

INTER COURSE: GROUP II
PAPER-5: AUDITING AND ETHICS

(MTP 3: Ch. 2 – Nature, Objective and Scope of Audit)

Suggested Answers

Q. No.	Correct Option	Remarks
1	(b) <i>Ritu should coordinate with the component auditor to understand the scope and timing of their work and evaluate their competence and independence before deciding the extent of reliance to place; she should also consider involving the engineer's valuation report as part of her audit evidence.</i>	<i>Under SA 300 (planning) and SA 600 (use of component auditor's work), the auditor must coordinate scope, timing, communication, and evaluation of others' work. Also, per SA 500/620, reliance on an expert's work must be assessed and integrated into planning.</i>
2	(b) <i>Conducting preliminary engagement activities, which include evaluating ethical compliance and client continuance.</i>	<i>Checking independence, client integrity, and communicating with previous auditor form part of preliminary engagement before planning begins.</i>
3	(a) <i>He was establishing the overall audit strategy, as he was determining scope, timing, direction, and allocation of resources.</i>	<i>Determining scope, timing, resource allocation, and coordination with experts are components of establishing overall audit strategy, not the audit plan.</i>

4	(c)	Audit programmes should be applied with flexibility, encouraging assistants to report significant matters not specifically listed in the instructions.	Assistants must use professional judgment, report unusual matters, and not follow audit programmes mechanically. Programmes must be applied flexibly.
5	(b)	The auditor shall document the overall audit strategy, audit plan, and significant changes, including reasons for revisions.	SA 300 requires documenting the overall audit strategy, audit plan, and any significant changes with reasons for revision.



Link for Resources (Revision Videos, MTPs, Amendments, Charts, etc.)		
1	Youtube Channel	https://www.youtube.com/@altclassesca9193
2	Telegram Channel	https://t.me/altclasses
3	Whatsapp Group for Doubts	https://chat.whatsapp.com/DiDJAVV1TdiLAf3zd1JH4A
4	LMS Link	https://altclasses.in/knowledge-forum-ca-inter/
5	Contact Number	9319805511, 7206941195
6	Website Link	https://altclasses.in/


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