

UNIVERSITY OF SWAZILAND
INSTITUTE OF DEVELOPMENT EDUCATION
MAIN EXAMINATION PAPER, MAY 2006

DEGREE/DIPLOMA AND YEAR STUDY : DIP. COM III

TITLE OF PAPER : PRINCIPLES OF TAXATION AND
AUDITING

COURSE CODE : AC 304-1 (M) 2006

TIME ALLOWED : TWO (2) HOURS

- INSTRUCTIONS**
1. TOTAL NUMBER OF QUESTIONS ON THIS PAPER:
THREE (3)
 2. ANSWER ALL QUESTIONS
 3. THE MARKS AWARDED FOR A QUESTION/PART
ARE INDICATED AT THE END OF EACH
QUESTION/PART OF QUESTION.
 4. WHERE APPLICABLE, SUBMIT ALL WORKINGS
AND CALCULATIONS.

NOTE: YOU ARE REMINDED THAT IN ASSESSING YOUR WORK, ACCOUNT
WILL BE TAKEN OF ACCURACY OF THE LANGUAGE AND THE
GENERAL QUALITY OF EXPRESSION, TOGETHER WITH THE
LAYOUT AND PRESENTATION OF YOUR FINAL ANSWER.

SPECIAL REQUIREMENTS: NONE

**THIS PAPER IS NOT BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE
INVIGILATOR.**

QUESTION 1:

- A. In auditing what is the purpose of the letter of engagement? (10 marks)
B. When is it appropriate to send this letter? (10 marks)
C. What are the procedure involved? (5 marks)
D. What are the contents of this letter? (15 marks)

Total for the question (40 marks)

QUESTION 2:

- A. What are the audit working papers? (10 marks)
B. Who owns the audit working papers? (5 marks)
C. What is the confidentiality related to these working papers? (5 marks)
D. What is the permanent audit file, what is its content? (10 marks)

Total for the question (30 marks)

QUESTION 3:

- A. What is the Directors' report? (25 marks)
B. What do the Companies' Act state about the Directors' report? (5 marks)

Total for the question (30 marks)

Total for the paper (100 marks)