

Chapter - 5 "Audit of Items of F.S."

- Topics Covered :
- (1) Assertions
 - (2) Audit of Share Capital
 - (3) " " Reserves and Surplus

- (4) Audit of Borrowings : Assertions to be Examined :
- (i) Existence
 - (ii) Completeness
 - (iii) Valuation
 - (iv) Presentation and disclosure
FRF - [Sch-III + AS]

Q. - H.w.

Q.1 : While carrying out audit of X Ltd., engagement team member is not sure as to disclosures required in the financial statements w.r.t. borrowings. Guide Engagement team members as to ^{Additional} disclosures to be given in the financial w.r.t. following :

- (a) Borrowings from banks or F.I. on the basis of security of current assets.
- (b) Company is declared as a wilful defaulter by any bank. (2+2 Marks)

(5) Audit of trade payable and other current liabilities :

(A) Criteria for classification of a liability as current liability : Learning + Noting

- (B) Assertions to be Examined :
- | | |
|------------------|---------------------------------|
| (a) Existence | (c) Valuation |
| (b) Completeness | (d) Presentation and Disclosure |

Q : Mr X is Auditor of ABC Ltd. for FY 23-24. Guide Mr. X as to the various Analytical procedures that may be helpful for obtaining Audit Evidence regarding various assertions w.r.t. Trade payables and other Current liabilities.

Q ^{Imp.} Write short note on : Disclosures relating to Micro and Small Enterprises -

(6) Audit of Provisions and Contingent liabilities: - Self study -