

Top 300+ Question – May 2021

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- We believe you will be to solve at least 50% of descriptive questions on this basis
- These 300+ are scientifically Selected from data base of 4000+ Questions.
- You can refer our “PARAM Marathon Lectures” on youtube on Ravi Taori & Vsmart Channel which were issued for Nov 20 and are equally applicable for May 21 exams
- Students can also take our Super 25 lectures cover which cover whole course from our regular BHASKAR book
- It covers all questions form new study material issued by ICAI in Dec 2020
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 - Students can just mark the CNO’s while studying from PARAM and use these top 300+ question for last minute revision.
 - We believe that the Appropriate Headings , Breakup of Answer , Rearranging the flow of answers , Shortcuts , Examples and Author’s note for contradictory and tricky answers given in PARAM would make your reading easy and fast.
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 - Visit our telegram channel “Auditguru” for further updates, amendments or doubts solving. You can also download the “auditguru” app from playstore.
- **Please note Co-Operative Society / SOX / Cost Audit / EDP are only for OLD course. Further Forensic Audit / AAE / Quality Review / LIC are only for NEW Course.**

CA FINAL - TOP 300 QUESTIONS FOR NEW & OLD COURSE

Topic	CNO	Heading	Question
SA 210	2.010	Mandatory matters in engagement letter	AKJ Ltd is a small-sized 30 years old company having business of manufacturing of pipes. Company has a plant based out of Dehradun and have their corporate office in Delhi. Recently the company appointed new firm of Chartered Accountants as their statutory auditors. The statutory auditors want to enter into an engagement letter with the company in respect of their services but the management has contended that since the statutory audit is mandated by law, engagement letter may not be required. Auditors did not agree to this and have shared a format of engagement letter with the management for their reference before getting that signed. In this respect management would like to understand that as
SA 210	3.050	Preconditions for an audit	Mr. Ram Kapoor, Chartered Accountant, has been appointed as the statutory auditor by XYZ Private Limited for the audit of their financial statements for the year 2018-19. The company has mentioned in the audit terms that they will not be able to provide internal audit reports to Mr. Ram during the course of audit. Further, company also imposed some limitation on scope of Mr. Ram.
SA 220	5.010	Date of Signing, Only After Date of Completion of EQCR	OP & Associates are the statutory auditors of BB Ltd. BB Ltd is a listed company and started its operations 5 years back. The field work during the audit of the financial statements of the company for the year ended 31 March 2018 got completed on 1 May 2018. The auditor's report was dated 12 May 2018. During the documentation review of the engagement, it was observed that the engagement quality control review was completed on 15 May
SA 220	5.020	Independence-- Responsibility of Partner and EQCR in	During the audit of FMP Ltd, a listed company, Engagement Partner (EP) completed his reviews and also ensured compliance with independence requirements that apply to the audit engagement. The engagement files were also reviewed by the Engagement Quality Control Reviewer (EQCR) except the independence assessment documentation. Engagement Partner was of the view that matters related to independence assessment are the
SA 230	6.000	Factors affecting Form	Mr. PM, a practising Chartered Accountant, has been appointed as an auditor of Truth Pvt. Ltd. What factors would influence the amount of working
SA 240	13.000	Responsibility in	Explain briefly duties and responsibilities of an auditor in case of material misstatement resulting from Management Fraud.
SA 240	17.000	No Documentary or Other Evidence	On 15th March, 2020, the directors of Phony Ltd. instructed their accountant to enter purchases amounting Rs. 1.02 crores from a company incorporated dated 11th March, 2020. However, no amount was actually paid and Rs. 1.02 crore was provided in the books of account as purchases for the year ending on 31st March, 2020.
SA 240	18.000	Special Audit Report Not Provided	In the course of audit of K Ltd., its auditor Mr. 'N' observed that there was a special audit conducted at the instance of the management on a possible suspicion of a fraud and requested for a copy of the report to enable him to report on the fraud aspects. Despite many reminders it was not provided. In absence of the special audit report, Mr. 'N' insisted that he be provided with at least a written representation in respect of fraud on/by the company.
SA 250	22.000	Indicators of Non Compliance	R & M Co. wants to be alert on the possibility of non-compliance with Laws and Regulations during the course of audit of SRS Ltd. R & M Co. seeks your guidance for identifying the indications of non-compliance with Laws and Regulations.
SA 250	23.000	Non Compliance	CA. Young has been appointed as an auditor of Rama Ltd., a textile entity. While going through the employee records of the company, CA. Young identified that most of the labourers employed are of the age between 11-12 years. On enquiring the same, the management argues that there is no such boundation with regard to employment of such lower age children and contends that it is out of the scope of audit as well to check such compliance. Comment in the context of relevant standard on auditing whether the contention of management is tenable.
SA 260 & Sec 143	25.000	Communication to Sh Holders Vs TCWG	Compare and explain the following: (i) Reporting to Shareholders vs. Reporting to those Charged with Governance
SA 265	26.000	Letter of Weakness	During the course of his audit, the auditor noticed material weaknesses in the internal control system and he wishes to communicate the same to the management. You are required to elucidate the important points the auditor should keep in the mind while drafting the letter of weaknesses in internal
SA 299	28.100	Responsibility of Joint Auditors & Difference of Opinon Amongst Joint Auditors	KRP Ltd., at its annual general meeting, appointed Mr. X, Mr. Y and Mr. Z as joint auditors to conduct auditing for the financial year 2018-19. For the valuation of gratuity scheme of the company, Mr. X, Mr. Y and Mr. Z wanted to refer their own known Actuaries. Due to difference of opinion, all the joint auditors consulted their respective Actuaries. Subsequently, major difference was found in the actuary reports. However, Mr. X agreed to Mr. Y's actuary report, though, Mr. Z did not. Mr. X contends that Mr. Y's actuary report shall be considered in audit report due to majority of votes. Now, Mr. Z is in dilemma

SA 299	28.200	Reliance on other Joint Auditor and reporting	NMN & Co LLP and ABC & Associates LLP are the joint statutory auditors of BHS Ltd. BHS Ltd. is a listed company and has been in existence for the last 50 years. Since beginning this company was audited by MQS & Associates but due to audit rotation, the company had to bring in new auditors. Considering the size of the company, two auditors were appointed as joint auditors. Since the company is new to these auditors and the concept of joint auditors to whom audit work has been divided, management had a discussion and understood that each joint auditor is responsible only for the
SA 300	30.200	Audit Planning	A & Co. was appointed as auditor of Great Airways Ltd. As the audit partner what factors shall be considered in the development of overall audit plan?
SA 315	33.000	Assertions	SA 315, "Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment" categorises the types of assertions used by the auditor to consider the different types of potential misstatements that may occur. Briefly explain with example.
SA 315	36.500	Audit Risk(Calculation)	Compute the overall Audit Risk if looking to the nature of business there are chances that 40% bills of services provided would be defalcated, inquiring on the same matter management has assured that internal control can prevent such defalcation to 75%.At his part the Auditor assesses that the procedure he could apply in the remaining time to complete Audit gives him satisfaction level of detection of frauds & error to an extent of 60%.
SA 315	40.000	ICS (Components)	What are the components of an internal control framework?
SA 315	40.010	Component (Control Environment-	The effectiveness of controls cannot rise above the integrity and ethical values of the people who create, administer, and monitor them. Explain.
SA 315	40.150	Circumstances in which risks can arise or	The Entity's Risk Assessment Process includes how management identifies business risks relevant to the preparation of financial statements in accordance with the entity's applicable financial reporting framework, estimates their significance, assesses the likelihood of occurrence and decides
SA 320	43.000	Revision of Materiality	As an auditor of RST Ltd. Mr. P applied the concept of materiality for the financial statements as a whole. On the basis of obtaining additional information of significant contractual arrangements that draw attention to a particular aspect of a company's business, he wants to re-evaluate the
SA 330	49.000	Relying on previous year test of controls	In the course of audit of Z Ltd, its auditor wants to rely on audit evidence obtained in previous audit in respect of effectiveness of internal controls instead of retesting the same during the current audit. As an auditor discuss the factors that may warrant a re-test of controls.
SA 402	52.000	Understanding Services Given by SO	MIO Ltd. is a mobile phone operating company. Barring the marketing function it had outsourced the entire operations like maintenance of mobile infrastructure, customer billing, payroll, accounting functions, etc. Assist the auditor of MIO Ltd. as to how he can obtain an understanding of how MIO
SA 402	53.000	Sub Service Organisation	When a sub-service organization performs services for a service organization, there are two alternative methods of presenting the description of controls. The service organization determines which method will be used. As a user auditor what information would you obtain about controls at a sub-
SA 402	53.050	Giving Reference of Type 1 & Type 2 report	ENN Limited is availing the services of APP Private Limited for its payroll operations. Payroll cost accounts for 65% of total cost for ENN Limited. APP Limited has provided the type 2 report as specified under SA 402 for its description, design and operating effectiveness of control. APP Private Limited has also outsourced a material part of payroll operation M/s SMP & Associates in such a way that M/s SMP & Associates is sub-service organization to ENN Limited. The Type 2 report which was provided by APP Private Limited was based on carve-out method as specified under SA 402. CA Raman while reviewing the unmodified audit report drafted by his assistant found that, a reference has been made to the work done by the service
SA 500	58.000	Evaluating work of Management's Expert	CA. Pointer had been appointed as an Auditor of Textile Ltd. During the course of audit, it was observed that inventory including work-in-process has been valued by the Management by using experts hired by them. Analyse relevant factors to decide as to whether CA. Pointer should accept or not
SA 500	58.500	Expert report inconsistent with other audit evidence	Based upon the legal opinion of a leading advocate, X Ltd. made a provision of ` 3 crores towards Income Tax liability. The assessing authority has worked out the liability at ` 5 crores. It is observed that the opinion of the advocate was inconsistent with legal position with regard to certain revenue items.
SA 501	60.000	Physical Verification & Cases it is Impractical	RIM Private Ltd is engaged in the business of manufacturing of water bottles and is experiencing significant increase in turnover year on year. During the financial year ended 31 March 2019, the company carried out a detailed physical verification of its inventory and property, plant and equipme. You are the auditor of RIM Private Ltd. The inventory as at the end of the year was ` 2.25 crores. Due to unavoidable circumstances, you could not be present at the time of annual physical verification. Under the above circumstances how would you ensure that the physical verification conducted by
SA 501	60.050	Inventory under the Custody and Control of a Third Party	Your firm has been appointed as the statutory auditors of GBM Private Limited for the financial year 2018-19. While verification of company's inventories as on 31st March 2019, you found that the significant amount of inventories belonging to the company are held by other parties. However, the company has kept all the records of the inventories maintained by other parties. What is your duty as an auditor in order to ensure that third parties

SA 505	62.000	Designing Confirmation Request	Mr. Z who is appointed as auditor of Elite Co. Ltd. wants to use confirmation request as audit evidence during the course of audit. What are the factors to be considered by Mr. Z when designing a confirmation request? Also state the effects of using positive external confirmation request by Mr. Z.
SA 505	63.000	External Confirmation (Use of Negative	During the course of audit of Star Limited the auditor received some of the confirmation of the balances of trade payables outstanding in the balance sheet through external confirmation by negative confirmation request. In the list of trade payables, there are number of trade payables of small
SA 505	65.000	External Confirmation (Refusal)	Your firm has been appointed as the statutory auditors of AGM Private Limited for the financial year 2018-19. While verification of company's trade receivables as on 31 st March 2019, accountant of AGM Pvt. Ltd. has requested you, not to send balance confirmations to a particular group of trade
SA 510	66.000	Audit Procedures for Opening Balance	In an initial audit engagement the auditor will have to satisfy about the sufficiency and appropriateness of 'Opening Balances' to ensure that they free from misstatements, which may materially affect the current financial statements. Lay down the audit procedure, you will follow, when financial statements are audited for the first time. If, after performing the procedure, you are not satisfied about the correctness of 'Opening Balances', what
SA 510	66.100	No Change, Opening Balance Case	CA. Jill, a recently qualified practicing Chartered Accountant got his first audit assignment of Natural (P) Ltd. for the financial year 2019-20. He obtained all the relevant appropriate audit evidence for the items related to Statement of Profit and Loss. However, while auditing the Balance Sheet items, CA. Jill left out obtaining appropriate audit evidence, say, confirmations, from the outstanding Accounts Receivable amounting Rs. 190 lakhs, continued as it is from the last year, on the affirmation of the management that there is no receipts and further credits during the year. CA. Jill, therefore, excluded
SA 540	81.000	Estimates (Risk	While auditing Z Ltd., you observe certain material financial statement assertions have been based on estimates made by the management. As the
SA 540	81.100	Content of WR, in case of estimates and	Mr. L while conducting the audit of ABC Ltd., observed that a substantial amount is recognized in respect of obsolescence of inventory and warranty obligation in the financial statements. Mr. L wants to obtain written representation from the management to determine whether the assumptions and
SA 540	81.200	Review of Prior period estimates	A Pvt Ltd is engaged in the business of real estate. The auditor of the company requested the information from the management to review the outcome of accounting estimates (like estimated costs considered for percentage completion etc) included in the prior period financial statements and their subsequent re-estimation for the purpose of the current period.
SA 550	82.000	Related Party (Sources)	JY & Co. is appointed as auditor of Breeze Ltd. JY & Co. seeks your guidance for reviewing the records and documentation of the company regarding 'related party transactions in the normal course of business'. Describe the steps to be followed.
SA 550	84.000	Related Party Case Study – Approach of Auditor	<p>Whilst the Audit team has identified few matters, they need your advice to conclude on the same.</p> <p>Engagement Partner have asked them to review the Board minutes and other secretarial /regulatory records based on which the following additional matters were brought to the attention of the Partner:-</p> <p>(i) The long term borrowings from the parent company has no written terms and neither the interest nor the principal has been repaid so far.</p> <p>(ii) Certain computers were received from the parent company free of cost, the value of which is ` 0.23 lac and no accounting or disclosure of the same has been made in the notes to accounts.</p> <p>(iii) An amount of ` 3.25 Lakhs per month is paid to M/s. WE CARE Associates, a partnership firm, which is a 'related party' in accordance with the provisions of the Companies Act, 2013 for the marketing services rendered by them. Based on an independent assessment, the consideration paid is higher than the arm's length pricing by ` 0.25 Lakhs per month. Whilst the transaction was accounted in the financial statements based on the amounts' paid, no separate disclosure of this related party transaction has been made in the notes to accounts forming part of the financial statements highlighting the same as a 'related party' transaction.</p> <p>Audit Manager has reported that she had asked certain information relating to another 'related party' transaction (amounting to approx. ` 47 lac) but the CFO refused to provide the same since the same is perceived to be confidential and cannot be shared with the Auditors.</p> <p>You are required to advise about items to be reported to those charged with governance, where applicable, based on your audit findings in the given situation.</p>

