

INTER COURSE: GROUP II

PAPER-5: AUDITING AND ETHICS

(MTP 8: Ch. 7 – Completion and Review)

Suggested Answers

Q. No.	Correct Option	Remarks
1	(b) The existence of multiple adverse indicators and unsupported assumptions in management's forecast requires the auditor to conclude that a material uncertainty exists, and if adequately disclosed, report under the "Material Uncertainty Related to Going Concern" section.	SA 570 requires the auditor to evaluate whether material uncertainty exists considering cash flow issues, loan renewal uncertainty, unreliable forecasts, and absence of binding orders. If disclosures are adequate, the auditor issues an unmodified opinion with a separate MURGC section.
2	(b) Treat the refusal to provide written representation as a limitation on scope and evaluate the need for a disclaimer of opinion	SA 580 requires written representations mandatorily for management's responsibilities. If management refuses, it creates a scope limitation, and the auditor may need to disclaim an opinion, as the reliability of other evidence is undermined.
3	(a) Discuss the matter with management, assess the need for amendment, and extend procedures up to the date of the revised report if amended.	The event occurred after approval but before issue, so the auditor must evaluate whether the financial statements require amendment and perform necessary procedures in line with post-report responsibilities under subsequent events.
4	(b) Reassess materiality, evaluate aggregated uncorrected misstatements, and communicate the matter to those charged with governance.	SA 450 requires the auditor to accumulate, aggregate, reassess materiality, and communicate uncorrected misstatements nearing materiality to TCWG.
5	(d) Communicate the deficiencies in writing to governance level, explain implications, and recommend timely remediation	Under SA 265, significant deficiencies must be communicated in writing to TCWG, even if management is aware informally.

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

1	Youtube Channel	https://www.youtube.com/@altclassesca9193	 www.altclasses.in
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	CA Pankaj Garg
6	Website Link	https://altclasses.in/	



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