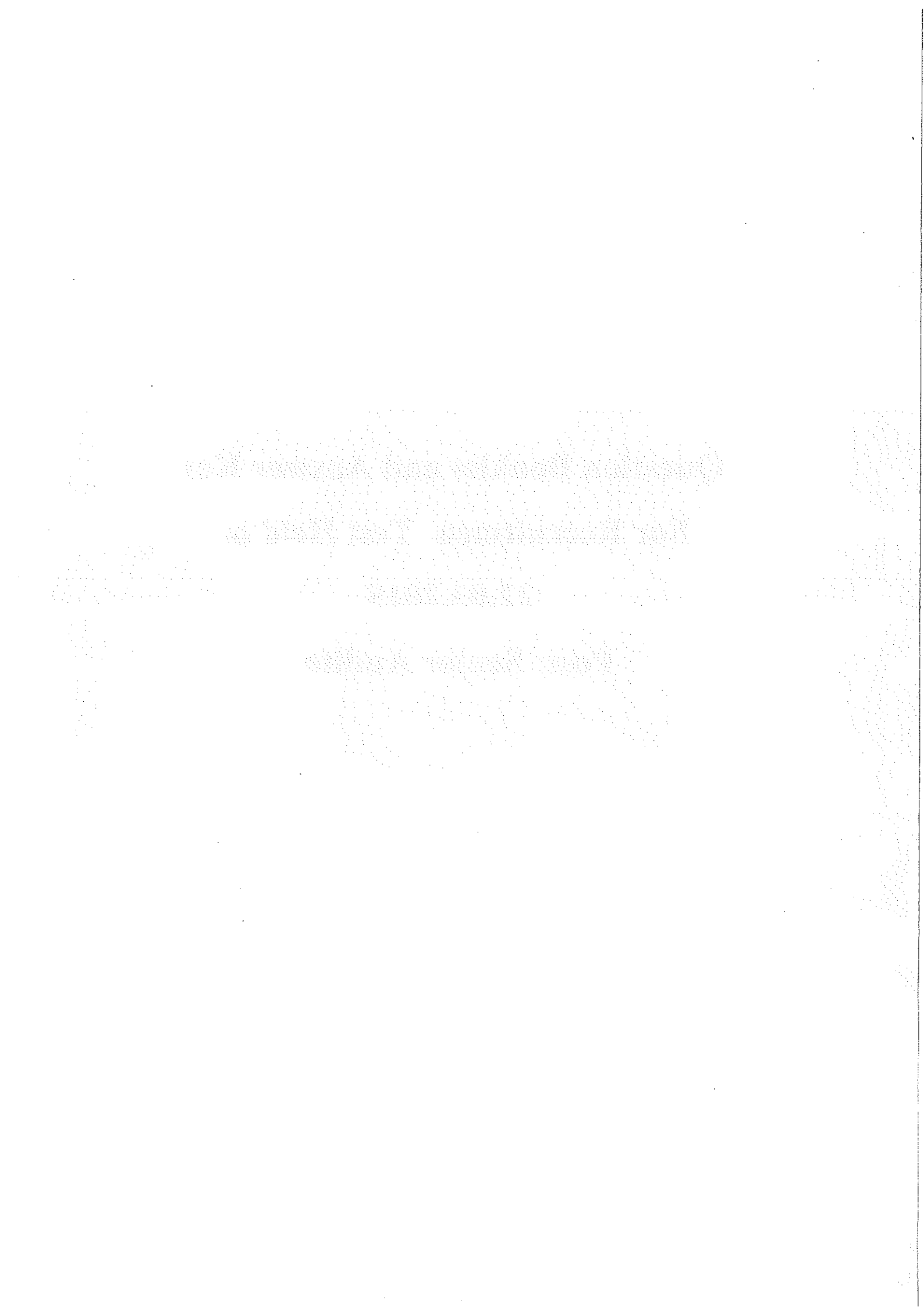


**Question Booklet and Answer Key**

**For Recruitment Test Held on**

**22.03.2015**

**Post: Senior Auditor**



(ENGLISH VERSION)

