

Roll. No. ....

O.M.R. Serial No.

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Question Booklet Number

600251

**BBA (SEM.-VI) (NEP) EXAMINATION, 2024**  
**BUSINESS ADMINISTRATION**

**F010602T - A : Auditing**

**F010602T - B : International Trade**

**Paper Code**

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**Question Booklet  
Series**

**C**

**Max. Marks : 75**

**Time : 1 : 30 Hours**

**Instructions to the Examinee :**

1. Do not open the booklet unless you are asked to do so.
2. The booklet contains 100 questions. Examinee is required to answer 75 questions in the OMR Answer-Sheet provided and not in the question booklet. Booklet is in two Sections : Section-A (1-50) & Section-B (51-100). Candidate should select 37 and 38 questions respectively from both Sections. All questions carry equal marks.
3. Examine the Booklet and the OMR Answer-Sheet very carefully before you proceed. Faulty question booklet due to missing or duplicate pages/questions or having any other discrepancy should be got immediately replaced.
4. Four alternative answers are mentioned for each question as - A, B, C & D in the booklet. The candidate has to choose the correct / answer and mark the same in the OMR Answer-Sheet as per the direction :

*(Remaining instructions on last page)*

**परीक्षार्थियों के लिए निर्देश :**

1. प्रश्न-पुस्तिका को तब तक न खोलें जब तक आपसे कहा न जाए।
2. प्रश्न-पुस्तिका में 100 प्रश्न हैं। परीक्षार्थी को 75 प्रश्नों को केवल दी गई OMR आन्सर-शीट पर ही हल करना है, प्रश्न-पुस्तिका पर नहीं। प्रश्न-पुस्तिका दो खण्डों : खण्ड-अ (1-50) तथा खण्ड-ब (51-100) में है। परीक्षार्थी को प्रत्येक खण्ड से क्रमशः 37 और 38 प्रश्न करने हैं। सभी प्रश्नों के अंक समान हैं।
3. प्रश्नों के उत्तर अंकित करने से पूर्व प्रश्न-पुस्तिका तथा OMR आन्सर-शीट को सावधानीपूर्वक देख लें। दोषपूर्ण प्रश्न-पुस्तिका जिसमें कुछ भाग छपने से छूट गए हों या प्रश्न एक से अधिक बार छप गए हों या उसमें किसी अन्य प्रकार की कमी हो, उसे तुरन्त बदल लें।
4. प्रश्न-पुस्तिका में प्रत्येक प्रश्न के चार सम्भावित उत्तर- A, B, C एवं D हैं। परीक्षार्थी को उन चारों विकल्पों में से सही उत्तर छानना है। उत्तर को OMR उत्तर-पत्रक में सम्बन्धित प्रश्न संख्या में निम्न प्रकार भरना है :

*(शेष निर्देश अन्तिम पृष्ठ पर)*

## SECTION-A: AUDITING

1. What is the purpose of a management representation letter in auditing?
  - (A) To disclose all instances of fraud to auditors
  - (B) To provide assurance to auditors regarding the completeness and accuracy of information provided
  - (C) To request additional audit procedures from auditors
  - (D) To issue an opinion on financial statements
2. Which of the following is NOT a phase of the audit process?
  - (A) Planning
  - (B) Reporting
  - (C) Execution
  - (D) Negotiation
3. Which of the following is a limitation of internal controls?
  - (A) Provides absolute assurance
  - (B) Prevents all instances of fraud
  - (C) Can be overridden by management
  - (D) Guarantees the accuracy of financial statements
4. What is the primary objective of internal controls?
  - (A) To prepare financial statements
  - (B) To detect all instances of fraud
  - (C) To provide assurance regarding the reliability of financial reporting
  - (D) To issue an opinion on financial statements
5. What is the primary purpose of the audit report issued for a limited company?
  - (A) To prepare financial statements
  - (B) To express an opinion on the fairness of financial statements
  - (C) To provide tax advice
  - (D) To detect instances of fraud
6. Which of the following is NOT a type of audit procedure?
  - (A) Inspection
  - (B) Inquiry
  - (C) Judgment
  - (D) Observation
7. What is the purpose of a test of controls in auditing?
  - (A) To gather audit evidence about the accuracy of financial statements
  - (B) To identify areas of potential fraud
  - (C) To assess the effectiveness of internal controls
  - (D) To express an opinion on the fairness of financial statements
8. Which of the following statements is true regarding audit documentation?
  - (A) Audit documentation is not required in auditing engagements
  - (B) Audit documentation should be prepared after the issuance of the audit report
  - (C) Audit documentation provides evidence of the audit procedures performed and conclusions reached
  - (D) Audit documentation is the sole responsibility of management

