

Eastern University, Sri Lanka

Faculty of Commerce and Management

Third Year, Second Semester Examination in Bachelor of Commerce (B.Com)

B.Com Specialization in Accounting and Finance/B.Com Specialization in

Business Economics – 2017/2018 (January 2020)

(Proper/Repeat)

DAF 3062 Advanced Auditing

Answer All Questions.

Time: 02 Hours

01.

(a) The companies Act No 7 of 2007 contain provisions relating to audit of Limited Liability companies. Explain the following provision of the Companies Act.

- I. Appointment of First auditor
- II. Qualification of being an auditor of a Limited Liability company
- III. Remuneration of Auditors
- IV. Right of the Auditor

(4 X 4 = 16 Marks)

(b) In order to comply with statutory requirements of the Companies Act No 07 of 2007, what are the matters the auditor should be included in the Audit report of the Limited Liability Companies.

(05 Marks)

(c) State five (05) matters to be included in the annual report of the Limited Liability Company as per the provision of the Companies Act.

(05 Marks)

(d) Sri Lanka Accounting and Auditing Standard Act No.15 of 1995 contain provisions relating to Accounting and Auditing of the specified Business enterprises. State the following.

- I. Duties of specified business enterprises

(03 Marks)

- II. Duties of the auditor of the specified business enterprises (03 M)
- III. What are the Committees and Board established according to the Sri Lankan Accounting and Auditing standard Act No 15 of 1995 (03 M)

(e)

- I. State five types of Public Sector entities' audit carried out by the Auditor General in terms of section 41 (2) of the National Audit Act No 19 of 2018. (05 M)
- II. Briefly explain the scope of Audit on Public sector entities as specified in section 3 of the National Audit Act No. 19 of 2018 (03 M)

(Total 45 M)

02.

(a)

- I. Briefly explain the importance of good corporate Governance to the companies (05 M)
- II. State functions of the Audit committees (05 M)
- III. List three (03) types of mandatory requirements of corporate Governance applicable to the companies. (03 M)

(b) Write short notes on the following.

- I. Audit service commission
- II. Disclaimer opinion
- III. Key Audit matters as per new audit reporting standards.

(3 X 5 = 15 M)

(c)

I. What are the aspects to be covered in verifying an assets.

(06 Marks)

II. What are the common methods of circularizing debtors

(02 Marks)

(d) The Finance Act No 38 of 1971 contains provisions relating to Financial control of Public corporations, Briefly explain the following provisions.

I. Financial obligations a public corporations.

(03 Marks)

II. Preparation of budget of public corporations.

(03 Marks)

III. Auditor of public corporations.

(03 Marks)

IV. Matters / areas to be examined by the Auditor of Public Corporations

(05 Marks)

V. Rights of the Auditor of public corporations

(05 Marks)

(Total 55 Marks)