Subject Code: 2CM1010312	**Subject Title: Fundamentals Of Auditing**
	COURSE TYPE : CORE ELECTIVE

Course Objective: To provide fundamental knowledge of Auditing of small business organization and its requirement for business.

Teaching Scheme (Hours per week)				**Evaluation Scheme (Marks)**		
Lecture	**Tutorial**	**Practical**	**Credit**	**University Assessment**	**Institutional Assessment**	**Total**
3	-	-	3	70	30	100

Subject Contents

Sr. No	**Topic**	**Total Hours**	**Weight (%)**
1	**1) AUDIT- AN INTRODUCTION** (1) Definition (2) Characteristics (3) Origin and Development of auditing (4) Scope of auditing (5) Principles and Techniques of auditing (6) Book-keeping, Accountancy, Auditing and investigation (7) Difference between Accountancy and Auditing (8) Accountancy Necessity, while Auditing a luxury (9) Advantages of Auditing (10) Limitations of auditing **2) OBJECTIVES OF AUDIT** (1) Introduction (2) Objectives of Audit (3) Detection and prevention of errors (4) Effects of errors on Agreement of a trial Balance (5) Detection of errors when trial balance does not agree (6) Detection and prevention of Frauds (7) Embezzlement of cash (8) Misappropriation of goods (9) Manipulation of Accounts (10) position of auditor as regards Detection of Frauds and errors (11) modern view on position of auditor as Regards Fraud (12) Other objectives of audit.	9	25%
2	**1) TYPES OF AUDIT** (1)Introduction (2)types of Audit (A) From viewpoints of various forms of organization (i) Audit of Accounts of a sole trader (ii) Audit of Accounts of Partnership (iii) Audit of accounts of joint stock company (iv) Audit of accounts of trust (v) Audit of accounts of co-operative society (B) From viewpoint of law (i) Statutory Audit (ii) Voluntary audit (C) On the basis of time (i) interim Audit (ii) Annual Audit (C) On the basis of continuity (i) continuous Audit (ii) Complete audit (iii) Partial Audit (iv) Auditing in Depth (D) On the basis of scope of Audit (i) Internal Audit (ii) External Audit (iii) Branch Audit (E) Special types of Audit (i) Cost Audit (ii) Efficiency Audit (iii) Propriety Audit (iv) Management Audit (v) Government Audit (vi) Special Audit **2) ORGANIZING AUDIT WORK** (1) Introduction (2) Organizing Audit Work (3) Keeping note of Appointment (4) Audit Programme (5) Division of work amongst Audit Assistants (6) Audit Note Book (7) Auditor's Working papers (8) Determining Audit Procedure: (a) Tick mark (b) Routine Checking (c) Test Checking (d) surprise checking	9	25%

3	**1) INTERNAL CHECK, INTERNAL CONTROL AND INTERNAL AUDIT** (1)Introduction (2) Meaning of internal Control (3) scope of internal control (4) Definition of internal check (5) Characteristics of internal check (6) Objectives of internal check (7) Advantages of internal check (8) Limitations of internal check system. (9) Types of internal check (10) Characteristics of good internal check system (11) Basic principles of internal check system (12) Auditor's Duty in regard to internal check system (13) Ascertainment of efficiency of internal check (14) Difference between internal check and internal audit (15) Internal check for cash (16) Internal check for wages payment (17) Internal audit (18) Difference between internal and statutory audit (19) Difference between internal check and internal audit. **2) VOUCHING** (1) Introduction (2) definition (3) Meaning (4) Characteristics (5) Objectives (6) Importance (7) points to be considered in vouching (8) vouching and Auditor's Duties. (9) vouching the receipts side of cash book (10) Vouching the payment side of cash book	9	25%
4	**VALUATION AND VERIFICATION OFASSETS AND LIABILITIES** **1) Valuation of assets and Liabilities** (1) Meaning (2) Difference between Verification and Valuation (3) Classification of Assets (4) Auditors' duties Regarding valuation (5) Valuation of various Assets and liabilities **2) Verification of assets and liabilities** (1)Meaning (2) Objectives (4) Important or advantages (5) General principal (6) auditor's duties and Liabilities with regards to verification (7) Difference between verification and vouching.	9	25%

Reference Books:

1. Basu Sk. *Auditing principles & Techniques,*
2. Batra & Bagadia*: Text Book of Auditing* ; Taxman Publication New Delhi
3. Emile Woolf Et al Mcdonald& Evans *Advanced Auditing & Investigation*, U.K.
4. Emile Woolf, *Auditing Today* Prentice Hall
5. Gupta Karnal : Contemporary Auditing ; Tata McGraw – Hill, New Delhi,
6. Pagare Dinkar : *Principles and Practice of Auditing*; Sultan Chand, New Delhi.
7. R. G. Saxena : *Principle & Practicing Auditing* ; Himalaya Publications.
8. Rana T.J. Others, Auditing-1, Sudhir Prakashan, Ahmedabad
9. S. V. Ghatalia : *Practical Auditing* ; Allied Publisher.
10. Sharma T. R : *Auditing Principles and Problems*; Sahitya Bhawan, Agra.