9. Which of the following may be appointed as a statutory auditor :
- A partner of company's employee
  - An employee of a company's director
  - A partner of the director of that company
  - Non-related person with that company
10. Which of the following is not a component of an audit report?
- Introductory paragraph
  - Scope paragraph
  - Management's representation letter
  - Opinion paragraph
11. What is the purpose of the scope paragraph in an audit report?
- To express an opinion on financial statements
  - To provide assurance on the accuracy of financial statements
  - To outline the responsibilities of auditors and management
  - To summarize the findings from the audit
12. Which of the following statements is true regarding a disclaimer of opinion?
- Indicates that financial statements are fairly presented
  - Identifies material misstatements in financial statements
  - States that auditors are unable to express an opinion
  - Provides assurance on the accuracy of financial statements
13. Which of the following is NOT a limitation of an audit report?
- Provides absolute assurance
  - Relies on management representations
  - May not detect all instances of fraud
  - Can be misunderstood by users
14. Which of the following is NOT a user of audit reports?
- Shareholders
  - Management
  - Competitors
  - Regulatory authorities
15. In the auditing of limited companies, what is the significance of testing internal controls?
- To detect instances of fraud
  - To identify areas of non-compliance with laws and regulations
  - To assess the risk of material misstatement in financial statements
  - To express an opinion on the fairness of financial statements

16. What is the purpose of obtaining audit evidence?
- To support management's assertions in the financial statements
  - To hide discrepancies in financial statements
  - To comply with auditing standards
  - To reduce audit fees
17. Which of the following is NOT a type of audit opinion?
- Unqualified opinion
  - Qualified opinion
  - Adverse opinion
  - Neutral opinion
18. What is the primary purpose of a compliance audit?
- To express an opinion on financial statements
  - To detect fraud
  - To ensure adherence to laws and regulations
  - To provide consulting services
19. Which of the following is an example of an internal control?
- Hiring an external auditor
  - Separation of duties within the accounting department
  - Increasing the company's debt
  - Paying dividends to shareholders
20. Which of the following is NOT a characteristic of an external audit?
- Conducted by independent auditors
  - Focuses on the fairness of financial statements
  - Required by regulatory authorities
  - Provides consulting services to the client
21. What is the significance of assessing the going concern assumption of a company during an audit?
- To evaluate the company's industry reputation
  - To assess the company's profitability in the previous year
  - To determine the company's ability to continue operating for the foreseeable future
  - To analyze the company's internal controls
22. What is the primary responsibility of the audit committee?
- Preparation of financial statements
  - Execution of audit procedures
  - Oversight of the audit process
  - Providing tax advice
23. Which of the following is a limitation of an audit?
- Provides absolute assurance
  - Detects all instances of fraud
  - Relies on sampling techniques
  - Guarantees future financial success
24. First auditor of a company is appointed by :
- Government
  - Board of Directors
  - Shareholders
  - Company Secretary

25. Which of the following is NOT a characteristic of audit evidence?

- (A) Sufficiency
- (B) Objectivity
- (C) Reliability
- (D) Completeness

26. What is the purpose of an audit sampling in auditing?

- (A) To examine the entire population of transactions
- (B) To select a representative sample of transactions for testing
- (C) To analyze financial statements
- (D) To prepare audit reports

27. Which of the following is a limitation of audit sampling?

- (A) Provides absolute assurance
- (B) Detects all instances of fraud
- (C) Sampling error
- (D) Guarantees the accuracy of financial statements