1. ਸਹੀ ਸਮਾਸੀ ਸ਼ਬਦ ਚੁਣੋ:  
(A) ਹੱਕ-ਹਰਾਮ (B) ਹੱਕ-ਹਲਾਲ (C) ਹੱਕ-ਨਿਹੱਕ (D) ਹੱਕ-ਕਮਾਈ
2. 'ਨਵੀਨ' ਸ਼ਬਦ ਦਾ ਵਿਰੋਧੀ ਸ਼ਬਦ ਚੁਣੋ:  
(A) ਨਵਾਂ (B) ਚਮਕਦਾਰ (C) ਪੁਰਾਤਨ (D) ਵਧੀਆ
3. ਪੜਨਾਵ ਦੀਆਂ ਕਿਸਮਾਂ ਹੁੰਦੀਆਂ ਹਨ:  
(A) ਛੇ (B) ਪੰਜ (C) ਸੱਤ (D) ਅੱਠ
4. 'ਰੋਂਦੂ ਮੁੰਡਾ' ਹੇਠ ਲਿਖਿਆਂ ਵਿੱਚੋਂ ਕੀ ਹੈ:  
(A) ਕਿਰਿਆ (B) ਗੁਣ-ਵਾਚਕ ਵਿਸ਼ੇਸ਼ਣ  
(C) ਸੰਖਿਆਵਾਚਕ ਵਿਸ਼ੇਸ਼ਣ (D) ਪੜਨਾਵੀ ਵਿਸ਼ੇਸ਼ਣ
5. ਜਿਨ੍ਹਾਂ ਵਾਕਾਂ ਵਿੱਚ 'ਹੈ' ਜਾਂ 'ਸੀ' ਇਕੱਲਾ ਸ਼ਬਦ ਹੀ ਕਿਰਿਆ ਦਾ ਰੂਪ ਹੁੰਦਾ ਹੈ, ਨੂੰ ਕਿਹਾ ਜਾਂਦਾ ਹੈ:  
(A) ਸਹਾਇਕ ਕਿਰਿਆ (B) ਸਕਰਮਕ ਕਿਰਿਆ (C) ਅਕਰਮਕ ਕਿਰਿਆ (D) ਸੰਸਰਗੀ ਕਿਰਿਆ
6. ਭਾਸ਼ਾ ਨੂੰ ਲਿਖਣ ਲਈ ਜ਼ਰੂਰਤ ਹੁੰਦੀ ਹੈ:  
(A) ਲਿੱਪੀ ਦੀ (B) ਉਪ-ਭਾਸ਼ਾ ਦੀ (C) ਪੜਨਾਵਾਂ ਦੀ (D) ਵਾਕ-ਬੋਧ ਦੀ
7. 'ਦੁਆਬੀ' ਹੈ:  
(A) ਭਾਸ਼ਾ (B) ਬੋਲੀ (C) ਉਪ-ਭਾਸ਼ਾ (D) ਵਿਆਕਰਣ
8. 'ਸੁਰਿੰਦਰ ਨੇ ਗੁਰਦੀਪ ਨੂੰ ਫੋਨ ਕੀਤਾ' ਵਾਕ ਵਿੱਚ ਸੰਬੰਧਕ ਕਿਹੜਾ ਹੈ:  
(A) ਗੁਰਦੀਪ (B) ਫੋਨ (C) ਕੀਤਾ (D) ਨੂੰ
9. ਇੱਕ ਅਨਾਰ..... ਅਖਾਣ ਪੂਰੀ ਕਰੋ:  
(A) ਸੌ ਸੇਬ (B) ਦਸ ਅਮਰੂਦ (C) ਵੀਹ ਕੇਲੇ (D) ਸੌ ਬੀਮਾਰ
10. ਸਹੀ ਸ਼ਬਦ ਚੁਣ ਕੇ ਮੁਹਾਵਰਾ ਪੂਰਾ ਕਰੋ: ਜਖਮਾਂ ਤੇ.....  
(A) ਨਮਕ ਛਿੜਕਣਾ (B) ਮਲ੍ਹਮ ਲਾਉਣਾ (C) ਘਿਉ ਲਾਉਣਾ (D) ਪਾਣੀ ਪਾਉਣਾ

