



MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ACCOUNTING, BANKING AND FINANCE

SECOND YEAR FIRST SEMESTER EXAMINATION FOR

DIPLOMA IN ACCOUNTANCY

AUDITING

DATE: 21/11/2019

TIME: 2.00-4.00 PM

INSTRUCTIONS:

Answer all the questions

1. a) Define the term auditing. (2 marks)
 b) Define briefly the various classes of Audit. (8 marks)
2. a) State five features of statutory Audit. (5 marks)
 b) State five advantages of private Audit. (5 marks)
3. a) Distinguish complete audit from internal Audit (4 marks)
 b) What are the main features of statutory Audit. (6 marks)
4. Explain briefly the following types of Audit. (10 marks)
 - a) Balance sheet Audit.
 - b) Continuous Audit.
 - c) Final Audit.
 - d) Management Audit.
5. State and explain five areas of Business dynamics where continuous Audit is applicable. (10 marks)
6. Briefly, explain five qualities, characteristics of main scope of continuous Audit. (10 marks)
7. a) Define the term continuous Audit. (2 marks)
 b) State and explain the qualities of internal Auditing. (8 marks)