SA 570	90.050	Additional procedures and mitigating factor	<p>MNO Limited is one of the prominent players in the chemicals industry. The company is a public company domiciled in India and listed on BSE and NSE. The Company was facing extreme liquidity constraints and there were multiple indicators that casted doubt over the company's ability to continue as a going concern.</p> <p>The Company was led into insolvency proceedings by consortium of banks led by PNB and the NCLT ordered the commencement of corporate insolvency process against the Company on 31 August 2018. The company invited prospective lenders, investors and others to submit their resolution plans to the Resolution Professional (RP) latest by 1 January 2019. The RP reviewed the resolution plans and ensured conformity with Insolvency and Bankruptcy Code 2016. The compliant plans were presented to Committee on Creditors (CoC) on 2 February 2019 and the resolution plan submitted by PQR Ltd. was evaluated as highest evaluated Compliant Resolution Plan. CoC of MNO Ltd. approved the Resolution Plan submitted by PQR Ltd. on 2 March 2019. The approval of NCLT was finally obtained on 4 May 2019.</p> <p>PQR Ltd. submitted detailed plans and commitments as part of the resolution plan including clearance of all outstanding debts which were leading to negative cash flows. Please suggest how would you deal with this situation as the auditors of MNO Ltd.</p>
SA 570	94.000	Going Concern (Case - Inappropriate)	<p>Sun Moon Ltd. is a power generating company which uses coal as raw material for its power generating plant. The company has been allotted coal blocks in the state of Jharkhand and Odhisa. During the FY 2020-21, a scam regarding allotment of coal blocks was unveiled leading to a ban on the allotment of coal blocks to various companies including Sun Moon Ltd. This happened in the month of December 2020 and as such entire power generation process of Sun Moon Ltd, came to a halt in that month. As a result of such ban, and the resultant stoppage of the production process, many key managerial personnel of the company left the company. There were delays in the of payment of wages and salaries and the banks from whom the company had taken funds for project financing also decided not to extend further finance or to fund further working capital requirements of the company.</p> <p>Further, when discussed with the management, the statutory auditor understood that the company had no action plan to mitigate such circumstances. Further, all such circumstances were not reflected the the financial statements of Sun Moon Ltd. What course of action should the statutory auditor of the company consider in such situation?</p>
SA 570	94.010	Dealing with Material Uncertainty	<p>TUV Ltd. is a company engaged in the business of manufacture of spare parts. Saroj & Associates are the statutory auditors of the company for the FY 2020-21. During the course of audit, CA Saroj noticed that the company had a major customer, namely, Korean Mart from South Korea. Owing to an outbreak of war and subsequent destruction leading to government ban on import and export in South Korea, the demand from Korean Mart for the products of TUV Ltd. ended for an unforeseeable time period. When discussed with the management, CA Saroj was told that the company is in the process of identifying new customers for their products. CA Saroj understands that though the use of going concern assumption is appropriate but a</p>
SA 580	97.000	Misuse of WR	<p>An auditor of Sagar Ltd. was not able to get the confirmation about the existence and value of certain machineries. However, the management gave him a certificate to prove the existence and value of the machinery as appearing in the books of account. The auditor accepted the same without any</p>
SA 580	97.100	date of and period covered by written representation	<p>PRSH & Co is the statutory auditor of Make My Journey Ltd. The company is in the business of tours and travels. Annual turnover of the company is INR 2000 crores and profits are INR 190 crores. During the planning meeting of the management and the auditors, it was discussed that the management needs to provide written representation letter to the auditors for the preparation of the financial statements and for the completeness of the information provided to the auditor. At the time of closure of the audit, there has been some confusion about the requirements of the written representation letter. Management argued that representation need not be written, it can also be verbal which has been provided to the audit team during the course of their audit. Auditors have completed their documentation and hence in a way, representation based on verbal discussions with the auditors has also got documented. Auditors explained that this is mandatory to obtain written representation in accordance with the requirements of on 2 March 2019. The approval of NCLT was finally obtained on 4 May 2019.</p> <p>PQR Ltd. submitted detailed plans and commitments as part of the resolution plan including clearance of all outstanding debts which were leading to</p>
SA 600	100.500	aspects related to responsibilities of parent auditor (auditor	<p>RAJ Ltd has a branch office which maintains its separate set of books of accounts. The statutory audit of RAJ Ltd and its branch office is conducted by two separate firms of Chartered Accountants. RAJ Ltd being the company with Head Office, its statutory auditors, always intervene in the work of the statutory auditors of branch office. Due to this, the audit completion takes longer period. Due to the company's internal policies, they need to continue.</p>

SA 600	101.000	Branch Audit (Co-Ordination)	BETA Ltd is the Subsidiary company of ALPHA Ltd. PQR & Associates has been appointed as auditor of ALPHA Ltd. for the Financial Year 2019-20 and MNO & Associates has been appointed as auditor of BETA Ltd for the year 2019-20. Explain the role of PQR & Associates and MNO & Associates as
SA 610	103.100	Evaluation of Internal	State the important aspects to be considered by the External auditor in the evaluation of the Internal Audit Function.
SA 610	103.300	Direct Assistance	Mr. A is appointed as a statutory auditor of XYZ Ltd. XYZ Ltd is required to appoint an internal auditor as per statutory provisions given in the Companies Act, 2013 and appointed Mr. B as its internal auditor. The external auditor Mr. A asked internal auditor to provide direct assistance to him regarding evaluating significant accounting estimates by the management and assessing the risk of material misstatements. (a) Discuss whether Mr. A, statutory auditor, can ask direct assistance from Mr. B, internal auditor as stated above in view of auditing standards
SA 610	103.400	Nature of Work to be Assigned to Internal	Moon Ltd. of which you are the Statutory Auditor, have an internal audit being conducted by an outside agency. State the factors that weigh considerations in opting to make use of direct assistance of the internal auditors for the purpose of statutory audit.
SA 620	105.100	Agreement With Expert (Matters Covered)	X Ltd had a net worth of INR 1300 crores because of which Ind AS became applicable to them. The company had various derivative contracts – options, forward contracts, interest rate swaps etc. which were required to be fair valued for which company got the fair valuation done through an external third party. The statutory auditors of the company involved an auditor's expert to audit valuation of derivatives. Auditor and auditor's expert were new
SA 620	106.000	Evaluating work of Expert	KRP Ltd., at its annual general meeting, appointed Mr. X, Mr. Y and Mr. Z as joint auditors to conduct audit for the financial year 2018-19. For the valuation of gratuity scheme of the company, Mr. X, Mr. Y and Mr. Z wanted to refer their own known Actuaries. Due to difference of opinion, all the joint auditors consulted their respective Actuaries. Subsequently, major difference was found in the actuarial reports. However, Mr. X agreed to Mr. Y's actuary report, though, Mr. Z did not. Mr. X contends that Mr. Y's actuary report shall be considered in audit report due to majority of votes. Now, Mr. Z
SA 620	106.100	Reference to Work of Expert in auditors report	O Ltd. is in the business of manufacturing of steel. The manufacturing process requires raw material as iron ore for which large stock was maintained by the company at year end – 31 March 2019. The nature of raw material is such that its physical verification requires involvement of an expert. Management hired their expert for stock take and auditors also involved auditor's expert for the stock take. The auditor observed that the work of the auditor's expert was not adequate for auditor's purposes and the auditor could not resolve the matter through additional audit procedures which included further work performed by both the auditor's expert and the auditor. Basis above, the auditor concluded that it would be necessary to express a modified opinion in the auditor's report because the auditor has not
SA 700	110.000	Certificate Vs Audit	Write a short note on Certificate for Special Purpose vs. Audit Report
SA 700	111.050	Other Standards on Auditing in addition to Standard on Auditing issued by the ICAI	KPI Ltd is a joint venture of KPI Inc, a company based in US, and OPQ Ltd, a company based in Japan (hereinafter referred to as 'JV partners'). KPI Ltd was registered in India and is operating as a marketing support company for KPI Inc. All the costs of KPI Ltd are incurred in India and entire revenue of KPI Inc is generated in USD. The entire funding requirements of KPI Ltd are taken care of by the JV partners. Since KPI Ltd is based in India, hence it is also required to get its financial statements audited. The company appointed new auditors for the audit of the financial statements for the year ended 31 March 2020 after doing all appointment formalities wherein auditors are required to ensure compliance with Standards on Auditing and Internal Standards on Auditing.
SA 701	112.100	Determining Key Audit Matters	AKY Ltd. is a listed company engaged in the business of software and is one of the largest company operating in this sector in India. The company's annual turnover is Rs. 40,000 crores with profits of Rs. 5,000 crores. Due to the nature of the business and the size of the company, the operations of the company are spread out in India as well as outside India. The company's contracts with its various customers are quite complicated and different. During the course of the audit, the audit team spends significant time on audit of revenue – be it planning, execution or conclusion. This matter was also discussed with management at various stages of audit. The efforts towards audit of revenue also involve significant involvement of senior members of the audit team including the audit partner. After completion of audit for the year ended 31 March 2019, the audit partner was discussing significant matters with the management wherein they also communicated to the management that he plans to include revenue recognitionrther, all such circumstances were not reflected the the financial statements of Sun Moon Ltd. What course of action should the statutory auditor of the comp
SA 701	112.200	Reporting of Key Audit Matters	Choti Limited had definite plan of its business being closed within a short period from the close of the accounting year ended on 31stMarch, 2019. The Financial Statements for the year ended 31/03/2019 had been prepared on the same basis as it had been in earlier periods with an additional note that the business of the Company shall cease in near future and the assets shall be disposed off in accordance with a plan of disposal as decided by the Management. The Statutory Auditors of the Company indicated this aspect in Key Audit Matters only by a reference as to a possible cessation of

