



Model Institute of Engineering
& Technology (Autonomous)
Course Handout

Kot Bhalwal, Jammu

COURSE HANDOUT

Auditing II

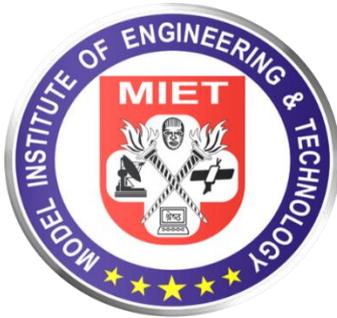
B.COM HONS SEM VI

ACADEMIC YEAR (2023-24)

Dr Anzal Ali Malik

Assistant Professor

Department of Commerce



UG- School of Management

Model Institute of Engineering & Technology (Autonomous)

Kot Bhalwal, Jammu - 181122

www.mietjmu.in



Dr. Arun K. Gupta Teaching-Learning Centre

Version 1.1



Please Do Not Print Unless Necessary



Course Code	Course Name	Course Type	Cd	L	T	P	Marks		
							Sessional	Final Exam	Total
BCOM-602	Auditing II	Major	5	5	0	0	20	80	100

COURSE OUTCOMES

At the end of the course the student will be able to:	
CO1	Understand the Rights and responsibilities of company auditor
CO2	Articulate the procedure for auditing in companies
CO3	Analyze the role of auditing in corporate governance
CO4	Comprehend the process of Cost audit and Tax audit
CO5	Assess the various types of auditor's report

Unit-I

Unit I: Company Auditor: Meaning, definitions, qualifications, appointment, rights and duties, and liabilities of company auditor; Auditor's responsibility towards detection and reporting; Role of Auditor in checking black money; Auditor as a watchdog.

(09 Hours)

Unit-II

Audit of companies: Audit of Public and private Companies: Company Auditor- Qualifications and disqualifications, Appointment, rotation, removal, remuneration, rights and duties auditor's report- Contents and types. Liabilities of statutory auditors under the companies act 2013

(10 Hours)

Unit-III

Auditing in corporate governance: Issues, need, corporate governance code, transparency and disclosure, role of auditors, board of directors and shareholders, Committees of board of directors for corporate governance- Audit committee, Stakeholders relationship committee, Compensation and Remuneration committee, Executive committee, Nomination and Governance committee, CSR committee.

(10 Hours)

Unit-IV

Special areas of Audit: Meaning and definitions of cost audit; Special features of cost audit, Tax audit: Meaning and its applicability; Management audit: Meaning and working of management audit; Difference between Tax audit and Management audit

(10 Hours)

Unit-V

Auditor's report: Meaning, importance and specimen of Audit report; Kinds of audit report – Clean or unqualified, qualified report; Documentation- Audit working papers, ownership and custody of working papers.

(09 Hours)

Textbooks

S.No	Name of the Books	Name of the Author	Publisher Name	Edition (Pub.Yr.)
1	Auditing and Assurance	Pankaj Garg	Taxmann	1 st (2013)
2.	Auditing and Corporate Governance	Aruna Jha	Taxmann	4 th (2021)

Reference Books

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S.No	Name of the Books	Name of the Author	Publisher Name	Edition (Pub.Yr.)
1	Auditing	Raymond Johnson & Laura Wiley	Wiley	1st (2019)

COURSE PLAN		
Unit I: Company Auditor		
S.No	Topics	Recommended Books
1	Meaning and Definition of Company Auditor	Book 1, Ch.1
2	Qualification of Company Auditor	Book 1, Ch.1
3	Appointment of Company Auditor	Book 1, Ch.1
4	Rights and Duties of Company Auditor	Book 2, Ch.2
5	Liabilities of Company Auditor	Book 2, Ch.2
6	Auditor's responsibility towards detection and reporting	Book 2, Ch.2
7	Role of Auditor in checking black money	Book 2, Ch.2
8	Auditor as a watchdog	Book 2, Ch.2
Unit II- Audit of companies		
9	Audit of Public Companies	Book 1, Ch.2
10	Audit of Private Companies	Book 1, Ch.2
11	Company Auditor- Qualifications and disqualifications	Book 1, Ch.1
12	Appointment	Book 2, Ch.2
13	Rotation, removal of Auditor	Book 2, Ch.2
14	Remuneration of company Auditor	Book 2, Ch.2
15	Rights and Duties of company Auditor	Book 2, Ch.2
16	Auditor's report- Contents and types	Book 2, Ch.2
17	Liabilities of statutory auditors under the companies act 2013	Book 2, Ch.2
Unit III: Auditing in corporate governance		
18	Issues and need of auditing in corporate governance	Book 2, Ch.2
19	Corporate Governance Code	Book 2, Ch.2
20	Transparency and Disclosure	Book 2, Ch.2
21	Board of directors and shareholders	Book 2, Ch.2
22	Committees of board of directors for corporate governance - Audit committee	Book 2, Ch.2
23	Stakeholders relationship committee	Book 2, Ch.2
24	Compensation and Remuneration committee	Book 2, Ch.2
25	Executive committee	Book 2, Ch.2
26	Nomination and Governance committee	Book 2, Ch.2
27	CSR committee	Book 2, Ch.2
Unit IV: Special areas of Audit		
28	Meaning and definitions of cost audit	Book 2, Ch.3
29	Special features of cost audit	Book 1, Ch.4
30	Tax audit: Meaning and its applicability	Book 1, Ch.4
31	Management audit: Meaning and working of management audit	Book 2, Ch.3
32	Difference between Tax audit and Management audit	Book 1, Ch.3



Unit V: Auditor's report		
29	Meaning, importance of Audit Report	Book 2, Ch.8
30	Specimen of Audit report	Book 1, Ch.8
31	Kinds of audit report – Clean or unqualified, qualified report	Book 2, Ch.8
32	Documentation- Audit working papers	Book 1, Ch.8
33	Ownership and custody of working papers	Book 2, Ch.8

ADDITIONAL WEB RESOURCES

1.	MOOC: Auditing I- Conceptual Foundations of auditing https://www.coursera.org/learn/auditing-part1-conceptual-foundations
2.	MOOC: Auditing II- The practice of auditing https://www.coursera.org/learn/auditing-part2-the-practice

GRADING AND ASSESSMENT

- **Sessional Test:** 10 marks
- **Assignment:** 5 marks
- **Attendance:** 5 marks
- **Final Examination:** 80 marks

COURSE POLICIES

- **Attendance:** Minimum 75% attendance is mandatory to appear in the final examination of the course.
- **Academic Integrity:** MIET's academic integrity policies apply. Plagiarism will not be tolerated.
- **Late Submissions:** Assignments and projects must be submitted by the specified timelines.

FACULTY INFORMATION

- **Office Hours**
Monday (12:05 PM - 12:55 PM)
Friday (12:05 PM - 12:55 PM)
- **Contact Information**
anzal.bcom@mietjammu.in