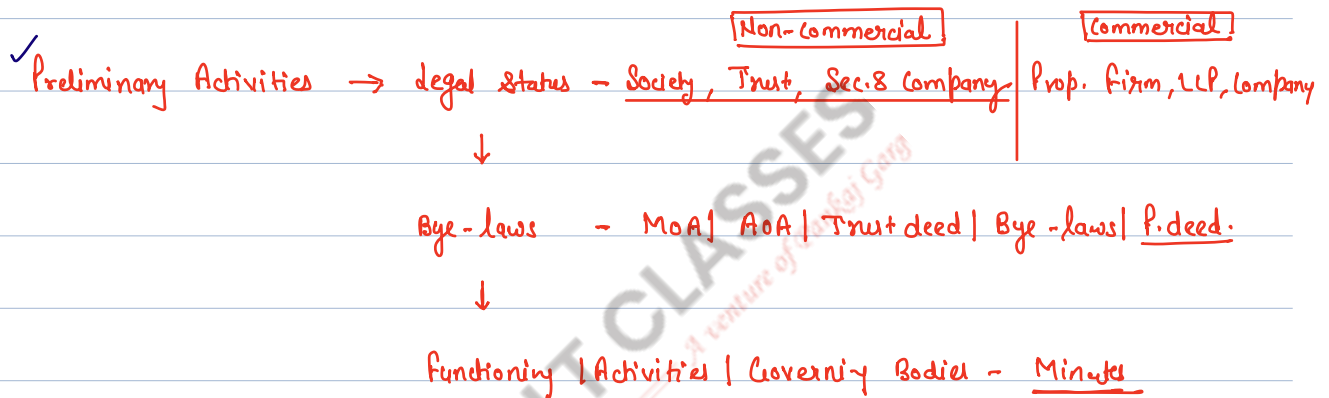
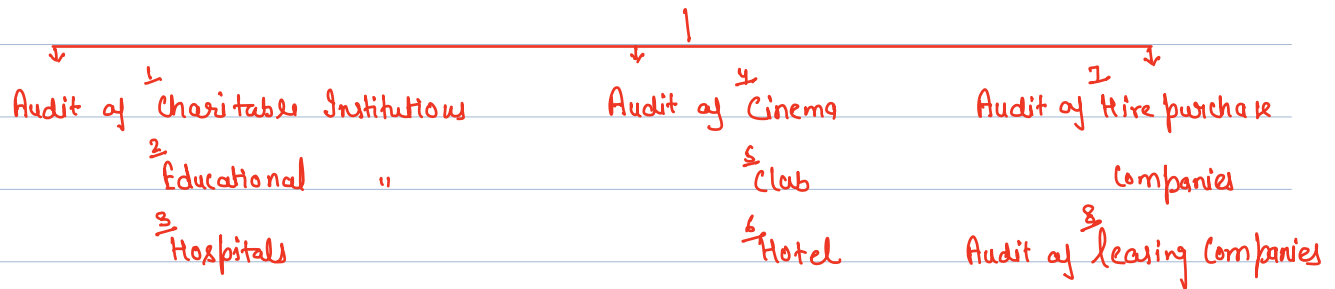
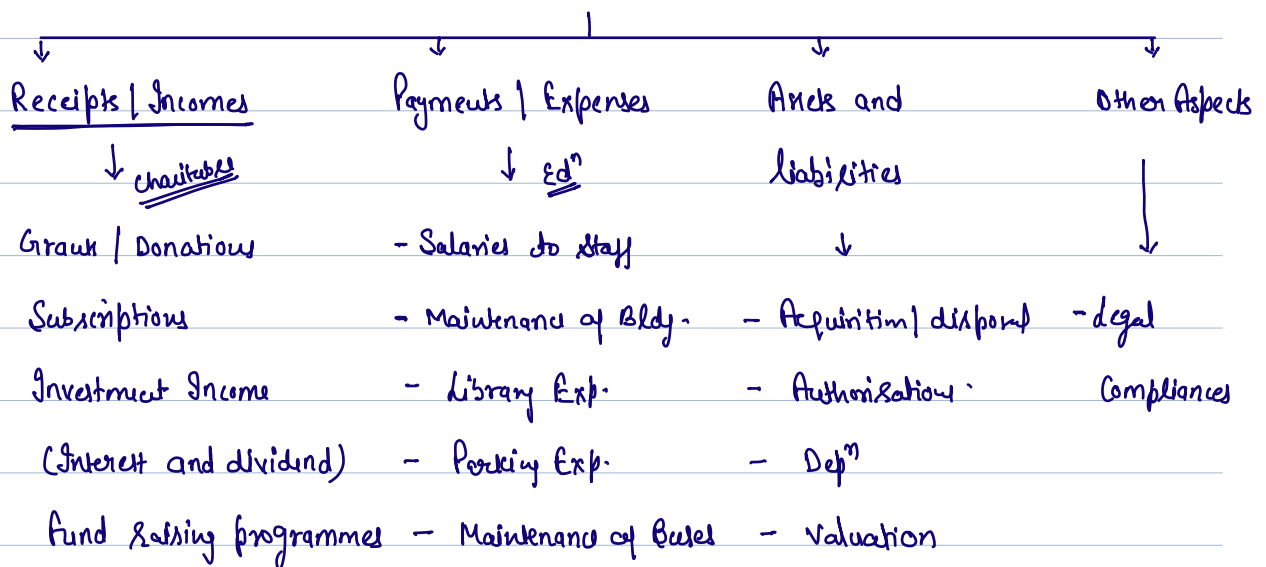


