



FACULTY OF BUSINESS SCIENCES AND MANAGEMENT

DEPARTMENT OF ACCOUNTING

BACHELOR OF COMMERCE HONOURS DEGREE IN ACCOUNTING

PART II SECOND SEMESTER EXAMINATION

AUDIT PROCESS [BAC2203]

SEPTEMBER 2024

DURATION: 3 HOURS

INSTRUCTIONS

1. Answer **all** QUESTIONS
2. Begin your answer to each question on a new page.
3. Please indicate the study format (Conventional/Block) on the cover of your answer script.

INFORMATION

1. Marks per question are as indicated.
2. Questions may be attempted in any order.

This paper consists of two (2) printed pages including the cover page

QUESTION 1 [25 MARKS]

- a. Explain the concept of materiality in auditing and discuss its importance in the audit process. **[12 Marks]**
- b. Provide examples of how materiality is applied in different audit scenarios. **[13 Marks]**

QUESTION 2 [25 MARKS]

- a. Describe the differences between tests of controls and substantive procedures in an audit. **[12 Marks]**
- b. Explain the purpose and scope of each type of procedure, and provide examples of when each would be used. **[13 Marks]**

QUESTION 3 [25 MARKS]

- a. Discuss the auditor's responsibility regarding fraud detection and prevention during an audit. **[16 Marks]**
- b. Explain three procedures an auditor should perform to identify potential fraud risks and respond to suspected fraud. **[9 Marks]**

QUESTION 4 [25 MARKS]

- a. Explain the concept of audit evidence and discuss the different types of evidence an auditor may collect during an audit. **[20 Marks]**
- b. Provide examples of how audit evidence is used to support audit conclusions. **[5 Marks]**

END OF EXAMINATION PAPER