

FINAL COURSE: GROUP I

PAPER-3: ADVANCED AUDITING, ASSURANCE AND PROFESSIONAL ETHICS

(MTP 10: Ch. 9 and 10)

Suggested Answers

Q. No.	Correct Option	Remarks
1	(b) <i>Independence not required unless terms demand; disclose if not independent.</i>	<i>Under such engagements, independence is not mandatory, but if terms require compliance, lack of independence must be disclosed.</i>
2	(b) <i>Clear specification of the procedures to be performed, purpose of the engagement, identification of information to be covered, and restriction on distribution of the final report</i>	<i>Engagement letter must clarify procedures, purpose, scope, specific information, and restriction on distribution; no assurance is provided.</i>
3	(c) <i>It consists of applying accounting expertise to assist management in presenting financial information, without undertaking audit-type procedures or expressing any assurance.</i>	<i>A compilation uses accounting expertise to present information; no verification or assurance is required.</i>
4	(b) <i>Firm-level quality control requirements apply, and the engagement partner must ensure compliance with ethical requirements, supervision of staff, and adherence to relevant policies of the firm</i>	<i>Even though non-assurance, the firm must apply its quality control policies, including ethical compliance and proper supervision.</i>
5	(d) <i>Propose the appropriate amendment, and if management still refuses, withdraw from the engagement as the information would otherwise be materially misstated</i>	<i>If the compiled information becomes materially misstated and management refuses correction, the practitioner must withdraw.</i>

6	(a)	He must design inquiry and analytical procedures targeting material areas, and may include additional procedures such as reviewing major contracts if unusual trends or inconsistencies arise	Review procedures focus primarily on inquiry & analytics, but additional procedures are required when anomalies or unusual trends appear.
7	(b)	Management must provide written representations confirming responsibility for preparation of financial statements, completeness of transactions, and disclosures of fraud, related parties, and significant events	Written representations are mandatory and must include management's responsibilities, completeness assertions, fraud, related parties, and significant events.
8	(a)	Because the review is being performed by the entity's statutory auditor on financial information for a period shorter than a full financial year, and the conclusion involves limited assurance based primarily on inquiry and analytical procedures	This review applies because interim information is reviewed by the independent auditor using inquiry & analytical procedures with limited assurance.
9	(b)	He must perform inquiries and analytical procedures, expanding them with other procedures only when matters arise that cause him to believe that the interim financial information may be materially misstated	Review evidence primarily comes from inquiries & analytics; additional procedures arise only when indicators of misstatement exist.
10	(d)	He should inquire into management's plans, assess the feasibility of those plans, consider whether disclosures are adequate, and evaluate if events such as covenant breaches cast significant doubt requiring further procedures	Interim review requires evaluating going concern by inquiry, assessing plans, and determining whether events cast significant doubt.

Link for Resources (Revision Videos, MTPs, Amendments, Charts, etc.)

1	Youtube Channel	https://www.youtube.com/@altclassesca9193	 CA Pankaj Garg
2	Telegram Channel	https://t.me/altclasses	
3	Whatsapp Group for Doubts	https://chat.whatsapp.com/LSDM362gJy2ErmRgTi7ceA	
4	LMS Link	https://altclasses.in/knowledge-forum-ca-final/	
5	Contact Number	9319805511 , 7206941195	
6	Website Link	https://altclasses.in/	



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