

Principles and Practice of Auditing

1. Remembering:

- Define auditing and identify its importance in business operations.
- List the merits and demerits of auditing to understand its benefits and limitations.

2. Understanding:

- Explain the qualities of an auditor and how they contribute to the effectiveness of an audit.
- Describe the concept of written representation and its role in the audit process.

3. Applying:

- Apply the principles of risk assessment in auditing to identify potential areas of concern.
- Demonstrate the concept of internal checks and how they enhance the accuracy of financial statements.

4. Analyzing:

- Analyze the procedures for auditing cash sales and cash purchases to ensure accuracy and reliability.
- Evaluate the methods for verification and valuation of assets such as investments, stock, and liabilities like bills payable.

5. Evaluating:

- Assess the requirements and procedures for conducting a company audit to ensure compliance with legal and regulatory standards.
- Evaluate the unique considerations for auditing charitable institutions and non-profit organizations.

6. Creating:

- Develop a comprehensive audit report that includes all essential elements and findings from the audit process.
- Generate strategies for maintaining professional ethics and integrity in auditing practices.