



Kot Bhalwal, Jammu



Model Institute of Engineering
& Technology (Autonomous)
Course Handout

COURSE HANDOUT

Auditing I (BCMMJ-404)

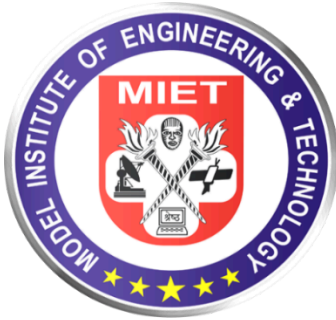
BCOM-4th SEMESTER

ACADEMIC YEAR (2023-24)

Ms. Shallin Kaul

Assistant Professor

Department of Commerce



IET
FUTURE BEGINS HERE....

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
BCMMJ-4 04	Auditing I	Core	4	5	0	0	40	60	100

COURSE OUTCOMES

At the end of the course the student will be able to:	
CO1	Describe the fundamental concept of auditing
CO2	Articulate the procedure of Risk Assessment.
CO3	Assess the documentary evidence of auditing
CO4	Analyze the responsibilities of auditor towards errors and frauds
CO5	Evaluate the risk in an automated financial environment

Unit-I

Introduction: Auditing- Meaning, Objectives and scope; Process of Auditing; Audit Planning and materiality; Internal Control- Meaning, scope and objectives; Types of audit with case studies - Internal, social and fraud; Meaning, features and types of audit sampling.

(09 Hours)

Unit-II

Risk Assessment: Meaning and types of audit risk; Identification and assessment of risk of material misstatement; Risk assessment procedure; Management and detection of risk along with case study.

(09 Hours)

Unit-III

Audit Documentation and Evidence: Meaning and importance of audit evidence; Kinds of Vouchers, Vouching guidelines, verification of Assets and Liabilities with special reference to land and building, Plant and Machinery, Investments, Stock in trade, Trade Debtors, Cash in Hand, Cash in bank, Sundry Creditors, Loans, Share, Capital & contingent Liabilities.

(10 Hours)

Unit-IV

Errors, Frauds and Responsibilities of Auditor: Introduction to errors and classification of errors; Types of errors; Detection of errors; Responsibility of Auditor regarding errors, Difference between errors and frauds, Auditor's responsibility towards undetected errors and frauds.

(10 Hours)

Unit-V

Automated Financial Environment: Meaning and features of automated environment; Relevance of IT in Audit; Impact of IT related risk on substantive audit, controls and reporting; Types of control- General IT, Application and IT dependent Controls.

(10 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 (2022)
2.	Auditing and Corporate Governance	Aruna Jha	Taxmann	4th (2021)



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Reference Books

S.No	Name of the Books	Name of the Author	Publisher Name	Edition (Pub.Yr.)
1	Auditing Theory and Practice	Mike Pratt, Karen V Peurseem, Mukesh Garg	Cengage Learning Australia	1st (2022)

COURSE PLAN		
Unit-I Introduction		
S.No	Topics	Recommended Books
1	Auditing- Meaning, Objectives and scope	Book 1, Ch.1
2	Process of Auditing	Book 1, Ch.1
3	Audit Planning and materiality	Book 1, Ch.1
4	Types of audit with case studies - Internal, social and fraud	Book 2, Ch.2
5	Meaning, features and types of audit sampling	Book 2, Ch.2
Unit-II Risk Assessment		
6	Meaning and types of audit risk	Book 1, Ch.2
7	Identification and assessment of risk of material misstatement	Book 1, Ch.2
8	Risk assessment procedure	Book 1, Ch.1
9	Management and detection of risk	Book 2, Ch.2
10	Management and detection of risk along with case study	Book 2, Ch.2
Unit-III Audit Documentation and Evidence		
11	Meaning and importance of audit evidence	Book 2, Ch.2
12	Kinds of Vouchers and Vouching guidelines	Book 2, Ch.2
13	Verification of Assets and Liabilities	Book 2, Ch.2
14	Verification of Assets with special reference to land and building, Plant and Machinery, Investments, Stock in trade, Trade Debtors, Cash in Hand, Cash in bank	Book 2, Ch.2
15	Verification of liabilities with reference to Sundry Creditors, Loans, Share, Capital & contingent Liabilities	Book 2, Ch.2
Unit-IV Errors, Frauds and Responsibilities of Auditor		
16	Introduction to errors and classification of errors	Book 2, Ch.3
17	Types of errors & Detection of errors	Book 1, Ch.4
18	Responsibility of Auditor regarding errors	Book 1, Ch.4
19	Difference between errors and frauds	Book 2, Ch.3
20	Auditor's responsibility towards undetected errors	Book 1, Ch.3
Unit-V Automated Financial Environment		
21	Meaning and features of automated environment	Book 2, Ch.8
22	Relevance of IT in Audit	Book 1, Ch.8
23	Impact of IT related Risk on substantive audit statements	Book 2, Ch.8
24	Controls and reporting	Book 1, Ch.8



25	Types of control- General IT, Application and IT dependent Controls	Book 2, Ch.8
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ADDITIONAL WEB RESOURCES

1.	MOOC: Auditing I: Conceptual Foundations of Auditing https://www.coursera.org/learn/auditing-part1-conceptual-foundations
2.	MOOC: https://www.classcentral.com/course/auditing-part1-conceptual-foundations-11798

GRADING AND ASSESSMENT

- **Sessional Test:** 20 marks
- **Assignment:** 10 marks
- **Attendance:** 10 marks
- **Final Examination:** 60 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 (2:35 PM - 3:35 PM)
Friday (2:35 PM - 3:35 PM)
- **Contact Information**
shallin.mba@mietjammu.in