Audit ki Kahani

Prabhat aur Iksha ke saath, Hinglish me poora audit



6 saal ke bachche se PhD tak

Prabhat puchta hai. Iksha samjhati hai.

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Episode 1: Audit kya hai?

Prabhat, Iksha aur ek bade sawaal ki kahani

Kahani: Prabhat ka pehla sawaal

Prabhat ke college ke canteen me ek bhaiya hisaab rakhte hain. Mahine ke end me wo bolte hain: "Is mahine 50,000 ka profit hua." Prabhat sochta hai: **"Aapne bola, par kya ye sach hai?"** Bas, yahin se audit ki kahani shuru hoti hai. Jab koi apna hisaab dikhaye, aur koi dusra, *jo us se juda na ho*, check kare ki wo sahi hai ya nahi, usse audit kehte hain.

Chat: Prabhat aur Iksha

Prabhat
Iksha, audit kya hota hai? Sab log darte kyun hain isse?

Iksha
Audit matlab hisaab ki "independent jaanch". Koi bahar ka insaan dekhta hai ki books me jo likha hai wo sach hai ya nahi.

Prabhat
Independent matlab?

Iksha
Jisko company se koi fayda ya dabav na ho. Jaise exam me teacher apni hi copy check kare to chalega kya?

Prabhat
Nahi! Wo to sabko full marks de dega. 😄

Iksha
Bilkul. Isliye auditor alag hota hai. Word "audit" Latin "audire" se aaya hai, matlab "sunna". Purane time me auditor log accounts ko padhke sunwate the aur sunke check karte the.

6 saal ke bachhe ke liye: Tune khilone ginke bola "mere paas 10 khilone hain." Tera dost ginta hai. Agar 10 hi nikle, to tu sach bol raha tha. Ye audit hai.

Normal: Audit ka matlab hai evidence (saboot) leke books ki jaanch karna aur ek opinion dena ki financial statements me koi bada galat nahi hai (*"free from material misstatement"*). Isse investors, banks, sarkar aur public ko bharosa milta hai.

PhD box: Audit ek assurance service hai. Auditor propositions ko evidence se evaluate karta hai, findings document karta hai aur report me opinion deta hai. Audit costly hota hai, isliye "optimal auditing" naam ki ek research field economics aur computer science me ye study karti hai ki kitna audit karna sabse sahi hai. Audit sirf finance tak seemit nahi: internal controls, quality, project, energy jaise area bhi audit hote hain.

Source: Wikipedia, "Audit", https://en.wikipedia.org/wiki/Audit (dekha: 27 Nov 2026). Definition aur etymology apne shabdon me.

Infographic: Audit ka teen-kadam



Real example 1: Enron aur Arthur Andersen (USA)

Prabhat
Iksha, agar audit itna zaroori hai, to kabhi fail bhi hua hai?

Iksha
Haan. Enron ko "biggest audit failure" kaha gaya. Enron ek US energy company thi, 1985 me bani. Bade bade executives ne accounting ke loopholes aur special purpose entities use karke billions dollars ka karz chhupa liya.

Prabhat
Aur auditor?

Iksha
Arthur Andersen, jo kabhi duniya ki 5 sabse badi audit firms me thi. Executives ne use dabav me liya ki wo problems ignore kare. Anth me 2 December 2001 ko Enron ne bankruptcy file ki. Uske assets $63.4 billion the. Stock $90.75 (Aug 2000) se girke 1 dollar se neeche aa gaya (Nov 2001 tak).

Prabhat
Phir Andersen ka kya hua?

Iksha
Documents destroy karne (obstruction of justice) ke case me wo guilty paayi gayi (2002), uska audit kaam khatam ho gaya aur firm band ho gayi. (Baad me, 2005 me, US Supreme Court ne ye conviction palat di, par tab tak firm khatam ho chuki thi.) Seekh: auditor ki independence aur imandari sabse badi cheez hai. Is ke baad US me Sarbanes-Oxley Act aaya.

[[SRC: https://en.wikipedia.org/wiki/Enron_scandal | formed 1985; $63.4 billion assets; bankruptcy 2 Dec 2001; stock high US$90.75 Aug 2000 to under $1 by end Nov 2001; Arthur Andersen dissolved; Sarbanes-Oxley | 27 Nov 2026]] (Fact-checked: sab figures Wikipedia se match. Andersen conviction 2002, overturned 2005.)

Real example 2: Satyam (India)

Prabhat
India me aisa kuch hua?

Iksha
Haan. Satyam Computer Services, Hyderabad ki IT company. 7 January 2009 ko chairman Byrraju Ramalinga Raju ne resign kiya aur maana ki accounts me lagbhag Rs 7,000 crore ka manipulation hua. (Raju ke apne letter ke hisaab se; baad me kuch reports me ye aankda Rs 7,136 crore aur CBI ke andaze me lagbhag Rs 14,000 crore bataya gaya.) Accounts me aise profit aur bank cash dikhaye gaye jo the hi nahi.

Prabhat
Aur auditor kaun tha?

Iksha
PwC ki affiliate firm. US SEC ne April 2011 me PwC India ki affiliate firms par $6 million ka jurmana lagaya. 10 January 2018 ko SEBI ne Price Waterhouse ko 2 saal ke liye listed companies ke audit se roka. 9 April 2015 ko Hyderabad ki special CBI court ne Raju aur 9 aur logon (kul 10 accused) ko 7 saal ki saza di.

[[SRC: https://en.wikipedia.org/wiki/Satyam_scandal | 7 Jan 2009 confession, Rs 7,000 crore; PwC India fined $6 million by SEC; SEBI 2018 2-year bar; 9 Apr 2015 verdict | 27 Nov 2026]] Fact-checked: SEC press release 2011-82 (sec.gov), SEBI order 10 Jan 2018 (sebi.gov.in), Hindustan Times/Mint/LiveLaw 9-10 Apr 2015.

Exam angle (UPSSSC)

1. Audit shabd kis Latin shabd se bana? **audire (sunna)**
2. Auditor ka sabse zaroori gun? **Independence**
3. Audit ka output kya hai? **Audit report me opinion**
4. Audit assurance ya accounting? **Assurance**
5. Satyam ke chairman ka naam? **B. Ramalinga Raju**

Recap

- Audit = independent jaanch + opinion
- Saboot (evidence) pe chalta hai
- "Audire" = sunna
- Independence sabse badi shart
- Enron aur Satyam = audit failure ke bade sabak
- Audit se bharosa banta hai

Part B: Audit ko aur gehraai se samjho

Pehle hisse mein tune dekha ki audit "independent jaanch + opinion" hai. Ab Part B mein hum wahi baat chhoti dukaan, school ke marks aur bank statement se samjhenge. Phir thoda itihaas: Companies Act kab aaya, ICAI kab bana. Aakhir mein 20 MCQs.

Part B1. Kirana wali chat: audit chhoti dukaan par

Kahani hook. Raat ke nau baje the. Prabhat ke papa ki dukaan ki shutter aadhi girayi ja chuki thi. Papa kaapi mein din ka hisaab likh rahe the. Prabhat ne dekha, papa ne "chai-patti 120" likha, par peeche shelf par chai ka dabba aadha khaali tha. Usne Iksha ko message kiya.

Prabhat
Iksha, papa ki dukaan ka audit kaise hoga? Wahan to koi company bhi nahi hai.

Iksha
Audit ke liye company hona zaroori nahi. Koi bhi apna hisaab kisi dusre se check karwa sakta hai. Isse "voluntary audit" kehte hain, yaani apni marzi se.

Prabhat
Matlab papa mujhse check karwa sakte hain?

Iksha
Tu beta hai. Teri independence kahan? Tu papa ko khush rakhne ke liye "sab sahi hai" bol dega. Audit mein checker ko us insaan se alag hona padta hai jiska hisaab check ho raha hai.

Prabhat
Theek hai. To bahar ka koi aaye. Wo kya dekhega?

Iksha
Teen cheezein. Ek: jo likha hai wo sach me hai ya nahi. Do: jo hua wo sab likha gaya ya nahi. Teen: keemat sahi lagayi ya nahi. Chal, tere papa ke chai ke dabbe se samjhati hoon.

Kirana example (kalpanik numbers, sirf samajhne ke liye)

Maan le papa ne kaapi mein likha: "Stock mein chai-patti ke 10 dabbe, har dabba Rs 100". Yaani stock Rs 1,000. Ye numbers kisi real company ke nahi hain, sirf kalpana hain.

Auditor ka sawaal	Kaise check karega	Is example mein
Kya 10 dabbe sach me hain? (existence)	Shelf par jaake ginega	6 dabbe mile
Kya sab dabbe likhe gaye? (completeness)	Godown ka maal bhi dekhega	Godown mein 2 aur mile, kaapi mein nahi
Keemat sahi? (valuation)	Purchase bill se milaega	Bill par Rs 100 ka rate mila, theek
Kya sahi mahine ka maal hai? (cut-off)	Aakhri din ke bills dekhega	1 tareekh ka bill 30 tareekh mein likh diya gaya

Prabhat
To galti kahan hui?

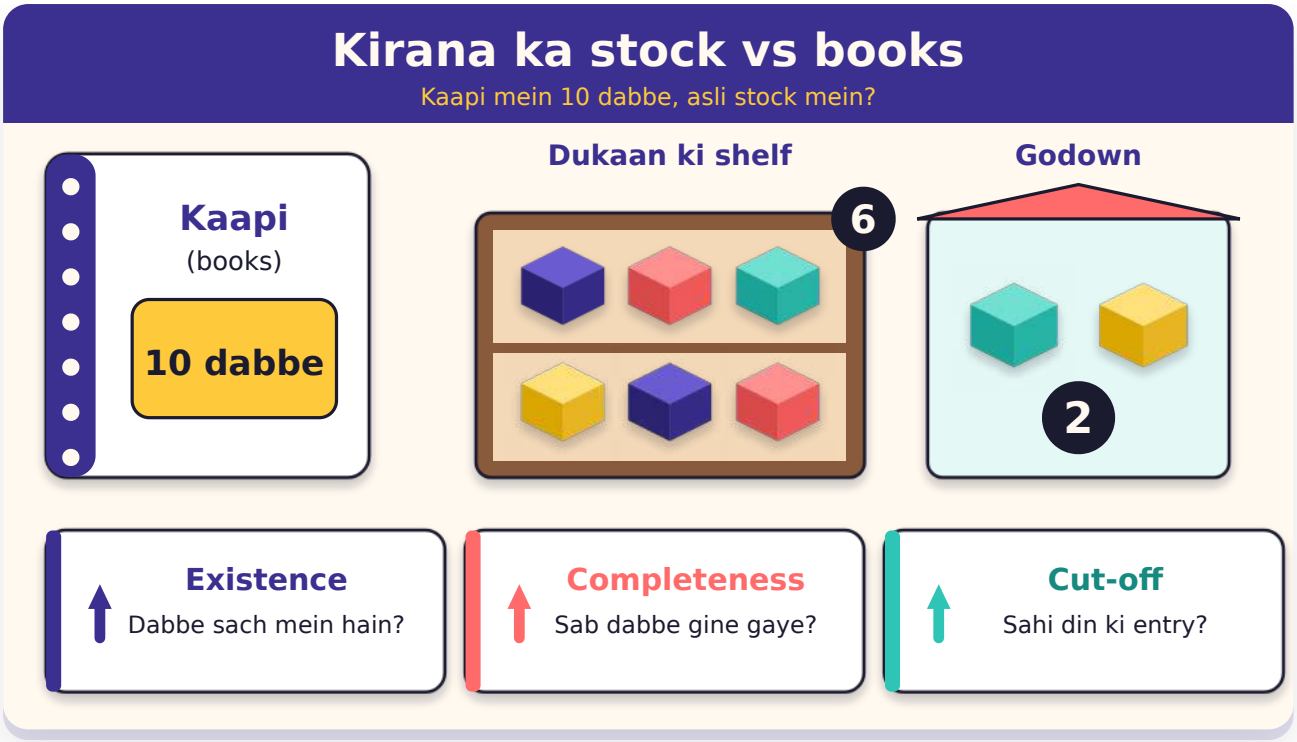
Iksha
Kaapi mein 10 likhe the, asli 6 + 2 = 8 mile. Do dabbe kam. Ho sakta hai chori, ho sakta hai galat ginti, ho sakta hai kisi ko udhaar diya aur likha nahi. Auditor ka kaam andaaza lagana nahi. Uska kaam hai pata lagana ki difference hai, aur use likhna.

Prabhat
Aur agar papa kahen "ye chhoti baat hai"?

Iksha
Isi ko "materiality" kehte hain. 2 dabbe ki baat Rs 200 ki hai, dukaan ke saal bhar ke hisaab mein chhoti ho sakti hai. Par agar papa har mahine dabbe chhupa rahe hon, ya jaanbujhkar kam likh rahe hon, to chhoti baat bhi badi ban jaati hai.

3 levels mein samajh

- **6 saal ka bachha:** Tere paas 10 goliyan hain, tu bolta hai 10 hain. Dost ginta hai, 8 nikli. Sach kisne bola? Ginti ne.
- **Normal:** Audit mein auditor saboot (shelf, bill, bank) dekhke batata hai ki likha hua hisaab asliyat se kitna milta hai.
- **PhD box:** Assertions (existence, completeness, valuation, cut-off) financial statement ke har item par lagte hain. Auditor ka risk-based approach kehta hai ki zyada risk wale item par zyada saboot lo. Chhoti dukaan mein inherent risk aksar cash aur stock mein hota hai kyunki controls kam hote hain.



Exam trap

"Audit sirf badi companies ka hota hai" galat hai. Companies Act ke tahat kuch companies ka audit zaroori hai, par koi bhi vyakti ya firm apni marzi se bhi audit karwa sakta hai. Exam mein "voluntary audit" ka option dekhna.

Part B2. School ke marks wali chat: independence samjho

Raat ko Iksha ne ek aur example socha. Ye wahi baat thi jo pehle part mein teacher aur copy se aayi thi, par ab aur gehraai se.

Prabhat
Tune bola independent. Par agar auditor ko paise company se hi milte hain to independent kaise?

Iksha
Achha sawaal. Pehle school ke marks dekh. Tere 10th ke marks kisne check kiye the?

Prabhat
Board ke teachers ne. Meri copy mere school ke teacher ne nahi dekhi.

Iksha
Kyun?

Prabhat
Taaki school apne bachchon ko extra marks na de sake.

Iksha
Bilkul. School ko apna result achha dikhana hota hai. Isi liye board ek bahari checker hai. Company ko bhi apna "result" (profit) achha dikhana hota hai. Isi liye shareholders ek bahari auditor lagate hain.

Prabhat
Par company hi auditor ko fees deti hai.

Iksha
Haan, yahi audit ka sabse purana sawaal hai. Is ka jawab hai: appointment aur fees ka faisla members (shareholders) ke haath mein, aur auditor ko kuch services dene par rok. Ye sab Chapter 4 mein dekhenge. Abhi itna samajh: independence ek rasta nahi, ek poori deewar hai jisme kai ent lagti hain.

Prabhat
Aur agar auditor ko company me shares mil jayein?

Iksha
To wo "self-interest" ban jaata hai. Agar share ka daam badhe to usko fayda. Auditor ko dil se nahi, rules se rokna padta hai.

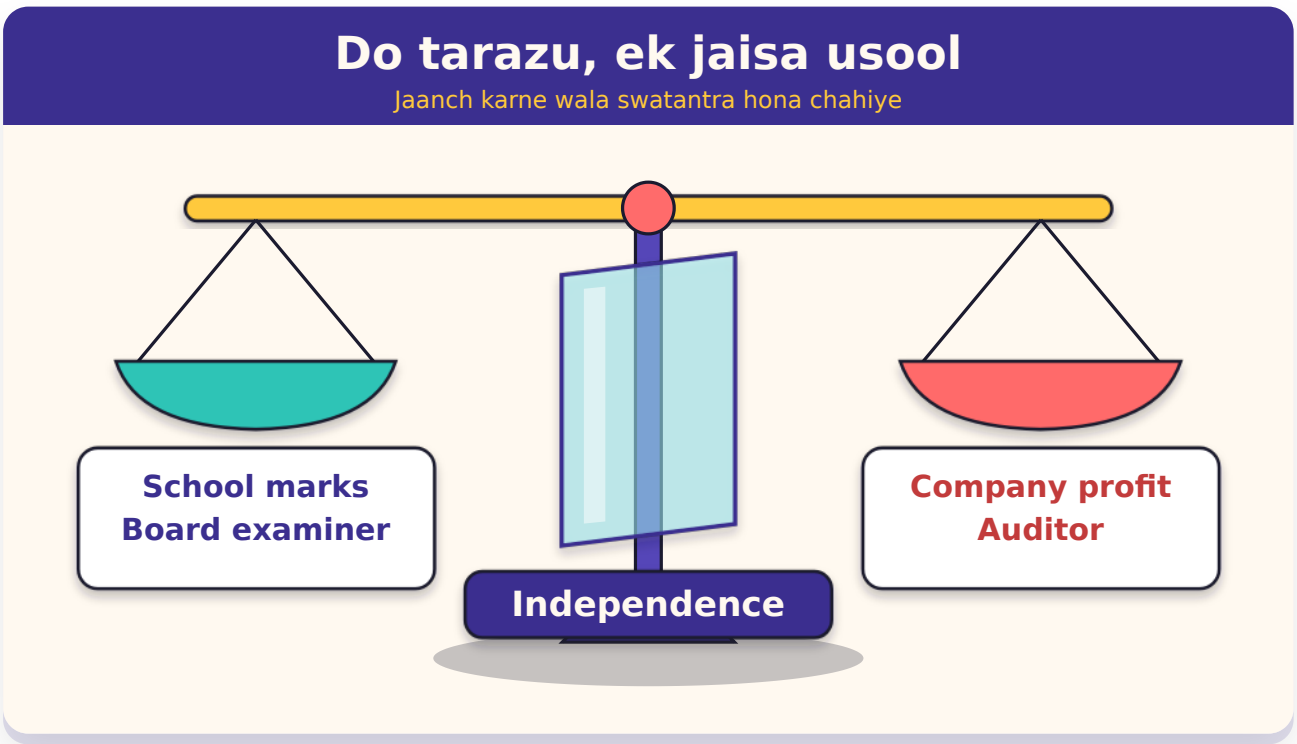
Marks wali table: company vs school

School	Company
Student	Management
Marks sheet	Financial statements
Board examiner	Auditor
Result ka public bharosa	Shareholders aur banks ka bharosa
Copy check karna	Books aur saboot check karna

Dark beat (chhoti si). Raat gehri thi. Iksha ne laptop band kiya aur Prabhat ki taraf dekha. "Tu sirf rules yaad mat kar," usne dheere kaha. "Ek din koi tujhse bolega 'bas ek signature', aur wahi din tera imtihaan hoga." Prabhat ne haath mein chai ka cup pakda aur chup raha. Use us waqt samajh nahi aaya ki ye baat kitni jaldi sach hone wali hai.

3 levels mein samajh

- **6 saal ka bachha:** Jo khel khel raha hai wo khud refree nahi ho sakta.
- **Normal:** Auditor ko company se alag rehna padta hai, taaki wo bina dar ya laalach ke sach likh sake.
- **PhD box:** Independence ke do roop hote hain: independence of mind (andar se neutral) aur independence in appearance (bahar se neutral dikhna). Dono zaroori hain kyunki audit ka fayda tab hai jab bahar ke log auditor par bharosa karein. Agency theory ke hisaab se auditor ek monitoring device hai jo owners aur managers ke beech information asymmetry kam karta hai.



Part B3. Bank statement wali chat: saboot kahan se aata hai

Kahani hook. Ek subah Prabhat ke phone par bank ka message aaya: "Your account balance is Rs 12,430." Wo daftar mein baitha tha. Usne apni kaapi mein dekha: Rs 15,000. Ghabrahat hui. Iksha ne hans ke kaha, "Ye to audit ka sabse purana saboot hai: bank statement."

Prabhat
Kaapi mein 15,000, bank mein 12,430. Kuch chori hui?

Iksha
Pehle ruk. Is difference ke kai asli karan ho sakte hain. Cheque jo tune diya par bank ne abhi clear nahi kiya. Ya bank ke charge jo tune kaapi mein nahi likhe. Isko "bank reconciliation" kehte hain.

Prabhat
Aur auditor iska kya karta hai?

Iksha
Auditor khud bank se confirmation maangta hai. Company se nahi. Kyunki company ka statement change ho sakta hai, bank ka letter bahar se aata hai. Isse "external confirmation" kehte hain. Saboot jitna bahar se aaye, utna zyada bharosemand.

Prabhat
Sab saboot barabar nahi hote?

Iksha
Nahi. Bahar ka document (bank letter) company ke andar ke document (khud ka register) se zyada pakka hota hai. Aur auditor ka khud dekha hua (ginti) sirf suna hua se zyada pakka.

Worked example: bank reconciliation (kalpanik numbers)

Prabhat ka kaapi balance Rs 15,000. Bank statement balance Rs 12,430. Detail:

- Prabhat ne Rs 3,000 ka cheque diya, abhi cash nahi hua.
- Bank ne Rs 430 ka charge kaata, jo kaapi mein nahi likha.

Step 1: Bank balance se shuru: Rs 12,430. Step 2: Uncleared cheque add karo (kyunki bank se paisa abhi gaya nahi, par kaapi mein kat chuka): 12,430 + 3,000 = Rs 15,430. Step 3: Kaapi balance se bank charge ghatao: 15,000 - 430 = Rs 14,570.

Dikkat: 15,430 aur 14,570 barabar nahi. 860 ka difference baaki hai. Iska matlab kuch aur galat hai, kisi ek entry ki jaanch baaki hai.

Iksha
Dekha? Auditor ko yahi "unreconciled difference" milta hai. Wo us par ruk jaata hai. Ye 860 koi bhi ho sakta hai: ek entry do baar likhi gayi, ya ek deposit chhoot gaya.

Prabhat
Aur agar ye difference bhi samjha na paaye?

Iksha
To auditor apni report mein likhta hai ki use poora saboot nahi mila. Isse "limitation" kehte hain.

Ye ek hi cheez ke do roop hain: auditor kabhi "andaaza" nahi lagata. Uske paas ya to saboot hota hai ya difference ka note.

3 levels mein samajh

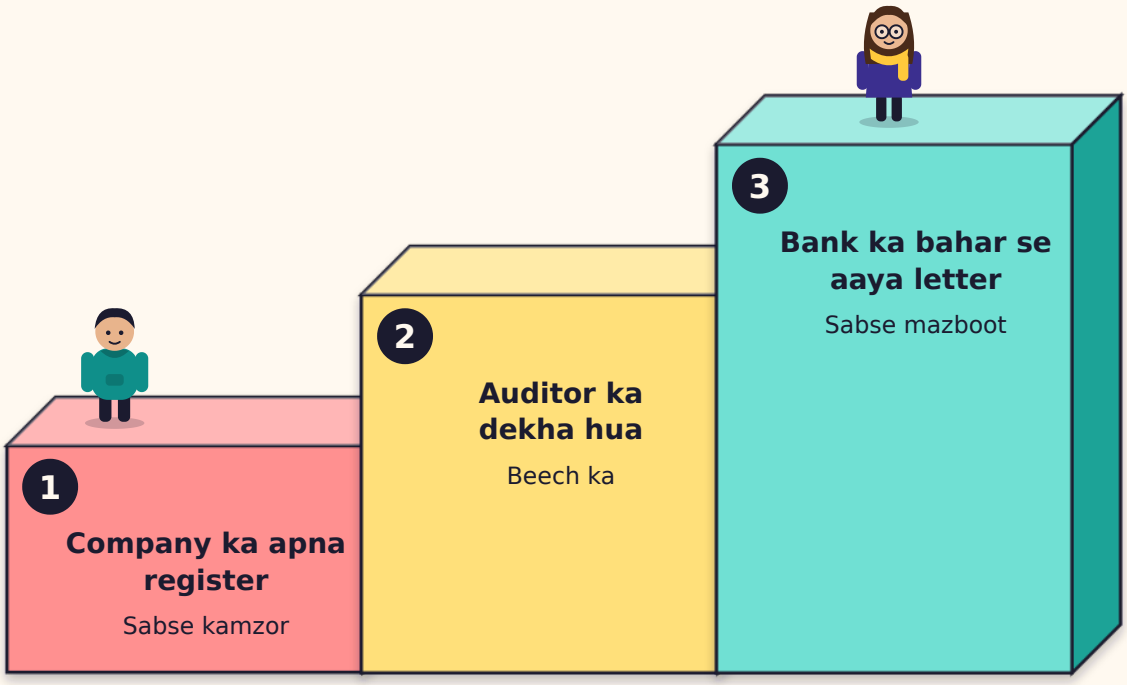
- **6 saal ka bachha:** Tu bolta hai "mere paas 100 rupaye hain." Dost bank se poochta hai. Bank bolta hai 80. To sach bank ne bola.
- **Normal:** Audit evidence jitna bahar se aata hai (bank, party, supplier), utna zyada reliable.
- **PhD box:** Auditing standards evidence ki reliability ko source ke hisaab se rank karte hain: bahar ke doosre party se seedha mila hua, auditor ka khud nikaala hua, aur company ke andar ka. Kaafi aur sahi (sufficient and appropriate) saboot mil jaye to hi reasonable assurance hota hai. Wirecard maamle mein jo cash "bank mein" bataya gaya tha, usi ka saboot nahi mila (Part B9 mein aage dekhenge).

Exam trap

"Auditor ka kaam fraud pakadna hai" aadha sach hai. Auditor ko reasonable assurance dena hota hai ki financial statements mein material misstatement nahi hai, chahe fraud se ho ya galti se. Wo guarantee nahi deta ki ek bhi fraud nahi hai. [src]

Saboot ki seedhi

Jitna bahar se aaya, utna mazboot



Part B4. Itihaas wali chat: audit shuru kaise hua

Kahani hook. Library mein purani kitaabein thi. Prabhat ne ek moti kitaab uthayi aur poochha: "Audit ka itihaas kitna purana hai?" Iksha ne chashma theek kiya. "Chal, pehle shabd se shuru karte hain."

Prabhat
Part A mein tune "audire" bola tha.

Iksha
Haan. Latin mein audire ka matlab "sunna". Purane Britain mein jab kitaabein haath se likhi jaati thi, auditor accounts ko padhwa ke sunta tha aur check karta tha ki koi lapravahi ya dhokha to nahi hua. [src]

Prabhat
Aur aaj?

Iksha
Aaj kaam bahut badal gaya. Pehle ye zyadatar bookkeeping ki ginti ka verification tha. Phir badi companies aayi, shareholders alag, managers alag. Tab audit kanooni zarurat ban gayi.

Prabhat
Kanooni zarurat kyun?

Iksha
Kyunki jab kisi ke paas company ka hisaab hai aur wo apne faayde ke liye galat bata sakta hai, to kanoon ko ek bahari checker zaroori karna padta hai. Isi liye kai deshon mein badi entities ka audit law se zaroori hai. [src]

Timeline: India mein audit ke kanooni padav

Saal	Kya hua
1930	Government of India ne Register of Accountants banane ka faisla kiya
1948	Azaadi ke baad ek expert committee ne accountancy ke regulation par kaam kiya
1 July 1949	ICAI ban gaya, Chartered Accountants Act, 1949 ke tahat
18 January 1956	Companies Act, 1956 pass hua
29 August 2013	Companies Act, 2013 ko President ki manzoori mili
1 June 2016	National Company Law Tribunal (NCLT) bana
March 2018	Union Cabinet ne NFRA banane ki manzoori di (NFRA 1 October 2018 ko constituted hui)

Sources: ICAI ka itihaas [src]. Companies Act, 1956 [src]. Companies Act, 2013 aur NCLT, NFRA [src].

Prabhat
ICAI ka naam aate hi CA aata hai. ICAI kya karta hai?

Iksha
ICAI India ka Chartered Accountants ka statutory institute hai. Ye CA banne ki qualification tay karta hai, exams leta hai, aur certificate of practice deta hai. Sirf ICAI member jiske paas valid certificate of practice ho, wahi company ka statutory auditor ban sakta hai. [src]

Prabhat
CA ka matlab "chartered" kisi raja ke charter se hai?

Iksha
Nahi. India mein "chartered" ka matlab royal charter nahi hai, kyunki India republic hai. Ye sirf naam hai jo qualification ko bharosemand banata hai. [src]

Prabhat
ICAI ka motto kya hai?

Iksha
"Ya Aeshu Suptaeshu Jagruti". Matlab wo jo sab sote hain tab jaaga rehta hai. Ek auditor ke liye is se achha motto kya hoga? [src]

Prabhat
Companies Act 1956 aur 2013 mein kya fark?

Iksha
1956 ka Act company banane aur chalane ka pehla bada kanoon tha. 2013 ne usko lagbhag badal diya, kuch hissa stage-wise lagu hua: 98 sections 12 September 2013 se, aur 183 sections 1 April 2014 se. [src] Ek nayi cheez bhi aayi: NFRA, jo auditors ke professional misconduct ki jaanch karta hai. [src]

Exam trap: ICAI aur NFRA ko mat milao. ICAI qualification aur discipline ka institute hai. NFRA ek alag oversight body hai jo Companies Act, 2013 se judi hai. (Verify ho gaya: NFRA Companies Act 2013 ke Section 132 ke tahat bani. Uski powers hain: accounting aur auditing standards par salah, investigations, aur

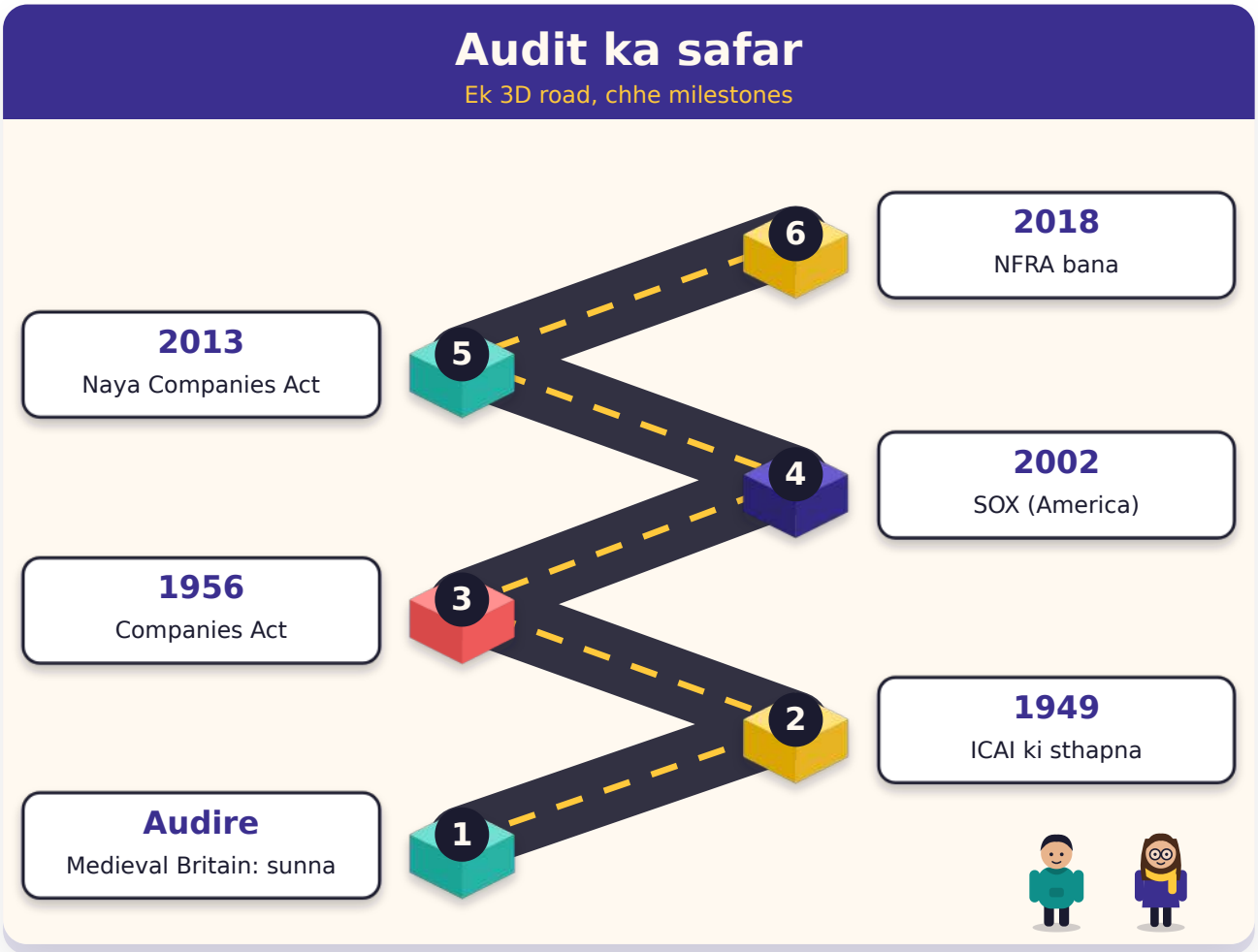
defaulting auditors ya firms par monetary penalty aur 10 saal tak debarment. Powers ki poori detail baad ke chapter mein aayegi.)

Aur ek modern sabak: Sarbanes-Oxley (USA)

Enron ke baad America ne Sarbanes-Oxley Act (SOX) banaya. 30 July 2002 ko ye kanoon bana. Isme PCAOB naam ka naya board bana jo auditors ki nigaraani karta hai, aur auditor independence ke naye rules aaye. [src]

Prabhat
Matlab ek scandal ne ek kanoon badal diya?

Iksha
Haan. Audit ka itihaas aise hi chalta hai: pehle failure, phir sudhar. Satyam ke baad India ne bhi auditors par nigaah badhayi. Isko dekhna kabhi mat bhoolna.



Part B5. Audit kya nahi hai: teen galatfehmiyan

Prabhat
Kuch log kehte hain audit matlab "hisaab banana". Sahi?

Iksha
Galat. Hisaab banana accounting hai. Audit us bane hue hisaab ki jaanch hai. Ek likhta hai, dusra check karta hai.

Prabhat
Aur audit matlab "fraud pakadna"?

Iksha
Fraud pakadna forensic audit ka kaam hai. Statutory audit ka kaam hai financial statements par opinion dena. Kabhi kabhi fraud nikal aata hai, par uska guarantee nahi.

Prabhat
Aur audit matlab "tax bharna"?

Iksha
Wo bhi alag. Tax audit alag cheez hai (Chapter 3 mein).

Galatfehmi	Sach
Audit = accounting	Accounting likhna hai, audit jaanch hai
Audit = 100% guarantee	Reasonable assurance, absolute nahi
Auditor = company ka naukar	Auditor members ka pratinidhi hai
Auditor sab transaction dekhta hai	Aksar sampling (test check) karta hai

[src]

Part B6. Ek chhota, kadwa sach: Enron ka sabak

Kahani hook. Houston, 2001. Ek badi company ke neeche sab kuch chamak raha tha. Par ek auditor ne ek din bola, "Ye numbers mujhe theek nahi lagte." Wo awaaz kuch hi din mein dab gayi. Bahut baad mein, jab sab kuch khatam ho gaya, tab logon ne pucha ki audit kahan tha.

Prabhat
Enron ka example hum pehle dekh chuke hain. Par aur kya sikhne ko hai?

Iksha
Ek baat: auditor ki fees ka structure. 2000 mein Andersen ne Enron se audit fees mein $25 million aur consulting fees mein $27 million kamaye. Matlab consulting audit se bhi zyada thi. [src]

Prabhat
To auditor kitna aasani se "haan" bol dega agar consulting ka paisa bhi aa raha hai?

Iksha
Wahi dar tha. Isi liye aage kai deshon ne auditor ko consulting dene par rok lagayi (Chapter 4 mein details).

Exam angle: "Enron ke audit failure ka ek mukhya karan?" Answer: auditor ka consulting fees se conflict of interest aur management ka dabav.

Part B7. 20 MCQs (Chapter 1)

Q1. "Audit" shabd kis Latin shabd se aaya? (a) auditor (b) audire (c) audere (d) audio **Ans: (b).** Audire ka matlab "to hear". Purane samay mein accounts sunke check hote the. [src]

Q2. Audit ka mool uddeshya kya hai? (a) Hisaab likhna (b) Financial statements par independent opinion dena (c) Tax bharna (d) Loan dena **Ans: (b).** Auditor saboot dekhke opinion deta hai ki statements mein material misstatement hai ya nahi.

Q3. Voluntary audit kya hai? (a) Kanoon se zaroori (b) Apni marzi se karwaya gaya audit (c) Sirf sarkari (d) Sirf bank ka **Ans: (b).** Jaise ek chhoti dukaan ka maalik apni kitaabein khud check karwaye.

Q4. Kaun si cheez auditor ke liye sabse bharosemand saboot hai? (a) Company ka apna register (b) Bahar ke third party se aaya bank confirmation (c) Maalik ka zabani bayan (d) Manager ka note **Ans: (b).** Jo saboot company ke control ke bahar se aata hai wo zyada reliable hota hai.

Q5. "Existence" assertion ka matlab? (a) Cheez sach me maujood hai (b) Cheez poori likhi gayi (c) Keemat sahi hai (d) Sahi period mein hai **Ans: (a).** Existence poochta hai ki jo likha hai wo sach me hai ya nahi.

Q6. "Completeness" assertion ka matlab? (a) Jo hua wo sab likha gaya (b) Cheez maujood hai (c) Keemat sahi (d) Sahi tareekh **Ans: (a).** Jo godown mein tha par kaapi mein nahi, wo completeness ki galti hai.

Q7. "Cut-off" galti ka udaharan? (a) Next month ka bill is month mein likhna (b) Cash chori (c) Rate ki galti (d) Signature ki galti **Ans: (a).** Cut-off sahi accounting period mein entry ka sawaal hai.

Q8. ICAI ki sthapna kab hui? (a) 1 July 1949 (b) 1 April 1956 (c) 29 August 2013 (d) 1 January 1950 **Ans: (a).** [src]

Q9. ICAI kis Act ke tahat bana? (a) Companies Act, 1956 (b) Chartered Accountants Act, 1949 (c) Companies Act, 2013 (d) Income-tax Act **Ans: (b).** Parliament ke Act se statutory body bana.

Q10. ICAI ka motto kya hai? (a) Satyameva Jayate (b) Ya Aeshu Suptaeshu Jagruti (c) Yato Dharmastato Jaya (d) Sarve Bhavantu Sukhinah **Ans: (b).** Katha Upanishad se liya gaya hai.

Q11. Companies Act, 2013 ko President ki manzoori kab mili? (a) 18 January 1956 (b) 29 August 2013 (c) 1 April 2014 (d) 1 July 1949 **Ans: (b).** [src]

Q12. Companies Act, 1956 kisse replace hua? (a) Companies Act, 2013 (b) SOX (c) CA Act 1949 (d) Income-tax Act **Ans: (a).** 2013 Act ne 1956 ke Act ko lagbhag badal diya.

Q13. NFRA kya hai? (a) Auditors ke professional misconduct ki jaanch karne wali oversight body (b) Tax department (c) Bank (d) Stock exchange **Ans: (a).** Companies Act, 2013 ke Section 132 ke tahat bani (statute aur official NFRA site se verify kiya).

Q14. NCLT kab constitute hua? (a) 1 June 2016 (b) 1 April 2014 (c) 18 January 1956 (d) 30 July 2002 **Ans: (a).** [src]

Q15. Sarbanes-Oxley Act kis desh ka kanoon hai? (a) India (b) USA (c) UK (d) Germany **Ans: (b).** 30 July 2002 ko pass hua, Enron ke baad. [src]

Q16. PCAOB ka kaam? (a) Public company auditors ki nigaraani (b) Tax collection (c) Share trading (d) Insurance **Ans: (a).** SOX Title I mein bana.

Q17. Enron ne bankruptcy kab file ki? (a) 2 December 2001 (b) 7 January 2009 (c) 25 June 2020 (d) 15 January 2018 **Ans: (a).** [src]

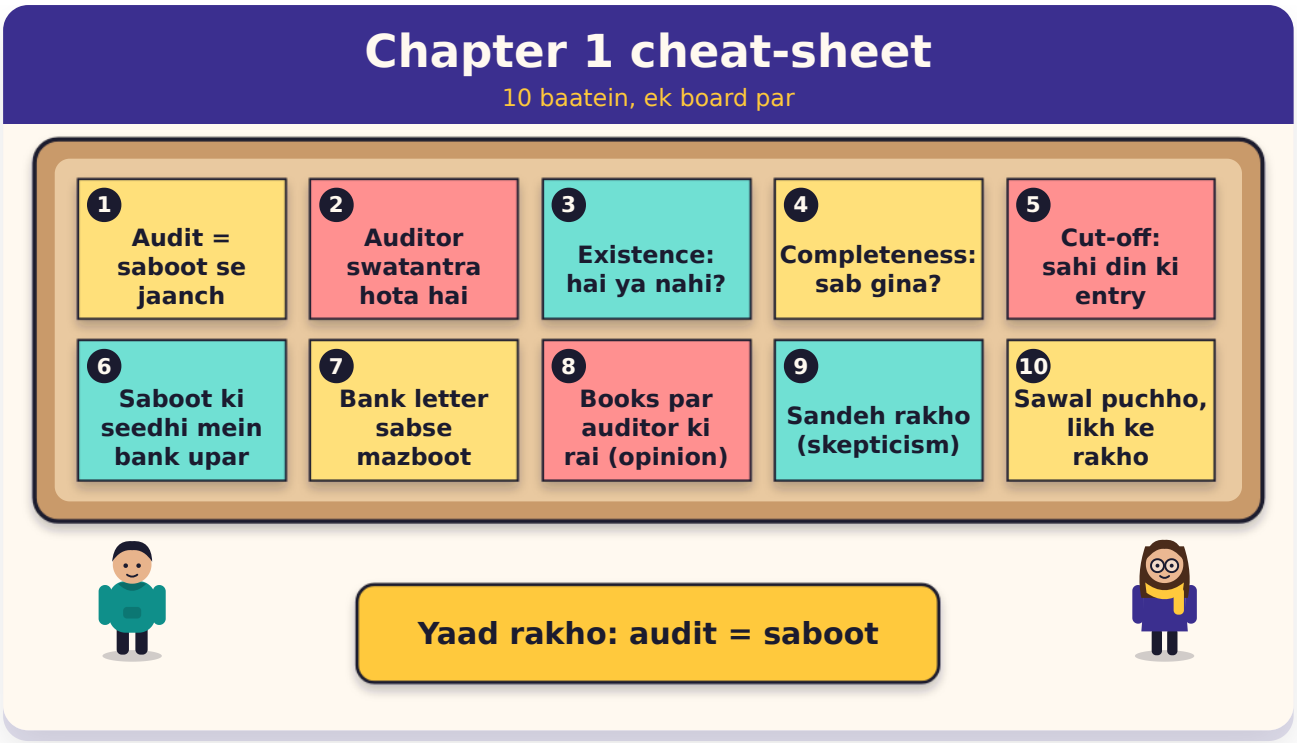
Q18. Satyam ke chairman ne kab accounts manipulation maana? (a) 7 January 2009 (b) 2 December 2001 (c) 25 June 2020 (d) 15 January 2018 **Ans: (a).** [src]

Q19. Audit ke baare mein sahi kaun sa kathan hai? (a) Audit 100% guarantee deta hai (b) Audit reasonable assurance deta hai (c) Audit sirf fraud pakadta hai (d) Audit accounting hai **Ans: (b).** Statutory audit absolute nahi, reasonable assurance deta hai.

Q20. Bank reconciliation mein "uncleared cheque" ka matlab? (a) Cheque jo likha gaya par bank ne abhi cash nahi kiya (b) Bank ka charge (c) Cash chori (d) Naya account **Ans: (a).** Isse kaapi aur bank balance ka timing difference banta hai.

Part B8. Chapter 1 recap (extension)

- Audit chhoti dukaan par bhi ho sakta hai, isse voluntary audit kehte hain.
- Assertions: existence, completeness, valuation, cut-off.
- Bahar ke third party ka saboot zyada bharosemand hota hai.
- Audit reasonable assurance deta hai, guarantee nahi.
- Independence dimaag aur dikhawat, dono mein chahiye.
- ICAI 1 July 1949 ko bana; Companies Act 1956 pehle, 2013 baad mein.
- NCLT (2016) aur NFRA (2018) Companies Act 2013 ke tahat naye adhikaran hain.
- SOX 2002 ne auditor independence ke rules sakht kiye.
- Enron mein consulting fees audit fees se zyada thi: conflict of interest.
- Scandal ke baad kanoon badalte hain, ye audit ka itihaas hai.



Part B9. Master timeline: audit ka itihaas aur regulation, saal ba saal

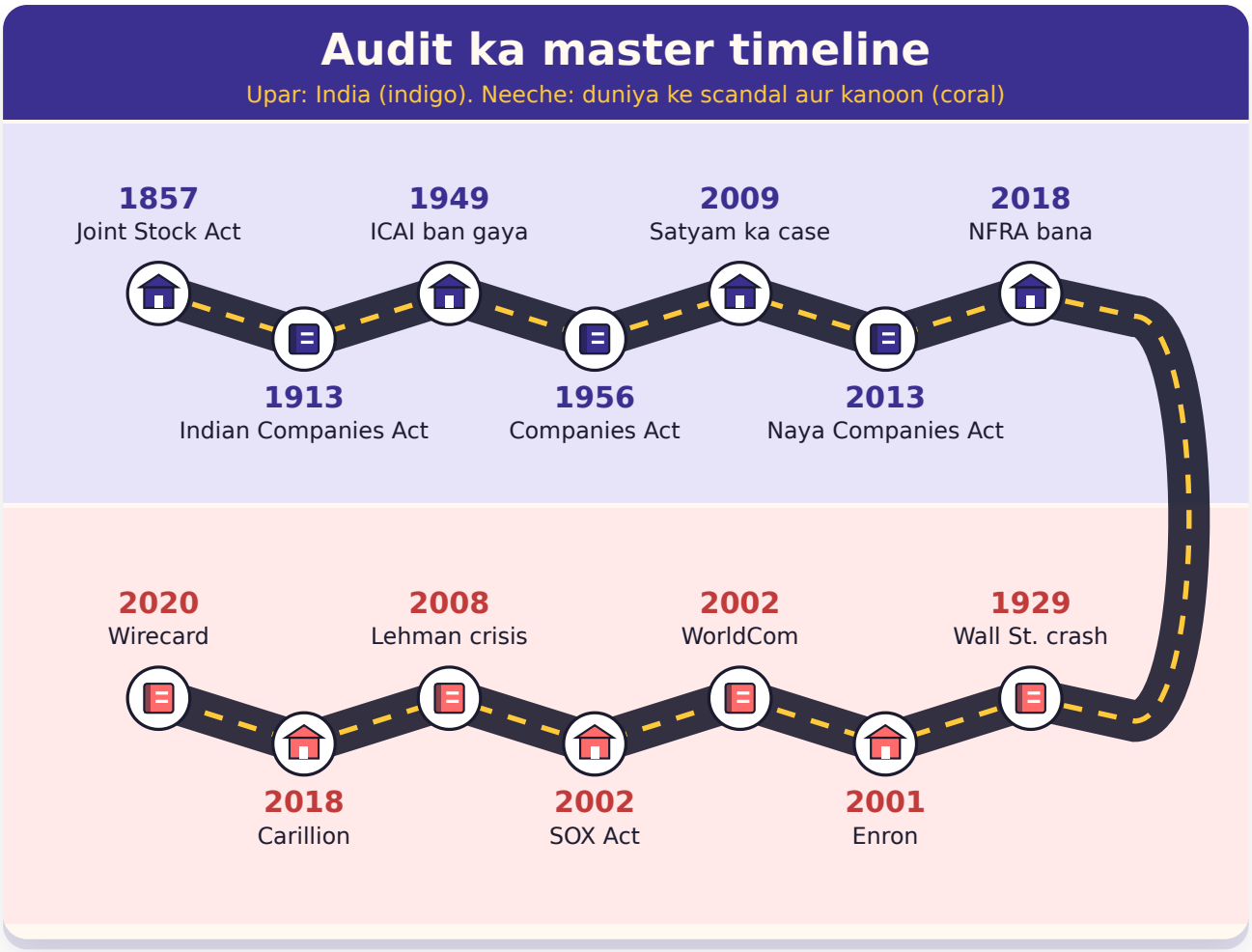
Kahani hook. Library ki khidki ke bahar baarish thi. Iksha ne ek lamba kaagaz table par bichhaya aur bola, "Aaj tujhe saal yaad nahi karwane, kahani yaad karwani hai. Saal apne aap chipak jayenge." Prabhat ne pen uthaya. Bahar bijli chamki. Wo jaanta tha ki is kaagaz par kuch saal sirf kanoon ke nahi, girte hue bade naamon ke bhi honge.

Master timeline table

Saal	Kya hua	Kiska hua	Kyun zaroori
1857	Joint-stock companies ka pehla Act	British India	Company banane ka kanooni raasta shuru
1860	Pehla Auditor General appoint hua	Government of India (CAG ki shuruaat)	Sarkari paise ke audit ki neev
1866	Indian Companies Act: accounts rakhna aur audit karwana zaroori	India	Company audit ka pehla kanooni roop
1913	Indian Companies Act, 1913	India	Corporate governance ki neev
1932	Pehla Accountancy Board	India	Auditors ke standards par salah dene wala board
1 July 1949	ICAI bana (Chartered Accountants Act, 1949)	India	CA profession ka statutory regulator
18 Jan 1956	Companies Act, 1956	India	Company law ka bada kanoon
1971	CAG (Duties, Powers and Conditions of Service) Act	India	CAG ke audit duties ka kanoon
2001 to 2002	Enron bankruptcy, Andersen ka patan	USA	Auditor independence par sawal
30 July 2002	Sarbanes-Oxley Act, PCAOB bana	USA	Auditors ki public nigaraani shuru
7 Jan 2009	Satyam confession	India	NFRA ki soch ka beej
29 Aug 2013	Companies Act, 2013 ko manzoori	India	1956 Act ki jagah
2018	Carillion liquidation (Jan), IL&FS crisis, NFRA bani (1 Oct)	UK, India	Auditors par pehle se zyada nigah
2020	Wirecard insolvency (25 June)	Germany	Cash ke saboot ki ahmiyat

Table ke saal kahan se aaye (sources):

- 1857, 1866, 1913, 1932, 1949, 1956: ICAI Southern Region ki history PDF. [src]
- 1860 Auditor General: CAG ki official history page. [src] (Wikipedia ki list mein naam "Edmund Drummond" likha hai, par CAG ki official history page par "Sir Edward Drummond" likha hai. Ye ek hi vyakti ke naam ki do spellings hain; is book mein official CAG page wali spelling "Edward Drummond" rakhi gayi hai.)
- 1971 aur Articles 148 to 151: [src]
- ICAI 1 July 1949 aur Companies Act 1956 (18 Jan 1956): [src] aur [src].
- Enron aur Andersen: [src]. SOX aur PCAOB: [src].
- Satyam: [src]. NFRA: [src].
- Companies Act 2013: [src].
- Carillion: [src]. IL&FS: [src]. Wirecard: [src].



Story beat 1 (1857 se 1913): Company aayi, audit aaya

Prabhat
1857 ka Act company ke baare mein tha. Audit ka isse kya lena dena?

