

# VEER NARMAD SOUTH GUJARAT UNIVERSITY, SURAT

## Undergraduate Program (Bachelor of Commerce)

[3 years (Degree) & 4 years (Honours/Honours with Research)]

External

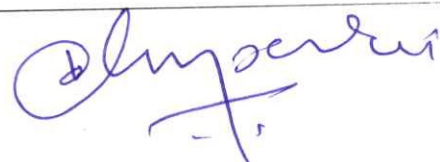
Course Code: AC-MJ-503/AC-MN-503

Course Name: Advanced Accounting & Auditing-Paper-III (Major/Minor)

Course Code	AC-MJ-503/AC-MN-503
Course Title	Advanced Accounting & Auditing-Paper-III
Credit	4
Course Level	300-399
Total engagement	NA
Teaching per week	NA
Minimum weeks per semester	NA
Effective from	2025-2026
Purpose of Course	This course aims to equip students with a comprehensive understanding of auditing concepts, procedures, and ethical responsibilities. It enhances their ability to evaluate financial records, detect fraud, and ensure compliance with regulatory frameworks.
Course Objectives	<ol style="list-style-type: none"><li>1. To provide a fundamental understanding of auditing principles, scope, and objectives.</li><li>2. To develop skills for detecting and preventing financial fraud and errors.</li><li>3. To familiarize students with different types of audits and their applications.</li><li>4. To understand audit planning, strategies, and internal control mechanisms.</li><li>5. To analyze vouching, verification, and valuation processes in auditing.</li><li>6. To explain the role, rights, and responsibilities of company auditors.</li><li>7. To understand corporate profit distribution and dividend computation.</li><li>8. To analyze the legal liabilities of auditors under corporate regulations.</li><li>9. To differentiate between auditing and investigative techniques for fraud detection.</li><li>10. To explore modern trends in auditing, including IT-enabled auditing and tax audits.</li></ol>



Course Outcomes	<p>CO1: Explain the fundamentals of auditing, its scope, and limitations.</p> <p>CO2: Differentiate between accounting and auditing and understand the auditor's role in fraud detection.</p> <p>CO3: Identify various types of audits and their applicability.</p> <p>CO4: Develop an audit strategy and audit plan, including audit work preparation and documentation.</p> <p>CO5: Understand the internal control system, internal check, and internal audit processes.</p> <p>CO6: Perform vouching, verification, and valuation of assets and liabilities as per auditing standards.</p> <p>CO7: Understand the definition, purpose, and techniques of auditing in ancient India, and compare ancient auditing practices with modern auditing.</p> <p>CO8: Explain the appointment, rights, duties, and liabilities of company auditors.</p> <p>CO9: Define divisible profit, its significance, and principles for distribution of profit.</p> <p>CO10: Identify the different liabilities of auditors, including negligence and fraud detection.</p> <p>CO11: Understand the process of investigation in auditing, including fraud examination.</p> <p>CO12: Develop an audit program for various organizations, such as educational institutions and private companies.</p> <p>CO13: Discuss recent trends in auditing, including tax audits and IT-enabled auditing.</p> <p>CO14: Analyze the conceptual framework of both ancient Indian auditing and modern Indian auditing, focusing on auditor's role, ethical conduct, and regulatory frameworks.</p>					
Mapping between COs with PSOs		PSO 1	PSO 2	PSO 3	PSO 4	
	CO1	✓	✓			
	CO2	✓	✓	✓		
	CO3		✓			
	CO4		✓		✓	
	CO5	✓	✓			
	CO6	✓	✓			
	CO7	✓	✓			
	CO8	✓	✓		✓	
	CO9		✓	✓		
	CO10	✓	✓			
	CO11			✓	✓	
	CO12		✓	✓	✓	
	CO13	✓	✓		✓	
	CO14	✓	✓	✓		
Pre-requisite	Fundamentals of Book keepings & Accounting					

