

所別：會計研究所碩士班 不分組(一般生) 科目：審計學 共 8 頁 第 / 頁

本科考試禁用計算器

*請在試卷答案卷(卡)內作答

I. MULTIPLE CHOICE - Choose the one alternative that best completes the statement or answers the question. (2%*50=100%) (請在答案卡內作答)

1. Which is **not** a purpose of an economy and efficiency audit?
 - a. Whether the entity is acquiring, protecting, and using resources economically and efficiently.
 - b. The causes of inefficiencies and uneconomical practices.
 - c. Whether the entity has complied with laws and regulations concerning matters of economy and efficiency.
 - d. Each of the above is a purpose.
2. The Securities and Exchange Commission requires quarterly financial information as a part of the:
 - a. 10-K report.
 - b. 10-Q report.
 - c. 8-K report.
 - d. auditor's report.
3. The engagement and report on debt compliance letters should be limited to compliance matters that the auditor is qualified to evaluate. Which of the following engagements would be inappropriate for the CPA to attempt to evaluate?
 - a. Determining whether the client has properly restricted its business activities to the requirements of an agreement.
 - b. Determining whether principal and interest payments were made when due.
 - c. Determining whether the proper limitations were maintained on dividends, working capital, and debt ratios.
 - d. Determining whether the accounting records were adequate for conducting an ordinary audit.
4. Prospective financial statements are for general use or for limited use. General use refers to use by any third party, whereas limited use refers to use by third parties with which the responsible party is negotiating directly. Which of the following statements is **not** correct?
 - a. Forecasts can be provided for general use.
 - b. Forecasts can be provided for limited use.
 - c. Projections can be provided for general use.
 - d. Projections can be provided for limited use.
5. An auditor who was engaged to perform an examination of the financial statements of a nonpublic entity has been asked by the client to refrain from performing various audit procedures and change the nature of the engagement to a review of the financial statements in accordance with standards established by the AICPA. The client's request was made because the cost to complete the examination was significant. Under these circumstances, the auditor would most likely:
 - a. qualify the auditor's report and refer to the scope limitation.
 - b. view the request as an indication of a possible irregularity.
 - c. complete the examination that was in progress.
 - d. honor the client's request.
6. An accountant's standard report on a compilation of a projection should **not** include a:
 - a. statement that a compilation of a projection is limited in scope.
 - b. separate paragraph that describes the limitations on the presentation's usefulness.
 - c. disclaimer of responsibility to update the report for events occurring after the report's date.
 - d. statement that the accountant expresses only limited assurance that the results may be achieved.
7. Which party has the primary responsibility to oversee an organization's financial reporting and internal control processes?
 - a. The board of directors
 - b. The audit committee

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- c. Management of the company
d. The financial statement auditors
8. The Sarbanes-Oxley Act requires:
- all public companies to issue an internal control report.
 - all public companies to define adequate internal controls.
 - the auditor of public companies to design effective ICFR.
 - provides for all three of the above.
9. The primary emphasis by auditors is on controls over:
- classes of transactions.
 - account balances.
 - both a and b, because they are equally important.
 - both a and b, because they vary from client to client.
10. The most important difference in a nonpublic company in assessing control risk is the ability to assess control risk at _____ for any or all control-related objectives.
- low
 - medium
 - high
 - none of the above
11. The risk of material misstatement refers to:
- control risk and acceptable audit risk.
 - inherent risk.
 - the combination of inherent risk and control risk.
 - none of the above.
12. Which of the following statements is **not** true?
- Inherent risk is inversely related to detection risk.
 - Inherent risk is inversely related to evidence.
 - Inherent risk is the susceptibility of the financial statements to material error, assuming no internal controls.
 - Inherent risk is the auditor's assessment of the likelihood that errors exceeding a tolerable amount exist in a segment before considering the effectiveness of internal controls.
13. An auditor searching for related party transactions should obtain an understanding of each subsidiary's relationship to the total entity because:
- the business structure may be deliberately designed to obscure related party transactions.
 - this may reveal whether transactions would have taken place if the parties had been unrelated.
 - transactions may have been consummated on terms equivalent to arm's-length transactions.
 - this may permit the audit of intercompany account balances to be performed as of concurrent dates.
14. Which of the following would **not** usually be included in the minutes of the board of directors?
- The duties and powers of the corporate officers.
 - Declaration of dividends.
 - Authorization of long-term loans.
 - All of the above would be included.

