



Kot Bhalwal, Jammu



Model Institute of Engineering  
& Technology (Autonomous)  
Course Handout

## COURSE HANDOUT

AUDITING-II (BCMMJ-502)

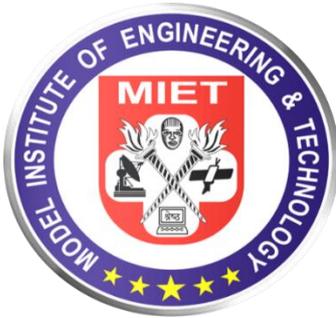
B.COM HONS-5<sup>TH</sup> SEMESTER

ACADEMIC YEAR (2024-25)

**Dr Deeksha Singh**

Assistant Professor

School of Management



School of Management

Model Institute of Engineering & Technology (Autonomous)

Kot Bhalwal, Jammu - 181122

[www.mietjmu.in](http://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-502	Auditing II	Major	4	5	0	0	40	60	100

**COURSE OUTCOMES**

At the end of the course the student will be able to:	
CO1	Describe the rights and liabilities of an auditor
CO2	Analyze the structure of audit report.
CO3	Articulate the objectives of Cost and Management audit.
CO4	Assess the strategies of EDP auditing
CO5	Evaluate the role of board committee in corporate governance

**Section A**

**Unit-I**

Company Auditor: Meaning, Eligibility for appointment of an auditor, Qualifications and disqualifications of an auditor, Appointment of an auditor, Compulsory re-appointment, Rights and powers of an auditor, Liabilities of an auditor under companies act 2013, Removal and resignation of an auditor. **(8 Hrs)**

**Unit -II**

Audit Report: Need and Importance of audit report, Reporting responsibilities of auditor, Requisites of a good audit report, Auditor's report versus auditor's certificate, Particulars to be furnished in the audit report, True and Fair, View, Contents and types of Audit Report, Signing of audit reports. **(9 Hrs)**

**Unit-III**

Management and Cost Audit: Management audit- Concept and Features, Objectives of management audit, Need, Importance and advantages of management audit. Concept of cost audit, Distinctive features of cost audit, Aim and objectives of Cost audit, Forms of cost audit, Distinction between financial audit and cost audit. **(10 Hrs)**

**Section B**

**Unit -IV**

Electronic Data Processing (EDP) Auditing: Introduction, Meaning of EDP Auditing, Auditing in EDP environment, Audit process under EDP, Types of EDP accounting systems, Difference between auditing of manual accounts and computerized accounts (EDP systems or computer information systems), Audit approaches in computer environment. **(10 Hrs)**

**Unit-V**

Corporate Governance: Introduction, Definition of corporate governance, Need/Benefits of corporate governance, Theories of corporate governance, Principles/Four Pillars of corporate governance, Models of corporate governance, Board Committees- Background, Definition and Feature of board committees. **(10 Hrs)**

**Textbooks**

S.No	Name of the Books	Name of the Author	Publisher Name	Edition (Pub.Yr.)
1	Auditing and Assurance	Pankaj Garg	Taxmann	1 <sup>st</sup> (2022)
2.	Auditing and Corporate Governance	Aruna Jha	Taxmann	4 <sup>th</sup> (2021)

**Reference Books**

S.No	Name of the Books	Name of the Author	Publisher Name	Edition (Pub.Yr.)
1	Auditing, Principles and Practice	Ravinder Kumar and Virender Sharma	Eastern Economy Edition.	3 <sup>rd</sup> (2015)



COURSE PLAN		
Unit-I Company Auditor		
S.No	Topics	Recommended Books
1	Meaning of company auditor	Book 1, Ch.10 Book 2, Ch. 4
2	Eligibility for appointment of an auditor	Book 1, Ch.10 Book 2, Ch. 4
3	Qualifications and disqualifications of an auditor	Book 1, Ch.10 Book 2, Ch. 4
4	Compulsory re-appointment	Book 1, Ch.10 Book 2, Ch. 4
5	rights and powers of company auditor	Book 1, Ch.10 Book 2, Ch. 4
6	liabilities of an auditor under companies act 2013	Book 1, Ch.10 Book 2, Ch. 4
7	removal and resignation of an auditor.	Book 1, Ch.10 Book 2, Ch. 4
Unit-II Audit Report		
8	Need and Importance of Audit Report	Book 1, Ch.11
9	Reporting Responsibilities of Auditor	Book 1, Ch.11
10	Requisites of a Good Audit report	Book 1, Ch.11
11	Auditor's Report versus Auditor's Certificate	Book 1, Ch.11
12	Particulars to be Furnished in the Audit Report	Book 1, Ch.11
13	True and Fair View	Book 1, Ch.11
14	Contents and types of Audit Report	Book 1, Ch.11
15	Signing of Audit Reports	Book 1, Ch.11
Unit-III Cost and Management Audit		
16	Concept of Cost Audit,	Book 2, Ch.6
17	Distinctive Features of Cost Audit	Book 2, Ch.6
18	Aim and Objectives of Cost Audit	Book 2, Ch.6
19	Aspects or Forms of Cost Audit	Book 2, Ch.6
20	Distinction between Financial Audit and Cost Audit	Book 2, Ch.6
21	Management Audit- Concept and Distinctive Features	Book 2, Ch.6
22	Importance and Advantages of Management Audit.	Book 2, Ch.6
23	Objectives of Management Audit	Book 2, Ch.6
24	Need of Management Audit	Book 2, Ch.6
Unit-IV Auditing in EDP Environment		
25	Introduction: Meaning of EDP Auditing	Book 2, Ch.6
26	Auditing in EDP environment	Book 2, Ch.6
27	Audit process under EDP	Book 2, Ch.6
28	Types of EDP Accounting systems	Book 2, Ch.6
29	Difference between auditing of manual accounts and computerised accounts (EDP systems or computer information systems)	Book 2, Ch.6
30	Audit approaches in computer environment	Book 2, Ch.6



Unit-V Auditing in corporate governance		
31	Introduction Definition of Corporate Governance	Book 2, Ch.8
32	Need of Corporate Governance	Book 1, Ch.8
33	Benefits of Corporate Governance	Book 2, Ch.8
34	Theories of Corporate Governance,	Book 1, Ch.8
35	Principles/Four Pillars of Corporate Governance	Book 2, Ch.8
36	Background and definition of Board Committees Feature of Board Committees	Book2, Ch. 8

#### ADDITIONAL WEB RESOURCES

1.	<b>MOOC: Auditing II: The Practice of Auditing</b>  <a href="https://www.coursera.org/programs/bba-b-com-faculty-learning-program-nz44o/learn/auditing-part2-the-practice?source=search">https://www.coursera.org/programs/bba-b-com-faculty-learning-program-nz44o/learn/auditing-part2-the-practice?source=search</a>
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#### 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 (12:05 PM - 12:55 PM)  
Friday (12:05 PM - 12:55 PM)
- **Contact Information**  
[deeksha.mba@mietjammu.in](mailto:deeksha.mba@mietjammu.in)