

Unit-1 Company Auditor

A. Answer the following Questions:

1. Write qualification required for an Auditor as per Company Act, 2013.
2. By whom first Auditor is appointed in Government Companies?
3. What is meant by Liability of Negligence?
4. Write any four Criminal liability of an Auditor.
5. Mr. Mahesh, who is C.A., and also provides services as Banking Advisory in the company, Company wants to appoint him as an Auditor of Company. Can Mr. Mahesh be appointed as an Auditor of Company?
6. Under which circumstances auditor is free from the liability of Negligence?
7. Write relief given to auditor under liability of misfeasance.
8. Write conditions for declaring dividend out of capital profit.
9. What is meant by Liability of Misfeasance?
10. Write the conditions under which auditor may be re-appointed?
11. Write guiding principles for divisible profit.

B. Answer the following questions in detail:

1. Write in detail rights and duties of an auditor.
2. State the third party liabilities of an auditor.
3. Write following Short Notes:
 - i) Services which are not rendered by auditor under section 144
 - ii) Divisible Profit
 - iii) Liability for Negligence
 - iv) Criminal Liability
 - v) Auditor's Report
 - vi) Interim Dividend
 - vii) Provisions of Companies Act, 2013 for Depreciation
 - viii) Status of an Auditor
 - ix) Liabilities of different Auditor
 - x) Debatable points regarding divisible profit
4. Write in detail regarding resignation & removal of an auditor.
5. State Appointment & Re-appointment of an Auditor as per Companies Act, 2013.
6. Discuss qualification & disqualification of an Auditor as per Companies Act, 2013.
7. Write about remuneration of an auditor as per company act, 2013.
8. Write types of Civil liability of an Auditor. State Liability for misfeasance.
9. Explain duties of an Auditor for divisible profit.
10. State Qualified Auditor's report with any three defects.
11. Write difference between Clean Report & Qualified Report.
12. Write difference between Interim Dividend & Final Dividend.
13. What will you do as an auditor?

i. Mr. Abhi, a C.A. is a part time employee of ABC Ltd. State whether he is disqualified to be the auditor of ABC Ltd.

- ii. Mr. Basu who is CA, is holding debentures of Reliance Ltd. State whether he is eligible to be appointed as an auditor of Reliance Ltd.
- iii. Mrs. Poonam is a CA, her sister's husband holds equity shares having face value of Rs.50 lakhs in Essar Ltd. State whether she is eligible to be appointed as an auditor of Essar Ltd.
- iv. Mr. Bhavesh who is a C.A., provides services as portfolio manager of RIPL Ltd. State whether he is eligible to be appointed as an auditor of RIPL Ltd.
- v. Managing director of Apollo Ltd. himself wants to appoint Rahul, a practising CA, as first auditor of the company. Comment on the proposed action of Managing Director.
- vi. The BOD of a company has filed a complaint with the ICAI against the statutory auditors for non-attending AGM in which audited accounts were considered.
- vii. At the AGM of company, Mr. X was appointed as the statutory auditor. He resigned after 3 months as he wanted to join industry and leave practice. How new auditor is appointed?
- viii. A company intends to appoint its director's son who is a CA as its auditor.
- ix. The auditor of the company has resigned during the year, now the BOD appoints you as an auditor.
- x. The BOD of the company intends to appoint a First class MBA as an auditor.
- xi. There is no resolution passed in the general meeting for re-appointment or for appointment of a new auditor.
- xii. The debtor of the company who is CA and having debt towards the company of Rs.4,50,000. BOD wants to appoint him as an auditor of the company.
- xiii. A company wants to appoint the partner of its salaried executive as an auditor.
14. Write Provisions of Companies Act,2013 for Dividend.
15. State Procedure for payment of Dividend and explain duties of an auditor for payment of dividend.
16. Discuss debatable points regarding divisible profits.
17. Write rights and duties of an auditor.