

**The Kelkar Education Trust's  
V G Vaze College of Arts, Science and Commerce  
(Autonomous)**



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Syllabus for Academic Year 2020-21

(June 2020 Onwards)

Program: B.COM

Semester IV

**Course :AUDITING**

<b>Course Code</b>	<b>Course Title</b>	<b>credit</b>
VGUCMMA401	AUDITING	3



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Teaching Scheme (Hrs/Week)				Continuous Internal Assessment (CIA) 40 marks					End Semester Examination	Total
L	T	P	C	CIA-1	CIA-2	CIA-3	CIA-4	Lab	Written	
3	-	-	3	15	15	10		-	60	100
<b>Max. Time, End Semester Exam (Theory) -2Hrs.</b>										

**SYBCOM**  
**AUDITING**  
**SEMESTER IV**

**Learning objectives**

1. To develop an understanding of the concepts in auditing and of the generally accepted auditing procedures, techniques and skill.
2. To develop an understanding of the functional classification and qualities of an auditor
3. To be able to define Audit and its types and understand objectives and principles governing Audit.
4. To comprehend the nuances of audit planning and strategy for an audit and gain the knowledge of control of quality of audit work
5. To acquaint students with concepts of audit documentation and gain knowledge of audit working papers
6. To help students understand the Audit Risks, Risk assessment procedures and the concept of Internal Control and Audit
7. To understand and implement the techniques of vouching and verification

**Learning outcomes:**

After completion of the course the students will be able to :

1. Understand the basic concepts and principles of auditing standards, provisions of Companies Act and general procedures required in conduction audit.
2. Prepare the documentation in the form of audit plan and program, audit note book (working papers) and understand the theory and method of audit.
3. Understand the financial report audit process beginning with accepting the client, understanding the business of the client, performing tests of control evaluating the evidence gathered, ending with his opinion and communication of the results to the client in the form of audit report.
4. Internalize the broad principles of audit sampling techniques
5. Understand the inherent process of vouching, verification, internal check and internal control which are a part of the audit process.



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**SYBCOM**  
**AUDITING**  
**SEMESTER IV**

Sr. No.	Modules	No. of Lectures
1	<b>Introduction to Auditing</b>	05
2	<b>Audit Planning, Procedures and Documentation</b>	10
3	<b>Auditing Techniques &amp; Internal Audit Introduction</b>	08
4	<b>Auditing Techniques : Vouching and Verification</b>	07
	<b>TOTAL</b>	30

**SYBCOM**  
**AUDITING**  
**SEMESTER IV**

Sr No.	Modules / Units
1	<b>Introduction to Auditing</b>
	<ul style="list-style-type: none"> <li>● Basics: Financial Statements, Users of Information, Definition of Auditing, Objectives of Auditing, Inherent Limitations of Audit, Difference between Accounting and Auditing, Investigation and Auditing</li> <li>● Errors and Frauds: Definition, Reasons and Circumstances, Types of Errors, Types of Frauds, Risk of Fraud and Error in Audit, Auditors Duties and Responsibilities in case of Fraud</li> <li>● Principles of Audit, Materiality, True and Fair View</li> <li>● Types of Audit – Meaning, Advantages, Disadvantages of Balance Sheet Audit, Interim Audit, Continuous Audit, Concurrent Audit and Annual Audi, Statutory Audit.</li> </ul>
2	<b>Audit Planning, Procedures and Documentation</b>
	<ul style="list-style-type: none"> <li>● Audit Planning: Meaning, Objectives, Factors to be Considered, Sources of obtaining information, Discussion with Client, Overall Audit Approach</li> <li>● Audit Program: Meaning, Factors, Advantages and Disadvantages, Overcoming Disadvantages, Methods of Work, Instruction before commencing Work, Overall Audit Approach</li> </ul>



