

MIZORAM PUBLIC SERVICE COMMISSION
MIZORAM FINANCE & ACCOUNTS SERVICE (JUNIOR GRADE)
DEPARTMENTAL EXAMINATIONS, JULY, 2022

PAPER - V

Time Allowed : 3 hours

Full Marks : 100

Pass Marks : 40

Marks for each question is indicated against it.

Attempt all questions.

AUDITING

1. What is the main purpose of Audit? Briefly explain Audit Planning Process. **(3+6=10)**
2. Differentiate between: **(5+5=10)**
 - (a) Pre audit and post audit.
 - (b) Special audit and detailed audit.
3. Fill in the blanks: **(5×1= 5)**
 - (a) _____ means those account balances which exists at the beginning of the period.
 - (b) The Audit report should contain a clear written expression of opinion on the _____ .
 - (c) The Auditor should see the cash book that at the end of the month, an analysis of the _____ shall be made and recorded in the cash book.
 - (d) Cheques should not be drawn for sums below _____ .
 - (e) Audit is broadly classified as _____ and _____ .
4. State True or False: **(5×1=5)**
 - (a) The professional skill required of an Auditor does not include that of a technical expert for determining physical condition of certain assets.
 - (b) The terms 'subsequent events' is used to refer to significant events occurring between the balance sheet date and the date of Auditor's report.
 - (c) The term non-compliance refers to acts of omission and commission by the organization being audited, either intensional or unintentional, which are contrary to prevailing laws and regulations.
 - (d) For all objections which remain outstanding for over five years if the Audit Officer feels that he is not competent to withdraw them, they should refer all the objections along with replies to the Headquarter office for consideration.
 - (e) Auditing standards prescribe the norms which the auditors are expected to follow in conduct of audit.
5. What is meant by Audit of receipts? Briefly mention the basic principles to be observed while conducting Audit of receipts. **(2+8=10)**

BOOK KEEPING & ACCOUNTANCY

THEORY

6. Define accounting. What are the main objectives of accounting? (2+3=5)
7. Differentiate between: (5×2=10)
- (a) Journal and Ledger.
 - (b) Accrual accounting and cash basis accounting.
8. State True or False: (5×1=5)
- (a) Excess of income over expenditure is termed as surplus.
 - (b) Expenditure on purchase of Building is capital expenditure.
 - (c) Income and expenditure account represents either surplus or deficit.
 - (d) Credit side of Receipts and Payments Account shows cash payments.
 - (e) Analysis of financial statement is a tool but not a remedy.
9. What is Cash book? What are the features or characteristics of cash book? (2+3=5)
10. What is a balance sheet? Briefly mention its characteristics? (2+3=5)

PRACTICAL

11. Prepare bank **reconciliation statement** from the following particulars as of March 31, 2021. (15)
- (a) Balance as per cash book Rs 3,200.
 - (b) Cheque issued but not presented for payment Rs 1,800.
 - (c) Cheque deposited but not collected up to March 31, 2017 Rs 2,000.
 - (d) Bank charges debited by bank Rs 150.
12. Enter the following transactions in the **double column cash book** of M/s Alana Traders for May 2022: (15)

<u>Date</u>	<u>Particulars</u>	<u>Amount in Rs.</u>
01	Cash In hand	7,500
	Bank overdraft	3,500
03	Paid wages	200
05	Cash sales	7,000
10	Cash deposited into bank	4,000
15	Goods purchased and paid by cheque	2,000
20	Paid rent	500
25	Drew from the bank for personal use	400
30	Salary paid	1,000