

# UNIVERSITY OF SWAZILAND

## DEPARTMENT OF ACCOUNTING AND FINANCE

SUPPLIMENTARY EXAMINATION PAPER MAY 2016 ACADEMIC YEAR 2015/2016

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PROGRAMME OF STUDY	Bachelor of Commerce
YEAR OF STUDY	Year III (Full Time)/IDE
TITLE OF THE PAPER	Principles of Auditing
COURSE CODE	AC 316
TIME ALLOWED	Three (3) Hours

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### INSTRUCTIONS

1. There are **Four (4)** questions, **ANSWER ALL**
2. Begin the solution to each question on a new page.
3. The marks awarded for a question are indicated at the end of each question.
4. Show your necessary workings.

**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 layout and presentation of your answer.

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

**QUESTION ONE**

Identify and briefly describe five common evidence collecting procedures that are used by auditors **25 Marks**

**QUESTION TWO**

Name and describe the categories of assertions in the financial statements **(25 Marks)**

**QUESTION THREE**

Identify and briefly explain any five non-audit services a public accounting firm that audits a public company is prohibited from performing under the Sarbanes-Oxley Act of 2002

**(5x5 Marks)**

**(Total Marks 25)**

**QUESTION FOUR**

The auditor evaluates the effective and consistent operation of the internal controls in order to assess control risk, which is one of the considerations auditors take into account when deciding on the nature, scope and timing of substantive procedures

Required

- a. Identify the control activities you would use to evaluate the company's system of internal controls and suggest suitable internal control measures for each activity **15 Marks**
- b. Briefly explain the purposes of a financial statements audit: **10 marks**

**Total (25 marks)**

.....**END OF PAPER**.....