Iksha
Jab company banti hai to paise bahut logon ke hote hain, par chalata ek-do log hain. 1866 ke Indian Companies Act mein company ko accounts rakhne aur audit karwane ke liye bandh diya gaya. Ye wahi "bahar ka checker" wali soch thi.

Prabhat
Aur 1913?

Iksha
1913 ka Indian Companies Act. ICAI ki history likhti hai ki isne modern corporate governance ki neev rakhi. Iske baad bhi accountants ke liye koi ek pakki qualification nahi thi, isliye 1932 mein Accountancy Board bana jo auditors ke standard par salah deta tha. [src]

Prabhat
1913 ka Act to Britain mein bhi tha na?

Iksha
Britain ka bhi ek Companies Act 1913 tha, par wo private companies ke baare mein alag Act hai. Exam mein "Indian Companies Act, 1913" aaye to India wala hi lena. [src]

Exam trap
"Companies Act, 1956 India ka pehla company law hai" galat hai. Usse pehle 1857, 1866 aur 1913 ke Act aa chuke the. 1956 ka Act azaadi ke baad ka bada kanoon tha.

Story beat 2 (1860 se 1971): Sarkari paisa aur CAG

Prabhat
CAG ka itihaas kab shuru hua?

Iksha
CAG ke office ki shuruaat 1858 se maani jaati hai, jab British Crown ne East India Company se India ka shasan liya. 1860 mein pehla Auditor General appoint hua, jisme accounting aur audit dono ka kaam tha. [src]

Prabhat
Aaj ka CAG kaisa hai?

Iksha
Constitution ke Article 148 se bana. Uski reports Parliament ya Vidhan Sabha mein rakhi jaati hain, aur Public Accounts Committee unpar charcha karti hai. 1971 mein DPC Act aaya aur 1976 mein CAG ko accounting ke kaam se mukt kiya gaya, taaki uska kaam sirf audit rahe. [src]

Prabhat
CAG ko hata kaise sakte hain?

Iksha
Sirf Parliament ke dono houses ke address par, proved misbehaviour ya incapacity par. Ye isliye taaki sarkar use dara na sake. [src]

Exam trap
CAG ko "audit aur accounts dono" karne wala mat likhna. 1976 ke baad CAG accounting functions se mukt hai. Aur ICAI aur CAG ko mat milao: ICAI CA profession ka body hai, CAG sarkari paise ka auditor.

Story beat 3 (1949, Standards on Auditing): Profession ko niyam mile

Prabhat
ICAI ke baad kya hua?

Iksha
CA ke kaam ko niyam chahiye the. ICAI ne Standards on Auditing (SA) banaye. ICAI ki list SA 200 se shuru hoti hai: "Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing". SA 240 fraud par auditor ki zimmedari batata hai, SA 500 audit evidence par, SA 700 opinion banane aur report karne par. [src]

Prabhat
Ye SA kaun banata hai aur kaun maanta hai?

Iksha
ICAI banata hai, aur Companies Act 2013 ke Section 143(10) ke tahat Central Government inhe prescribe karti hai: ICAI ki salah par, NFRA se salah-mashwara karke. Jab tak government apne standards notify nahi karti, tab tak ICAI ke SA ko hi "deemed auditing standards" maana jaata hai. Aur Section 143(9) kehta hai ki har auditor ko auditing standards follow karne hi padte hain. [src]

Story beat 4 (2001 se 2002): Andersen girti hai, SOX aata hai

Prabhat
Enron ke baad kya badla?

Iksha
America ne 30 July 2002 ko Sarbanes-Oxley Act banaya. Pehle auditors ki profession self-regulated thi. PCAOB banne ke baad pehli baar auditors ki bahari aur independent nigaraani shuru hui. [src]

Prabhat
Aur Andersen?

Iksha
Andersen 15 June 2002 ko obstruction of justice mein convict hui, 31 August 2002 ko CPA licenses surrender kar diye. Supreme Court ne 2005 mein conviction palat di, par firm tab tak bachi nahi thi. [src]

Story beat 5 (2009 se 2018): India ki apni kahani

Prabhat
Satyam ke baad India ne kya kiya?

Iksha
Parliament ki Standing Committee on Finance ne pehli baar NFRA ka vichar rakha. Companies Act 2013 ne iska dhancha diya. 1 March 2018 ko Union Cabinet ne manzoori di aur NFRA 1 October 2018 ko bani. [src]

Prabhat
NFRA kya karti hai?

Iksha
Companies Act ke Section 132 ke tahat accounting aur auditing standards par salah deti hai, investigations karti hai, aur defaulting auditors ya firms par monetary penalty aur practice se rokne (debarment) tak ki sazaa laga sakti hai, jo 10 saal tak ho sakti hai. [src]

Prabhat
IL&FS mein kya hua?

Iksha
2018 mein IL&FS ne loan chukane mein default kiya aur 1 October 2018 ko sarkar ne control le kar nayi board banayi. SFIO ki shuruaati jaanch ne bataya ki Deloitte ke audit mein badi kamiyan thi, par Bombay High Court ne sarkar ko "coercive action" se rokne ka interim order diya. Ye sab Wikipedia ke mutabik "report kiya gaya" hai, aur case aage badh sakta hai. [src] (Update, verify kiya: NFRA ne IL&FS Financial Services ke FY 2017-18 audit mein Deloitte ke teen partners ke khilaf Section 132(4) orders diye: engagement partner ko 7 saal debarment aur Rs 25 lakh fine, additional partner ko 5 saal aur Rs 15 lakh, EQCR partner ko 5 saal aur Rs 5 lakh. Ye orders NCLAT mein appeal mein gaye. Firm ke khilaf karwai court tak pahunchi: May 2023 mein Supreme Court ka ek technical ruling aaya jisme merits par kuch nahi kaha gaya, aur February 2025 mein Delhi High Court ne NFRA ke kuch notices technical grounds par quash kiye, par NFRA ki

powers ko endorse kiya. Deloitte firm par abhi tak koi final sanction nahi hai. [src] [src] [src])

Prabhat
Sab ek hi baat dohra rahe hain.

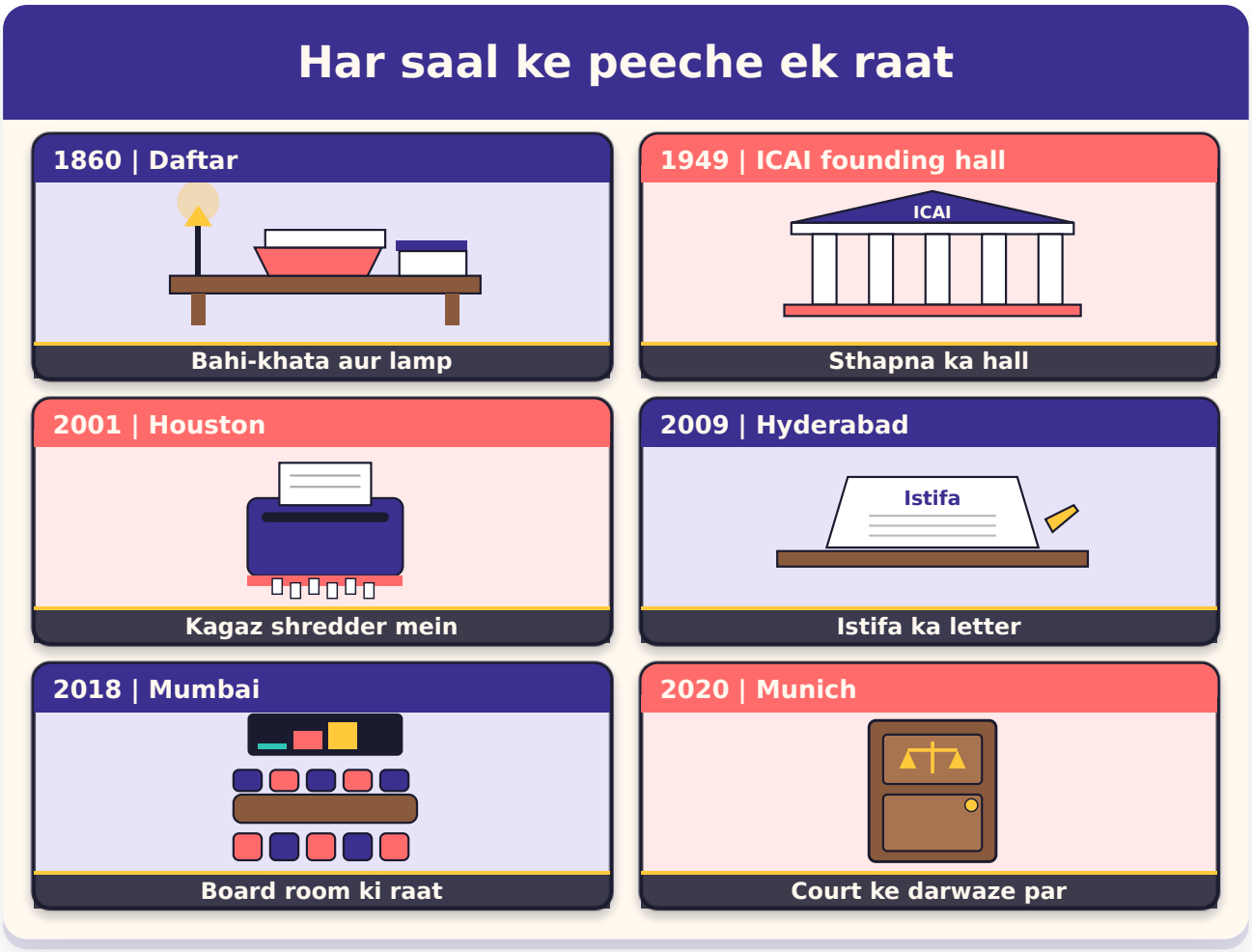
Iksha
Haan. Jab auditor aur independent directors dono dekhte reh jaate hain, to kanoon badalte hain. April 2020 mein Corporate Affairs Secretary ne bhi kaha tha ki ajeeb baat hai ki kisi ne ye pehle nahi dekha: na statutory auditors, na independent directors, na rating agencies. [src]

Story beat 6 (2018, 2020): Carillion aur Wirecard

Prabhat
Bahar ke desh mein aur kya hua?

Iksha
Carillion, UK ki construction company, 15 January 2018 ko compulsory liquidation mein gayi. Parliament ki inquiry ne KPMG, EY, PwC aur Deloitte, sabse poochha ki unhone kya kya services di thi. [src] Wirecard, Germany ki payments company, ne June 2020 mein kaha ki EUR 1.9 billion cash "missing" hai, aur 25 June 2020 ko insolvency file ki. [src] In dono ke chhote case studies Chapter 2 ke extension mein hain.

Dark beat. Raat ka dusra pehar tha. Iksha timeline ki aakhri line par ruki. "Har saal ke peeche ek raat hoti hai," usne kaha, "jab kisi ne signature kiya aur sab kuch badal gaya." Prabhat ne uska haath pakda. "Mujhe dar lagta hai," usne maana. Iksha ne usse kaha, "Dar achha hai. Jisko dar nahi lagta, wo sabse pehle fisalta hai."



Part B10. Timeline ke 12 chhote MCQs

Q21. Indian Companies Act jisne accounts aur audit mandatory kiya (ICAI history ke mutabik) kab aaya? (a) 1857 (b) 1866 (c) 1913 (d) 1956 **Ans: (b) 1866.** ICAI Southern Region ki history PDF ke mutabik is Act ne accounts rakhna aur audit karwana zaroori kiya.

Q22. CAG ka office Constitution ke kis Article ke tahat bana? (a) 124 (b) 148 (c) 280 (d) 324 **Ans: (b).** Article 148 se CAG ka office bana.

Q23. CAG ke Duties, Powers and Conditions of Service Act kab pass hua? (a) 1949 (b) 1956 (c) 1971 (d) 2013 **Ans: (c) 1971.**

Q24. CAG ko accounting ke kaam se mukt kab kiya gaya? (a) 1860 (b) 1976 (c) 2002 (d) 2018 **Ans: (b) 1976.**

Q25. NFRA kab bani? (a) 1 October 2018 (b) 1 April 2014 (c) 1 July 1949 (d) 30 July 2002 **Ans: (a).**

Q26. NFRA ka concept pehli baar kis ghatna ke baad aaya? (a) Enron (b) Satyam (c) Wirecard (d) Carillion **Ans: (b) Satyam.**

Q27. NFRA ka professional misconduct par debarment adhiktam kitne saal tak ho sakta hai (Wikipedia ke Section 132 wale wording ke mutabik)? (a) 5 (b) 7 (c) 10 (d) 20 **Ans: (c) 10.** Verify ho gaya: Section 132(4) ke tahat debarment adhiktam 10 saal tak ho sakta hai.

Q28. PCAOB kab bana? (a) 30 July 2002 (b) 2 December 2001 (c) 7 January 2009 (d) 15 January 2018 **Ans: (a).**

Q29. SOX se pehle US mein auditors ki profession kaisi thi? (a) Self-regulated (b) Government-run (c) Banned (d) Audit committee controlled **Ans: (a).**

Q30. Carillion ki compulsory liquidation kab hui? (a) 15 January 2018 (b) 25 June 2020 (c) 2 December 2001 (d) 7 January 2009 **Ans: (a).**

Q31. Wirecard mein "missing" cash kitna bataya gaya? (a) EUR 1.9 billion (b) USD 63.4 billion (c) Rs 7,000 crore (d) GBP 6.9 billion **Ans: (a).**

Q32. IL&FS par sarkar ne nayi board kab banayi? (a) 1 October 2018 (b) 1 April 2014 (c) 1 June 2016 (d) 25 June 2020 **Ans: (a).**



Episode 2: Accounting ki ABC

Tarazu ke dono palle barabar

Kahani: Canteen ki kitaab

Canteen wale bhaiya ke paas ek kitaab hai. Left me "kya aaya", right me "kya gaya". Audit karne se pehle Prabhat ko samajhna hoga ki ye kitaab kaise likhi jaati hai. Bina accounting ke audit aisa hai jaise bina ginti seekhe ginti check karna.

Chat: Accounting ki ABC

Prabhat
Iksha, accounting me sabse basic kya hai?

Iksha
Accounting equation: **Assets = Liabilities + Capital**. Assets matlab jo business ke paas hai. Liabilities matlab jo business ko dusron ko dena hai. Capital matlab maalik ka hissa.

Prabhat
Example?

Iksha
Tune Rs 10,000 lagaye (Capital) aur Rs 5,000 udhaar liye (Liability). Ab tere paas Rs 15,000 ka cash (Asset) hai. 15,000 = 5,000 + 10,000. Dono side barabar.

Prabhat
Aur double entry?

Iksha
Har transaction ke do asar hote hain. Ek account Debit hota hai, doosra Credit. Total Debit = total Credit. Auditor yahi match check karta hai.

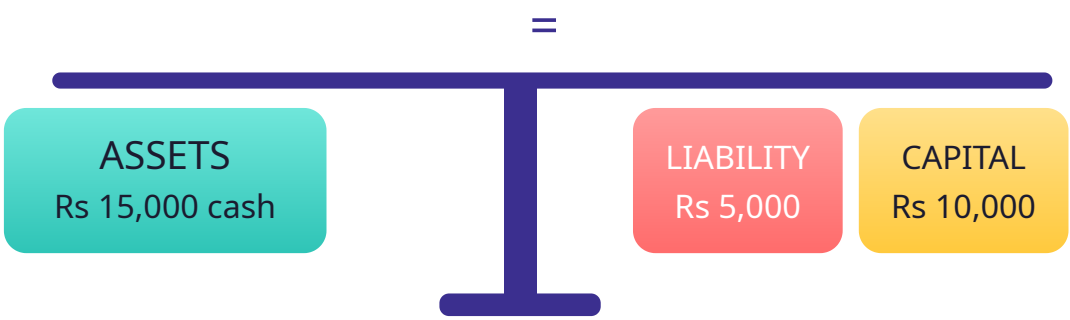
6 saal ke bachhe ke liye: Tarazu ke dono palle barabar hone chahiye. Ek taraf jo hai, doosri taraf uska hisaab.

Golden rules:

Type	Debit karo jab	Credit karo jab
Personal	Receiver (paane wala)	Giver (dene wala)
Real	Cheez aaye	Cheez jaaye
Nominal	Kharcha / loss	Income / gain

PhD box: Accrual basis me revenue aur expenses tab record hote hain jab hue, cash aane-jaane par nahi. Isse timing ke jhooth (cut-off errors, early revenue recognition) ka risk banta hai, aur audit me inhi par sabse zyada dhyaan hota hai. Frameworks: Ind AS, IFRS, US GAAP.

Infographic: Accounting equation tarazu



Audit ka angle

Prabhat
Auditor isme kya dekhta hai?

Iksha
Assertions: kya cheez sach me hai (existence), poori likhi gayi (completeness), sahi keemat par (valuation), sahi period me (cut-off). Har entry par yehi sawaal.

Exam angle (UPSSSC)

1. Accounting equation? **Assets = Liabilities + Capital**
2. Real account ka rule? **Jo aaye Debit, jo jaaye Credit**
3. Personal account ka rule? **Receiver Debit, Giver Credit**
4. Nominal account ka rule? **Kharcha/loss Debit, income/gain Credit**
5. Double entry me Debit total kiske barabar? **Credit total**

Recap

- Assets = Liabilities + Capital
- Double entry: Debit = Credit
- 3 types: Personal, Real, Nominal
- Accrual vs cash basis
- Audit assertions: existence, completeness, valuation, cut-off

Is chapter me koi company number nahi. Concepts standard accounting textbook level; checker ko Ind AS/ICAI terms confirm karne hain.

Part B: Accounting ki neev par asli audit failures ki jhalak

Part A mein tune assets, liabilities, capital aur double entry seekha. Ab dekhte hain ki jab ye neev hilti hai to kya hota hai. Pehle ek worked example (journal entries), phir chaar mini cases: Enron-Andersen, Satyam-PwC, Wirecard-EY, Carillion-KPMG. Ye sirf intro hain. Poora analysis aage ke chapters mein aayega. Phir exam traps, audit types ka chhota table, aur 22 MCQs.

Part B1. Worked example: ek mahine ki kitaab, step by step

Kahani hook. Prabhat ne pehli baar apne dost Aman ke saath chai ka thela chalane ka plan banaya. Raat ko wo dono kaapi par jhuke the. Aman ne kaha, "Hisaab to maine likh liya." Prabhat ne kaapi dekhi. "Debit-credit kahan hai?" Aman chup. Iksha ne mehsoos kiya ki ek hi mahine mein ek nayi galati ki jad mil gayi thi: bina double entry ke "lagbhag sahi" hisaab.

Ye sab numbers kalpanik hain, sirf seekhne ke liye.

Step 1: Mahine ke transactions

1. Prabhat ne Rs 10,000 cash laga ke thela shuru kiya.
2. Aman se Rs 5,000 udhaar liye.
3. Rs 6,000 ka saman (chai-patti, doodh, cheeni) cash mein khareeda.
4. Rs 9,000 ka saman bechna, cash mein.
5. Rs 1,200 kiraya diya, cash mein.
6. Rs 2,000 ka saman udhaar becha (customer Raju ko).

Step 2: Har transaction ki journal entry

#	Debit	Credit	Rs
1	Cash A/c (Real)	Capital A/c (Personal)	10,000
2	Cash A/c (Real)	Aman's Loan A/c (Personal)	5,000
3	Purchases A/c (Nominal)	Cash A/c (Real)	6,000
4	Cash A/c (Real)	Sales A/c (Nominal)	9,000
5	Rent A/c (Nominal)	Cash A/c (Real)	1,200
6	Raju A/c (Personal, receiver)	Sales A/c (Nominal)	2,000

Iksha
Dekh, har entry mein ek Debit aur ek Credit barabar. Ye golden rules ka kamaal hai. Entry 6 mein Raju ne maal liya, wo "receiver" hai, to Raju ke account ko Debit.

Step 3: Cash account ka balance

Cash mein aaya: 10,000 + 5,000 + 9,000 = Rs 24,000. Cash se gaya: 6,000 + 1,200 = Rs 7,200. Closing cash = 24,000 - 7,200 = **Rs 16,800**.

Step 4: Trial balance

Account	Debit (Rs)	Credit (Rs)
Cash	16,800	
Purchases	6,000	
Rent	1,200	
Raju (debtor)	2,000	
Capital		10,000
Aman's Loan		5,000
Sales (9,000 + 2,000)		11,000
Total	**26,000**	**26,000**

Prabhat
Total barabar! To hisaab sahi hai?

Iksha
Arithmetic ke hisaab se. Par trial balance barabar hone ka matlab ye nahi ki entries sahi hain. Maan le Aman ne Rs 6,000 ki purchase ke badle Rs 600 likh diya aur dono taraf likha. Total phir bhi barabar aayega, par galat. Isi liye auditor sirf trial balance nahi, saboot dekhta hai.

Step 5: Profit nikalna (stock chhodke, saral)

Maan le mahine ke end mein Rs 1,000 ka saman bacha (closing stock).

Cost of goods sold = Purchases 6,000 - Closing stock 1,000 = Rs 5,000. Gross profit = Sales 11,000 - COGS 5,000 = Rs 6,000. Net profit = Gross profit 6,000 - Rent 1,200 = **Rs 4,800**.

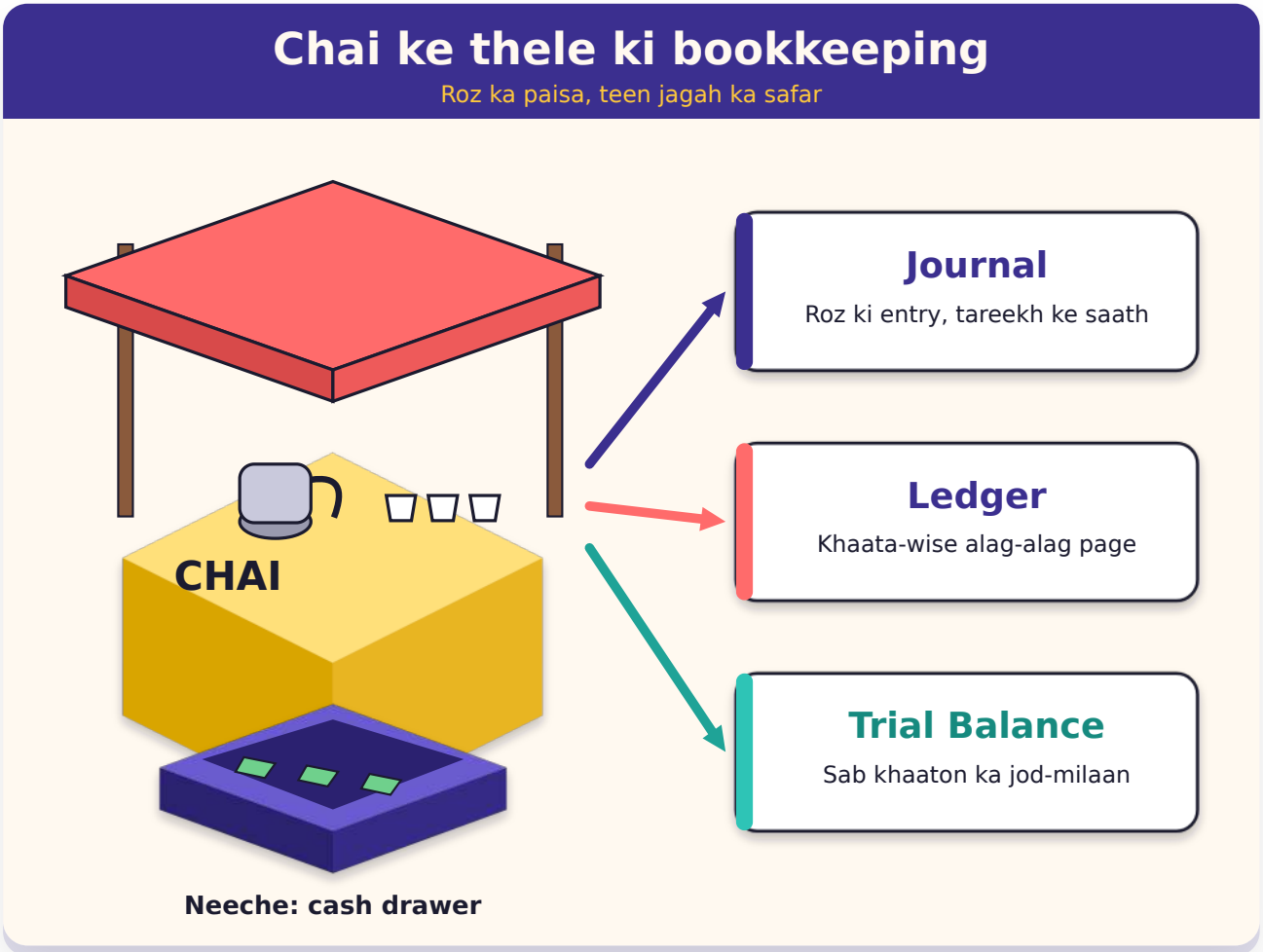
Is profit mein Rs 2,000 Raju se abhi aana baaki hai. Accrual basis par ye income ginti hai. Cash basis par nahi.

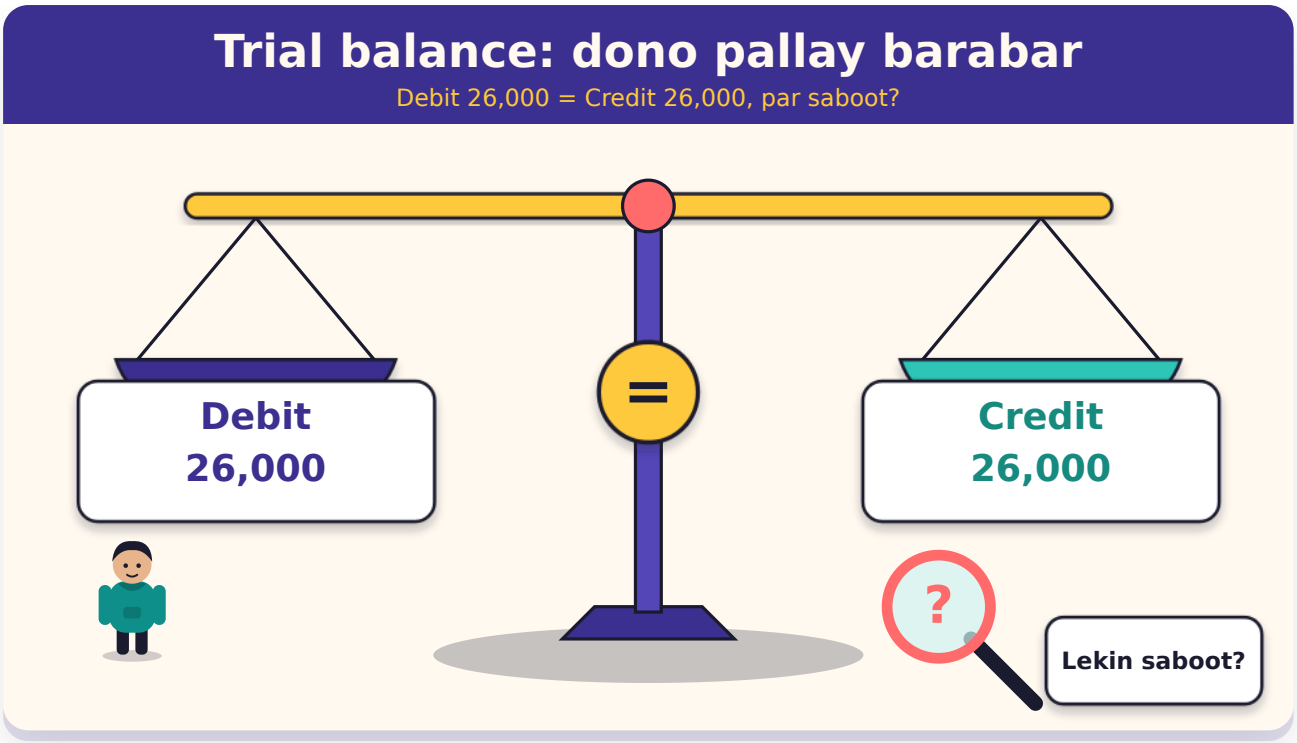
Auditor ke sawaal is example par:

- Raju sach mein hai aur usne Rs 2,000 ka maal liya? (existence aur valuation)
- Closing stock Rs 1,000 ka shelf par hai? (existence)
- Rent ki receipt hai? (supporting document, vouching)
- Aman ka loan kisi agreement ya message mein hai? (completeness of liabilities)

3 levels mein samajh

- **6 saal ka bachha:** Tarazu ke dono palle barabar. Jo ek taraf likha, dusri taraf bhi likha.
- **Normal:** Journal mein har transaction ke do hisse, phir ledger, phir trial balance, phir final accounts. Auditor is poori chain par saboot lagata hai.
- **PhD box:** Trial balance sirf "arithmetical accuracy" ka test hai, ye compensating errors, omission of a whole transaction, ya wrong account mein sahi amount ki entry pakad nahi paata. Isi liye audit assertions-based hota hai.





Exam trap

"Trial balance agree karta hai, isliye accounts bilkul sahi hain" galat hai. Trial balance sirf ye batata hai ki debit total aur credit total barabar hain. Galat account mein sahi amount, poori entry ka chhoot jaana ya do barabar galtiyan pakad mein nahi aati.

Exam trap

Personal account ka rule "Receiver ko debit, Giver ko credit". Real account mein "Jo cheez aaye usse debit". Nominal mein "Kharcha aur loss debit, income aur gain credit". Rule mix mat karna, pehle account ka type pehchano.

Part B2. Chaar mini cases: jab accounting ki neev hilti hai

Dark beat (pehle ek pal). Raat ke gyarah baje the. Prabhat ne laptop band kiya aur Iksha ki taraf dekha, jo khidki ke paas khadi thi. "Tu itna kyun dar raha hai?" usne poochha. "Kyunki kitaabein jhooth bol sakti hain," Prabhat ne dheere kaha, "aur log unhe sach maan lete hain." Iksha ne use apni taraf kheencha. "Isi liye tu

audit seekh raha hai," wo bola. "Chal, chaar kahaniyan padhte hain jahan kitaabon ne jhooth bola."

Har case ka format: kya hua, audit ki kamzori kahan dikhi, sabak, exam angle. Ye sirf intro hain.

Case 1: Enron aur Arthur Andersen (USA, 2001)

Kya hua. Enron ek American energy company thi, jo 1985 mein Houston Natural Gas aur InterNorth ke vilay se bani. [src] Company ne special purpose entities (SPE) ka use karke apne karz ko books se bahar rakha. Wikipedia ke mutabik Enron ne 2001 tak hundreds of SPEs ka istemal kiya. [src] 16 October 2001 ko Enron ne 1997 se 2000 ke financials ka restatement announce kiya. Restatement ne earnings $613 million (reported profit ka 23 percent) ghatayi aur 2000 ke end ke equity ko $1.2 billion kam kiya. [src] 2 December 2001 ko Enron ne Chapter 11 bankruptcy file ki, $63.4 billion assets ke saath. [src]

Audit ki kamzori. Arthur Andersen ko 2000 mein Enron se audit fees ke roop mein $25 million aur consulting fees ke roop mein $27 million mile. [src] Yani consulting audit se zyada thi. Wikipedia ke mutabik Andersen ka Houston office Chicago ke partner ki critical reviews ko override kar sakta tha, aur SEC investigation ki khabar aane ke baad Andersen ne tons of documents shred kiye aur lagbhag 30,000 emails aur computer files delete kiye. [src]

Sabak. Jab auditor ki kamai ka bada hissa client se aata hai (consulting), to "nahi" kehna mushkil ho jaata hai. Ye self-interest threat hai. Baad mein Sarbanes-Oxley Act ne auditors ko same client ko consulting dene par rok lagayi. [src]

Exam angle. "Enron mein auditor ka naam?" Arthur Andersen. "Kis Act ke baad auditor independence ke rules sakht hue?" SOX. Ye ek pura case ch4 mein vistaar se aayega.

Case 2: Satyam aur PwC (India, 2009)

Kya hua. Satyam Computer Services Hyderabad ki IT company thi. 7 January 2009 ko chairman Byrraju Ramalinga Raju ne resign kiya aur maana ki accounts mein Rs 7,000 crore ka manipulation hua. [src] Accounts mein aise profit aur bank cash dikhaye gaye jo the hi nahi, aur ek jagah $3 million ki "salary payments" aise logon ko dikhayi gayi jo exist hi nahi karte the. [src] 22 January 2009 ko CID ne court

mein bataya ki actual employees sirf 40,000 the, 53,000 nahi, aur Raju kathit taur par har mahine Rs 200 million nikaal raha tha un 13,000 ghost employees ke naam par. [src]

Audit ki kamzori. Satyam ka auditor Price Waterhouse (PwC ka Indian arm) tha. 14 January 2009 ko Price Waterhouse ne khud kaha ki management ki di hui galat jankari par bharosa karne se uski audit reports "inaccurate and unreliable" ho sakti hain. [src] Baad mein US SEC ne PwC India par $6 million ka jurmana lagaya, aur 2018 mein SEBI ne Price Waterhouse ko listed companies ke audit se 2 saal ke liye roka. [src] ICAI ne bhi PwC ko show-cause notice diya aur 21 din mein jawab maanga. [src]

Sabak. Bank balance aur receivables ka saboot company ke andar se nahi, bahar se mangna chahiye. Ghost employees aur fake cash jaise items aise saboot se pakde jaate hain: bank confirmation, payroll check, physical verification.

Court ka natija. Hyderabad ki special court ne 9 April 2015 ko Raju aur 9 aur logon (kul 10) ko 7 saal ki saza di. [src] [src]

Exam angle. "Satyam ke auditor?" Price Waterhouse (PwC). "NFRA ka idea kis ghatna ke baad?" Satyam ke baad.

Case 3: Wirecard aur EY (Germany, 2020)

Kya hua. Wirecard ek German payment processing company thi, jo 1999 mein bani aur September 2018 se August 2020 tak DAX index mein rahi. [src] 2019 mein Financial Times ki investigations ne accounting malpractices ke aarop uthaye. [src] 2019 mein Wirecard ne KPMG ko ek independent special audit ke liye hire kiya, aur 28 April 2020 ko KPMG ne kaha ki use kuch aaropon ke liye kaafi documentation nahi mila. [src] June 2020 mein kaha gaya ki EUR 1.9 billion "missing" hai, jo do Philippines ke banks mein hone ka daava tha. Un banks ne kaha ki unke paas ye raashi na kabhi thi, na hai. [src] 25 June 2020 ko Wirecard ne insolvency file ki. [src]

Audit ki kamzori. Wikipedia ke "Big Four" page ke mutabik June 2020 mein EY par aarop laga ki wo Wirecard ke EUR 1.9 billion cash ke missing hone ko pakad nahi paya. [src] Ye ek "aarop" (accusation) hai, jo is chapter mein final nirnay ki tarah nahi likha ja raha. EY ne khud kaha ki Wirecard ke ek trustee ne auditor ko "deceive" karne ki koshish ki. [src] EY Wirecard ka statutory auditor 2009 ke financial year se tha (2010 mein RP Richter ke saath, 2011 se akela). [src] [src] Janwari 2026

mein ek Singapore court ne Citadelle Corporate Services se jude do logon ko Wirecard ke liye falsified confirmation letters ke case mein saza di. [src]

Sabak. Jhoothi confirmation letters, yaani bahar ka dikhne wala par asal mein kisi aur ke control ka saboot, auditor ko chhal sakta hai. Isiliye professional scepticism chahiye: confirmation ka source aur channel khud check karo.

Exam angle. "Wirecard ka missing amount?" EUR 1.9 billion. "Kis jagah ke banks mein?" Philippines.

Case 4: Carillion aur KPMG (UK, 2018)

Kya hua. Carillion UK ki construction aur facilities management company thi, jo July 1999 mein Tarmac se demerge hui. [src] 2016 mein uske lagbhag 43,000 employees the, jinme 18,257 UK mein. [src] 10 July 2017 ke trading update mein GBP 845M ka impairment charge bataya gaya, jo mainly teen loss-making UK PFI projects aur Middle East projects se aya. [src] 15 January 2018 ko Carillion compulsory liquidation mein gayi. [src] April 2018 mein Official Receiver ne 27 liquidated UK companies ke liabilities GBP 6.9 billion anumanit kiye, jo group ke 2016 ke accounts mein diye gaye aankde se teen guna se zyada tha. [src]

Audit ki kamzori. Parliament ki Business aur Work and Pensions Select Committees ki May 2018 ki report ne Carillion ke collapse ko "recklessness, hubris and greed" ki kahani kaha. [src] 22 February 2018 ki hearing mein MPs ne external auditor KPMG (aur Deloitte, internal auditor) se sakht sawal kiye. Committee ki chair Rachel Reeves ne kaha ki Carillion ki annual reports "worthless as a guide to the true financial health of the company" thi. [src] Ye MPs ki raay hai, kisi regulator ka final finding nahi. MPs ne KPMG se poochha ki usne 31 March 2017 ko 2016 ke accounts kyun sign off kiye. [src]

Sabak. Jo company bahar se profit dikhaye par jiske paas cash na ho, wahan going concern ka sawal sabse bada hota hai. Ye audit ka ek zaroori hissa hai (aage ke chapters mein SA 570).

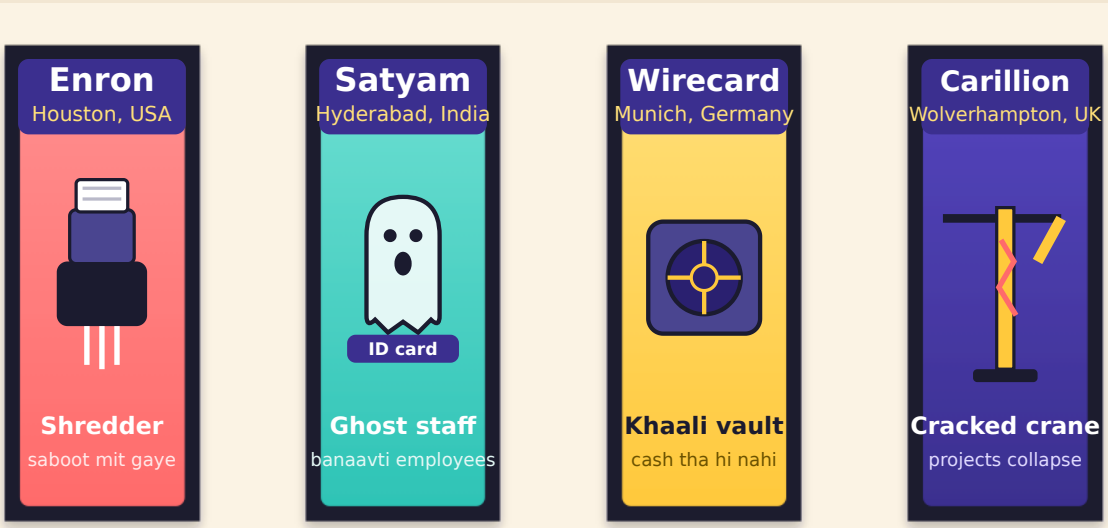
Exam angle. "Carillion kis desh ki?" UK. "Auditor?" KPMG. Ye case "going concern" aur "auditor ki expectation gap" ke liye achha hai.

Chaar cases ka ek nazar mein table

Case	Desh	Saal	Auditor	Mukhya mudda
Enron	USA	2001	Arthur Andersen	SPEs, consulting fees, documents shred
Satyam	India	2009	Price Waterhouse (PwC)	Fake cash, ghost employees
Wirecard	Germany	2020	EY (aarop)	EUR 1.9 billion missing cash
Carillion	UK	2018	KPMG	Going concern, liabilities ka gap

Chaar darwaze, chaar bade audit failures

Har darwaze ke peechhe ek sachchi kahani

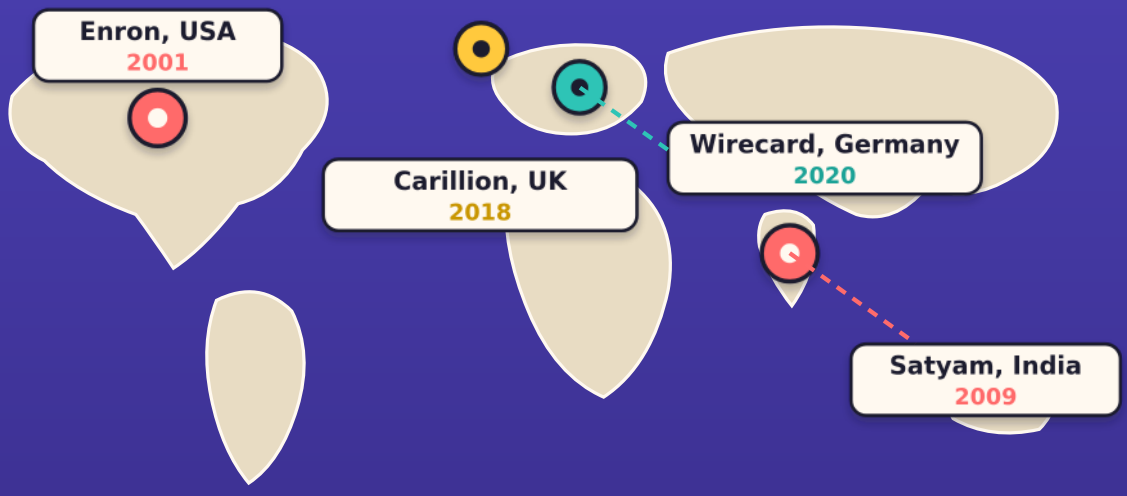


Sabr se kholo: har case ek sabak hai

Auditor ne kya miss kiya, wahi UPSSSC puchta hai

Chaar cases, chaar desh

Fraud kisi border ka mohtaaj nahi



Desh badalte hain, gadbad wahi: jhoothi books, weak controls

Part B3. Exam traps (Chapter 2)

Exam trap
Accounting equation mein "Capital" maalik ka hissa hai, liability nahi. Par company mein share capital ko equity kehte hain. Option mein "Liabilities = Assets + Capital" dikhe to wo galat hai.

Exam trap
Double entry ka matlab har transaction mein do accounts ka asar. "Do entries" nahi.

Exam trap
Cut-off galti accrual basis par jyada hoti hai. Cash basis mein cash aane-jaane par entry hoti hai, isliye timing ka mudda alag hota hai.

Exam trap
Assertions (existence, completeness, valuation, cut-off) ko "audit ke steps" na samajhna. Ye management ke claims hain jinhe auditor verify karta hai.

Exam trap
Fraud ke maamlon mein "auditor guilty" aur "auditor par aarop" alag hain. Exam mein fact aur allegation ka fark dhyan rakho, jaise Wirecard mein EY par aarop.

Part B4. Audit ke types: ek chhota preview table

Poora master table Chapter 3 mein hai. Yahan sirf ek jhalak.

Type	Kaun karta hai	Kiske liye
Statutory audit	Chartered Accountant	Members (shareholders)
Internal audit	Company ka team ya bahari firm	Management aur audit committee
Cost audit	Cost accountant	Government aur management
Government audit	CAG	Parliament aur legislatures
Forensic audit	Forensic specialist	Court ya investigation ke liye

Sources: audit ke types ka pehchaan Wikipedia "Audit" page se. [src] CAG ka role Wikipedia "CAG of India" se. [src]

Part B5. 22 MCQs (Chapter 2)

Q1. Accounting equation kya hai? (a) Assets = Liabilities + Capital (b) Assets + Liabilities = Capital (c) Capital = Assets + Liabilities (d) Liabilities = Assets + Capital **Ans: (a).** Business ke paas jo hai, wo maalik aur bahar walon ka hissa hai.

Q2. Rs 10,000 cash laga ke business shuru hua, journal entry? (a) Cash Dr, Capital Cr (b) Capital Dr, Cash Cr (c) Cash Dr, Sales Cr (d) Purchases Dr, Cash Cr **Ans: (a).** Cash (real) aaya to debit, capital (personal, giver) credit.

Q3. Raju ko udhaar maal becha, kaun sa account debit hoga? (a) Sales (b) Raju's account (c) Cash (d) Purchases **Ans: (b).** Receiver ka personal account debit.

Q4. Rent diya, kaun sa account debit? (a) Rent (nominal) (b) Cash (c) Capital (d) Purchases **Ans: (a).** Kharcha nominal account, debit.

Q5. Nominal account ka rule? (a) Kharcha debit, income credit (b) Receiver debit (c) Jo aaye debit (d) Giver debit **Ans: (a).**

Q6. Trial balance kya check karta hai? (a) Debit total = Credit total (b) Profit (c) Saboot (d) Fraud **Ans: (a).** Sirf arithmetic accuracy.

Q7. Kaun si galti trial balance mein pakdi nahi jaati? (a) Galat account mein sahi amount (b) Ek taraf ki entry bhool jaana (c) Addition ki galti (d) Posting ki galti **Ans: (a).** Debit aur credit barabar rehte hain.

Q8. Closing stock Rs 1,000, purchases Rs 6,000, COGS (opening stock zero)? (a) 5,000 (b) 6,000 (c) 7,000 (d) 1,000 **Ans: (a).** 6,000 - 1,000 = 5,000.

Q9. Sales 11,000, COGS 5,000, gross profit? (a) 6,000 (b) 5,000 (c) 11,000 (d) 4,800 **Ans: (a).**

Q10. Accrual basis par income kab ginti jaati hai? (a) Jab cash aaye (b) Jab kamayi hui (c) Saal ke end mein (d) Jab tax bhare **Ans: (b).** Raju se Rs 2,000 abhi baaki hai par income ginti hai.

Q11. "Cut-off" assertion kis se judi hai? (a) Sahi accounting period (b) Maujoodgi (c) Keemat (d) Poorta **Ans: (a).**

Q12. Enron ne kab bankruptcy file ki? (a) 2 December 2001 (b) 7 January 2009 (c) 25 June 2020 (d) 15 January 2018 **Ans: (a).**

Q13. Enron ke 2001 ke restatement ne equity ko kitna kam kiya (2000 ke end)? (a) $1.2 billion (b) $613 million (c) $63.4 billion (d) $25 million **Ans: (a).** $613 million earnings ki katauti thi, equity ki $1.2 billion.

Q14. 2000 mein Andersen ki Enron se audit fees? (a) $25 million (b) $27 million (c) $52 million (d) $63 million **Ans: (a).** Consulting $27 million thi.

Q15. Satyam ka confession kab hua? (a) 7 January 2009 (b) 25 June 2020 (c) 2 December 2001 (d) 15 January 2018 **Ans: (a).**

Q16. Satyam ke auditor ne January 2009 mein kya kaha? (a) Sab sahi hai (b) Management ki jankari par bharose se reports inaccurate ho sakti hain (c) Company band (d) Resign **Ans: (b).** Price Waterhouse ka statement.

Q17. SEBI ne Price Waterhouse ko kitne saal ke liye listed company audit se roka (2018)? (a) 2 (b) 5 (c) 10 (d) 1 **Ans: (a).**

Q18. Wirecard ka "missing" cash kitna? (a) EUR 1.9 billion (b) EUR 100 million (c) EUR 3.2 billion (d) EUR 63.4 billion **Ans: (a).** EUR 3.2 billion uska debt tha. [src]

Q19. Wirecard ka missing cash kis desh ke banks mein hona bataya gaya? (a) Philippines (b) India (c) UK (d) USA **Ans: (a).**

Q20. Carillion ki liquidation kab hui? (a) 15 January 2018 (b) 7 January 2009 (c) 25 June 2020 (d) 30 July 2002 **Ans: (a).**

Q21. Carillion ke liabilities ka Official Receiver ka anumaan? (a) GBP 6.9 billion (b) GBP 845 million (c) GBP 72 million (d) GBP 29 million **Ans: (a).** April 2018 ka anumaan, group ke 2016 accounts ke aankde se teen guna se zyada.

Q22. Sahi pairing kaun si hai? (a) Satyam: Price Waterhouse (b) Enron: KPMG (c) Carillion: Arthur Andersen (d) Wirecard: Deloitte **Ans: (a).** Enron ka auditor Arthur Andersen, Carillion ka external auditor KPMG, Wirecard ke case mein EY par aarop.

Part B6. Chapter 2 extension recap

- Journal mein har transaction ke do hisse: debit aur credit barabar.
- Trial balance sirf arithmetic accuracy dikhata hai, saboot nahi.
- Profit = Sales - COGS - expenses. Accrual basis mein udhaar sales bhi income hai.
- Enron: SPEs, consulting fees audit se zyada, documents shred.
- Satyam: fake cash aur ghost employees, auditor ne management par bharosa kiya.
- Wirecard: EUR 1.9 billion cash ka saboot nahi mila, EY par aarop, confirmation letters ka chhal.
- Carillion: going concern aur liabilities ka bada gap, KPMG par sawal.
- Fact aur allegation ka fark exam aur real life dono mein zaroori.
- Saboot jitna bahar se aaye, utna bharosemand.
- Audit ke types ka master table Chapter 3 mein hai.



Episode 3: Types of Audit (Audit ke prakaar)

Box 1: 6 saal ka bachha

1. Kahani hook: Prabhat ki teen dukaan

Prabhat ke papa ki Maharajganj mein ek kirana dukaan hai. Ek din Prabhat ne socha: "Audit ek hi cheez hogi na?" Iksha ne use ek kahani sunayi.

Ek gaon mein teen log aaye. Pehla aadmi bola, "Mujhe bank loan chahiye, meri kitaabein kaun check karega?" Doosra bola, "Mere godown se roz maal gayab ho raha hai, andar ka koi dekhe." Teesra bola, "Sarkar ne paisa diya hai, kya sahi jagah laga?"

Teeno ko "audit" chahiye tha. Par teeno ka audit alag tha: pehla **statutory audit**, doosra **internal audit**, teesra **government audit**. Jaise bimaar hone par heart doctor, dant doctor aur aankh doctor alag hote hain, waise audit bhi alag-alag kaam ke liye alag hota hai.

2. Chat dialogue

Prabhat
audit ke itne type kyun? Ek hi audit kaafi nahi?

Iksha
Sawaal yeh hai ki audit *kisne* maanga aur *kyun*. Maalik, sarkar aur kanoon, sabki zarurat alag hai.

Prabhat
Sabse zyada exam mein kaunsa aata hai?

Iksha
Statutory audit. Yeh kanoon se zaroori hota hai. Companies Act, 2013 ke andar company ko apne auditor se saal mein ek baar financial statements audit karwane hote hain.

Prabhat
Aur internal audit?

Iksha
Yeh company khud apne andar ke logon ya bahar ki firm se karwati hai. Maqsad hota hai: process sahi chal raha hai ya nahi, chori ya galti kahan ho sakti hai. Isme zyadatar management ko salah milti hai.

Prabhat
Toh statutory auditor kiske liye kaam karta hai?

Iksha
Shareholders ke liye. Appoint company karti hai, par report members ko jaati hai. Isi liye uski independence bahut zaroori hai (Chapter 4 mein dekhenge).

Prabhat
Cost audit kya hota hai?

Iksha
Product banane ki cost ke records ka audit. Companies Act ki dhara 148 ke andar kuch industries ko yeh karwana padta hai.

Prabhat
Aur CAG wala?