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	<ul style="list-style-type: none"> <li>• Audit Working Papers: Meaning, Importance, Factors Determining Form and Content, Main Functions / Importance, Features, Contents of Permanent Audit File, Temporary Audit File, Ownership, Custody, Access of Other Parties to Audit Working Papers, Auditors Lien on Working Papers, Auditors Lien on Client's Books</li> </ul>
<b>3</b>	<b>Auditing Techniques and Internal Audit Introduction</b>
	<ul style="list-style-type: none"> <li>• Test Check – Test Checking Vs Routing Checking, Test Check Meaning, Features, Factors to be considered when Test Checks can be used, Advantages, Disadvantages, Precautions</li> <li>• Internal Control – Meaning and purpose, review of internal control, advantages, auditors duties, review of internal control, Inherent limitations of Internal Control, Internal Control Samples for Sales and debtors, Purchases and creditors, wages and salaries, Internal Checks v/s Internal Control, Internal Checks V/s Test Checks.</li> <li>• Internal Audit: Meaning, basic principles of establishing Internal audit, objectives, evaluation of Internal Audit by statutory Auditor, usefulness of Internal Audit, Internal Audit V/s External Audit, Internal checks V/s Internal Audit.</li> </ul>
<b>4</b>	<b>Auditing Techniques : Vouching and Verification</b>
	<ul style="list-style-type: none"> <li>• Audit of Income: Cash Sales, Sales on Approval, Consignment Sales, Sales Returns Recovery of Bad Debts written off, Rental Receipts, Interest and Dividends Received Royalties Received.</li> <li>• Audit of Expenditure : Purchases, Purchase Return, Salaries and Wages, Rent, Insurance Premium, Telephone expenses Postage and Courier, petty Cash Expenses, Travelling Commission Advertisement, Interest expenses</li> <li>• Audit of Assets and Liabilities</li> </ul>

The Law and Standards in force on 1<sup>st</sup> April immediately preceding the commencement of Academic year will be applicable for ensuing examination.

Reference Text :

1. Contemporary Auditing, Kamal Gupta, Mc. Grow Hills
2. Auditing and Assurance, Aruna Jha 6<sup>th</sup> Edition
3. Elements of Auditing, ArunaJha, Taxmann.
4. Auditing Principles and Practice, S. D. Sharma, Taxmann 3<sup>rd</sup> Edition.



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**EVALUATION PATTERN**

**I. Internal [40 marks]**

- a. Class test of 15 marks for 30 min.
- b. Project/ Assignment – 15 Marks.
- c. Class participation and behavior. 10 marks

**II. Summative [60 marks]**

Semester end exam 60 marks, duration 2 hrs.

Question Paper Pattern

I. Internal

Maximum Marks: 15

Question to be set :2

Duration : 30 Min

Q. No.	Particulars	Marks
Q. 1.	Three Theory Questions (5 mark each)	15



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I. Summative (Semester end)

Maximum Marks: 60

Question to be set : 04

Duration : 2 Hrs

Q. No.	Particulars	Marks
Q. 1.	Compulsory Theory Questions	15
Q. 2.	Full Length Theory Question OR Full Length Theory Question	15
Q. 3.	Full Length Theory Question OR Full Length Theory Question	15
Q. 4.	(A) Theory Question (B) Theory Question OR Short Notes To be asked 05, to be answered 03	8 7 15

Full Length Question of 15 Marks may be divided into two sub questions of 7/8 and 10/ 5 Marks.

The Final syllabus which has been approved by the following BOS Members:

CA. Anil Naik, Head of Department of Accountancy

CA. Yogesh Sant – Member – Faculty

Ms. Swapna Jagtap – Member – Faculty

Dr. Shilpa Palande – Member – Faculty

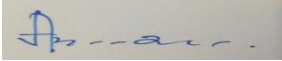
Ms. Gayatri Vaity – Member – Faculty

Mr. Kiran more – Industry/Corporate Sector

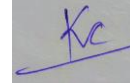


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Dr.(CA.) Smita Deshpande – Subject Expert from Other University (SNDT)  
Dr.(CA) Seema Tarak Shah – Subject Expert from Other University (SNDT)  
CA Ketaki Ketkar – Vice-Chancellor Nominee  
CA. Amol Kane – Meritorious Alumnus



CA. Anil Naik  
CHAIRMAN – BOS



CA. Ketaki Ketkar  
VC – NOMINEE (BOS)