Directions (Q. 11-13): Mark the correct synonym of the given word:

11. Raconteur :  
A) courageous B) coward C) storyteller D) rake
12. Phlegmatic:  
A) phoney B) composed C) misanthrope D) petty
13. Malapropos:  
A) inappropriate B) anguish C) malaise D) malice

Directions : (Q.14-16): Mark the correct opposite of the given word:

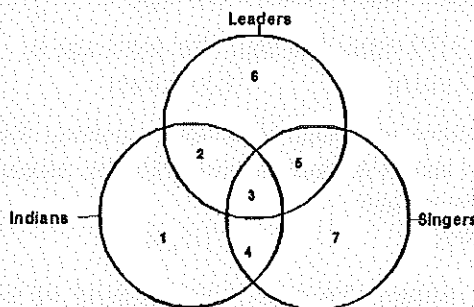
14. Spruce :  
A) untidy B) calm C) smart D) fit
15. Stubby:  
A) kind B) tall C) noisy D) silent
16. Salubrious :  
A) salty B) sweet C) disturbed D) unhealthy

Directions : (Q.17-20): Mark the correct preposition to be filled in the gaps:

17. Eventually, she came round \_\_\_\_\_ my views:  
A) at B) with C) of D) to
18. Tendulkar will go \_\_\_\_\_ in cricket-history as one of the greatest batsmen.  
A) over B) down C) of D) from

19. A doctor has to contend \_\_\_\_\_ violent patients  
A) at                      B) of                      C) with                      D) by
20. Cholera has broken \_\_\_\_\_ in the city.  
A) out                      B) over                      C) with                      D) off
21. Which one of the following is not correctly matched?  
A) Lipulekh — Uttarakhand                      B) Nathu La — Arunachal Pradesh  
C) Rohtang — Himachal Pradesh                      D) Palghat — Kerala
22. The most appropriate measure of a country's economic growth is its :  
A) Net Domestic Product (NDP)                      B) Per Capita Product (PCP)  
C) Net National Product (NNP)                      D) Gross Domestic Product (GDP)
23. Which one of the following States of India has the highest urban density?  
A) Maharashtra                      B) Punjab                      C) West Bengal                      D) Tamil Nadu
24. Who was the main leader of the entire Singhbhum region in 1857 Revolution?  
A) Raja Arjun Singh                      B) Raja Durjan Sal  
C) Tikait Umraon Singh                      D) Thakur Vishwanath Shahi
25. To which religion is the term 'Anuvrat' related?  
A) Jainism                      B) Mahayana Buddhism  
C) Hinayana Buddhism                      D) Lokayata School
26. Robusta is a variety of ..... produced in Africa:  
A) Banana                      B) Tobacco                      C) Coffee                      D) Cocoa
27. The sculptures in Mathura school of Art are made of :  
A) Marble                      B) Red Sand Stone                      C) Slate Stone                      D) Granite
28. South Africa joined the group of the fastest growing economies comprising Brazil, Russia, India, China in:  
A) 1999                      B) 2001                      C) 2008                      D) 2011
29. Which one of the following International waterways is operated through lock-system?  
A) Panama Canal                      B) Suez Canal                      C) Rhine River                      D) Denube River
30. According to the 2014 Human Development Report released by UNDP.....  
A) 2.3 billion people live on \$ 1.25 a day or less  
B) 3.2 billion people live on \$ 1.25 a day or less  
C) 75 million people live on \$1.25 a day or less  
D) 1.2 billion people live on \$ 1.25 a day or less
31. According to the Global Peace Index-2014, the least peaceful nation of the world is:  
A) Pakistan                      B) Iraq                      C) Syria                      D) Afghanistan
32. The third edition of the global Nuclear Security Summit (NSS) 2014 was held at:  
A) Vienna                      B) The Hague                      C) Paris                      D) New York
33. Isthmus is :  
A) a narrow sea passage that links two large areas of land  
B) a narrow strip of land connecting two large areas of land  
C) an island surrounded by sea  
D) yet another name of Greenland
34. The name of India's first interplanetary spacecraft is :  
A) MANAV                      B) AGNI                      C) MANGALAYAN                      D) INSAT-IV