Iksha
Government ke paise ka audit. Dekhta hai ki paisa sahi, kanooni aur kifayati tarike se kharch hua ya nahi. Uske liye poora Chapter 14 hai.

Prabhat
ek aur doubt. Kya ek hi company ke teen-char audit ek saath ho sakte hain?

Iksha
Bilkul. Ek badi company mein statutory, internal, tax, cost aur secretarial, sab chalte hain. Har audit ka sawaal alag hota hai.

3. Core idea in 3 levels

Box 1: 6 saal ka bachha

Socho class mein teacher tumhari copy check karta hai. Wahi "statutory audit" hai: bahar ka insaan aake dekhta hai ki tumne sahi likha ya nahi. Aur jab tum khud apni copy raat ko dobara padh lete ho, wo "internal audit" hai.

Box 2: Normal explanation

Audit ko hum 4 tarah se baant sakte hain.

A. Kanoon se zaroori ya nahi

Type	Kanoon se zaroori?	Kaun karta hai	Kiske liye
Statutory audit	Haan (Companies Act, 2013: dhara 139 appointment, 141 eligibility, 143 powers aur duties; kuch aur kanoon bhi)	Chartered Accountant (CA firm)	Shareholders / members
Tax audit	Haan, Income-tax Act ke tahat limit paar karne par	CA	Tax department
Cost audit	Haan, notified companies ke liye (dhara 148)	Cost Accountant	Management / Government
Secretarial audit	Haan, bade aur listed companies ke liye (dhara 204)	Company Secretary in practice	Members / board
Internal audit	Dhara 138 ke tahat kuch companies ke liye zaroori	CA / CMA / staff / firm	Management, Audit Committee
Government (CAG) audit	Haan, Constitution aur CAG Act ke tahat	CAG ka department	Parliament / Legislature
Voluntary audit	Nahi, apni marzi se (jaise partnership firm, trust ya chhoti dukaan)	CA	Owner, bank, investor

B. Samay ke hisaab se

- **Final audit**: saal khatam hone ke baad poora audit.
- **Interim audit**: saal ke beech mein, jaise half-yearly.
- **Continuous audit**: saal bhar thoda-thoda, auditor baar-baar aata hai.
- **Concurrent audit**: transaction hote hi ya turant uske baad (bank mein common).

C. Kaam ke daayre (scope) ke hisaab se

- **Complete audit**: poore records.
- **Partial audit**: sirf kuch hissa, jaise sirf cash.
- **Test check**: sample lekar jaanch (Chapter 8).

D. Alag maqsad wale audit

- **Management audit**: management ki efficiency kaisi hai.
- **Performance / Value-for-money audit**: economy, efficiency, effectiveness (3E).
- **Propriety audit**: kharcha uchit tha ya nahi, sirf kanooni hona kaafi nahi.
- **Forensic audit**: fraud dhoondhna (Chapter 17).
- **IT audit**: systems aur data ki jaanch (Chapter 18).
- **Social audit**: samaj par kaam ka asar (jaise gaon ki yojanaon ka public verification).

Box 3: PhD box

- **Assurance spectrum**: Reasonable assurance (statutory audit, positive opinion) versus limited assurance (review, jaise quarterly limited review, negative-form conclusion). Audit koi guarantee nahi deta; yeh high but not absolute level of assurance hai. Isi liye audit ke inherent limitations hote hain (judgment, sampling, collusion, management override).
- **Statutory audit ka framework**: Standards on Auditing (SA) dhara 143(10) ke tahat specify hote hain. Infosys ka FY2025 auditor ki report khud likhti hai ki audit SA ke mutabik hua aur ICAI ke Code of Ethics ke tahat independence hai (dekhein Section 4).
- **Internal vs external theory**: Internal audit ka reporting line agar CFO ke neeche hai toh objectivity kamzor hoti hai; best practice mein Audit Committee ko functional reporting hoti hai. Yeh IIA ke "three lines" model se judta hai (operations, risk/compliance, internal audit).
- **Edge case**: Ek hi firm statutory aur internal audit dono nahi kar sakti. Companies Act dhara 144 ke tahat statutory auditor ko kuch services dene par roka gaya hai, jinme internal audit shaamil hai (Chapter 4 mein detail).
- **Joint audit**: Kuch badi companies mein do ya zyada auditors milke ek report dete hain. Joint audit ka standard SA 299 (Joint Audit of Financial Statements) hai, jisme auditors ke beech kaam aur responsibility ka batwara aata hai.
- **Audit of group**: Parent company ka auditor subsidiaries ke auditors par rely karta hai (SA 600 ke tahat).

4. Real example: Tata Consultancy Services (TCS) ka statutory auditor badalna

TCS ek listed company hai, aur listed company ke auditor ko ek hi firm hamesha nahi rakh sakte. Yeh rotation ka kanoon hai.

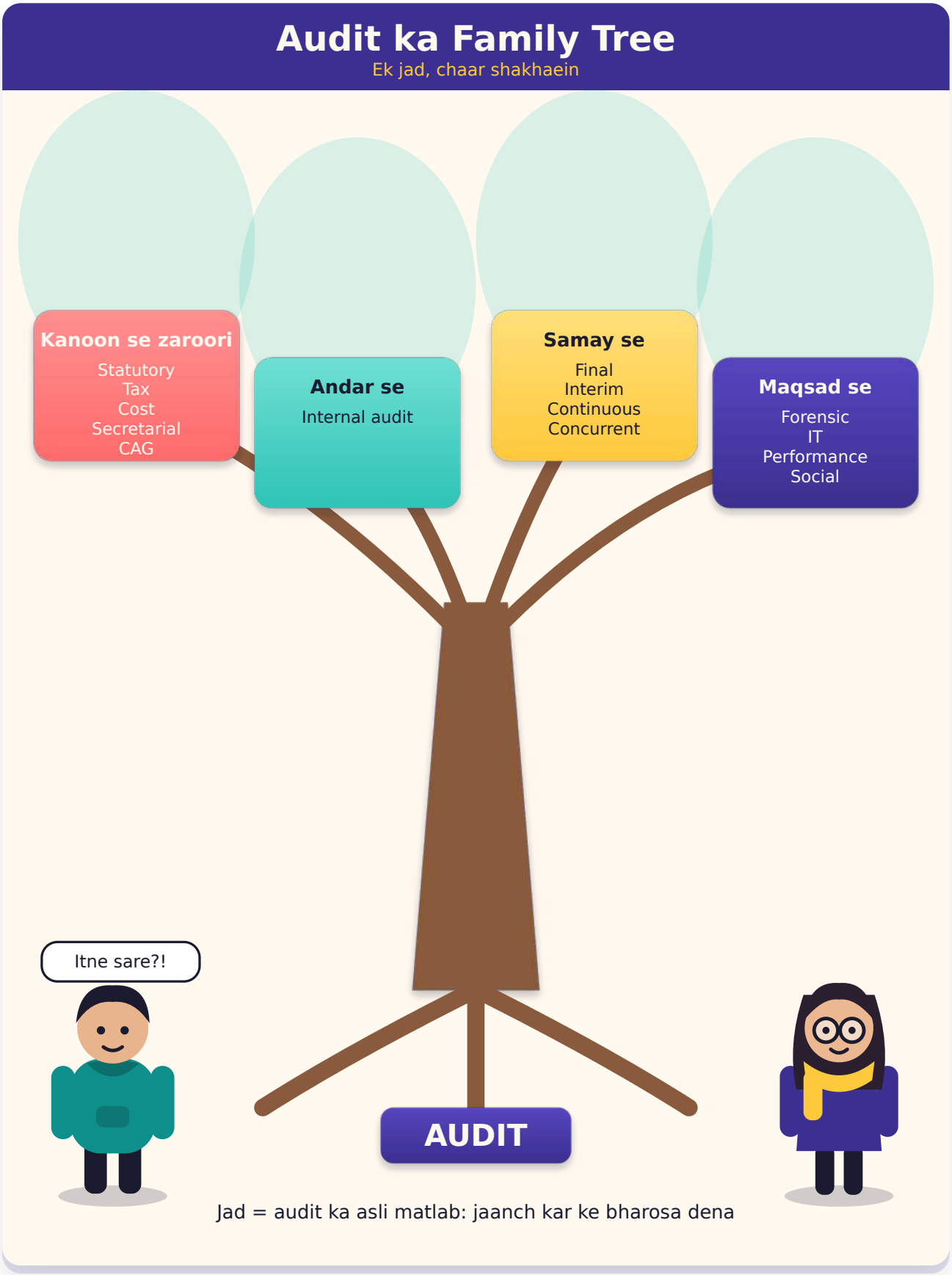
- 28 February 2026 ko TCS ne stock exchanges ko batayi ki BSR & Co. LLP, ICAI Firm Registration No. 101248W/W-100022, apne **doosre term** ke baad 2027 ke 32nd AGM ke ant tak statutory auditor rahenge. [src]
- Board ne sifarish ki hai ki Walker Chandiok & Co LLP, ICAI Firm Registration No. 001076N/N500013, **5 saal** ke liye agle auditor banein: 32nd AGM (2027) se 37th AGM (2032) tak, members ki manzoori ke baad. [src]

- Dhyaan do: sifarish Audit Committee ki hai, phir Board ki, phir members ki manzoori. Yeh poora raasta statutory audit ki independence ke liye hai.

Sabak: Statutory audit sirf "hisaab check karna" nahi, ek poora governance system hai: appointment, term, rotation, report. (Companies Act dhara 139(2): listed companies mein audit firm ko 5 saal ke zyada se zyada 2 consecutive term mil sakte hain, aur individual auditor ko sirf 1 term. Term poora hone par 5 saal ka cooling-off period lagta hai.)

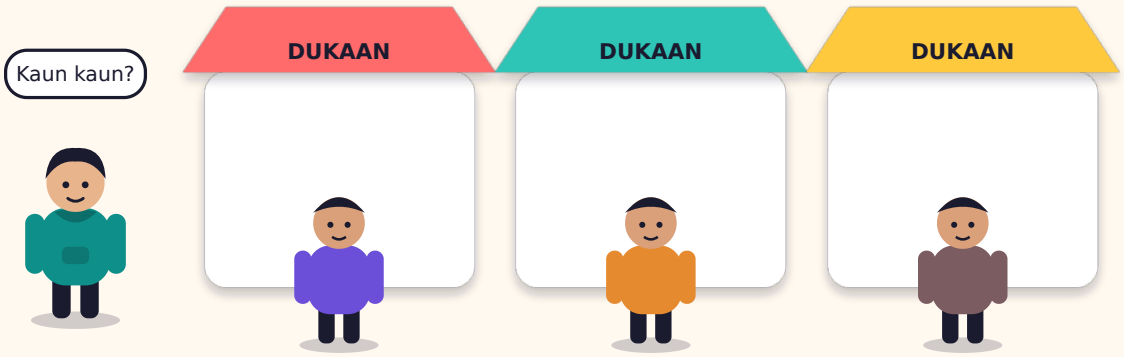
Infosys ka audit report: Infosys ke FY2025 consolidated financial statements ki auditor ki report mein opinion yeh hai ki statements Companies Act, 2013 ke hisaab se "true and fair view" dete hain, Ind AS ke mutabik, 31 March 2025 ki sthiti par. Report mein Key Audit Matters bhi hain; revenue recognition (percentage-of-completion method) ek aisa KAM tha. [src]

5. Infographic / diagram



Kaun kiske liye?

Teen dukaan, teen audit



Statutory Audit

Bada Seth

Kanoon ke liye, bahar ka CA

Internal Audit

Manager Sahab

Malik ke liye, andar ka check

Tax Audit

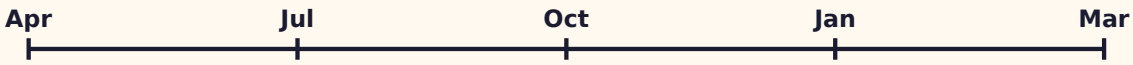
Tax Wale Bhaiya

Income tax ke liye

Prabhat: ek hi audit kaafi nahi? Nahi, har audit ka maqsad alag hai.

Audit kab hota hai?

Samay ke hisaab se 4 type



Saal ke ant mein **Final audit**

Saal ke beech mein **Interim audit**

Continuous audit: Poore saal chalta hai

Concurrent audit: Har transaction ke saath saath

Final = ant mein | Interim = beech mein | Continuous = saal bhar | Concurrent = abhi ke abhi

6. Exam angle

UPSSSC aam taur par definition, "kaunsa audit kisne karna hai", aur "kya sahi/galat" format mein sawaal puchta hai. Yaad rakho: Statutory = kanoon + members; Internal = management; CAG = Parliament.

Q1. Kaunsa audit Companies Act, 2013 ke tahat zaroori hai aur members ke liye hota hai? (a) Internal (b) Statutory (c) Management (d) Voluntary **Ans: (b)** Statutory audit.

Q2. Internal audit ka mukhya maqsad kya hai? (a) Tax bachana (b) Shareholders ko report dena (c) Management ko process aur control sudharne mein madad (d) Government ko report dena **Ans: (c)**

Q3. Lagaataar saal bhar thoda-thoda hone wale audit ko kya kehte hain? (a) Final (b) Interim (c) Continuous (d) Partial **Ans: (c)** Continuous audit.

Q4. Cost audit kis dhara ke andar aata hai (Companies Act, 2013)? (a) 139 (b) 143 (c) 148 (d) 204 **Ans: (c) 148.**

Q5. Value-for-money audit mein "3E" kya hain? **Ans:** Economy, Efficiency, Effectiveness.

7. Recap page

10 bullets

1. Audit ek type ka nahi hota, maqsad ke hisaab se kai type hote hain.
2. Statutory audit kanoon se zaroori hai, members ke liye hota hai.
3. Internal audit management ke liye hota hai, process aur control par.
4. Cost audit (dhara 148) cost records ke liye, Cost Accountant karta hai.
5. Secretarial audit (dhara 204) compliance ke liye, Company Secretary karta hai.
6. CAG audit Parliament/Legislature ke liye hota hai, sarkari paise ka.
7. Final, interim, continuous, concurrent samay ke hisaab se type hain.
8. Complete, partial, test check scope ke hisaab se type hain.
9. Audit reasonable assurance deta hai, guarantee nahi.
10. Listed company mein auditor rotation hota hai; TCS ka BSR se Walker Chandiok ki taraf proposal iska live example hai.

Cheat-sheet

Audit	Kaun karta hai	Kisko report	Dhara / source
Statutory	CA firm	Members	Companies Act, 2013
Internal	Staff ya firm	Management / Audit Committee	Dhara 138
Cost	Cost Accountant	Board / Govt	Dhara 148
Secretarial	Company Secretary	Members	Dhara 204
CAG	CAG dept	Parliament	Constitution / CAG Act
Tax	CA	Tax dept	Income-tax Act

Part B. Audit ke prakaar: aur gehraai se, aur compare karke

Existing chapter mein tune statutory, internal, cost, secretarial, tax aur CAG audit ka basic idea dekha. Ab Part B mein hum (1) internal, statutory, cost aur secretarial ko seedha compare karenge, (2) ek master table banayenge jisme 15 audit types ek jagah hain, (3) 4 worked examples karenge ("is company ko kaun sa audit chahiye?"), aur (4) 25 MCQs.

Ek baat pehle: section numbers (138, 139, 141, 143, 144, 148, 204) section titles eCourtsIndia ki bare-act copy se verify hue hain (official India Code portal se nahi). [src]

Part B1. Chaar audit, chaar sawaal: seedha comparison

Kahani hook. Ek shaam Prabhat Iksha ke ghar gaya. Mez par chaar alag rang ke folder rakhe the: neela, laal, hara, peela. "Ye kya hai?" usne poochha. Iksha ne muskura ke kaha, "Ek hi company ke chaar audit. Tu bata kaun kiska hai."

Prabhat
Chaar folder, ek company. Chaar alag auditor?

Iksha
Zaroori nahi. Par chaar alag sawaal. Ek ka sawaal: "financial statements true and fair hain?" Doosre ka: "process aur controls theek chal rahe hain?" Teesre ka: "product ki cost sahi nikali gayi?" Chauthe ka: "company kanoon aur rules maan rahi hai?"

Prabhat
Ye chaar kaun kaun hain?

Iksha
Statutory (neela), internal (laal), cost (hara), secretarial (peela). Chal ek ek karke.

Table 1: Chaar audit ka comparison

Pehlu	Statutory audit	Internal audit	Cost audit	Secretarial audit
Sawaal	Financial statements true and fair?	Controls aur processes sahi chal rahe hain?	Cost records aur cost statements sahi?	Kanoon aur secretarial records ka paalan?
Kaun karta hai	Chartered Accountant (independent)	Company ka apna ya bahari firm	Cost accountant	Company Secretary in practice
Report kisko	Members (shareholders)	Management aur audit committee	Board aur Government (notified cases)	Board aur members
Zaroori kyun	Kanoon se	Kanoon se kuch companies ke liye, baaki ke liye choice	Kanoon se notified companies ke liye	Kanoon se kuch companies ke liye
Doosre se alag kaise	Bahar ka, shareholders ke liye	Andar ka, management ke liye	Product cost par	Compliance par

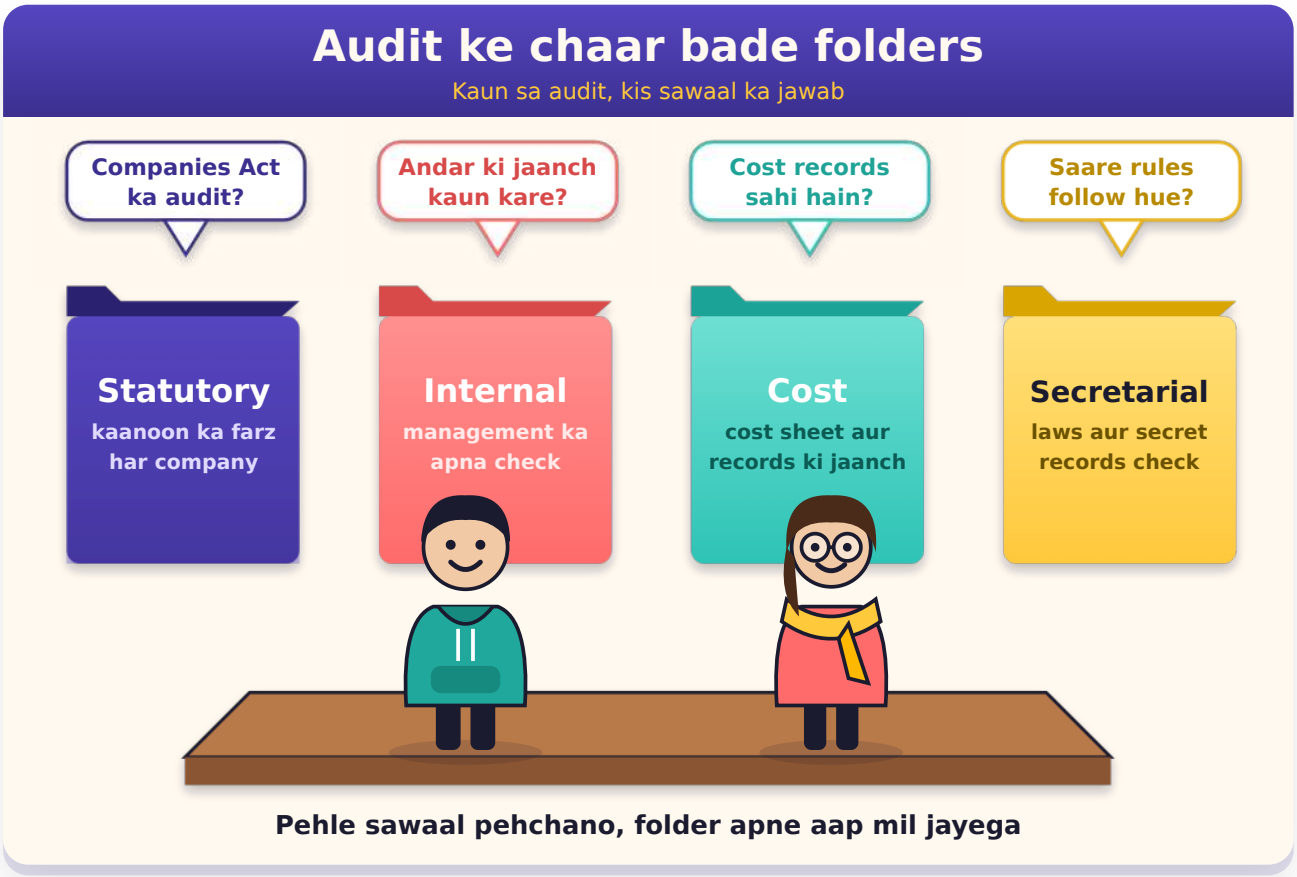
Is table ke sections ka source: Companies Act (eCourtsIndia copy) (s.139 appointment, s.143 powers aur duties, s.138 internal audit, s.148 cost audit, s.204 secretarial audit). [src]

Definitions ka source: Wikipedia ke "Audit" page par external ya statutory auditor ko independent firm bataya gaya hai jo client ke liye financial statements par opinion deta hai. Cost auditor cost statements aur cost sheet par opinion deta

hai. Secretarial auditor secretarial records aur compliance par. Internal auditors apni hi organisation ke employee hote hain. [src]

3 levels mein samajh

- **6 saal ka bachha:** Ghar mein chaar log chaar cheezein check karte hain: ek paise ginta hai, ek dekhta hai ki bijli kharab to nahi, ek dekhta hai ki khaana banane ka kharcha kitna, ek dekhta hai ki ghar ke rules maane ja rahe hain ya nahi.
- **Normal:** Har audit ka alag sawaal, alag auditor, alag report ka reader.
- **PhD box:** Ye alag ho kar bhi overlap karte hain. Cost audit ke findings statutory auditor ke liye evidence ban sakte hain, aur internal audit ki reports par statutory auditor kuch had tak rely kar sakta hai (iske liye SA 610, "Using the Work of Internal Auditors" jaisa standard hai, [src]). Par independence ke kaaran ek hi firm ke liye saari roles dena mushkil hai.



Part B2. Internal audit ko gehraai se samjho

Prabhat
Internal audit mein auditor company ka hi insaan hota hai. To independent kaise?

Iksha
Wikipedia ke mutabik internal audit ek "assurance aur consulting activity" hai jo organisation ke operations ko behtar banane ke liye hai. Internal auditors organisation ke hi hote hain, par independence unki reporting line se aati hai. [src]

Prabhat
Reporting line matlab?

Iksha
Chief Audit Executive (CAE), yaani internal audit head, functionally audit committee ko report karta hai, aur administrative taur par CEO ko. Agar wo CFO ke neeche ho to CFO ke galat kaam par ungli uthana mushkil hoga. [src]

Prabhat
Aur internal auditor kya check karta hai?

Iksha
Mainly internal control. COSO framework ke hisaab se internal control ke paanch hisse hain: control environment, risk assessment, control activities, information and communication, aur monitoring. [src]

Prabhat
Is profession ka standard kaun banata hai?

Iksha
International body Institute of Internal Auditors (IIA). [src] Aur Lawrence Sawyer (1911 se 2002) ko "father of modern internal auditing" kaha jaata hai. [src]

Audit committee ka role (internal aur statutory ke beech ka pul)

Prabhat
Audit committee kya hoti hai?

Iksha
Board ki ek committee jo financial reporting process ki nigaraani karti hai, independent auditor ke selection mein dakhal deti hai, aur internal aur external dono audit ke results receive karti hai. [src]

Prabhat
To internal audit management ki madad hai, statutory audit shareholders ki?

Iksha
Bilkul. Aur audit committee dono ke beech ka pul.

Exam trap
"Internal auditor aur statutory auditor ek hi hota hai" galat hai. Companies Act ke tahat statutory auditor internal audit ki service nahi de sakta (section 144). [src]

Exam trap
"Internal audit ka kaam sirf chori pakadna hai" galat hai. Iska kaam controls, risk management aur governance ka evaluation hai, aur salah dena bhi.

Part B3. Cost audit aur secretarial audit: chhote par alag

Prabhat
Cost audit mein "cost" kya hai?

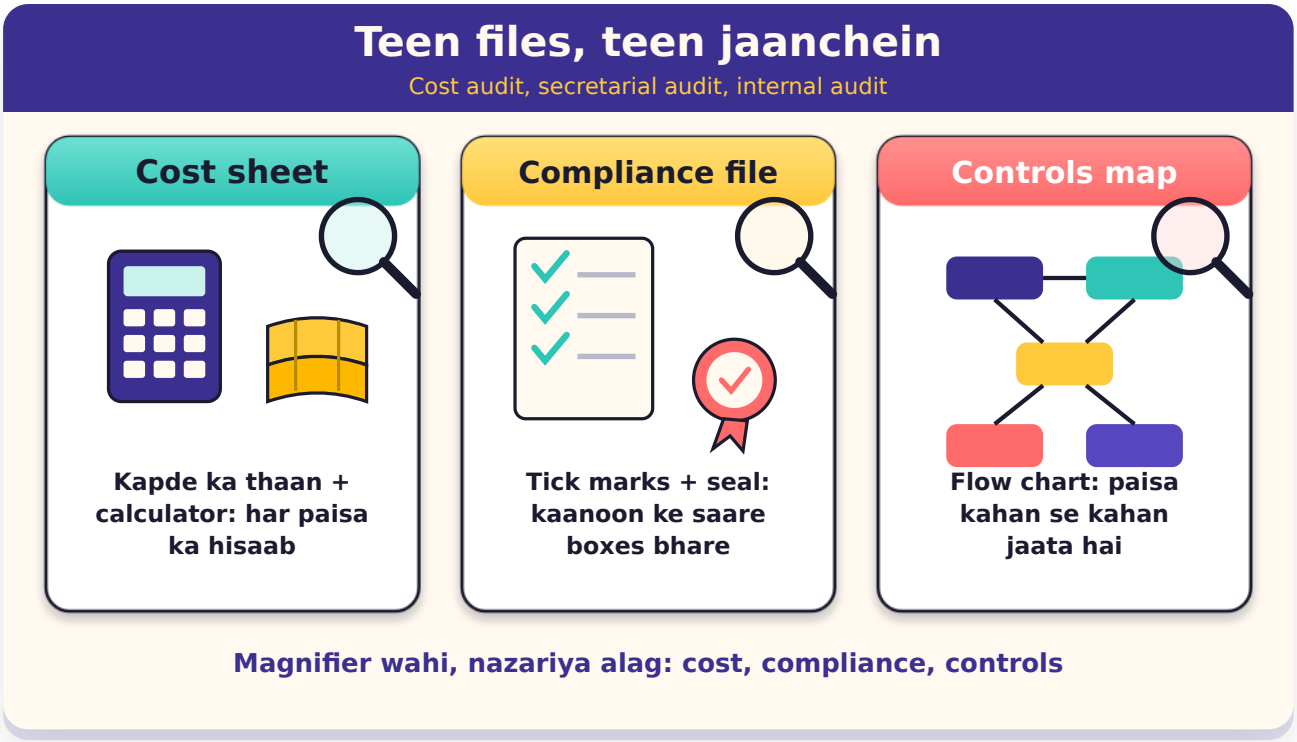
Iksha
Product banane par kitna kharch hua. Cost accounting ke tareeke jaise standard costing, marginal costing aur activity-based costing se cost nikaali jaati hai. [src] Cost audit us cost ke records ko verify karta hai. [src]

Prabhat
Isse kaun fayda uthata hai?

Iksha
Management ko pricing mein madad milti hai, aur sarkar ko un sectors mein jahan pricing ya cost ka nigaah rakhna hota hai.

Prabhat
Aur secretarial audit?

Iksha
Company ke records aur compliance ki jaanch. Wikipedia ke mutabik ye ek independent firm karti hai jo secretarial records aur applicable laws ke paalan par opinion deti hai. India mein Companies Act s.204 ke tahat ye report company secretary in practice deta hai. [src]



Part B4. Master table: audit ke 15 prakaar

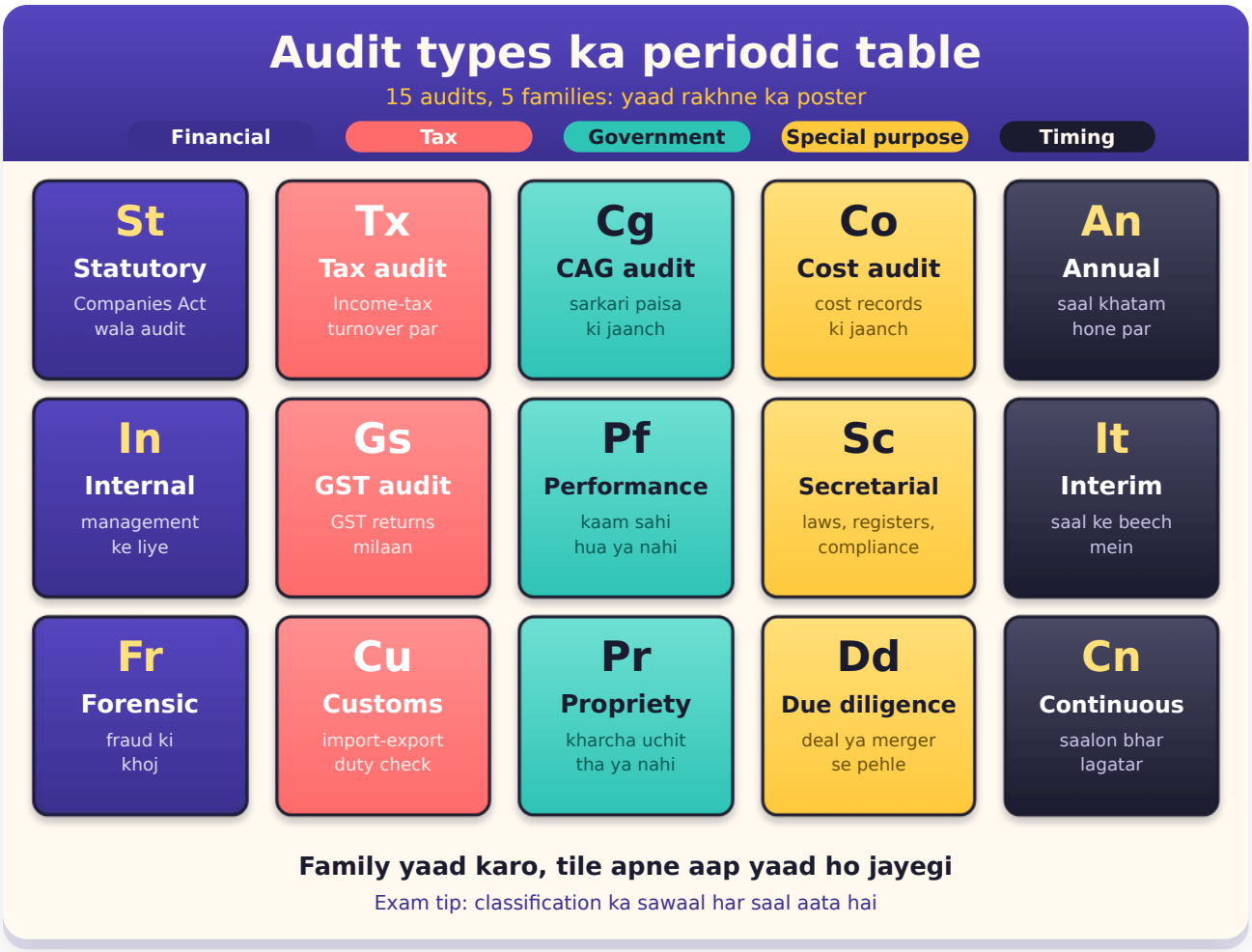
Ye table exam ke liye ek jagah sab kuch deta hai. Har row mein: kaun karta hai, law basis (jahan hai), ek line ka matlab, aur ek exam trap. Sources table ke neeche text mein hain.

#	Audit type	Kaun karta hai	Law basis	Ek line mein matlab	Exam trap
1	Statutory audit	Independent CA	Companies Act, 2013	Financial statements par shareholders ke liye opinion	"Company chune aur company ki sunne wala": galat, report members ko jaati hai
2	Internal audit	Employee ya bahari firm	Companies Act s.138 (kuch companies), IIA standards	Controls, risk aur governance ka evaluation	Statutory auditor ye service nahi de sakta
3	Cost audit	Cost accountant	Companies Act s.148 (notified)	Cost records aur cost statements ki jaanch	CA nahi, cost accountant
4	Secretarial audit	Company Secretary in practice	Companies Act s.204	Compliance aur secretarial records	Financial statements par opinion nahi deta
5	Tax audit	Chartered Accountant	Income-tax law	Tax records aur particulars ka verification	Statutory audit nahi, tax department ke liye
6	GST audit	Tax authority (aur kuch cases mein auditor)	CGST Act s.65	Registered person ke records ki tax authority se jaanch	Notice kam se kam 15 working days pehle
7	Forensic audit	Forensic accountant	Koi ek hi statute nahi	Fraud aur misconduct ki khoj	Statutory audit ka hissa nahi
8	IT audit	IT audit specialist	Framework par aadharit	Systems, data integrity aur controls ki jaanch	Sirf software testing nahi
9	Government (CAG) audit	CAG ka department	Constitution Art. 148 aur DPC Act, 1971	Sarkari receipts aur expenditure ka audit	Parliament ko report, company ko nahi
10	Performance audit	Supreme audit body	Audit mandate ke tahat	Economy, efficiency, effectiveness (3E)	Sirf legality nahi
11	Social audit	Citizens aur community ke saath	Alag alag yojana ya kanoon	Sarkari kaam ka janta dwara mulyankan	Financial audit nahi
12	Environmental audit	Environmental auditor	Alag kanoon aur framework	Environmental compliance aur management system gaps	Financial statement audit ka hissa nahi
13	Interim vs final audit	Same auditor	Statutory audit ka hissa	Interim saal ke beech, final saal ke end ke baad	Interim final ka vikalp nahi
14	Continuous vs balance sheet audit	Same auditor	Statutory audit ke tareeke	Continuous saal bhar, balance sheet audit year end par	"Continuous" ka matlab roz audit nahi

#	Audit type	Kaun karta hai	Law basis	Ek line mein matlab	Exam trap
15	Concurrent aur propriety audit	CA ya internal auditor	Bank aur sarkari rules ke tahat	Concurrent transaction ke saath, propriety: uchit tha ya nahi	Propriety sirf kanooni hona nahi

Sources aur notes (table ke baahar):

- Statutory, internal, cost, secretarial aur government auditors ki definitions: [src]. Section numbers (138, 148, 204) eCourtsIndia ki bare-act copy se verified hain. [src]
- Tax audit: Income Tax Department ke page ke mutabik business ke liye gross turnover threshold Rs 1 crore se zyada hone par Chartered Accountant se audit zaroori hai, aur jahan cash receipts aur payments 5 percent tak hon wahan limit Rs 10 crore. Profession ke liye gross receipts Rs 50 lakh se zyada. [src] Ye limits Income Tax Department ke page ke hain, aur Finance Act se badal sakti hain. Section number is file mein jaan-boojh kar nahi diya.
- GST audit by tax authority: CGST Act ki section 65 ke mutabik Commissioner ya authorised officer registered person ka audit kar sakta hai, kam se kam 15 working days pehle notice dena hota hai, aur audit teen mahine mein poora hona chahiye (ek baar mein adhiktam 6 mahine aur badhaye ja sakte hain, reasons record karke). [src] Pehle section 35(5) mein kuch registered persons ko CA ya cost accountant se apna audit karwana hota tha, par wo sub-section Finance Act, 2021 se omit ho chuka hai. [src] [src]
- Forensic accounting: financial reporting misconduct ya workplace financial misconduct ki jaanch. [src]
- IT audit: [src]
- CAG: [src]
- Performance audit: [src]
- Social audit: sarkari performance ko monitor karne aur officials ko accountable banane ka citizen-led tareeka. [src]
- Environmental audit: compliance aur management-system gaps ki pehchaan. [src]
- Continuous auditing: technology ke dwara frequent control aur risk assessment. [src] Interim, final, concurrent aur propriety audit ki definitions textbook concepts hain (row 13 se 15).



Part B5. Chaar chats: audit types ko compare karna

Chat 1: Statutory vs Tax audit

Prabhat
Statutory aur tax audit mein dono CA karta hai. Fark?

Iksha
Statutory audit shareholders ke liye hai aur poore financial statements par opinion deta hai. Tax audit tax department ke liye hai, aur tax ke liye zaroori particulars ke saath report banata hai.

Prabhat
Ek hi CA dono kar sakta hai?

Iksha
Haan, aksar ek hi firm dono karti hai. Par report alag hoti hain, reader alag, uddeshya alag.

Prabhat
Tax audit ki limit kitni?

Iksha
Income Tax Department ke mutabik business ke liye Rs 1 crore ka turnover, aur Rs 10 crore agar cash lena dena 5 percent tak ho. Par ye limit badal sakti hai, exam se pehle latest check kar. [src]

Chat 2: Internal vs Forensic

Prabhat
Internal audit aur forensic audit dono fraud dhoondhte hain na?

Iksha
Nahi. Internal audit regular chalta hai aur controls dekhta hai, fraud sirf ek risk hai. Forensic audit tab hota hai jab shak ho, aur uska maqsad saboot jama karna hota hai, jo court mein kaam aa sake.

Prabhat
Forensic accountant kya karta hai?

Iksha
Wikipedia ke mutabik wo dekhta hai ki firm ya uske employee, officers ya directors ne financial misconduct to nahi kiya. Aaj kal digital forensics aur data analytics ka bhi bada role hai. [src]

Chat 3: CAG audit vs Statutory audit

Prabhat
CAG bhi to audit karta hai. Wo aur CA ka statutory audit kaise alag?

Iksha
CA company ke shareholders ke liye hai. CAG sarkari paise ke liye hai, Parliament aur legislatures ke liye. Reports Public Accounts Committee ke paas jaati hain. [src]

Prabhat
Government company ka audit kaun karta hai?

Iksha
Wikipedia ke mutabik CAG government-owned corporations ka statutory auditor hai aur kai government companies ka supplementary audit karta hai. [src] Government companies mein auditor ki appointment ka exact process Companies Act s.139 mein hai, jo is chapter mein detail se nahi diya gaya.

Chat 4: Performance audit vs Financial audit

Prabhat
Performance audit mein kya alag hai?

Iksha
Financial audit poochta hai: "paisa sahi dikhaya?" Performance audit poochta hai: "paisa sahi se kharch hua? Kam kharch mein, zyada kaam, aur asli asar hua?" Isse 3E kehte hain: economy, efficiency, effectiveness. [src]

Prabhat
Example?

Iksha
Ek sarkari school building ban gayi. Financial audit: bill sahi? Performance audit: kya itne paise mein kam kharch mein bani? Kya bachche usme padh rahe hain?

Prabhat
Samajh gaya. Par ye "kalpana" hai ya real?

Iksha
Ye sirf samjhane ke liye kalpanik example hai.

Exam trap
3E ko "Economy, Efficiency, Ethics" mat likhna. Teesra E hai Effectiveness.

Part B6. 4 worked examples: "is company ko kaun sa audit?"

In examples mein companies kalpanik hain (naam sirf samajhne ke liye). Numbers sirf wahi hain jo sourced hain.

Worked example 1: Maharajganj Steel Pvt Ltd

Situation. Maharajganj Steel ek private limited manufacturing company hai. Board ne poochha: "Hamein kaun kaun se audit chahiye?"

Iksha ka tareeka (step by step):

1. **Step 1: Company hai?** Haan. Companies Act ke tahat statutory audit zaroori hai.
2. **Step 2: Manufacturing hai?** Cost records ka sawaal uthta hai. Dekho kya company un notified industries mein aati hai jinke liye Central Government s.148 ke tahat cost records ka order deti hai. [src]
3. **Step 3: Turnover kitna?** Income Tax Department ke mutabik turnover Rs 1 crore se zyada ho (ya Rs 10 crore agar cash 5 percent tak) to tax audit lagu.
4. **Step 4: Compliance?** Secretarial audit s.204 ke tahat har listed company aur prescribed classes ki companies ke liye zaroori hai. Private company ke liye thresholds Rules mein hain, jo is file mein nahi diye.
5. **Step 5: Internal audit?** Companies Act s.138 prescribed classes ki companies ke liye lagu hai. Baaki ke liye choice. [src]

Natija. Ek hi company par kai audit ek saath ho sakte hain. Har audit ka alag sawaal hai.

Worked example 2: Papa ki kirana dukaan aur bank loan

Situation. Prabhat ke papa ko dukaan ke liye bank loan chahiye. Bank bolta hai: "Pichhle teen saal ke audited accounts do."

Steps.

1. Kirana ek proprietorship hai. Companies Act lagu nahi, to statutory audit zaroori nahi.
2. Par income tax ki limit paar ho gayi (maan lo), to tax audit.
3. Warna bank ke kehne par "voluntary audit" ya ek CA se certified accounts.
4. CA saboot dekhta hai: stock ki ginti, bank statement, bills, debtors.

Seekh. "Audit kanoon ke dar se" hi nahi hota, bharose ke liye bhi hota hai.

Worked example 3: Internal audit report kisko jaaye?

Situation. Ek company mein internal audit head (CAE) ne dekha ki purchase department mein ek vendor ko baar baar advance diye ja rahe hain. CFO ne kaha, "Isse report mat kar."

Step.

1. CAE ko functionally audit committee ko report karna hota hai (Part B2). [src]
2. CAE finding likhta hai, evidence ke saath.
3. Audit committee management se jawab maangti hai.
4. Statutory auditor bhi audit committee se findings jaanta hai (kyunki committee internal aur external dono ke results receive karti hai). [src]

Seekh. Reporting line hi internal auditor ki independence hai. CFO ke neeche report karne wala CAE CFO par ungli nahi utha sakta.

Worked example 4: GST authority ka audit

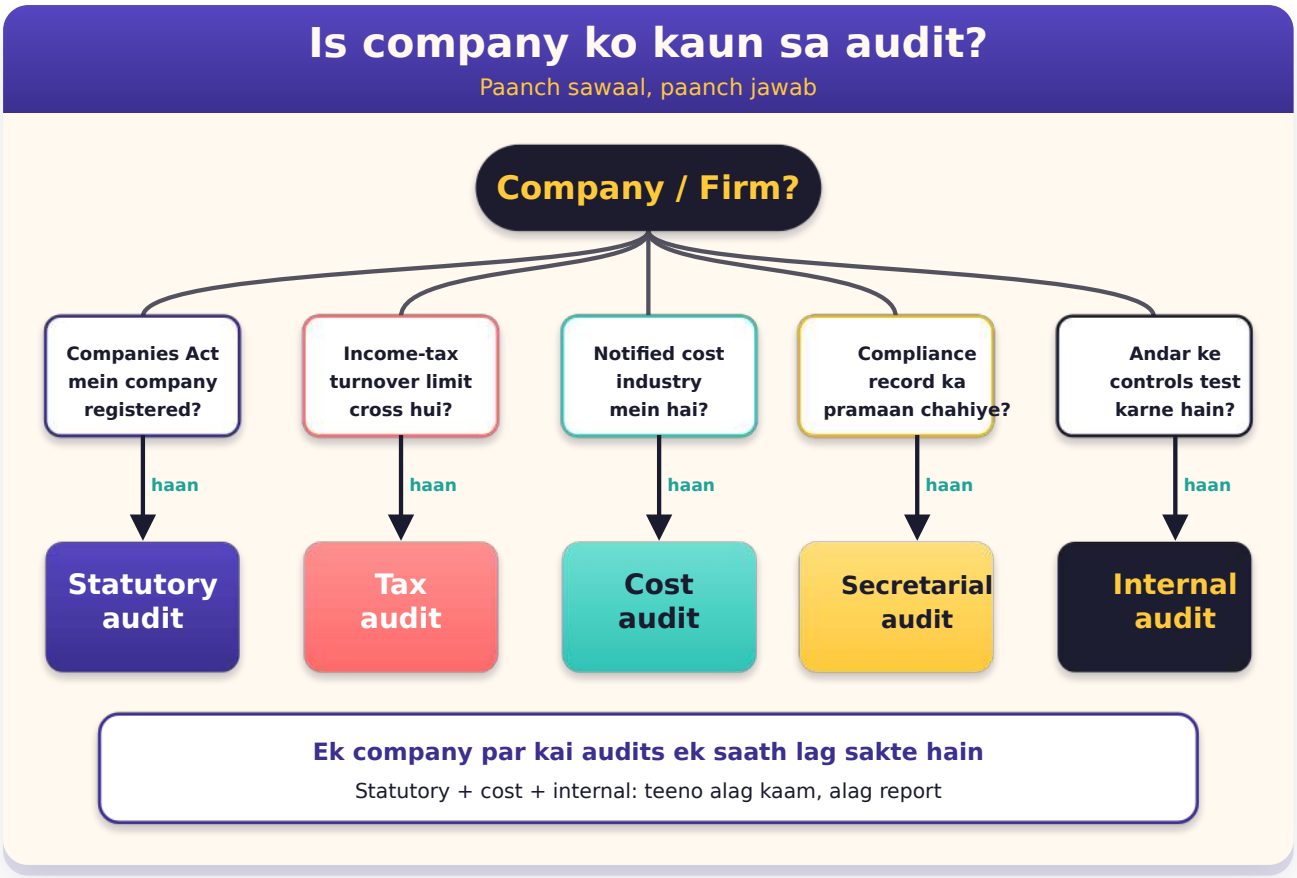
Situation. Ek registered person ko GST department ka audit notice aaya. Wo ghabra gaya.

Steps (CGST Act s.65 ke mutabik).

1. Notice kam se kam 15 working days pehle aana chahiye.
2. Audit registered person ke place of business par ya department ke office mein ho sakta hai.
3. Audit shuru hone ke 3 mahine ke andar poora hona chahiye.
4. Commissioner ke satisfied hone par, likhit reasons ke saath, 6 mahine tak aur badha sakta hai.
5. Registered person ko books dikhane aur sawaalon ke jawab dene honge.

[src]

Seekh. Ye tax authority ka audit hai, statutory audit nahi. Dono ke uddeshya aur reader alag.





Part B7. Dark beat: ek raat ke baad

Wo subah dheere dheere aayi. Prabhat Iksha ke ghar mein soya nahi tha. Mez par chaar folder abhi bhi bikhre the. Iksha ne chai ka cup uske saamne rakha. "Tu

pareshan hai," usne kaha. "Kal ek client file par kuch galat laga," Prabhat ne maana. "Mujhe nahi pata kaun sa audit isme lagega. Aur mujhe dar hai ki maine kuch miss kiya." Iksha ne uska haath thaama. "Dar mat. Pehle ye bata: file kis cheez ki thi?" Prabhat ne gehri saans li. "Ek dukaan ka stock register." Iksha muskurayi, par aankhein gambhir thi. "Phir to ye hisaab ki baat hai, tere dar ki nahi. Chal, ek ek step dekhte hain." (Is raat ki poori kahani Chapter 4 ke extension mein hai.)

Part B8. 25 MCQs (Chapter 3 extension)

Q1. Statutory audit ki report kisko jaati hai? (a) Members (shareholders) (b) CFO (c) Tax department (d) Bank **Ans: (a).** Auditor company ke members ke liye kaam karta hai.

Q2. Internal audit head (CAE) functionally kisko report karta hai? (a) Audit committee (b) CFO (c) Statutory auditor (d) Registrar **Ans: (a).** Administrative reporting CEO ko ho sakti hai.

Q3. Internal audit ka professional standard-setting international body? (a) IIA (b) ICAI (c) PCAOB (d) CAG **Ans: (a).** Institute of Internal Auditors.

Q4. COSO internal control ke kitne components hain? (a) 3 (b) 5 (c) 7 (d) 10 **Ans: (b).** Control environment, risk assessment, control activities, information and communication, monitoring.

Q5. "Father of modern internal auditing"? (a) Lawrence Sawyer (b) Arthur Andersen (c) Ramalinga Raju (d) Paul Sarbanes **Ans: (a).** [src]

Q6. Audit committee ka kaam? (a) Financial reporting ki oversight aur independent auditor selection (b) Share trading (c) Tax collection (d) Cost audit **Ans: (a).**

Q7. Cost audit kiske records verify karta hai? (a) Cost of production (b) Share register (c) Board minutes (d) Bank loans **Ans: (a).**

Q8. Secretarial audit kya check karta hai? (a) Compliance aur secretarial records (b) Cost (c) Tax return (d) Cash **Ans: (a).**

Q9. Tax audit ki Rs 1 crore limit kis par lagu (Income Tax Department ke page ke mutabik)? (a) Business ke gross turnover par (b) Sirf profession ke gross receipts

par (c) Salary par (d) Capital gains par **Ans: (a).** Profession ke liye alag limit hai (Rs 50 lakh gross receipts).

Q10. Cash receipts aur payments 5 percent tak ho to business tax audit limit? (a) Rs 1 crore (b) Rs 10 crore (c) Rs 5 crore (d) Rs 50 lakh **Ans: (b).** [src]

Q11. GST audit by tax authority ke liye minimum notice? (a) 7 din (b) 15 working days (c) 30 din (d) Koi notice nahi **Ans: (b).** Section 65 ke mutabik.

Q12. GST authority ke audit ko poora karne ki seema? (a) 1 mahina (b) 3 mahine (c) 6 mahine (d) 1 saal **Ans: (b).** Reasons record karke 6 mahine aur badhaye ja sakte hain.

Q13. CAG ka office Constitution ke kis Article mein? (a) 148 (b) 124 (c) 280 (d) 324 **Ans: (a).**

Q14. CAG ki reports kahan rakhi jaati hain? (a) Parliament ya Vidhan Sabha (b) Company ke AGM (c) Bank (d) SEBI **Ans: (a).** PAC unpar charcha karti hai.

Q15. Performance audit ka "3E" kya hai? (a) Economy, Efficiency, Effectiveness (b) Ethics, Equity, Efficiency (c) Economy, Ethics, Equity (d) Efficiency, Effort, Effectiveness **Ans: (a).**

Q16. Social audit ka mukhya focus? (a) Sarkari performance ka citizens dwara mulyankan (b) Tax (c) Cost (d) Bank **Ans: (a).**

Q17. Environmental audit kya identify karta hai? (a) Compliance aur management system gaps (b) Tax gaps (c) Share price (d) Cash **Ans: (a).**

Q18. Forensic accounting ka mukhya uddeshya? (a) Financial misconduct ki jaanch (b) Tax bharna (c) Cost nikalna (d) Share bechna **Ans: (a).**

Q19. IT audit kya determine karta hai? (a) Kya systems assets safeguard karte aur data integrity maintain karte hain (b) Kitna profit hua (c) Kitna tax (d) Kitni fees **Ans: (a).**

Q20. Statutory auditor kaun ho sakta hai (Companies Act 2013 ke tahat)? (a) Valid certificate of practice wala ICAI member (b) Koi bhi graduate (c) Company ka CFO (d) Company ka director **Ans: (a).** [src]

Q21. Statutory auditor kaun si service nahi de sakta? (a) Internal audit (b) Statutory audit (c) Certification (d) Report signing **Ans: (a).** Section 144 ke mutabik. [src]

Q22. Voluntary audit kab hota hai? (a) Apni marzi se (b) Kanoon se (c) SEBI ke aadesh par (d) Court ke aadesh par **Ans: (a).**

Q23. Continuous audit mein auditor kab aata hai? (a) Saal bhar thoda thoda (b) Sirf year end (c) Sirf quarter (d) Kabhi nahi **Ans: (a).**

Q24. Government companies ke audit mein CAG ka role? (a) Statutory ya supplementary auditor (b) Koi role nahi (c) Sirf tax (d) Sirf cost **Ans: (a).** CAG government companies ka statutory ya supplementary auditor hota hai.