SA 705	113.000	Types of Modification	ADKS & Co LLP are the newly appointed statutory auditors of PKK Ltd. During the course of audit, the statutory auditors have come across certain significant observations which they believe could lead to material misstatement of financial statements. Management has a different view and does not concur with the view of the statutory auditors. Considering this the statutory auditors are determining as to how to address these observations in terms
SA 705	113.010	Special Considerations for Various Opinions	"When the auditor modifies the audit opinion, the auditor shall use the heading "Qualified Opinion," "Adverse Opinion," or "Disclaimer of Opinion," as appropriate, for the Opinion section." As an expert you are required to brief the special considerations required for expressing: (a) Qualified Opinion; (b) Adverse Opinion and (c) Disclaimer of Opinion.
SA 705	113.020	Reasons for No S&A Evidence	The auditor's inability to obtain sufficient appropriate audit evidence (also referred to as a limitation on the scope of the audit) may arise from: (i) Circumstances beyond the control of the entity; (ii) Circumstances relating to the nature or timing of the auditor's work; or (iii) Limitations imposed by management. Explain with the help of examples.
SA 705	113.030	Audit evidence not consistent with the	CA Omkar is the statutory auditor of Sabhyata Ltd. for the FY 2020-21. The company is engaged in the business of manufacture of floor tiles. During the course of audit, CA Omkar obtained certain audit evidence which were not consistent with the affirmation made in the financial statements. Discuss as
SA 705	118.000	Q Vs E	Compare and explain the following: (ii) Audit Qualification vs. Emphasis of Matter.
SA 706	120.000	EMP	Write a short note on Emphasis of matter paragraph in Audit Reports
Company Audi & Audit Report	122.050	Case Study (EMP & Modification)	AKB Associates, a renowned audit firm in the field of CA practice for past two decades. The firm was appointed to conduct statutory audit of Rica Ltd. an unlisted company, which is engaged in the business of paper manufacturing. It decided to commence the audit for the recently concluded financial year. Once after making significant progress in the audit, the auditors made the following observations: Observation 1: The management had disclosed in the financials that, during the year, one of the warehouses of the Company was affected due to a major flood. As a result of the same, the Company had incurred some losses. But the management was of the view that it was not material. Observation 2: Due to flood, few records maintained by the Company with respect to a particular transaction was completely destroyed and there was no duplicate record maintained by the Company. However, those details were not pervasive, but material. You are required to advise, whether AKB Associates should report Observation 1 and 2 in its audit report? If so, under which heading should it be reported?
SA 710	126.000	Comparatives (Previous Year Misstatements Prov of Diminution in	It was observed from the modified audit report of the financial statements of ULFA Ltd. for the year ended 31st March, 2019 that depreciation of ` 4.25 crore for the year 2018-2019 had been charged off to the Statement of Profit and Loss instead of including it in "carrying value of asset under construction". State in relation to the audit for the year ended 31st March 2020, whether such modification in the previous year's audit report would
SA 720	127.100	Examples of "Amounts" or "other items"	LMP Associates, Chartered Accountants, conducting the audit of PQR Ltd., a listed Company for the year ended 31st March 2019 is concerned with the auditor's responsibilities relating to other information, both financial and non-financial, included in the Company's annual report. While reading other information, LMP Associates considers whether there is a material inconsistency between other information and the financial statements. As a basis for the consideration the auditor shall evaluate their consistency, compare selected amounts or other items in the other information with such amounts or other items in the financial statements.

SA 720	127.200	Material Misstatement in other information	<p>ING Associates, Chartered Accountants, conducting the audit of XYZ Ltd., a listed Company for the year ended 31st March 2020 is concerned with the auditor's responsibilities relating to misstatements in other information, both financial and non-financial, included in the Company's annual report. While reading other information, ING Associates considers whether there is any material misstatement of the other information in the Company. After performing their procedures, the auditor concludes that a material misstatement of the other information exists.</p> <p>ING Associates discussed with the Management about the other information that appeared to be materially misstated to the auditor and also requested management to provide evidence for the basis of management's statements in the other information along with supporting documents.</p> <p>Guide ING Associates as to how to respond to that material misstatement of other information obtained prior to the date of auditor's report. Will your answer be different in case ING Associates conclude the same after the date of auditor's report?</p>
SQC 1	127.500	Examples of the matters to be considered With regard	<p>MB & Associates is a partnership firm of Chartered Accountants which was established seven years back. The firm is getting new clients and has also, been offered new engagement services with existing clients. The firm is concerned about obtaining such information as it considers necessary in the circumstances before accepting an engagement with a new client and acceptance of a new engagement with an existing client. The firm is looking to</p>
ASPP	153.000	Audit Programme for Mutliplex & Sale of Tickets	<p>Cineplex, a movie theatre complex, is the foremost theatre located in Delhi. Along with the sale of tickets over the counter and online booking, the major proportion of income is from the cafe, shops, pubs etc. located in the complex. Its other income includes advertisements exhibited within/outside the premises such as hoardings, banners, slides, short films etc. The facility for parking of vehicles is also provided in the basement of the premises.</p> <p>Cineplex appointed your firm as the auditor of the entity. Being the head of the audit team, you are, therefore, required to draw an audit programme</p>
ASPP	160.000	Audit Strategy For Online Business	<p>As an auditor of garment manufacturing company for the last five years, you have observed that new venture of online shopping has been added by the company during current year. What factors would be considered by you in formulating the audit strategy of the company?</p>
RA & ICS	162.000	Risk Based Audit	<p>ST Ltd is a growing company and currently engaged in the business of manufacturing of tiles. The company is planning to expand and diversify its operations. The management has increased the focus on the internal controls to ensure better governance. The management had a discussion with the statutory auditors to ensure the steps required to be taken so that the statutory audit is risk based and focused on areas of greatest risk to the</p>
RA & ICS	163.000	Steps in RAP	Briefly describe the various stages of a Risk Assessment process.
RA & ICS	163.500	Steps for Risk	Your engagement team is seeking advice from you as engagement partner regarding steps for risk identification. Elaborate.
RA & ICS	165.100	Control Objectives	As auditor of Z Ltd., you would like to limit your examination of account balance tests. What are the control objectives you would like the accounting
RA & ICS	168.000	Flow Chart Technique	Explain briefly the Flow Chart technique for evaluation of the Internal Control system.
RA & ICS	171.000	Internal Check	<p>BSF Limited is engaged in the business of trading leather goods. You are the internal auditor of the company for the year 2019-20. In order to review internal controls of the Sales Department of the company, you visited the Department and noticed the work division as follows: (1) An officer was handling the sales ledger and cash receipts. (2) Another official was handling dispatch of goods and issuance of Delivery challans. (3) One more officer was there to handle customer/ debtor accounts and issue of receipts.</p>
RA & ICS	174.000	Internal Controls (Multiple Location)	Y Co. Ltd. has five entertainment centers to provide recreational facilities for public especially for children and youngsters at 5 different locations in the peripheral of 200 kilometers. Collections are made in cash. Specify the adequate system towards collection of money.
AAE	204.005	Approach to identify	A Company is using ERP for all its business processes including Procurement, Sales, Finance and Reporting. You are required to explain the Statutory
AAE	204.020	Types of Automated Environment	A real-time environment is a type of automated environment in which business operations and transactions are initiated, processed and recorded immediately (without any delay) as they happen. It has several critical IT components that enable anytime, anywhere transactions to take place. You are
AAE	204.040	consideration of Automated	In a risk-based audit, the audit approach can be classified into three broad phases comprising of planning, execution, and completion. You are required to briefly explain the relevant considerations for every phase in above audit approach in case of an automated environment
AAE	204.050	Application Controls	Describe application controls and give three examples of automated application controls.
AAE	204.060	Data Analytics	In an automated environment, the data stored and processed in systems can be used to get various insights into the way business operates. This data can be useful for preparation of management information system (MIS) reports and electronic dashboards that give a high-level snapshot of business performance. In view of above you are required to briefly discuss the meaning of data analytics and example of circumstances when auditing in an
AAE	204.062	Uses / Benefits of Data Analytics / CAAT	Generating and preparing meaningful information from raw system data using processes, tools, and techniques is known as Data Analytics and the data analytics methods used in an audit are known as Computer Assisted Auditing Techniques or CAATs." You are required to give illustration of a
AAE	204.090	Understanding and	Understanding and documenting automated environment

AAE	204.095	International IT related Standards, Guidelines	Explain some of the International IT related Standards, Guidelines and Framework.
Company Audit I	284.000	Sec 139--Appointment Government Company	Nick Ltd. is a subsidiary of Ajanta Ltd., whose 20% shares have been held by Central Government, 25% by Uttar Pradesh Government and 10% by Madhya Pradesh Government. Nick Ltd. appointed Mr. Prem as its statutory auditor. As an auditor, how would you deal in above situation.
Company Audit I	298.000	Sec 140--Removal by Tribunal Short Note	On the advice of Management of Quick Ltd., the auditor of the Company overlooked and did not report on shifting of certain current year's sales transactions to the next year. The National Company Law Tribunal (NCLT) wants to take action against the auditor. Describe the powers of the NCLT
Company Audit I	300.000	Sec 141--Disqualification Ceiling Limit (ABC & Co)	"ABC & Co." is an Audit Firm having partners "Mr. A", "Mr. B" and "Mr. C", Chartered Accountants. "Mr. A", "Mr. B" and "Mr. C" are holding appointment as an Auditor in 4, 6 and 10 Companies respectively. (i) Provide the maximum number of Audits remaining in the name of "ABC & Co." (ii) Provide the maximum number of Audits remaining in the name of individual partner i.e. Mr. A, Mr. B and Mr. C. (iii) Can ABC & Co. accept the appointment as an auditor in 60 private companies having paid-up share capital less than ` 100 crore which has not committed default in filing its financial statements under section 137 or annual return under section 92 of the Companies Act with the Registrar, 2 small companies and 1 dormant company? (iv) Would your answer be different, if out of those 60 private companies, 45 companies are having paid-up share capital of ` 110 crore each?
Company Audit I	303.000	Sec 141--Disqualification	Mr. Amar, a Chartered Accountant, bought a car financed at ` 7,00,000 by Chaudhary Finance Ltd., which is a holding company of Charan Ltd. and Das Ltd. Mr. Amar has been the statutory auditor of Das Ltd. and continues to be even after taking the loan. As an auditor, how would you deal in above
Company Audit I	309.000	Sec 141--Disqualification	Contravene Ltd. appointed CA Innocent as an auditor for the company for the current financial year. Further the company offered him the services of actuarial, investment advisory and investment banking which was also approved by the Board of Directors. As an auditor, how would you deal in above
Company Audit I	312.000	Sec 141--Disqualification	Ram and Hanuman Associates, Chartered Accountants in practice, have been appointed as Statutory Auditor of Krishna Ltd. for the accounting year 2019-2020. Mr. Hanuman, a partner of Ram and Hanuman Associates, holds 100 equity shares of Shiva Ltd., a subsidiary company of Krishna Ltd. As an
Company Audit I	334.000	Sec 143--Audit of Government Company	"The C&AG may direct the appointed auditor the manner in which the accounts of the Government company are required to be audited and thereupon the auditor so appointed shall submit a copy of the audit report to the Comptroller and Auditor-General of India." What are the relevant sections of the
Company Audit I	337.000	Sec 143--Branch Auditor Appointed Without Consent	Bhishm Limited decided to appoint Mr. Rajvir, chartered accountant, as the branch auditor for the audit of its Lucknow branch accounts for the year 2018-19. The decision to appoint branch auditor was taken by way of Board Resolution in the meeting of Board of Directors of the company, held in April 2018, subject to shareholders' approval in AGM of the company scheduled to be held in June 2018. Meanwhile, the Principal Auditor of the
Company Audit I	340.000	Sec 143--Fraud Reporting Cost Accountant Dint Not	RX Ltd. is a sugar manufacturing company. The company appointed Mr. Suresh, a practicing cost accountant, to conduct cost audit of its cost records under section 148 of the Companies Act, 2013. While conducting audit, Mr. Suresh found some misstatement resulting into fraud committed by the officers of the company amounting rupees 1.5 crore. However, he did not report the matter to the Central Government believing that liability for such
Company Audit I	342.100	Sec 148--Applicability (Exports)	Pearl Ltd. is an exporter of precious and semi-precious stones. The turnover of the company is ` 150 crore, out of which ` 105 crore is from export business and remaining ` 45 crore from domestic sales. Amount received from export business is all in foreign currency. Directors of Pearl Ltd. are of the
Company Audit I	342.200	Sec 148--Applicability of Cost Audit	Petro Ltd. is engaged in generation of electricity for captive consumption through Captive Generating Plant. The Company also maintains cost records in its books of account as required under Cost Records and Audit Rules. Mr. Xylo, friend of Managing Director of the Company, suggested name of his brother, who is a Cost Accountant in Practice, for the purpose of cost audit. However, the statutory auditor of the company, is of the view that the Company is not legally required to conduct cost audit. Now, the Managing Director is in dilemma about the requirement of cost audit. Being an expert
Company Audit II	353.000	Sec 138--Applicability (Borrowing)	AB Pvt. Ltd. company has outstanding loans or borrowings from banks exceeding one hundred crore rupees wants to appoint an internal auditor. Please guide him for the applicability of the same and who can be appointed as an internal auditor and what work would be reviewed by him.
Liability of Auditor	370.000	Criminal Liabilities	Mr. Fresh, a newly qualified chartered accountant, wants to start practice and he requires your advice, among other things, on criminal liabilities of an auditor under the Companies Act, 2013. Kindly guide him
Liability of Auditor	370.020	Criminal Liabilities (Sec 448)	State the nature of liability as provided in the Companies Act, 2013 for an auditor for not appropriately dealing with a misstatement appearing in audited financial statements or a false statement in Audit Report
Liability of Auditor	374.000	,Prospectus Sec 35 ,	Indicate the precise nature of auditor's liability in the following situations and support your views with authority, if any. (i) A misstatement had occurred in the prospectus issued by the company.