28. The company shall intimate to the auditor appointed stating that he has been appointed as auditor of the company within:

- (A) 30 days
- (B) 20 days
- (C) 14 days
- (D) 7 days

29. Which of the following is NOT included in an audit report?

- (A) Management's representation letter
- (B) Auditor's opinion

(C) Basis for the opinion

(D) Financial statements

30. The auditor shall inform the Registrar of the company in writing about his acceptance of appointment within :

- (A) 7 days
- (B) 14 days
- (C) 20 days
- (D) 30 days

31. Which of the following is NOT a characteristic of an unqualified opinion?

- (A) Adherence to auditing standards
- (B) Presence of material misstatements
- (C) Consistency with generally accepted accounting principles
- (D) Assurance on the fairness of financial statements

32. What is the primary difference between a qualified opinion and an adverse opinion?

- (A) Scope of work performed by auditors
- (B) Nature of the misstatements identified in financial statements
- (C) Reporting format of the audit report
- (D) Level of assurance provided by auditors

33. In the context of auditing, what is the primary responsibility of the board of directors of a limited company?

- (A) Conducting the audit
- (B) Preparing the financial statements
- (C) Appointing the auditor
- (D) Overseeing the financial reporting process

34. Which regulatory body sets the auditing standards for auditors?
- International Accounting Standards Board (IASB)
  - International Standards on Auditing (ISA)
  - Financial Accounting Standards Board (FASB)
  - Securities and Exchange Commission (SEC)
35. In the context of auditing educational institutions, what does the term "academic audit" refer to?
- Audit of faculty performance evaluations
  - Audit of curriculum development processes
  - Audit of student records and transcripts
  - Audit of campus facilities and infrastructure
36. Which of the following statements is true regarding internal auditors?
- They report directly to management
  - They are responsible for issuing audit opinions
  - They are independent of the organization
  - They focus on ensuring compliance with laws and regulations
37. What is the primary difference between an internal auditor and an external auditor?
- Scope of work
  - Reporting structure
  - Independence
  - Qualifications
38. Who typically appoints the auditor for an educational institution?
- Government authorities
  - Board of Trustees
  - Faculty members
  - Regulatory agencies
39. What is a key focus area for auditors when auditing the financial transactions of an educational institution?
- Student enrollment procedures
  - Compliance with academic standards
  - Accuracy of financial records
  - Research and development activities
40. Which of the following is NOT a key consideration for auditors when auditing the governance structure of an educational institution?
- Independence of the board of trustees
  - Adherence to academic integrity policies
  - Transparency in decision-making processes
  - Faculty credentials and qualifications
41. In the auditing of limited companies, who appoints the auditor?
- Shareholders
  - Management
  - Board of Directors
  - Regulatory authorities

## SECTION-B: INTERNATIONAL TRADE

51. Which of the following constitutes Foreign Direct Investment?
- (A) A speculator trying to make a profit by buying company shares on a foreign stock exchange.
  - (B) A UK energy company buying territory abroad where it expects to find oil reserves.
  - (C) A tourist purchasing foreign currency to spend on a holiday abroad.
  - (D) A company signing an agreement with a wholesaler to distribute its products in foreign markets.
52. Which of the following could be defined as a multinational company?
- (A) A firm that owns shares in a foreign company but does not participate in the company's decision making
  - (B) A UK based internet package holiday firm specializing in selling tours to Turkey to German customers.
  - (C) A firm owning a chain of supermarket outlets outside its country of origin.
  - (D) A finance company transferring its HQ and all its activities from the UK to the US.
53. Which of the following is a driver of globalization?
- (A) Trade barriers and controls on inflows of foreign direct investment.
  - (B) Weak competition
  - (C) Technological advance
  - (D) Economies of scale are being exploited to the maximum.
54. What is the share of TNCs in world trade?
- (A) 20%
  - (B) 40%
  - (C) 50%
  - (D) 60%
55. Which country is not members of SAFTA?
- (A) India
  - (B) Bhutan
  - (C) Japan
  - (D) Sri Lanka
56. BOP includes :
- (A) Transfer payment
  - (B) Capital inflow and out flow
  - (C) Export and import of goods and services
  - (D) All of the above
57. Which is a cause that create disequilibrium in BOP?
- (A) Economic
  - (B) Political
  - (C) Social
  - (D) All of the above
58. Ethnocentric views concentrate on their :
- (A) Home country
  - (B) Host country
  - (C) World orientation
  - (D) Racial orientation
59. in a global market place :
- (A) The entire world is a market place
  - (B) National borders are irrelevant
  - (C) The potential for organizations to grow expands dramatically
  - (D) All of the above

