

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

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

1. Internal auditor is appointed by the

- a) Management
- b) Shareholders
- c) Government
- d) C & A-G

2. The object of internal check is to

- a) Control wastage of resources
- b) Prevent errors and frauds
- c) Verify the cash receipts and payments
- d) Facilitate quick decision by the management

3. Effective internal check system reduces

- a) The liability of auditor
- b) Work of auditor
- c) Both work as well as auditor
- d) Responsibilities of an auditor

4. Internal check is a part of

- a) Internal audit
- b) Internal accounting
- c) External audit
- d) Internal control

5. Internal check is carried on by

- a) Special staff
- b) Internal auditor
- c) Accountant
- d) None of the above

6. Internal check is suitable for

- a) Larger concerns
- b) Smaller concerns
- c) Petty shop- keepers
- d) None of the above

7. Internal check is carried on by

- a) Staff specially appointed for the purpose
- b) Internal auditor
- c) The members of the staff among themselves
- d) Supervisor of the staff

8. Internal check is essential for

- a) Petty traders
- b) Cash transactions in a large concern
- c) A concern using automatic equipments
- d) None of the above

9. Misappropriation of goods may be checked by

- a) Proper supervision over stock

- b) Checking of employees
- c) Punishment of employees
- d) None of the above

10. Window dressing implies

- a) Curtailment of expenses
- b) Checking wastages
- c) Under- valuation of assets
- d) Over- valuation of assets

11. Falsification of accounts is undertaken by

- a) Auditors
- b) Clerks
- c) Accountants
- d) Responsible officials

12. Errors of omission are

- a) Technical errors
- b) Error of principle
- c) Compensating errors
- d) None of the above

13. Test checking refers to

- a) Testing of accounting records
- b) Testing of honesty of employees
- c) Intensive checking of a selected number of transactions
- d) Checking of all transactions recorded

14. Test checking should not be applied to

- a) Sales book
- b) Purchase book
- c) Bank reconciliation statement
- d) Bills book

15. Test checking should not be applied to

- a) Purchase book
- b) Sales book
- c) Stock book
- d) Cash book

#### ANSWERS

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

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