



ACC – Principles of auditing and ethics in accounting

T150

Friday, 23/7/2021

08:30 – 11:30 AM

Names:

Index number

TVET NATIONAL EXAMINATIONS, RTQF LEVEL 5, 2020-2021

QUESTIONS and ANSWERS BOOKLET

OPTION/ TRADE : **ACCOUNTING**

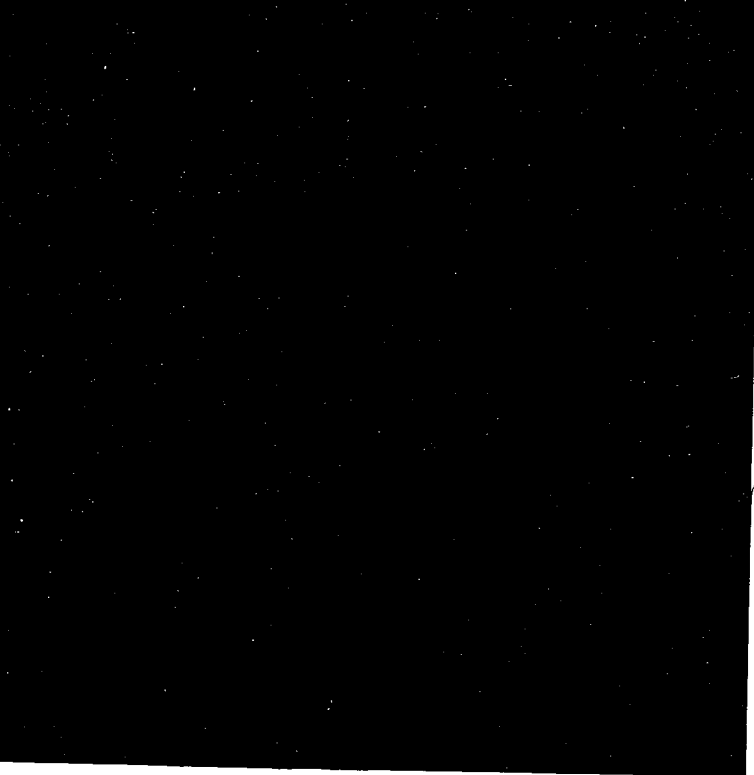
SUBJECT : PRINCIPLES OF AUDITING AND ETHICS IN ACCOUNTING

ACADEMIC YEAR: **2020-2021**

Read carefully the instructions on page (i) & (ii).

FOR EXAMINER'S USE ONLY

[illegible]



TVET NATIONAL EXAMINATION, RTQF LEVEL 5, 2020-2021

INSTRUCTIONS TO CANDIDATES: PART I (Answer Booklet)

1. A candidate should fill in the actual names and the index number on the cover of this questions and answer booklet on the provided place (Black Box).
2. It is illegal for a candidate to write any of his/her names, index number or a school name inside the answer booklet.
3. A candidate should check if all pages of the answer booklet are complete. No candidate should remove or tear any pages or part of it from the answer booklet.
4. A candidate should answer in the language in which the examination is set. (See page **(ii)**)
5. A candidate should sign on the sitting plan when submitting the answer booklet. He/she has also to check if the answer booklet is well sealed.
6. No extra paper is allowed in the examinations room. If a candidate is caught with it his/her results will be nullified.
7. No candidate is allowed to write answers not related to the subject being sat for, otherwise it will be considered as a cheating case.
8. Write your answers on the 12 lined pages (From page 1 of 12 to page 12 of 12).
9. Use the last non-lined pages as draft.
10. Results for any candidate who is caught in examination malpractices are nullified. The cheating can be recognized during examinations administration, marking exercise or even thereafter.

TVET NATIONAL EXAMINATION, RTQF LEVEL 5, 2020-2021

OPTION/TRADE: ACCOUNTING

SUBJECT: Principles of auditing and ethics in accounting

DURATION: 3 hours

INSTRUCTIONS TO CANDIDATES: PART II

The paper is composed of two (2) Sections as follows:

Section I: Attempt all the Twelve (12) questions (60 marks)

Section II: Attempt any Four (4) questions out of Six (6) (40 marks)

Allowed materials:

- Ruler or square
- Calculator

Note:

Every candidate is required to carefully comply with the provided assessment instructions.

Section I : Attempt all the Twelve (12) questions (60 marks)

1. What are five (5) roles of ethics in management of the business?

(5 marks)

2. Explain the following terms:

i) Auditing

(5 marks)

ii) Third party.

(5 marks)

3. Differentiate internal from external auditors.

4. Give 5 contents of international auditing standards "ISA 200".

(5 marks)

5. Define the materiality of an error and give its importance. **(5 marks)**

6. Explain the following auditing principles:

a) Planning

b) Honesty

c) Secrecy

d) Audit evidence

e) Skill and competence.

(5 marks)

7. Highlight five (5) consequences based on wrong application of professional boundaries within a business enterprise.

(5 marks)

8. What are the rights of auditor?

(5 marks)

9. Justify why business ethics is very important in business professional career.

(5 marks)

10. Explain any ten (10) topics or issues to avoid in the work place.

(5 marks)

11. Audit evidence is that piece of information that support the auditor's conclusion on view of business books of accounts and vouchers as to whether they have been presented with true and fair view. Clearly explain qualities of audit evidence.

(5 marks)

12. Illustrate any five (5) importance of the contract between auditor and his clients.

(5 marks)

Section II: Attempt any Four (4) questions out of Six (6) (40 marks)

13. Explain the five (5) techniques of auditing. **(10 marks)**

14. Explain the key features of audit:

- i. Auditing engagement
- ii. Audit plan
- iii. Audit program
- iv. Audit responsibility competency
- v. Supervision

(10 marks)

15. Explain the following types of auditor opinion:

- i. Unqualified opinion
- ii. Qualified opinion
- iii. Disclaimer opinion
- iv. Adverse opinion.

(10 marks)

16. Explain the following categories of threats:

- i. A self-interest threat,
- ii. A self-review threat,
- iii. Advocacy threat,
- iv. Familiarity threat,
- v. Intimidation threat.

(10 marks)

17. Give and explain the main principles of auditing. **(10 marks)**

18. Justify the fundamental principles of ethical behaviors in accounting. **(10 marks)**

Do not write anything on this page !

