

Discipline Specific Elective Course- 5.6 (DSE-5.6): Auditing

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
Auditing DSE-5.6	4	3	1	0	Pass in Class XII	NIL

Learning Objective: The course aims to provide knowledge of auditing concepts, principles, procedures, and techniques in accordance with current legal requirements.

Learning Outcomes: After completion of the course, learners will be able to:

1. Recognise the basic concepts of auditing and acquaint with latest developments in the area of auditing;
2. Describe the need of auditing and role of auditors;
3. Demonstrate the principles, procedures and techniques of auditing;
4. Interpret the contents of audit reports;
5. Analyse the provisions of Companies Act, 2013 relating to auditor and auditing.

SYLLABUS OF DSE-5.6

Unit 1: Introduction (7 hours)

Meaning and objectives of auditing; nature and scope of auditing; basic principles and techniques of auditing; Classification of audit; Audit in a computerized environment.

Unit 2: Internal Control and Audit Procedures (9 hours)

Audit planning and documentation; audit evidence; audit sampling, internal check, internal control, and internal audit.

Unit 3: Vouching and Verification (11 hours)

Vouching – Meaning and objectives; Procedure of Vouching; Vouching of Cash and Bank, Purchase and Sales; Verification of Assets and Liabilities; Inventory Valuation.

Unit 4: Company Auditors (11 hours)

Qualifications and disqualifications; appointment and rotation, removal, remuneration, rights, duties and liabilities of Auditors.

Unit 5: Audit Report and Special Audit (7 hours)

Contents and types of audit report, Qualified and Unqualified report; National Financial Reporting Authority. Special Audit: Banking and Insurance company; Forensic Audit.

Exercises:

The learners are required to:

1. Critically analyse auditing-based case studies with the help of focussed group discussions.
2. Examine the audit reports published by Indian companies.
3. Identify and verify any five-documentary evidence in connection with sales, purchases of goods/machineries, payment of expenses and liabilities.
4. Prepare internal control questionnaire and internal control checklist for audit of an organisation/business firm.
5. Examine the P & L Account and Balance Sheet of Listed Companies and identify gaps for forensic audit.

Suggested Readings:

- Ainapure, V., & Ainapure, M. (2009). *Auditing & Assurance*. Delhi, India: PHI Learning.
- Garg, P. (2022). *Auditing & Assurance*. Delhi, India: Taxmann Publication.
- Kamal, G. (1980). *Contemporary Auditing*. Delhi, India: Tata Mcgraw Hill Publishing Company.
- Kumar, R., & Sharma, V. (2015). *Auditing Principles and Practice*. Delhi, India: PHI Learning.
- Roy, P.K. (2019). *Auditing & Assurance*. (1st ed.). Delhi, India: Oxford University Press.
- Singh A. K., & Gupta, L. (2011). *Auditing Theory and Practice*. Noida, India: Galgotia Publishing.
- Tandon, B. N., Sudharsnam, S., & Sundharabahu, S. (2007). *A Hand book on Practical Auditing*. Delhi, India: S. Chand Publishing.

Note: Suggested readings will be updated by the Department of Commerce and uploaded on the Department's website.

Standard on Auditing and Statements on Auditing Practice issued by the ICAI shall be referred wherever necessary.