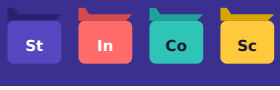
Q25. Sahi match kaun sa hai? (a) Cost audit: cost accountant (b) CAG audit: shareholders (c) Internal audit: Parliament (d) Secretarial audit: cost **Ans: (a).** CAG ki report Parliament ko jaati hai, internal audit ki audit committee ko.

Part B9. Chapter 3 extension recap

- Chaar audit ka alag sawaal: statutory (true and fair), internal (controls), cost (product cost), secretarial (compliance).
- Internal auditor ki independence uski reporting line se: functionally audit committee.
- COSO ke 5 components yaad karo.
- Audit committee internal aur external dono ke results receive karti hai.
- Tax audit limits Income Tax Department ke page par hain, badal sakti hain.
- GST s.65: 15 working days notice, 3 mahine, +6 mahine reasons ke saath.
- CAG sarkari paise ka auditor, Parliament ko report.
- Performance audit = 3E. Social audit = janta dwara mulyankan.
- Forensic audit shak hone par, saboot ke liye.
- Ek hi company par kai audit ek saath chal sakte hain.

Chapter 3 extension: 10-point recap

Audit ke types, ek nazar mein



1. **Statutory: Companies Act ka farz**
   har company ke liye, chhoti ya badi
2. **Internal: management ka check**
   lagatar, staff ya firm kare
3. **Cost audit: records ki jaanch**
   notified industry, cost accountant
4. **Secretarial: laws aur registers**
   company secretary check karta hai
5. **Tax audit: limit cross hone par**
   chartered accountant deta hai report
6. **Government: CAG sarkari paisa**
   compliance, performance, propriety
7. **Forensic: fraud ki jaasoosi**
   court mein tikne wala saboot
8. **Due diligence: deal se pehle**
   merger ya kharid se pehle poori jaanch
9. **Timing: annual, interim, continuous**
   kab hota hai, yeh bhi classification hai
10. **Ek company, kai audits saath**
    har audit ka apna kanoon

Episode 4: Auditor, Ethics aur Independence

Box 1: 6 saal ka bachha

1. Kahani hook: Ek chai ka sauda

Iksha ek kahani se shuru karti hain. Ek bada seth hai, Seth Ramesh. Uski company ka audit Iksha ko karna hai. Seth ne kaha: "Dekhiye, bill aap ka ek lakh. Aur ek aur kaam bhi do, hamare hisaab ki kitaab bhi aap hi likh do, double paisa dunga."

Prabhat ne dekha, Iksha ne muskura kar mana kar diya. "Kyun? Paisa to accha tha!"

"Kyunki jo kitaab main likhungi, usi ko main khud check kaise karungi? Apni hi copy ko khud check karoge toh galti kaun pakdega?"

Yehi hai **independence** ka matlab. Aur isi sabak ko ek bahut badi, duniya ki mashhoor firm ne bhula diya. Uski kahani aage hai.

2. Chat dialogue

Prabhat
auditor kaun ban sakta hai?

Iksha
Companies Act, 2013 ki dhara 141 ke tahat sirf Chartered Accountant (individual ya CA firm). Kuch log disqualified bhi hote hain, jaise company ka officer ya employee.

Prabhat
Auditor ko appoint kaun karta hai?

Iksha
Pehla auditor Board appoint karta hai, phir AGM mein shareholders. Dhara 139 mein yeh process hai.

Prabhat
Aur hata kaun sakta hai?

Iksha
Dhara 140: members special resolution se, aur Central Government ki manzoori ke saath. Isse management apne mann se auditor ko dara nahi sakta.

Prabhat
"ethics" mein kya aata hai?

Iksha
Paanch mool siddhant: **Integrity** (imaandari), **Objectivity** (nishpakshta), **Professional competence and due care** (kaabiliyat aur dhyaan), **Confidentiality** (gopniyata), **Professional behaviour** (peshewar vyavhaar). Yeh ICAI ke Code of Ethics mein hain.

Prabhat
Aur independence?

Iksha
Do tarah ki. **In mind**: dimaag se nishpaksh. **In appearance**: bahar se bhi nishpaksh dikhna. Dono chahiye.

Prabhat
Threats kya hote hain?

Iksha
Paanch: self-interest, self-review, advocacy, familiarity, intimidation. Safeguard laga ke inhe kam karte hain, ya kaam chhod dete hain.

Prabhat
Auditor ko fraud dikha toh?

Iksha
Dhara 143(12): kuch bade fraud Central Government ko report karne padte hain. Chup rehna jurm hai.

Prabhat
Ek line mein auditor ka sabse bada hathiyar?

Iksha
"Professional scepticism". Sawal poochho, par bina darey.

3. Core idea in 3 levels

Box 1: 6 saal ka bachha

Referee ko khel mein kisi team ka dost nahi hona chahiye, warna wo sahi decision nahi dega. Auditor khel ka referee hai. Isliye wo company se paisa-rishta ya dosti nahi rakhta jo uska faisla badal de.

Box 2: Normal explanation

Auditor ki qualification aur appointment

- Dhara 141: sirf CA (ya firm jisme zyadatar partners CA hon). Company ka officer, employee, aur kuch rishtedaar disqualified hain.
- Ek insaan par zyada se zyada 20 company audits ki seema hai (dhara 141(3)(g)). Yeh seema isliye ki quality bani rahe.
- Dhara 139: appointment 5 saal ke liye, AGM mein. Listed companies mein rotation lagu hota hai (individual auditor ek term, firm do term, phir cooling-

off period).

Auditor ke adhikaar (dhara 143): Books aur vouchers dekhne ka adhikaar, officers se jaankari maangne ka adhikaar, aur subsidiaries ke records dekhne ki sambandhit shaktiyan.

Auditor ke kartavya: Report mein opinion dena ki financial statements "true and fair view" dete hain ya nahi; internal financial controls par bhi report (dhara 143(3)(i)).

Services jo auditor nahi de sakta (dhara 144): Accounting aur bookkeeping, internal audit, financial information system design, actuarial, investment advisory, investment banking, outsourced financial services, management services. Wajah: self-review threat.

Ethics ke 5 mool siddhant

Siddhant	Seedha matlab	Example
Integrity	Sach aur seedhapan	Galti dikhe toh likhna
Objectivity	Pakshpaat nahi	Dost ki company ho toh bhi neutral
Competence & due care	Kaabiliyat aur sawdhani	Aisa kaam na lena jo aata nahi
Confidentiality	Raaz	Client ka data kisi ko nahi batana
Professional behaviour	Peshe ki izzat	Kanoon aur niyam ka paalan

Paanch threats

Threat	Matlab	Misaal
Self-interest	Apna paisa/fayda	Client se bahut zyada fees par nirbharta
Self-review	Apna kaam khud check	Books likhna aur audit karna
Advocacy	Client ka wakil ban jana	Client ke share bechne mein madad
Familiarity	Bahut jaan-pehchaan	Saalon se ek hi insaan ke saath
Intimidation	Dabav	CFO ka dhamki dena

Box 3: PhD box

- **Fundamental principles** IESBA Code se aaye hain; ICAI ka Code unhi par aadharit hai. Framework "conceptual framework approach" hai: threats pehchano, evaluate karo, safeguard lagao, ya engagement chhodo.
- **Independence of mind vs. appearance**: ek aisi sthiti jisme actual objectivity bani rahe par bahari tauar par sandeh ho, tab bhi nuksaan hai. Isi liye Enron ke baad rules sakht hue.

- **SA 200** auditor ke overall objectives aur professional scepticism par; **SA 240** fraud ke liye auditor ki zimmedari par; **SA 220** quality control engagement level par; **SA 260** governance walon se communication par. (SA numbers aur titles ICAI ki list se verify ho chuke hain.)
- **Management override**: sabse khatarnak risk kyunki management hi controls ko bypass kar sakta hai, isliye journal entries ka testing zaroori hai.
- **Audit committee** (dhara 177) auditor ki appointment, fees aur independence par nigaah rakhti hai. Auditor ki fees ka tay hona (dhara 142) members ya Board par chhoda jata hai.
- **Aur theory**: *Agency theory* kehti hai ki owners (principal) ko managers (agent) par poora bharosa nahi hota, isliye bahari auditor "monitoring cost" ban jata hai.

4. Real example: Arthur Andersen aur Enron

Arthur Andersen ek Chicago ki accounting firm thi aur 2001 tak "Big Five" mein se ek thi. Yeh energy company Enron ki auditor thi, aur telecom company WorldCom ke maamle mein bhi unka naam aaya. [src]

Kya hua (apne shabdon mein)

1. 8 November 2001 ko SEC ne Andersen ko subpoena bheja. Usi din Enron ne apni kamai ko 1.2 billion dollar kam dikhane wala restatement file kiya. [src]
2. 2 December 2001 ko Enron ne Chapter 11 bankruptcy file ki, jo us samay America ki sabse badi corporate bankruptcy thi. [src]
3. January 2002 mein Andersen ke vakeel ko laga ki Houston office ke emails "bahut saaf" hain. Pata chala ki emails delete aur documents nasht kiye gaye. 10 January 2002 ko firm ne khud press release mein document destruction ka khulasa kiya. [src]
4. Enron ke board ki Powers Committee ne 1 February 2002 ki report mein kaha ki Andersen ne apni professional zimmedari poori nahi ki. [src]
5. Andersen ki professional standards group ke ek member Carl Bass, jinhone saalon tak Enron ke accounting par sawal uthaye, unko Enron ki maang par us account se hata diya gaya. [src]
6. 15 June 2002 ko Andersen ko Enron ke audit se jude documents shred karne ke liye obstruction of justice ka doshi paaya gaya. [src]
7. SEC convicted felons ke audits nahi leti, isliye firm ne 31 August 2002 ko CPA licenses surrender kiye aur practically band ho gayi. [src]

8. Firm ke 28,000 karmchariyon mein se do-tihai gaye. [src]
9. 31 May 2005 ko America ki Supreme Court ne conviction palat di, kyunki jury ko diye gaye nirdesh bahut dhundhle the. Tab tak firm sirf lagbhag 200 karmchariyon ki reh gayi thi. [src]

Sabak

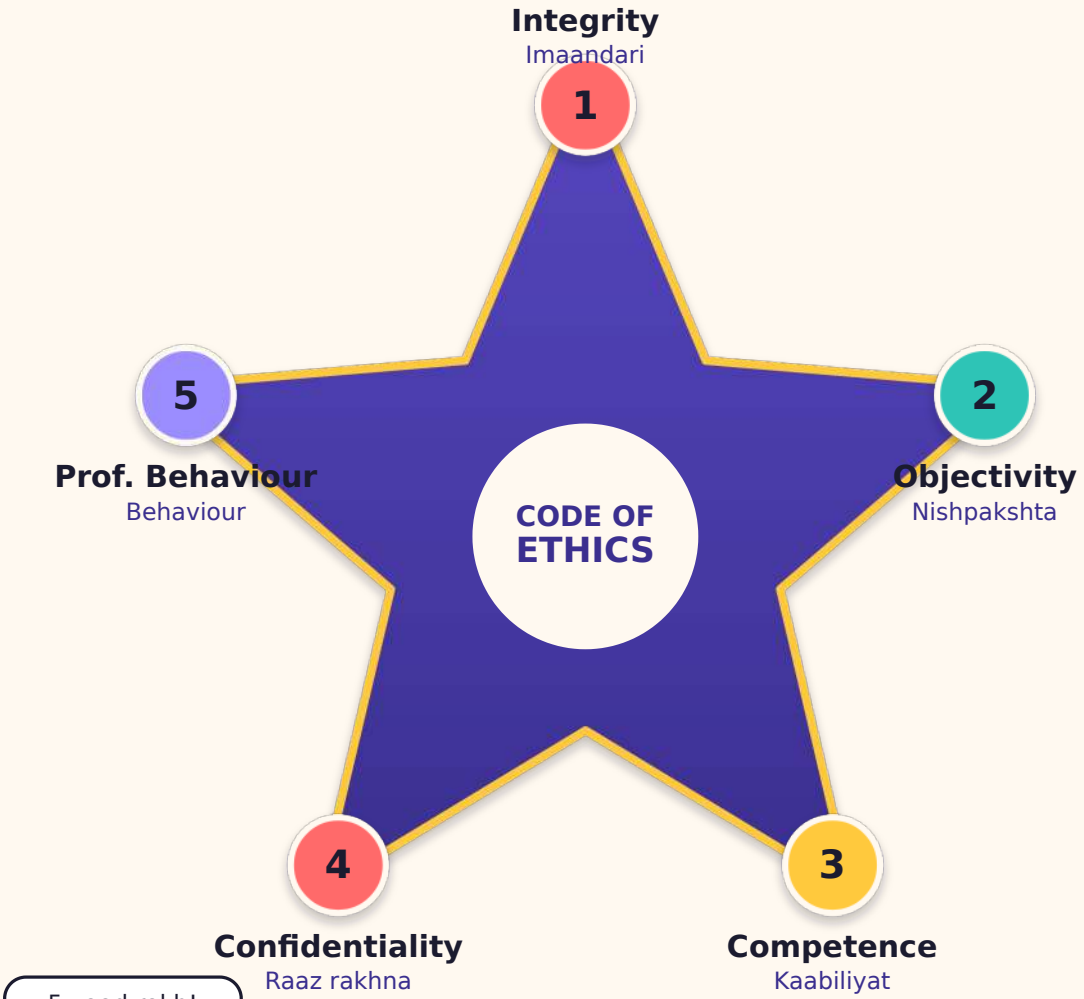
- Conviction palatne ke baad bhi firm wapas nahi aayi. Bharosa tootna sabse bada nuksaan hai.
- Documents nasht karna aur dabav mein auditor ko hatana, dono ethics ke ulat hain. Isi se ye maamle Sarbanes-Oxley Act of 2002 ka ek karan bane. [src]

India se jodo: Infosys ke auditor ki report mein saaf likha hai ki auditor ICAI ke Code of Ethics ke tahat company se independent hai. Yeh wahi baat hai jo Andersen ne tod di. [src]

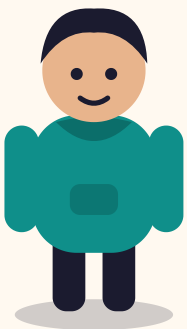
5. Infographic / diagram

Ethics ke 5 sitare

Auditor ke paanch mool siddhant



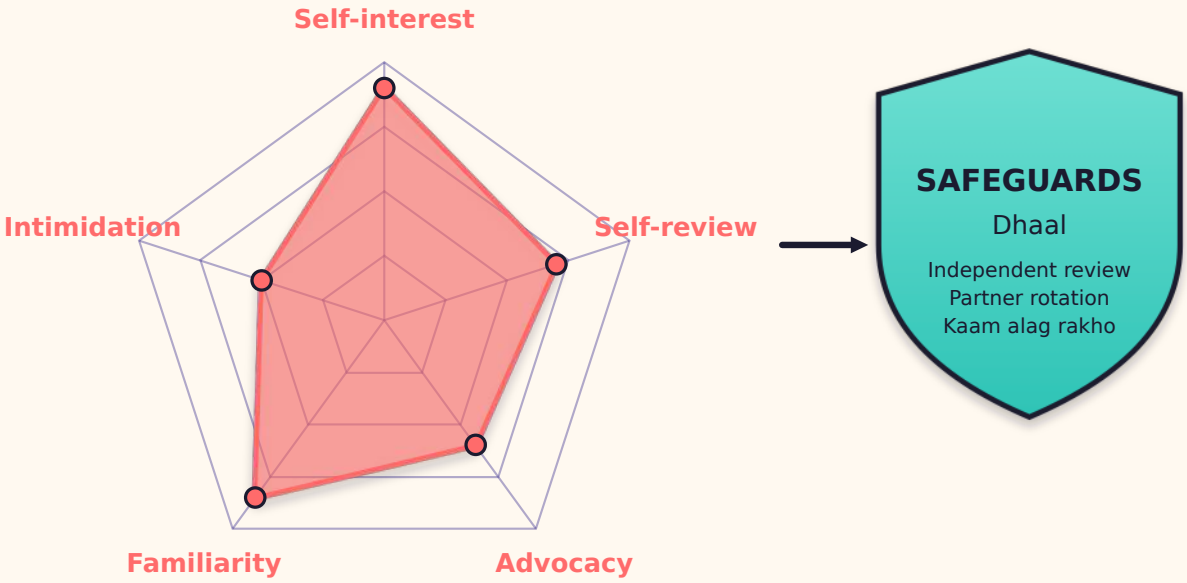
5 yaad rakh!





Threats ka radar

5 khatre, safeguards dhaal ke roop mein



Threat jitna bada, safeguard utna mazboot. Na ho to kaam chhodo.

Arthur Andersen ka patan

Nov 2001 se Aug 2002, phir May 2005

8 Nov 2001
SEC subpoena, Enron restatement ($1.2B)

2 Dec 2001
Enron ne Chapter 11 file kiya

10 Jan 2002
Document destruction ka khulasa

1 Feb 2002
Powers Committee report

15 Jun 2002
Obstruction of justice mein doshi

31 Aug 2002
CPA licences surrender

31 May 2005
Supreme Court ne conviction palta



Sabak: auditor ki independence aur imaandari toot jaye to poori firm gir sakti hai.



6. Exam angle

Q1. Auditor ko kaun appoint karta hai (pehle auditor ke baad)? (a) Board (b) Members AGM mein (c) CAG (d) Govt **Ans: (b)** Members, AGM mein (dhara 139).

Q2. Ek individual auditor adhiktam kitni companies ka audit kar sakta hai (dhara 141(3)(g); one-person, dormant, small aur kuch chhoti private companies ginti mein nahi aati)? (a) 10 (b) 15 (c) 20 (d) 30 **Ans: (c) 20.**

Q3. Kaun si service statutory auditor nahi de sakta (dhara 144)? (a) Audit (b) Internal audit (c) Tax return signing (d) Certification **Ans: (b)** Internal audit.

Q4. "Self-review threat" ka udaharan kaunsa hai? (a) Books likhna aur unka audit karna (b) Dost se milna (c) Fees lena (d) Report dena **Ans: (a)**

Q5. Fraud ko Central Government ko report karne ka prawdhan kis dhara mein hai? **Ans:** Dhara 143(12).

7. Recap page

10 bullets

1. Auditor sirf CA (individual ya firm) ho sakta hai, dhara 141.
2. Appointment dhara 139 mein, 5 saal ke term ke liye.
3. Removal dhara 140 mein, special resolution se, Central Govt ki manzoori ke saath.
4. Ek insaan zyada se zyada 20 company audits (dhara 141(3)(g)).
5. Ethics ke 5 siddhant: integrity, objectivity, competence and due care, confidentiality, professional behaviour.
6. Independence do tarah ki hoti hai: in mind aur in appearance.
7. Paanch threats: self-interest, self-review, advocacy, familiarity, intimidation.
8. Dhara 144: kuch services statutory auditor nahi de sakta (jaise internal audit).
9. Dhara 143(12): fraud report karna zaroori.
10. Arthur Andersen: Enron ka auditor, 2002 mein licences surrender, 28,000 mein se do-tihai gaye.

Cheat-sheet

Topic	Dhara / Source	Yaad rakhne ki trick
Appointment	139	"1-3-9: Auditor ka ghar"
Removal	140	140: hatao
Qualification	141	141: eligibility
Remuneration	142	142: fees
Powers and duties, fraud	143	143: sab kuch
Prohibited services	144	144: roka hua
Internal audit	138	138: andar wala

Part B. Ethics ke case studies, threats ka master table aur ek raat jab file bigad gayi

Existing chapter mein ethics ke 5 principles, 5 threats aur Arthur Andersen ka timeline hai. Ab Part B mein hum (1) Andersen ke shredding wale hisse ko ethics ke angle se, (2) Madoff aur Friehling, (3) Wirecard aur EY (scepticism aur independence ka sawaal), (4) threats ka master table, (5) Prabhat ki pehli client file

ki wo raat, aur (6) 25 MCQs dekhenge. Andersen ka poora timeline dobara nahi dohraya, wo Part A mein hai.

Is part mein sirf Companies Act ka section 139(2) aaya hai, jo Companies Act 2013 ke text se verify hua. [src]

Part B1. Pehle sab se bada sawaal: "Sahi" aur "kanooni" ek hi nahi

Kahani hook. Subah ke teen baje the. Prabhat ne Iksha ko phone kiya. Awaaz kaanp rahi thi. "Ek client ka maalik mujhse bol raha hai ki bas ek line badal do." Iksha ne bina ruke kaha, "Phone mat kaat. Pehle ye bata, tu kahan hai?" Is raat ki poori kahani Part B6 mein hai. Par pehle woh teen asli kahaniyan jinhone is dar ko sach bana diya.

Part B2. Case study 1: Andersen ka shredding (ethics ka angle)

Ye case Part A mein timeline ke roop mein hai. Yahan sirf ethics ka sawaal.

Kya hua. Enron ke bankruptcy se pehle aur baad mein Andersen ke Houston office mein documents shred hue aur emails delete hue. Wikipedia ke mutabik Andersen ne several tons ke documents shred kiye aur lagbhag 30,000 emails aur computer files delete kiye, jab SEC investigation ki khabar public hui. [src] 3 January 2002 ko Andersen ke general counsel ne firm ke head ko bataya ki Houston ke employees ke email records "too clean" lag rahe the. 10 January 2002 ko firm ne khud document destruction ki baat press release mein maani. [src]

Kaun zimmedar maane gaye. Wikipedia ke mutabik David Duncan (Enron account ke lead partner) aur Nancy Temple (firm ke legal department ki lawyer) ko responsible managers kaha gaya, kyunki unhone subordinates ko physical documents shred karne aur emails delete karne ko kaha. Temple ke original email ke mutabik ye "non-finalized documents" par "document retention policy" ke hisaab se tha. [src]

Ethics ka sawaal. Retention policy ek aam kaam ke liye hoti hai. Par jab investigation chal rahi ho, to policy ka naam lekar saboot mitana "obstruction" ban jaata hai. 15 June 2002 ko Andersen obstruction of justice mein convict hui. [src] 31 May 2005 ko Supreme Court ne conviction palat di, kyunki jury instructions bahut vague the. Par tab tak firm lagbhag 200 employees ki reh gayi thi (28,000 se). [src]

Law ka jawab. Sarbanes-Oxley Act ke Title VIII mein documents ya records ko destroy, alter ya falsify karne ke liye criminal penalties aur whistleblower protection diye gaye. [src]

Prabhat aur Iksha ki baat.

Prabhat
Documents delete karna to office ka routine kaam hota hai na?

Iksha
Routine tab tak, jab tak koi investigation na ho. Jis din tujhe lage "ab koi dekh sakta hai", us din delete ka button band. Isse "litigation hold" (legal hold) jaisi soch kehte hain: jab litigation ki ummeed ho, to organisation ko records preserve karne ka duty hota hai. [src]

Prabhat
Aur Carl Bass ka kya?

Iksha
Andersen ki professional standards group ke member Carl Bass ne saalon tak Enron ke accounting par sawal uthaye, aur Enron ki maang par unhe us account se hata diya gaya. [src] Yani jo sach bol raha tha, usse khamosh kar diya gaya.

Case ka lesson.

1. Saboot mitana sabse bada ethics violation hai, chahe policy ka naam ho.
2. Auditor ka internal expert agar sawal uthaye to firm ko sunna chahiye, hatana nahi.
3. Independence ka matlab client ki marzi se kaam ka hatna nahi hona chahiye.

Exam angle. "SOX ka kaun sa Title documents destroy karne ke liye?" Title VIII. "Carl Bass ko kisne hataya?" Enron ki maang par Andersen ne.

> **Exam trap**
> "Andersen ki conviction aaj bhi khadi hai" galat hai. Supreme Court ne 2005 mein ise palat diya, par firm tab tak khatam ho chuki thi.



Part B3. Case study 2: Madoff aur Friehling (auditor jo sirf naam ka tha)

Kya hua. Bernard Madoff ne ek Ponzi scheme chalayi jise Wikipedia ke mutabik itihaas ki sabse badi known Ponzi scheme kaha gaya, anumaanit $65 billion ke saath (fabricated gains ke saath). [src] 11 December 2008 ko usse arrest kiya gaya, aur March 2009 mein usne 11 federal felonies maani. [src] SIPC trustee ne investors ke actual direct losses ka anumaan $18 billion lagaya. [src] Madoff ko 150 saal ki jail ki saza hui. [src]

Auditor ka role. Madoff ke firm ka auditor of record Friehling & Horowitz tha, Rockland County ki ek do-vyakti wali accounting firm jisme sirf ek active accountant tha: David G. Friehling, jo Madoff parivaar ka close friend tha. Friehling khud Madoff ke fund mein ek investor bhi tha, jo ek saaf conflict of interest tha. [src] 2007 mein hedge fund consultant Aksia ne apne clients ko Madoff mein invest na karne ki salah di, kyunki itni badi operation ko itni chhoti firm kaise serve kare, ye sawal tha. [src]

Natija. November 2009 mein Friehling ne guilty plea ki aur maana ki usne Madoff ke filings ko sirf "rubber-stamp" kiya, audit nahi kiya. [src] Cooperation ki wajah se May 2015 mein use ek saal home detention aur ek saal ka supervised release mila (jail nahi). [src]

Threats ka mapping. Is case mein kaun si threats thi?

Threat	Madoff-Friehling mein kahan dikhi
Self-interest	Auditor khud Madoff ke fund mein investor tha
Familiarity	Madoff parivaar ka close friend
Competence & due care	Ek active accountant ek bade operation ke liye
Integrity	"Rubber-stamp", audit nahi

Prabhat aur Iksha ki baat.

Prabhat
Itna bada fraud ek chhoti firm ke dastakhat par chala?

Iksha
Ek signature ka asar uske peeche ke logon se hota hai jo use maante hain. Log ye nahi dekhte ki auditor kaun hai, bas ye ki "audited hai".

Prabhat
Aur hum kaise bachein?

Iksha
Pehle ye dekh ki auditor ka size kaam ke barabar hai ya nahi. Phir ye dekh ki auditor kisi se jud ke kitna paisa kama raha hai. Ye wahi sawaal hai jo Aksia ne 2007 mein poocha tha.

Case ka lesson. Audit ka mulya sirf auditor ki independence aur capacity se aata hai. Dono nahi, to report ek decorative kaagaz hai.

Exam trap

Madoff ke case mein auditor ke paas "competence" (kaabiliyat aur capacity) ki problem bhi thi, sirf independence ki nahi. Exam mein "kaun si threat" poochne par ek se zyada sahi ho sakti hain, option dhyan se padho.

Ponzi ka bada piggy bank, Auditor ka chhota stool



Upar se bada dikhta hai, neeche kamzor hai: auditor ko hi dhyaan rakhna hai

---

Part B4. Case study 3: Wirecard aur EY (scepticism aur "bahar ka" saboot)

Dhyan. Wikipedia ke "Big Four" page ke mutabik June 2020 mein EY par "aarop" laga tha. Baad mein German audit oversight body APAS ne 31 March 2023 ke decision (3 April 2023 ko announce) mein Wirecard ke 2016 se 2018 ke audits mein professional duties ke breach paaye aur audit firm par EUR 500,000 ka fine lagaya. Ye professional duties ka breach hai: APAS ne independence ki violation ya fraud ka finding nahi diya. Reuters ke mutabik firm ko 2 saal ke liye naye public-interest audits lene se bhi roka gaya, aur Wirecard ki annual report mein us period ka auditor EY likha hai (APAS ne press release mein naam nahi liya). [src] [src]

Kya hua. Wirecard Germany ki payments company thi. 25 June 2020 ko usne insolvency file ki jab EUR 1.9 billion "missing" bataye gaye. [src] Do Philippine banks ne kaha ki jo raashi unke paas hone ka daava tha, wo unke paas kabhi thi hi nahi.

[src] EY ne kaha tha ki Wirecard ke ek trustee ne auditor ko "deceive" karne ki koshish ki. [src] Wikipedia ke "Big Four" page ke mutabik June 2020 mein EY par poor auditing ka aarop laga. [src] June 2023 mein Singapore ki State Court ne Wirecard ke do finance executives ko jail ki saza di: James Wardhana (international finance manager) ko 21 mahine aur Chai Ai Lim (Wirecard Asia ki Head of Finance) ko 10 mahine. [src] (Pichhle draft ki January 2026 wali Singapore saza, naam aur Citadelle ki baat fetch kiye gaye page par nahi mili, isliye hata di gayi.)

Ethics ka angle: scepticism.

Prabhat
Agar letter bank ke naam se aaye to auditor kya kare?

Iksha
Letter ke aane ka raasta dekho. Bahar ka saboot tabhi bahar ka hai jab wo seedha bank se auditor ko aaye, company ke haath se hokar nahi. Warna wo "bahar ka dikhne wala" company ka saboot hai.

Prabhat
Ye "professional scepticism" hai?

Iksha
Haan. Scepticism matlab shak nahi, sawaal poochne ki aadat. Har saboot ko tab tak sahi na maano jab tak uska source verify na ho. SA 200 ke mutabik professional scepticism ek attitude hai jisme questioning mind, error ya fraud se hone wale misstatement ke sanket ke prati alert rehna, aur audit evidence ka critical assessment shamil hai. [src]

Independence ka sawaal (bina dawa kiye). Wirecard mein ek aur sawaal tha: kya company ne independent audit ka raasta khud tay kiya? 2019 mein Wirecard ne khud KPMG ko ek special audit ke liye hire kiya, aur 28 April 2020 ko KPMG ne kaha ki use kuch aaropon ke liye kaafi documentation nahi mila. [src] Ye dikhata hai ki jab client ke paas documents rokne ki shakti hoti hai, to audit ka scope behind the scenes control ho sakta hai. Ye general lesson hai, KPMG ke special audit ka hai, EY ke baare mein koi aarop nahi.

Case ka lesson.

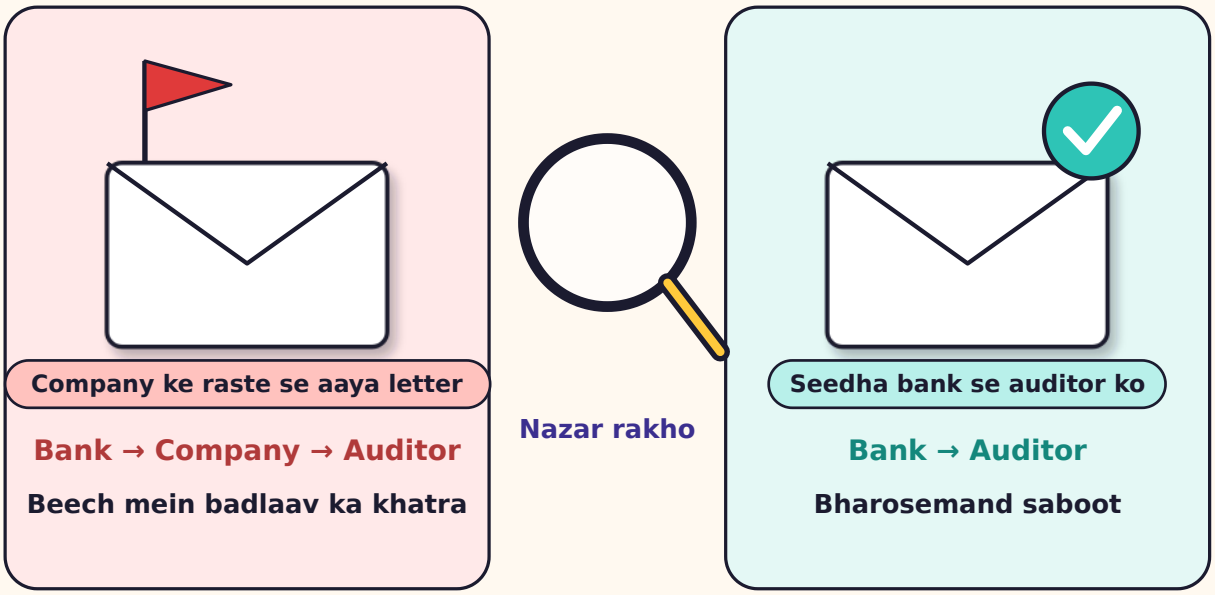
1. Cash ka saboot seedha bank se mangao, company se nahi.

2. Agar documentation nahi mile to chup mat raho: report mein likho.
3. Jab client "legal action" ya dabav ki baat kare, to ye ek warning sign hai. Wirecard ne FT par kaha tha ki reports "false, inaccurate, misleading and defamatory" hain aur lawsuit ki baat ki. [src]

Exam trap

"Wirecard mein EY ne fraud kiya" galat. EY par poor auditing ka aarop laga, EY ne kaha ki auditor ko deceive karne ki koshish hui, aur 2023 mein APAS ne professional duties ke breach par fine lagaya (fraud ya independence violation ka finding nahi). "Aarop", "fraud" aur "professional duty breach" ka fark exam mein bhi aata hai.

Confirmation letter: kaunsa raasta bharosemand?



Part B5. Threats ka master table (cases ke saath)

Table 1: Paanch threats, safeguards aur cases

Threat	Seedha matlab	Real case ki jhalak	Safeguard (udaharan)
Self-interest	Apna fayda ya paisa	Andersen ki consulting fees audit se zyada (Enron); Friehling ka Madoff fund mein investment	Fees limit, investment na rakhna, non-audit services par rok
Self-review	Apna hi kaam khud check	Books likhna aur audit karna	Alag team, ya service hi na dena
Advocacy	Client ka paksh lena	Client ke share bechne mein madad	Aise role na lena
Familiarity	Bahut jaan-pehchaan	Friehling aur Madoff parivaar	Partner rotation, naya reviewer
Intimidation	Dabav, dhamki	Enron ka Andersen par pressure, Carl Bass ko hataya jaana	Audit committee se baat, resign karna

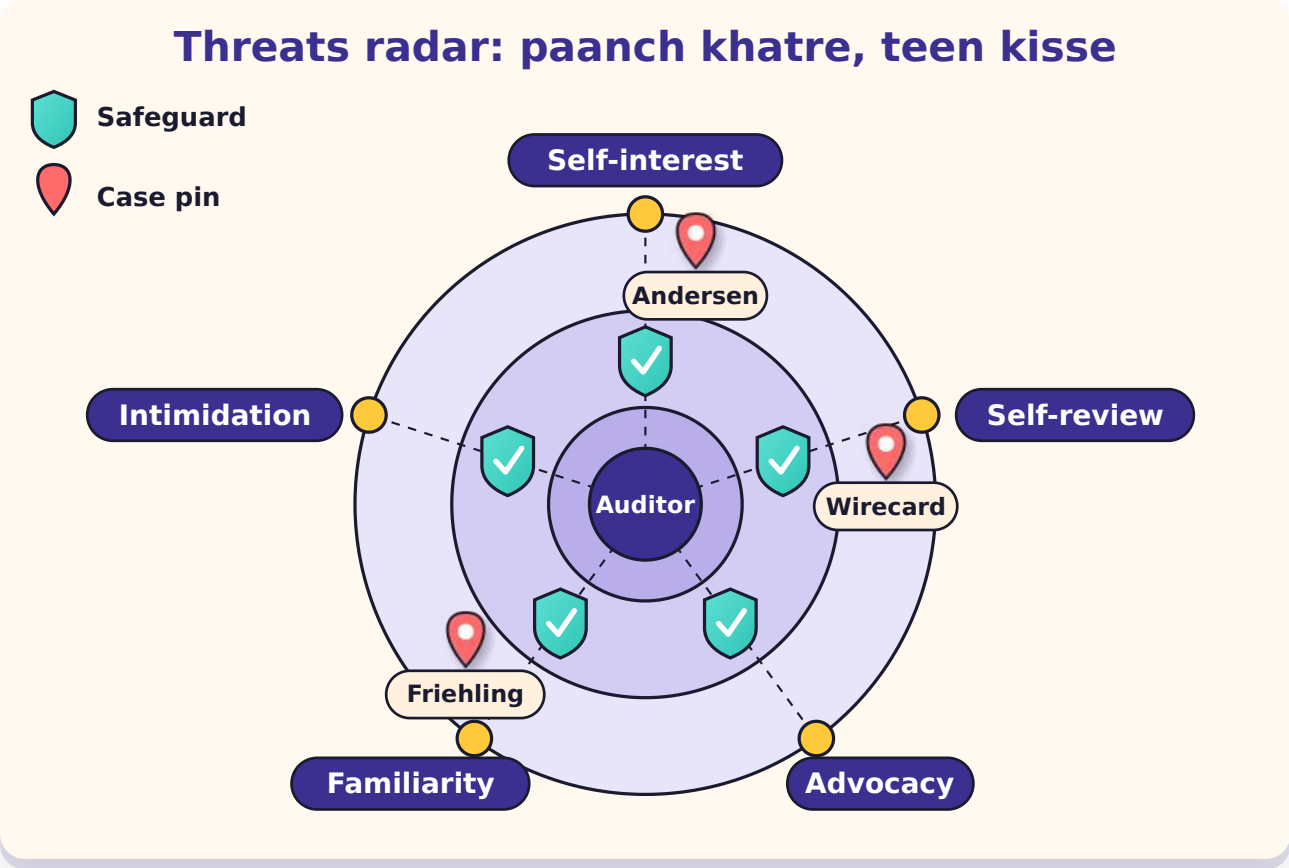
IESBA Code paanch threats pehchanta hai: self-interest, self-review, advocacy, familiarity aur intimidation, aur kehta hai ki safeguards lagao jab threats acceptable level par na ho. [src]

Enron mein 2000 ke saal ke fees ($25 million audit, $27 million consulting) [src] aur Andersen par management ke dabav ka ullekh bhi Wikipedia mein hai: Enron kabhi kabhi EY ya PwC ko accounting kaam dekar Andersen par dabav banata tha ki wo asani se maan jaaye. [src]

Table 2: Rotation aur long association

Jagah	Kya kaha gaya
USA, SOX Title II s.203	Audit partner rotation recommended
UK (FRC, Ethical Standard 3, 2009 version)	Audit engagement partner ka maximum 5 saal, aur uske baad 5 saal gap, extra 2 saal tak ki flexibility. Current FRC Ethical Standard mein public interest entities ke liye bhi 5 saal tenure aur 5 saal cooling-off hai (PwC UK report ke mutabik).
EU recommendation 2002	Listed clients par 7 saal baad partner rotation
India listed company	Firm 2 term, individual 1 term (existing ch4, s.139)

Source: Wikipedia ka Auditor independence page. [src] India ka row Companies Act 2013 s.139(2) se verify hua (listed company aur prescribed classes par lagu; cooling period 5 saal). [src] UK ke current rule ka source: [src] (current 2024 Ethical Standard ka original FRC text maine khola nahi, isliye "extra 2 saal flexibility" ka current status unverified hai). Research mixed hai: jyada short tenure par reporting quality kam dikhti hai, kyunki client-specific jankari mein samay lagta hai. [src]



Part B6. Wo raat: Prabhat ki pehli client file

Dark beat. Chapter ka dil. Ye hissa kalpanik kahani hai. Is mein koi company ya real insaan nahi hai. Sirf Prabhat, Iksha aur ek chhote client ki file.

Saal ke aakhir ke din the. Prabhat ko Iksha ke ek dost ki CA firm mein practical training ke liye pehli client file mili: Verma Traders, ek stockist ki dukaan. Kaam seedha tha: stock register ka physical count se milan.

Raat ke gyarah baje, Prabhat ne register aur ginti ke figures mila ke dekha. Register mein closing stock zyada tha. Physical count kam. Difference chhota nahi tha.

Phone baja. Verma Traders ka maalik. "Beta, ye chhoti baat hai. Tum bas register ke numbers theek kar do, kal bank ko dikhana hai. Main tumhe achha reward dunga."

Prabhat ke haath thande ho gaye. Usne phone kaat diya. Fir apne phone par Iksha ka naam dekha.

Chat (raat 1:08 baje):

Prabhat
Iksha. Tu jaag rahi hai?

Iksha
Ab ho gayi. Kya hua?

Prabhat
Pehli file. Stock register mein jo likha hai wo shelf par nahi hai. Aur maalik ne bola ki number theek kar do.

Iksha
Ruk. Pehle saans le. Ab mujhe batao: file mein kya likha hai aur tune kya dekha, ek ek line.

Prabhat ne sab bataya. Iksha ne dheere dheere ek ek sawaal poocha, jaise koi ghav saaf kar raha ho.

Iksha
Pehli baat: jo tune dekha, use badalna nahi hai. Register nahi, tera note nahi, ginti ki sheet nahi. Kuch bhi delete nahi. Andersen ke case mein sabse badi galti yahi thi na?

Prabhat
Haan. Documents mitana.

Iksha
Doosri baat: tu akela faisla nahi lega. Tera senior kaun hai?

Prabhat
Meera ji. Firm ki partner.

Iksha
Subah sabse pehle unhe bata. Likhit mein. Date aur time ke saath. Tune kya dekha, kya kaha gaya, aur kisne kaha.

Prabhat
Aur agar maalik naraaz ho gaya?

Iksha
To wo naraaz hoga. Par tu client ka dost nahi, auditor ki training mein hai. Tera kaam client ko khush rakhna nahi, sach likhna hai.

Prabhat
Mujhe dar lag raha hai.

Iksha
Mujhe pata hai. Isliye main yahan hoon.

Ek lamba maun. Phir Iksha ne kaha, softly: "Prabhat. Aaj raat tune jo kiya, wo pehla ethics ka imtihaan tha. Tu fail nahi hua. Tune phone kaat diya aur mujhe phone kiya."

Prabhat ne aankhein band ki. Dar ab bhi tha. Par uske saath ek aur cheez thi: kisi par bharosa.

Step-by-step: "Wo raat" ka ethics checklist

1. **Ruko.** Kuch bhi mat badlo.

2. **Document karo.** Kya dekha, kab, kya kaha gaya.
3. **Senior ko batao** (partner ya engagement head), jaldi aur likhit mein.
4. **Client ka reward ya dabav** accept mat karo. Ye intimidation ya self-interest threat hai.
5. **Report mein sach likho.** Agar saboot nahi, to "limitation" ya "misstatement" likho.
6. **Kisi se bina permission baat mat karo.** Confidentiality tab bhi, par kanooni zimmedari ke alawa.

Ye steps kahan se aaye? Ye ethics ke principles (integrity, objectivity, confidentiality) ke saath mel khate hain jo existing chapter ke IESBA-aadharit table mein hain, aur Andersen ke case ka seekh hai ki saboot mitana galat hai. Ye steps kisi kanoon ka text nahi, ek teaching checklist hain.

"Aap kya karoge?" scenarios

Scenario 1. Client kehta hai: "Main tumhari fees double kar dunga agar tum ye difference report mein na likho."

- **Sawaal:** Kaun si threat hai?
- **Jawab:** Self-interest aur intimidation. Offer reject karo aur senior ko batao.

Scenario 2. Tumhara senior kehta hai: "Chhoti difference hai, ignore karo."

- **Sawaal:** Kya karna chahiye?
- **Jawab:** Difference ki materiality ka decision senior ka hai, par tumhari zimmedari hai apni observation likhna. Differences ko "chhota" kehne ka faisla evidence se hona chahiye, bina evidence ke nahi. SA 220 ke mutabik engagement team ke andar differences of opinion firm ki policies aur procedures ke hisaab se resolve hote hain, aur SA 230 ke mutabik significant matters aur unke conclusions workpaper mein document hote hain. [src] (SA 220 ka para 22 text ek search result snippet se dekha, poora standard maine nahi khola.)

Scenario 3. Client ka accountant tumhara dost hai aur kehta hai: "Bas ek email delete kar do, kisi ko pata nahi chalega."

- **Sawaal:** Kya karoge?
- **Jawab:** Nahi. Delete karna evidence tamper karna hai. Andersen ka case yaad karo. Senior ko batao.

Scenario 4. Tumne client ka ek bank letter khud bank se mangwaya, par client ne kaha ki wo letter unke office ke raste se aayega.

- **Sawaal:** Kya karoge?
- **Jawab:** Letter seedha bank se auditor ko aana chahiye. Warna wo Wirecard jaisa risk hai ki jhoothi letter ka khatra rahega.



Ethics ke 6 steps: checklist

1. **Ruko** — Pehle ruko
2. **Document** — Sab likh lo
3. **Senior** — Senior se poochho
4. **Reward na lo** — Tohfa mat lo
5. **Sach likho** — Jo hua, wahi
6. **Confidentiality** — Raaz bahar nahin

Part B7. Ethics ke case studies: ek nazar mein table

Case	Kya hua	Mukhya threat	Seekh
Andersen shredding	Documents shred, emails delete	Intimidation aur obstruction	Saboot mitana sabse bada ethics violation
Madoff-Friehling	Ek active accountant, parivaar ka dost aur investor	Self-interest, familiarity, competence	Audit ka size aur independence dono dekho
Wirecard-EY (aarop, 2023 mein APAS fine)	EUR 1.9 billion missing, confirmation letters	Scepticism ki kamzori	Letter ka raasta verify karo
Prabhat ki raat (kalpanik)	Stock register ka difference, reward ka dabav	Self-interest, intimidation	Likho, batao, mat badlo

---

Part B8. 25 MCQs (Chapter 4 extension)

Q1. Andersen mein documents shred karne ke liye kaun responsible maane gaye? (a) David Duncan aur Nancy Temple (b) Kenneth Lay (c) Jeffrey Skilling (d) Sherron Watkins **Ans: (a).** Wikipedia ke mutabik Duncan aur Temple ko responsible managers kaha gaya.

Q2. Andersen kab obstruction of justice mein convict hui? (a) 15 June 2002 (b) 2 December 2001 (c) 31 May 2005 (d) 30 July 2002 **Ans: (a).**

Q3. Supreme Court ne Andersen ki conviction kab palti? (a) 31 May 2005 (b) 15 June 2002 (c) 31 August 2002 (d) 10 January 2002 **Ans: (a).**

Q4. SOX ka kaun sa Title documents destroy karne par criminal penalties se jaanta hai? (a) Title VIII (b) Title I (c) Title II (d) Title III **Ans: (a).** Wikipedia ke mutabik Title VIII (Corporate and Criminal Fraud Accountability).

Q5. SOX ka Title II kis par hai? (a) Auditor independence (b) PCAOB (c) Whistleblowers (d) Criminal penalties **Ans: (a).**

Q6. Carl Bass kaun tha? (a) Andersen ki professional standards group ka member (b) Enron CFO (c) SEC chairman (d) Wirecard CEO **Ans: (a).** Enron ki maang par use account se hataya gaya.

Q7. Madoff ke auditor ka naam? (a) Friehling & Horowitz (b) Arthur Andersen (c) KPMG (d) EY **Ans: (a).**

Q8. Friehling & Horowitz mein kitne active accountant the? (a) Ek (b) Do (c) Paanch (d) Pachaas **Ans: (a).** Do-vyakti firm, par sirf ek active accountant.

Q9. Madoff-Friehling mein kaun si threat clear thi? (a) Self-interest (investor hone se) (b) Advocacy (c) Intimidation (d) Koi nahi **Ans: (a).** Friehling ne khud Madoff ke fund mein invest kiya tha.

Q10. Friehling ne 2009 mein kya maana? (a) Rubber-stamping, audit nahi (b) Poora audit kiya (c) Kuch nahi (d) Bhaag gaya **Ans: (a).**

Q11. Madoff ko kitne saal ki saza mili? (a) 150 saal (b) 15 saal (c) 50 saal (d) 5 saal **Ans: (a).**

Q12. Aksia ne 2007 mein kya kaha tha? (a) Itni badi operation ko itni chhoti firm service nahi kar sakti (b) Madoff mein invest karo (c) SEC ko batao (d) Madoff sach bol raha hai **Ans: (a).** Ye competence ka sawaal hai.

Q13. IESBA Code mein kitni threat categories hain? (a) 5 (b) 3 (c) 7 (d) 10 **Ans: (a).** Self-interest, self-review, advocacy, familiarity, intimidation.

Q14. Wirecard ka missing cash? (a) EUR 1.9 billion (b) EUR 100 million (c) EUR 63.4 billion (d) EUR 3.2 billion **Ans: (a).**

Q15. Wirecard ke maamle mein EY par kya laga? (a) Poor auditing ka aarop (b) Fraud ki saza (c) Kuch nahi (d) Jail **Ans: (a).** Fraud ki saza nahi. 2020 mein poor auditing ka aarop laga, aur 2023 mein APAS ne professional duties ke breach par fine lagaya.

Q16. "Professional scepticism" ka matlab? (a) Saboot ko sawaal karne ki aadat (b) Client par shak (c) Auditor ka darr (d) Fees badhana **Ans: (a).** Scepticism shak nahi, sawaal poochna.

Q17. Bank confirmation seedha kisko aani chahiye? (a) Auditor ko (b) Client ko (c) Manager ko (d) Accountant ko **Ans: (a).** Warna wo bahar ka saboot nahi, company ke raste se hua saboot hai.

Q18. Enron mein 2000 ke consulting fees kitni thi? (a) $27 million (b) $25 million (c) $63 million (d) $613 million **Ans: (a).** Audit fees $25 million thi.

Q19. UK Ethical Standard 3 ke mutabik audit partner ka max period? (a) 5 saal (b) 7 saal (c) 10 saal (d) 15 saal **Ans: (a).** Wikipedia ke 2009 version mein 2 extra saal ki flexibility thi; current FRC Ethical Standard mein bhi public interest entities ke liye 5 saal tenure aur 5 saal cooling-off hai (PwC UK transparency report). Flexibility wali baat ka current status unverified hai.

Q20. EU 2002 recommendation mein listed clients par partner rotation kitne saal baad? (a) 7 (b) 5 (c) 3 (d) 10 **Ans: (a).**

Q21. Partner rotation kis threat ko kam karti hai? (a) Familiarity (b) Intimidation (c) Advocacy (d) Self-review **Ans: (a).** Lamba jaan-pehchaan ka asar kam hota hai.

Q22. Client reward ka offer dekar number badalwana chahta hai, kaun si threat? (a) Self-interest aur intimidation (b) Advocacy (c) Familiarity (d) Koi nahi **Ans: (a).**

Q23. Prabhat ki kalpanik kahani mein pehla sahi kadam? (a) Kuch bhi mat badlo aur document karo (b) Register badal do (c) Delete kar do (d) Maalik ko khush karo **Ans: (a).**

Q24. Prabhat ko apni observation kisko batani chahiye? (a) Senior ya partner ko, likhit mein (b) Sirf dost ko (c) Kisi ko nahi (d) Client ko **Ans: (a).**

Q25. Sahi pairing? (a) Enron: consulting fees ka conflict (b) Madoff: Big Four audit (c) Wirecard: ek active accountant (d) Andersen: Friehling **Ans: (a).** Madoff ka auditor ek chhoti firm thi, Wirecard par Big Four auditor ka aarop hai.

