

**UNIVERSITY COLLEGE TATI (UCTATI)****FINAL EXAMINATION QUESTION BOOKLET**

COURSE CODE	: DTG 3473	8111
COURSE	: AUDIT	
SEMESTER/SESSION	: 2- 2024/2025	
DURATION	: 3 HOURS	

Instructions:

1. This booklet contains 5 questions. Answer **ALL** questions.
2. All answers should be written in the answer booklet.
3. Write legibly and draw sketches wherever required.
4. If in doubt, raise your hand and ask the invigilator.

DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO**THIS BOOKLET CONTAINS 4 PRINTED PAGES INCLUDING COVER PAGE**

QUESTION 1

- (a) Differentiate between auditing and accounting. (6 Marks)
- (b) Demonstrate the primary types of audits conducted in Malaysia and briefly explain the role of each type in ensuring financial accountability. (8 Marks)
- (c) Differentiate between internal and external auditors regarding their roles, responsibilities, and organizational reporting structure. (4 Marks)
- (d) Explain the objectives of an audit of financial statements. (2 Marks)

QUESTION 2

- (a) Outline **TWO (2)** out of four largest CPA firms in the United States (2 Marks)
- (b) Outline the regulatory framework for ensuring audit quality in Malaysia. (2 Marks)
- (c) Name **TWO (2)** regulatory bodies involved and explain their roles in maintaining audit standards. (2 Marks)
- (d) Illustrate how auditors use these objectives in Q2 (c) to ensure that financial statements are free from material misstatements. (4 Marks)
- (f) Demonstrate the quality control policies at the audit firm level. (4 Marks)
- (g) Illustrate **THREE (3)** main activities of CPA firms (6 Marks)

QUESTION 3

- (a) Explain **THREE (3)** fundamental principles of auditing that guide auditors in auditing financial statements. (3 marks)
- (b) Describe **THREE (3)** of the nine categories of management assertions. (3 marks)
- (c) Describe the **SIX (6)** general transaction-related audit objectives and provide an example of how one objective can be tested during an audit. (12 marks)
- (d) Explain the regulatory framework for ensuring audit quality. (2 marks)

QUESTION 4

- (a) Illustrate **THREE (3)** main reasons for preparing the audit planning. (3 Marks)
- (b) Discuss the importance of establishing a clear understanding of the terms of management for an audit engagement. (4 marks)
- (c) Demonstrate the **TWO (2)** primary audit approaches with an appropriate example of a scenario where each approach might be more suitable. (4 marks)
- (d) Describe **THREE (3)** main factors that influence the auditor's choice of audit approach and explain why it is essential for the auditor to consider these factors. (9 marks)

QUESTION 5

- (a) Discuss why it is essential to plan audit sampling carefully. (2 Marks)
- (b) Determine **THREE (3)** steps in planning audit sampling and the factors influencing the sample size. (6 Marks)
- (c) Audit sampling is key to an effective audit process. Discuss **FOUR (4)** auditors use sampling techniques instead of testing 100% of transactions. (8 Marks)
- (d) Illustrate **TWO (2)** limitations of using sampling in audits. (4 Marks)

-----*End of question*-----