Liability of Auditor	376.000	Two Set of Books	In assessment procedure of M/s Cloud Ltd., Income Tax Officer observed some irregularities. Therefore, he started investigation of Books of Accounts audited and signed by Mr. Old, a practicing Chartered Accountant. While going through books he found that M/s Cloud Ltd. used to maintain two sets of Books of Accounts, one is the official set and other is covering all the transactions. Income Tax Department filed a complaint with the Institute of
Liability of Auditor	377.000	Unlawful Acts by Client	Write a short note on - Auditor's liability in case of unlawful acts or defaults by clients.
Liability of Auditor	378.000	Weakness in ICS lead to Fraud	(ii) Certain weaknesses in the internal control procedure in the payment of wages in a large construction company were noticed by the statutory auditor who in turn brought the same to the knowledge of the Managing Director of the company. In the subsequent year huge defalcation came to the notice of the management. The origin of the same was traced to the earlier year. The management wants to sue the auditor for negligence and also plans to
Liability of Auditor	378.100	False information to Tax Authorities	CA Prince, a Chartered Accountant has appeared before the Income Tax Authorities as the authorized representative of his client and delivers to the Income Tax Authorities a false declaration. What are the liabilities of CA. Prince under Income Tax Act, 1961?
CARO	379.000	Applicability (Computation of TO)	T Pvt. Ltd.'s paid up capital & reserves are less than ` 50 lakhs and it has no outstanding loan exceeding ` 25 lakhs from any bank or financial institution. Its sales are ` 6 crores before deducting trade discount ` 10 lakhs and sales returns ` 95 lakhs. The services rendered by the company amounted to ` 10
CARO	386.000	Applicability (Pvt Company Focus on)	Astha Pvt. Ltd. has fully paid capital of ` 140 lakhs. During the year, the company had borrowed ` 15 lakhs each from a bank and a financial institution. It had the turnover (Net of GST ` 50 lakhs which is credited to a separate account) of ` 475 lakhs. Will Companies (Auditor's Report) Order, 2020 be
CARO	391.000	Cl 1--Title Deed Not in	(ii) NSP Limited has its factory building, appearing as fixed assets in its financial statements in the name of one of its director who was overlooking the
CARO	392.010	Cl 1(a) & (b) --Physical verification of fixed	The Property, Plant and Equipment of Nasir Ltd. included Rs.23.49crores of earth removing machines of outdated technology which had been retired from active use and had been kept for disposal after knock down. These assets appeared at residual value and had been last inspected seven years
CARO	393.000	Cl 2--Physical Verification (50%)	Physical verification of only 40% of items of inventory has been conducted by the company. The balance 60% will be conducted in next year due to lack of time and resources. As a statutory auditor, how would you report under CARO 2020.
CARO	400.000	Cl 7--Statutory Due (Pending Disputes)	XYZ Pvt. Ltd. has submitted the financial statements for the year ended 31-3-19 for audit. The audit assistant observes and brings to your notice that the company's records show following dues: <ul style="list-style-type: none"> Income Tax relating to Assessment Year 2015-16 rupees 125 lacs - Appeal is pending before Hon'ble ITAT since 30-9-17. Customs duty rupees 85 lakhs - Demand notice received on 15-9-18 but no action has been taken to pay or appeal.
CARO	406.000	Cl 9--Money Raised Miss-Applied (Loan for	A term loan was obtained from a bank for ` 80 lakhs for acquiring R&D equipment, out of which ` 15 lakh was used to buy a car for use of the concerned director who was looking at the R&D activities. As a statutory auditor, how would you report under CARO 2020.
CARO	407.010	Cl 11--Fraud Reporting (Noticed or Reported)	(ii) The Internal Auditor of the Company has identified a fraud in the recruitment of employees by the HR department wherein certain sums were alleged to have been taken as kick-back from the employees for taking them on board with the Company. After due investigation, the concerned HR
CARO	407.020	Cl 11--Fraud Reporting (Reporting on Cases)	What are the reporting requirements in the audit report under the Companies Act, 2013 / CARO, 2020 for the following situations? (i) A fraud has been committed against the company by a vendor of the company. (ii) The company has committed a major fraud on its customer and the case is pending in the court.
CARO	409.010	Cl-13-- Loan taken from parent company	Whilst the Audit team has identified various matters, they need your advice to include the same in your audit report in view of CARO 2016:- (i) The long term borrowings from the parent has no agreed terms and neither the interest nor the principal has been repaid so far.
CARO	409.020	Cl-13-- Non Disclosure of RPT	.Whilst the Audit team has identified various matters, they need your advice to include the same in your audit report in view of CARO 2016:- An amount of Rs. 3.25 Lakhs per month is paid to M/s. WE CARE Associates, a partnership firm, which is a 'related party' in accordance with the provisions of the Companies Act, 2013 for the marketing services rendered by them. Based on an independent assessment, the consideration paid is higher than the arm's length pricing by Rs. 0.25 Lakhs per month. Whilst the transaction was accounted in the financial statements based on the
CARO	411.000	Cl 15--Non Cash Transaction (Son of Director)	Under CARO, 2016, as a statutory auditor, how would you report? (i) RPS Ltd. has entered into non-cash transactions with Mr. Rahul, son of director, which is an arrangement by which the RPS Ltd. is in process to acquire assets for consideration other than cash.
CARO	412.000	Cl 16--Theory of Cl 16	Abhimanyu Finance Ltd. is a Non Banking Finance Company and was in the business of accepting public deposits and giving loans since 2015. The company was having net owned funds of ` 1,50,00,000/-(one crore fifty lakhs) and was not having registration certificate from RBI and applied for it on 30th March 2021. The company appointed Mr. Kabra as its statutory auditors for the year 2020-21. Advise the auditor with reference to auditor

Corporate Governance	422.000	Audit Committee (Features)	State the main features of the Qualified and Independent Audit Committee set up SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Corporate Governance	422.100	Risk Management Committee	M/s AII-in-One limited is a large-sized listed Indian Company with focus on design and delivery of custom made Information Technology applications for various business entities in India and abroad. The Management wants to know whether they are required to constitute Risk Management
Corporate Governance	425.000	Audit Committee (Mandatory Review)	"Mandatory Review" areas of the audit committee
Corporate Governance	426.000	Audit Committee (Meeting)	Dishonest Limited, a company incorporated in India has six members in its Audit Committee. Due to recessionary conditions in India the revenue of the company is going down and there is slow down in other activities of the company. Therefore, it was expected that there would not be significant work for members of the Audit Committee. Considering the overall recession in the company and the economy, the members of the Committee decided unanimously to meet once in a year only on March 31, 2020. They reviewed monthly information system of the Company and found no errors. As an
Corporate Governance	426.500	Conducting Meeting	XYZ Limited has conducted 4 meetings in 2019-20. i.e. June 15, 2019, October 18, 2019, February 10, 2020 and June 10, 2020. Does it comply with provisions of conducting meeting?
Corporate Governance	433.000	Management Discussion and Analysis.	Write short notes on the following: (a) Content of Management Discussion and Analysis. (b) Corporate Governance
Corporate Governance	433.020	Affirmation of compliance with the	The Board of Directors of PQR Ltd. have laid down the code of conduct for all Board members and senior management. The auditor is provided with the annual compliance affirmations received from the Board members and explained that since there has been no change in the composition of the senior
Corporate Governance	433.030	POSH Act - Harassment	Genuine Ltd. has established the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act'). The details (names, email addresses and contact numbers) of the Committee members are available on the company intranet which is accessible by all employees. However, no disclosure regarding number of complaints pertaining to sexual harassment of women at
Corporate Governance	434.010	Independent Director (Case Study)	Comment on the following in the light of certificate of compliance of conditions of Corporate Governance to be issued for a listed company where the Board consists of 10 directors including a non-executive director as its chairman and further: (i) There were 5 meetings held during the year as follows 01.04.2019, 01.06.2019, 01.09.2019, 03.01.2020, 25.03.2020. (ii) There are 4 independent directors. One of them resigned on 25.05.2019. A new independent director was appointed on 01.09.2019. (iii) The Chairman of Audit Committee did not attend the Annual General meeting held on 14.09.2019. (iv) The internal audit reports were obtained by Audit Committee on quarterly basis. Quarter 1 internal audit report commented on certain serious irregularities as regards electronic online auction of scrap. The agenda of Audit Committee did not deliberate or take note of the issue. (v) There is no women director.
Corporate Governance	434.300	Vigil Mechanism	RST Ltd. has established a vigil mechanism to enable its directors and employees to report genuine concerns and seek protection against victimization. The details of the mechanism are available on the company intranet which is accessible by the directors and employees. Are the measures taken by the
Corporate Governance	434.400	Compliance with LODR (Multiple Case)	M/s FCA & Associates, Chartered Accountants is one of the leading auditing firms in Guwahati. The firm received an assignment to examine the compliance conditions [as stated in SEBI (LODR) Regulations] of corporate governance by ABC Ltd., a listed entity with no outstanding SR equity shares. The firm had made the following observations: Observation No. 1: Mr. Fine, one of the Director of the Company, also the Chairman of the Stakeholder Relationship Committee, was acting as the audit committee Chairman in 4 other listed companies as well & 1 private company, simultaneously. Observation No. 2: The Nomination & Remuneration Committee consisted of 6 members, which regularly met biannually. Observation No. 3: The Risk Management Committee consisted of 9 directors, out of which, the number of independent directors is the majority, but it was less than two thirds of the total strength.
Corporate Governance	434.500	SEBI circular on auditor resignation (resignation within 45 days)	Statutory auditor of ABC Limited has resigned on July 10, 2020. Whether he shall be liable for issuing limited review report for quarter ended June 30, 2020.
Corporate Governance	434.600	SEBI circular on auditor resignation (limited)	PQR, auditor of XYZ Limited has signed limited review report of 2nd and 3rd quarter. Whether auditor is liable to issue limited review report of 4th quarter before resignation?

Audit of Consolidated Financial Statements	435.000	Applicability of Consolidated Financial Statements	Please elaborate on the situations wherein the requirement related to preparation of consolidated financial statements may not apply.
Audit of Consolidated Financial Statements	436.000	Temporary Holding	M Ltd. acquired 51 % shares of S Ltd. on 01-04-2019 and sold 25% of these shares during the financial year 2019-20. M Ltd. did not prepare Consolidated Financial Statements for the financial year 2019-20 on the plea that the control was only temporary. Do you agree with the view of M Ltd.? Decide, assuming, that M Ltd. is required to prepare its financial statements under Ind AS.
Audit of Consolidated Financial Statements	436.100	Temporary Holding-(AS)	R Ltd. owns 51% voting power in S Ltd. It however, holds and discloses all the shares as "Stock-in-trade" in its accounts. The shares are held exclusively with a view to their subsequent disposal in the near future. R Ltd. represents that while preparing Consolidated Financial Statements, S Ltd. can be excluded from the consolidation. As a Statutory Auditor, how would you deal?
Audit of Consolidated Financial Statements	436.300	Temporary Holding - Investment Company	H Limited is an Investment Company preparing its Financial Statements in accordance with Ind AS. The Company obtains funds from various investors and commits its performance for fair return and capital appreciation to its investors. During the year under audit, it had been observed that the Company had invested 25% in S1 Ltd., 50% in S2 Ltd. and 60% in S3 Ltd. of the respective share capitals of the Investee Companies. When checking the investment schedule of the Company, an issue cropped as to whether there would arise any need to consolidate accounts of any such investee
Audit of Consolidated Financial Statements	437.000	Control Over Composition of Board	A Ltd. holds the ownership of 10% of voting power and control over the composition of Board of Directors of B Ltd. While planning the statutory audit of A Ltd., what factors would be considered by you as the statutory auditors of A Ltd for the audit of its consolidated financial statements prepared under Ind AS?
Audit of Consolidated Financial Statements	438.000	Permenant Consolidation	Write a short note on: (b) Permanent Consolidated Adjustments.
Audit of Consolidated Financial Statements	439.000	Current Consolidation Adjustment	While doing the audit of Consolidated Financial Statements, which current period consolidation adjustments are to be taken into account?
Audit of Consolidated Financial Statements	440.000	Responsibility of Parent	Write a short note on:(a) Responsibility of holding company for preparation of Consolidated Financial Statements.
Audit of Consolidated Financial Statements	440.050	Objective, as an Auditor, in the audit of Consolidated Financial Statements	Auditor's objectives in an audit of consolidated financial statements.
Audit of Consolidated Financial Statements	443.000	Reporting	You are appointed as an auditor of Nawab Limited, a listed company who is a main supplier to the UK building and construction market. With a turnover of ` 2.9 billion, the company operates through 11 business units and has nearly 180 branches across the countries . As an auditor, how will you draft the report in case: (a) When the Parent's Auditor is also the Auditor of all its Components? (b) When the Parent's Auditor is not the Auditor of all its Components? (c) When the Component(s) Auditor Reports on Financial Statements under an Accounting Framework Different than that of the Parent? (d) When the Component(s) Auditor Reports under an Auditing Framework Different than that of the Parent? (e) Where the financial statements of one or more components is not audited?
Audit of Consolidated Financial Statements	444.000	AS 21 (Losses in Subsidiary)	K Ltd. had 5 subsidiaries as at 31st March, 2020 and the investments in-subsiaries are considered as long term and valued at cost. Two of the subsidiaries had their net worth eroded as at 31st March 2020 and the prospects of their recovery are very bleak and the other three subsidiaries are doing exceptionally well. The company did not provide for the decline in the value of investments in two subsidiaries because the overall investment portfolio in subsidiaries did not suffer any decline as the other three subsidiaries are doing exceptionally well. Comment in view of relevant IND AS.
Audit of Banks	447.001	peculiarities which may necessitate special	Banks, because of certain characteristics, are distinguished from other commercial enterprises and hence it needs special audit consideration. As an auditor of a bank, specify the various peculiarities which may necessitate special audit consideration to be taken care by you?
Audit of Banks	447.005	Investment (Portfolio Management Services-Separate Records)	ABN Bank was engaged in the business of providing Portfolio Management Services to its customers, for which it took prior approval from RBI. Your firm has been appointed as the statutory auditors of the Bank's financial statements for the year 2019-20. Your senior has instructed you to verify the transactions of Portfolio Management Services (PMS). While verifying the transactions you noticed that the bank has not maintained separate record for

