



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi-Abuja
Faculty of Management Sciences, Department of Financial Studies
2020_1 Examinations

COURSE CODE: ACC411

CREDIT UNIT: 3

COURSE TITLE: AUDITING II

TIME ALLOWED: 2 HOURS 30 MINUTES

Instructions:

- 1. Attempt question number one (1) and any other three (3). Four questions in all.**
- 2. Question number 1 is compulsory and carries 25 marks while others carry 15 marks each.**
- 3. Present all your points in coherent and orderly manner.**

QUESTIONS

- 1. Exhaustively explain five elements of the quality control system of a professional accounting firm. (25 marks)**
- 2. Explain five strategies adopted by auditors to avoid litigation. (15 marks)**
- 3a. In respect of the case *Re Thomas Gerrard & Sons (1968)*, state the facts of the case, the judgment given and whether judgment can be relied upon in similar cases today. (10 marks)**
 - b. What is the document and content of the document, ISA 240 expects auditors to get from management and those charged with the responsibility of good governance? (4 marks)**
- 4a. Describe six steps involved in auditor's procedure when fraud or error is suspected. (10 marks)**
 - b. What do you understand by the term "error"? (5 marks)**
- 5a. Describe the three stages of money laundry. (10 marks)**
 - b. Outline the procedure required by an auditor where there is a case of non-compliance by a client company according to International Standard on Auditing. (5 marks)**
- 6. What is the form and contents of an auditor's engagement letter? (15 marks)**