60. Specific cultural dimensions that does not have a significant impact on cross national business interactions is :
- Hofstede's five cultural dimensions
  - Monochromatic Vs polychromatic time
  - Communication
  - Geography
61. In TRIMS, 'T' denotes :
- Investment
  - Intellectual property
  - Interim Relief
  - Insecurity
62. International economic integration treated on trade block :
- United Nations agreement on trade and commerce
  - Custom union
  - IMF
  - IBRD
63. Main work of IMF is :
- Surveillance
  - Technical assistance
  - Lending
  - All of the above
64. UNCTAD Headquarter is situated at :
- Paris
  - New York
  - Geneva
  - Mexico city
65. In MIGA 'M' stands for :
- Management
  - Multilateral
  - Multinational
  - Monopoly
66. Most Favored Nation (MFN) agreement in WTO says :
- Same treatment for all member Nations
  - Discretionary favour to some Nations
  - Both (A) and (B)
  - None of the above
67. Special drawing Right is created by :
- IMF
  - WTO
  - IBRD
  - All of the above



68. The internet facilitates globalization by :
- Making it more difficult to contact potential customers abroad.
  - Cutting the cost for firms of communicating across borders.
  - Making it harder to send money from one country to another.
  - Making it easier for governments to censor the information received by their citizens from abroad.
69. Why might MNCs in the past have focused their marketing activities on the triad?
- That is where the most lucrative markets were located.
  - Income per head in developing countries was relatively low.
  - Transport and communication links were improving outside the triad.
  - Technologically advanced goods and services do not appeal to consumers in developing economies
70. Globalization can create problems for business because :
- It can result in more competition.
  - It increases vulnerability to political risk and uncertainty when operating abroad
  - It means that they can increase prices.
  - All of the options given are correct.
71. Which of the following statements on civil law systems would be seen as an advantage by business?
- Civil law systems operate in very few countries.
  - Relevant areas of law are much easier to find than in common law systems.
  - Relevant areas of law are more difficult to find than in common law systems.
  - Lawyers act as oral advocates for their clients.
72. How does international law facilitate international trade and investment ?
- It makes it easier to resolve contract disputes for firms involved in international trade and investment.
  - It allow business to choose the most favorable national legal system to institute proceedings.
  - The terms used in international conventions are open to differing interpretations.
  - The Uniform Commercial Code favors big US multinationals.
73. Laws relating to The Single Market Program allow EU-based companies to :
- Move goods and services from any member state to another.
  - Transfer managers to any members state.
  - Invest anywhere in the EU.
  - All of the above
74. Competition Law in the EU means that firms :
- Are free to set up international cartels.
  - May be refused permission to take over a US competitor.
  - Can not be made to repay government financial assistance
  - Can cross-subsidise loss-making services from profitable activities