Audit of Banks	447.006	Bank unable to check the work and records being small branch with shortage of manpower	You are auditing a small bank branch with staff strength of the manager, cashier and three other staff S1 ,S2 and S3. Among allocation of work for other areas, S1 who is a peon also opens all the mail and forwards it to the concerned person. He does not have a signature book so as to check the signatures on important communications. S2 has possession of all bank forms (e.g. Cheque books, demand draft/pay order books, travelers' cheques, foreign currency cards etc.). He maintains a record meticulously which you have test checked also. However, no one among staff regularly checks that.
Audit of Banks	449.050	NPA (credit limit renewal)	ABC Bank had sanctioned credit limits of Rs.100 lakh to M/s Volkart Ltd on 1st September 2018. The renewal of limits was due on 1st September 2019. While doing the statutory branch audit for the year ended 31st March 2020, you find that the renewal has not been done eventhough 180 days are over. The bank says that the renewal process has been initiated on time and most of the document are received. The account is operated regularly and is in order; balance is maintained within drawing power. It also shows a letter from Volkart stating that due to a sudden death of their auditor, a new auditor had to be appointed. Procedure for appointment took some time and the new auditor was doing the audit all over again. The limit was not
Audit of Banks	451.000	NPA (Consortium)	Your firm has been appointed as Central Statutory Auditors of a Nationalised Bank. The bank is a consortium member of Cash Credit Facilities of ` 50 crores to X Ltd. Bank's own share is ` 10 crores only. During the last two quarters against a debit of ` 1.75 crores towards interest the credits in X Ltd's account are to the tune of ` 1.25 crores only. Based on the certificate of lead bank, the bank has classified the account of X Ltd as performing. The Bank
Audit of	455.000	Sale of NPA	In the course of audit of Skip Bank Ltd., you found that the Bank had sold certain of its non-performing assets. Draft the points of audit check that are
Audit of	458.000	Advances (Income,	Write a short note on reversal of income under bank audit.
Audit of Banks	458.010	Advances (Income, CASE)	In course of audit of Good Samaritan Bank as at 31st March, 19 you observed the following: (a) In a particular account there was no recovery in the past 18 months. The bank has not applied the NPA norms as well as income recognition norms to this particular account. When queried the bank management replied that this account was guaranteed by thecentral government and hence these norms were not applicable. The bank has not invoked the guarantee. Please respond. Would your answer be different if the advance is guaranteed by a State Government?
Audit of Banks	458.020	Investment (Income, Mutual Fund)	Your firm has been appointed as Central Statutory Auditors of a Nationalised Bank. The Bank follows financial year as accounting year. Your Audit Manager informed that the bank has recognised on accrual basis income from dividends on securities and Units of Mutual Funds held by it as at the
Audit of Banks	462.000	Advances (Audit)	ABC Chartered Accountants have been appointed as concurrent auditors for the branches of Effective Bank Ltd. for the year 2019-20. You are part of the audit team for Agra branch of the bank and have been instructed by your senior to verify the advances of the audit period. You are required to
Audit of Banks	473.000	Credit Card (ICS)	You have been appointed as an auditor of LCO Bank, a nationalized bank. LCO Bank also deals in providing credit card facilities to its account holder. The bank is aware of the fact that there should be strict control over storage and issue of credit cards. How will you evaluate the Internal Control
Audit of	475.000	SLR	As statutory central auditors of a Nationalized bank, what special points are to be borne in mind in the audit of compliance with "Statutory Liquidity
Audit of	478.010	Concurrent Audit	Explain the scope of concurrent audit of a bank with reference to Reserve Bank of India guidelines.
Audit of Banks	479.000	Verification of Balances (Foreign Country)	M/s CAS & Associates have been appointed as one of the statutory central auditors of FDMH Bank., for the Financial Year 2019-20. During the course of the audit, the auditor found that the bank has a balance with a Zurich based bank. The auditor understands that such balance is a matter of important consideration in the audit of the bank. Being head-in-charge of the assignment, while planning, you distributed the work among your team
Audit of Banks	479.010	Foreign exchange transaction	You have been appointed as Concurrent Auditor of a nationalized bank branch. The main business at the branch is dealing in foreign exchange. Suggest the main areas of coverage with regard to foreign exchange transactions of the said branch under concurrent audit.
Audit of Banks	483.050	Verification of bills payable	INDO Bank appointed your firm of Chartered Accountants as a branch auditor for the financial year 2018-19. Being head-in-charge of the assignment, while planning, you distributed the work among your team members and assigned Mr. Pary for verification of bills payable. However, Mr. Pary, being
Audit of Banks	485.000	Contingent Liability	While auditing FAIR Bank, you observed that a lump sum amount has been disclosed as contingent liability collectively. You are, therefore, requested by the management to guide them about the disclosure requirement of Contingent Liabilities for Banks. Kindly guide.
GIC	492.000	Re-Insurance (Outward,	Enumerate the steps to be taken by an auditor for the verification of Re-insurance outward by a General Insurance Company.
GIC	493.000	Premium (GIC)	What are the steps to be taken while verifying the Premium of (a) General Insurance Company; and

GIC	494.000	Premium (Policy Issued Without Actual Receipt)	As at 31st March 2020 while auditing Safe Insurance Ltd, you observed that a policy has been issued on 25th March 2020 for fire risk favouring one of the leading corporate houses in the country without the actual receipt of premium and it was reflected as premium receivable. The company maintained that it is a usual practice in respect of big customers and the money was collected on 5th April, 2020. You further noticed that there was a fire accident in the premises of the insured on 31st March 2020 and a claim was lodged for the same. The insurance company also made a provision for claim. Please respond.
GIC	494.500	Premium (Audit, GIC)	While auditing Innocent Insurance Ltd, you observed that a policy has been issued on 31st March, 2020 evening to LMN Company. LMN Company had signed all the papers and taken insurance policy (value insured = ` 11 lac) for its new godown and premium for the same was paid through cheque subject to realization. However, on the night of 31st March, a huge fire accident took place in LMN Company and goods worth `15 lac were destroyed. Further, cheque was also dishonoured due to insufficient fund. The Company informed the incident to Innocent Insurance Ltd and a claim was lodged.
GIC	495.000	Commission Paid	You have been appointed to carry out the audit of Sky Insurance Company Ltd. for the year 2019-20. In the course of your audit, you observed that the commission paid to agents constituted a major expense in operating expenses of the Company. Enumerate the audit concerns that address to the
GIC	495.020	Claim (Audit, Provision)	You are the auditor of Good Luck General Insurance Company. You want to ensure that there exists good system that effectively serves the requirements of true and fair accounting of claim-related expenses and liabilities. Suggest how this can be ensured.
GIC	497.000	Claim (Audit Register &	Your audit assistant seeks your help in checking the claim liability of Bharat Insurance Co. Ltd. and wants to know the registers and records which they
GIC	502.000	Outstanding Premium	State the procedure for verification of Agents' Balances in the course of audit of a General Insurance Company.
GIC	506.000	Solvency Margin	M/s MPS & Associates, Chartered Accountants started the statutory audit of their client Contingencies Ltd., a General Insurance company, which has a paid-up capital of ` 16,800/- lac. During the course of the audit, it was found that the Company was not maintaining the required solvency margin as per the provisions of Insurance Act, 1938. When the issue was escalated to the management, they replied that solvency margin needs to be maintained
LIC	507.030	Actuarial Process	What is the 'Actuarial Process' in Life Insurance Business and what is the role of Auditor with respect to the same?
LIC	507.040	Premium (Life)	What are the steps to be taken while verifying the Premium of (b) Life Insurance Company?
LIC	507.050	Policy Lapse & Revival	Briefly explain the term policy lapse and revival in case of Life Insurance Company and role of auditor in verifying the same.
LIC	507.060	Investments (Audit)	ABC & Co., Chartered Accountants are the Auditors of Just Care Life Insurance Company Limited. Enumerate the steps to be taken by the auditor while
LIC	507.070	Commission paid (life)	As an auditor of Life Insurance Company, how will you verify the 'Commission Payable' to its Agents?
LLP	507.250	Aspects (Audit and A/cs Maintainance of LLP)	MKc LLP is a newly set up LLP (Limited Liability Partnership). The operations of the LLP have been picking up and management is currently in the process of setting up processes and procedures in place. As per the understanding of the management of the LLP, its accounts would not be required to be audited mandatory because of its operations but still the management has decided that they would get the accounts audited voluntarily. In this
NBFC	513.500	Identification of Company as NBFC	Satyam Pvt Ltd is a company engaged in trading activities, it also has made investments in shares of other Companies and advanced loans to group companies amounting to more than 50% of its total assets. However, trading income constitutes majority of its total income. Whether the Company is
NBFC	513.800	Identification of Company as NBFC	Krishna Pvt Ltd is primarily into the business of selling computer parts. However, the company is fulfilling the Principal Business Criteria as at the balance sheet date i.e. Financial Assets are more than 50 % of total assets and Financial Income is more than 50% of Gross Income. What shall be the
NBFC	514.000	Types of NBFC	Define NBFC. Also give a brief description about types of NBFCs covering any five NBFCs.
NBFC	514.500	Registration and Regulation of NBFCs	Shubham & Associates are going to start the audit of NBFCs. They have not performed much work for the NBFCs in the past years. You are required to explain the requirements related to registration and regulation of NBFCs which an auditor needs to keep in his mind while planning the audit of NBFC
NBFC	517.000	Investment Co (Audit)	You are appointed as the auditor of a NBFC which is an Investment company registered with RBI. What shall be the special points to be covered for the
NBFC	520.050	NBFC-Investment & Credit Company	Shivam & Co LLP are the auditors of NBFC (Investment and Credit Company). Some of the team members of the audit team who audited this NBFC have left the firm and the new team members are in discussion with the previous team members who are still continuing with the firm regarding the verification procedures to be performed. In this context, please explain what verification procedures should be performed in relation to audit of NBFC -
NBFC	522.000	Report to BOD	Karma Pvt Ltd is a Non-Deposit Taking Non-Systemically Important NBFC registered with Reserve Bank of India. The Statutory Auditor of the company is required to give a report to the Board of Directors. What shall be the content of the Auditor's Report to the Board.
NBFC	523.000	Exception Report	Kamna & Co LLP, a firm of Chartered Accountants, was appointed as auditor of an NBFC. The audit work has been completed. The audit team which was involved in the fieldwork came across various observations during the course of audit of this NBFC and have also limited understanding about the exceptions which are required to be reported in the audit report. They would like to understand in detail regarding the obligations on the part of an

