

**BACHELOR OF COMMERCE - FIFTH SEMESTER
PRINCIPLES AND PRACTICES OF AUDITING**

Code: HC5.1

Univ Code:

Contact Hours: 56

Work load: **4 hours per week**

Credits: 4

Evaluation: Continuous Internal Assessment – **30 Marks**

Semester-End Examination – **70 Marks**

Objectives: To enable the students to appraise the whole process of auditing.

Pedagogy: Combination of lectures, assignments, seminars, etc.

Module 1: **Auditing** - introduction, origin of word audit, definition of auditing, objectives of auditing, errors and frauds in accounting, relationship between book-keeping, accounting and auditing, classification of auditing, auditor is a watch dog and not a blood hound - qualities of an auditor, advantages of audit, limitations of the audit, audit programme.

Module 2: **Reserves and Provisions** -concept of reserves and provisions – difference between reserves and provisions, classification of reserves, legal aspects of reserves.

Module 3: **Internal Check, Internal Control and Internal Audit** - meaning and objectives, distinction between internal check, internal audit and internal control, procedure of internal check over different items and auditor's duty.

Module 4: **Vouching** -introduction, concept of vouching, objective of vouching, importance of vouching, concept of vouchers, internal and external evidence, general principles of vouching, teeming and lading - a challenge to vouching, vouching of different items, duties of an auditor with regard to each item. **Verification and Valuation of Assets and Liabilities** - introduction, meaning, difference between verification and valuation, importance of verification and valuation, verification and valuation of tangible, intangible and fictitious assets and contingent liabilities.

Module 5: **Investigation** - introduction, definition, objectives or purposes of investigation, features of investigation, duties of an investigator, types of investigation – on behalf of a person or company wanting to purchase a running business – on behalf of an incoming partner – on behalf of the lender – on behalf of owner of the business who suspects the fraud.

Recommended Books

1. Auditing Principles and Techniques – S.K.Basu
2. Practical Auditing – B.N Tandon
3. Auditing – T.R.Sharma
4. Contemporary Auditing – Kamal Gupta
5. Practical Auditing – Spicer and Pegler.
6. Principles and Practice of Auditing – J.R.Batliboi.
7. Principles of Auditing – Depaula.