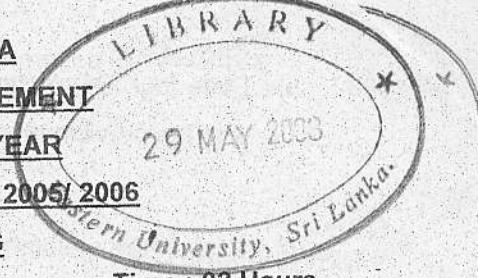


**EASTERN UNIVERSITY, SRI LANKA**  
**FACULTY OF COMMERCE AND MANAGEMENT**  
**SPECIAL EXAMINATION FOR FINAL YEAR**  
**BUSINESS ADMINISTRATION/ COMMERCE 2005/ 2006**  
**COM 2043 ADVANCED AUDITING**



**Answer All Questions**

**Time : 02 Hours**

01. (i) What are the purposes of the Sri Lanka Auditing Standards? (05 marks)
- (ii) Who should follow Sri Lanka Auditing Standards? (05 marks)
- (iii) State Legal Provision relating to Sri Lanka Auditing Standards? (04 marks)
- (iv) Under the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 state the ;
- (a) Duties of "specified business Enterprises"
- (b) Duties of directors, managers, secretaries and other officers of special business enterprises.
- (c) Duties of Auditors. (06 marks)
- (v) Discuss the advantages of auditing standard to Auditors. (05 marks)
- (Total 25 marks)**
02. (i) Define Internal Control and Test of Control. (06 marks)
- (ii) List the types of Internal Controls. (05 marks)
- (iii) Explain the different methods available for recording of accounting and Internal Control Systems. (04 marks)
- (iv) What is a control Environment? (04 marks)
- (v) List some Limitations of Internal Control. (06 marks)
- (Total 25 marks)**

03. (i) State four (04) matters to be expressively stated in the auditors report in accordance with the provisions of the companies Act No. 7 of 2007. (04 marks)
- (ii) Explain the statutory requirements of an auditors in terms of companies Act No. 7 of 2007, relating the following.
- (a) First Auditor and Subsequent Auditor.
  - (b) Filling a vacancy
  - (c) Auditors Fess and Expenses
  - (d) Disqualifications
  - (e) Replacement of an auditor. (10 marks)
- (iii) What are the factors to be considered by an auditor in developing overall plan for audit? (04 marks)
- (iv) What benefits occur to an auditor from audit planning. (02 marks)
- (v) (a) What is an audit programme.  
(b) What are the advantages and Disadvantages of using audit programme. (05 marks)
- (Total 25 marks)**
04. (i) State the basic elements of an Auditors Report as mentioned in the SLAUS – 26. (06 marks)
- (ii) In what situations does an auditors report is considered to be modified. (02 marks)
- (iii) List five (05) circumstances in which an auditor may have to Qualify his report. (05 marks)
- (iv) Write short notes on the following.
- (a) Unqualified Opinion
  - (b) Adverse Opinion
  - (c) Disclaimer of Opinion. (06 marks)
- (v) State overall consideration in presentation of Financial Statements. (06 marks)
- (Total 25 marks)**