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國立中央大學103學年度碩士班考試入學試題卷

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15. When are auditors likely to encounter judgment problems in the use of analytical procedures?
- Whenever the auditor places reliance on management's explanations for unusual fluctuations in account balances without first developing independent expectations.
 - Whenever the auditor allows unaudited balances to unduly influence his/her expectations of current balances.
 - Whenever the auditor fails to consider the pattern reflected by several unusual fluctuations when trying to explain what caused them.
 - The auditor is likely to encounter judgment problems in each of the above instances.
16. The auditor is concerned that a client is failing to bill customers for shipments. An audit procedure that would gather relevant evidence would be to:
- select a sample of duplicate sales invoices and trace each to related shipping documents.
 - trace a sample of shipping documents to related duplicate sales invoices.
 - trace a sample of Sales Journal entries to the Accounts Receivable subsidiary ledger.
 - compare the total of the Schedule of Accounts Receivable with the balance of the Accounts Receivable account in the general ledger.
17. Audit documentation should possess certain characteristics. Which of the following is not one of the important characteristics?
- Audit files should be properly identified.
 - Audit documentation should be indexed and cross-referenced.
 - Audit documentation should clearly indicate the audit work performed.
 - All of the above are essential characteristics.
18. After general audit objectives are understood, specific audit objectives for each account balance on the financial statements can be developed. Which of the following statements is true?
- There should be at least one specific objective for each relevant general objective.
 - There will be only one specific objective for each relevant general objective.
 - There will be many specific objectives developed for each relevant general objective.
 - There must be one specific objective for each general objective.
19. An auditor should recognize that the application of auditing procedures may produce evidence indicating the possibility of errors or fraud and therefore should:
- plan and perform the engagement with an attitude of professional skepticism.
 - not rely on internal controls that are designed to prevent or detect errors or fraud.
 - design audit tests to detect unrecorded transactions.
 - extend the work to audit most recorded transactions and records of an entity.
20. When using the cycle approach to segmenting the audit, the reason for treating capital acquisition and repayment separately from the acquisition of goods and services is that:
- the transactions are related to financing a company rather than to its operations.
 - most capital acquisition and repayment cycle accounts involve few transactions, but each is often highly material and therefore should be audited extensively.
 - both a and b are correct.
 - neither a nor b is correct.

21. Generally, loans between a CPA firm or its members and an audit client are prohibited because they create a financial relationship. Which of the following is not an exception to this rule?
- Automobile loans.
 - Loans fully collateralized by cash deposits at the same financial institution.
 - Home mortgages.
 - Unpaid credit card balances not exceeding \$15,000.
22. In the first year of SOX implementation, many auditors did not advise their clients regarding accounting or internal control related matters. Which of the following statements best describes why this occurred?
- The auditors were prohibited from providing such guidance to their clients by SEC regulations.
 - Corporate executives were concerned that if auditors provided advice the auditors would lose their independence.
 - Both a and b are correct answers.
 - Neither a nor b is correct.
23. In which of the following instances would the independence of the CPA not be considered to be impaired? The CPA has been retained as the auditor of a:
- charitable organization in which an employee of the CPA serves as treasurer.
 - municipality in which the CPA owns \$250,000 of the \$2,500,000 indebtedness of the municipality.
 - cooperative apartment house in which the CPA owns an apartment and is not part of the management.
 - company in which the CPA's investment club owns a one-tenth interest.
24. Most auditors believe that financial statements are "presented fairly" when the statements are in accordance with GAAP, and that it is also necessary to:
- determine that they are not in violation of FASB statements.
 - examine the substance of transactions and balances for possible misinformation.
 - review the statements using the accounting principles promulgated by the SEC.
 - assure investors that net income reported this year will be exceeded in the future.
25. The use of a qualification of the opinion alone is restricted to those situations in which the:
- scope of the auditor's examination has been restricted.
 - financial statements have not been prepared in accordance with GAAP.
 - auditor is not independent.
 - auditor was hired to do a "review" or "compilation."
26. The primary concern(s) in assessing materiality when a client has failed to follow GAAP include(s):
- the total dollar error in the accounts involved compared with some base.
 - the nature of the item.
 - the qualitative nature of the item.
 - all of the above.
27. Statements on Auditing Standards issued by the AICPA's Auditing Standards Board are:
- part of the generally accepted auditing standards under the AICPA Code of Professional Conduct.
 - interpretations of generally accepted auditing standards and departures from such statements must be justified.
 - interpretations of generally accepted auditing standards and such standards must be followed in every engagement.
 - generally accepted auditing procedures that are not covered by the AICPA Code of Professional Conduct.

