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_____ is a systematic examination of the books and records of a business?

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- A. Auditing
- B. Vouching
- C. Verification
- D. Checking

The term 'Audit' is derived from a Latin word "audire" which means _____?

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- A. To inspect
- B. To examine
- C. To hear
- D. To investigate

The main object of an audit is _____?

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- A. Expression of opinion
- B. Detection and Prevention of fraud and error
- C. Both (A) and (B)
- D. Depends on the type of audit.

An auditor is like a _____?

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- A. Blood haunt
- B. Watch dog
- C. May both according to situation
- D. None of these

Process of verifying the documentary evidences of transactions are known as _____?

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- A. Auditing
- B. Testing
- C. Vouching
- D. Verification

Auditing is compulsory for _____?

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- A. Small scale business
- B. Partnership firms

C. Joint stock Companies

D. Proprietary Concerns

Concealment of shortage by delaying the recording of cash receipts is known as _____?

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- A. Embezzlement
- B. Misappropriation
- C. Lapping**
- D. None of these

The fundamental objective of the audit of a company is to _____?

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- A. Protect the interests of the minority shareholders
- B. Detect and prevent errors and fraud
- C. Assess the effectiveness of the company's performance
- D. Attest to the credibility of the company's accounts**

The concept of stewardship means that a company's directors _____?

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- A. Are responsible for ensuring that the company complies with the law
- B. Are responsible for ensuring that the company pays its tax by the due date
- C. Safeguard the company's assets and manage them on behalf of the shareholders**
- D. Report suspected fraud and money laundering to the authorities

Why do auditors concentrate their efforts on material items in accounts?

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- A. Because they are easier to audit
- B. Because it reduces the audit time
- C. Because the risk to the accounts of their being incorrectly stated is greater**
- D. Because the directors have asked for it