Part B9. Chapter 4 extension recap

- Saboot mitana, chahe policy ka naam ho, ethics ka sabse bada violation hai.
- Andersen ki conviction 2005 mein palti gayi, par firm tab tak khatam ho chuki thi.
- Madoff ka auditor ek chhoti firm thi jisme ek active accountant tha: capacity aur independence dono ka sawaal.
- Wirecard mein EY par poor auditing ka aarop laga aur 2023 mein APAS ne professional duties ke breach par fine lagaya; fraud ka finding nahi. Confirmation letter ka raasta zaroori hai.
- IESBA ki paanch threats: self-interest, self-review, advocacy, familiarity, intimidation.

- Safeguards: partner rotation, fees limit, service par rok, audit committee se baat.
- Client reward ya dabav ko accept mat karo.
- Kuch badalna nahi, document karna, senior ko batana: "wo raat" ka checklist.
- Scepticism shak nahi, sawaal poochne ki aadat.
- Aarop aur sabit ka fark exam aur zindagi dono mein.

Chapter 4 extension: 10 point recap



Episode 5: Audit Planning and Risk

"Pehle naksha, phir safar" (Pehle plan, phir audit)

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1. Kahani hook: Chai wale ka hisaab

Prabhat ke college ke bahar ek chai ki tapri hai. Malik ka naam Ramesh Kaka. Ek din Kaka ne Prabhat se kaha, "Beta, mere hisaab ki jaanch kar de. Saal bhar ka hai."

Prabhat utsaah mein bola, "Kaka, kal subah se shuru!" Wo ek baar mein saari parchiyan kholne baith gayi. Teen ghante baad bhi wo ek hi dibbe ki 12 parchiyan mein atki thi. Sabse zaruri cheez, yaani doodh ka bill jo sabse bada kharcha tha, wo abhi chhua hi nahi.

Iksha wahan chai peene aaye. Unhone dekha aur hans diye. "Prabhat, tune dukaan mein ghusne se pehle raasta nahi dekha. Audit mein pehle **plan** banta hai. Kahan zyada khatra hai, wahan zyada dhyaan. Jahan khatra kam hai, wahan kam."

Is chapter mein wahi sikhenge: audit ko **shuru karne se pehle** kaise sochte hain.

---

2. Chat dialogue

Topic A: Planning kya hai aur kyun zaruri?

Prabhat
Sir, seedha vouching kyun nahi shuru karte? Planning mein time kyun lagana?

Iksha
Safar pe jaane se pehle Google Maps dekhti hai na? Wahi planning hai.

Prabhat
Ha, lekin audit mein kya dekhte hain?

Iksha
Teen cheezein: client ka business kya hai, kahan galti hone ka chance hai, aur kitna time, kitne log, kaunsa test lagega.

Prabhat
Agar plan na banaye to?

Iksha
To time bekaar jaata hai, zaruri cheezein chhoot jaati hain, aur galat opinion de dene ka khatra badhta hai.

Prabhat
Ye sab kisi standard mein likha hai?

Iksha
Ha. ICAI ka **SA 300** "Planning an Audit of Financial Statements" isi par hai. Exam mein ye number aata hai.

Prabhat
Plan ek baar bana, phir fix?

Iksha
Nahi. Audit chalte chalte naya kuch mile to plan badalta hai. Plan "zinda" hota hai.

Topic B: Materiality (kitni galti "badi" hai?)

Prabhat
Sir, agar 50 rupaye ki galti mile to kya report kharab?

Iksha
Ek crore ki company mein 50 rupaye ki galti se kisi ka faisla nahi badlega. Isliye wo "material" nahi.

Prabhat
To material kya hai?

Iksha
Agar koi galti itni badi hai ki financial statements padhne wale ka faisla badal de, to wo material hai.

Prabhat
Kaun decide karta hai?

Iksha
Auditor apne professional judgment se. Aksar kisi benchmark ka percentage lete hain: jaise profit, revenue ya total assets.

Prabhat
Koi fixed percentage?

Iksha
Standard koi fixed percentage nahi deta. Firms apni policy rakhti hain. Exam ke liye yaad rakho: **SA 320** materiality par hai, aur ye planning ke time bhi lagti hai, aur kaam karte time bhi.

Prabhat
Ye "performance materiality" kya hai?

Iksha
Ye overall materiality se **kam** ek raashi hai. Chhoti chhoti galtiyan jodke badi na ban jaayein, isliye cushion.

Topic C: Audit Risk model

Prabhat
Sir, "audit risk" matlab audit mein risk? Mujhe chot lagne ka?

Iksha
Haha nahi. Audit risk matlab: financial statements mein badi galti thi, aur auditor ne use pakda nahi, clean opinion de di.

Prabhat
Ye kitne hisson ka hota hai?

Iksha
Do bade hisse. Pehla: **Risk of Material Misstatement (RoMM)**. Ye company ki taraf ka risk hai. Ye do cheezon se bana: **Inherent risk** aur **Control risk**.

Prabhat
Inherent risk?

Iksha
Cheez ki apni prakriti ki wajah se galti ka khatra. Jaise cash chori hona asaan hai, building ka naam badalna mushkil. Controls ko mat gino.

Prabhat
Aur control risk?

Iksha
Company ke apne controls galti nahi pakad payenge, uska khatra.

Prabhat
Dusra hissa?

Iksha
Detection risk: hamare audit tests galti nahi pakad payenge. Ye auditor ke haath mein hai.

Prabhat
Yaani RoMM zyada hai to hum kya karein?

Iksha

Detection risk kam rakhna hoga. Matlab zyada tests, bada sample, senior log. Ye relation yaad rakho: **RoMM upar, detection risk neeche.**

Topic D: Risk assessment aur response

Prabhat
Risk ka pata kaise lagaye?

Iksha
Client ko samjhke. Uska business, industry, controls, management ka rawaiya. **SA 315** isi par hai: risks of material misstatement ko pehchanna aur aankna.

Prabhat
Pata lag gaya, phir?

Iksha
Phir response. **SA 330**: jitna risk, utne hisaab ke audit procedures.

Prabhat
Kuch risks bahut khaas hote honge?

Iksha
Ha, "significant risks". Jaise fraud ka khatra, ya revenue recognition mein. **SA 240** kehta hai ki revenue recognition mein fraud ka risk maan ke chalo (presumption). Auditor ise tabhi hata sakta hai jab wo is nateeje par pahunche ki ye risk is engagement mein nahin hai, aur wajah likh ke rakhe.

Prabhat
Aur management ke upar se aane wale entries?

Iksha
Management override of controls. Ye bhi hamesha ek significant risk maana jaata hai. Isliye journal entries ki alag se jaanch hoti hai.

---

3. Core idea in 3 levels

Level 1: 6 saal ka bachha box

> **Soch lo ek bada khilona ghar.** Tum dhoondh rahe ho ki kahan khilone toot sakte hain. Jahan bachhe zyada kood-phaand karte hain, wahan zyada dhyaan se dekhte ho. Jahan shaanti hai, wahan kam. **Planning** yahi hai: pehle dekho kahan zyada khatra, phir wahin zyada nazar.

Level 2: Normal explanation

Audit planning ke bade kadam

Kadam	Kya hota hai	Standard
1. Engagement accept karna	Client aur ethics ki jaanch, terms tay karna	SA 210 (terms), SA 220 (acceptance/quality)
2. Business ko samajhna	Industry, laws, controls	SA 315
3. Materiality tay karna	Kitni galti "badi"	SA 320
4. Risk assess karna	RoMM pehchano	SA 315
5. Risk ke hisaab se procedures	Tests ka plan	SA 330
6. Team aur time	Kaun, kab, kitna	SA 300

Audit Risk Model (sutra)

```
Audit Risk (AR) = Inherent Risk (IR) x Control Risk (CR) x Detection Risk (DR) RoMM = IR x CR (SA 315 mein dono ko milake bhi dekha jaata hai) Isliye: AR = RoMM x DR
```

Chhota kalpanik example (sirf samajhne ke liye, asli company nahi): Maan lo Ramesh Kaka ki tapri ka saal ka revenue 12,00,000 rupaye hai. Prabhat benchmark ke roop mein revenue leti hai aur apni firm ke hisaab se kisi percentage par materiality tay karti hai. Wo percentage firm ka faisla hai, standard ka nahi. Phir wo performance materiality uske neeche rakhti hai. Ye sab "kalpanik" hai, isme koi source tag nahi chahiye kyunki ye kisi company ka figure nahi.

Planning documents

1. **Overall audit strategy**: audit ka scope, timing, direction.

2. **Audit plan**: har area ke detailed procedures.
3. **Engagement letter**: client ke saath likhit samjhauta (SA 210).

Risk ke teen star (samajhne ke liye)

- **Low**: routine, controls achhe, jaise bank balance bank statement se milaan.
- **Medium**: kuch judgment.
- **High / significant**: estimates, related parties, revenue, fraud signals.

Level 3: PhD box

> **Standards aur theory** - **SA 300** planning ko ek continual aur iterative process maanta hai. Planning audit ke shuru mein ek baar ka event nahi. - **SA 315 (Revised)** risk assessment procedures: inquiries, analytical procedures, observation and inspection. Inhi se understanding banti hai. (ICAI list ke mutabik title: "Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment".) - **SA 320** materiality: overall materiality, performance materiality, aur clearly trivial threshold ka concept. - **SA 330**: assessed risk ke hisaab se overall responses aur further audit procedures (tests of controls aur substantive procedures). - **SA 240**: fraud ke risk factors, presumed risk in revenue recognition, management override. - **SA 570**: going concern, planning stage mein bhi sochna hota hai.
>
> **Edge cases** 1. **Materiality by nature**: kuch galtiyan chhoti raashi ki hoke bhi material hoti hain, jaise related party transactions ya law ka violation. 2. **Qualitative factors**: loan covenant tootne ke paas ho to chhoti galti bhi matter karti hai. 3. **Risk model ke critique**: academic literature kehti hai ki multiplicative model har case mein tight nahi baithta, kyunki risks aapas mein jude hote hain. Isliye modern standards ne inherent aur control risk ko milake RoMM ke roop mein assess karne par zor diya hai. 4. **Overall response**: zyada risk ho to experienced staff lagao, zyada professional skepticism, tests mein surprise element.

---

4. Real example: Toshiba (planning aur risk ke miss hone ki kahani)

Kahani. Toshiba Japan ki badi technology aur infrastructure company hai. 2015 mein pata chala ki wahan kai saalon se munafa badha ke dikhaya ja raha tha.

Kya hua (sourced facts, apne shabdon mein):

1. Ek independent investigation committee ne July 2015 mein bataya ki Toshiba ne kai saalon mein apna operating profit **151.8 billion yen** zyada dikhaya. [src]
2. Committee ke mutabik top management ko is overstatement aur nuksaan ki reporting mein deri ka pata tha, aur company mein aisi culture thi jisme upar walon ki ichha ke khilaaf jaana mushkil tha. [src]
3. Division heads ko profit targets (jinhe "challenges" kaha gaya) diye jaate the. Ye **pressure** wahi hai jise audit planning mein "fraud risk factor" maana jaata hai. [src]
4. Japan ke Securities and Exchange Surveillance Commission ne apni recommendation mein bataya ki company ke saalana reports mein net income / loss galat dikhaya gaya tha. Jaise year ended March 31, 2010 mein consolidated net loss ko **19,743 million yen** dikhaya gaya, jabki sahi net loss **53,943 million yen** paya gaya. [src]
5. Kul administrative monetary penalty Toshiba par **7,373,500,000 yen** ki sifarish ki gayi. [src]
6. Auditor par bhi karwai hui: Financial Services Agency ne Ernst & Young ShinNihon ko 1 January se 31 March 2016 tak naye engagements lene se roka, kyunki uske partners ne laparwahi se un saalon ke statements ko bina material misstatement wala maan ke attest kiya tha (FY ended March 2010, 2012, 2013). [src]
7. Reuters ke mutabik FSA ne is firm par **2.1 billion yen** ka jurmana bhi lagaya. [src]
8. Wikipedia ke mutabik is scandal ne Toshiba ki market value se lagbhag $8 billion mita diye (company chairman ke bayaan par aadharit) aur CEO Hisao Tanaka ne July 2015 mein istifa diya. [src]

Audit planning ka sabak (ye humari vyakhya hai, source ka daava nahi):

- *Tone at the top* aur *target pressure* ko planning mein "significant fraud risk factor" maanna chahiye (SA 240).

- Revenue aur long-term contract accounting jaise estimates wale area mein zyada skepticism chahiye.
- Auditor ko sirf management ki baat par bharosa nahi karna chahiye. Regulator ne yahi kaha: *due care* ki kami.

Boeing ke baare mein note

Outline mein Boeing bhi tha. Humein is chapter ke audit-planning tark ke liye koi verified audit-planning source nahi mila, isliye Boeing ka koi figure ya daava yahan nahi diya gaya. Agar lead ko chahiye to ek alag verified source par case study baad mein jodi ja sakti hai.

---

5. Infographics

Planning ka raasta

6 kadam, ek road-map



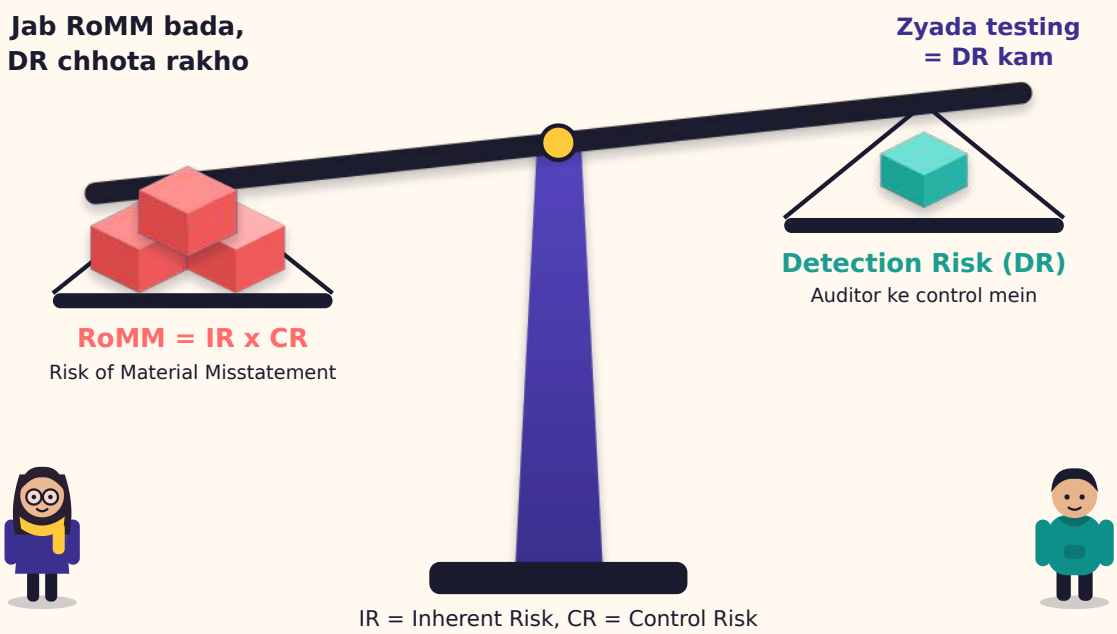




Planning = pehle socho, phir jaanch shuru karo

Audit Risk Model ka tarazu

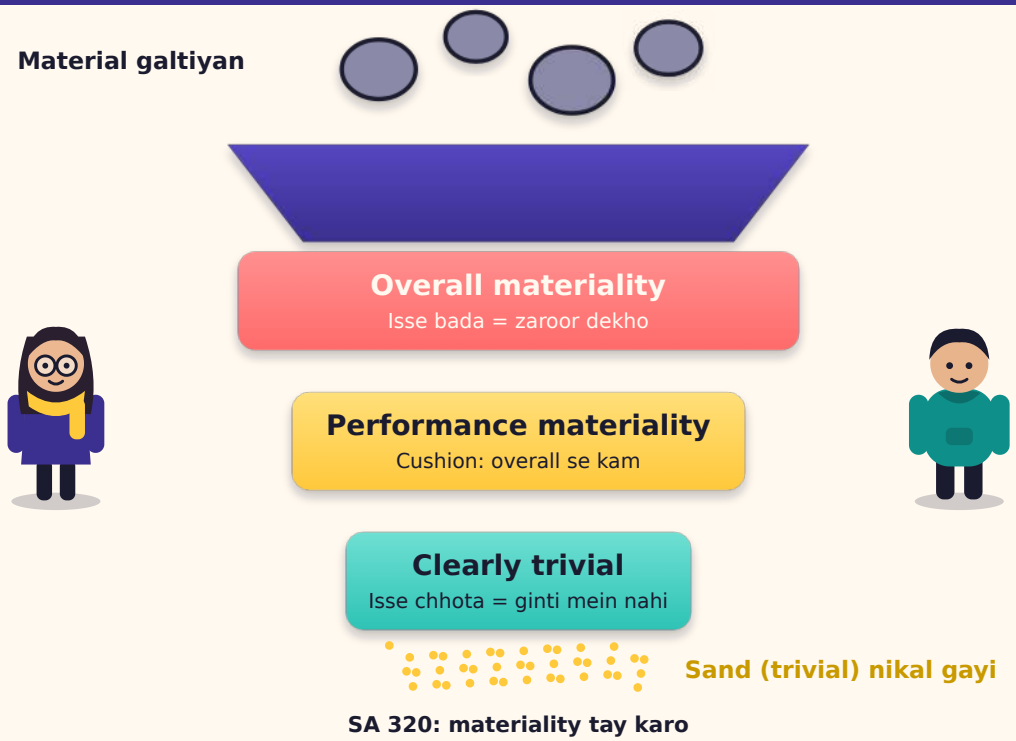
Audit Risk = RoMM x Detection Risk



IR = Inherent Risk, CR = Control Risk

Materiality ki chhalni

Bade pathar atakte hain, chhoti ret nikalti hai



SA 320: materiality tay karo

Toshiba: planning aur risk ka miss

Sirf sourced figures

1

Saalon se

Targets ka pressure

Management ka dabav, culture ka risk

2

FY Mar 2010 se

Profit zyada dikhaya

Net loss 19,743 mn yen dikhaya, sahi 53,943 mn yen

3

July 2015

Investigation report

Operating profit 151.8 bn yen overstated. CEO Hisao Tanaka ka istifa

4

Dec 2015

Regulator action

SESC: penalty 7,373.5 mn yen ki sifarish. FSA: EY ShinNihon par 3 mahine naye kaam ki rok (1 Jan-31 Mar 2016) aur 2.1 bn yen jurmana





Sabak: pressure aur culture ko ignore karna auditor ko bhi mehnga padta hai

Source: Reuters, Japan SESC, FSA, Wikipedia (dekho chapter ke SRC tags)

6. Exam angle

UPSSSC kaise poochta hai: seedhe definition wale sawaal ("audit risk ka matlab"), formula wale ("inherent aur control risk ka sambandh detection risk se"), aur standard number wale ("planning kis SA mein"). Niche ke sawaal "PYQ-style" hain, yani maine unke pattern par banaye hain. Ye asli purane paper ke sawaal nahi hain jab tak lead unhe 201 PYQs se match na kare.

Q1. Audit planning kis Standard on Auditing mein aati hai? (a) SA 200 (b) SA 300 (c) SA 500 (d) SA 700 **Ans: (b) SA 300.**

Q2. Agar Risk of Material Misstatement zyada ho, to auditor ko Detection Risk kaisa rakhna chahiye? (a) Zyada (b) Kam (c) Barabar (d) Koi sambandh nahi **Ans: (b) Kam.** Zyada risk, zyada tests, isliye detection risk kam.

Q3. Inherent risk aur control risk milkar kya banate hain? (a) Detection Risk (b) Sampling Risk (c) Risk of Material Misstatement (d) Business Risk **Ans: (c).**

Q4. Materiality kis SA ka vishay hai? (a) SA 320 (b) SA 330 (c) SA 240 (d) SA 265 **Ans: (a) SA 320.**

Q5. SA 240 ke anusaar revenue recognition mein fraud ka khatra kaise maana jaata hai? (a) Kabhi nahi (b) Presumed (maana hua) risk (c) Sirf bank mein (d) Sirf government audit mein **Ans: (b) Presumed risk, jab tak khandan na ho.**

---

7. Recap page

10 bullet points

1. Audit se pehle **planning** zaruri hai (SA 300), aur ye chalti rehti hai.
2. Planning mein business samajhna, materiality, risk aur procedures aate hain.
3. **Materiality** (SA 320): wo galti jo padhne wale ka faisla badal de.
4. **Performance materiality** overall materiality se kam hoti hai.
5. **Audit Risk = IR x CR x DR.**
6. **RoMM = IR x CR**, ye client ki taraf ka risk hai.
7. **Detection risk** auditor ke haath mein hai aur RoMM ke ulte chalta hai.
8. **SA 315** risk pehchanna, **SA 330** uske hisaab se response.
9. **SA 240**: revenue fraud aur management override ko significant risk maano.

10. Toshiba (2015) dikhata hai ki pressure aur culture ko ignore karna mehnga padta hai, auditor ke liye bhi.

Cheat-sheet table

Term / Standard	Ek line mein	Yaad rakhne ka trick
SA 300	Audit planning	"300 = 3 (teen) kadam: plan, plan, plan"
SA 315	Risk pehchano aur aanko	"315: pehchaan"
SA 320	Materiality	"320: kitna bada"
SA 330	Risk ke hisaab response	"330: jawab"
SA 240	Fraud	"240: dhoka"
Inherent risk	Controls ke bina natural risk	Cash chori asaan
Control risk	Controls fail honge	Taala toot gaya
Detection risk	Auditor ka test chook jaye	Auditor ki aankh
Performance materiality	Overall se kam	Cushion

(SA numbers aur titles ICAI ki list se verify ho chuke hain.)

---

8. Part B: Planning ka workshop — ab hath kharab karte hain

Raat ke 11 baj rahe the. Prabhat apni desk par baitha tha, samne Iksha ki di hui ek purani photocopy: "Kanpur Tools Pvt Ltd" ki kacchi trial balance. Bahar baarish ho rahi thi. Iksha ka message aaya.

Iksha
So gaya kya?

Prabhat
Nahi. Ye Kanpur Tools wali sheet dekh raha hu. Dimag ghoom raha hai. Itni saari entries, shuru kahan se karu?

Iksha
Wahi to main keh rahi thi. Pehle naksha. Chal, abhi isi sheet par planning karte hain. Live.

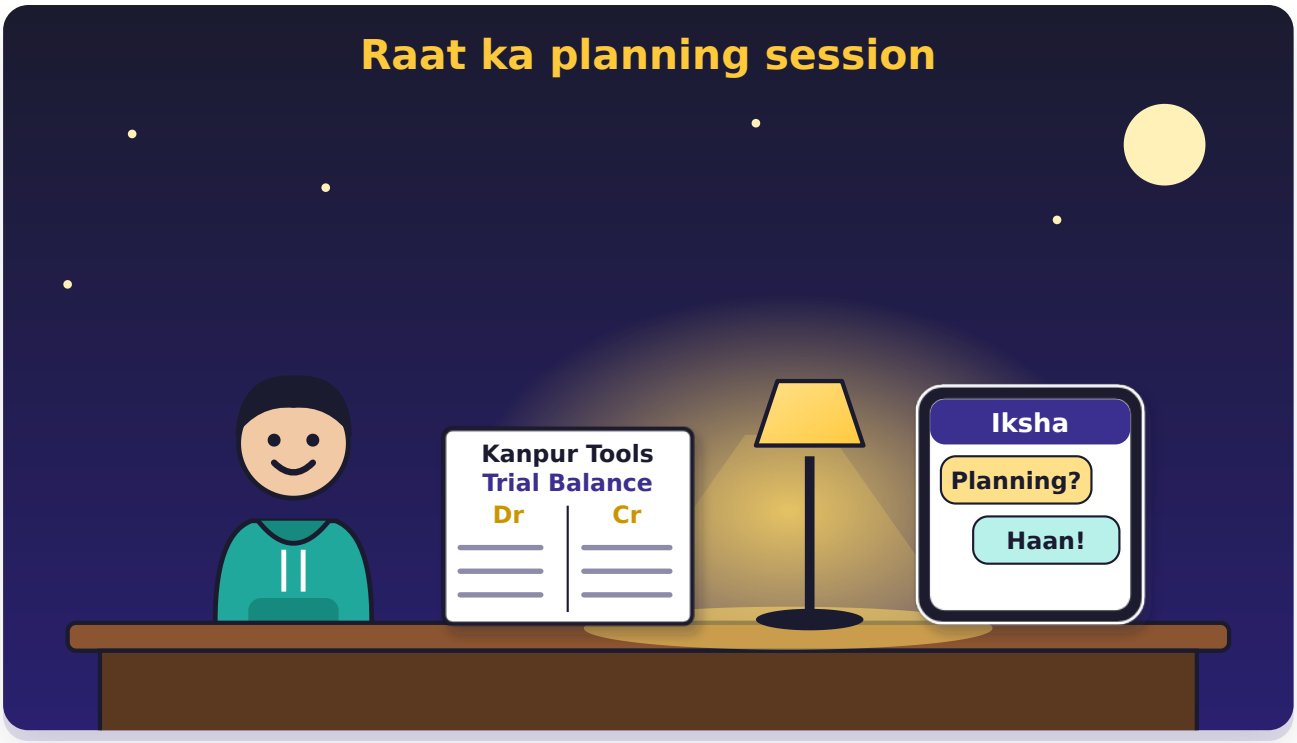
Prabhat
Abhi? Raat ko?

Iksha
Audit mein deadline raat nahi dekhti, Prabhat. Aur waise bhi, mujhe teri company raat ko hi zyada pasand hai.

Prabhat
...Sheet par dhyan, madam.

Iksha
Hmm. Theek hai. Pehla sawaal: is company ke liye kitni galti "badi" hogi? Bina ye jaane tune ek bhi entry check ki to tu andha dhoond raha hai.

Is Part B mein hum wahi karenge jo asli audit firms ke juniors pehle saal karte hain: materiality nikalna, risk matrix banana, aur standards ke wo traps samajhna jo paper mein sabko gherate hain.



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9. Materiality: worked calculations, step by step

9.1 Chat: benchmark kya hota hai?

Prabhat
SA 320 padha. Lekin ek cheez samajh nahi aayi. Standard kahin ye nahi kehta ki "profit ka itna percent lo". To percentage aata kahan se hai?

Iksha
Bilkul sahi pakda. Standard jaanboojh kar percentage nahi deta. Wo kehta hai: auditor apne judgment se ek **benchmark** chune, jaise profit before tax, revenue, total assets ya equity, aur us par ek percentage lagaye. Percentage firm ki policy aur professional judgment se aata hai, standard se nahi. [src]

Prabhat
To exam mein agar poochhein "materiality ka fixed percentage kya hai"?

Iksha
Jawab: koi fixed percentage nahi hai. Ye classic trap hai. Jo bhi option "5% fixed by SA 320" jaisa bole, wo galat hai.

Prabhat
Aur benchmark kaise chunte hain?

Iksha
Socho: is company ke financial statements kaun use kar raha hai aur wo kya dekhta hai? Profit-oriented company hai to log profit dekhte hain. Nayi company hai, abhi loss mein hai, to log revenue ya assets dekhte hain. Bank ya NBFC hai to assets. Charity hai to total expenses.

Prabhat
Aur agar profit ek saal bahut gir gaya ho?

Iksha
Tab average profit, ya normalized profit, ya dusra benchmark. Judgment. Aur jo bhi chune, working papers mein wajah likho.

Exam trap

"SA 320 ke anusaar materiality hamesha profit before tax ka 5% hoti hai." GALAT. SA 320 koi percentage prescribe nahi karta. Benchmark ka chunav aur percentage dono auditor ke professional judgment par hain. [src]

9.2 Worked Example 1: Ramesh Kaka ki tapri (kalpanik, seedha hisaab)

Ye example kalpanik hai, sirf method dikhane ke liye. Isme koi source tag nahi chahiye kyunki figures kisi asli company ke nahi.

Given (kalpanik):

- Saal ka revenue: 12,00,000 rupaye
- Profit before tax: 1,80,000 rupaye
- Total assets: 3,00,000 rupaye
- Total equity: 2,20,000 rupaye

Step 1: Benchmark chuno. Tapri chhoti hai, profit stable hai, aur Kaka ke hisaab ko dekhne wala sirf Kaka khud aur bank wala hai (jo chhota loan de raha hai). Dono profit dekhte hain. Benchmark: **profit before tax**.

Step 2: Firm ka percentage lagao. Maan lo Prabhat ki kalpanik firm ki policy kehti hai: stable chhoti entity ke liye PBT ka 5%. (Ye firm ka apna policy number hai; standard ne nahi diya.)

- Overall materiality = 5% x 1,80,000 = **9,000 rupaye**.

Step 3: Performance materiality. Chhoti galtiyan jama hokar 9,000 na paar kar jaayein, iska cushion. Firm policy: overall ka 75%.

- Performance materiality = 75% x 9,000 = **6,750 rupaye**.

Step 4: Clearly trivial threshold. Isse chhoti galtiyon ko auditor "clearly trivial" maan ke jama nahi karta. Firm policy: overall ka 5%.

- Clearly trivial = 5% x 9,000 = **450 rupaye**.

Matlab:

- 9,000 se badi galti: statements par asar padta hai, theek karwao.

- 450 se 9,000 ke beech: jama karo, ant mein dekho kul milake material to nahi.
- 450 se chhoti: chhod do, trivial.

Step 5: Audit ke beech mein badlav. Aadhe audit ke baad pata chala Kaka do mahine ka kharcha likhna hi bhool gaye the. Ab sahi PBT 1,20,000 hai. Materiality **revise** karo: 5% x 1,20,000 = 6,000. Performance materiality = 4,500. Ab purane 6,750 wale cushion se kiye gaye kaam ko dohra ke dekho: kya sample chhota to nahi pad gaya?

Prabhat
Ek second. Matlab agar galti 8,000 ki mile, to wo material nahi?

Iksha
Quantity ke hisaab se nahi. Lekin dhyan se: agar wo 8,000 ki galti Kaka ke bhatije ki jeb mein gayi ho, to?

Prabhat
Related party... nature wali materiality!

Iksha
Shabash. Kuch galtiyan size se nahi, **nature** se material hoti hain: related party transaction, law ka violation, management ki jeb mein jaana, loan covenant todna. 500 rupaye bhi tab material ho sakte hain.

9.3 Worked Example 2: Kanpur Tools Pvt Ltd (kalpanik, comparison table)

Ab Iksha wali sheet. Ye bhi poori tarah kalpanik company hai — iska maqsad alag alag benchmarks par materiality ka fark dikhana hai.

Given (kalpanik):

- Revenue: 40 crore
- Profit before tax: 60 lakh (is saal bahut gira, pichle saal 3 crore tha)
- Total assets: 55 crore
- Total equity: 22 crore

Problem: PBT is saal gir gaya. Agar hum PBT ka 5% lein to materiality sirf 3 lakh banegi, jispar poora audit chalana mushkil. Kya karein?

Iksha ka tareeka — teen benchmark nikaalo aur socho:

Benchmark	Kalpanik firm policy %	Materiality
PBT (is saal)	5%	3,00,000
PBT (2 saal ka average: (60L + 300L)/2 = 1.8 crore)	5%	9,00,000
Revenue	0.5%	20,00,000
Total assets	1%	55,00,000
Equity	1%	22,00,000

Discussion (chat):

Prabhat
Range to bahut badi aa gayi. 3 lakh se 55 lakh tak. Kaunsa sahi?

Iksha
Ab judgment ka asli kaam. Poochho: users kya dekhte hain? Kanpur Tools ke statements bank aur promoters dekhte hain. Bank ko interest coverage aur asset base se matlab. Is saal profit girne ki wajah ek one-off strike thi. Aisi situation mein kai firms **normalized PBT** ya **revenue** ko behtar benchmark maanti hain.

Prabhat
To main 20 lakh (revenue wali) le lu?

Iksha
Le sakta hai, par ek line likh: "PBT is saal abnormal hai, isliye revenue benchmark chuna, aur cross-check kiya ki ye average PBT ke aas-paas ka sane multiple hai." Bina wajah ke chuna hua benchmark review mein phas jaata hai.

Prabhat
Aur assets wali 55 lakh kyun nahi?

Iksha
Kyunki usse tum itni badi galtiyan chhod doge jo profit aur revenue dono ko hila dein. Benchmark ka kaam user ke nazariye se dekhna hai, arithmetic ka khel nahi.

Method recap: (1) users pehchano, (2) unki nazr se benchmark chuno, (3) policy percentage lagao, (4) overall materiality likho, (5) performance materiality uske neeche set karo, (6) clearly trivial threshold likho, (7) wajah document karo, (8) beech mein facts badlein to revise karo.

Exam trap
"Performance materiality overall materiality se zyada hoti hai taaki extra kaam ho." GALAT. Performance materiality hamesha overall se **kam** hoti hai. Uska kaam undetected aur uncorrected misstatements ka jama overall materiality se neeche rakhna hai.

9.4 Worked Example 3: Asli company ke numbers par — Infosys

Ab asli duniya. Infosys ke FY2026 ke figures (Wikipedia ke infobox se, financials as of 31 March 2026):

- Revenue: **1,78,803 crore rupaye** (lagbhag US$19 billion) [src]
- Net income: **29,474 crore rupaye** (lagbhag US$3.1 billion) [src]
- Total assets: **1,55,967 crore rupaye** [src]
- Total equity: **93,297 crore rupaye** [src]

Dhyan dein: ye company ke reported figures hain. Neeche ka calculation sirf seekhne ke liye hai — hum **kalpanik firm policy percentages** laga rahe hain, kyunki standard percentage nahi deta aur Infosys ke asli auditor ki materiality public document mein hamare paas nahi hai. Isliye: company ke figures asli, percentages kalpanik, conclusion sirf practice ke liye.

Benchmark (asli figure)	Kalpanik policy %	Hypothetical overall materiality
Revenue 1,78,803 crore	0.5%	894 crore
Net income 29,474 crore	5%	1,474 crore
Total assets 1,55,967 crore	1%	1,560 crore
Equity 93,297 crore	1%	933 crore

Prabhat

Ruko. Matlab Infosys size ki company mein ek 100 crore ki galti bhi material nahi hogi?

Iksha

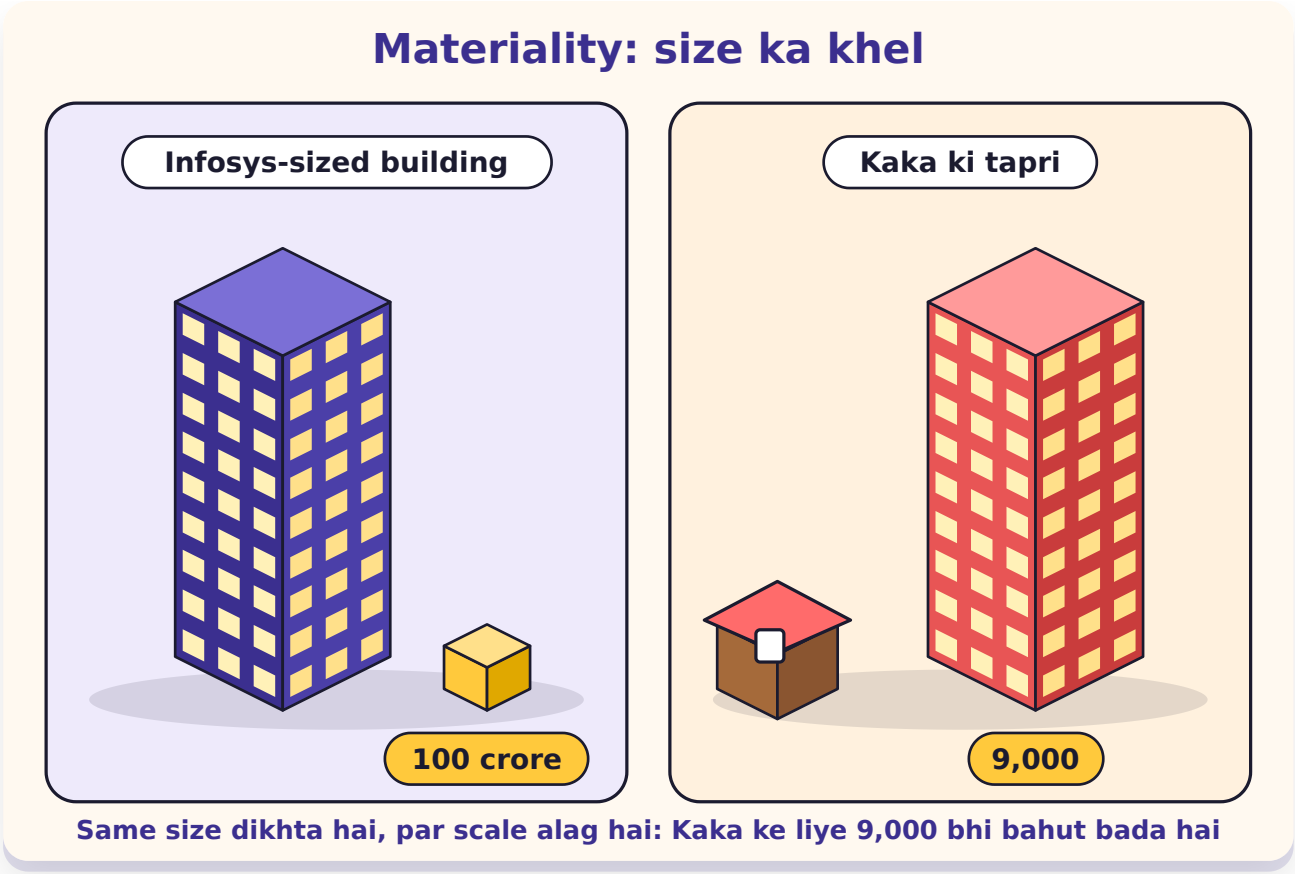
Dekh, isi liye materiality itna powerful concept hai. 100 crore ki chhoti galti us scale par users ka faisla nahi badalegi. Par teen warnings. Ek: ye hypothetical percentage se hai, asli firm apni deti hai. Do: nature wali materiality phir bhi lagti hai — 100 crore agar promoter ne nikale to material. Teen: chhoti galtiyan mil jaayein to jama material ban jaata hai, isi liye performance materiality ka cushion.

Prabhat

Aur fraud ka size materiality se compare karna?

Iksha

Bahut accha sawaal. Aage Luckin Coffee ka case padho. Wahan COO ne 2019 ki sales lagbhag RMB 2.2 billion (US$310 million) tak badha ke dikhayi. [src] Apne aap socho: company ki total sales ke muqable ye kitna bada tha? Bilkul material tha — aur isi liye jab khulasa hua to April 2020 ke mahine mein stock 80% se zyada gir gaya. [src]



9.5 Materiality revise karna: beech audit mein

Prabhat
Planning mein materiality set kar di. Audit ke beech mein pata chala company ka ek bada contract cancel ho gaya, revenue aadha ho gaya. Ab?

Iksha
Materiality revise karo. SA 320 ka hi hissa hai ye. Aur sirf number nahi badalna — ye bhi dekho ki ab tak jo kaam hua, wo nayi (chhoti) materiality ke hisaab se paryapt tha ya nahi.

Prabhat
Matlab samples dobara?

Iksha
Ho sakta hai. Agar purani materiality badi thi aur tumne uske hisaab se chhote samples liye, to nayi chhoti materiality par wo kaam kam pad sakta hai. Ye baat paper mein "revision of materiality" ke naam se aati hai.

Prabhat
Aur evaluation ke time?

Iksha
Ant mein jab uncorrected misstatements jama karte ho, to compare **final revised materiality** se hota hai, purani planning wali se nahi.

Exam trap
"Materiality ek baar planning mein tay ho gayi to poori audit mein wahi rehti hai." GALAT. Nayi information aane par auditor materiality revise karta hai, aur phir check karta hai ki ab tak ka audit kaam revised level ke hisaab se paryapt hai.

---

10. Risk matrix workshop: khatra kaise map karte hain

10.1 Chat: matrix kyun?

Prabhat
Iksha, risk assess karte time saari risks ko ek hi nazar se dekha ja sakta hai kya? Meri list mein 23 items hain, sab "high" lag rahe hain.

Iksha
Kyunki tu dar ke soch raha hai, structure se nahi. Risk matrix bana. Do axis: **probability** (galti hone ka chance) aur **impact** (huyi to kitna nuksaan, yaani materiality ke against kitni badi).

Prabhat
Aur phir?

Iksha
Har risk ko box mein rakho. High-high box wali risks par sabse zyada audit kaam. Low-low par sirf analytical procedures bhi chal sakte hain. Isse tumhara audit plan defendable ban jaata hai — koi pooche "is area pe itna time kyun?" to matrix dikha do.

10.2 3x3 matrix (kaam ka format)

	Impact: Low	Impact: Medium	Impact: High
Probability: High	Medium	High	**Extreme**
Probability: Medium	Low	Medium	High
Probability: Low	Low	Low	Medium

Use karne ka tareeka:

1. Har account / assertion ke liye poochho: galti hone ka chance kitna? (inherent risk + control risk ki feeling)
2. Agar galti huyi to kitni badi ho sakti hai? (materiality ke against)
3. Box mein rakho, response likho.

10.3 Worked: Ramesh Kaka ki tapri ki risk matrix (kalpanik)

Area	Probability	Impact	Matrix rating	Audit response
Cash gallaa	High (rooz haath lagta hai)	Medium	High	Roz ka cash count, surprise checks
Doodh/dahi ka stock	High (kharab hone wala)	Medium	High	Month-end physical count mein shaamil hona
Udhaar khata (regular customers)	Medium	Low	Low-Medium	5 bade udhaar walon se confirmation
Gas cylinder deposit	Low	Low	Low	Saal mein ek baar receipt se milaan
Chai patti ka rate	Medium	Medium	Medium	3 mahine ke purchase bills ka trend dekho

Prabhat
Ye to bilkul saaf ho gaya. Par ek cheez — "probability" yahan kis cheez ki hai? Galti ki ya fraud ki?

Iksha
Dono. Risk of material misstatement mein error bhi hai aur fraud bhi. Fraud wali risk ko hamesha thoda aur seriously lo kyunki usme chhupane ki koshish hoti hai. SA 240 ke framework mein revenue recognition par fraud ka presumed risk hai — yaad hai?

Prabhat
Ha, rebuttable presumption. Agar rebut karein to wajah document karni padegi.

Iksha
Perfect.

10.4 Worked: Kanpur Tools Pvt Ltd (kalpanik) — assertion level tak

Kanpur Tools manufacturing company hai. Iksha ne Prabhat se kaha: ab account nahi, **assertion** ke level par socho. Balance sheet ke har item ke saath assertions hoti hain: existence, completeness, accuracy, valuation, cut-off, rights and obligations, presentation.

Account	Assertion	Risk aur wajah	Rating	Response
Revenue	Occurrence / cut-off	Is saal profit gira hai, target pressure; sale return period lamba	High	Cut-off testing around year-end, bade distributors se confirmation
Trade receivables	Existence, valuation	90 din se purane debtors badh rahe	High	Subsequent cash check, ageing review, provision ka recompute
Inventory (finished tools)	Existence, valuation	Godown 2 jagah, ek godown mein CCTV kharab	High	Dono jagah physical count, NRV testing
Fixed assets (machines)	Existence	Pichle saal kuch machines bechi gayin	Medium	Disposal entries vouch karo, gain/loss recompute
Loans	Completeness	Bank covenants hain	Medium-High	Direct bank confirmation, covenant compliance recompute
Provisions (warranty)	Completeness, accuracy	Estimate hai, judgment	Medium	Management ki assumption vs pichle saal ke actual compare

Iksha

Dekh Prabhat, ek baat pakad. Main yahan "High" kahan likh rahi hu? Jahan **judgment** hai (provisions, NRV), jahan **pressure** hai (revenue, kyunki profit gira), aur jahan **control toota** dikhta hai (CCTV kharab wala godown).

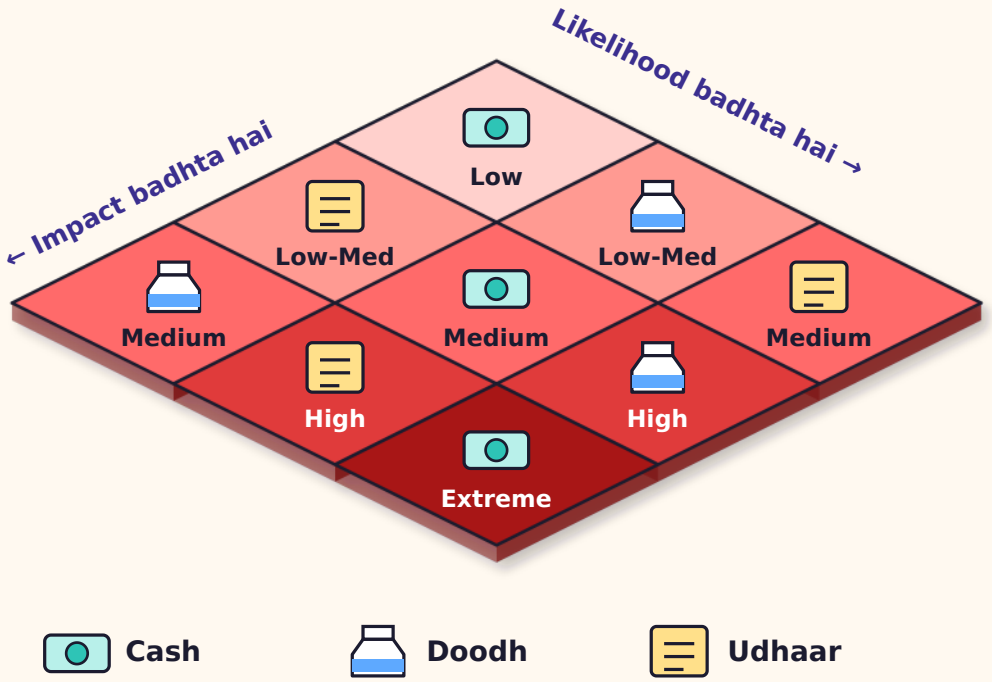
Prabhat

Matlab risk matrix koi jadu nahi, bas teen sawaalon ka system hai: kitna judgment, kitna pressure, kitna kamzor control.

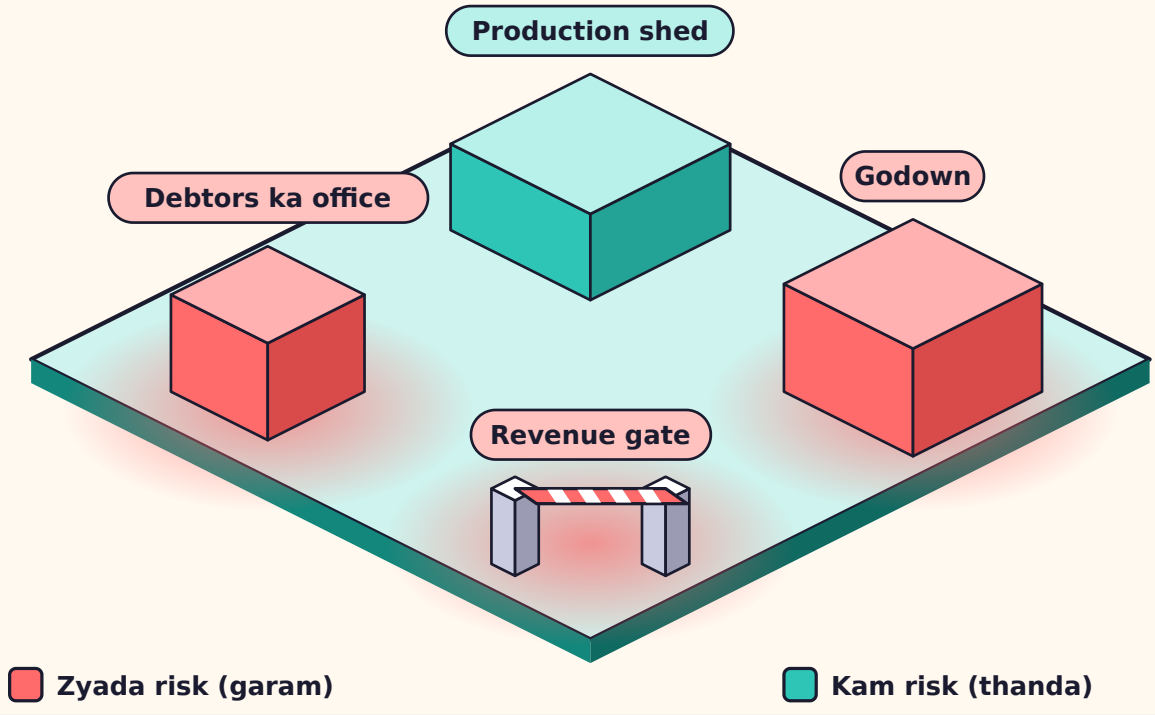
Iksha

Haan. Aur significant risks ko alag mark karo. Un par sirf analytical procedures kaafi nahi — substantive detail testing ya controls testing ke bina opinion mat do.

Risk matrix: Kaka ki tapri



Kanpur Tools: risk heat map



10.5 RoMM se response tak: SA 330 ka pul

Prabhat
Matrix ban gayi. Ab SA 330 kya kehta hai exactly?

Iksha
Do level ka response. Pehla **overall responses**: poore audit ke level par — zyada experienced team, zyada supervision, zyada professional skepticism, procedures mein unpredictability (surprise visits, alag locations). Doosra **further audit procedures**: specific assessed risk ke against — tests of controls aur substantive procedures, dono ka mix.

Prabhat
Controls test karna zaruri hai?

Iksha
Do hi halat mein. Ek: jab tum controls par rely karna chahte ho apne substantive kaam ko kam karne ke liye. Do: jab substantive procedures akele paryapt evidence nahi de sakte — jaise highly automated system jahan sab kuch IT mein hota hai. Baaki jagah substantive-only approach bhi theek hai.

Prabhat
Aur significant risks ke liye?

Iksha
Unke liye substantive procedures **zaruri** hain. Sirf controls test karke significant risk ka response nahi de sakte.

Prabhat
Sampling har jagah?

Iksha
Nahi. High value items 100% test karo, baaki par sampling. Sampling ka apna standard hai, par logic yahi hai: jahan risk high, wahan ya to sab check karo ya bada representative sample.

Exam trap
"Significant risks ke liye sirf tests of controls paryapt hain." GALAT. Significant risks ke liye substantive procedures avashyak hain. [src]

Exam trap

"Auditor har saal wahi procedures repeat kar sakta hai kyunki pichle saal kuch nahi mila tha." GALAT. SA 330 ke overall responses mein unpredictability ka element hai, aur har saal ki risk assessment fresh hoti hai. Pichle saal ka evidence is saal ka evidence nahi.

10.6 Analytical procedures ka worked example (planning stage)

SA 315 ke risk assessment procedures mein **analytical procedures** aate hain: expected relationships ka comparison. Chalo Kanpur Tools (kalpanik) par karte hain.

Data (kalpanik, pichla saal vs is saal):

Item	Pichla saal	Is saal	Change
Revenue	38 crore	40 crore	+5.3%
Cost of goods sold	26.6 crore	31.2 crore	+17.3%
Gross margin	30%	22%	-8 points
Receivables	5.0 crore	7.8 crore	+56%
Receivable days	48 din	71 din	+23 din
Inventory	4.4 crore	6.9 crore	+57%
Salary expense	3.8 crore	3.9 crore	+2.6%

Iksha ka walkthrough:

Iksha
Revenue sirf 5% badha par COGS 17%. Margin 30% se 22%. Teen wajah ho sakti hain: input cost badhi, prices gire, ya revenue mein kuch hai jo asli nahi. Har wajah ka audit area alag hai.