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28. The AICPA has authority to establish standards and rules in all but which of the following areas?
- Auditing standards applicable to financial statements of private companies.
 - Compilation and review standards.
 - Professional conduct.
 - Auditing standards applicable to financial statements of private and public companies.
29. Which of the following can be significantly affected by an audit?
- Business risk.
 - Information risk.
 - The risk-free interest rate.
 - All of these are correct.
30. If payables turnover has increased significantly since the prior year, this is an indication that which of the following assertions for accounts payable might be violated?
- Existence or occurrence.
 - Completeness.
 - Rights and obligations.
 - Presentation and disclosure.
31. Effective internal control over the payroll function would include which of the following?
- Total time recorded on time-clock punch cards should be reconciled to job reports by employees responsible for those specific jobs.
 - Payroll Department employees should be supervised by the management of the Personnel Department.
 - Payroll Department employees should be responsible for maintaining employee personnel records.
 - Total time spent on jobs should be compared with total time indicated on time-clock punch cards.
32. Key segregations of duties in the human resource management process include all of the following except
- The supervision function should be separate from the payroll-processing function.
 - The disbursement function should be separate from the supervision function.
 - The personnel function should be separate from setting salaries.
 - The payroll-processing function should be separate from the general ledger function.
33. Comparing selected items from the payroll register to employee time cards that have been approved by supervisory personnel tests which of the following assertions for payroll expense?
- Existence or occurrence.
 - Completeness.
 - Rights and obligations.
 - Valuation or allocation.
34. Which audit objective for ending inventory is most likely violated if the gross profit percentage is much greater than last year?
- Validity.
 - Completeness.
 - Ownership.
 - Disclosure.

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35. A CPA is engaged in the annual audit of a client for the year ended December 31, 2003. The client took a complete physical inventory under the CPA's observation on December 15 and adjusted its inventory control account and detailed perpetual inventory records to agree with the physical inventory. The client considers a sale to be made in the period that goods are shipped. Listed below are four items taken from the CPA's sales-cutoff-test worksheet. Which item does not require an adjusting entry on the client's books?

	<u>Shipped</u>	<u>Recorded as sale</u>	<u>Credited to inventory control</u>
a.	12/10	12/19	12/12
b.	12/14	12/16	12/16
c.	12/31	1/2	12/31
d.	1/2	12/31	12/31

36. The physical count of inventory of a retailer was higher than shown by the perpetual records. Which of the following could explain the difference?
- Inventory items had been counted but tags placed on the items had not been taken off the items and added to the inventory accumulation sheets.
 - Credit memos for several items returned by customers had not been prepared.
 - No journal entry had been made on the retailer's books for several items returned to its suppliers.
 - An item purchased "FOB shipping point" had not arrived at the date of the inventory count and had not been reflected in the perpetual records.
37. Purchase cutoff procedures should be designed to test that merchandise is included in the inventory of the client company if the company
- Has paid for the merchandise.
 - Has physical possession of the merchandise.
 - Holds legal title to the merchandise.
 - Holds the shipping documents for the merchandise issued in the company's name.
38. Which of the following best describes the independent auditor's approach to obtaining satisfaction concerning depreciation expense in the income statement?
- Verifying the mathematical accuracy of the amounts charged to income as a result of depreciation expense.
 - Determining the method for computing depreciation expense and ascertaining that it is in accordance with generally accepted accounting principles.
 - Reconciling the amount of depreciation expense to those amounts credited to accumulated depreciation accounts.
 - Establishing the basis for depreciable assets and verifying the depreciation expense.
39. Which of the following is the most important internal control procedure over acquisitions of property, plant, and equipment?
- Establishing a written company policy distinguishing between capital and revenue expenditures.
 - Using a budget to forecast and control acquisitions and retirements.
 - Analyzing monthly variances between authorized expenditures and actual costs.
 - Requiring acquisitions to be made by user departments.

