



KISII UNIVERSITY
UNIVERSITY EXAMINATIONS
FIRST YEAR EXAMINATION FOR THE AWARD OF THE
CERTIFICATE IN ACCOUNTING AND FINANCE
FIRST SEMESTER 2023/2024
[AUGUST-DECEMBER, 2023]

CIAF 0121: AUDITING

STREAM: Y1 S2

TIME: 2 HOURS

DAY: MONDAY, 12.00 -2.00 P.M.

DATE: 27/11/2023

INSTRUCTIONS

- 1. Do not write anything on this question paper.***
- 2. Answer Questions ONE and any other THREE Questions***

QUESTION ONE :(25 MARKS)

- a) Explain the following:
- i) Analytical review. [2marks]
 - ii) Vouching. [2marks]
 - iii) Explain the features of a good sample. [6marks]
 - iv) Auditing. [2marks]
- b) Explain factors considered when preparing an audit plan. [4marks]
- c) Under what circumstances will an auditor issue a qualified opinion in an audit report? [3 marks]
- d) Describe the following:
- i) Audit evidence. [2marks]
 - ii) Non sampling risk. [2marks]
 - iii) Public audit. [2marks]

QUESTION TWO [15 MARKS]

a.) Distinguish the following:

- i) Auditing and accounting. [4marks]
- ii) Internal audit and external audit. [4marks]

b.) Explain factors that determine the size of an audit sample. [7marks]

QUESTION THREE [15 MARKS]

Explain the following:

- i) Permanent audit file. [3marks]
- ii) Current audit file. [3marks]
- iii) Audit notebooks. [3marks]
- iv) Audit control and review sheets. [3marks]
- v) Manuals. [3marks]

QUESTION FOUR [15 MARKS]

- a) Explain the qualities of a good sample that can be used in auditing [6Marks]
- b) Describe the following:
 - i) Private audit. [3marks]
 - ii) Continuous audit. [3marks]
 - iii) Interim audit [3marks]

QUESTION FIVE [15 MARKS]

- a) Explain sources of information on new client to an auditor. [9marks]
- b) Describe the basic elements contained in an audit report. [7marks]

QUESTION SIX [15 MARKS]

- a) Describe the stages of planning for an audit. [9marks]
- b) Explain methods of obtaining audit evidence. [6marks]