



Model Institute of Engineering  
& Technology (Autonomous)  
Course Handout

Kot, Bhalwal, Jammu

## COURSE HANDOUT

AUDITING I (BCMMJ-404)

BCOM-4<sup>th</sup> SEMESTER

ACADEMIC YEAR (2024-25)

**Dr Priyanka Sharma**

Associate Professor

Department of Commerce



UG School of Management

Model Institute of Engineering & Technology (Autonomous)

KotBhalwal, Jammu - 181122

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Dr. Arun K. Gupta Teaching-Learning Centre

Version 1.1

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Course Code	Course Name	Course Type	Cd	L	T	P	Marks		
							Sessional	Final Exam	Total
BCMMJ-404	Auditing I	Major	4	5	0	0	40	60	100

### COURSE OUTCOMES

At the end of the course the student will be able to:	
CO1	Understand the fundamental concept of auditing.
CO2	Demonstrate the procedure of Risk Assessment.
CO3	Compare 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 <sup>st</sup> (2022)
2.	Auditing and Corporate Governance	Aruna Jha	Taxmann	4th (2021)

#### 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)



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



### ADDITIONAL WEB RESOURCES

1.	<b>MOOC:</b> Auditing I: Conceptual Foundations of Auditing <a href="https://www.coursera.org/learn/auditing-part1-conceptual-foundations">https://www.coursera.org/learn/auditing-part1-conceptual-foundations</a>
2.	<b>MOOC:</b> <a href="https://www.classcentral.com/course/auditing-part1-conceptual-foundations-11798">https://www.classcentral.com/course/auditing-part1-conceptual-foundations-11798</a>

### GRADING AND ASSESSMENT

- **Sessional Test I:** 10 marks
- **Sessional Test II:** 10 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**  
[priyankasharma.mba@mietjammu.in](mailto:priyankasharma.mba@mietjammu.in)