

JYOTI NIVAS COLLEGE AUTONOMOUS

Programme: B.Com/TM/LSCM/INTEGRATED B.Com - M.Com

Semester: VI

AUDITING

No. of Credits: 4

No. of Hours: 60

Course objectives:

- To provide foundational knowledge of auditing and assurance.
- To develop understanding of audit risk and internal control systems.
- To impart practical knowledge of verification and valuation.
- To familiarise students with audit procedures, reporting, and ethics.

Learning Outcomes:

- To understand the conceptual framework of auditing.
- To examine the risk assessment and internal control in auditing
- To comprehend the relevance of IT in audit and audit sampling for testing.
- To examine the company audit and the procedure involved in the audit of different entities.
- To gain knowledge on different aspect of audit reporting and conceptual framework applicable on professional accountants

Unit.1: Introduction to Auditing

12Hrs

Introduction – Meaning and Definition – Objectives– Types of Audit- Benefits and Inherent Limitations of Audit; Preparation before commencement of new audit; Auditor- Meaning and Essential Qualities of an Auditor; Meaning of Assurance Engagements, Types of Assurance Engagements. Difference between Auditing and Assurance.

Unit.2: Risk Assessment and Internal Control

12 Hrs

Introduction–Audit risk–Assessment of risk. Internal Control: Meaning and objectives– Internal check- Meaning, objectives and fundamental Principles. Internal check with regards to wage payment –Cash sales – and Cash purchases.

Unit.3: Verification and Valuation of Assets and Liabilities

12 Hrs

Meaning and objectives of verification and valuation – Position of an auditor as regards the valuation of assets. Verification and Valuation of different items of Assets: Land and Building- Plant and Machinery– Investment- Stock in Trade – Receivables. Verification and Valuation of different items of Liabilities: Bills payable - Sundry Creditors and Contingent liabilities

Unit.4: Company Audit and Audit of other Entities

12 Hrs

Company Auditor: Appointment – Qualification – Powers -Duties and liabilities - Professional ethics of an auditor. Other Entities: Audit Procedure of NGOs - Charitable Institutions – Educational institutions–Government–Local Bodies– Cooperativesocieties–Hotels– Hospitals– Clubs & Banks.

Unit.5: Audit Report & IT in Auditing

12 Hrs

Audit Report – characteristics, Importance of Audit Report, Types of Audit Report, forensic audit, Qualification in Auditors Report. IT in auditing - importance, Types of IT Audits, recent trends and challenges, audit sampling - meaning, different tools used in e-invoice transactions.

Skill Development Activities:

- Design and develop an audit plan for a joint stock company
- List the various documents necessary to be verified in the audit process
- Record the verification procedure with respect to any one fixed asset.
- List out the various IT Tools used in Auditing.
- Identify the recent tools used for auditing.

Books for Reference:

- B.N.Tandon, Principles of Auditing, S.Chand and Company, New Delhi.
- T.R.Sharma, Auditing Principles and Problems, Sahitya Bhawan, Agra.
- J.M.Manjunatha and others, Auditing and Assurance, HPH.
- Gupta Karnal, Contemporary Auditing, TataMc.Graw-Hill,New Delhi.
- R.G.Saxena, Principlesof Auditing.

NOTE : Latest edition of text books may be used.