



FEDERAL UNIVERSITY, OYE-KITI
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF ACCOUNTING

FIRST SEMESTER EXAMINATION, 2023/2024 ACADEMIC SESSION

COURSE TITLE: AUDITING I

COURSE CODE: ACC 305

INSTRUCTION: ATTEMPT QUESTION 1 & ANY OTHER THREE

TIME ALLOWED: 2 1/2 HOURS

Question One

The provisions of CAMA (1990) in Section 357 made it clear that auditors should be appointed to protect the shareholders and members of the public by reporting in fair manner on the financial statements of every limited liability company. The general duties of auditors are laid down in both the CAMA and engagement letter given to the auditors by the board of directors of the company.

Required: Discuss the provision of CAMA 1990 regarding the following:

- Dismissal of external auditor
- Rights of external Auditor
- Qualification of external auditor
- Appointment of external auditor

(15 Marks)

Question Two

Initially an auditor is a person who was known for his integrity and independence of mind, and the matter of technical ability was entirely secondary. Today, however, the position is reversed: the auditor must be a professionally qualified individual and one who abides by the code of conduct of the professional body.

Required: Discuss the ethical guides that currently regulate audit practice. (15 Marks)

Question Three

Prior to the medieval times, auditing was referred to as a process of public hearing in which financial statements or financial records were read aloud. The auditor was referred to as someone who has sole authority to hear and comment on the readings.

- Discuss the origin of auditing profession.
- Examine the development and growth of auditing in Nigeria.

(15 Marks)

Question Four

- Enumerate four objectives of audit programmes
- In any four dimensions, compare and contrast compliance and substantive test within the context of auditing
- Advance for reasons for audit planning in the first instance
- Briefly discuss the characteristics of audit evidence

(15 Marks)

Question Five

(a) Internal controls are procedures which ensure that all transactions, assets and liabilities are recorded correctly; why does the auditor have to assess and evaluate the accounting system and internal control system? (5 Marks)

(b) What are the factors to be considered in establishing a system of control? (5 Marks)

(c) What are the reasons why internal audit should check control? (5 Marks)

Question Six

(a) What are the duties of an auditor before, during and after stocktaking in relation to audit? (6 marks)

(b) Distinguish between Management Letter and Letter of Representation? (4 marks)

(c) Discuss Audit Risk and Audit Sampling? (5 marks)