NBFC	524.000	Frauds	Classification of frauds by NBFC.
NBFC	525.000	NBFC -Applicability & differences in the presentation	Mr. G. has been appointed as an auditor of LMP Ltd., a NBFC company registered with RBI. Mr. G is concerned about whether the format of financial statements prepared by LMP Ltd. is as per notification issued by the Ministry of Corporate Affairs (MCA) dated October 11, 2018. The notification prescribed the format in Division III under Schedule III of the Companies Act, 2013 applicable to NBFCs complying with Ind-AS. Mr. G wants to know
Tax Audit	526.000	Applicability (Multiple Items Adjustment, Numerical, Concession Ltd)	Comment with respect to computation of total sales, turnover or gross receipts in business exceeding the prescribed limit under Section 44 AB of Income Tax Act, 1961. (i) Discount allowed in the sales invoice (ii) Cash discount (iii) Price of goods returned related to earlier year
Tax Audit	530.500	Matters tax auditor should consider to while	Mr. PK would be conducting the Tax audit under section 44 AB of the Income Tax Act, 1961 of MG Ltd. for the year ending 31st March 2021. There is a difference of opinion between Mr. PK and the Management in respect of certain information to be furnished in Form No. 3CD. As a tax auditor, Mr. PK has to report whether the statement of particulars in Form 3CD are true and correct and the same is to be annexed to the report in Form No. 3CA.
Tax Audit	532.000	Cl 11--Stock Register Not Maintained	ABC Printing Press, a proprietary concern, is expecting to make a turnover more than ` 7.03 crore for the year ending 31.03.2021. The Management explained its auditor Mr. Z, that it undertakes different job work orders from various customers. The raw materials required for each job are dissimilar. It purchases the raw materials as per specification/ requirements of each customer and there is hardly any balance of raw materials remaining in the stock
Tax Audit	534.000	Cl 13--Method of	Write a short note on - Method of accounting in Form No. 3CD of Tax Audit.
Tax Audit	536.000	Cl 16--Escalation Claim	While conducting the tax audit of A & Co. you observed that it made an escalation claim to one of its customers but which was not accounted as
Tax Audit	537.000	Cl 16--Examples of Capital Receipts Which	While writing the audit program for tax audit in respect of A Ltd., you wish to include possible instances of capital receipt if not credited to Profit & Loss Account which needs to be reported under clause 16(e) of form 3CD. Please elucidate possible instances.
Tax Audit	539.000	Cl 17--Difference in Sale Price and Stamp	A is the proprietor of a firm M/s ABC & Co. The firm is expecting a turnover of ` 900 lakhs during the financial year ending 31/03/2021. The firm sold C during the year for a consideration of ` 15 lakhs, whose value for stamp duty purposes was ` 16 lakhs. As the Tax Auditor of the said firm, is the above
Tax Audit	544.000	Cl 21--Entrance fees paid to Clubs	M/s PQRS & Associates is appointed for conducting tax audit as per Income Tax Act , 1961 of QW Ltd., a cotton textile company. The Company had incurred ` 6 lac towards advertisement expenditure on a brochure/ pamphlet published by a political party in Pune. Advise the auditor whether such
Tax Audit	546.100	Report under clause 26(A) and 26(B) in reference of section 43 B	You are doing Tax Audit of Private Limited Company for the financial year ending 31st March, 2019. During audit, you notice that the company is not regular in deposit of VAT/GST and there remains pendency every year. The details of VAT/GST payable are: (i) GST payable as on 31/03/2018 of FY 2017-18 was Rs. 200 Lakh and out of which Rs. 100 Lakh was paid on 15/09/2018 and Rs. 50 Lakh on 30/03/2019 and balance of ` 50 Lakh paid on 16/09/2019. (ii) GST payable of current financial year 2018-19 was ` 100 lakh and out of this, 40 Lakh was paid on 25/05/2018 and balance of Rs. 60 Lakh remained unpaid till the due date of return.
Tax Audit	546.500	Report under clause	How will you verify the income & expenditure of earlier years credited/debited in the current year for reporting under clause 27(b) of Form 3CD while
Tax Audit	558.010	Revision of Tax Audit	State whether a Tax audit report can be revised and if so, state those circumstances.
Tax Audit	559.000	Special Audit (GST)	What are the objectives of Special Audit under section 66 of the CGST Act. Can it be invoked in a routine manner by proper officer?
Tax Audit	561.000	Tax Audit of Public	Draft an audit programme for conducting the audit of a Public Trust registered under section 12A of the Income-tax Act, 1961.
Tax Audit	563.010	GST Audit - whether	State the scope of audit under GST, whether inspection or fait accompli?
Tax Audit	563.030	Audit by Tax	Write a short note on differences in Audit by Tax Authorities and the Special Audit?
Tax Audit	563.035	Responsibility of filing GST Returns	Mr. Ramanuj, a Chartered Accountant by profession, has been appointed as GST auditor for ABC Ltd. The management has asked Mr. Ramanuj for GST audit and to file GSTR-3B for the months of July and August 2019 and filing of annual return in FORM GSTR-9. Mr. Ramanuj contended that he has been appointed only for GST audit and the above are his scope limitations and cannot be conducted as the compliances and returns are to be filed by
Tax Audit	563.040	Eligibility for doing audit under GST law	M/s. Ramo & Co (P) Ltd. while appointing M/s. Jatin Prasad & Associates, a CA firm, as their GST auditors for the FY 2020-21 claims that only a GST Practitioner CA firm is eligible for doing audit under GST law in terms of section 35(5) of the Act. Comment.
Tax Audit	563.050	Turnover Computation – Branch wise v/s Aggregate	SSM & Co. is a leading electronics company having multiple branches registered under GST in different states. The total aggregate turnover of all such branches exceed Rs. 2 crores. However, the Delhi branch has a turnover of 75 lakhs per annum. Pankaj Gupta, Finance officer of Delhi branch, is contending that GST audit is not

Tax Audit	563.070	Turnover Computation – Branch wise v/s	MM & Co., a footwear manufacturer is registered with GST in Delhi and its branches registered in Punjab & Haryana. Its turnover for the FY ended 31st March, 2019 is: Delhi: ` 1.8 crore, Punjab: ` 1.2 crore and Haryana: ` 2.7 crore. However, the branch registered in Punjab is making only exempt supplies.
Tax Audit	563.080	Value of taxable supply – Interest, late fee, penalty for delayed	Mr. John, made an outward supply of ` 4.00 lakhs to M/s. Taj Enterprises on 30th April, 2020 on a credit period of 15 days. However, M/s. Taj Enterprises made the payment to Mr. John after 45 days along with interest for 30 days delayed payment @ 12%. As such, Mr. John received total payment of ` 4,04,000/- along with interest. However, while filing Form GSTR-3B/ Form GSTR-1, Mr. John declared his outward supplies at ` 4.00 lakhs. Even while
Tax Audit	563.090	GSTR-9 and FORM	The GST department endeavours to collect legitimate taxes while requiring the taxpayers to file FORM GSTR-9 and FORM GSTR-9C. Can you draw a
Tax Audit	563.095	GSTR-9 & Exceptions	Whether filing of Annual Return in Form GSTR-9 is mandatory for all registered persons? If not then what are the exceptions?
Tax Audit	563.200	GSTR 9C- Foreign exchange fluctuation	While conducting GST Audit of RST Limited., you have observed the following: RST Limited has exported goods to MNP Limited located in USA. The value of goods is \$2,00,000. The exchange rate (₹/\$) on the date of filing Shipping Bill is- CBEC notified rate `65 RBI reference rate `68 At the time of receiving money, the bank exchanged the foreign currency at ` 70. How would you report the adjustments, if any, in turnover due to foreign exchange fluctuations in Reconciliation statement in Form GSTR 9C prescribed
Tax Audit	563.250	Turnover before GST Case, invoice raise	Please specify which of the following supplies would form part of reporting under turnover for the period April 2017 to June 2017 (a) Services were provided during the period June 2017. The service was completed on 20.6.2017, but invoice for the service was raised only on
Tax Audit	563.300	GSTR 9C- Reverse Charge	Please state which of the following are liable to reverse charge (a) GTA issued a consignment note on 1.1.18. The consignment notes charges GST @ 12%. The consignor has booked the GTA. The recipient has paid the freight to GTA on 'to collect' basis. Would this turnover be mentioned in Table 7D?
Tax Audit	563.310	GSTR 9C- Reverse Charge(telecom)	In terms of Sl. No. 5G of Form GSTR 9C, the turnovers included in the audited financial statement for the period April 2017 to June 2017 shall be declared and deducted from the annual turnover to arrive at the turnover as per the GST Laws. Please specify which of the following supplies would form part of reporting under turnover for the period April 2017 to June 2017 (a) Goods were manufactured and cleared from a factory on 1.6.2017 on sale or approval basis. The goods were not approved by the recipient and returned back on 25.12.2017. (b) Goods were manufactured and cleared from a factory located in Bangalore on 30.4.2017. The goods were cleared to its showroom located in Hyderabad and eventually been sold from there on 30.8.2017. The audit under the GST Law will be conducted for Bangalore GSTIN. (c) Continuous supply of service in the nature of telecommunication service has been provided for the period 1.6.2017 to 30.6.2017. The bill is raised on 3.7.2017. The bill is payable by the customer only on 21.7.2017. Should the bill be payable by the customer only on 21.7.2017 or should it be payable after the date of auditor's report? on 4 May 2019.
Tax Audit	563.400	Turnover before GST Case, partial payment afterwards	Service has been provided in the month of May 17 amounting to ` 1,00,000/-. Invoice has been raised within 30 days. There was a deficiency in the provision of service. The customer has paid only ` 20,000/-. The company has issued credit note amounting to ` 80,000/- on 31.3.2018 and closed the customer's account. Should any amount be reduced for the period April 2017 to June 2017. Are any adjustments required to be made for the period
Tax Audit	563.500	Turnover before GST Case, Sales on Approval & Others	In terms of Sl. No. 5G of Form GSTR 9C, the turnovers included in the audited financial statement for the period April 2017 to June 2017 shall be declared and deducted from the annual turnover to arrive at the turnover as per the GST Laws. Please specify which of the following supplies would form part of reporting under turnover for the period April 2017 to June 2017 (a) Goods were manufactured and cleared from a factory on 1.6.2017 on sale or approval basis. The goods were not approved by the recipient and returned back on 25.12.2017. (b) Goods were manufactured and cleared from a factory located in Bangalore on 30.4.2017. The goods were cleared to its showroom located in Hyderabad and eventually been sold from there on 30.8.2017. The audit under the GST Law will be conducted for Bangalore GSTIN. (c) Continuous supply of service in the nature of telecommunication service has been provided for the period 1.6.2017 to 30.6.2017. The bill is raised on 3.7.2017. The bill is payable by the customer only on 21.7.2017. Should the bill be payable by the customer only on 21.7.2017 or should it be payable after the date of auditor's report? on 4 May 2019.
Tax Audit	563.520	GSTR 3B and GSTR- 1 return not filed by client -Turnover	Colourful Ltd is a printing company with aggregate turnover exceeding rupees 2 crores. ZeM & Associates is a Chartered Accountant firm which has been appointed for GST audit of Colourful Ltd. Mr Zed, Chartered Accountant from ZeM & Associates, observes on 23 July 2019 that Colourful Ltd has not filed its GSTR 3B for the month of July & its GSTR-1 return is also not complied with. What should Mr. Zed advise the client before conducting GST

