

19. (a) Explain the types of non-performing assets.

Or

- (b) Explain the functions of an auditor while auditing the assets of the banking companies.

20. (a) Explain the powers of an auditor with regards to audit of the bank branches.

Or

- (b) Discuss the purpose of control exercised by the board of Inspection of RBI.

SECTION C — (3 × 10 = 30)

Answer any THREE questions.

21. Describe the objectives of audit. Enumerate its advantages.
22. Distinguish between error and fraud. Discuss the role of auditors in the detection of fraud and errors.
23. Explain the power of auditor at the time of examination of profit and loss account.
24. State the prudential accounting norms relating to the assets of banking companies. Discuss the steps involved in the audit of prudential accounting norms.
25. Describe the role of auditor in the verification and valuation of investment and liabilities of a bank.

S.No. 1184

P 22 BMCC 1 A

(For candidates admitted from 2022–2023 onwards)

M.Com DEGREE EXAMINATION, NOVEMBER 2022.

Bank Management — Core Choice Course

BANK AUDIT

Time : Three hours

Maximum : 75 marks

SECTION A — (20 marks)

Answer ALL questions.

- I. (A) Multiple choice questions. (5 × 1 = 5)
1. Concurrent audit is a part of _____.
- (a) Internal check system
- (b) Continuous audit
- (c) Internal audit system
- (d) Final audit
2. Teeming and lading is a type of fraud committed while _____.
- (a) Making collection from debtors
- (b) Making payment to creditors
- (c) Withdrawal from bank
- (d) Making payment to employees

3. The profit and loss account of a banking company has to be prepared in _____ of schedule III.
- (a) Form A (b) Form B
(c) Form C (d) Form D
4. Under the RBI norms, an account is classified as a non performing asset (NPA) if it is not serviced for
- (a) 30 days (b) 60 days
(c) 90 days (d) 180 days
5. Verification of entries in the books of accounts with the aid of documentary evidence is called _____.
- (a) Vouching (b) Investigation
(c) Auditing (d) Valuation
- (B) Fill in the blanks. (5 × 1 = 5)
6. The first auditor or auditors are appointed by _____.
7. Probability of committing frauds and errors are more in _____ transactions.
8. The reserves that are not revealed in balancesheet are called _____.
9. An asset which provides income and which could be realised easily is a _____.
10. The auditor should satisfy himself that the assets are properly valued and correctly stated in the _____.

- II. Answer the following questions. (5 × 2 = 10)
11. Define bookkeeping.
12. State the steps involved in the defection of errors.
13. Why is internal audit important in banks?
14. What are performing assets?
15. State the object of verification of assets.

SECTION B — (5 × 5 = 25)

Answer ALL questions, choosing either (a) or (b).

16. (a) Distinguish between auditing and investigation.
- Or
- (b) Explain the qualities of an auditor.
17. (a) Explain the various aspects to be considered in the location of errors.
- Or
- (b) Discuss the responsibilities of an auditor as regards prevention of fraud.
18. (a) Explain the provision of the Banking Regulation Act, 1949, relating to capital reserves.
- Or
- (b) Discuss the role of auditor while verification of balance sheet items.