35. 6<sup>th</sup> BRICS Summit was held in :  
 A) Fortaleza and Brasilia  
 B) New York and Texas  
 C) Tokyo and Kyoto  
 D) Paris and Vienna
36. Complete the series  
 - op - mo - n - - p n m o p -  
 A) mnpmon  
 B) mpmop  
 C) mnompn  
 D) mnpomn
37. Select the pair of words from the four alternatives, that has same relationship as the given pair has  
**Given pair : Propensity : Tendency**  
 A) Prologue: Epilogue  
 B) Master: Slave  
 C) Audacity: Impudence  
 D) Conduct: Immorality
38. Find the odd one:  
 i) AE      ii) AI      iii) IO      iv) EI      v) OU  
 A) i)      B) ii)      C) iv)      D) v)
39. In a certain code, BASIC is written as DDULE. How is LEADER written in that code?  
 A) NGCFGT      B) NHCGRU      C) OGDFT      D) OHDGHU
40. Pointing to a lady in the photograph, Shaloo said, 'Her son's father is the son-in-law of my mother'. How is Shaloo related to the lady?  
 A) aunt      B) sister      C) mother      D) cousin
41. Seven people A, B, C, D, E, F and G are standing in a single file line facing North. E is somewhere ahead of F. There is exactly one person standing between C and G. D is immediately behind A. F is behind both B and D. If D and C are 4<sup>th</sup> and 5<sup>th</sup> in line respectively, then which of the following must be true?  
 A) A is 1<sup>st</sup>      B) B is 1<sup>st</sup>      C) F is 6<sup>th</sup>      D) F is 7<sup>th</sup>
42. A man is facing towards west, he turns through 45° clockwise, again 180° clockwise and then turns 270° anti-clockwise. In which direction is he facing now?  
 A) west      B) north-west      C) south      D) south-west
43. Study the Fig. and find which region represents singers who are neither Indians nor leaders.



- A) 7      B) 6      C) 5      D) 2
44. Study following information and answer the question  
**MKKIDNETTQOBFHAAGTUUXWLSRI**  
 If each of the letter gets numerical value based on the position in above arrangement such as M=1, K=2, I=4 and so on, then value of which of the following consonants, when added to that of the vowel following immediately, amounts to 11.  
 A) H      B) K      C) N      D) none of these

45. If vowels are dropped from the following series, which of the following would be the 8th element to the right of the 13th element from the left end?  
 8 C M @ N + T 2 Y 6 S α Q S 7 \* W # Z 3 U E % A 4  
 A) 4                      B) 8                      C) %                      D) C
46. If it is possible to make a number which is perfect square of a two digit odd number using the 2nd, 4th and 7th digits of the number 739142658 using each only once, which of the following is 2nd digit of that two digit odd number?  
 A) 3                      B) 4                      C) 5                      D) 9
47. In a row Ashish stands 15th from left and Sachin is 7th from right. If they interchange their places, Sachin would be 15th from the right. How many students are there in the row?  
 A) 21                      B) 22                      C) 29                      D) 31
48. If '+' means 'divided by', '-' means 'add', 'x' means 'minus' and '/' means 'multiplied by', what will be value of following expression?  
 $\{[(17 \times 12) - (4/2)] + (23 - 6)\} / 0$   
 A) infinite                      B) 0                      C) 118                      D) 219
49. Find the missing letter
- |   |   |   |   |
|---|---|---|---|
| A | M | B | N |
| R | C | S | D |
| E | U | F | ? |
- A) G                      B) R                      C) T                      D) V
50. What is the least multiple of 7 which when divided by each one of 6, 9, 15, 18 gives a remainder of 4 in each case.  
 A) 364                      B) 184                      C) 94                      D) 84
51. The average age of the husband and wife was 23 years when they were married 5 years ago. The average age of the husband, the wife and a child who was born during the interval, is 20 years now. How old is the child now?  
 A) 1 year                      B) 2 years                      C) 3 years                      D) 4 years
52. Kamla got married 6 years ago. Today her age is  $1\frac{1}{4}$  times age at the time of marriage. Her son's age is  $\frac{1}{10}$  times her age. Her son's age is  
 A) 2 years                      B) 3 years                      C) 4 years                      D) 5 years
53. A dry fruit seller mixes three varieties of walnuts costing Rs.50, Rs.20 and Rs.30 per kg. in the ratio of 2:4:3 in terms of weight and sells the mixture at Rs. 33 per kg. What percentage of profit does he make?  
 A) 8%                      B) 9%                      C) 10%                      D) 12%
54. A circle is inscribed in a square. An equilateral triangle of side  $4\sqrt{3}$  cm is inscribed in that circle. The length of diagonal of the square is  
 A)  $4\sqrt{2}$  cm                      B) 8cm                      C)  $8\sqrt{2}$  cm                      D) 16cm
55. A sum becomes Rs. 2916 in 2 years at 8% per annum compound interest. The sum is  
 A) Rs.2750                      B) Rs. 2500                      C) Rs. 2625                      D) Rs. 2560

