in assessing the efficiency and effectiveness of an organization's operations.

Or

(b) What are the main focus areas when auditing an e-commerce business?

19. (a) What are the challenges in implementing Corporate Governance Reforms?

Or

(b) How did the Kingfisher Airlines scandal affect Corporate Governance in India?

20. (a) What role does leadership play in the strategic planning of CSR?

Or

(b) Explain the concept of CSR committees and their functions.