Prabhat
Receivables 56% badhe jab revenue 5%? Ye to seedha flag hai.

Iksha
Haan. Ya to year-end ke paas bina dum ki sales push ki gayi (channel stuffing), ya receivables collect nahi ho rahe. Receivable days 48 se 71 — cut-off testing aur subsequent receipts check karna padega.

Prabhat
Inventory bhi 57%.

Iksha
Dono ek saath badhna slow-moving business ka sign hai — ya phir stock mein obsolete maal pada hai jo likha nahi gaya. NRV testing. Dekh, humne abhi ek bhi voucher nahi khola, par audit plan ke 3 bade areas tay ho gaye: revenue cut-off, receivables valuation, inventory NRV. Yehi analytical procedures ki taqat hai planning mein.

Formula yaad rakho:

- Receivable days = (Receivables / Revenue) x 365
- Inventory days = (Inventory / COGS) x 365
- Gross margin % = (Revenue - COGS) / Revenue x 100

Exam trap
"Planning stage ki analytical procedures ka maqsad galtiyan pakadna hai." GALAT. Planning stage par unka maqsad **unusual fluctuations pehchan ke risk areas flag karna** hai. Galti pakadna substantive stage ka kaam hai (wahan bhi analytical procedures use ho sakte hain, par role alag hai).

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11. Mini case studies

Case Study 1: Carillion — jab planning ne going concern aur estimates ko halka liya

Kya hua. Carillion Britain ki doosri sabse badi construction company thi, 2016 mein uske lagbhag 43,000 employees the. [src] 2016 tak company ka revenue £5,214.2 million aur net income £129.5 million dikhaya gaya tha. [src] Lekin July 2017 mein company ne £845 million ka impairment charge bataya construction services division mein, zyada tar teen ghate ke saudon wale UK PFI projects ki wajah se. [src] 15 January 2018 ko company compulsory liquidation mein chali gayi — UK insolvency law ka sabse drastic procedure — liabilities lagbhag £7 billion ke saath. [src] April 2018 mein Official Receiver ne 27 liquidated UK companies ki total liabilities £6.9 billion aanki — ye Group ke 2016 ke accounts mein dikhayi gayi figure se teen guna se bhi zyada thi. [src] Aur jab company doobi, uske paas sirf £29 million cash bacha tha. [src]

Audit angle. Parliament ki May 2018 inquiry report ne Carillion ke collapse ko "a story of recklessness, hubris and greed" kaha aur directors par business ki financial reality ko misrepresent karne ka aarop lagaya; report ne auditors (KPMG) ke conduct par bhi sawaal uthaye. [src] Long-term construction contracts mein revenue aur profit **estimates** par chalta hai: kitna kaam ho gaya, kitna bacha, kitna kharcha aur aayega. Ye wahi area hai jahan inherent risk sabse zyada hota hai — judgment, estimation uncertainty, aur management ke paas dabaav daalne ki gunjaish. Planning stage par in contracts ko significant risk maanna chahiye tha, aur going concern assessment (SA 570) ko uss waqt seriously lena chahiye tha jab covenants breach hone wale the aur company refinancing ke liye bhaag rahi thi.

Sabak.

- Jab company ke accounts aur asli liabilities mein itna fark nikle, to sawaal ye nahi ki "fraud tha ya error", sawaal ye hai ki auditor ne estimates wale areas ko kitni seriousness se test kiya.
- £29 million cash vs £7 billion liabilities: going concern aur liquidity disclosures materiality ke "nature" wale hisse mein aate hain.
- Users ke liye materiality socho: sarkari contracts, 30,000 suppliers, 27,000 pensioners — yahan reporting ka asar bahut door tak jaata hai. [src]

Exam angle. "Long-term contract revenue mein inherent risk zyada kyun?" — kyunki ye estimation uncertainty aur judgment par based hai. "Going concern doubt planning mein kahan aata hai?" — SA 570, aur wo risk assessment ko seedha badalta hai.

Case Study 2: Luckin Coffee — revenue fraud ka textbook pattern

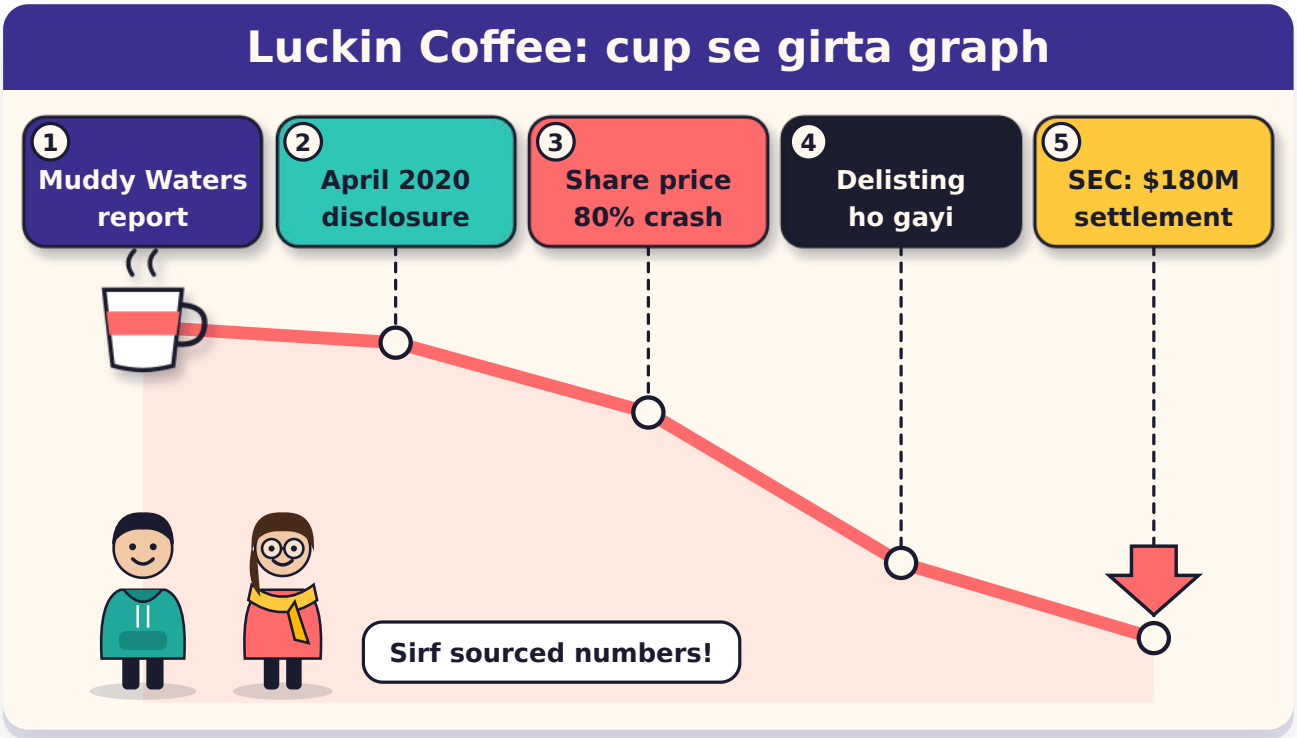
Kya hua. Luckin Coffee China ki coffee chain thi jo Nasdaq par listed thi. January 2020 mein short-seller firm Muddy Waters ne ek anonymous 89-page investigative report publish ki jisme daava kiya gaya ki company ne financial aur operational figures falsify kiye hain; company ne aarop nakaare. [src] Lekin 2 April 2020 ko company ne khud bataya ki internal investigation mein paya gaya ki COO Jian Liu ne 2019 ki sales "around RMB 2.2 billion" (US$310 million) tak fabricate ki thi. [src] April 2020 ke mahine mein stock 80% se zyada gir gaya. [src] 15 May ko Nasdaq ne delisting notice bheja, aur 29 June 2020 ko company delist ho gayi. [src] 16 December 2020 ko US SEC ke saath $180 million ka settlement hua; SEC ka kehna tha ki company ne revenue, expenses aur net operating loss ko materially misstate karke rapid growth ka jhootha dikhawa kiya. [src] Company ne 5 February 2021 ko New York mein Chapter 15 bankruptcy file ki. [src]

Audit angle. SA 240 kehta hai: revenue recognition mein fraud ka risk **presume** karo. Luckin iska sabse saaf example hai. Rapid growth wali, expansion ka pressure rakhti company, jisme sales per store jaise metrics investors ke liye sabse important the — wahin fraud hua. Risk assessment ne ye pehchan na chahiye thi: (1) incentive/pressure — growth expectations; (2) opportunity — nayi company, naye systems; (3) attitude — targets "jo bhi karke" poora karne ka culture. Ek aur point: external short-seller ki report pehle aayi, auditor ki discovery baad mein. Planning ke dauraan analyst reports, short-seller reports aur market chatter bhi risk assessment procedures ka hissa ban sakte hain — SA 315 kehte hai entity aur uske environment ko samajhna, aur environment mein market ka pressure bhi aata hai. [src]

Sabak.

- Jab revenue hi sabse bada story number ho, wahin fraud ka sabse bada motive hai.
- "Management ne kaha sab sahi hai" evidence nahi hai. External confirmation aur data analytics (per-store sales vs industry) zaruri.
- Fraud ka size dekh ke samjho materiality: $310 million fabrication us company ke scale par ekdum material tha — isliye stock collapse hua.

Exam angle. "Revenue recognition mein fraud risk presumed kyun?" — SA 240. "Auditor external sources ka use planning mein kar sakta hai kya?" — haan, SA 315 ke risk assessment procedures mein inquiry, analytical procedures, observation and inspection aate hain, aur entity ke environment ko samajhne mein public information bhi shamil ho sakti hai.



Case Study 3: IL&FS — jab structure hi itna uljha ho ki planning chhooot jaye

Kya hua. IL&FS India ki badi infrastructure finance company thi. 2018 tak uske **256 group companies** the — surface par 23 direct subsidiaries, neeche 141 indirect subsidiaries (alag alag projects ke SPVs), 6 joint ventures aur 4 associates, aur har ek ke neeche aur legal entities, cross-ownership ke saath. [src] July se September 2018 ke beech group ki companies loan aur inter-corporate deposits chukane mein fail hone lagi: ek subsidiary SIDBI ka lagbhag 1,000 crore ka short-term loan nahi chuka payi, IL&FS Financial Services ne SIDBI ke lagbhag 450 crore ke inter-corporate deposits par default kiya, aur 27 September 2018 ko usne Bombay Stock Exchange ko bataya ki 52.4 crore ke short-term deposits aur 104 crore ke term deposit par bhi default hua. [src] 1 October 2018 ko Government of India ne company ka control liya aur naya board baithaya, kyunki purana board apni duty nahi nibha paya tha. [src] SFIO ne investigation shuru ki, aur 2 April 2019 ko SFIO ne former vice-chairman Hari Sankaran ko fraud aur wrongful loss ke aarop mein arrest kiya — unpar aarop tha ki unhone non-creditworthy entities ko loans diye. [src] Initial SFIO probe ne Deloitte ki audit mein major lapses bataye, aur

sarkar Deloitte par ban ki taraf badhi, jispar Bombay High Court ne interim order se coercive action roki. [src]

Audit planning angle. Ye case **group audit planning** ka aaine hai. Jab 256 entities hon, cross-holdings hon, aur har project ek alag SPV ho, to planning ka pehla kaam hota hai: kaunsi components significant hain, kinpar poora audit hoga, kinpar analytical review, aur component auditors par kaise rely hoga. Defaults chhote subsidiaries mein shuru huye aur contagion poori group mein phail gaya. Agar planning ne sirf "bade" entities par focus kiya aur chhote SPVs ko low risk maan liya — jabki wahan liquidity sukh rahi thi — to group level ki going concern risk miss ho jaati hai. Dusra sabak: group ke andar ke loans aur guarantees (inter-corporate deposits) related-party jaisi cheez hain; unki completeness aur valuation alag se test maangti hai.

Sabak.

- Complex structure khud ek inherent risk hai: entities jitni zyada, galti ya fraud ke chhupne ke kone utne zyada.
- Liquidity risk chhoti entity mein janm leke group ko duba sakta hai. Planning mein "size" ke saath "contagion" bhi dekho.
- Component auditors ka kaam group auditor ki apni risk assessment ka hissa hai, uska substitute nahi.

Exam angle. "Group audit mein significant components kaise chunte hain?" — financially significant + significant risk wale. "SPV structures mein inherent risk zyada kyun?" — complexity, valuation aur related-party opacity.

Case Study 4: Patisserie Valerie — jab auditor ne management ki baat maan li

Kya hua. Patisserie Valerie Britain ki cafe chain thi. 10 October 2018 ko uski parent company Patisserie Holdings ke shares suspend kar diye gaye, kyunki potentially fraudulent accounting irregularities mili thin jisse accounts mein **material misstatement** ka chance tha; press mein ise multi-million pound "black hole" kaha gaya. [src] Company ne announce kiya ki reported financial status aur asli financial status ke beech material shortfall hai, aur bina immediate capital injection ke business current form mein nahi chal sakta. [src] Finance director Chris Marsh ko arrest kiya gaya (baad mein released under investigation). [src] 22 January 2019 ko company administration mein chali gayi — company ne ise "significant fraud" ka direct result kaha — jisse ~200 mein se 70 stores band huye aur lagbhag

900 jobs gayi. [src] September 2023 mein Serious Fraud Office ne chaar logon par charge lagaya ki unhone 2015 se 2018 tak balance sheets aur annual reports mein **cash inflate** karne ki saazish ki, jisme **auditors ko false documentation** dena bhi shamil tha. [src]

Audit angle. Yahan sabse bada lesson hai. FRC ne November 2018 mein auditor Grant Thornton ke audit ki investigation shuru ki, aur baad mein Grant Thornton par **£2.3 million** ka fine laga kyunki usne "red flags" miss kiye aur **management ki di hui information par sawaal nahi kiya**. [src] Cash inflate ho raha tha — aur cash verify karna audit ka sabse basic kaam hai: bank confirmation, bank statement, reconciliation. SA 330 ke responses mein professional skepticism dil mein nahi, **procedure** mein dikhta hai: management ke diye document ko parakhna, independent source se confirm karna. Agar koi side cash jhooth bol rahi hai, to bina bank se direct confirmation liye unki statement par bharosa karna hi wo "red flag miss" hai jiska fine laga.

Sabak.

- Cash "sabse easy" area nahi hai jab fraud ho. Bank confirmations independent aur direct auditor ke control mein hone chahiye.
- Inquiry + management document = weak evidence. External corroboration strong evidence.
- Material misstatement ka possibility bata ke shares suspend hone ka matlab: planning mein hi revenue/cash cycles ko zyada scrutiny deni chahiye thi, kyunki retail business mein daily cash sales ka volume bahut hota hai.

Exam angle. "Auditor ko management ke diye documents par kab doubt karna chahiye?" — jab bhi fraud risk indicators hon; documents ki authenticity par doubt ho to further investigation karo. "Bank confirmation kyun important?" — independent, third-party, direct-to-auditor evidence.

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12. SA 315 / 320 / 330 ke exam traps

Exam trap 1
"SA 315 ka kaam sirf internal control samajhna hai." GALAT. SA 315 poore entity aur uske environment ko samajhne ki baat karta hai — industry, regulation, business model, objectives, strategies, measurement — jisse risks of material misstatement identify aur assess ho saken. Controls uska ek hissa hain. [src]

Exam trap 2
"Risk assessment procedures hi paryapt audit evidence hain." GALAT. Risk assessment procedures (inquiry, analytical procedures, observation and inspection) risk pehchanne ke liye hain; wo apne aap mein opinion ka aadhar nahi. Opinion ke liye SA 330 ke further procedures chalane hote hain.

Exam trap 3
"Inquiry sabse strong evidence hai kyunki management sab jaanta hai." GALAT. Inquiry sabse kamzor evidence hota hai — wo doosri procedures ke saath milke kaam aati hai. Oral jawab akele paryapt nahi.

Exam trap 4
"Materiality sirf planning mein set hoti hai." GALAT. SA 320 ka title hi hai "Materiality in Planning **and Performing** an Audit". Performance ke dauraan bhi lagti hai, revise bhi hoti hai, aur evaluation mein use hoti hai. [src]

Exam trap 5
"Clearly trivial ka matlab ignore." GALAT. Clearly trivial threshold ke neeche wali misstatements ko jama nahi kiya jaata, par ye threshold khud materiality se bahut chhota set hota hai aur iska matlab ye nahi ki auditor unhe dekhe bina chhod de — pehle judge to karna padega ki wo clearly trivial hain.

Exam trap 6

"Control risk ko auditor kam kar sakta hai." GALAT. Control risk client ke system ka risk hai; auditor use sirf assess kar sakta hai. Auditor apna **detection risk** control karta hai (kitne aur kaise tests chalaye). AR = IR x CR x DR mein sirf DR auditor ke haath mein hai.

Exam trap 7

"Agar auditor controls par rely karega to substantive procedures zero ho jaate hain." GALAT. Chahe controls kitne bhi strong hon, kuch substantive procedures har material class of transactions aur account balance par hote hain. Sirf controls testing se opinion nahi banta.

Exam trap 8

"Overall responses aur further procedures ek hi cheez hain." GALAT. Overall responses poore audit ka mood set karte hain (team, skepticism, unpredictability, supervision); further procedures specific risks ke against chalte hain (tests of controls, substantive). Dono SA 330 ke do alag star hain.

Exam trap 9

"Significant risk ka matlab sirf badi raashi wala risk." GALAT. Significant risk wo assessed risk hai jiske liye special audit consideration chahiye — fraud risks, estimates ki uncertainty, related parties, ya unusual complex transactions jaise qualitative reasons se bhi risk significant ho sakta hai, raashi chhoti hoke bhi.

Exam trap 10

"Inherent risk aur control risk ko alag alag assess karna zaruri nahi, combined RoMM kaafi hai." Purane SA 315 mein combined assessment allowed tha, lekin revised version (ISA 315 Revised 2019, audits for periods beginning on or after 15 December 2021) mein inherent risk aur control risk ka **alag alag assessment zaruri** hai, assertion level par. Financial statement level aur assertion level dono par risk assess hota hai. Exam mein jo SA version syllabus mein ho, wahi follow karo. [src]

Chat: traps ki jad

Prabhat

Ye saare traps dekh ke ek pattern dikh raha hai. Har galat statement mein ek "absolute" shabd hai: hamesha, sirf, kabhi nahi, zero.

Iksha

Bilkul. Audit standards judgment-based hain, isliye unmein absolutes kam hote hain. Jo option "auditor ko sirf ye karna chahiye" ya "hamesha ye hota hai" bole, us par ruk ke socho. Sach zyada nuanced hota hai: "depends on assessed risk", "professional judgment", "in the circumstances".

Prabhat

Ek aur pattern: role ka confusion. Kaun kya control karta hai — management, auditor, ya client ke controls.

Iksha

Haan. Management financial statements banata hai aur controls banata hai. Auditor risk assess karta hai aur detection risk control karta hai. Inherent aur control risk client ke hain. Ye teen lines ratta maar lo, aadhe traps ghar baithe sulagh jayenge.



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13. "Tum hote to kya karte?" — 4 scenarios

Scenario 1: Bhatija wala loan. Kanpur Tools ne apne director ke bhatije ki firm ko 45 lakh ka advance diya, interest free, bina kisi agreement ke. Amount tumhari materiality (20 lakh) se bada hai. Management kehti hai "chhota sa related party loan hai, note kar diya hai."

> **Iksha ka jawab**
>
> Do kaam. Ek: disclosure check karo — related party disclosure standards ke mutabik poora hai ya nahi (naam, rishta, amount, terms, balance). Do: nature wali materiality — interest free, bina agreement, related party ko — ye qualitative grounds par material hai, size se zyada isliye nahi balki isliye ki users ka faisla isse badal sakta hai (kya management shareholders ke paise se apnon ko fayda pahuncha raha hai?). Agar disclosure adhoora hai to modification of opinion consider karo.

Scenario 2: Bewakoof godown. Kanpur Tools ke do godowns hain. Ek mein CCTV kharab hai aur wahan 8 crore ka stock hai. Inventory tumhare liye high risk area hai. Management kehti hai "hum count kara denge, tum video dekh lena baad mein."

Iksha ka jawab

Nahi. High risk + kamzor control = tumhe khud physically present hona chahiye count ke waqt. Video recording substitute nahi hai jab control environment hi toota ho. Dono godowns par same day count karo (taaki stock idhar se udhar na ghumaya ja sake), cutoff details note karo (last receipt/dispatch numbers), aur NRV ka apna estimate banao.

Scenario 3: Aadhi raat ki entries. 31 March ke baad 2 April tak system mein 14 journal entries padi hain jo CFO ne khud pass ki hain, sab "round" amounts ki, sab revenue badha rahi hain.

Iksha ka jawab

Ye management override ka classic signal hai. SA 240 ke framework mein journal entries ka testing hota hi isi liye hai. Har entry ka business reason maango, supporting documents dekho, aur agar jawab "adjustment hai" se aage nahi badhta to significant risk treat karo, TCWG ko batao, aur fraud assessment update karo. Round amount + top-level + period end + revenue badhana: chaar red flags ek saath.

Scenario 4: Client keh raha hai "ye mat dekho". Audit ke beech mein CFO kehta hai ki ek purana legal case "settle hone wala hai, abhi provision mat banao, aur tumhe file dene ka koi matlab nahi."

Iksha ka jawab

Scope limitation ki taraf ishara. Provision completeness ka direct risk hai. File maango; lawyer se direct confirmation bhejo; agar evidence na mile to ye scope limitation hai — qualified opinion ya disclaimer tak ja sakta hai, matter kitna material aur pervasive hai us par. Aur hamesha: refusal ko document karo.

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14. Summary tables (revision ke liye)

Table A: Materiality ke 3 star

Star	Kya hai	Kahan use
Overall materiality	Poore FS level ki "badi galti" line	Planning, final evaluation
Performance materiality	Usse kam cushion, account/area level	Testing ka scope tay karna
Clearly trivial threshold	Isse neeche jama nahi karte	Misstatements ko jama karne ka filter

Source note: teeno concepts SA 320 ke hain; standard percentage prescribe nahi karta. [src]

Table B: Risk level se response (SA 330 ka logic)

Assessed risk	Team	Controls test?	Substantive
Low	Junior bhi chalega	Optional	Analytical + limited detail
Medium	Mix	Agar rely karna ho	Detail testing, moderate sample
High / Significant	Senior, specialist	Rely karoge to test zaruri	Zaruri, bada sample ya 100% key items

Table C: Kaun kya control karta hai

Cheez	Kiske haath mein
Financial statements banana	Management
Internal controls banana	Management / board
Inherent risk	Client ki prakriti (auditor sirf assess karta hai)
Control risk	Client ka system (auditor sirf assess karta hai)
Detection risk	**Auditor**
Materiality set karna	Auditor (judgment)
Opinion	Auditor

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15. Fraud risk factors workshop (SA 240 ka triangle)

15.1 Chat: teen pehlu

Prabhat
Fraud ka pata pehle se kaise chale? Auditor to future nahi dekh sakta.

Iksha
Future nahi, **conditions** dekhte hain. Fraud ke teen pehlu hote hain: **incentive/pressure** (kyun karna hai), **opportunity** (kaise ho sakta hai), **rationalization/attitude** (kaise khud ko justify karte hain). Jahan teenon milein, wahan risk high.

Prabhat
Example?

Iksha
Toshiba lo. Pressure: division heads ko meet-karne-wale targets. Opportunity: complex estimates, top-down culture. Attitude: seniors ki ichha ke against na jaane wali culture. Teenon mile, result 151.8 billion yen. [src]

15.2 Checklist: planning ke waqt ye signals note karo

Incentive / pressure:

- Growth targets jo industry se tez hain (Luckin: rapid growth dikhana tha investors ko)
- Loan covenants breach ke kagar par
- Profit-linked bonuses, ESOPs
- IPO ya funding round ke pehle ki saal

Opportunity:

- Complex ya offshore structure (Parmalat ka Bonlat, IL&FS ke SPVs)
- Weak ya bypass-able systems (PNB ka SWIFT-CBS gap)
- Dominant management, kamzor board oversight
- Estimates-heavy accounting (Carillion ke contracts)

Rationalization / attitude:

- "Sirf is saal adjust kar rahe hain"
- Auditor se aggressive behavior, documents dene mein deri
- Past mein chhote shortcuts ignore kiye gaye hon

Exam trap

"Fraud risk factors ka matlab fraud hai." GALAT. Ye conditions hain jo fraud ke chance badhati hain. Auditor inhe dekh ke risk assess karta hai, fraud ka dosh nahi lagata.

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16. Engagement acceptance aur audit strategy ka worked document

16.1 Acceptance checklist (SA 210 / SA 220 ke framework mein)

Audit shuru karne se pehle firm decide karti hai: ye client **lena** chahiye ya nahi, aur terms kaise likhe jayenge. SA 210 terms ko likhit roop dene par zor deta hai, aur SA 220 engagement-level quality control ka framework hai. [src]

Kanpur Tools ke liye checklist (kalpanik application):

1. **Integrity check:** Promoters ka background clean? Koi purana fraud, default, litigation? (Kanpur Tools: ek purana excise dispute, settled. Note kiya.)
2. **Independence:** Kya firm ya team ke kisi member ka client mein financial interest hai? Relative director hai? (Nahi. Confirm kiya.)
3. **Competence aur resources:** Manufacturing audit ka experience hai? Tax specialist chahiye hoga excise dispute wali history ke chalte? (Haan, ek tax specialist team mein.)
4. **Predecessor auditor:** Purane auditor se poochho: resign kyun kiya? (Unhone kaha: fee dispute, koi integrity issue nahi. Document kiya.)
5. **Terms:** Engagement letter mein scope, responsibilities, reporting framework, fee, timing — sab likhit. (SA 210.)

Exam trap

"Engagement letter verbal bhi chal jayega kyunki purana client hai." GALAT. Terms likhit mein hone chahiye; recurring audits mein bhi circumstances badlein to naya letter reconsider hota hai.

16.2 Overall audit strategy: Kanpur Tools ka sample memo (kalpanik)

Iksha

Strategy memo dekhte hi senior ko poora audit samajh aa jana chahiye. 6 items likhne hain.

1. Scope: Kanpur Tools Pvt Ltd ke FY ending 31 March ke financial statements ka audit, Companies Act ke reporting requirements ke saath.

2. Timing: Planning Nov-Dec; interim testing Jan; year-end inventory count 31 March ko dono godowns; final fieldwork April; report May.

3. Direction (risk ke hisaab se focus): Revenue cut-off, receivables valuation, inventory NRV (analytical review se flagged, section 10.6); related party advances; going concern indicators monitor karna.

4. Materiality: Overall 20 lakh (revenue benchmark, wajah likhi gayi); performance 15 lakh; clearly trivial 1 lakh. (Kalpanik firm policy.)

5. Team: Senior (5 saal exp), 2 assistants, tax specialist (excise), IT support ERP walkthrough ke liye.

6. Coordination: Component locations — dono godowns same day count; lawyers se direct confirmations; bank confirmations December mein hi bhejna.

Prabhat

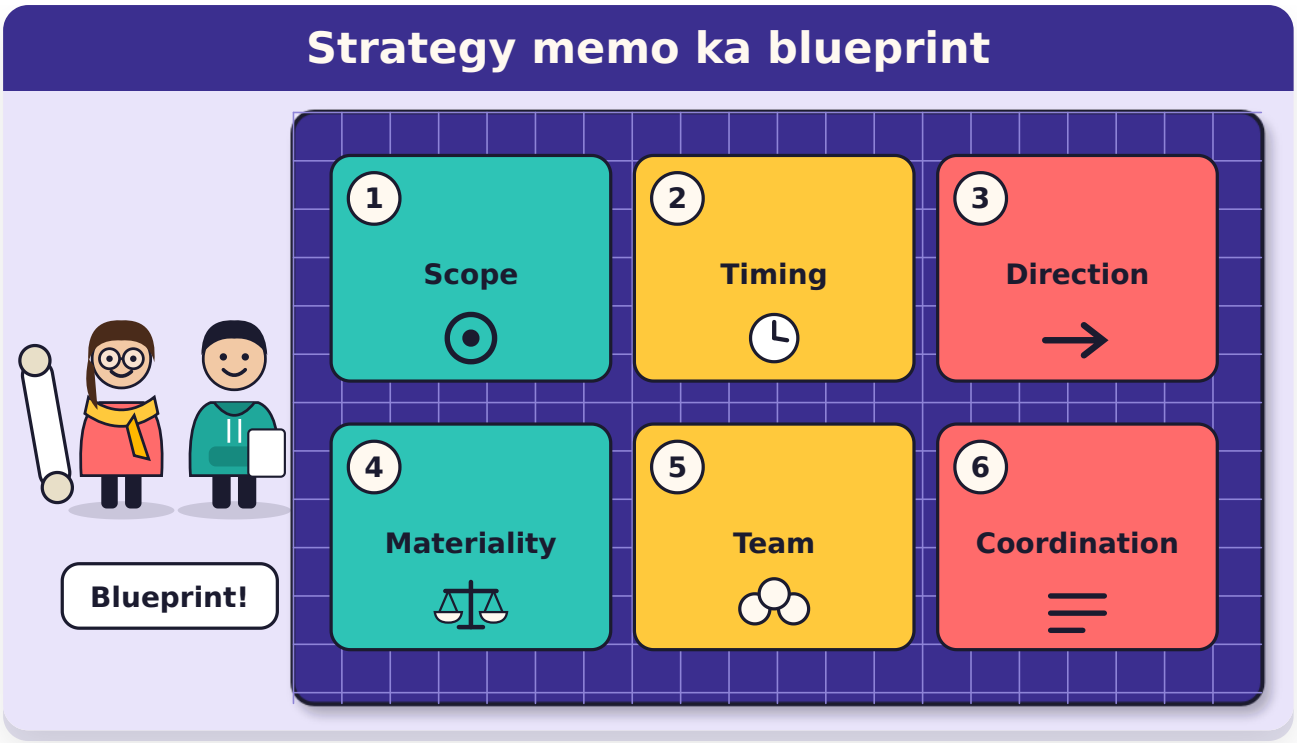
Ye memo aur audit plan mein fark kya hai?

Iksha

Strategy **direction** deti hai: kahan, kab, kaun, kitna focus. Audit plan **detail** deta hai: kaunse procedures, kitne samples, kaunse accounts. Strategy pehle, plan uske neeche. Aur dono badal sakte hain jaisa audit aage badhe.

Exam trap

"Overall audit strategy mein detailed procedures likhe jaate hain." GALAT. Detailed nature, timing aur extent of procedures **audit plan** mein aate hain; strategy scope, timing aur direction set karti hai.



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17. Assertions ka poora workshop

17.1 Chat: assertion kya cheez hai?

Prabhat
Ye word baar baar aata hai: assertion. Seedha matlab bata.

Iksha
Management jab balance sheet mein likhti hai "inventory 6 crore", to wo chupke se kai daave kar rahi hai: ki inventory **hai** (existence), ki **sari** likhi gayi (completeness), ki company ki **apni** hai (rights), ki sahi **value** par hai (valuation), sahi **period** mein kaati gayi (cut-off), sahi **jama** aur classification hai (accuracy, classification), aur sahi tarah **dikhayi** gayi (presentation). Har daava ek assertion hai. Auditor ka kaam: har assertion ka evidence.

Prabhat
To risk assessment bhi assertion level par hoti hai?

Iksha
Haan. "Revenue high risk hai" adhoori baat hai. Poori baat: "revenue ki **occurrence** aur **cut-off** high risk hain, completeness nahi." Isse audit procedure exact hota hai: occurrence ke liye sales ki existence test karo (order se invoice tak), cut-off ke liye period-end ke dono taraf ke dispatches dekho.

17.2 Table: account, assertion, test

Account	Risky assertion	Procedure
Revenue	Occurrence, cut-off	Order-to-invoice vouching; year-end dispatch vs invoice dates
Expenses	Completeness	Invoice-to-books tracing; unrecorded liabilities search
Inventory	Existence, valuation	Physical count; NRV recompute
Receivables	Existence, valuation	Confirmations; subsequent receipts; ageing
Payables	Completeness	Supplier statements se milaan; after-date payments scan
Fixed assets	Existence, rights	Physical verification; title documents
Provisions	Completeness, accuracy	Assumption review; subsequent outcome se compare

17.3 Ek kaam ki baat: direction of testing

Iksha

Ek trick. **Occurrence/existence** test karne ka direction: books se source ki taraf (vouching). **Completeness** ka direction: source se books ki taraf (tracing). Direction ulti kar di to test bekaar.

Prabhat

Books se source — overstatement pakadta hai. Source se books — understatement.

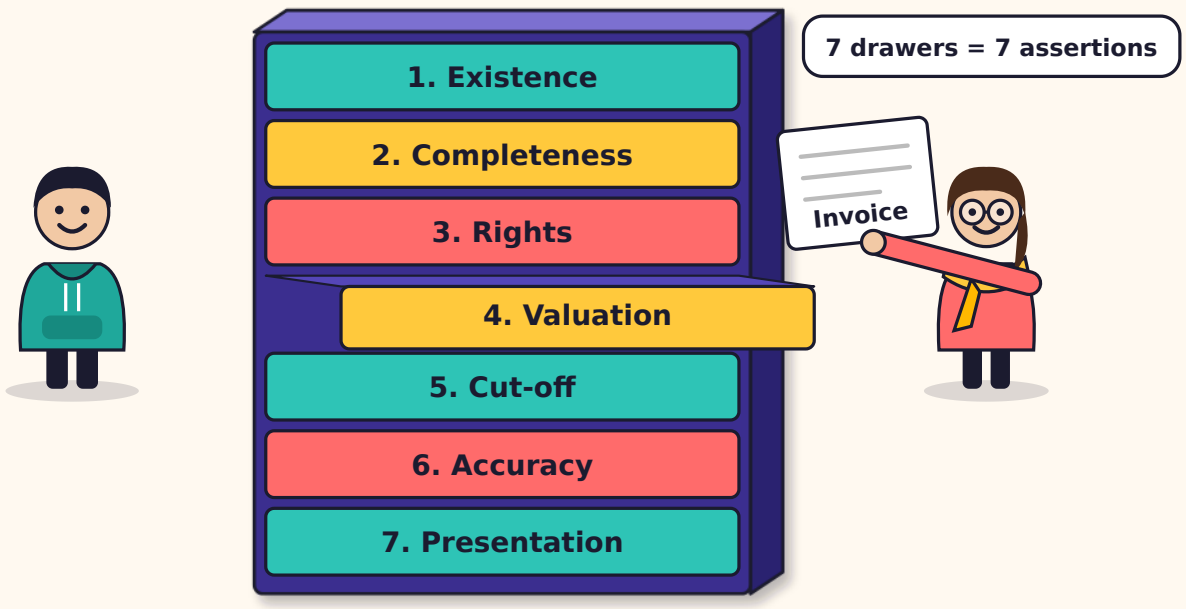
Iksha

Perfect. Aur yehi wajah hai ki revenue ke liye vouching aur expenses/payables ke liye tracing natural fit hai. Fraud zyada tar income badhata hai, expense chhupata hai.

Exam trap

"Completeness test karne ke liye books se entries utha kar invoices se milao." GALAT. Wo vouching hai — existence/occurrence ka test. Completeness ke liye source population (invoices, dispatch records) se books ki taraf trace karo.

Assertions ke 7 drawers



18. Practice MCQs (30) — Part B

Q1. Materiality set karte waqt auditor sabse pehle kya sochega? (a) Audit fee kitni hai (b) Financial statements ke users kaun hain aur unke faisle kya hain (c) Client ka office kitna door hai (d) Pichle saal ka audit kitne din chala **Ans: (b).** SA 320 ka approach user-centric hai: materiality wo misstatement hai jo users ke economic decisions ko influence kar sake. Fee aur logistics isse baad ki cheezein hain.

Q2. SA 320 mein fixed percentage (jaise PBT ka 5%) diya gaya hai? (a) Haan, 5% (b) Haan, 1% (c) Nahi, percentage prescribe nahi hai (d) Sirf listed companies ke liye 5% **Ans: (c).** Standard jaanboojh kar judgment-based hai. Percentage firm policy aur professional judgment se aata hai.

Q3. Performance materiality ka maqsad? (a) Audit fee badhana (b) Undetected + uncorrected misstatements ka jama overall materiality se neeche rakhna (c) Client ko pressurize karna (d) Sample size ghatak penalty lagni hai **Ans: (b).** Ye cushion hai. Chhoti chhoti galtiyan alag alag areas mein milke overall materiality paar na kar jaayein, isliye area-level par kaam chhoti line se hota hai.

Q4. Audit ke beech mein nayi information se revenue aadha ho gaya. Materiality par kya asar? (a) Koi asar nahi, ek baar set ho gayi (b) Materiality revise karni chahiye aur ab tak ka kaam dobara evaluate karna chahiye (c) Audit band kar deni chahiye (d) Sirf fee badha do **Ans: (b).** SA 320 revision ki baat karta hai. Revised level ke against pichle kaam ki paryapta dobara dekhi jaati hai.

Q5. "Clearly trivial" threshold ka matlab? (a) Iske neeche ki misstatements ko auditor jama nahi karta (b) Iske neeche audit nahi hota (c) Iske upar fraud hai (d) Ye overall materiality se bada hota hai **Ans: (a).** Ye ek chhota filter hai taaki na-ke-barabar galtiyon ka jama na kiya jaye. Ye overall materiality se kaafi neeche set hota hai.

Q6. Inherent risk sabse zyada kis area mein hoga? (a) Bank balance ki confirmation (b) Complex accounting estimates aur valuations (c) Salary register jo automated ho (d) Rent agreement **Ans: (b).** Jahan judgment aur estimation uncertainty zyada, wahan galti hone ki natural gunjaish zyada — chahe controls kitne bhi achhe hon.

Q7. Control risk kya hai? (a) Auditor ke test fail hone ka risk (b) Client ke controls misstatement ko rok/pakad nahi payenge, uska risk (c) Business doobne ka risk (d) Market girne ka risk **Ans: (b).** Control risk client ke system ka attribute hai. Auditor ka apna risk detection risk hai.

Q8. AR = IR x CR x DR mein auditor directly kya control karta hai? (a) IR (b) CR (c) DR (d) Teeno **Ans: (c).** Inherent aur control risk client ke hain; auditor unhe assess karta hai. Apni testing ke zariye wo detection risk kam ya zyada karta hai.

Q9. RoMM zyada assess hui to auditor kya karega? (a) Detection risk zyada rakhega (b) Detection risk kam rakhega, zyada evidence lega (c) Fee kam karega (d) Report mein likh dega bas **Ans: (b).** Audit risk ko acceptable low level par rakhne ke liye RoMM ke badhne par DR ghatana padta hai — matlab zyada ya behtar procedures.

Q10. Significant risks ke liye kaunsa sahi? (a) Sirf analytical procedures paryapt (b) Substantive procedures zaruri (c) Sirf management ki letter le lo (d) Koi testing zaruri nahi **Ans: (b).** Significant risks ke liye substantive procedures avashyak hain; sirf controls testing ya analytics se kaam nahi chalta.

Q11. SA 315 ke risk assessment procedures mein kaunsa shamil hai? (a) Inquiry (b) Analytical procedures (c) Observation and inspection (d) Teeno **Ans: (d).** Teeno milkar entity aur environment ki understanding banate hain. Akele inquiry kaafi nahi.

Q12. Risk assessment procedures akele opinion ke liye paryapt evidence dete hain? (a) Haan (b) Nahi (c) Sirf chhoti companies mein (d) Sirf government audit mein **Ans: (b).** Ye sirf risk pehchanne ke liye hain. Opinion ke liye SA 330 ke further procedures (tests of controls / substantive) chahiye.

Q13. Revenue recognition mein fraud risk ke baare mein SA 240? (a) Koi presumption nahi (b) Fraud risk presumed hai, rebuttable, rebuttal document karna hoga (c) Sirf banks mein presumed (d) Sirf fraud mile tab **Ans: (b).** Ye classic PYQ point hai: presume karo, aur agar is engagement mein apply nahi karta to wajah likho.

Q14. Management override of controls ko auditor kaise treat karta hai? (a) Ignore, kyunki management imandar dikhti hai (b) Hamesha significant risk ke roop mein (c) Sirf fraud mile to (d) Sirf listed companies mein **Ans: (b).** Override ka risk har audit mein significant risk maana jaata hai; isliye journal entries ka testing hota hai.

Q15. Planning stage analytical procedures ka maqsad? (a) Galtiyan pakadna (b) Unusual fluctuations dekh ke risk areas flag karna (c) Opinion dena (d) Client ko impress karna **Ans: (b).** Is stage par hum areas pehchante hain, conclusion nahi nikaalte. Unusual change = risk flag.

Q16. Receivables 56% badhe jab revenue sirf 5% badha. Sabse pehla audit concern? (a) Salary expense (b) Revenue cut-off ya receivables ki collectability (c) Rent (d) Fixed assets **Ans: (b).** Aisi mismatch ya to year-end sales push (channel stuffing) dikhati hai ya collection problem. Dono high risk areas hain.

Q17. Qualitative materiality ka example? (a) 50 rupaye ki rounding (b) Related party ko bina terms ka advance, chahe amount chhota ho (c) Pencil ka kharcha (d) Tea expense **Ans: (b).** Nature se material: related party, law violation, covenant breach — amount chhota hoke bhi users ke faisle badal sakta hai.

Q18. Tests of controls kab zaruri hote hain? (a) Har audit mein har area mein (b) Jab auditor controls par rely kare, ya jab substantive akele paryapt evidence na de (c) Kabhi nahi (d) Sirf banks mein **Ans: (b).** Do hi halatein: reliance strategy ya jab substantive-only se kaam na bane (jaise highly automated systems).

Q19. Overall responses (SA 330) mein kaunsa aata hai? (a) Zyada experienced staff aur supervision (b) Professional skepticism badhana (c) Procedures mein unpredictability (d) Teeno **Ans: (d).** Ye poore audit ke level ke responses hain, specific procedures ke alawa.

Q20. Risk matrix mein "high probability + high impact" wali risk par response? (a) Ignore (b) Sirf inquiry (c) Sabse gehra audit response: senior team, bade samples, substantive detail (d) Fee badhao **Ans: (c).** Matrix ka matlab hi resource allocation hai: extreme box ko sabse zyada dhyaan.

Q21. Benchmark chunte waqt loss-making nayi company ke liye sabse sensible benchmark? (a) Profit before tax (b) Revenue ya total assets (c) Director ki salary (d) Audit fee **Ans: (b).** Jab profit negative ya negligible ho, PBT meaningless benchmark hai. Users aisi company mein growth (revenue) ya asset base dekhte hain.

Q22. Infosys-scale company mein 100 crore ki chhoti error material hogi? (hypothetical policy percentages par) (a) Zaruri nahi, benchmarks ke against chhoti pad sakti hai, par nature check karna hoga (b) Hamesha material (c) Kabhi material nahi (d) Sirf agar fraud ho to **Ans: (a).** Scale bada to quantitative threshold bada. Lekin agar wo 100 crore related party ko gaye ya law tod ke aaye, qualitative materiality lagti hai.

Q23. Luckin Coffee case mein sabse pehla public signal kya tha? (a) SEC ka fine (b) Muddy Waters ki anonymous report jo falsification ka daava karti thi (c) Delisting (d) Bankruptcy **Ans: (b).** January 2020 mein report aayi, company ne deny kiya,

April 2020 mein khud fabrication accept hua. External signals ko planning mein ignore karna risk hai.

Q24. Patisserie Valerie case mein auditor par fine kisliye laga? (a) Late filing (b) Red flags miss karna aur management ki information par sawaal na karna (c) Zyada fees (d) Client se ladai **Ans: (b).** Grant Thornton par £2.3m fine — FRC ka clear message: professional skepticism procedure mein dikhna chahiye.

Q25. IL&FS case planning mein kya sikhata hai? (a) Chhote SPVs ignore kar do (b) Complex group structures aur inter-corporate deposits mein contagion risk ko assess karo (c) Sirf holding company dekho (d) Infrastructure companies audit mat karo **Ans: (b).** Defaults chhote subsidiaries se shuru hokar group ko duba gaye. Component significance aur liquidity dono planning ke items hain.

Q26. Engagement letter kis SA ka vishay hai? (a) SA 210 (b) SA 320 (c) SA 500 (d) SA 700 **Ans: (a).** SA 210 "Agreeing the Terms of Audit Engagements". Terms likhit mein hone chahiye taaki scope par baad mein bahas na ho.

Q27. Acceptance/continuance decisions aur engagement quality kis SA se jude? (a) SA 220 (b) SA 230 (c) SA 530 (d) SA 580 **Ans: (a).** SA 220 quality control for an audit of financial statements par hai; client acceptance aur continuance usi quality framework ka hissa hai.

Q28. Auditor ko pichle saal ke procedures is saal waise hi repeat karne chahiye? (a) Haan, efficiency ke liye (b) Nahi, har saal fresh risk assessment hoti hai aur unpredictability rakhni chahiye (c) Haan, agar client bole (d) Sirf agar staff same ho **Ans: (b).** Predictable audit ko game kiya ja sakta hai. SA 330 unpredictability ko overall response ke roop mein rakhta hai.

Q29. Going concern ke doubt planning mein kahan fit hota hai? (a) Kahin nahi, wo sirf report stage ka hai (b) Risk assessment ko badalta hai, SA 570 planning se hi relevant hai (c) Sirf fee par asar (d) Sirf listed companies mein **Ans: (b).** Carillion yaad rakho: liquidity sukh rahi thi par accounts mein nahi dikhi. Going concern doubt poori audit approach ko badal deta hai.

Q30. "Auditor ne kuch nahi pakda to audit fail." Iska sahi jawab? (a) Haan hamesha (b) Nahi, auditor reasonable assurance deta hai, absolute nahi; par planned procedures sahi level ke hone chahiye (c) Haan agar fraud ho (d) Kabhi bhi nahi **Ans: (b).** Audit guarantee nahi hai. Par reasonable assurance ka matlab hai: risk ke mutabik kaafi kaam. Red flags miss karna (Patisserie Valerie) reasonable assurance ka violation hai.

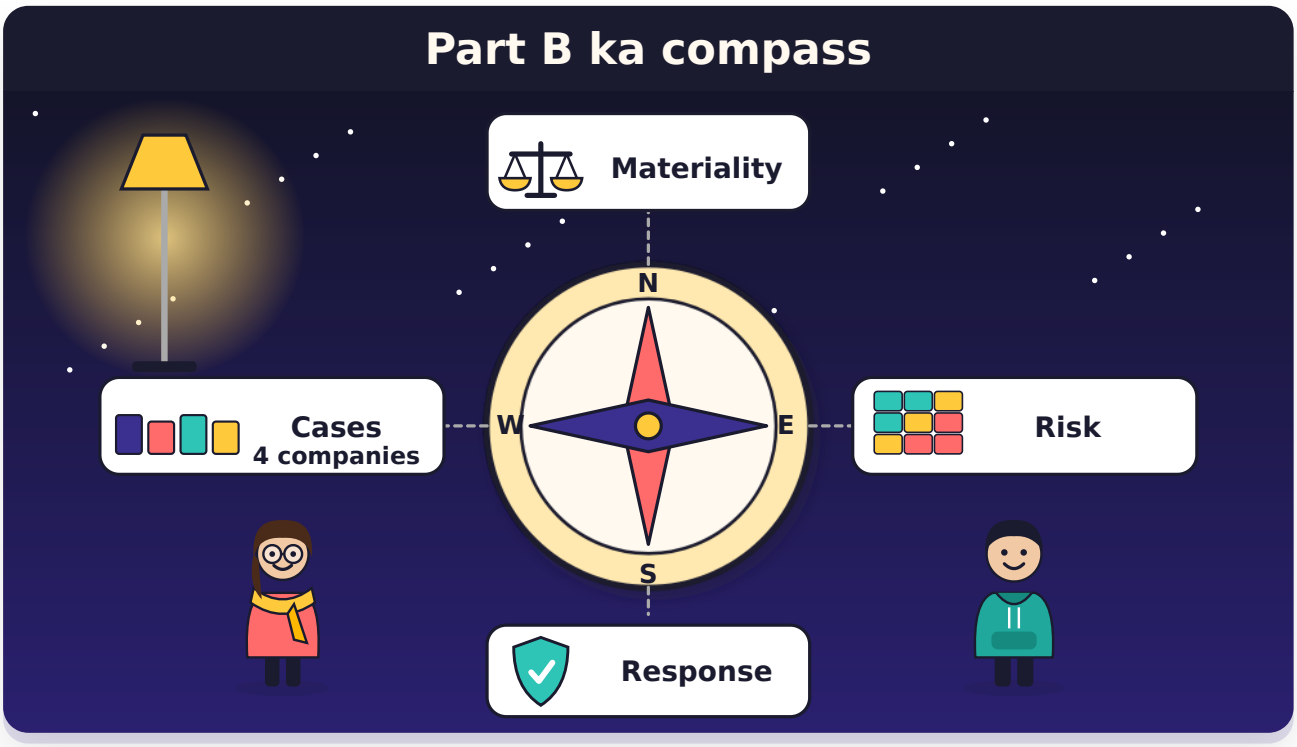
19. Part B recap

12 bullet points

1. Materiality ka pehla sawaal: users kaun hain aur wo kya dekhte hain. Benchmark wahi se nikalta hai.
2. SA 320 koi percentage prescribe nahi karta — ye sabse common trap hai.
3. Performance materiality < overall materiality, hamesha. Clearly trivial usse bhi neeche.
4. Nayi information par materiality revise karo, aur pichle kaam ko revised level par dobara aanko.
5. Nature wali materiality size ko harati hai: related party, law violation, covenant breach.
6. Risk matrix = probability x impact; extreme box ko senior team aur substantive depth.
7. RoMM client ka hai, DR auditor ka. RoMM upar to DR neeche.
8. Significant risks par substantive procedures lazmi; sirf controls test kaafi nahi.
9. Analytical procedures planning mein areas flag karte hain, galtiyan nahi pakadte.
10. Luckin = revenue fraud presumption; Patisserie Valerie = management ki baat mat maano, verify karo; IL&FS = complex structure ka contagion; Carillion = estimates + going concern.
11. SA 315 sirf controls nahi, poora entity + environment.
12. Inquiry sabse kamzor evidence; independent external confirmation sabse bharosemand.

Part B cheat-sheet table

Concept	Ek line	Trap alert
Benchmark	Users jo dekhte hain	Fixed % nahi hai
Overall materiality	FS-level ki line	Planning + performing dono
Performance materiality	Area-level cushion	Hamesha overall se kam
Clearly trivial	Jama karne ka filter	"Ignore" nahi, "jama nahi"
Risk matrix	Probability x impact	Resources wahin jahan extreme
Analytical procedures	Fluctuation flag	Planning mein pakadna nahi
Overall responses	Team, skepticism, surprise	Further procedures se alag
Revision of materiality	Beech mein badal sakti hai	Kaam dobara evaluate karo



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20. Numerical drill set (solutions ke saath)

Chalo hath gande karo. Pehle khud solve karo, phir solution dekho. Saare figures kalpanik hain.