56. What is the meaning of putting your laptop using MS-Windows operating system in hibernate state?  
 A) Stores open files & settings in RAM and goes to sleep mode  
 B) Stores open files & settings in RAM and turn-off the laptop  
 C) Stores open files & settings in Hard-disk and goes to sleep mode  
 D) Stores open files & settings in Hard-disk and turn-off the laptop.
57. Using the Hard Disk as an extension of RAM is a feature of  
 A) Virtual memory  
 B) Cache  
 C) Direct Memory Access (DMA)  
 D) Virtual Reality
58. Match the following:  
 a) HTML (i) Protocol for sending electronic mail on the Internet.  
 b) HTTP (ii) Company that charges a fee to enable organizations to connect to Internet  
 c) ISP (iii) Set of tags and related rules that are used to create web pages.  
 d) SMTP (iv) Internet standard that supports exchange of information on Web.
- A) a)-(iv) b)-(i) c)-(ii) d)-(iii)      B) a)-(iv) b)-(i) c)-(iii) d)-(ii)  
 C) a)-(iii) b)-(iv) c)-(ii) d)-(i)      D) a)-(iii) b)-(ii) c)-(iv) d)-(i)
59. Which of the following statement is false?  
 A) Data dictionary is also known as system catalog.  
 B) The information stored in data dictionary is called meta-data.  
 C) Data dictionary is a centralized store of information about the database.  
 D) Data dictionary stores information contained in various tables of database
60. A method of ensuring integrity of a document  
 A) Firewall      B) SSL      C) Authentication      D) Digital Signatures
61. The title of AAS2 issued by Council of ICAI is:  
 A) Objective and Scope of the Financial Statements  
 B) Objective and Scope of the Audit of Financial Statements  
 C) Objective and Scope of Business of an Entity  
 D) Objective and Scope of Financial Statements Audit
62. A sale of Rs. 50,000 to A was entered as a sale to B. This is an example of:  
 A) Error of omission      B) Error of commission  
 C) Compensating error      D) Error of principle
63. 'Goods sent on approval basis' have been recorded as 'Credit sales'. This is an example of:  
 A) Error of principle      B) Error of commission  
 C) Error of omission      D) Error of duplication
64. Which of the following statements is not true?  
 A) Management fraud is more difficult to detect than employee fraud  
 B) Internal control system reduces the possibility of occurrence of management fraud  
 C) The auditor's responsibility for detection and prevention of errors and frauds is similar.  
 D) All statements are correct.
65. How many principles are listed in AAS1 which govern auditor's professional obligation?  
 A) Nine      B) Fourteen      C) Seven      D) Eight

