

Chapter-9 "Audit of Items of F.S." (Lecture-2)

① Assertions

② Audit of Share Capital

③ Audit of Reserves and Surplus

④ Audit of Borrowings:

Q.1: While verifying the borrowings of X Ltd, auditor plans to perform external confirmation procedures to ensure existence of borrowings from all banks and financial institutions.

In relation to this activity, guide the auditor as to specific aspects to be taken care of. (3 Marks)

Q.2: Mention the specific procedures to be performed by an auditor to verify that all borrowings have been accounted for in the books of the company on a timely basis. (i.e. Assertion of completeness) (3 Marks)

⑤ Audit of Trade payables and Current liabilities:

Q.1: Write a short note on the criteria for classification of liabilities into Current and Non-current liabilities. (4 Marks)

Q.2: What are the disclosure requirements of Sch-III w.r.t. the trade payables in relation to Micro and Small Enterprises (5 Marks)

Q.3: Auditor is required to examine various assertions like Existence, Completeness, Valuation and presentation etc. in relation to financial statements items. For this purpose, auditor perform various procedures, like direct confirmation, inspection of records, written representations, inquiry with mgmt. etc. In addition to these procedures, auditor may apply analytical procedures to examine various assertions.

[State the various analytical procedures to be performed to examine various assertions relating to trade payables. (5 Marks)]

⑥ Audit of Provisions and Contingent liabilities: - Self Study -

