



OFFICE OF THE DEPUTY PRINCIPAL
ACADEMICS, STUDENT AFFAIRS AND RESEARCH

UNIVERSITY EXAMINATIONS

2020 /2021 ACADEMIC YEAR

FOURTH YEAR FIRST SEMESTER MAIN EXAMINATION

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

COURSE CODE: BBM 403
**COURSE TITLE: AUDITING AND ASSURANCE
 SERVICES**

DATE: 16TH MARCH, 2021

TIME: 9AM – 12.00 NOON

INSTRUCTION TO CANDIDATES

- SEE INSIDE

THIS PAPER CONSISTS OF 3 PRINTED PAGES

PLEASE TURN OVER

MAIN EXAM

BBM 403: AUDITING AND ASSURANCE SERVICES

STREAM: BBM

DURATION: 3 Hours

INSTRUCTIONS TO CANDIDATES

- i. Answer Question ONE and any other TWO questions.*
- ii. Maps and diagrams should be used whenever they serve to illustrate the answer.*
- iii. Do not write on the question paper.*

QUESTION ONE

- (a) Distinguish disclaimer from adverse auditor's opinion (4 marks)
- (b) A auditor is to be reappointed without any resolution being passed at the meeting. Support this statement by enumerating exceptions to this rule of thumb. (4 marks)
- (c) Highlight the non-audit services that can be provided other than statutory audit (6 marks)
- (d) Discuss the purpose of auditing saving and credit cooperative society (10 marks)
- (e) The forensic auditor will plan their investigation to achieve objectives. Discuss. (6 marks)

QUESTION TWO

- (a) Both internal and external audits apply audit approaches. Discuss. (8 marks)
- (b) Discuss the purpose of audit to a small business (12 marks)

QUESTION THREE

- (a) Quality control is a process to provide the firm with reasonable assurance that its personnel comply with applicable professional standards and the firm's standards of quality. In view of this, discuss the elements of quality control (10 marks)
- (b) The auditor is expected to promote professional and ethical considerations at all times. Discuss. (10 marks)

QUESTION FOUR

Cost benefit analysis of auditing is a process used primarily that weighs the sum of the benefits against the costs. In line with this statement, explain;

- (i) The benefits of auditing (10marks)
- (ii) Th costs of auditing (10 marks)

QUESTION FIVE

(a) To consider the certain document like a prospectus, auditors check key contents. Discuss. (12 marks)

(b) Explain the different types of prospectus that the management of an organization need to be aware of (8 marks)