66. The risk of management fraud increases in the presence of:  
 A) Frequent changes in supplies  
 B) Improved internal control system  
 C) Substantial increases in sales  
 D) Management incentive system based on sales done in a quarter
67. Auditing standards differ from audit procedures in that procedures relate to  
 A) audit assumptions  
 B) acts to be performed  
 C) quality criterion  
 D) methods of work
68. The most difficult type of misstatement to detect fraud is based on:  
 A) Related party purchases  
 B) Related party sales  
 C) The restatement of sales  
 D) Omission of a sales transaction from being recorded
69. Which of the following is the most appropriate potential reaction of the auditor to his assessment that the risk of material misstatement due to fraud is high in relation to existence of inventory?  
 A) Visit location on surprise basis to observe test counts  
 B) Request inventory count at a date close to year end  
 C) Vouch goods sent on approval very carefully  
 D) Perform analytical procedures.
70. Which of the following is not likely to be a fraud risk factor relating to management's characteristics?  
 A) Tax evasion  
 B) Failure to correct known weakness in internal control system  
 C) Adoption of conservative accounting principles  
 D) High management turnover
71. Professional skepticism requires that the auditor assume that management is;  
 A) Reasonably honest  
 B) Neither honest nor dishonest  
 C) Not necessarily honest  
 D) Dishonest unless proved otherwise
72. Which of the following information should a successor auditor obtain during the inquiry of the predecessor auditor before accepting engagement?  
 i) Information about integrity of management  
 ii) Disagreement with management concerning auditing procedures  
 iii) Review of internal control system  
 iv) Organization structure  
 A) (i) and (ii)  
 B) (ii) and (iii)  
 C) (i), (ii) and (iii)  
 D) (i) and (iii)
73. An auditor who accepts an audit but does not possess the industry expertise of the business entity should  
 A) engage experts  
 B) obtain knowledge of matters that relate to the nature of entity's business  
 C) inform management about it  
 D) take help of other auditors
74. The least important element in the evaluation of an audit firm's system of quality control would relate to  
 A) assignment of audit assistants  
 B) system of determining audit fees  
 C) consultation with experts  
 D) confidentiality of client's information



75. The primary purpose of establishing quality control policies and procedures for deciding on client evaluation is to
- A) ensure adherence to generally accepted auditing standards
  - B) acceptance or retention of clients whose management does not lack integrity
  - C) ensure audit fees is charged according to the type of audit work assigned
  - D) all of the above
76. Audit in depth is synonymous for
- A) Complete audit
  - B) Completed audit
  - C) Final audit
  - D) Detailed audit
77. Balance sheet audit includes verification of:
- A) Assets
  - B) Liabilities
  - C) Income and expense accounts where appropriate
  - D) All of the above
78. Which of the following statements is not true about continuous audit?
- A) It is conducted at regular interval
  - B) It may be carried out on daily basis
  - C) It is needed when the organization has a good internal control system
  - D) It is expensive
79. In determining the level of materiality for an audit, what should not be considered?
- A) Prior year's errors
  - B) The auditor's remuneration
  - C) Adjusted interim financial statements
  - D) Prior year's financial statements
80. Analytical procedures issued in the planning stage of an audit, generally
- A) helps to determine the nature, timing and extent of other audit procedures
  - B) directs attention to potential risk areas
  - C) indicates important aspects of business
  - D) All of the above
81. Of the following which is the least persuasive type of audit evidence?
- A) Bank statements obtained from the client
  - B) Documents obtained by auditor from third parties directly.
  - C) Carbon copies of sales invoices inspected by the auditor
  - D) Computations made by the auditor
82. Which of the following is not a corroborative evidence?
- A) Minutes of meetings
  - B) Confirmations from debtors
  - C) Information gathered by auditor through observation
  - D) Worksheet supporting consolidated financial statements
83. Which of the following affects audit effectiveness?
- A) Risk of over reliance
  - B) Risk of incorrect rejection
  - C) Risk of incorrect acceptance
  - D) Both (A) and (C)
84. Audit programme is prepared by
- A) the auditor
  - B) the client
  - C) the audit assistants
  - D) the auditor and his audit assistants
85. The working papers which auditor prepares for financial statements audit are:
- A) evidence for audit conclusions
  - B) owned by the client
  - C) owned by the auditor
  - D) retained in auditor's office until a change in auditors