Tax Audit	563.550	Not filing of Annual Return & Not getting	State the consequences of not filing of Annual Return in Form GSTR-9 and not getting the GST Audit done u/s. 35(5) of the Act, in Form GSTR-9C?
Tax Audit	563.700	Company has availed an excess ITC	Mr. A was appointed as an auditor of M/s. XYZ Co. During the course of audit he finds that the company has availed an excess ITC of ` 50 lakh. Accordingly, he made recommendations in Part V of GSTR-9C, The management of the company refused to pay the excess ITC and argued that auditors
Tax Audit	563.750	Payment of additional liability - Electronic cash ledger	CA Natraj, proprietor of Satyam & Co., Chartered Accountants, while doing GST audit in Form GSTR-9C, recommended additional liability of ` 1.5 crore to be paid by PQR Co. Ltd. on account of supplies not declared in regular returns in Form GSTR-3B/ Form GSTR-1 and also in annual return in Form GSTR-9. The company agreed to pay the liability. On the date of payment, it had ITC of ` 1 crore in its electronic credit ledger which the company wants
Audit of PSU	597.000	Powers of C&AG	(b) Role of C&AG in the Audit of a Government company.
Audit of PSU	599.000	Comprehensive Audit	Sunlight Limited is a public sector undertaking engaged in production of electricity from solar power. It had commissioned a new project near Goa with a new technology for a cost of ` 5,750 crore. The project had seen delay in commencement and cost overrun. State the matters that a Comprehensive
Audit of PSU	599.200	Performance Audit	ABG & Co., a Chartered Accountant firm has been appointed by C & AG for performance audit of a Sugar Industry. What factors should be considered
Audit of PSU	600.000	Performance Audit	"A performance audit is an objective and systematic examination of evidence for the purpose of providing an independent assessment of the performance of a government organization program, activity, or function in order to provide information to improve public accountability and facilitate decision-making by parties with responsibility to oversee or initiate corrective action." Briefly discuss the issues addressed by Performance Audits
Audit of PSU	602.000	Propriety Audit	What are the principles involved regarding "Propriety audit" in the case of Public Sector Undertaking?
Audit of PSU	603.000	Propriety Audit (Company Act)	Write a short explanatory note on – (a) Areas of propriety audit under Section 143(1) of the Companies Act, 2013.
Audit of PSU	605.000	Draft Audit Criteria	You have been appointed as auditor of a AKY Ltd. After having determined the audit objectives, now you have been requested to draft audit criteria.
Audit of PSU	605.500	"Government Company" definition	BT Ltd , a company wholly owned by central government was disinvested during the previous year, resulting in 40% of the shares being held by public. The shares were also listed on the BSE. Since the shares were listed, all the listing requirements were applicable, including publication of quarterly results, submission of information to the BSE etc. Sam, the FM of the company is of the opinion that now the company is subject to stringent control by BSE and the markets, therefore the auditing
M&O Audit	610.000	Summary Written	Write a short note on Summary Written Report.
M&O Audit	611.000	Behavioural Aspects	The Operational Audit is carried out effectively when the Operational Auditor responds with positive traits in a scenario that is blended with behavioural issues. Explain a few positive traits that help to conclude an Operational Audit, a success
M&O Audit	612.000	Hostile Management	The Marketing Department of XYZ Ltd. has been consistently showing a lower performance whereas the cost of the department is increasing in spurts over the years. The management believes that since the marketing department is under a regular radar of the CFO, an audit might result in the employee hostility. Also, an operational audit of Marketing Department was done two years back however, the recommendations of the previous audit
M&O Audit	615.050	Shortcomings of traditional sources	(a) Perfect Steel Ltd. has reported a higher turnover of ` 560 crores in the year 2019- as compared to earlier years but its sales return has also increased to 10% from only 4% up to the last year. The management is concerned about the high sales returns and feels a need to get the operational audit done for sales and production department of the company. The company is also having an internal audit department in the company. Elaborate the possible reason/s, why management is getting the operational audit done when an internal audit has already been done for both the departments?
M&O Audit	617.010	Operational Vs Internal Audit	(a) Perfect Steel Ltd. has reported a higher turnover of ` 560 crores in the year 2019- as compared to earlier years but its sales return has also increased to 10% from only 4% up to the last year. The management is concerned about the high sales returns and feels a need to get the operational audit done for sales and production department of the company. The company is also having an internal audit department in the company. Elaborate the possible reason/s, why management is getting the operational audit done when an internal audit has already been done for both the departments?
M&O Audit	617.050	Management Audit or the Operational Audit - penal interest payments and the delays in shipping	M/s ABC & Co., Chartered Accountants have been approached by PQR Ltd., a company engaged in iron and steel manufacturing industry. The company has been facing following operational issues: (a) Penal interest for delayed payments to the overseas vendors despite having enough cash flows; and (b) Despite having regular production and enough inventory, delays in shipping the final goods to the customers leading to its deteriorating vendor rating.
M&O Audit	619.000	Attrition Rate	You have been appointed as an internal auditor of a company RSM Ltd. The Managing Director Rakesh is worried about employee attrition in large number. Rakesh requests you to analyse the causes for high employee attrition rate in his company. What factors would you consider in such analysis?

Due	621.500	Due diligence v/s audit	"Due diligence is different from audit" – Explain the difference between due diligence and audit.												
Due Diligence	623.000	Financial Due Diligence	PB Ltd. entered into a deal with SV Ltd. for buying its business of manufacturing wooden products/ goods. PB Ltd. has appointed your firm for conducting due diligence review and they want to know the cash generating abilities of SV Ltd. What points will you check in order to ensure that the												
Due	625.000	DD (Incoming Partner)	What are the important steps involved while conducting Investigation on behalf of an Incoming Partner?												
Due Diligence	627.000	DD (Under / Over Valuation)	KDK Bank Ltd., received an application from a pharmaceutical company for takeover of their outstanding term loans secured on its assets, availed from and outstanding with a nationalised bank. KDK Bank Ltd., requires you to make a due diligence audit in the areas of assets of pharmaceutical company												
Due Diligence	628.000	Due Diligence Report	An American Company engaged in the business of manufacturing and distribution of industrial gases, is interested in acquiring a listed Indian Company having a market share of more than 65% of the industrial gas business in India. It requests you to conduct a "Due Diligence" of this Indian Company												
Forensic	628.500	Forensic Accountants	What are the areas where the services of forensic accountants/ auditors are generally required?												
Forensic	629.500	"Forensic" meaning	What do you understand by the word "Forensic" and why the need for forensic audit arises?												
Forensic Audit	629.800	Points to keep in mind while appointing a forensic auditor	BR Construction was into the business of building roads and other infrastructure facilities for government contracts. Mr. Tiwari, one of the senior official, was looking after the procurement of cement required at the construction sites. There was a substantial increase in the price of cement bags bought as compared to those bought prior to the appointment of Mr. Tiwari. The management of the company decides to get a forensic audit done for												
Forensic Audit	630.000	Forensic Audit Steps	<p>ABC Ltd. is a listed company having turnover of ` 50 crores & plans expansion by installation of new machines at new building-having total additional project cost of ` 20 crore</p> <table border="1"> <thead> <tr> <th>Rupees (In crore)</th> <th>Purpose</th> </tr> </thead> <tbody> <tr> <td>10.0</td> <td>- for Building</td> </tr> <tr> <td>8.5</td> <td>- for Machinery</td> </tr> <tr> <td>1.5</td> <td>- for Working Capital</td> </tr> <tr> <td>Total</td> <td></td> </tr> <tr> <td>20 Crore</td> <td></td> </tr> </tbody> </table> <p>Project gets implemented in 2019-20 and one of the accountants report to the Managing Director that some suspicious transactions are noticed in the purchase of building material. But the Management is confused as to whether they should get an audit or Forensic Audit done for the same. Advise Management about the difference in forensic accounting and audit.</p>	Rupees (In crore)	Purpose	10.0	- for Building	8.5	- for Machinery	1.5	- for Working Capital	Total		20 Crore	
Rupees (In crore)	Purpose														
10.0	- for Building														
8.5	- for Machinery														
1.5	- for Working Capital														
Total															
20 Crore															
Forensic	631.000	Forensic Audit	Briefly mention the forensic audit techniques.												
Investigation	632.000	Audit Vs Investigation	General objective of an audit is to find out whether the financial statements show true and fair view. On the other hand, investigation implies systematic, critical and special examination of the records of a business for a specific purpose.												
Investigation	633.000	Embezzlement of Cash	In a Company, it is suspected that there has been embezzlement in cash receipts. As an investigator, what are the areas that you would verify?												
Investigation	635.000	Supplier Ledger (Fraud)	In a Public Limited Company, it is suspected by the Management that there has been embezzlement in supplier's ledger. As an auditor of the Company, you have been asked to investigate the matter. What are the major areas that you would verify in this regard?												
Investigation	637.010	Investigate Frauds of Inventory defalcation	MF. Ltd., engaged in the manufacturing of various products in its factory, is concerned with shortage in production and there arose suspicion of inventory fraud. You are appointed by MF Ltd. To evaluate the options for verifying the process to reveal fraud and the corrective action to be taken. As												
Investigation	639.000	Investigation (Future	J Ltd. is interested in acquiring S Ltd. The valuation of S Ltd. is dependent on future maintainable sales. As the person entrusted to value S Ltd., what												
Investigation	643.000	Investigation of Borrower	A nationalised bank received an application from an export company seeking sanction of a term loan to expand the existing sea food processing plant. In this connection, the General Manager, who is in charge of Advances, approaches you to conduct a thorough investigation of this limited company and submit a confidential report based on which he will decide whether to sanction this loan or not.												

Investigation	643.020	Investigation of borrower-Special Focus on Assets & liabilities	A nationalized bank received an application from a Limited company seeking sanction of a term loan to expand its existing business. In this connection, the Loan Manager of the Bank approaches you to conduct a thorough investigation of the items of the Balance Sheet of this Limited company and submit a confidential report based on which he will decide whether to sanction this loan or not. List out the major steps an investigating accountant
Investigation	643.050	Investigation (Propreity)	Mr. Clean who proposes to buy the proprietary business of Mr. Perfect, engages you as investigating accountant. Specify the areas which you will cover.
Investigation	644.030	Investigator taking assistance of expert	XYZ Ltd. has bought a land in Nagpur for setting up a manufacturing unit in the year 2018 at a price of Rs. 10 crores. In the year 2019, one of the directors of company raised suspicion on the price and transactions related to purchase of land. Therefore, an investigation was ordered by the management and PV Associates were appointed to investigate the matter and submit their report accordingly. PV Associates were of the view that they need to take an expert's opinion on the price of land. Whether PV Associates is authorized to take assistance of expert? If yes, what is the process they need to follow?
Peer Review	647.000	Scope of Peer Review	What are the areas excluded from the scope of peer reviewer?
Peer Review	648.000	Technical Standards	(b) Technical, ethical and professional standards as per Statement on Peer Review.
Peer Review	650.000	Independence	Anand, a practicing Chartered Accountant is appointed to conduct the peer review of another practicing unit. What areas Anand should review in the
Peer Review	650.500	Selection of Sample –	Selection of sample by the reviewer in case of peer review.
Peer Review	651.000	Peer Review Reporting	ABC & Co LLP is a large firm of Chartered Accountants based out of Chennai. ABC & Co. LLP is subject to peer review which was last conducted 3 years back. For the peer review of the financial year ended 31 March 2020, the firm got an intimation on 31 May 2020. The process of peer review got started and was completed on 29 September 2020. In view of peer reviewer, the systems and procedures of ABC & Co. LLP are deficient / non-compliant. The
Peer Review	653.010	Eligibility Criteria	The elements of skill, experience and independence of reviewers are ensured before initiating them in Peer Review process. In the above light, state few eligibility criteria fixed for a person to be empaneled and also for being appointed as a Peer Reviewer.
Peer Review	653.030	Inherent Limitation of	What are the inherent limitations of Peer Review?
Quality	653.040	Objectives of QR	What are the objectives of the Quality review?
Quality	653.042	Scope of the Quality	Scope of the Quality review.
Quality	653.050	Qualifications by QR	Give examples of areas on which the reviewer may qualify the report?
Quality	653.060	General Reporting	What are the reporting responsibilities of the technical reviewer while carrying out a Quality review assignment?
Quality	653.070	Stages of Quality	Briefly discuss the various stages involved in the conduct of the quality review assignments.
Quality	653.080	Actions by QRB	What are the consequences if the Quality review board notices major non-compliances with the requirements of the Standards on quality control or
Quality	653.095	Important areas as per	What are the important areas for evaluation while conducting quality reviews in terms of SQC -1 Standard on Quality Control?
Quality Review	653.098	Professional judgment exercised by the	Evaluating the professional judgment exercised by the auditor is one of the important aspects under Quality review, please explain the situation with reference to applicable SA
PE	654.000	Sec 2 --MCS (Portfolio Management Services)	P, a Chartered Accountant in practice provides management consultancy and other services to his clients. During 2020, looking to the growing needs of his clients to invest in the stock markets, he also advised them on Portfolio Management Services whereby he managed portfolios of some of his
PE	655.100	Sec 6 --Certificate Issued Without COP by	(b) The manager of ZedEx (P) Ltd. approached CA. Vineet in the need of a certificate in respect of a consumption statement of raw material. Without having certificate of practice (CoP), CA. Vineet issued the certificate to the manager of the company, acting as a CA in practice and applied for the CoP
PE	656.000	Sec 22 --Examples of	Write a short note on Other Misconduct
PE	658.000	Sec 27 --Sec 27 (Seperate branch	Mr. G, a Chartered Accountant in practice as a sole proprietor has an office in Mumbai near Church Gate. Due to increase in professional work, he opens another office in a suburb of Mumbai which is approximately 80 kilometers away from the municipal limits of the city. For running the new office,
PE	662.000	First Schedule,Part I,Cl,2 --Sharing with	Mr. K, a practicing Chartered Accountant gave 50% of the audit fees received by him to a non-Chartered Accountant, Mr. L, under the nomenclature of office allowance and such an arrangement continued for a number of years. Discuss this in the light of Professional Ethics issued by ICAI.
PE	665.000	First Schedule,Part I,Cl,4 --Partnership	(d) Mr. Pramod, a Chartered Accountant in practice entered into a partnership with Mr. Lucky, an advocate for sharing of fees for work sent by one to the other. However, due to some disputes, the partnership was dissolved after 1 month without any fees having been received.