75. In a global market place Managers must .
- Deals with economic, political and cultural differences
  - Expect competitors to suddenly appear at any time from any place
  - Not to take specific differences of local environment into consideration
  - Both (A) and (B)
76. Trade Related Investment Measures (TRIMS) does not apply for :
- Measures that affect trade in goods
  - Measures that lead to restrictions in quantities
  - Discouraging measures that limit a company's imports
  - Discouraging measures that limit a company's exports
77. General Agreement on Trade in Services will not be applicable to :
- Services supplied from one country to another - cross border supply
  - Transaction of goods across the border-Export Import
  - Individuals traveling from own country to supply services in another -presence of natural persons
  - Consumers/firms making use of a services in another country-consumption abroad
78. As a part of WTO guidelines, Agreement on Agriculture (AOA) does not consider
- Direct payments to farmers are permitted
  - Indirect assistance and support to farmers including R & D support by government are not permitted
  - Domestic policies which directly effect on production and trade have to be cut back
  - Least developed countries do not need to make any cuts
79. Quantitative restrictions refer to limit set by countries to curb :
- Measures that affect trade in goods
  - Measures that lead to restrictions in quantities
  - Discouraging measures that limit a company's imports
  - Discouraging measures that limit a company's exports
80. A Most Favored nation status does not necessarily refers to :
- Same and equal economic treatment
  - Non-discriminatory treatment
  - Same tariff rates applicable
  - Uniform civil code
81. The World Trade Organization was formed in the year \_\_\_\_\_ with GATT as it basis.
- 1993
  - 1994
  - 1995
  - 1996

82. The law relating to E-Commerce fits which of the following descriptions.
- (A) It comprises a single set of laws.
  - (B) The law lacks clarity.
  - (C) There is no problem applying contract law to the internet.
  - (D) The law makes it easy to deal with foreign computer hackers.
83. The existence of different currencies is beneficial to private financial institutions because :
- (A) Each country has its own currency.
  - (B) The exchange rate of each currency is fixed by the International Monetary Fund.
  - (C) A collapse in the exchange rate of a currency can cause economic disruption.
  - (D) Profits can be made from arbitrage.
84. The International Monetary Fund is important because : <https://www.csjmuonline.com>
- (A) It has sufficient financial resources to deal with a major global financial crisis.
  - (B) It has sufficient financial resources to help individual countries facing balance of payment problems.
  - (C) Emerging economics can exercise significant influence on it.
  - (D) It fixes exchange rates.
85. Which of the following are characteristic of the period when financial bubbles burst?
- (A) Excessive optimism about future asset prices.
  - (B) Excessive pessimism about future asset prices.
  - (C) Rising house prices.
  - (D) Rising share prices.
86. What functions do financial institutions traditionally perform?
- (A) They immobilise savings.
  - (B) They concentrate risk.
  - (C) They spread risk.
  - (D) They offer only short-term finance.
87. The balance of payment included which of the following?
- (A) A country's balance of trade.
  - (B) Foreign investments.
  - (C) Foreign aid.
  - (D) All of the above.
88. Which country is not the member of SAARC?
- (A) Bhutan.
  - (B) Sri Lanka.
  - (C) Philippines.
  - (D) Maldives.
89. Which one of the following is a pull factor in emigration?
- (A) Political oppression.
  - (B) Job opportunities.
  - (C) Food shortages.
  - (D) War.
90. Which of the following do not facilitate globalization?
- (A) Improvements in communications.
  - (B) Barriers to trade and investment.
  - (C) Immigration controls.
  - (D) Removal of controls on movement of capital across borders.

91. Geographical indication specifies :  
 (A) Place of origin of goods only  
 (B) Special characteristics of product associated with place of origin  
 (C) Both (A) and (B)  
 (D) None of these
92. Strategic alliance cannot be between :  
 (A) Manufacturer and supplier  
 (B) Competitors  
 (C) Non-competitors  
 (D) None of the above
93. The mode of entry into international business with least risk to the firm is :  
 (A) Export house  
 (B) Trading house  
 (C) A manufacturing exporter  
 (D) Merchant exporter
94. A global company can \_\_\_\_ its experience to expand its global operations.  
 (A) Contract  
 (B) Expand  
 (C) Minimize  
 (D) Leverage
95. Governmental regulations can affect the viability and \_\_\_\_ of a company using the internet as a foreign market entry mode.  
 (A) Effectiveness  
 (B) Association  
 (C) Performance  
 (D) None of the above
96. \_\_\_\_ typically offer more flexibility in international markets.  
 (A) SMEs  
 (B) LSEs  
 (C) MNEs  
 (D) None of the above
97. Within an international context, what are 'economies of scope' synonymous with?  
 (A) Reusing a resource from one business/country in additional businesses/countries  
 (B) Decreased cost per unit of output  
 (C) Buying components in a bulk  
 (D) Any of the above
98. Globalization refers to :  
 (A) A more integrated and interdependent world  
 (B) Less foreign trade and investment  
 (C) Global warming  
 (D) Lower incomes worldwide
99. Which of the following is not a driver of globalization?  
 (A) The fragmentation of consumer tastes between countries  
 (B) The competitive process  
 (C) Multinational companies successfully persuading government to lower trading barriers  
 (D) The need to gain economies of scale
100. Globalization is beneficial for firms because :  
 (A) It protects them against foreign competition  
 (B) It cushions them from the effects of events in other countries  
 (C) It opens up new market opportunities  
 (D) It increases the risk and uncertainty of operating in a globalizing world economy.

