

**SES's L.S. RAHEJA COLLEGE OF ARTS AND
COMMERCE
(AUTONOMOUS)**



**BOARD OF STUDIES: ACCOUNTANCY & FINANCE
PROGRAMME: Bachelor of Commerce (Management Studies)**

SEMESTER:IV

NOMENCLATURE OF THE COURSE: Auditing

NEP Vertical: Major

Credit: 4

**(As Per Choice Based Credit System (under NEP 2020) with effect from the
Academic Year 2025-26)**



Programme:	Bachelor of Commerce (Management Studies)
Nomenclature of the Course	AUDITING
Total Marks	100 marks
Semester:	IV
Academic year	2025-26
LEARNING OBJECTIVES:	
<ul style="list-style-type: none"> • To enable students get acquaint with the various concepts of auditing. • To ensure students understand and practice the various techniques of auditing while managing their finances. 	
COURSE OUTCOMES:	
<ul style="list-style-type: none"> • Students will be able to demonstrate a clear understanding of various auditing concepts and principles, including the role of auditing in ensuring financial integrity and transparency. • Students will be able to apply different auditing techniques and methodologies in the evaluation and management of financial records, ensuring accuracy, compliance, and risk management in financial practices. 	

Module	Course Content	Andragogy	No of Lectures
1	<p><u>Introduction to Auditing</u></p> <ul style="list-style-type: none"> • Basics – Financial Statements, Users of Information, Definition of Auditing, Objectives of Auditing – Primary and Secondary, Expression of opinion, Detection of Frauds and Errors, Inherent limitations of Audit. Difference between Accounting and Auditing, Investigation and Auditing. • Errors & Frauds – Definitions, Reasons and Circumstances, Types of Error – Commission, Omission, Compensating error. Types of frauds, Risk of fraud and Error in Audit, Auditors Duties and Responsibilities in case of fraud • Principles of Audit – Integrity, Objectivity, Independence, Skills, Competence, Work performed by others, Documentation, Planning, Audit Evidence, Accounting System and Internal Control, Audit Conclusions and Reporting • Types of Audit – Meaning, Advantages, Disadvantages of Balance sheet Audit, 	Lectures, group discussions, case studies, and interactive lectures	15

Interim Audit, Continuous Audit, Concurrent Audit and Annual Audit.

2	<p><u>Audit Planning, Procedures and Documentation</u></p> <ul style="list-style-type: none">• Audit Planning – Meaning, Objectives, Factors to be considered, Sources of obtaining information, Discussion with Client, Overall Audit Approach.• Audit Program – Meaning, Factors, Advantages and Disadvantages, Overcoming Disadvantages, Methods of Work , Instruction before commencing Work, Overall Audit Approach• Audit Working Papers - Meaning, importance, Factors determining Form and Contents, 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• Audit Notebook – Meaning, structure, Contents, General Information, Current Information, Importance	<p>Lectures, group discussions, case studies, and interactive lectures</p>	15
3	<p><u>Auditing Techniques and Internal Audit Introduction</u></p> <ul style="list-style-type: none">• Test Check - Test Checking Vs Routing Checking, test Check meaning, features, factors to be considered, when Test Checks can be used, advantages disadvantages precautions.• Audit Sampling - Audit Sampling, meaning, purpose, factors in determining sample size - Sampling Risk, Tolerable Error and expected error, methods of selecting Sample Items Evaluation of Sample Results auditors Liability in conducting audit based on Sample• 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.	<p>Lectures, group discussions, case studies, and interactive lectures</p>	15

	<p>Internal Checks Vs Internal Control, Internal Checks Vs Test Checks</p> <ul style="list-style-type: none"> • Internal Audit - Meaning, basic principles of establishing Internal audit, objectives, evaluation of internal Audit by statutory auditor, usefulness of Internal Audit, Internal Audit Vs External Audit,, Internal Checks Vs Internal Audit 		
4	<p><u>Auditing Techniques: Vouching & Verification</u></p> <ul style="list-style-type: none"> • 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 • Audit of Expenditure - Purchases, Purchase Returns, Salaries and Wages, Rent, Insurance Premium, Telephone expense Postage and Courier, Petty Cash Expenses, Travelling Commission Advertisement, Interest Expense • Audit of Assets Book Debts / Debtors, Stocks -Auditors General Duties; Patterns, Dies and Loose Tools, Spare Parts, Empties and Containers Quoted Investments and Unquoted Investment Trade Marks / Copyrights Patents Know-How Plant and Machinery Land and Buildings Furniture and Fixtures • Audit of Liabilities - Outstanding Expenses, Bills Payable Secured loans Unsecured Loans. 	Lectures, group discussions, case studies, and interactive lectures	15

SUGGESTED READINGS:

1. CA Surbhi Bansal – Audit and Assurance
2. Taxmann – Auditing
3. Dr.SMeenakumari – Fundamentals of Auditing
4. Baldev Sachdeva&Jagwant Singh Pardeep Kumar – Auditing theory & Practice.

QUESTION PAPER PATTERN

(A) FOR CONTINUOUS EVALUATION

Internal Assessment (40% of 100 marks) - 40 Marks

(A-1) RUBRICS FOR CONTINUOUS EVALUATION

Sr. No.	Particulars	Marks
1	Class Test	20
2	Assignment/Project	10
3	Presentation/Viva Voce	10
	Total	40

(B) QUESTION PAPER PATTERN FOR SEMESTER END EXAMINATION

Maximum Marks: 60

Duration: 2 Hours

Question No. 1 is compulsory.

Solve any three Questions from Question Nos. 2 to 5

Question No.	Description	Total Marks
1	Theory Question/Practical Problem	15
2	Theory Question/Practical Problem	15
3	Theory Question/Practical Problem	15
4	Theory Question/Practical Problem	15
5	Short Notes: Answer any 3 out of 5 given (5 marks each)	15

Note: The Theory question/Practical Problem of 15 marks each may be split up into two smaller questions carrying 8 marks and 7 marks respectively.