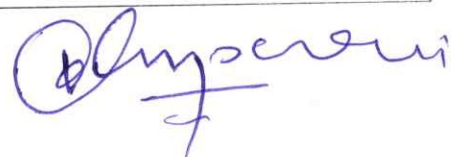


Course Content	Unit	Contents	Weightage
	1	<p><b><u>Auditing in Ancient India</u></b></p> <p>Definition and Purpose of Auditing in Ancient India, Auditing Process as Described in Ancient Texts, Ancient Auditors: Roles and Responsibilities, Techniques of Ancient Auditing, Comparison: Ancient Auditing vs. Modern Auditing, Significance of Auditing in Ancient India</p> <p><b><u>Ancient Indian Auditing and Modern Indian Auditing</u></b></p> <p>Conceptual Framework of Auditing, Objectives of Auditing, Regulatory Framework, Auditor's Role and Ethical Conduct, Audit Procedures and Techniques, Reporting Practices, Accountability and Penalties, Technology and Evolution</p>	10%
	2	<p><b><u>Introduction to Auditing:</u></b></p> <p><b>2.1 Introduction to Auditing</b></p> <p>Introduction Meaning of Auditing Scope and Principles of Auditing Difference between Auditing and Accountancy Advantages and Limitations of Auditing.</p> <p><b>2.2 Objectives of Auditing</b></p> <p>Introduction Objects of Auditing Detection and prevention of errors Effects of an errors on agreement of a trial balance Detection of errors when trial balance does not agree Embezzlement of cash Misappropriation of goods Manipulation of accounts Position of Auditor Modern view on position of auditor regarding fraud. Other objects of Audit.</p> <p><b>2.3 Types of Audit</b></p> <p>Introduction Types of Audit Other audits</p>	10%
	3	<p><b><u>Audit Strategy and Audit Planning</u></b></p> <p><b><u>[Preparation of Audit work]</u></b></p> <p>Introduction Organizing audit work Keeping note of Appointment Audit programme Division of works amongst audit assistants. Audit note book Difference between Audit Programme and Audit Note book Auditor's working paper Determining Audit Procedure.</p>	10%

	<p>4 <b>Internal Control System [ Internal Check, Internal Control, Internal Audit]</b>  Introduction  Overview of Internal control system  Scope and Characteristics of Internal control system  Types of Internal Check  Auditor's duty Regarding Internal Check System</p>	10%
	<p>5 <b>Audit of Items of Financial Statements</b>  <b>5.1 Vouching – Introduction</b>  Definition of Vouching  Meaning of Voucher  Characteristics of Vouching  Objects of Vouching  Importance of Vouching  Points to be considered in Vouching  Vouching and Auditor's duty  <b>5.2 Vouching of cash transactions</b>  Introduction  Examining internal check regarding cash transaction  Vouching the receipts side of cash book  Vouching the payments side of cash book  <b>5.3 Verification and Valuation of Assets and Liabilities-I</b>  Introduction  Meaning of Verification  Objects, Importance and Advantages of Verification  General Principles of Verification  Difference between verification and Vouching.  Classification of Assets  Liability of an Auditor in connection with valuation.  Verification and valuation of various type of Assets.  <b>5.4 Verification and Valuation of Assets and Liabilities-II</b>  Introduction  Verification of Assets  Verification and valuation of Liabilities.</p>	15%
	<p>6 <b>Company Auditors :</b>  <b>6.1 Introduction</b>  Appointment of Auditor  Removal and Remuneration of an Auditor  Status of Auditor  Rights of an Auditor  Duties of Auditor  Duties under the companies Act or Duties according to judicial decisions.  <b>6.2 Divisible Profit</b>  Introduction</p>	22.5%



	<p>What is Profit  Importance of correct computation of profit  What is divisible profit  Difference between profit and divisible profit  Guiding principles in computing divisible profit  Dividend  Debatable points regarding Divisible profit  Provisions of companies Act regarding Depreciation  <b>6.3 Auditor not render certain services-  Liabilities of an Auditor</b>  Introduction  The liabilities of an Auditor of a sole trading or a partnership concern  Liabilities of an Auditor under the company Act.  Liabilities for negligence.  Liabilities for misfeasance  Criminal Liabilities  The liability of an auditor to third parties.  Liabilities of different Auditor.</p>	
	<p><b>7</b>    <b><u>Investigation</u></b>  Introduction  Definition of Investigation  Characteristics of Investigation  Difference between Investigation and Audit  Where fraud is suspected  Where running business is proposed</p>	7.5%
	<p><b>8</b>    <b><u>Preparation of Audit Programming</u></b>  Audit Programme  Preparation of Audit Programs.  Preparation of Audit Program for Educational Institution  Preparation of Audit Program for Private companies  Auditors Report</p>	7.5%
	<p><b>9</b>    <b><u>Recent Trends in Auditing</u></b>  Nature and Significance of Tax Audit  Meaning and Overview of IT enabled Auditing</p>	7.5%
Reference Books	<p>1. Gupta Kamal: Contemporary Auditing; Tata McGraw-Hill, New Delhi  2. Tandon B.N.: Principles and Practice of Auditing;-S. Chand &amp; Co, New Delhi.  3. Pagare Dinkar: Principles and Practice of Auditing;-Sultan-Chand &amp; Co, New Delhi  4. Sharma T.R.: Auditing Principles and Problems; Sahitya Bhawan, Agra.  5. RG. Saxena: Principle &amp; Practicing of Auditing; Himalaya Publications.  6. Kamal Gupta: Fundamental of Auditing; Tata McGraw Hill, New Delhi.  7. S.V. Ghatalia: Practical Auditing; Allied Publisher.</p>	



	8. Batra & Bagadia: Text Book of Auditing; Taxman Publication. 9. Auditing and Assurance Module-I, II (Intermediate Course)- The Institute of chartered accountants of India
Teaching Methodology	NA
Evaluation Method	100% YEE: External assessment based on University examination.

