



Kasarani Campus
Off Thika Road
Tel. 2042692 / 3
P.O. Box 49274, 00100
NAIROBI
Westlands Campus
Pamstech House
Woodvale Grove
Tel. 4442212
Fax: 4444175

KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR
FIRST YEAR, SECOND SEMESTER EXAMINATION
FOR THE DIPLOMA IN ACCOUNTING
DAC 1504: AUDITING

Date: 7TH DECEMBER 2023
Time: 2:30PM-4:30PM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- (a) P&K Associates have been appointed to audit the accounts of Glory Limited. Explain six steps that the firm should consider before accepting the appointment. (6 Marks)
- (b) Explain six advantages of using Computer Assisted Audit Techniques (CAATs) during auditing. (6 Marks)
- (c) Outline the elements of an unqualified audit report. (6 Marks)
- (d) Highlight six advantages of statistical sampling (6 Marks)
- (e) Explain three qualities of an auditor (6 Marks)

QUESTION TWO (20 MARKS)

- (a) Highlight five benefits of internal audit (10 Marks)
- (b) Evaluate five advantages of auditing (5 Marks)
- (c) Describe five types of internal controls applicable in an organization (5 Marks)

QUESTION THREE (20 MARKS)

- (a) Explain four reasons that make auditors independence important in an audit. (8 Marks)
- (b) Highlight six problems that an auditor may face in gathering audit evidence. (6 Marks)
- (d) Define private audit and explain the reasons why stakeholders are interested in this type of audit (6 Marks)

QUESTION FOUR (20 MARKS)

- (a) Management assertions are claims made by members of management regarding certain aspects of a business. Describe three classifications of management assertions. (9 Marks)
- (b) Enumerate seven qualities of a good audit report (7 Marks)
- (c) Distinguish between circumstantial audit evidence and secondary audit evidence (4 Marks)

QUESTION FIVE (20 MARKS)

- (a) Explain six rights of an auditor as stipulated in companies Act Cap 486 (6 Marks)
- (b) Highlight six objectives of audit sampling (6 Marks)
- (c) Discuss the importance of internal control systems (8 Marks)