

**JMS COLLEGE, MUNGER, BIHAR  
(MUNGER UNIVERSITY)  
Department of Commerce**

**B.Com Part-I (AUDITING)  
Multiple Choice Questions (MCQs)**

1. Fixed assets are valued at

- a) Cost
- b) Market price
- c) Cost price or market price whichever is less
- d) Cost less depreciation

2. Floating assets are valued at

- a) Cost
- b) Market price
- c) Cost price or market price whichever is less
- d) Cost less depreciation

3. The scope of work of internal audit is decided by the

- a) Share holders
- b) Management
- c) To improve financial control
- d) All of the above

4. Outstanding expenses should be verified with the help of

- a) Cash book
- b) Balance book
- c) Journal proper
- d) None of the above

5. Book debts should be verified with the help of

- a) Balance sheet
- b) Amount received from Debtors
- c) Debtors schedule
- d) Certificate from the management

6. Investments in hand should be verified with the help of

- a) Schedule of investments
- b) Balance sheet
- c) Inspection of securities
- d) Certificate from the bank

7. First auditor of a company is appointed by the

- a) Shareholders
- b) Central Govt.
- c) Company Law Board
- d) Board of Directors

8. Which of the following persons is qualified to be a company auditor?

- a) An employee of the company
- b) A body corporate
- c) A person who is indebted to the company for an amount exceeding Rs. 1000
- d) A practicing chartered accountant

9. The first auditor of a company will hold office

- a) For a period of one year
- b) Till holding of statutory meeting

- c) Till the conclusion of first annual general meeting
- d) Till a new auditor is appointed

10. Normally, a company auditor is appointed by the

- a) Central Government
- b) Shareholders
- c) Board of Directors
- d) Company Law board

11. An auditor in a casual vacancy is appointed by the

- a) Board of Directors
- b) Shareholders
- c) Central Government
- d) Company Law board

12. If an auditor is not appointed at annual general meeting, he is appointed by the

- a) The Central Government
- b) Board of Directors
- c) Shareholders
- d) Company Law board

13. A vacancy caused by resignation of the auditor is filled by

- a) Board of Directors
- b) At the general meeting of shareholders
- c) By the Central Government
- d) By the Company Law board

14. A special auditor is appointed by the

- a) Shareholders
- b) Board of Directors
- c) Central Government
- d) C & A - G

15. A government Co. auditor may be appointed by the

- a) C & A – G
- b) Shareholders
- c) Central Government
- d) None of the above

**Note :** Dear students, for any doubt or clarification, send your query at [madhulika.kvs@gmail.com](mailto:madhulika.kvs@gmail.com)

**ANSWERS**

1. (d)	2. (c)	3. (d)	4. (c)	5. (c)	6. (c)	7. (d)	8. (d)	9. (c)
10. (b)	11. (a)	12. (a)	13. (b)	14. (c)	15. (a)	--	--	--