Drill 1: Materiality ka poora set. Company A: revenue 8 crore, PBT 1.2 crore, total assets 6 crore. Firm policy (kalpanik): PBT ka 5%, performance materiality overall ka 70%, clearly trivial overall ka 4%.

Solution:

- Overall = 5% x 1.2 crore = **6 lakh**
- Performance = 70% x 6 lakh = **4.2 lakh**

- Clearly trivial = 4% x 6 lakh = **24,000**
- Check: agar PBT average (is saal 1.2, pichle 2 saal 1.0 aur 0.8) lena ho to average 1.0 crore, overall = 5 lakh. Dono mein se koi bhi chuno, wajah likho.

Drill 2: Detection risk ka direction. Do clients: X mein RoMM high (estimates-heavy, weak controls), Y mein RoMM low (routine, strong controls). Dono ke liye acceptable audit risk same low level rakhna hai. Kiske liye detection risk kam?

Solution: X ke liye. AR = RoMM x DR. RoMM high hai to DR ko utna hi low karna padega taaki AR same rahe. Matlab X par: zyada substantive, bade samples, senior staff, year-end ke kareeb testing.

Drill 3: Analytical review flag. Company B: revenue 50 crore (+8%), salary 6 crore (+60%), headcount same. Kya flag?

Solution: Salary mein 60% jump bina headcount badhe: ghost employees, ya ek bada one-time payout (retention bonus?), ya capitalization error. Pehle payroll register dekho, naye "employees" ki existence verify karo, board minutes mein bonus approval dekho. Ek unusual fluctuation teen alag audit areas kholti hai.

Drill 4: Uncorrected misstatements ka jama. Company C: overall materiality 10 lakh. Audit mein mili uncorrected misstatements: inventory overstatement 3.5 lakh, revenue cut-off error 4 lakh, expenses understatement 3 lakh. Management theek karne se mana. Kya opinion?

Solution: Jama = 10.5 lakh > 10 lakh materiality. Quantitatively material. Management se phir request karo; mana karein to opinion modification consider karo (qualified ya adverse, pervasiveness par). Nature bhi dekho: revenue cut-off error agar intentional lagi to fraud assessment alag track par chalega.

Drill 5: Benchmark switch. Company D pichle 3 saal se loss mein (har saal -2 crore), revenue stable 30 crore, assets 25 crore. PBT benchmark kyun galat hai?

Solution: Negative PBT par percentage lagane ka matlab nahi. Users is company ko survival aur growth ke nazariye se dekhte hain — revenue ya assets behtar benchmark. Kalpanik policy 0.5% revenue par: 15 lakh overall materiality. Wajah likho: "PBT negative hone se benchmark unrepresentative; revenue chuna kyunki users growth track karte hain."

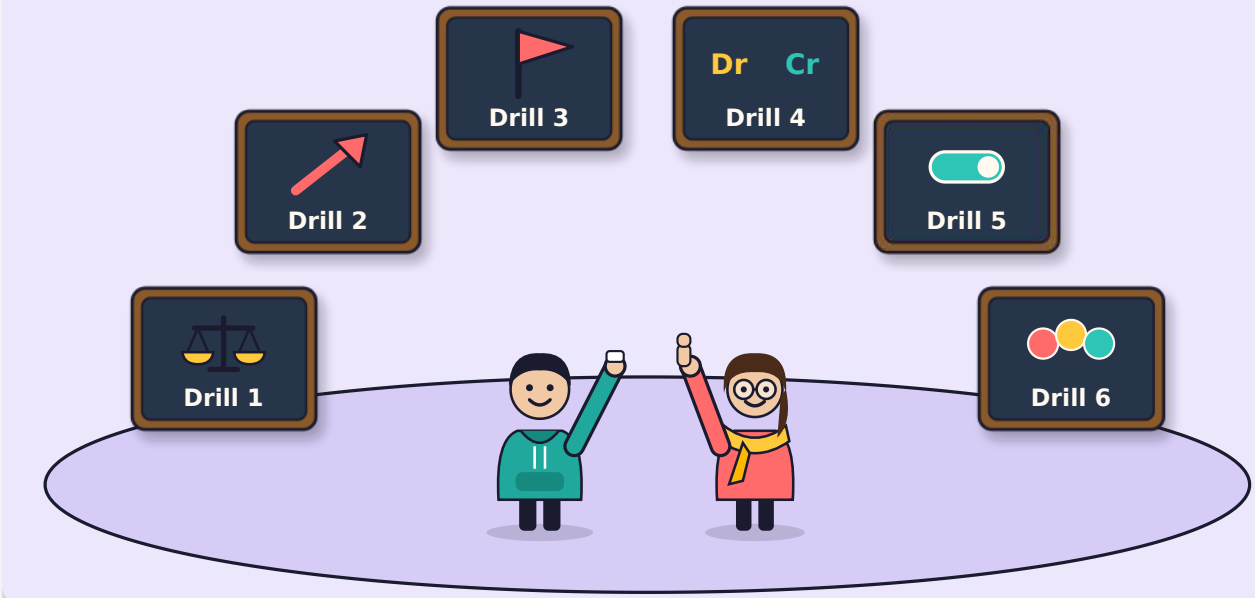
Drill 6: Risk response ka mix. Company E mein payroll process fully automated, controls strong aur tested effective; receivables mein controls weak. Har area ke liye approach batao.

Solution: Payroll: controls reliance approach — tests of controls ke baad limited substantive (kyunki automated hai, controls test to waise bhi zaruri). Receivables: substantive approach — confirmations, subsequent receipts, ageing; controls par bharosa nahi. Yehi SA 330 ka "mix" hai: har area ka apna response, assessed risk ke hisaab se.

Iksha ka aakhri note

Numerical drills mein bhi har jawab ki ek line "wajah" hai. Audit mein number se zyada uski wajah matter karti hai — working papers mein wajah nahi, to kaam nahi.

Drill set: practice arena



Part B samapt. Agla chapter: internal control — jahan hum dekhenge ki company khud ko kaise bachati hai, aur 8 girte huye ghar jo na bacha saki.

Episode 6: Internal Control

"Taala, chaabi aur chowkidaar" (Company ki suraksha ka system)

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1. Kahani hook: Ramesh Kaka ka gallaa

Ramesh Kaka ki tapri ab badi ho gayi. Teen kaam karne wale: Golu, Pintu aur Sonu. Pehle Kaka khud paise lete the. Ab Golu paise leta hai, wahi hisaab likhta hai, wahi shaam ko gallaa gin ke bank bhi jaata hai.

Ek hafte baad Prabhat ne dekha ki gallaa 800 rupaye kam. Golu bola, "Kaka, chhutte ka hisaab chook gaya hoga."

Iksha ne kaha, "Prabhat, Golu chor ho ye zaruri nahi. Par jab ek hi aadmi paisa le, likhe, aur gine, to **chori ka darwaza khula** hai. Isko theek karne ka naam hai **internal control**."

Kaka ne naya niyam banaya: Golu paise leta hai, Pintu likhta hai, Sonu shaam ko gallaa gin ke Kaka ko batata hai, aur Kaka bank jaate hain. Ab agar koi chori karna chahe to use do-teen logon se mil ke karna padega.

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2. Chat dialogue

Topic A: Internal control kya hai?

Prabhat
Sir, internal control matlab company ke andar ki police?

Iksha
Police nahi, system. Ye wo niyam, process aur chaalein hain jo company apne aap ko galti aur dhoke se bachane ke liye banati hai.

Prabhat
Kaun banata hai?

Iksha
Management aur board. Auditor nahi. Auditor sirf dekhta hai ki wo kaam karte hain ya nahi.

Prabhat
Matlab auditor ka kaam control banana nahi, test karna hai?

Iksha
Bilkul. Auditor control banayega to khud apni hi cheez ko audit karega. Independence khatam.

Prabhat
Kaam kya hai iska?

Iksha
Teen: kaam theek chale, reporting sahi ho, aur law ka paalan ho. Aur asset surakshit rahein.

Topic B: COSO ke 5 hisse

Prabhat
Sir, ek achha control system ka khaka kaisa dikhta hai?

Iksha
Duniya mein sabse zyada use hone wala khaka **COSO** ka hai. Isme 5 hisse hain. Ek ghar ki tarah socho.

Prabhat
Nahi sir, mujhe pehle neev batao.

Iksha
Neev hai **Control Environment**: company ka mahaul. Management imaandari ko kitna maanta hai, ethics, board, zimmedariyan.

Prabhat
Phir deewar?

Iksha
Risk Assessment: company khud socti hai ki kahan galti ho sakti hai.

Prabhat
Phir?

Iksha
Control Activities: asli taale-chaabi. Approval, reconciliation, alag alag kaam.

Prabhat
Chhat?

Iksha
Information and Communication: sahi suchna sahi log tak pahunche.

Prabhat
Aur chowkidaar?

Iksha
Monitoring: kya controls ab bhi kaam kar rahe hain, ye dekhte rehna. Internal audit isi mein aata hai.

Topic C: Control activities ke prakaar

Prabhat
Control activities mein kya kya hota hai?

Iksha
Yaad rakho: **"SARP-VA"**. Segregation of duties, Authorization, Reconciliation, Physical controls, Verification, Access controls.

Prabhat
Segregation of duties wahi jo Kaka ne kiya?

Iksha
Haan. Paisa lena, likhna, rakhna aur check karna, ye kaam alag alag logon ko do.

Prabhat
Authorization?

Iksha
Bade kharch par upar wale ki likhit manzoori. Ek lakh se upar ka kharch to seedhe director ke sign se.

Prabhat
Reconciliation?

Iksha
Do record milao. Jaise company ki cash book aur bank statement. Fark mile to wajah dhoondho.

Prabhat
Aur preventive aur detective ka kya chakkar?

Iksha
Preventive control galti hone se pehle rokta hai, jaise taala. **Detective** hone ke baad pakadta hai, jaise reconciliation. **Corrective** galti theek karta hai.

Topic D: Limitations (koi control perfect nahi)

Prabhat
Itne control hain to galti ho hi nahi sakti na?

Iksha
Nahi. Koi bhi control system poori suraksha nahi deta. Wo sirf "reasonable assurance" deta hai.

Prabhat
Kyun?

Iksha
Kai wajah. Insaan se galti hoti hai. Do-teen log milke saaz kar sakte hain, isko **collusion** kehte hain. Management upar se control tod sakta hai, ye **management override**. Aur har control ka kharcha bhi hota hai, itna nahi kharch kar sakte ki fayda se zyada ho jaye.

Prabhat
Matlab sabse bada khatra management khud?

Iksha
Bahut baar haan. Isliye auditor ke liye "tone at the top" ki jaanch zaruri hai.

Topic E: Auditor control ko kaise dekhta hai

Prabhat
Auditor control ke saath kya karta hai?

Iksha
Pehle **samajhta** hai, phir **test** karta hai agar bharosa karna chahta hai.

Prabhat
Test kaise?

Iksha
Walkthrough: ek transaction ko shuru se ant tak follow karo. Inquiry, observation, inspection, re-performance.

Prabhat
Control kamzor mila to?

Iksha
To control par bharosa nahi. Substantive tests badhao: bade sample, zyada direct checking. Aur kamzori ki jaankari management aur governance walon ko do. Ye **SA 265** ka kaam hai.

Prabhat
Companies Act mein bhi kuch hai?

Iksha
Ha. Companies ke auditor ko report mein batana hota hai (MCA ki 2017 notification se kuch chhoti private companies ko chhoot hai) ki company ke **internal financial controls** theek hain ya nahi aur wo kaam kar rahe hain ya nahi. Ye section 143(3)(i) mein aata hai. Directors ki apni zimmedari section 134(5)(e) mein.

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3. Core idea in 3 levels

Level 1: 6 saal ka bachha box

> **Khilone ki dukaan.** Ek hi uncle paise lete, likhte aur gallaa sambhalte to? Koi bhi khilona chura sakta hai. Isliye kaam baant do: ek paise le, doosra likhe, teesra gine. Aur tala lagao. **Internal control** yahi taale aur baantne ka system hai.

Level 2: Normal explanation

Internal control ka matlab: management ka banaya hua system jo (1) sampatti surakshit rakhe, (2) records sahi rakhe, (3) kaam kushalta se ho, (4) law aur policies ka paalan ho.

COSO ke 5 components

#	Component	Ek line	Example
1	Control Environment	Company ka mahaul aur imaandari	Code of conduct, board ki nigrani
2	Risk Assessment	Khud ke khatre pehchano	Naye product ka risk
3	Control Activities	Asli niyam aur check	Approval, reconciliation
4	Information & Communication	Sahi data sahi samay	Reports, whistleblower line
5	Monitoring	Controls chal rahe hain?	Internal audit

Control ke kaam ke hisaab se prakaar

- **Preventive**: pehle rokta hai (password, taala).
- **Detective**: baad mein pakadta hai (reconciliation).
- **Corrective**: sudhaar karta hai (galti ka correction entry).

Segregation of duties (SoD) ka 4 kaam

1. Authorization (manzoori)
2. Recording (likhna)
3. Custody (saamaan sambhalna)
4. Reconciliation / check

Ye chaaron ek hi vyakti ke paas nahi hone chahiye.

Internal check, internal control, internal audit: teeno alag

	Internal Check	Internal Control	Internal Audit
Matlab	Kaam ka aise baantna ki ek ka kaam doosre ko check kare	Poora system	Alag vibhag jo controls ko dekhta hai
Kaun	Staff apne aap	Management	Internal auditor
Kab	Roz kaam mein	Hamesha	Periodic

Internal audit aur statutory auditor: statutory auditor internal auditor ke kaam par bharosa kar sakta hai, par poori zimmedari uski hi rehti hai (SA 610 ka vishay).

Level 3: PhD box

> **Theory aur standards** - **SA 315** auditor se control environment aur anya components ko samajhne ko kehta hai, aur ye bhi ki kaun se controls risk ke liye relevant hain. - **SA 330** kehta hai: agar auditor controls par bharosa karna chahta hai to **tests of controls** karne honge. Agar substantive procedures akele paryapt saboot nahi de sakte, to bhi controls test karne padte hain. - **SA 265**: significant deficiency governance walon (TCWG) ko likhit roop mein batani hoti hai. Baaki deficiencies management ko batayi jaati hain (jo pehle se na bataayi gayi ho). - **Companies Act, 2013, s.143(3)(i)**: auditor ki report mein internal financial controls ki adequacy aur operating effectiveness par raay. **s.134(5)(e)**: listed companies ke directors ko batana hota hai ki internal financial controls follow ho rahe hain aur effective hain. (s.134(5)(e) sirf listed companies ke directors par lagta hai.) - **ICAI Guidance Note on Audit of Internal Financial Controls over Financial Reporting**: ICFR ke audit ka marg-darshan.
>
> **Edge cases** 1. **Control deficiency vs significant deficiency vs material weakness**: terminology alag alag regimes mein alag hai. Yaad rakho ki bharat mein SA 265 "significant deficiency" shabd use karta hai, jabki US mein "material weakness" prachalit hai. 2. **Entity-level controls** (tone at the top) kabhi kabhi transaction-level controls ke dosh ko dhak nahi paate, aur ulta bhi. 3. **IT general controls** kamzor hon to automated controls par bharosa nahi kar sakte. 4. **Small entities**: SoD mushkil. Owner ki nigrani compensating control ban jaati hai. 5. **Incentive design** khud ek control environment ka hissa hai: kharab incentive achhe controls ko bypass karwa deta hai. Neeche Wells Fargo ka case yehi dikhata hai.

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4. Real example: Wells Fargo (control environment aur incentive ka fail hona)

Kahani. Wells Fargo America ka bada bank hai. Is cross-selling scandal mein bank ke karmchariyon ne customers ki bina ijazat ke lakhon account kholey.

Sourced facts (Wikipedia, "Wells Fargo cross-selling scandal"; apne shabdon mein):

1. **Kaise hua:** bank ke ambitious sales targets ki wajah se karmchariyon ne customers ki jaankari ya ijazat ke bina savings aur checking accounts banaye. [src]
2. **Pehla bada jurmana:** September 2016 mein bank par **185 million US dollar** ka jurmana laga. Isme CFPB ko 100 million, Los Angeles City Attorney ko 50 million aur OCC ko 35 million mile. [src]
3. **Account ginti:** 2011 se 2016 ke beech **1,534,280** unauthorized deposit accounts aur **565,433** credit-card accounts. Mai 2017 ke baad ke andaze mein fraudulent accounts ki ginti lagbhag **3,500,000** tak pahunchi. [src]
4. **Control ki kamzori ka ek hissa:** karmchari customer ka PIN "0000" kar dete the taaki wo account control kar saken aur online banking jaise programs mein jod saken. [src]
5. **Karmchari:** 2011 se 2016 ke beech lagbhag **5,300** karmchari nikale gaye. [src]
6. **Leadership:** CEO John Stumpf ne 12 October 2016 ko istifa diya. Unhone 41 million dollar ke unvested stock options chhodne ki baat maani aur April 2017 mein bank ne clawback se unke **28 million dollar** wapas liye. [src]
7. **Baad ka hisaab:** February 2020 mein Department of Justice aur SEC ke saath **3 billion dollar** ka settlement hua. [src]
8. **Federal Reserve ka growth cap** bank par laga, jisse recovery mushkil hui. [src]

Internal control ka sabak (humari vyakhya):

- **Control environment**: bahut ooche, kai baar mushkil, sales targets ne ethical mahaul bigaad diya. Ye COSO ka pehla component hai.
- **Control activities**: account kholne ke liye customer ki ijazat ka asli check nahi tha, ya wo bypass ho gaya. PIN "0000" jaisi cheez ek **access control** ka failure dikhati hai.
- **Monitoring / Information**: Wikipedia ke anusaar employees ke supervisors ko shikayatein milne par bhi badlav nahi hua. Ye **information and communication** aur **monitoring** ka failure hai. [src]

- Dhyan do: ye case **audit** ka nahi, **bank ke internal control ke fail hone** ka hai. Yahan auditor ke fail hone ka koi daava source mein nahi hai, isliye hum bhi nahi kar rahe.

---

5. Infographics



Tapri: Segregation of Duties

G **Golu**
paise leta
Kaam 1

→

P **Pintu**
register mein likhta
Kaam 2

→

S **Sonu**
cash ginta
Kaam 3

→

K **Kaka**
bank jama karta
Kaam 4

Ek hi aadmi paisa le, likhe, gine aur jama kare = chori chhupana aasaan.
Chaar haath = ek doosre ka check.





3 darwaaze: Preventive, Detective, Corrective

Preventive



Pehle hi rok do
Ex: password, approval

Detective



Hone ke baad pakdo
Ex: bank reconciliation

Corrective



Galti theek karo
Ex: entry sudhaaro, patch

Ghar ki tarah socho: taala (pehle), CCTV (beech/baad), marammat (nuksaan ke baad).





Wells Fargo: control failure ka map

Source: Wikipedia, Wells Fargo cross-selling scandal

UPAR: Sales pressure

Bank ke aggressive internal sales goals

Supervisors ko unreachable goals ki shikayat gayi,
par koi badlav nahi hua (monitoring failure)

BEECH: Kamzor checks

Karmchari customer ka PIN "0000" kar dete the
("pinning") taaki account khud control karein

Customer ki ijazat ka check kahan tha?
Control Activities + Monitoring dono kamzor

2011-2016: lagbhag 5,300 karmchari nikale gaye

NEECHE: Customer

1,534,280 unauthorized deposit accounts

565,433 credit-card accounts (2011-2016)

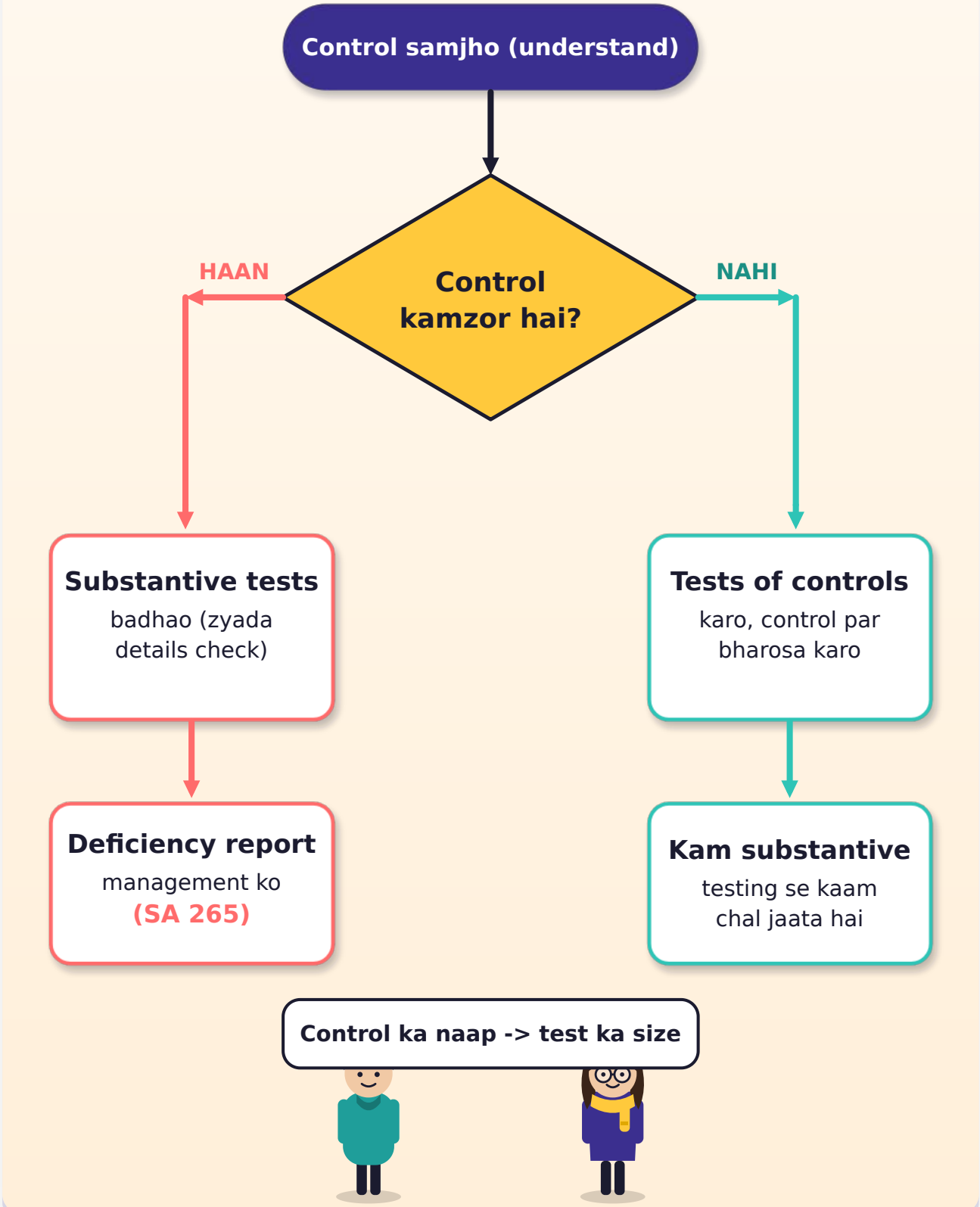
Fine Sept 2016: $185 million

Feb 2020: DOJ aur SEC ke saath $3 billion settlement





Auditor ka control flowchart



6. Exam angle

UPSSSC kaise poochta hai: internal check, internal control aur internal audit ka fark; COSO ke components; segregation of duties; kaun zimmedar (management); limitations. Niche ke sawaal "PYQ-style" hain, mere banaye hue, asli paper ke nahi.

Q1. Internal control ke liye kaun zimmedar hota hai? (a) Statutory auditor (b) Management (c) Government (d) Shareholders **Ans: (b) Management.**

Q2. Ek hi vyakti ke paas paise lena, record likhna aur gallaa gina ho to kaunsa principle toot raha hai? (a) Materiality (b) Segregation of duties (c) Going concern (d) Matching **Ans: (b) Segregation of duties.**

Q3. Bank reconciliation statement kis prakaar ka control hai? (a) Preventive (b) Detective (c) Corrective (d) Directive **Ans: (b) Detective.**

Q4. Internal control ki sabse badi seema kya hai? (a) Ye kabhi kaam nahi karta (b) Ye poori surakshit nahi, sirf reasonable assurance deta hai (c) Ye sirf bade shehron mein chalta hai (d) Ye kharcha nahi karta **Ans: (b).**

Q5. Auditor ko internal control ki kamzoriyon ki jaankari kisko deni hoti hai (SA 265 ke anusaar)? (a) Sirf police ko (b) Governance walon aur management ko (c) Sirf shareholders ko akhbar mein (d) Kisi ko nahi **Ans: (b) Governance walon aur management ko.**

---

7. Recap page

10 bullet points

1. **Internal control** management ka system hai jo sampatti, records aur law ke paalan ki raksha karta hai.
2. Auditor controls **banata nahi**, **samajhta aur test karta** hai.
3. **COSO ke 5**: Control Environment, Risk Assessment, Control Activities, Information and Communication, Monitoring.
4. **Segregation of duties**: authorization, recording, custody, reconciliation alag logon ke paas.
5. **Preventive** rokta hai, **Detective** pakadta hai, **Corrective** sudharta hai.

6. Internal check, internal control aur internal audit alag cheezein hain.
7. Control **reasonable assurance** dete hain, poori guarantee nahi (collusion, override, cost).
8. Kamzor control: substantive tests badhao aur deficiency report karo (**SA 265**).
9. Companies Act ki **s.143(3)(i)** ke tahat auditor ki report mein internal financial controls par raay hoti hai (kuch chhoti private companies exempt).
10. Wells Fargo ne dikhaya ki kharab incentive aur kamzor controls milke bade nuksaan karte hain.

Cheat-sheet table

Term	Ek line	Trick
COSO	5 component ka khaaka	"Ghar: neev, deewar, khambe, chhat, chowkidaar"
SoD	Kaam baanto	"Ek haath mein sab nahi"
Preventive	Pehle roke	Taala
Detective	Baad mein pakde	CCTV / reconciliation
Corrective	Theek kare	Marammat
SA 265	Kamzori ki report	"265: shikayat"
SA 330	Risk ke hisaab response, controls ka test	"330: jawab"
Collusion	Milke saaz	Do-teen ka gathjod
Management override	Upar se control todna	Boss ki chaal
s.143(3)(i)	Auditor ki IFC par raay	Companies Act

(SA numbers, s.143(3)(i), s.134(5)(e) verify ho chuke hain.)

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8. Part B: Aath girte huye ghar — controls jab tootte hain

Sham dhal rahi thi. Iksha apni purani diary padh rahi thi, Prabhat uske bagal mein baitha tha. Diary mein ikattha kiye case notes the — har page par ek company jo control ki wajah se giri.

Prabhat
Ye diary kitni purani hai?

Iksha
PhD ke time se. Har control failure ko maine apne haath se likha hai. Chahti thi ki kabhi bhoolu nahi.

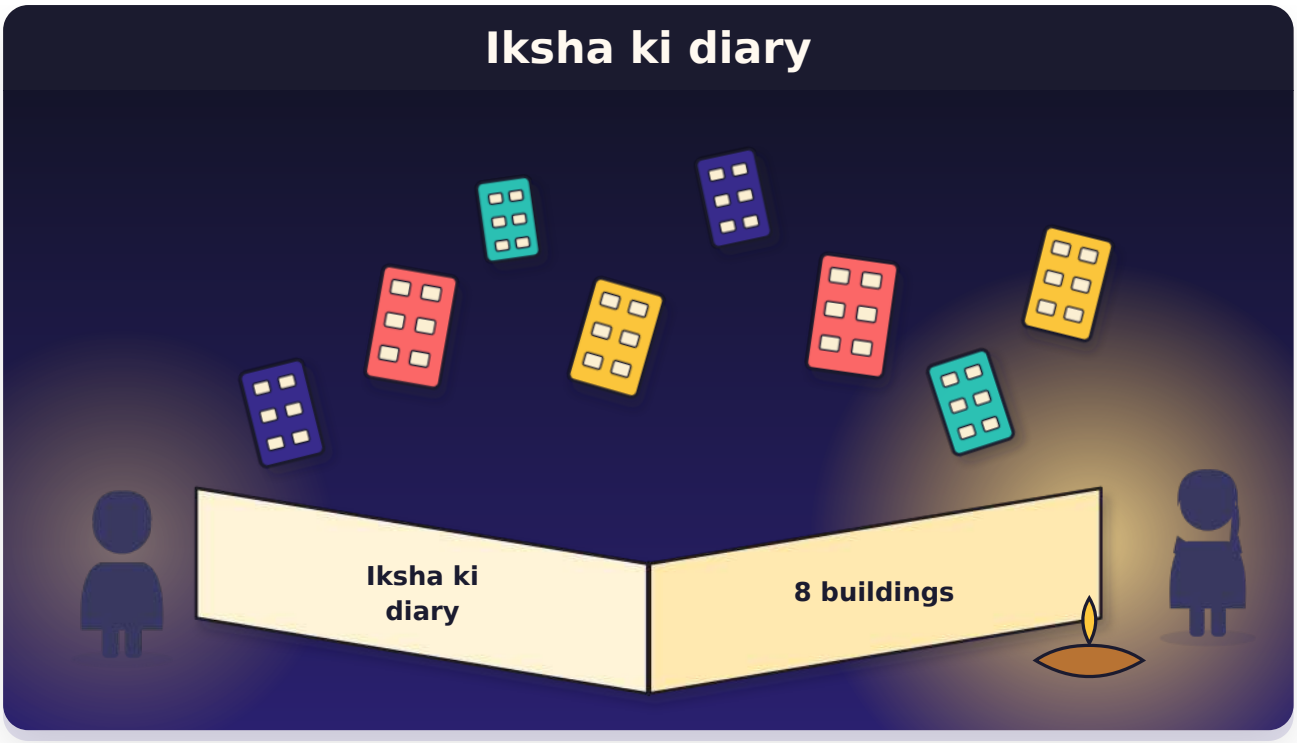
Prabhat
Itni seriousness?

Iksha
Prabhat, jab ek bank girta hai to page par ek number nahi girta, hazaaron logon ki salary, pension aur savings girti hai. Ye diary mujhe yaad dilati hai ki mera kaam kya hai.

Prabhat
...Kabhi kabhi tum mujhse zyada apne kaam se pyaar karti ho lagta hai.

Iksha
Kabhi kabhi tum bilkul sahi sunte ho. Chalo, ab ye diary tum padhoge. Aath cases. Har case ke baad mujhe bataoge: kaunsa control toota, kaun rok sakta tha.

Is Part B mein hum COSO ko andar tak kholenge, phir duniya aur Bharat ke 8 sabse mashhoor control failures ko padenge — har ek usi kasauti par: kaunsa component gira aur kyun.



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9. COSO deep dive: 5 components, 17 principles

9.1 Chat: framework kahan se aaya?

Prabhat
COSO full form kya hai aur ye aaya kahan se?

Iksha
Committee of Sponsoring Organizations of the Treadway Commission. Isne 1992 mein "Internal Control - Integrated Framework" publish kiya, aur 2013 mein use re-release kiya, kyunki technology aur global business badal chuke the. [src]

Prabhat
Aur ye 5 components to chapter mein padh liye. 17 principles kya hain?

Iksha
COSO apne framework ko 5 interrelated components mein organize karta hai, jo 17 principles mein subdivide hote hain. Aur COSO kehta hai: effective internal control ke liye (1) har component aur uske relevant principles **present aur functioning** hone chahiye, aur (2) 5 components **ek saath, integrated** tareeke se chalne chahiye. [src]

Prabhat
Matlab 4 perfect components bhi bachaa nahi sakte agar ek gira ho?

Iksha
Bilkul. Yehi aage ke cases mein dekhega. Barings mein control activities the, par segregation nahi thi. SocGen mein alerts the, par monitoring ne unhe roka nahi. Ek khamba gira, ghar gira.

9.2 Har component ka asli matlab

1. Control Environment (neev). Ye organization ka tone set karta hai aur logon ke "control consciousness" ko influence karta hai. Isme shamil hain: integrity, ethical values, management ka operational style, authority ka delegation, aur logon ko manage aur develop karne ke processes. [src]

2. Risk Assessment (deewar). Entity external aur internal sources se aane wale risks assess karti hai. Iske liye objectives ka hona zaruri hai — bina objective ke risk ka pata hi nahi chalega. Is component ke underlying principles mein shamil

hai: clear objectives hone chahiye taaki unse jude risks identify aur assess ho saken; organization decide kare risks kaise manage honge; **fraud ki potential** ko consider kare; aur aise changes ko monitor kare jo internal controls ko impact kar sakte hain. [src]

3. Control Activities (khambe). Wo policies aur procedures jo ensure karte hain ki management ke directives follow hon. Ye poore organization mein, har level par hote hain: approvals, authorizations, verifications, reconciliations, operating performance reviews, asset safety, aur segregation of functions. [src]

4. Information and Communication (chhat). Information systems wo reports banate hain jinpe operation aur control chalta hai. Effective communication ka matlab: information upar, neeche aur side mein behti ho — jisme suspected fraud report karne ke formal procedures bhi aate hain. External parties ke saath bhi communication hona chahiye. [src]

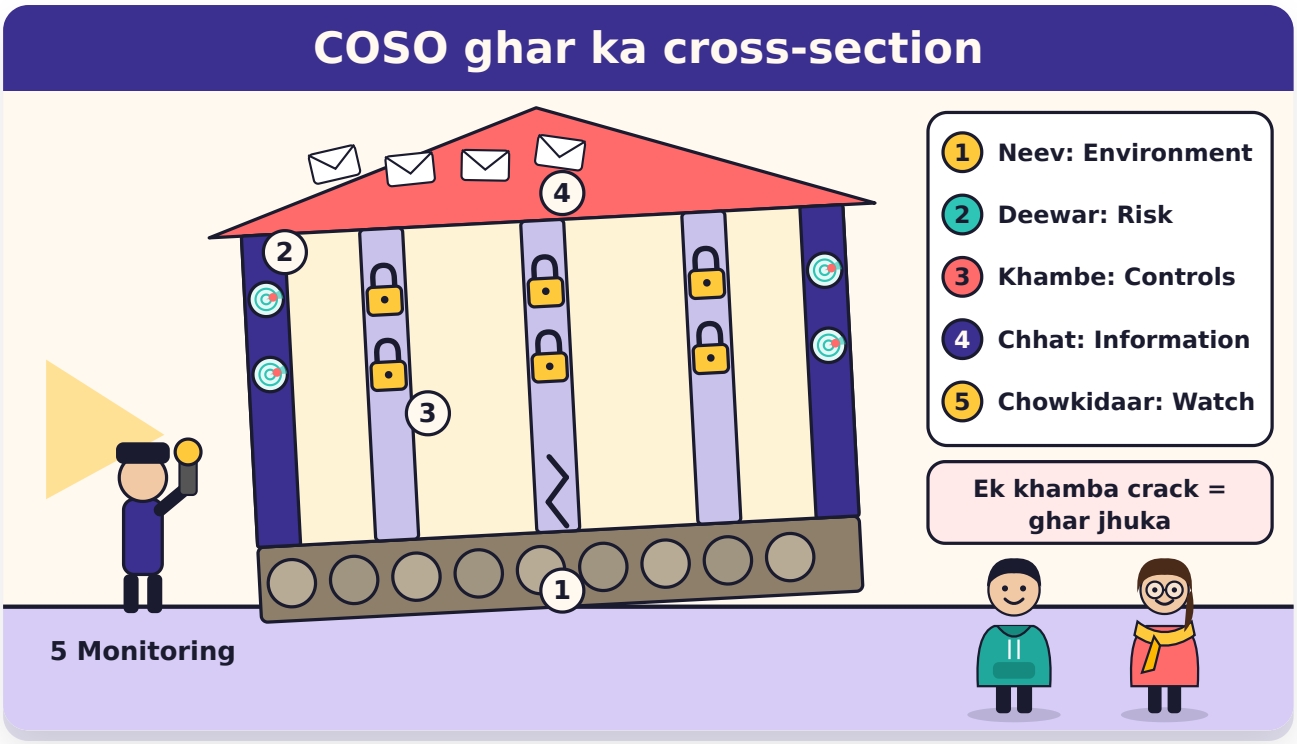
5. Monitoring (chowkidaar). Internal control systems ko monitor kiya jaana chahiye — continuous monitoring ya separate evaluations se. Jo deficiencies milein, wo upstream report honi chahiye aur corrective measures liye jaane chahiye. [src]

9.3 PhD box: limitations aur regimes

> - COSO khud maanta hai: internal control mein human action shamil hai, isliye error ki gunjaash bani rehti hai. Control **collusion** (employees ke mil jul kar) ya senior management ke override se bypass ho sakta hai. [src]
> - US mein Sarbanes-Oxley Act ki Section 404 ke tahat management aur external auditors ko internal control over financial reporting ki adequacy par report karni hoti hai. [src]
> - Bharat mein Companies Act, 2013 ki Section 143(3)(i) ke tahat statutory auditors ko internal control over financial reporting par comment karna hota hai. [src]
> - Ek practical criticism: CFO magazine ki reporting ke mutabik companies COSO ke complex model ko apply karne mein struggle karti hain, aur kai organizations apni khud ki risk-control matrix banati hain jo COSO model ko Section 404 ke relevant components par focus karke modify karti hain. [src]

Exam trap

"COSO ke 5 components mein se 4 strong hon to system effective maana jayega." GALAT. COSO ka apna test hai: effective control ke liye paanchon components present, functioning aur **ek saath integrated** hone chahiye. Ek weak link poori chain ka score giri deta hai.



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10. Control design workshop

10.1 SoD matrix: kaun kya kare aur kya nahi

Segregation of duties ko ek matrix mein daalo. Rule: ek hi vyakti ke column mein zyada ticks nahi hone chahiye.

Kanpur Tools (kalpanik) — purchase process:

Kaam	Ravi (store)	Meena (accounts)	Suresh (director)
Maal mangwana (requisition)	Tick		
Vendor ko order (PO)			Tick
Maal receive karna	Tick		
Bill entry		Tick	
Payment release			Tick
Vendor master mein naya vendor add			Tick

Kyun: Ravi maal mangata aur receive karta hai — theek hai, kyunki record Meena likhti hai aur payment Suresh karta hai. Naya vendor sirf Suresh add kare taaki Ravi apne bhai ki dukaan ka fake vendor na bana de. Ye matrix hi audit ke "walkthrough" ka naksha hai.

Prabhat
Chhoti dukaan mein itne log kahan se laaye?

Iksha
Sahi sawaal. Small entities mein SoD mushkil hota hai. Wahan **compensating controls** lagte hain: owner khud rooz cash gine, bank reconciliation khud dekhe, sales register ka random check kare. Kaka ki tapri mein Kaka ka khud bank jaana yahi hai. Compensating control SoD ka perfect substitute nahi, par risk ko ghatata hai.

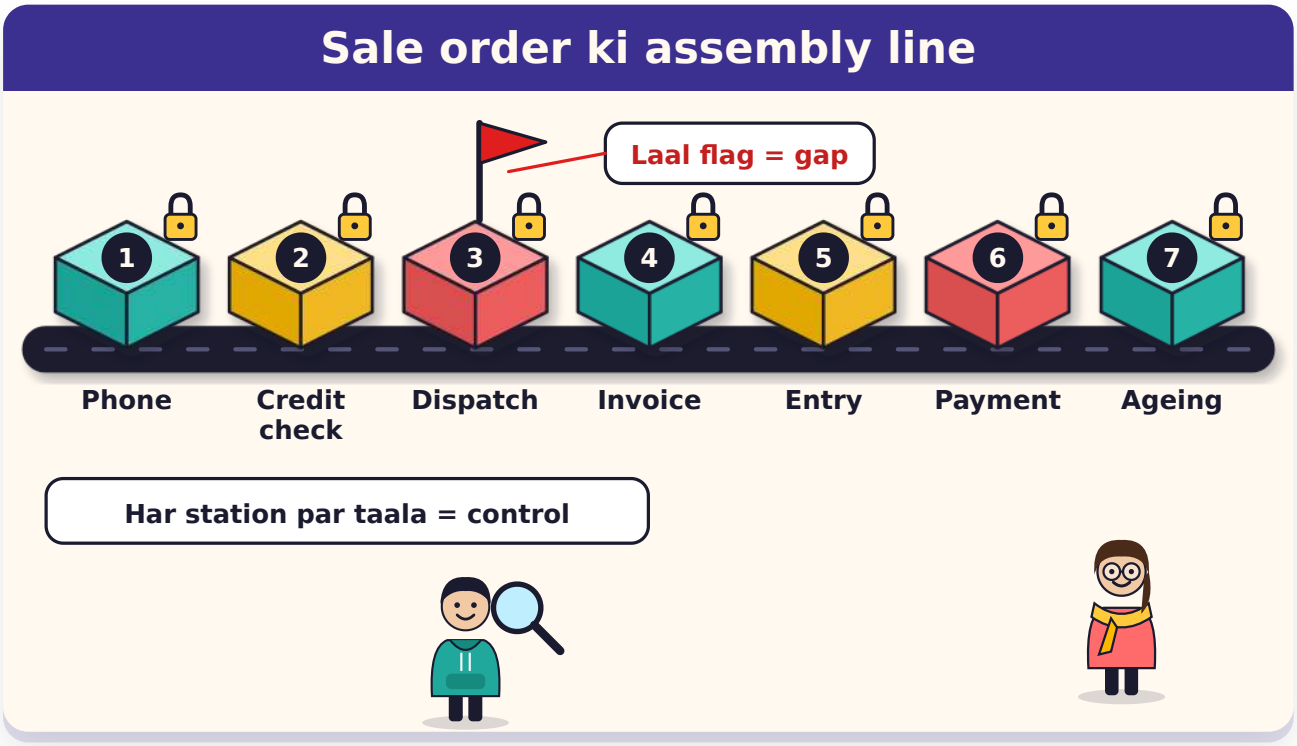
10.2 Walkthrough: ek transaction ka janam se antim sanskar tak

Auditor control ko samajhne ke liye **walkthrough** karta hai: ek transaction chuno aur use system ke har kadam se guzarte dekho. Kanpur Tools ka ek sale order (kalpanik):

1. Customer ka phone -> sales team order entry karti hai. **Control:** order form par customer code, credit limit check.
2. Credit limit 5 lakh se zyada? **Control:** system block, Suresh ka override approval chahiye.
3. Godown se dispatch. **Control:** gate pass bina invoice ke nahi; dispatch log entry.
4. Invoice auto-generate. **Control:** sequence-numbered invoices; cancelled invoice "cancelled" mark hokar file mein rehti hai.
5. Accounts mein entry. **Control:** Meena entry karti hai, monthly debtor statement customer ko jaata hai.

6. Payment. **Control:** bank mein aata hai, debtor ledger se knock-off, fark ho to exception report.
7. Month-end. **Control:** debtor ageing review; 90 din se purana? provision discussion.

Auditor har kadam par poochhe: document kya hai? kaun approve karta hai? exception pe kya hota hai? Agar kisi kadam par jawab "wo to aise hi ho jaata hai" ho — wahi control gap hai.



10.3 Preventive / Detective / Corrective: design ka balance

Prabhat
Perfect system banane ke liye teeno type ke controls chahiye?

Iksha
Haan, aur ratio soch ke. Preventive sabse sasta aur best hai — galti ho hi na. Par sirf preventive par bharosa karoge to jab wo fail hoga, koi pakadne wala nahi hoga. Isliye har important area mein kam se kam ek detective control ho. Corrective tab kaam aata hai jab detective ne pakda.

Prabhat
Example do teeno ka ek hi process mein.

Iksha
Payroll. Preventive: salary change sirf HR ke approved letter se ho. Detective: har mahine payroll register ka headcount se milaan, fake "ghost employees" pakadne ke liye. Corrective: overpayment mila to recovery process aur employee master fix.

Prabhat
Aur IT mein?

Iksha
Preventive: access rights, password policy. Detective: log review — kisne kab kya badla. Corrective: backup se restore, incident response. IT general controls kamzor hon to automated application controls par bharosa nahi kar sakte — ye line likh lo, exam mein kaam aayegi.

Exam trap
"Detective controls galti hone se rokte hain." GALAT. Detective galti **hone ke baad** pakadte hain. Rokna preventive ka kaam hai. Bank reconciliation detective hai, password preventive hai.

