

Program : Diploma in Commercial Practice	
Course Code : 3143	Course Title: Auditing
Semester : 3	Credits: 5
Course Category: Program Core	
Periods per week: 5 (L:4, T:1, P:0)	Periods per semester: 75

Course Objectives:

- To understand objective and concepts of auditing and gain working knowledge of generally accepted auditing procedures.
- To acquire skills and techniques required to conduct audit.
- To enables students to examine all types of financial records, including payroll records, accounting books and inventory records.

Course Prerequisites:

Topic	Course code	Course name	Semester
Basic knowledge of accounting		Financial Accounting I	1
		Financial Accounting II	2

Course Outcomes:

On completion of the course, the student will be able to:

COn	Description	Duration (Hours)	Cognitive Level
CO1	Use the basic concept of auditing.	18	Applying
CO2	Interpret the effectiveness of the organization's risk management.	17	Applying
CO3	Identify the validity of the transactions of a business entered in the books of account.	24	Applying
CO4	Evaluate an entity's involvement in social endeavors and identify the auditor's role as per the Companies Act 2013.	14	Applying
	Series Test	2	

CO – PO Mapping:

Course Outcomes	PO1	PO2	PO3	PO4	PO5	PO6	PO7
CO1	3						
CO2		3					
CO3		3					
CO4	3						

3-Strongly mapped, 2-Moderately mapped, 1-Weakly mapped

Course Outline:

Module outcomes	Description	Duration (Hours)	Cognitive Level
CO1	Use the basic concept of auditing.		
M1.01	Explain advantages and limitations of auditing.	5	Understanding.
M1.02	Explain classification of audits.	8	Understanding.
M1.03	Compare book keeping and auditing.	2	Applying.
M1.04	Summarize the principles and techniques of auditing.	3	Understanding
Contents: Basic Concept of Auditing: Introduction to Auditing – Definition of Auditing – Book Keeping – Book keeping Vs Auditing Investigation - Auditing Vs investigation - Objectives of Auditing - Advantages - Limitations – Classification of Audit according to Organizational structure of a business – Statutory audit, Private Audit, Government Audit - Features of Gov. audit - Commercial Audit- Features of commercial audit - Government Audit Vs. Commercial Audit - Internal Audit - Characteristics of Internal Audit – Continuous Audit - Annual Audit - Balance sheet Audit - Cash Audit - Cost Audit- Principles and Techniques of Auditing.			
CO2	To interpret the effectiveness of the organization's risk management.		
M2.01	Illustrate advantages and disadvantages of internal check.	4	Understanding
M2.02	Identify internal check system as regards cash receipts, cash payments, purchase and sales, and wage payment system.	9	Applying
M2.03	Illustrate advantages and limitations of internal audit.	2	Understanding
M2.04	Compare internal audit and external audit.	2	Understanding
	Series Test – I	1	

Contents: Internal Check: Internal check – definition – objectives - advantages and limitations – Internal check of cash receipts and payments – Internal check of purchases and sales – Internal check of wage payments – Internal audit – definition – Objectives - advantages – limitations – Internal check Vs Internal audit – Internal audit Vs External Audit.			
CO3	Identify the validity of the transactions of a business entered in the books of account.		
M3.01	Illustrate objectives and importance of vouching.	2	Understanding
M3.02	Compare vouching and verification.	2	Understanding.
M3.03	Examine vouching of cash book and trading transactions.	8	Applying.
M3.04	Compare verification and valuation.	3	Understanding
M3.05	Explain verification and valuation of fixed asset and current asset.	5	Understanding
M4.06	Verification and valuation of fixed liabilities, and current liabilities.	4	Applying
Contents: Audit Procedures -Vouching and Verification: Vouching – Definition - Objectives – Importance - Voucher – Meaning – Features - Vouching of Cash Book - Cash receipts - Cash sales – Vouching of Cash payment - Capital Expenditure - Vouching of trading transactions - Purchases – Purchase Returns - Sales – Sales Returns – Bills Receivable Book, Bills Payable Book – Valuation - Meaning – Verification - Meaning - Vouching Vs Verification - Verification Vs Valuation - Verification of fixed assets – Plant and Machinery – Free hold property – Lease hold property – Furniture, fixtures and fittings – Motor vehicles – Copy right – Patent and Trade Mark – Goodwill –Verification of current assets – Cash in hand – Cash at bank – Bills receivable – Debtors – Investment – Verification of fixed liabilities – Debentures – Capital – Taxation Liability – Provision for bad and doubtful debts – Verification of Current liabilities – Creditors – Loans – Bills Payable – Bank Overdraft – Outstanding Liabilities – Income received in advance - Valuation of fixed assets – Current Assets – Valuation of Liabilities.			
CO4	Evaluate an entity's involvement in social endeavors and identify the auditor's role as per the Companies Act 2013.		
M4.01	Explain social audit.	6	Understanding

M4.02	Identify the auditor's role as per Companies Act 2013.	5	Applying
M4.03	Interpret different type of audit reports.	3	Understanding
	Series Test – II	1	

Contents:

Social Audit and Auditors of Joint Stock Companies: Social Audit Companies Act 2013 – Meaning and Definition – Objectives – Advantages and disadvantages of Social Audit – Need for Social Audit – Disclosure of information during Social audit – Category of Information to be disclosed – Auditor -Auditor's qualifications – disqualifications – appointment – remuneration - powers, duties and liabilities of auditor - Removal of an auditor - Audit report - Meaning - Essentials of Audit Report - Types of audit report.

Text / Reference:

T/R	Book Title/Author
T1	Prof.A. Assankutty & Dr. Azhara. A. (2017). <i>Auditing</i> . Calicut University Central Co-Operative Stores Ltd., No. 4347.
R1	Dr.T.R. Sharma. (2005). <i>Auditing</i> . Sahithya Bahawan Publications.
R2	Dinkar Pagare. (2006). <i>Principles and Practice of Auditing</i> . Sultan Chand & Sons, New Delhi.
R3	Prof.P.R. Sreedharan Pillai, Auditing. N.P. Publication, Calicut
R4	Shekhar & Shekhar. (2004). <i>Auditing</i> . Vikas Publishing House PVT LTD, New Delhi.

Online Resources:

Sl.No	Website Link
1	https://www.tutorialspoint.com/auditing/auditing_classifications.htm
2	https://www.dynamictutorialsandservices.org/2014/05/internal-check-meaning-objectives.html
3	https://theinvestorsbook.com/vouching.html
4	https://www.tutorialspoint.com/auditing/auditing_trading_transactions.htm
5	http://www.fao.org/3/ad346e/ad346e09.htm
6	https://accountlearning.com/social-audit-definition-objectives-need-disclosure-of-information/