86. Which of the following is not an advantage of the preparation of working paper?
- To provide a basis for review of audit work
  - To provide a basis for subsequent audits
  - To ensure audit work is being carried out as per programme
  - To provide a guide for advising another client on similar issues
87. Which of the following methods of sample selection is least suitable for extrapolating results to the population?
- Systematic sampling
  - Random sampling
  - Haphazard sampling
  - Stratified sampling
88. Which of the following statements is correct?
- Lower the sampling risk greater the sample size
  - Smaller the tolerable error, greater the sample size
  - Lower the expected error, smaller the sample size
  - All are correct
89. Which of the following expenses should not be treated as capital expenditure?
- Expenses paid on installation of a plant.
  - Cost of dismantling a building in case a new building is to be constructed on the land
  - Legal expenses incurred to defend a suit related to title of patent and the suit has been lost
  - The fees paid to engineer who constructed the plant.
90. Which of the following is not a revenue expense?
- Interest on a loan
  - Cost of accessories of motor vehicles spent at the time of purchase
  - Expenses incurred for safeguarding of land owned
  - Insurance premium paid at the time of registration of the ship
91. Which of the following is a revenue reserve?
- Capital redemption reserve
  - Security premium account
  - Debenture redemption reserve
  - Capital reserve
92. Which of the following will not lead to creation of secret reserve?
- Undervaluation of closing stock
  - Charging capital expenditure to revenue
  - Goods sent on consignment being shown as actual sales
  - Charging higher rates of depreciation on fixed assets than actually required
93. Who is responsible for the appointment of statutory auditor of a limited company?
- Directors of the company
  - Members of the company
  - The Central Government
  - All of the above
94. Which of the following statement is not true?
- A partnership firm can be appointed as a statutory auditor of limited company
  - Appointment of statutory auditor of a company can be made in the name of the firm
  - Majority of the partners of the auditing firm should be practicing in India
  - All partners of the auditing firm should be chartered accountants

95. The board of directors shall appoint first auditor of a company  
 A) Within one month of completion of capital subscription state of the company  
 B) Within one month of the promotion of the company  
 C) Within one month of the commencement of the business of the company  
 D) Within one month of incorporation of the company
96. The term of the auditorship of first auditor would be from the date of appointment till....  
 A) the conclusion of statutory meeting  
 B) the conclusion of first annual general meeting  
 C) the conclusion of next annual general meeting  
 D) the date of removal
97. If a casual vacancy in the office of auditor arises by his resignation it should only be filled by the company in a.....  
 A) Board meeting  
 B) extraordinary general meeting  
 C) General meeting  
 D) annual general meeting
98. The auditor of a Government company is appointed by the C & AG. His remuneration is fixed by\_\_\_  
 A) the C & AG  
 B) the shareholders  
 C) the shareholders at an annual general meeting  
 D) the board of directors
99. The retiring auditor does not have a right to:  
 A) make written representations  
 B) get his representations circulated  
 C) be heard at the meeting  
 D) speak as a member of the company
100. The statutory auditor of a Government Company submits his report to:  
 A) the BODs of the company  
 B) the C & AG  
 C) the Legislature  
 D) the company secretary

## SA-8

Q.No.	Ans.	Q.No.	Ans.	Q.No.	Ans.	Q.No.	Ans.
1	B	26	C	51	D	76	D
2	C	27	B	52	B	77	D
3	A	28	D	53	C	78	C
4	B	29	A	54	B	79	B
5	D	30	D	55	B	80	D
6	A	31	C	56	D	81	C
7	C	32	B	57	A	82	D
8	D	33	B	58	C	83	D
9	D	34	C	59	D	84	D
10	A	35	A	60	D	85	C
11	C	36	A	61	B	86	D
12	B	37	C	62	B	87	C
13	A	38	B	63	A	88	D
14	A	39	B	64	B	89	C
15	B	40	B	65	A	90	B
16	D	41	C	66	D	91	C
17	D	42	D	67	B	92	C
18	B	43	A	68	D	93	B
19	C	44	D	69	A	94	C
20	A	45	C	70	C	95	D
21	B	46	D	71	B	96	B
22	D	47	C	72	A	97	C
23	C	48	B	73	B	98	B
24	A	49	D	74	B	99	D
25	A	50	A	75	B	100	B