

The Co-operative University of Kenya

END OF SEMESTER EXAMINATION DECEMBER-2018

EXAMINATION FOR THE DEGREE OF BACHELOR OF CO-OPERATIVE

BUSINESS

UNIT CODE: BCOB

UNIT TITLE: COOPERATIVE AUDITING

DATE: DECEMBER, 2018

TIME:

INSTRUCTIONS:

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

QUESTION ONE

- (a) Briefly discuss the term professional ethics in relation to auditing (5 marks)
- (b) Differentiate between statutory and private audit (5 marks)
- (c) List FIVE book accounts that are used in auditing (5 marks)
- (d) Discuss in details FIVE methods of appointing an external auditor (5 marks)
- (e) You are requested to briefly explain to a new audit clerk in a firm the similarities between an internal and external auditor (4 marks)
- (f) Briefly explain the following terms:
 - i. Qualified audit report (3 marks)
 - ii. Unqualified audit report

QUESTION TWO

- (a) Discuss FIVE advantages of Audit programmes (10 marks)
- (b) Briefly discuss the FIVE methods of gathering audit evidence (10 marks)

QUESTION THREE

- (a) Discuss FIVE functions of international auditing in a co-operative society (10 marks)
- (b) You have been appointed as a new audit clerk what is contained in a permanent file of an audit. (10 marks)

QUESTION FOUR

- (a) Discuss FIVE methods of audit sampling (10 marks)
- (b) Briefly explain the advantages and disadvantages of final audit in an organization (10 marks)

QUESTION FIVE

- (a) Briefly explain the term “independence of Auditors” and indicate its importance to the auditing profession (5 marks)
- (b) You are requested to discuss the advantages and disadvantages of audit recording (15 marks)