## Example

### Question

Q. 1 (A) ● (C) (D)

Q. 2 (A) (B) ● (D)

Q. 3 (A) ● (C) (D)

Each question carries equal marks.  
Marks will be awarded according to the number of correct answers you have.

All answers are to be given on OMR Answer Sheet only. Answers given anywhere other than the place specified in the answer sheet will not be considered valid.

Before writing anything on the OMR Answer Sheet, all the instructions given in it should be read carefully.

After the completion of the examination, candidates should leave the examination hall only after providing their OMR Answer Sheet to the invigilator. Candidate can carry their Question Booklet.

There will be no negative marking.

Enough work, if any, should be done on the blank pages provided for the purpose in the booklet.

Use of any writing material, calculator, pager & cellular phone in examination hall is prohibited.

In case of any difference found in English and Hindi version of the question, the English version of the question will be held authentic.

On opening the question booklet, check that all the pages of the question are printed properly. If there is any discrepancy in the question Booklet, then handing it to the invigilator, get another Booklet of the same series.

## प्रश्न

प्रश्न 1 (A) ● (C) (D)

प्रश्न 2 (A) (B) ● (D)

प्रश्न 3 (A) ● (C) (D)

5. प्रत्येक प्रश्न के अंक समान हैं। आपके लिखने और गणनी होने, इसी के अनुसार अंक प्रदान किये जाएंगे।
6. सभी उत्तर केवल ओएमआर शीट (OMR Answer Sheet) पर ही दिये जाने हैं। उत्तर पत्रक में निर्धारित स्थान के अलावा प्रत्येक कहीं पर दिया गया उत्तर मान्य नहीं होगा।
7. ओएमआर शीट उत्तर पत्रक (OMR Answer Sheet) पर कुछ भी लिखने से पूर्व उसमें दिये गये सभी अनुदेशों को सावधानीपूर्वक पढ़ लिया जाये।
8. परीक्षा समाप्ति के समय परीक्षार्थी कक्ष निरीक्षक को अपनी OMR Answer Sheet उपलब्ध कराने के बाद ही परीक्षा कक्ष में प्रस्थान करे। परीक्षार्थी अपने साथ प्रश्न पुस्तिका ले जा सकते हैं।
9. निर्धारित मार्किंग नहीं है।
10. कोई भी एक कार्य, प्रश्न पुस्तिका में, एक कार्य के लिए दिए खाली पेज पर ही किया जाना चाहिए।
11. परीक्षा कक्ष में लॉग बुक, कैल्कुलेटर, पेजर तथा मोबाइल फोन ले जाना तथा उनका प्रयोग करना वर्जित है।
12. प्रश्न के हिन्दी एवं अंग्रेजी व्याख्यान में भिन्नता होने की दशा में प्रश्न का अंग्रेजी व्याख्यान ही मान्य होगा।

गहत्वपूर्ण: प्रश्नपुस्तिका खोलने पर प्रथमतः जाँच कर देख लें कि प्रश्नपुस्तिका के सभी पृष्ठ बलीभाँति छपे हुए हैं। यदि प्रश्नपुस्तिका में कोई कमी हो, तो कक्षनिरीक्षक को दिखाकर उसी भिन्न की दूसरी प्रश्नपुस्तिका प्राप्त कर लें।