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University Examinations 2024/2025

FOURTH YEAR FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF COMMERCE

BFC 3483: ADVANCED AUDITING

DATE: JANUARY 2025

TIME: 2 HOURS

INSTRUCTIONS: *Answer question **one** and any other **two** questions*

QUESTION ONE (30 MARKS)

- a) Historically professional requirement on auditors independence have been set by recognized supervisory bodies. Discuss five ethical standards for auditors as set out by auditing practice board (9 marks)
- b) Differentiate between substantive testing and internal control testing (5 marks)
- c) Discuss the content and purpose of the financial statement (6 marks)
- d) In the context of computer based accounting system. Explain the following terms
 - i. Application control (5 marks)
 - ii. General control (5 marks)

QUESTION TWO (20 MARKS)

- a) Discuss six factor to be considered before adopting statistical technique (10 marks)

- b) Describe five factors which influence the auditor in determining the size of the sample he will use for his detailed testing (10 marks)

QUESTION THREE (20 MARKS)

- a) What are post balance sheet event (4 marks)
- b) Differentiate between adjusting and non-adjusting event (4 marks)
- c) Why is it important to perform post balance sheet event review (4 marks)
- d) Explain the following terms as used in post balance sheet event review by auditors
- i. Contingency (4 marks)
 - ii. Disclosure (4 marks)

QUESTION FOUR (20 MARKS)

- a) Discuss the key concept of public sector auditing under the following heading
- i. Objectives (4 marks)
 - ii. Types of public sector audit (4 marks)
 - iii. Professional judgment due care and scepticism (4 marks)
 - iv. Materiality (4 marks)
 - v. Audit planning scope and approach evidence (4 marks)

QUESTION FIVE (20 MARKS)

- a) Discuss the process of appointing special auditor (4 marks)
- b) What are the roles and responsibilities of audit committee (4 marks)
- c) Discuss the general standards of auditor independence under the following
- i. Specific prohibited non audit services (3 marks)
 - ii. Pre-approval of permitted services (3 marks)
 - iii. Prohibited relationship (3 marks)
 - iv. Communication between the audit committee and the independent auditor (3 marks)