

FINAL COURSE: GROUP I

PAPER-3: ADVANCED AUDITING, ASSURANCE AND PROFESSIONAL ETHICS

(MTP 15: Ch. 15 – Audit of PSU)

Suggested Answers

Q. No.	Correct Option	Remarks
1	(c) Assessing whether the expenditure reflects vigilance and prudence comparable to that of a person spending their own money, and whether any alternative course of action could have yielded better results without compromising public interest.	Propriety audit focuses on economic wisdom, avoidance of avoidable/infructuous expenditure, prudence as if one spends own money, and examination of alternative actions—functions explicitly described in propriety audit responsibilities in the PDF.
2	(a) Presence of the three parties to the audit, the subject matter with its criteria and evaluated information, and classification of the audit as either attestation or direct reporting	These are the exact three components listed in the PDF as the basic elements of PSU audits: (i) auditor–responsible party–intended users, (ii) subject matter/criteria/subject matter information, and (iii) type of engagement (attestation or direct reporting).
3	(a) Whether the company deployed human, financial and material resources in a manner that maximised production without compromising the quality of output.	Efficiency audit examines input-output relationships and whether resources are used optimally, as stated under audits of efficiency (public programmes managed cost-effectively).
4	(b) Whether resources such as consultancy services and technical equipment were acquired at appropriate quantity and quality and at the most advantageous price.	Economy refers to minimising cost of resources while ensuring appropriate quantity and quality at best price, as defined in Performance Audit guidelines.
5	(c) Whether intended impacts—such as reduction in import volumes and enhanced domestic capacity—were achieved and whether deviations could be traced to weaknesses in programme implementation.	Effectiveness relates to extent objectives are achieved and whether results are attributable to programme implementation, per Performance Audit framework.

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

1	Youtube Channel	https://www.youtube.com/@altclassesca9193	 www.altclasses.in 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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