CA Inter – Paper 6 (Audit) – MCQ

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(Covering ICAI SM, MTPs & RTPs till Nov. 2022 applicable for May/Nov. 2023 Exams)

Chapter – 6: Audit in an Automated Invironment

133	**Which of the following is a General IT control?**
	(a) IT Environment
	(b) Application Control
	(c) Access Security
	(d) IT Dependent Control
134	**Which of the following is an automated control?**
	(a) Program change
	(b) System generated report
	(c) Application control
	(d) Configurations
135	**Who is mainly responsible for implementation of internal financial controls in a company?**
	(a) Auditors
	(b) Directors
	(c) Employees
	(d) Regulators
136	**The Guidance Note on Audit of Internal Financial Controls over Financial Reporting has been issued by?**
	(a) ICAI
	(b) SEBI
	(c) MCA
	(d) RBI
137	**In WH Limited every business activity was being carried out manually. The top management of WH Limited decided to change the business environment of WH Limited by using computer systems and computer systems related technology to carry out all the major business activities of WH Limited. This business environment of WH Limited, where all the major business activities are done using computer systems and computers related technology is an example of:**
	(a) Operational Environment.
	(b) Computational Environment.
	(c) Control Environment.
	(d) Automated Environment
138	**_____are also known as pervasive or indirect controls:-**
	(a) General IT Controls
	(b) Application Controls

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	(c) IT dependent Controls
	(d) None of the above
139	_____is the combination of processes, tools and techniques that are used to tap vast amounts of electronic data to obtain meaningful information:-
	(a) Computer Assisted Audit Techniques
	(b) Automated Controls
	(c) Data Analytics
	(d) Combination Controls
140	_____ are manual or automated procedures that typically operate at a business process level and apply to the processing of individual applications.
	(a) Application controls
	(b) General IT controls
	(c) Process controls
	(d) All of these
141	_____are the manual controls that make use of some form of data or information or report produced from the IT systems and applications.
	(a) Application
	(b) IT dependent Controls
	(c) Automated Controls
	(d) General IT Controls
142	_____ is a logical subsystem within a larger information system where electronic data is stored in a predefined form and retrieved for use.
	(a) Data Mining
	(b) Data warehouse
	(c) Database
	(d) Data Analytics
143	_____ is a control deficiency or a combination of deficiencies in internal controls that is important enough to merit the attention of those charged with governance since there is a reasonable possibility that a material misstatement will not be prevented or detected in a timely manner by management.
	(a) Material Weakness
	(b) Material deficiency
	(c) Control Risk
	(d) Significant Deficiency
144	Who among the following is required to comply with Section 149(8) read with Schedule IV to the companies Act, 2013?
	(a) Board of Directors
	(b) Audit Committee
	(c) Statutory Auditor
	(d) Independent Directors
145	Which of the following Audit testing methods is most effective as an audit test and gives the best audit evidence?
	(a) Inquiry
	(b) Observation
	(c) Inspection
	(d) Reperformance

146	User Training is an activity related to which of the following General IT Controls?
	(a) Data center and network operations
	(b) Program change
	(c) Access security
	(d) Application system acquisition, development, and maintenance (Business Applications)
147	The Objective of establishing Security Policies and Procedures is to
	(a) To ensure that production systems are processed to meet financial reporting objectives.
	(b) To ensure that modified systems continue to meet financial reporting objectives
	(c) To ensure that access to programs and data is authenticated and authorized to meet financial reporting objectives.
	(d) To ensure that systems are developed, configured and implemented to meet financial reporting objectives.
148	IT related risks, if not mitigated, may put an impact on
	(a) Substantive Audit
	(b) Controls
	(c) Reporting
	(d) All of above
149	Which of the following Audit Testing methods give the least audit evidence?
	(a) Inquiry
	(b) Inspection
	(c) Observation
	(d) Reperformance
150	Applying _____ gives the most effective and efficient audit evidence while using Audit testing methods.
	(a) Inquiry in combination with Inspection.
	(b) Inspection in combination with Observation
	(c) Observation in combination with reperformance
	(d) Reperformance in combination with Inquiry
151	_____ are needed to support the functioning of _____
	(a) General IT Controls; Application Controls
	(b) Application Controls; General IT Controls
	(c) IT Dependent Controls; General IT Controls
	(d) Application Controls; IT Dependent Controls
152	The term Internal Financial Controls (IFC) basically refers to the policies and procedures put in place by companies for ensuring:
	(a) reliability of financial reporting
	(b) effectiveness and efficiency of operations
	(c) compliance with applicable laws and regulations
	(d) All of the above
153	The company and _____shall abide by the provisions specified in Schedule IV which lays down the Code for Independent Directors
	(a) independent directors
	(b) women directors
	(c) board of directors
	(d) executive directors

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154	**The tools and techniques that auditors use in applying the principles of data analytics are known as:**
	(a) Data analytics tools
	(b) Computer Assisted Auditing Techniques or CAATs in short
	(c) Analytics tools and techniques
	(d) System generated tools
155	**A type of super user access to information systems that enforces less or no limits on using that system is known as:**
	(a) Super access.
	(b) Super user access.
	(c) Unlimited access.
	(d) Privileged access. **[RTP-May 22]**

Answer Key		
Q. No.		**Answer**
133	**(c)**	Access Security
134	**(d)**	Configurations
135	**(b)**	Directors
136	**(a)**	ICAI
137	**(d)**	Automated Environment
138	**(a)**	General IT Controls
139	**(c)**	Data Analytics
140	**(a)**	Application controls
141	**(b)**	IT dependent Controls
142	**(c)**	Database
143	**(a)**	Material weakness
144	**(d)**	Independent Directors
145	**(d)**	Reperformance
146	**(b)**	Program change
147	**(c)**	To ensure that access to programs and data is authenticated and authorized to meet financial reporting objectives.
148	**(d)**	All of above
149	**(a)**	Inquiry
150	**(a)**	Inquiry in combination with Inspection.
151	**(a)**	General IT Controls; Application Controls
152	**(d)**	All of the above
153	**(a)**	independent directors
154	**(b)**	Computer Assisted Auditing Techniques or CAATs in short
155	**(d)**	Privileged access.