



*(Knowledge for Development)*

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**KIBABII UNIVERSITY**  
**UNIVERSITY EXAMINATIONS**  
**2015/2016 ACADEMIC YEAR**  
**3<sup>RD</sup> SEMISTER YEAR ONE**  
**SPECIAL/SUPPLIMENTARY EXAMINATION**  
**FOR THE DIPLOMA IN BUSINESS MANAGEMENT**

**COURSE CODE: DAB 103**

**COURSE TITLE: PRINCIPLES OF AUDITING**

**DATE: 27/09/ 2017**                      **TIME: 8.00 AM - 10.00 AM**

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**INSTRUCTIONS TO CANDIDATES**

Answer Question One in Section A and Any other THREE (3) Questions in Section B

TIME: 2 Hours

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KIBU observes ZERO tolerance to examination cheating

This Paper Consists of 2 Printed Pages. Please Turn Over.



**SECTION A ( COMPULSORY)**

- Q1. (a) Clearly explain the objectives of an audit. (6mks)  
(b) Explain the meaning of Balance sheet audit. (6mks)  
(c) Explain various rules of conduct that govern the behavior of an accountant as issued by ICPAK (6mks)  
(d) What is internal auditing? Explain its scope and objectives (12mks)

**SECTION B (CHOOSE ANY TWO QUESTIONS)**

- Q2. Kibabii Boda boda enterprise is considering to buy Mayanja Boda boda ongoing business. You have been approached by the former for advice on whether to buy or not and at what price, clearly explain Audit procedures prior to commencing a detailed investigation. (20mks)
- Q3. Outline and explain various types of internal controls. (20mks)
- Q4. (a) Discuss the rights of an auditor. (10mks)  
(b) Discuss the duties of an auditor. (10mks)