PE	666.050	First Schedule, Part I, Cl, 6 – (Multiple Issues)	Mr. A, a newly qualified Chartered Accountant, started his practice and sought clients through telephone calls from his family and friends, almost all of them employed in one or the other retail trade business. One of his friends Mr. X gave him an idea to start online services and give stock certifications to traders with Cash Credit Limits in Banks. Mr. A started a website with colorful catchy designs and shared the website address on his all social media posts and stories and tagged 30 traders of his local community with the caption “Easy Online Stock Certification Services”. Besides, Mr. A entered in an
PE	667.000	First Schedule, Part I, Cl, 6 --Advertisement (Opening Ceremony)	(a) An advertisement was published in a Newspaper containing the photograph of Mr. X, a member of the institute wherein he was congratulated on the occasion of the opening ceremony of his office. (b) Mr. X, a Chartered Accountant and the proprietor of X & Co., wrote several letters to the Assistant Registrar of Co-operative Societies stating that
PE	670.000	First Schedule, Part I, Cl, 6 --Clarification (Greeting Cards &)	Comment on the following with reference to the Chartered Accountants Act, 1949 and schedules thereto: (a) CA. Srishti and CA. Mishti are two partners of the CA firm ‘Srishti Mishti & Associates’. Being very pious, CA. Srishti organised a religious ceremony at her home for which she instructed her printing agent to add her designation “Chartered Accountant” with her name in the invitation cards. Later on, the
PE	672.000	First Schedule, Part I, Cl, 6 --Clarification (Mass Communication)	CA. Nikhil, in practice, started project consultancy work as a part of his practice and to advance the same, sent mail to all the CAs in the country informing them of his services and for securing professional work. Comment with reference to the Chartered Accountants Act, 1949, and Schedules thereto.
PE	673.000	First Schedule, Part I, Cl, 6 --Clarification (Public Interview)	Mr. Nigal, a Chartered Accountant in practice, delivered a speech in the national conference organized by the Ministry of Textiles. While delivering the speech, he told to the audience that he is a management expert and his firm provides services of taxation and audit at reasonable rates. He also requested the audience to approach his firm of chartered accountants for these services and at the request of audience he also distributed his business
PE	674.000	First Schedule, Part I, Cl, 6 --Clarification (Public Interview) [TV]	A partner of a firm of chartered accountants during a T.V. interview handed over a bio-data of his firm to the chairperson. Such bio-data detailed the standing of the international firm with which the firm was associated. It also detailed the achievements of the concerned partner and his recognition as an expert in the field of taxation in the country. The chairperson read out the said bio-data during the interview. Discuss whether this action by the
PE	675.000	First Schedule, Part I, Cl, 6 --Clarification (Representation by CA)	A special notice has been issued for a resolution at 2nd annual general meeting of Fiddle Ltd. providing expressly that CA. Smart shall not be re-appointed as an auditor of the company. Consequently, CA. Smart submitted a representation in writing to the company as provided under section 140(4)(iii) of the Companies Act, 2013. In the representation, CA. Smart incorporated his independent working as a professional throughout the term of
PE	682.000	First Schedule, Part I, Cl, 6 --Solicitation (Tender) No Minimum	Comment on the following with reference to the Chartered Accountants Act, 1949 and schedules thereto: (a) OPAQ & Associates, a firm of Chartered Accountants responded to a tender issued exclusively for Chartered Accountants by an organisation in the area of tax audit.
PE	686.000	First Schedule, Part I, Cl, 6 --Website (Multiple Issues)	Comment on the following with reference to the Chartered Accountants Act, 1949 and schedules thereto: (a) Mr Bold, a chartered accountant in practice, created his own website in attractive format and highlighted the contents in blue colour. He also circulated the information contained in the website through E-mail to acknowledge public at large about his expertise. However, due to shortage of time, he could not intimate his website address to the Institute.
PE	687.000	First Schedule, Part I, Cl, 6 --Website (Push)	M/s XYZ, a firm in practice, develops a website “xyz.com”. The colour chosen for the website was a very bright green and the web-site was to run on a “push” technology where the names of the partners of the firm and the major clients were to be displayed on the web-site without any disclosure
PE	689.000	First Schedule, Part I, Cl, 6 --Website (Push)	A practising Chartered Accountant uses a visiting card in which he designates himself, besides as Chartered Accountant, Cost Accountant. Is this a
PE	699.000	First Schedule, Part I, Cl, 8 --Communication	CA. T, in practice, was appointed to carry out internal audit of a stock broker, listed with BSE. However, he failed to intimate his appointment to the statutory auditors of the company. The statutory auditor feels this is violation of professional ethics. Comment with reference to the Chartered
PE	707.000	First Schedule, Part I, Cl, 10 --Fees as	Agarwal Pvt Ltd. approached CA. Prem, a Chartered Accountant in practice, for debt recovery services. CA Prem accepted the work and insisted for fees to be based on 2% of the debt recovered.
PE	709.000	First Schedule, Part I, Cl, 10 --Fees on	Mr. Vinod a practicing chartered accountant acting as liquidator of XYZ & Co. charged his professional fees on percentage of the realization of assets. Comment with reference to the Chartered Accountants Act, 1949, and Schedules thereto.
PE	715.000	First Schedule, Part I, Cl, 11 --General	CA. Moni is practicing since 2009 in the field of company audit. Due to her good practical knowledge, she was offered editorship of a ‘Company Audit’ Journal which she accepted. However, she did not take any permission from the Council regarding such editorship.

PE	723.000	First Schedule, Part I, Cl, 12 --Signing (Multiple Matters)	<p>Mr. A is a practicing Chartered Accountant working as proprietor of M/s A & Co. He went abroad for 3 months. He delegated the authority to Mr. Y a Chartered Accountant his employee for taking care of routine matters of his office. During his absence Mr. Y has conducted the under mentioned jobs in the name of M/s A & Co.</p> <p>(i) He issued the audit queries to client which were raised during the course of audit.</p> <p>(ii) He issued production certificate to a client under the GST Act.</p> <p>(iii) He attended the Income Tax proceedings for a client as authorized representative before Income Tax Authorities.</p> <p>Please comment on eligibility of Mr. Y for conducting such jobs in name of M/s A & Co. and liability of Mr. A under the Chartered Accountants Act, 1949.</p>
PE	724.500	First Schedule, Part I, Cl, 12 – Delegation of works to his articles and staff	<p>Mr. S, the auditor of ABC Pvt. Ltd. has delegated following works to his articles and staff:</p> <p>i. Issue of audit queries during the course of audit.</p> <p>ii. Issue of memorandum of cash verification and other physical verification.</p> <p>iii. Letter forwarding draft observations/financial statements.</p> <p>iv. Issuing acknowledgements for records produced.</p> <p>v. Signing financial statements of the company.</p> <p>Is this correct as per the Professional Ethics and ICAI's guidelines and pronouncements?</p>
PE	732.000	First Schedule, Part IV, Cl, 2 --Disrepute to Institute (Cheques)	<p>Ms. Preeto, a CA, had an account with a bank. The normal balance in this account remained at a level below ` 5,000. The bank inadvertently credited this account with a cheque of ` 2,70,000 belonging to another account holder. When CA. Preeto came to know about this she withdrew the amount of ` 2,75,000 and closed the bank account. After 1 year the bank noticed the mistake and claimed ` 2,75,000 with interest. CA. Preeto contested this claim.</p>
PE	736.000	First Schedule, Part IV, Cl, 2 --Disrepute to the Institute (RCM)	<p>Mr. Chintamani, a Chartered Accountant in practice has been elected as the treasurer the Regional Council of the ICAI. The Regional Council had organized an international tour through a tour operator during the year for its members. During the audit of the Regional Council, it was found that Mr. Chintamani had received a personal benefit of ` 40,000 from the tour operator. Comment with reference to the Chartered Accountants Act, 1949, and</p>
PE	737.000	First Schedule, Part IV, Cl, 2 --Disrepute to	<p>YKS & Co., a proprietary firm of Chartered Accountants was appointed as concurrent auditor of a bank. YKS used his influence for getting some cheques purchased and thereafter failed to repay the loan/overdraft. Comment with reference to the Chartered Accountants Act, 1949, and Schedules</p>
PE	737.010	First Schedule, Part IV, Cl, 2 --Disrepute to	<p>CA Raman who is contesting Regional Council Elections of Institute, engages his Articled Assistant for his election campaigning promising him that he will come in contact with influential people which will help to enhance his career after completion of his training period.</p>
PE	738.000	Second Schedule, Part I, Cl, 1 --Confidentiality	<p>XYZ Co. Ltd. has applied to a bank for loan facilities. The bank on studying the financial statements of the company notices that you are the auditor and requests you to call at the bank for a discussion. In the course of discussions, the bank asks for your opinion regarding the company and also asks for</p>
PE	747.070	Second Schedule, Part I, Cl, 4 -- Resigned as	<p>Mr. D, a practicing CA, is appointed as a Director Simplicitor in XYZ Pvt. Ltd. After one year of appointment, Mr. D resigned as the Director and accepted the Statutory Auditor position of the company. Is Mr. D right in accepting the auditor position?</p>
PE	750.000	Second Schedule, Part I, Cl, 5 --Loan from PF	<p>In the course of his audit assignment in M/s Bailey Ltd., CA Soft came to know that the company, due to financial crunch and unable to meet employees salary, has taken a loan of Rs. 50 lacs from Employees Gratuity Fund. The said loan was not reflected in the books of account of the company</p>
PE	754.000	Second Schedule, Part I, Cl, 6 --Orders Under Negotiation	<p>Mr. Yuvi, a Chartered Accountant in practice, is the auditor of Prime Ltd. He advised the Managing Director of the company to include 'orders under negotiation' in sales, to reflect higher profit and better financial position for obtaining bank loans in future. Mr. Yuvi, thereafter, gave clean reports on the balance sheet prepared accordingly without examining the accounts.</p>
PE	755.000	Second Schedule, Part I, Cl, 7 --Audit Report	<p>Mr. Dhruv, a practicing Chartered Accountant, did not complete his work relating to the audit of the accounts of a company and had not submitted his audit report in due time to enable the company to comply with the statutory requirements. Comment with reference to the Chartered Accountants Act,</p>
PE	759.000	Second Schedule, Part I, Cl, 8 --No Checking as No Change in Balance	<p>Mr. Aniket, a Chartered Accountant was the auditor of 'Alpha Limited' for the year 2018-19 and 2019-20. During the financial year, the investment appeared in the Balance Sheet of the company amounting ` 11 lac and was the same amount as in the last year 2018-19. Later on, it was found that the company's investments were only for ` 45,000, however, the value of investments was inflated for the purpose of obtaining higher amount of Bank loan.</p>

PE	760.000	Second Schedule, Part I, Cl, 10 --Did not keep	M/s Amudhan & Co., a firm of Chartered Accountants, received ` 2.8 lakhs in January, 2019 on behalf of one of their clients, who has gone abroad and deposited the amount in their Bank account, so that they can return the money to the client in July, 2019, when he is due to return to India.
PE	762.000	Second Schedule, Part I, Cl, 10 --Did not keep money is separate bank	M/s. ABC, a firm of Chartered Accountants received Rs. 2 lakhs in July, 2018 from a client to pay the Advance Tax. However, the firm has used that money for its own purpose and later on adjusted the same with the outstanding fee payable. Comment with reference to the Chartered Accountants Act, 1949 and Regulations there to
PE	769.000	Second Schedule, Part II, Cl, 3 --False Information to Council	A Chartered Accountant in practice certified in requisite Form that an articled assistant was undergoing training with him, whereas, he was also employed in a company between 9:30 a.m. and 5:30 p.m. on a monthly salary of Rs. 18,000 and attended the office of the Chartered Accountant thereafter until 7 p.m. The Chartered Accountant pleaded that the articled assistant was on audit of the company. Comment with reference to the
PE	770.000	Second Schedule, Part II, Cl, 3 --Included name of CA in empanelment	Mr. P and Mr. Q are running a firm of Chartered Accountants in the name of PQ & Co. On 23.05.2019, they included the name of Mr. R, a practicing Chartered Accountant, without his knowledge, as a partner while submitting an application for empanelment as auditor for branches of a public sector bank, to the Institute.
PE	774.000	Council General Guideline 2008--	M/s LMN, a firm of Chartered Accountants having 5 partners accepts an audit assignment of a newly formed private limited company for audit fees of Rs. 5,000. Comment with reference to the Chartered Accountants Act, 1949, and Schedules thereto.
PE	782.005	KYC – Applicability	Mr. F, a Chartered Accountant, gave advisory services to PQR Pvt. Ltd. Further, he gave them GST consultancy and helped in ERP set up. Later, the company turned out to be a part of a group of companies involved in money laundering. Mr. F was asked to provide details of the companies. Mr. F refused on the grounds that he gave only consultancy services to the company and wasn't supposed to keep any information about the company. Is
PE	782.010	Internal Audit + GST	WCP & Co LLP are the internal auditors of DEF Ltd. WCP & Co LLP also agreed to undertake Goods and Service Tax (GST) Audit of DEF Ltd

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