Chapter - 13 "Audit of different Entities"

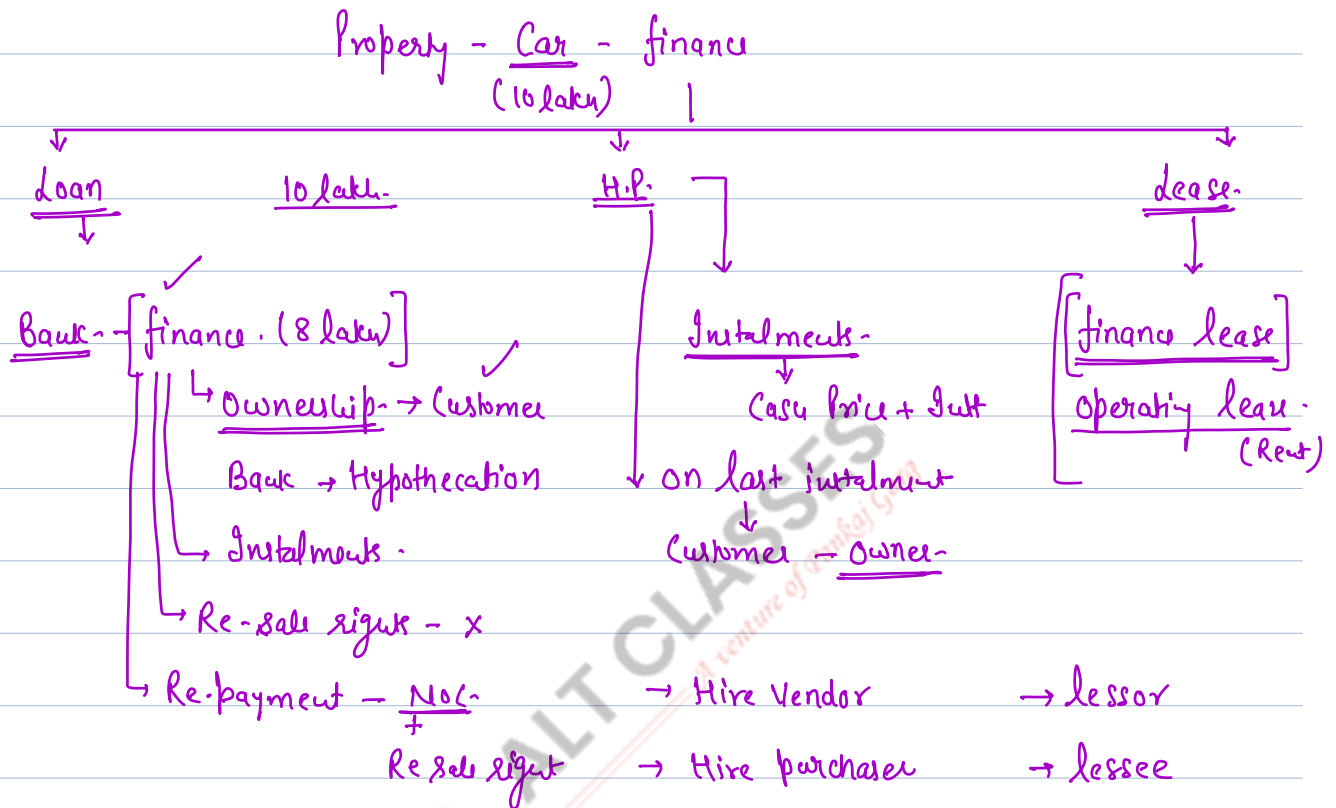
Part - C "Misc. Audits"



Substantive Checking: Extent of substantive testing depends on existence and effectiveness of I.C. system.



Hire - Purchase and lease transactions



	<u>Asset</u>	<u>lease period</u>	<u>lease payments</u>	<u>ownership</u>
<u>Finance lease</u>	[selected by lessee]	Approx. life of Asset	Covers full value of asset + <u>finan chg.</u> - lessee	offered to lessee
<u>operating lease</u>	selected by lessor	short period as decided by parties	<u>Rent</u>	remains with lessor