

The Co-operative University of Kenya

END OF SEMESTER EXAMINATION DECEMBER-2018

**EXAMINATION FOR THE DEGREE OF BACHELOR OF CO-OPERATIVE
BUSINESS**

UNIT CODE: HCOB 2323

UNIT TITLE: COOPERATIVE AUDITING II

DATE: DECEMBER, 2018

TIME:

INSTRUCTIONS:

- Answer question **ONE (compulsory)** and any other **TWO** questions

QUESTION ONE

- (a) Highlight the elements of an audit report and state the circumstances of qualified audit report (5 marks)
 - (ii) As an auditor highlight the factors to use of independence as auditor while auditing the client business (5 marks)
- (b) Using any cooperative organization of your choice and highlight how internal control system is applied by the organization (10 marks)
- (c) As an auditor use the audit risk model to explain the application of the model to your audit work of the client by identifying all the elements to the model (10 marks)

QUESTION TWO

- (a) As an auditor explain how the audit evidence can be collected in a large organization (10 marks)
- (b) Use an organization of your choice to explain the preparation of an audit programme to be used in auditing the organization (10 marks)

QUESTION THREE

- (a) As an auditor explain purpose of working papers and the custody of working papers (10 marks)
- (b) Use the same organization to discuss the internal controls that are to be used in a computerized accounting environment (10 marks)

QUESTION FOUR

- (a) Use an organization of your choice to discuss nature, purpose & objectives of an audit (10 marks)
- (b) Use an organization of your choice to explain the causes & prevention of frauds in an organization (10 marks)

QUESTION FIVE

- (a) Highlight the comparisons that exist among accounting, auditing and investigation as applied in auditing by the auditor (10 marks)
- (b) Explain FIVE users of audited financial reports by indicating the interested information for each user (10 marks)

(c)