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40. Under the liability provisions of Section 11 of the Securities Act of 1933, a CPA may be liable to any purchaser of a security for certifying materially misstated financial statements that are included in the security's registration statement. Under Section 11, which of the following must be proven by a purchaser of the security?
- | Reliance on the
<u>financial statements</u> | Fraud by
<u>the CPA</u> |
|--|----------------------------|
| a. Yes | Yes |
| b. Yes | No |
| c. No | Yes |
| d. No | No |
41. In performing a search for unrecorded retirements of fixed assets, an auditor most likely would
- Inspect the property ledger and the insurance and tax records, and then tour the client's facilities.
 - Tour the client's facilities, and then inspect the property records and the insurance and tax records.
 - Analyze the repair and maintenance account, and then tour the client's facilities.
 - Tour the client's facilities, and then analyze the repair and maintenance account.
42. The primary purpose of sending a standard confirmation request to financial institutions with which the client has done business during the year is to
- Detect kiting activities that may otherwise not be discovered.
 - Corroborate information regarding deposit and loan balances.
 - Provide the data necessary to prepare a proof of cash.
 - Request information about contingent liabilities and secured transactions.
43. When negotiable securities are of considerable volume, planning by the auditor is necessary to guard against
- Unauthorized negotiation of the securities before they are counted.
 - Unrecorded sales of securities after they are counted.
 - Substitution of securities already counted for other securities which should be on hand but are not.
 - Substitution of authentic securities with counterfeit securities.
44. When an auditor is unable to inspect and count a client's investment securities until after the balance sheet date, the bank where the securities are held in a safe-deposit box should be asked to
- Verify any differences between the contents of the box and the balances in the client's subsidiary ledger.
 - Provide a list of securities added and removed from the box between the balance sheet date and the security-count date.
 - Confirm that there has been no access to the box between the balance sheet date and the security-count date.
 - Count the securities in the box so that the auditor will have an independent direct verification.
45. An auditor's client has violated a minor requirement of its bond indenture which could result in the trustee requiring immediate payment of the principal amount due. The client refuses to seek a waiver from the bond trustee. Request for immediate payment is not considered likely. Under these circumstances the auditor must
- Require classification of bonds payable as a current liability.
 - Contact the bond trustee directly.
 - Disclose the situation in the auditor's report.
 - Obtain an opinion from the company's attorney as to the likelihood of the trustee's enforcement of the requirement.
46. Which of the following statements extracted from a client's lawyer's letter concerning litigation, claims, and assessments most likely would cause the auditor to request clarification?
- "I believe that the possible liability to the company is nominal in amount."

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- b. "I believe that the action can be settled for less than the damages claimed."
c. "I believe that the plaintiff's case against the company is without merit."
d. "I believe that the company will be able to defend this action successfully."
47. When an examination is made in accordance with generally accepted auditing standards, the auditor should always
- Document the auditor's understanding of the client's internal accounting control system.
 - Employ analytical review procedures.
 - Obtain certain written representations from management.
 - Observe the taking of physical inventory on the balance sheet date.
48. An auditor's report would be designated as a special report when it is issued in connection with which of the following?
- Financial statements for an interim period that are subjected to a limited review.
 - Financial statements that are prepared in accordance with a comprehensive basis of accounting other than generally accepted accounting principles.
 - Financial statements that purport to be in accordance with generally accepted accounting principles but do not include a presentation of the statement of cash flows.
 - Financial statements that are unaudited and are prepared from a client's accounting records.
49. An auditor may report on condensed financial statements that are derived from complete financial statements if the
- Condensed financial statements are distributed to shareholders along with the complete financial statements.
 - Auditor describes the additional procedures performed on the condensed financial statements.
 - Auditor indicates whether the information in the condensed financial statements is fairly stated in all material respects in relation to the complete financial statements from which it has been derived.
 - Condensed financial statements are presented in comparative form with the prior year's condensed financial statements.
50. According to the profession's ethical standards, a CPA would be considered independent in which of the following instances?
- A client leases part of an office building from the CPA, resulting in a material indirect financial interest to the CPA.
 - The CPA has a material direct financial interest in a client, but transfers the interest into a blind trust.
 - The CPA owns an office building and the mortgage on the building is guaranteed by a client.
 - The CPA belongs to a country club client in which membership requires the acquisition of a pro rata share of equity.

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