10.4 Flowchart soch: decision points pehchano

Controls ko flowchart ke roop mein sochna auditor ki core skill hai. Purchase-to-pay ka decision flow:

``` Order -> Maal aaya? --Nahi--> Follow-up / cancel

|

Haan

|

3-way match? (PO vs receipt vs bill)

|--Nahi--> Exception queue -> supervisor review

|

Haan

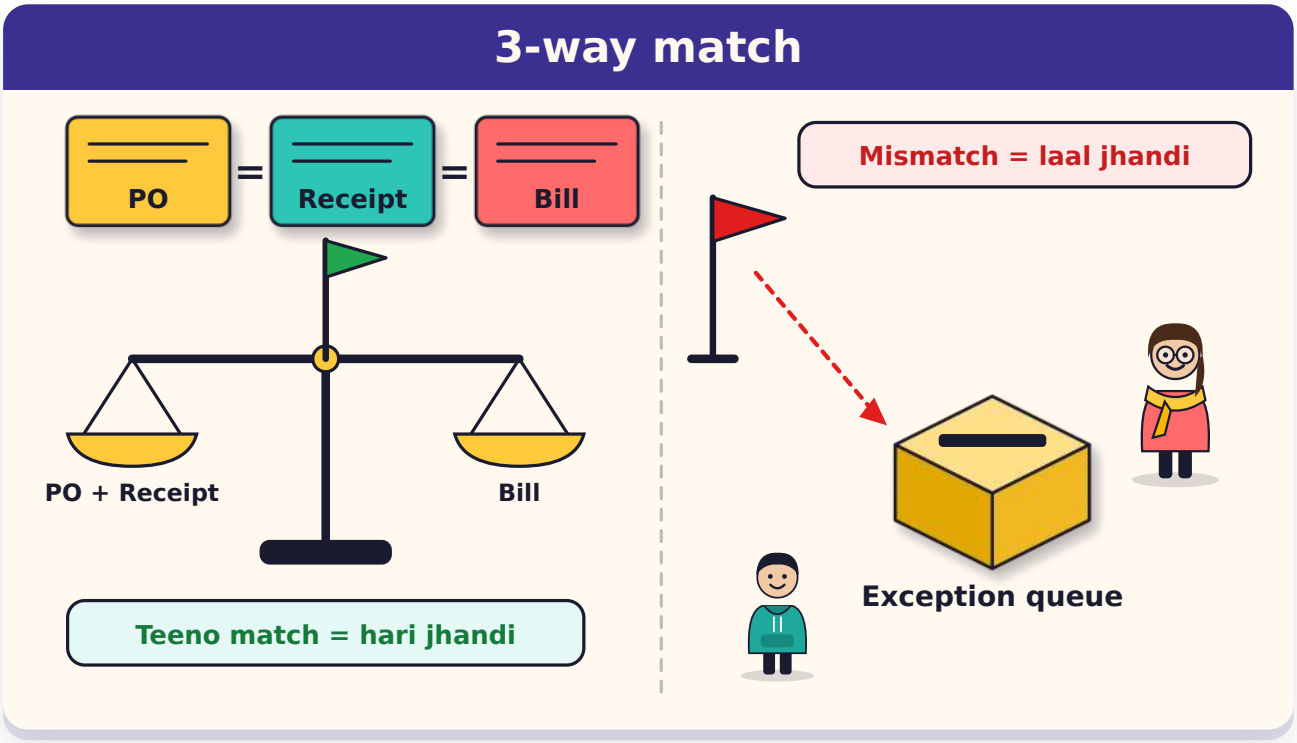
|

Amount > limit? --Haan--> Director approval

|

Payment release -> bank reconciliation ```

Har diamond (decision point) ek control point hai. Audit mein tum ye poochhte ho: kya ye decision point **exist** karta hai? Kya wo **operate** ho raha hai? Kya exceptions ka record hai? Flowchart ka har branch ek test hai.

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11. Aath control failures: duniya ki sabse mehngi seekh

Case 1: Barings Bank (1995) — jab ek hi aadmi trader bhi tha aur thekedar bhi

Kya hua. Barings Bank Britain ka purana merchant bank tha. 1995 mein wo collapse ho gaya jab uske Singapore office ke employee Nick Leeson ki fraudulent investments se **£827 million** (us waqt lagbhag $1.3 billion) ka loss hua. [src] Leeson ko Nikkei 225 futures mein arbitrage karna tha — Osaka aur Singapore (SIMEX) exchanges ke price difference se chhota profit kamaana. Lekin usne approved strategy chhod kar bank ke apne paise se Japanese market ki direction par gamble shuru kar diya. [src]

Kaunsa control toota. Barings ne Leeson ko SIMEX trading ka general manager banaya, **aur saath mein settlement operations ka head bhi** — yaani wo khud trade karta aur khud hi un trades ka hisaab saaf karta. Ye roles normally alag employees ke paas hote hain. Apne hi trades ko settle karne ki power se Leeson London ki supervision ke bina kaam kar paya, aur nuksaan chhupa paya. [src] Usne ek error account use kiya — account number **88888**, "five-eights account" — jisse London office ko trading, price aur status ki standard daily reports na milen. [src] December 1994 tak Leeson ne bank ko £200 million ka nuksaan pahuncha diya tha, jabki tax authorities ko usne £102 million ka **profit** report kiya. Us waqt bank ke paas £350 million capital tha — agar tab sach pata chal jaata, collapse shayad ruk sakta tha. [src] Ant mein Kobe earthquake ne Asian markets hila diye, Leeson ka recovery-wala bet fail hua, aur losses £827 million tak pahunch gaye — bank ke available trading capital se **dugne**. [src] 26 February 1995 ko Barings insolvent declare hua, aur Dutch bank ING ne use **£1** mein khareed liya. [src] Leeson ko Singapore mein saade chhe saal ki saza hui. [src]

COSO lens: Control activities (segregation) ka total failure. Front office (trade karna) aur back office (settle karna) ka separation banking ka sabse basic control hai. Information and communication bhi toota — daily reports 88888 account mein dub gayin. Collapse ke baad kayi observers ne bank ke apne deficient internal controls aur risk management ko zimmedar thahraya; kai logon ne Leeson ki activities par aitraaz uthaya tha par unhe ignore kiya gaya. [src]

Exam angle. "Segregation of duties ka sabse famous violation?" — Barings: trading + settlement ek hi vyakti. "Compensating control ka kami ka example?" — London ne Singapore ka daily reconciliation nahi manga.

Case 2: Societe Generale (2008) — jab alerts the par koi sun nahi raha tha

Kya hua. January 2008 mein French bank Societe Generale ne lagbhag **€4.9 billion** ka loss book kiya, teen din (21-23 January 2008) mein positions close karte waqt — jis dauran equity markets gir rahe the. Bank ke mutabik ye positions junior trader Jerome Kerviel ki fraudulent transactions thin. [src] Bank officials ka daava tha ki Kerviel ne apni authority se bahut aage, **€49.9 billion** tak ke unauthorized trades kiye — bank ki total market capitalization se bhi zyada. [src]

Kaunsa control toota. Teen cheezein. Ek: Kerviel ne fake trades ko 2-3 din mein close kar diya karta tha — bank ke **timed controls** trigger hone se theek pehle — aur purani positions ko nayi trades mein shift kar deta tha. Executive Chairman Daniel Bouton ne is pattern ko "mutating virus" kaha: laakhon trades offsetting fake hedge trades ke peeche chhupe. [src] Do: Kerviel ki background. Wo bank ke middle office (compliance) mein 2000 se kaam karta tha, 2005 mein Delta One trading team mein promote hua. [src] Yaani usse pata tha controls **kahan** hain aur **kab** trigger hote hain — insider knowledge ne detective controls ko outsmart kiya. Teen: monitoring ki deafness. BBC ke mutabik 2007 ke ant tak Kerviel ne €1.4 billion ke hidden profits banaye the; jab bhi fake trades par sawaal uthta, wo "mistake" kah ke trade cancel karke doosre instrument mein shift kar deta. [src] October 2010 mein Kerviel ko 5 saal ki saza hui (2 suspended) aur financial services mein kaam par permanent ban laga. [src] Baad mein French Cour de cassation ne Kerviel par lage €4.9 billion ke restitution sanction ko cancel kar diya, kyunki bank ki apni galatiyan court mein establish ho chuki thin. [src]

COSO lens: Monitoring ka failure sabse bada tha — alerts fire hue par escalate nahi huye. Control activities timed the aur unhe game kiya gaya — controls ka design predictable tha. Risk assessment ne "employee jo controls ko jaanta hai" wali insider threat ko nahi pakda.

Exam angle. "Timed/predictable controls ki kamzori?" — SocGen. "Middle office se front office jaane wale employee ka risk?" — control knowledge ka misuse. Bank ke against corrective sabak: alerts par **action** na hona monitoring ko bekaar bana deta hai.

Case 3: Toshiba (2015) — jab targets ne controls ko daba diya

Kya hua. Chapter ke Part A mein humne Toshiba ki kahani padhi: July 2015 ki investigation report ke mutabik company ne kai saalon mein apna operating profit **151.8 billion yen** zyada dikhaya, aur top management ko iski jaankari thi. [src] Yahan hum isse **internal control** ke lens se dekhte hain.

Kaunsa control toota. Control environment — COSO ki neev — poori tarah se. Investigation ne bataya ki company mein aisi culture thi jisme seniors ki ichha ke khilaaf jaana mushkil tha, aur top management ne division heads ko profit targets ("challenges") diye jo unhe poora karne hi the. [src] Jab neev hi sad gayi ho, to neeche ke controls — approvals, reconciliations, reviews — sab sirf kagaz ke ho jaate hain: log unhe follow nahi karte kyunki asli message upar se aata hai "number laao, tareeka koi bhi". Regulator ne misstatements quantify kiye: FY ended 31 March 2010 mein consolidated net loss 19,743 million yen dikhaya gaya jabki sahi loss 53,943 million yen tha, aur total administrative monetary penalty 7,373,500,000 yen recommend hui. [src] Auditor Ernst & Young ShinNihon ko bhi 3 mahine (1 January - 31 March 2016) ke liye naye engagements lene se roka gaya kyunki usne due care nahi dikhayi. [src]

COSO lens: Ye **management override** ka textbook hai. Koi bhi transaction-level control tab tak kaam karta hai jab tak senior management use follow kare ya uski respect kare. Toshiba mein pressure upar se aaya — to tone at the top hi fraud ka engine ban gaya. Isliye SA 240 mein management override ko hamesha significant risk maana jaata hai, aur isliye journal entry testing hoti hai: kyunki override ke nishaan wahi milte hain.

Exam angle. "Tone at the top kya hai?" — control environment ka core. "Override ke against kaunsa procedure?" — journal entries aur estimates ka testing, accounting policies ka review.

Case 4: Tesco (2014) — jab income jaldi aur cost der se dikhai gayi

Kya hua. 22 September 2014 ko Tesco ne market ko bataya ki usne apne half-year profit guidance ko lagbhag **£250 million** se overstate kar diya tha — wajah thi **commercial income ki accelerated recognition aur costs ka delayed accrual**. [src] Board ne Deloitte se independent review karwaya, interim results 23 October 2014 tak delay ho gaye. [src] FRC ne December 2014 mein investigation shuru ki jo

accountants ki conduct ko lekar thi — financial years ended 2012, 2013 aur 2014 ke statements aur 23 August 2014 ko khatam huye 26 hafte ki interim information tak. June 2020 mein FRC ne case **bina formal complaint ke close** kar diya (SFO ke teen non-accountant senior employees ke trial ke baad). [src]

Kaunsa control toota. Commercial income — suppliers se milne wale rebates aur discounts — ka recognition **judgment** par chalta hai: kab earn hua, kitna earn hua. Jab target pressure hota hai, to wo judgment slide karta hai: income agle period se peeche khinch liya, costs aage dhakel diye. Cut-off aur estimation dono ke controls fail huye. CEO Dave Lewis ne kaha: "We have uncovered a serious issue... we expect Tesco to operate with integrity and transparency." [src]

COSO lens: Risk assessment ka failure — company ne apne objectives (profit guidance) ko hit karne ka risk underestimate kiya. Control activities mein cut-off review weak tha. Monitoring ne timing differences ko tab tak nahi pakda jab tak interim results ki preparation mein ye khud nahi ubhar aaya.

Sabak auditor ke liye. Revenue-side judgment areas (rebates, discounts, returns) aur period-end cut-off mein skepticism rakho. "Timing difference" ko halka mat lo — jab timing ka fayda ek direction mein hi hota hai, wo error nahi pattern hai.

Exam angle. "Cut-off assertion kya hai?" — transactions sahi period mein record hon. "Commercial income jaise judgment areas mein audit approach?" — estimate ka reasonableness, subsequent settlement ka check, supplier confirmations.

Case 5: WorldCom (2002) — jab internal audit hi hero bani

Kya hua. WorldCom America ki doosri sabse badi long-distance telephone company thi. June 2002 mein company ki **apni internal audit team** — division vice president Cynthia Cooper aur senior associate Eugene Morse ki leadership mein — ne aksar raat ko aur chhupke kaam karke shuruati tor par **$3.8 billion** ki fraudulent entries uncover kin. Investigation ek routine capital expenditure audit ke dauraan mile suspicious balance sheet entries se trigger hui thi. [src] Cooper ne June 2002 mein audit committee aur board ko notify kiya; board ne controller Myers ko resign karne par majboor kiya, CFO Sullivan ko fire kiya, aur Arthur Andersen ne apna 2001 ka audit opinion withdraw kar liya. [src] 2003 ke ant tak estimate tha ki company ke total assets lagbhag **$11 billion** fraudulently inflate kiye gaye the — tab tak ka sabse bada accounting fraud. [src] 21 July 2002 ko WorldCom ne Chapter 11 bankruptcy file ki — us waqt tak America ki sabse badi.

[src] CEO Bernard Ebbers ko March 2005 mein saari charges par convict kiya gaya. [src]

Kaunsa control toota aur kaunsa kaam kiya. Toota: control environment (top level se fraud — CFO Scott Sullivan, controller David Myers, accounting director Buford Yates, sab convicted ya plead guilty) [src] aur control activities (expenses ko capitalize karke assets badhana aur bogus revenue entries). Kaam kiya: **monitoring** — internal audit function ne, woh bhi jab uske upar hi pressure tha. Ye case dikhata hai ki monitoring component bacha sakta hai, agar usme imaandari aur himmat ho.

COSO lens: 4 components top-down corrupt the; monitoring ne akela ghar sambhala. Isliye internal audit ki **independence** (audit committee ko direct report) itni zaruri hai. Statutory auditor internal auditor ke kaam par rely kar sakta hai (SA 610), par zimmedari apni rehti hai.

Exam angle. "Internal audit ka role?" — monitoring component. "Internal auditor ki report line kahan honi chahiye?" — audit committee / board, taaki management se independence rahe.

Case 6: Parmalat (2003) — jab bank account hi nakli nikla

Kya hua. Parmalat Italy ki dairy giant thi. 2003 mein wo **€14 billion** ke debt ke saath collapse hui — Europe ki sabse badi bankruptcy. [src] Fraud ka center tha **Bonlat** — Cayman Islands ki subsidiary. Bank of America ne ek document release kiya jisme dikhaya gaya ki Parmalat ke bank account mein dikhaya gaya **€3.95 billion** ek **forgery** tha. [src] Chairman Calisto Tanzi ko detain kiya gaya; usne accounts mein **€8 billion** ka hole admit kiya. Auditors ne baad mein debts **€14.3 billion** aanki — originally stated amount se lagbhag **aath guna** zyada. [src] Tanzi ko fraud ke liye 10 saal ki saza hui. [src] Nayi Parmalat leadership ne Bank of America, Deloitte aur Grant Thornton International par cases kiye — aarop tha ki unhone purani management ke fraud ko karne mein madad ki. [src]

Kaunsa control toota. Sab kuch, ek saath. Control environment: founder-dominated company, Tanzi family ke football aur tourism ventures mein paisa divert. Information: CFO ko bhi kuch corporate books ka access nahi tha — naye CFO Alberto Ferraris ko pata chala ki books chief accounting officer ke paas alag chalti hain, aur unhe debt balance sheet se dugna laga. [src] Monitoring: offshore subsidiaries mein cash aur debt chhupe, koi effective consolidation review nahi.

COSO lens: Consolidation aur group-level controls ka failure. Jab group structure ka ek kona offshore aur opaque ho, wahan se "cash" dikhana aur "debt" chhupana dono asaan ho jaata hai. Bank confirmation ka lesson: confirmation jis address par bheji gayi thi wo verify karna zaruri tha — forged document direct bank se aaya hota to pakda jaata.

Exam angle. "Cash verification ka standard procedure?" — direct bank confirmation auditor ke control mein. "Group audit mein offshore subsidiaries ka risk?" — completeness of debt, existence of cash.

Case 7: Punjab National Bank / Nirav Modi (2018) — jab SWIFT aur core banking kabhi mile hi nahi

Kya hua. Punjab National Bank ke Fort, Mumbai branch se fraudulent **Letters of Undertaking (LoU)** issue hui jinke against bank liable ho gaya — scam ka size **₹14,357 crore** (lagbhag US$2 billion, 2018). [src] Fraud ke piche Nirav Modi, uske associates aur related entities (Diamond R US, Solar Exports, Stellar Diamonds; uncle Mehul Choksi) bataye gaye; CBI charge sheet mein kai PNB officials bhi named hain. [src]

Kaunsa control toota. Branch ke do employees ne LoUs **SWIFT messaging system** se overseas branches ko bheji — Allahabad Bank, Axis Bank, Union Bank of India samet — lekin entries bank ke **core banking system (CBS) mein dali hi nahi**. CBS bypass ho gaya. [src] LoUs ke liye bank ne 100% cash margin manga tha, par firms ne kaha pehle bhi bina guarantee ke LoUs mili hain — branch records mein aisi facility dikh hi nahi rahi thi. [src] Irregular transactions ek **newly appointed bank official** ne pakde. [src] CBI ka aarop tha ki senior officials ne RBI ke kai circulars aur cautionary notices implement nahi kiye jinme **SWIFT ko core banking system se reconcile** karne ki baat thi. [src] Nirav Modi March 2019 mein London mein arrest hua; ED ne uske aur associates ke ₹692.90 crore ke assets confiscate kiye. [src]

COSO lens: Detective control ka absence: SWIFT-CBS reconciliation wo ek control tha jiske hone par pehli LoU ke baad hi fraud ruk jaata. Information and communication: RBI ne circulars bheje (external communication), par implement nahi huye. Control environment: ek hi branch ke do log saalon tak system ke bahar chalte rahe — rotation aur supervision fail. Ek naya aadmi aaya aur turant pakad liya — matlab detection mushkil nahi thi, **dekhne wala** nahi tha.

Exam angle. "Reconciliation ka role?" — detective control. "IT systems ke beech interface controls kyun?" — do systems alag chalein to gap mein fraud chhupta hai. "Employee rotation kyun?" — fresh eyes sabse sasta control hai.

Case 8: Fortis Healthcare (2018) — jab promoters ne company ko apni jeb samjha

Kya hua. Fortis Healthcare India ka private hospital network hai, Gurgaon headquartered. February 2018 mein founders Malvinder Singh aur Shivinder Singh board se resign kar gaye, allegations ke baad ki unhone company se **$78 million** siphon kiye. Ek mahine pehle Delhi High Court ne Singapore arbitration tribunal ka 2016 order uphold kiya tha jisme Singh brothers ko Daiichi Sankyo ko **₹3,500 crore** ($550 million) damages dene ka order tha — Ranbaxy Laboratories ki sale ke waqt information misrepresent karne ke liye. [src] Baad mein Malaysia ki IHH Healthcare ne bidding war ke baad Fortis ka 31.1% controlling stake **₹4,000 crore** mein acquire kiya aur board mein apne representatives bithaye. [src]

Kaunsa control toota. Ye **related party** aur **promoter override** ka case hai. Jab founders hi board aur management dono hon, to internal approvals unke haath mein hote hain — authorization control formally to exist karta hai, par wo khud ko hi authorize karte hain. Independent directors aur audit committee ki oversight wahan akeli deewar hoti hai. Control environment mein promoter culture sabse upar baithta hai; jab promoter paisa nikalna chahe to transaction-level controls formality ban jaate hain.

COSO lens: Control environment (promoter dominance) + information and communication (board tak sahi aur poori information na pahunchna). Naye owner ke aane par pehla kaam board badalna hua — matlab restoration bhi wahi se shuru hui: control environment se.

Sabak auditor ke liye. Related party transactions ki pehchaan aur disclosure par khaas nazar: loan/advances promoters ya unki entities ko, bina market terms ke. SA 550 (related parties) ka area hi isi liye alag hai — ye normal business nahi, nature se material cheez hai.

Exam angle. "Related party transaction mein auditor kya dekhe?" — identification, authorization, business rationale, disclosure. "Promoter-dominated companies mein control environment ka risk?" — override.

Aath cases ka ek nazariya (chat)

Prabhat
Diary band karo Iksha. Main bataunga. Barings — SoD. SocGen — monitoring ne alerts ignore kiye. Toshiba — tone at the top. Tesco — cut-off aur estimate controls. WorldCom — sab toota, monitoring ne bachaya. Parmalat — group/offshore opacity aur confirmation. PNB — do systems ka reconciliation nahi tha. Fortis — promoter override.

Iksha
...

Prabhat
Kya hua? Galat kaha?

Iksha
Nahi. Pehli baar lag raha hai ki ye diary ab do logon ki ho gayi hai. Bas ek cheez add kar: har case mein controls **kagaz par maujood** the. Barings ke paas SoD ka rule tha, PNB ke paas RBI circulars the, SocGen ke paas timed alerts the. Failure **design** ka nahi, **operation** ka tha.

Prabhat
Isliye auditor "design and implementation" ke baad "operating effectiveness" test karta hai.

Iksha
Ab tu padha raha hai mujhe. Accha lag raha hai.

Wall of Failures

Aath cases, ek hi sabak: control toota

Barings	SocGen	Toshiba	Tesco
827M pounds	4.9B euro	151.8B yen	250M pounds

WorldCom	Parmalat	PNB	Fortis
3.8B dollars	3.95B euro (forged)	14,357 crore	78M dollars



Control toota, number bada



Alert aaya? Action hua?

Teen cases, ek jaisa ignore branch



Alert ka matlab tabhi hai jab koi sune aur action le

12. Exam traps: SA 265, SA 330, Companies Act

Exam trap 1
"Auditor ka kaam internal control banana hai." GALAT. Controls management banata hai. Auditor unhe samajhta aur test karta hai. Auditor control banayega to self-review threat aa jayega — apni banayi cheez ko khud check karna independence ke against hai.

Exam trap 2
"Har control deficiency governance walon ko likhit mein batani hoti hai." GALAT. SA 265 ke tahat **significant deficiencies** TCWG ko **likhit** mein jaati hain; baaki (non-significant) deficiencies management ko batayi jaati hain (jo pehle se communicate na hui hon). Level aur channel dono exam mein poochhe jaate hain. [src]

Exam trap 3
"Controls strong hain to substantive testing zero ho sakti hai." GALAT. Har material account par kuch substantive procedures hamesha hote hain, chahe controls kitne bhi strong hon. Controls testing substantive ka poora substitute kabhi nahi.

Exam trap 4
"Internal control absolute assurance deta hai." GALAT. Sirf **reasonable assurance** — cost-benefit, human error, collusion aur management override ki wajah se. COSO khud ye limitation maanta hai. [src]

Exam trap 5
"s.143(3)(i) sirf listed companies par lagta hai." GALAT. Ye auditor reporting requirement companies par generally lagti hai; MCA ki 13 June 2017 notification se kuch chhoti/private companies ko chhoot hai. (Aur yaad rakho: s.134(5)(e) — directors ka IFC statement — sirf **listed** companies ke directors par lagta hai. Dono alag sections hain, exam inhi ko ghumata hai.)

Exam trap 6
"Preventive control mehenga hota hai isliye sirf detective rakho." GALAT. Dono ka balance chahiye. Sirf detective controls ka matlab: galti hone do, phir pakad lo — fraud ke case mein tab tak nuksaan ho chuka hota hai. SocGen dekh lo.

Exam trap 7
"Internal audit statutory audit ka hissa hai." GALAT. Internal audit management ka apna monitoring function hai. Statutory auditor internal auditor ke kaam ka use kar sakta hai (SA 610 ka area), par opinion ki zimmedari statutory auditor ki hi rehti hai. [src]

Exam trap 8
"IT mein application controls strong hain to general controls ki jaanch zaruri nahi." GALAT. IT general controls (access, change management, operations) kamzor hon to application controls par bharosa nahi kiya ja sakta — kyunki koi bhi program ya data badal sakta hai. PNB dekh lo: CBS aur SWIFT ke beech ka interface hi khatra tha.

Exam trap 9
"Segregation of duties sirf cashier par lagti hai." GALAT. SoD har process mein lagti hai: authorization, recording, custody, reconciliation. Barings mein trading vs settlement ka separation missing tha — cashier se bhi khatarnak combination.

Exam trap 10

"Walkthrough ek test of control hai." GALAT. Walkthrough control ka **design aur implementation samajhne** ki procedure hai — ek transaction ko shuru se ant tak trace karna. Operating effectiveness ka test alag hota hai (samples par, period bhar mein).

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13. "Tum hote to kya karte?" — 4 scenarios

Scenario 1: Ek hi aadmi, teen kaam. Kanpur Tools ke chhote branch office mein ek hi accountant: order book karta hai, maal receive karta hai, aur supplier payment ke liye bank file bhi upload karta hai (director approve karta hai par verify nahi).

Iksha ka jawab

SoD ka classic gap. Payment upload karne wala apne manpasand vendor ko pay kar sakta hai. Compensating controls suggest karo: director payment se pehle 3-way match ki screen khud dekhe; vendor master changes par alag approval; monthly supplier statement reconciliation dusre office se. Aur audit mein: is branch ke payments ko high risk mein daalo, vendor existence verify karo (GST number, site visit), duplicate bank account numbers scan karo.

Scenario 2: Override wali sales. 31 March ko raat 11 baje CFO personally 6 sales invoices create kar raha hai, total 4.2 crore, sab "dispatched" mark par, par gate pass register mein in dispatches ka koi entry nahi.

Iksha ka jawab

Cut-off + override + revenue fraud risk ek saath. Gate pass aur invoice ka milaan karo; transporter se confirmation; subsequent returns dekho. Agar maal nikla hi nahi to ye fictitious revenue hai — significant risk, TCWG ko batao, fraud assessment update karo. CFO ka khud invoices banana hi control breach hai: recording uska kaam nahi.

Scenario 3: Alert ka kbara. Kanpur Tools ke ERP mein exception report har raat generate hoti hai: "price below cost" wali sales. Report kisi ko nahi jaati — bas system mein padi hai. Pichle saal mein 340 entries jama hain.

Iksha ka jawab

Control design mein hai par **operate** nahi ho raha. Ye monitoring ka failure hai — SocGen wali bimari. Test mein: exception report ki existence ko control na gino; is area ko treat karo jaise control hai hi nahi. Report karwao: significant deficiency ho sakti hai (SA 265). Aur ye 340 entries ko ab substantive procedure se review karo — below-cost sales related party ko di gayi ho to alag hi kahaani hai.

Scenario 4: Password sabka ek. Accounts department ke 4 log ek hi login "admin" use karte hain kyunki "license sasti padi".

Iksha ka jawab

Access control + accountability dono toote. Kisne kya entry ki, ye establish hi nahi ho sakta — audit trail bekaar. Fix: individual logins, role-based access, license ki cost ko fraud risk se compare karwao. Audit mein: journal entries par zyada substantive testing, kyunki system par bharosa nahi kiya ja sakta.

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14. Summary tables (revision ke liye)

Table A: Aath cases, ek line mein

Case	Saal	Toota control	Key number
Barings	1995	SoD (trading + settlement ek hi haath)	£827M loss
SocGen	2008	Monitoring (alerts ignore)	€4.9B loss
Toshiba	2015	Control environment (target pressure)	¥151.8B overstatement
Tesco	2014	Cut-off / income recognition	£250M overstatement
WorldCom	2002	Environment + activities; monitoring ne pakda	$3.8B initial findings
Parmalat	2003	Group/offshore opacity, confirmations	€3.95B forged bank document
PNB	2018	System reconciliation (SWIFT-CBS)	₹14,357 crore
Fortis	2018	Promoter override / related party	$78M siphoned

Sources: har case ke andar diye gaye [[SRC]] tags — Wikipedia, Tesco plc, FRC, FSA Japan (sab 2026-11-27 ko fetch kiye gaye).

Table B: Deficiency ki classification

Level	Matlab	Kisko batao
Control deficiency	Design ya operation mein kami	Management (agenda mein)
Significant deficiency	Itni important ki TCWG ka dhyan chahiye	TCWG ko **likhit** mein (SA 265)
Material weakness (US term)	Itni badi ki material misstatement ka reasonable chance	US/SOX regime ka term; India mein SA 265 ki vocabulary use karo

Table C: Control type x timing x example

Type	Kab kaam karta	Example
Preventive	Galti se pehle	Approval, password, credit limit block
Detective	Galti ke baad	Reconciliation, exception report review, physical count
Corrective	Pakadne ke baad	Correction entry, recovery, process fix

Table D: Auditor ka control ke saath rishta

Stage	Kya karta hai	Standard
Samajhna	Design aur implementation (walkthrough)	SA 315
Test karna	Operating effectiveness (agar rely karna ho)	SA 330
Report karna	Significant deficiencies TCWG ko	SA 265
Opinion mein	IFC ki adequacy aur effectiveness (India)	Companies Act s.143(3)(i)

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15. IT controls workshop: general vs application

15.1 Chat: do star

Prabhat
Iksha, Kanpur Tools ka ERP khud VAT calculate karta hai, khud invoice number deta hai, khud stock ghata-ta hai. Itna smart system to galat kar hi nahi sakta na?

Iksha
System utna hi sahi hai jitna usko control karne wale log aur rules. Sun. IT controls ke do star hote hain. **IT general controls (ITGC)**: poore environment ke — kaun access kar sakta hai, program mein change kaun kar sakta hai, backup kaise hota hai, password policy kya hai. **Application controls**: ek specific application ke andar ke — jaise invoice duplicate number reject kare, credit limit par block lage.

Prabhat
Toh?

Iksha
Application controls ITGC par khade hain. Agar koi bhi database mein ghus ke figure badal sakta hai (ITGC fail), to ERP ka automatic calculation kuch bhi ho, final number jhooth ho sakta hai. Isliye auditor pehle ITGC dekhta hai.

Prabhat
PNB scam isi mein fit hota hai?

Iksha
Bilkul. Do systems — SWIFT aur CBS — ek dusre se reconcile nahi hote the. Application ke andar sab theek lagta tha, par do systems ke beech ka raasta khula tha. Interface aur reconciliation bhi control hote hain.

15.2 ITGC checklist (practical)

1. **Access to programs and data:** individual user IDs, role-based rights, leavers ka access turant band, admin rights limited.
2. **Program changes:** har change ki approval, testing, aur go-live ka record; developer ko live data ka access nahi.
3. **Program development:** naye system ki documentation aur sign-off.

4. **Computer operations:** backup schedule, restore test, incident log, job scheduling ka review.

15.3 Application controls ke examples (sales cycle)

- Input validation: galat customer code reject ho.
- Duplicate invoice number block.
- Credit limit auto-check (preventive).
- Sequence check: missing invoice numbers ki exception report (detective).
- Auto-posting rules jo kisi ek user ke haath edit na ho saken.

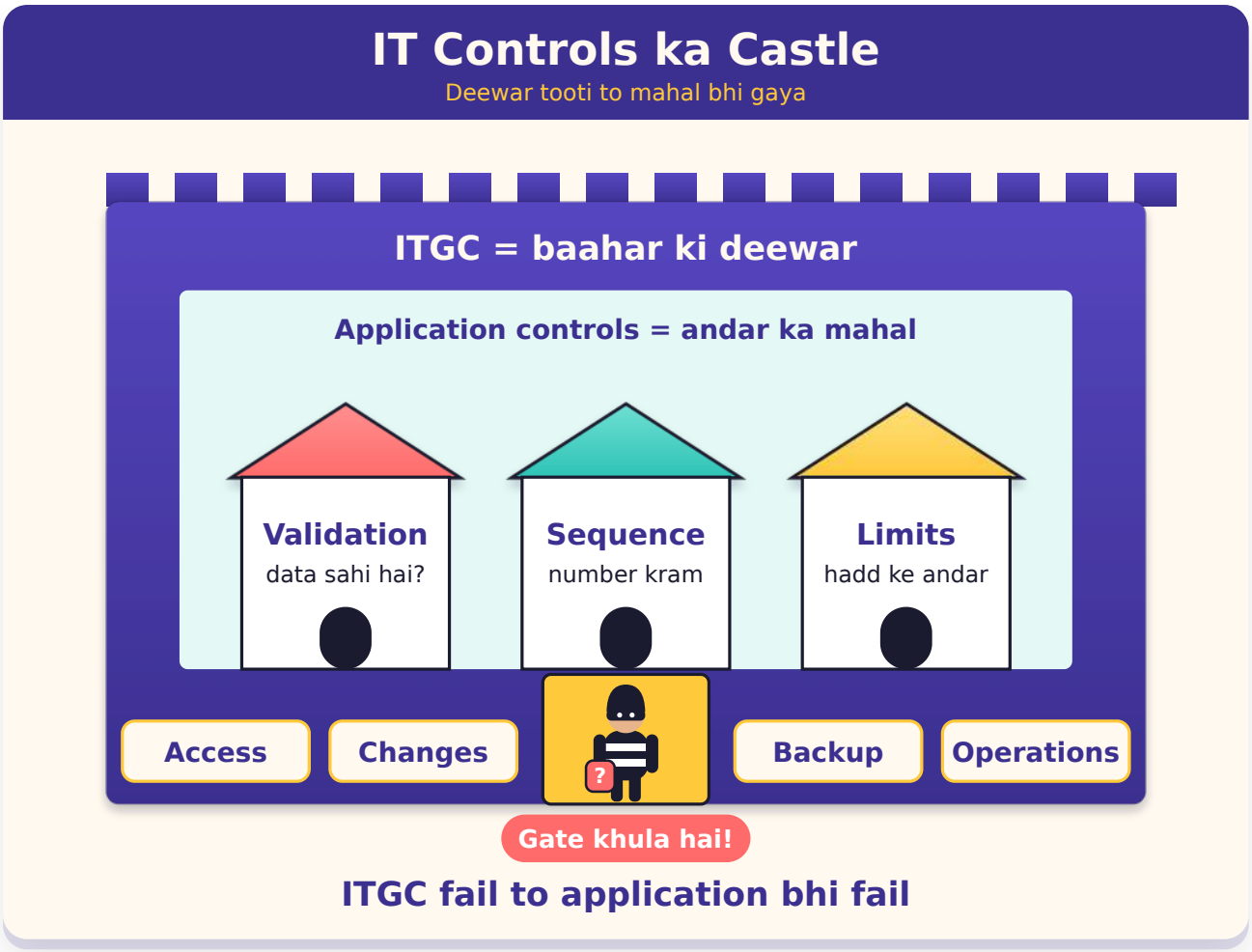
15.4 Auditor ka approach

Iksha
Rule likh le: automated environment mein, jab data ka sab kuch system ke andar hota hai aur manual trail nahi bachta, wahan substantive procedures akele paryapt nahi hote — controls test karna zaruri ho jaata hai.

Prabhat
Ye chapter 5 ka wahi point hai.

Iksha
Haan. Chapters aise hi jude hain. SA 330 kehta hai: substantive-only tab chalega jab wo paryapt evidence de sake. Automated system mein evidence khud system mein hai — to system ko test kiye bina tum evidence ke aadhar par nahi pahunch sakte.

Exam trap
"Automated controls 100% reliable hote hain kyunki computer galti nahi karta." GALAT. Computer rule follow karta hai; rule galat likha ho, data galat ho, ya access open ho to automated control bhi galat result dega. Isliye ITGC pehle.



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16. IFC, internal control, internal audit, internal check — aakhri takraar

16.1 Chaaron ka fark, ek page par

Cheez	Matlab	Kaun	Scope
Internal check	Kaam ka aise baantna ki ek ka kaam doosre par automatic check ho	Staff ka arrangement	Roz ke transactions
Internal control	Poora system: environment se monitoring tak (COSO ke 5)	Management / board	Poore entity objectives
Internal audit	Alag function jo controls ko test karke management/board ko report kare	Internal auditors	Periodic reviews
IFC / ICFR	Internal control ka wo hissa jo **financial reporting** se juda	Management; auditor opinion deta hai (s.143(3)(i))	Financial statements ki reliability

Prabhat
Matlab ICFR internal control ka subset hai?

Iksha
Haan. Internal control operations aur compliance bhi dekhta hai. ICFR sirf financial reporting. s.143(3)(i) ke tahat auditor ICFR par raay deta hai — companies generally par, MCA ki 13 June 2017 notification wali chhoot ke saath. Aur s.134(5)(e) listed companies ke **directors** ko kehta hai ki wo confirm karein ki internal financial controls follow ho rahe hain aur effective hain.

Prabhat
Directors ki responsibility aur auditor ki raay — dono alag alag.

Iksha
Haan. Directors system ke maalik hain. Auditor us par raay deta hai. Ye do line hamesha likh ke aana.

16.2 Audit committee aur internal audit

Prabhat
Internal auditor management ka aadmi hai to fraud management ke level par ho to wo kisko batayega?

Iksha
Isi liye report line ka funda. Strong companies mein internal audit functionally **audit committee** (board ka sub-committee) ko report karta hai, administratively management ko. WorldCom yaad hai — Cynthia Cooper seedha audit committee ke paas gayi. [src] Agar wo CFO ke neeche report karti aur CFO hi fraud mein tha, to report wahin dab jaati.

Prabhat
Aur statutory auditor internal auditor ke kaam ko kaise use kare?

Iksha
SA 610 ka area: pehle internal audit function ka evaluation — uska organizational status, competence, systematic approach. Phir agar use karna ho to plan karo kis kaam ko use karoge. Par judgment wale faisle — materiality, significant risks, opinion — statutory auditor khud karta hai. [src]

16.3 Ek aur trap round

Exam trap
"Internal auditor independent hota hai kyunki wo audit karta hai." GALAT. Internal auditor **organization ka hi hissa** hai — uski independence relative hai (report line se). Statutory auditor external hota hai. WorldCom mein Cynthia Cooper "independent" nahi thi; wo company ki employee thi — uski **himmat aur report line** ne kaam kiya.

Exam trap

"ICFR sirf finance department ka control hai." GALAT. Sales ka invoice sahi period mein cut ho raha hai ya nahi — wo ICFR hai, par process sales department mein hai. ICFR poori company ke processes ko chhoota hai jahan se financial data ban raha hai.

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17. Wells Fargo ko COSO scorecard par dobara padho

Part A mein humne Wells Fargo ka case dekha tha. Ab use Part B ke framework se score karte hain — ye exercise dikhati hai ki COSO sirf theory nahi, ek diagnostic tool hai. Yaad dilao: employees ne customers ki bina ijazat lakhon accounts banaye, aggressive internal sales goals ki wajah se. [src] 2011 se 2016 ke beech 1,534,280 unauthorized deposit accounts aur 565,433 credit-card accounts; May 2017 ke later estimate mein total lagbhag 3,500,000. [src]

Scorecard (humari vyakhya, sources ke facts par):

1. **Control environment — FAIL.** Aggressive sales goals hi fraud ka engine the. Employees ne customers ka PIN "0000" set kiya ("pinning") taaki accounts control kar saken — ye access control aur ethics dono ka collapse hai. [src] Lagbhag 5,300 employees 2011-2016 mein nikale gaye — matlab problem individual nahi, systemic thi; itne log ek hi galat kaam tab karte hain jab environment wahi maange. [src]

2. **Risk assessment — FAIL.** Bank ne apne hi incentive structure ka fraud risk assess nahi kiya. COSO ke risk assessment principles mein fraud ka potential consider karna shamil hai. [src]

3. **Control activities — FAIL.** Account opening mein customer consent ka verification ya to tha nahi ya bypass hua; employees ne apni contact information use ki taaki customer ko pata na chale. [src]

4. **Information and communication — FAIL.** LA Times coverage ke baad bhi reforms nominal rahe. [src]

5. **Monitoring — FAIL.** September 2016 mein regulators ne $185 million ka combined fine lagaya (CFPB $100 million, LA City Attorney $50 million, OCC $35 million) — yaani pakad bahar se hui, andar se nahi. [src] February 2020 mein DOJ aur SEC ke saath $3 billion ka settlement hua. [src]

Result: 0/5. Yehi dikhata hai COSO ka integrated test: effective control ke liye paanchon components ka saath chalna zaruri hai — aur yahan paanchon alag alag tareeke se gire. [src]

Prabhat
Matlab scorecard banaya ja sakta hai har company ka?

Iksha
Haan, aur auditors ke working papers mein ye hota hai — har component ke liye design, implementation, operating effectiveness ka evaluation. Audit bas yehi hai: ghar ka muaina, khamba khamba karke.

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18. Practice MCQs (30) — Part B

Q1. Barings Bank collapse mein sabse basic control failure kya tha? (a) Computer slow tha (b) Ek hi vyakti trading aur settlement dono sambhalta tha (c) Office door par taala nahi tha (d) Salary kam thi **Ans: (b).** Front office aur back office ka separation banking ka foundation hai. Leeson apne trades ka hisaab khud "settle" karta tha, isliye £827 million tak nuksaan chhipa saka.

Q2. Leeson ka "88888" account kis control ki kami dikhata hai? (a) Preventive (b) Information aur reporting ke flow ka control (c) Physical control (d) Payroll control **Ans: (b).** Error account ko badal kar London ko standard daily reports nahi mil rahi thin. Information sahi log tak na pahunchna COSO ke fourth component ka failure hai.

Q3. SocGen mein Kerviel fake trades ko 2-3 din mein close kyun karta tha? (a) Jaldi bonus ke liye (b) Bank ke timed controls trigger hone se pehle chhupane ke liye (c) Weekend se pehle (d) Tax bachane ke liye **Ans: (b).** Predictable timed controls ko wo game kar raha tha. Lesson: controls ka design unpredictable element rakhe, aur alerts par action ho.

Q4. SocGen case mein monitoring ka failure kya tha? (a) Alerts the par un par escalate/action nahi hua (b) Koi alert tha hi nahi (c) CCTV nahi tha (d) Bank mein computer nahi the **Ans: (a).** Trades par sawaal uthte the, Kerviel "mistake" kah ke aage badh jaata tha. Alert hona kaafi nahi; response process chahiye.

Q5. Toshiba case control environment ke bare mein kya sikhata hai? (a) Environment matter nahi karta (b) Upar se target pressure aur "seniors ke against mat jao" culture neeche ke saare controls ko kagaz ka bana deta hai (c) Sirf Japan mein hota hai (d) Controls se culture fix hota hai **Ans: (b).** COSO ka pehla component hi neev hai. Neev sad gayi to approvals, reconciliations sab formality ban jaate hain.

Q6. Tesco 2014 mein overstatement ki wajah kya thi? (a) Galat currency rate (b) Commercial income ki accelerated recognition aur costs ka delayed accrual (c) Dukaanon mein chori (d) Software crash **Ans: (b).** Company ke apne trading update mein yahi likha hai. Cut-off aur estimate judgment ke controls fail huye.

Q7. WorldCom mein fraud kaun uncover karke laya? (a) External auditor (b) SEC (c) Internal audit team (Cynthia Cooper ki lead mein) (d) Media **Ans: (c).** Routine capital expenditure audit mein suspicious entries mili. Monitoring component ka sabse famous success story.

Q8. WorldCom case internal audit ke liye kya lesson hai? (a) Internal audit bekaar hai (b) Report line audit committee tak honi chahiye taaki top management ke fraud par bhi kaam ho (c) Sirf raat ko kaam karo (d) External auditor par hi chhod do **Ans: (b).** Cooper seedha audit committee gayi, jisse CFO (fraud mein shamil) report ko dabaa nahi paya.

Q9. Parmalat mein €3.95 billion wala bank account kya nikla? (a) Sahi tha (b) Forged document (c) Doosri company ka (d) Frozen tha **Ans: (b).** Bank of America ne document ko forgery bataya. Lesson: bank confirmations auditor ke direct control mein aur verified addresses par.

Q10. PNB scam mein LoUs ka pata kaise nahi chala saalon tak? (a) SWIFT messages core banking system mein record hi nahi hote the, aur dono ka reconciliation nahi hota tha (b) Files jal gayi thin (c) CCTV band tha (d) RBI ne poochha hi nahi **Ans: (a).** CBS bypass + missing reconciliation = detective control ka total absence. RBI ke circulars reconcile karne ko kehte the, implement nahi huye.

Q11. PNB mein irregular transactions kisne pakde? (a) Auditor ne (b) Ek newly appointed bank official ne (c) Customer ne (d) RBI ne **Ans: (b).** Employee rotation / fresh eyes khud ek control hai. Jo log saalon se wahi the, wo dekhte nahi the.

Q12. Fortis case ka core control issue? (a) Promoter/founder override aur related party transactions (b) Hospital mein machines kam (c) Nurse shortage (d) Medicine expiry **Ans: (a).** Jab founders hi board aur management dono hon, authorization controls self-approval ban jaate hain. Independent oversight hi deewar hai.

Q13. Internal control ka maalik kaun? (a) Statutory auditor (b) Management aur board (c) Government (d) Customers **Ans: (b).** Auditor control banata nahi; samajhta aur test karta hai. Banana management ka kaam hai.

Q14. COSO ke 5 components ka sahi set? (a) Planning, Doing, Checking, Acting, Reporting (b) Control Environment, Risk Assessment, Control Activities, Information and Communication, Monitoring (c) Sales, Purchase, Stock, Cash, Bank (d) HR, Finance, IT, Legal, Admin **Ans: (b).** Ye order aur naam exam mein aate hain. COSO kehte hain ye 17 principles mein subdivide hote hain.

Q15. COSO ke mutabik effective internal control ke liye kya chahiye? (a) Koi 3 components strong hon (b) Paanchon components present, functioning aur ek saath integrated chal rahe hon (c) Sirf control activities (d) Sirf monitoring **Ans: (b).** Partial strength kaafi nahi. Ek component ka failure system ko ineffective kar sakta hai — Barings dekho.

Q16. Bank reconciliation kis type ka control hai? (a) Preventive (b) Detective (c) Corrective (d) Directive **Ans: (b).** Galti hone ke baad milaan karke pakadta hai. Rokna preventive ka kaam hai (password, approval).

Q17. Significant deficiency kisko aur kaise report hoti hai (SA 265)? (a) Press mein (b) TCWG ko likhit roop mein (c) Sirf verbally chaprasi ko (d) Kisi ko nahi **Ans: (b).** Level aur form dono yaad rakho: significant = those charged with governance, in writing. Baaki deficiencies management tak.

Q18. Internal control deta hai: (a) Absolute assurance (b) Reasonable assurance (c) Guarantee (d) Insurance **Ans: (b).** Human error, collusion, override aur cost-benefit ki wajah se koi system perfect nahi hota. COSO khud ye limitation maanta hai.

Q19. Collusion kya hai? (a) Computer virus (b) Do ya zyada log milke controls ko bypass karna (c) Ek aadmi ki galti (d) Software bug **Ans: (b).** SoD ko todne ka rasta:

kaam baantne ke baad bhi, agar baate hue log mil jayein to check khatam. Isliye controls poori guarantee nahi dete.

Q20. Management override ke against auditor ka standard response? (a) Ignore (b) Journal entries aur estimates ka testing, override ko significant risk maanna (c) Management ko gift (d) Audit chhod dena **Ans: (b).** SA 240 framework: override hamesha significant risk. Isliye period-end top-level entries ki alag jaanch hoti hai.

Q21. Walkthrough ka maqsad? (a) Control ka design aur implementation samajhna, ek transaction ko trace karke (b) Paise ginna (c) Client ko daraana (d) Time pass **Ans: (a).** Operating effectiveness ka test alag hota hai. Walkthrough understanding deta hai, testing samples par hoti hai.

Q22. s.143(3)(i) kis par hai? (a) Auditor ki IFC (internal financial controls) ki adequacy aur operating effectiveness par raay (b) Dividend (c) Audit fee (d) CSR **Ans: (a).** Companies Act 2013. MCA ki June 2017 notification se kuch chhoti/private companies ko chhoot hai. Aur s.134(5)(e) listed companies ke directors ki IFC responsibility hai — dono mix mat karna.

Q23. Compensating control kya hai? (a) Fine lagana (b) Jab ideal control possible na ho (jaise chhoti dukaan mein SoD), tab risk ghatane wala doosra control (c) Employee ko salary cut (d) Insurance **Ans: (b).** Owner ka rooz cash ginna ya khud bank jaana — Kaka wala example. Perfect substitute nahi, par risk ghatata hai.

Q24. IT general controls (ITGC) kamzor hon to? (a) Koi farak nahi (b) Application controls par bharosa nahi kiya ja sakta (c) Sirf printer band ho jayega (d) Sirf chhoti companies par asar **Ans: (b).** Access aur change management open ho to koi bhi data ya program badal sakta hai. Automated calculation ki accuracy ka base hi ITGC hai.

Q25. Ek hi login "admin" chaar accounts staff use karein to sabse bada nuksaan? (a) Slow system (b) Audit trail bekaar — kisne kya kiya establish nahi ho sakta (c) Password bhoolna (d) License fee badhna **Ans: (b).** Accountability individual ID se banti hai. Admin sharing se investigation aur control dono tootte hain.

Q26. Internal audit aur internal check mein fark? (a) Koi fark nahi (b) Internal check kaam baantne ka arrangement hai roz ke kaam mein; internal audit ek alag function hai jo periodic review karta hai (c) Internal check sirf banks mein (d) Internal audit sirf factories mein **Ans: (b).** Internal check system ke andar ghula hua hai; internal audit us system ko upar se aankh rakh ke dekhta hai.

Q27. Statutory auditor internal auditor ke kaam par poori tarah rely karke apni testing chhod sakta hai? (a) Haan (b) Nahi — SA 610 framework mein use possible hai par significant judgments aur zimmedari statutory auditor ki banti hai (c) Haan agar client bole (d) Sirf government companies mein **Ans: (b).** Materiality, significant risks, opinion — ye statutory auditor ke apne faisle hain.

Q28. Exception report generate ho rahi hai par koi padhta nahi. Control ka status? (a) Operating effectively (b) Design mein hai par operate nahi ho raha — monitoring component fail (c) Control hai hi nahi (d) Perfect control **Ans: (b).** Design vs operating effectiveness ka fark. Report ka review na hona monitoring ka failure hai; substantive approach badhao aur SA 265 mein batao.

Q29. Fraud report karne ka formal channel (whistleblower line) COSO ke kis component mein aata hai? (a) Control environment (b) Information and Communication (c) Control activities (d) Risk assessment **Ans: (b).** Suspected fraud report karne ke formalized procedures information flow ka hissa hain — neeche se upar ki taraf.

Q30. "Controls kagaz par the, operation mein nahi" — ye sentence kin cases par fit baithta hai? (a) Sirf Barings (b) Sirf PNB (c) Lagbhag sabhi 8 cases (d) Kisi par nahi **Ans: (c).** Rules sab jagah likhe the: SoD, RBI circulars, timed alerts. Failure operating effectiveness ka tha. Isliye auditor design ke baad operation test karta hai.

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19. Part B recap

12 bullet points

1. COSO = 5 components + 17 principles; effective tabhi jab sab present, functioning aur integrated hon.
2. Ek component gira to poora system compromise — Barings (SoD), SocGen (monitoring), Toshiba (environment).
3. Kagaz par control hona kaafi nahi; operating effectiveness test karni hoti hai.
4. SoD ke 4 kaam: authorization, recording, custody, reconciliation — alag haathon mein.
5. Preventive sasta, detective zaruri, corrective last line. Teenon ka mix chahiye.
6. ITGC fail to application controls par bharosa nahi. Do systems ka interface bhi control maangta hai (PNB).

7. Significant deficiency TCWG ko **likhit** mein (SA 265); baaki management ko.
8. s.143(3)(i): auditor ki IFC par raay (MCA 2017 chhoot ke saath); s.134(5)(e): listed companies ke directors ki responsibility.
9. Internal audit management ka function hai; uski report line audit committee tak honi chahiye (WorldCom).
10. SA 610: statutory auditor internal audit ka kaam use kar sakta hai, judgment aur zimmedari apni rakhta hai.
11. Fraud ke case mein nature of transaction hamesha dekho: related party, promoter loans, round amounts, period-end entries.
12. Aath cases ka ek sentence: controls exist the, chal nahi rahe the, aur kisi ne alerts par action nahi liya.

Part B cheat-sheet table

Concept	Ek line	Case hook
SoD	4 kaam alag haath	Barings
Monitoring	Alert + action dono	SocGen (alert tha, action nahi)
Control environment	Tone at the top	Toshiba, Fortis
Cut-off control	Sahi period, sahi income	Tesco
Monitoring success	Internal audit ki taqat	WorldCom
Confirmation	Direct, independent	Parmalat
Reconciliation	Do records ka milaan	PNB
Related party	Nature se material	Fortis
Reasonable assurance	Guarantee nahi	Sabhi
SA 265	Deficiency report	Significant = likhit = TCWG

Ek khamba gira, ghar gira

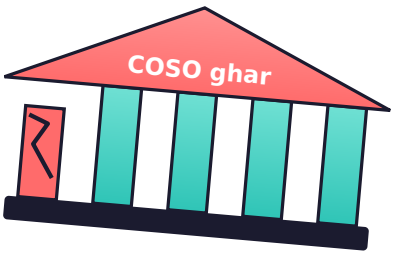
COSO ghar ka sequence

1



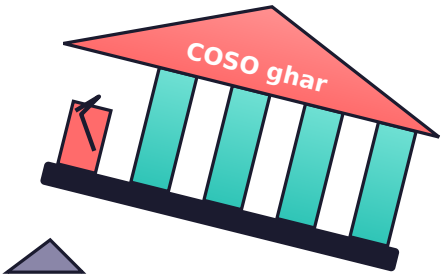
Barings ka khamba (SoD) crack

2



Khamba kamzor, chhat jhukti

3



Poora structure jhuka

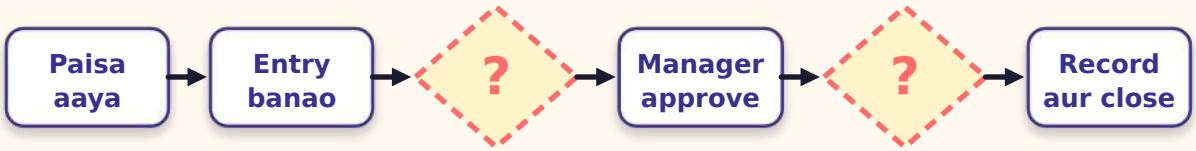
4



Naya ghar, solid khambe

Diamond kahan lagaoge?

Control design drill: khud bharo



Reader ka kaam: dono ? par decision diamond lagao

Socho: yahan kya check hoga? Haan ya Nahi?



20. Control design drill (solutions ke saath)

Ab tum control designer ho. Har drill mein ek process diya hai; tumhe weakness pehchan ni hai aur control design karna hai. Figures kalpanik hain.

Drill 1: Stationery shop ka cash. Ek stationary shop mein do salesmen hain. Dono ek hi cash drawer use karte hain. Shaam ko owner count karta hai — aksar 50-100 rupaye ka fark milta hai, dono ek doosre par daalte hain.

Solution: Individual accountability gayab hai. Control: har salesman ka alag drawer ya alag shift, aur har sale ki receipt book pre-numbered ho; drawer transfer par dono ke signatures; daily reconciliation salesman-wise. Ye SoD ka micro version hai — custody (cash) ko record (receipt) se jod do.

Drill 2: Godown ka return gate. Kanpur Tools (kalpanik) ke godown se damaged maal "return" gate se bahar jaata hai. Return slip supervisor khud banata aur khud sign karta hai. Pichle mahine 12 returns huye (12 units); stock register se 14 units kam.

Solution: Authorization aur recording ek hi haath mein — Barings pattern ka chhota roop. Control: return slip ek department banaye, godown physically verify kare, security gate par third check; returns ka weekly summary kisi aur ko jaye jo stock register se milaye. 2 units ka fark investigation maangta hai.

Drill 3: Salary advance. HR executive salary advances process karta hai, khud approve karta hai 20,000 tak, aur recoveries ki list bhi wahi banata hai.

Solution: Approval aur recovery tracking alag karo: advance list monthly finance head ko; unrecovered advances ki ageing; payroll system mein auto-deduction rule jisse advance salary se khud kat-te jaye. HR executive ka kaam sirf process karna rahe, approve nahi.

Drill 4: Price master. Sales team ka ek member price master file edit kar sakta hai. Usne apne do "favorite" customers ke liye discount 5% se 25% kar diya. Teen mahine baad finance ne notice kiya jab margin report aayi.

Solution: Master file changes ka alag approval workflow (maker-checker), change log ka monthly review, aur exception report: "discount > 10%". Margin report ka review timely karo — detective control teen mahine der se chala, matlab monitoring cycle weak tha. Master data ka control sabse underrated hota hai; transactions ke andar nahi, unke **rules** ke andar ghuspaith hui thi.

Drill 5: Laptop issue register. Company employees ko laptops deti hai. Register Excel mein hai, IT admin khud maintain karta hai. Do employees chhod ke gaye, laptops nahi aayi. Pata hi nahi tha kiske paas kya hai.

Solution: Asset custody ka control: asset register HR aur IT dono ke paas, joining/leaving checklist mein asset return mandatory, full-and-final settlement asset clearance ke bina na ho. Physical verification saal mein ek baar. Custody + record ek hi vyakti (IT admin) ke paas tha — wahi purana pattern.

Drill 6: Online refunds. E-commerce team refunds process karti hai. Refund executive refund initiate aur approve dono karta hai 5,000 tak. Ek executive ne 8 mahine mein apne hi bank account mein 60 refunds bhej diye.

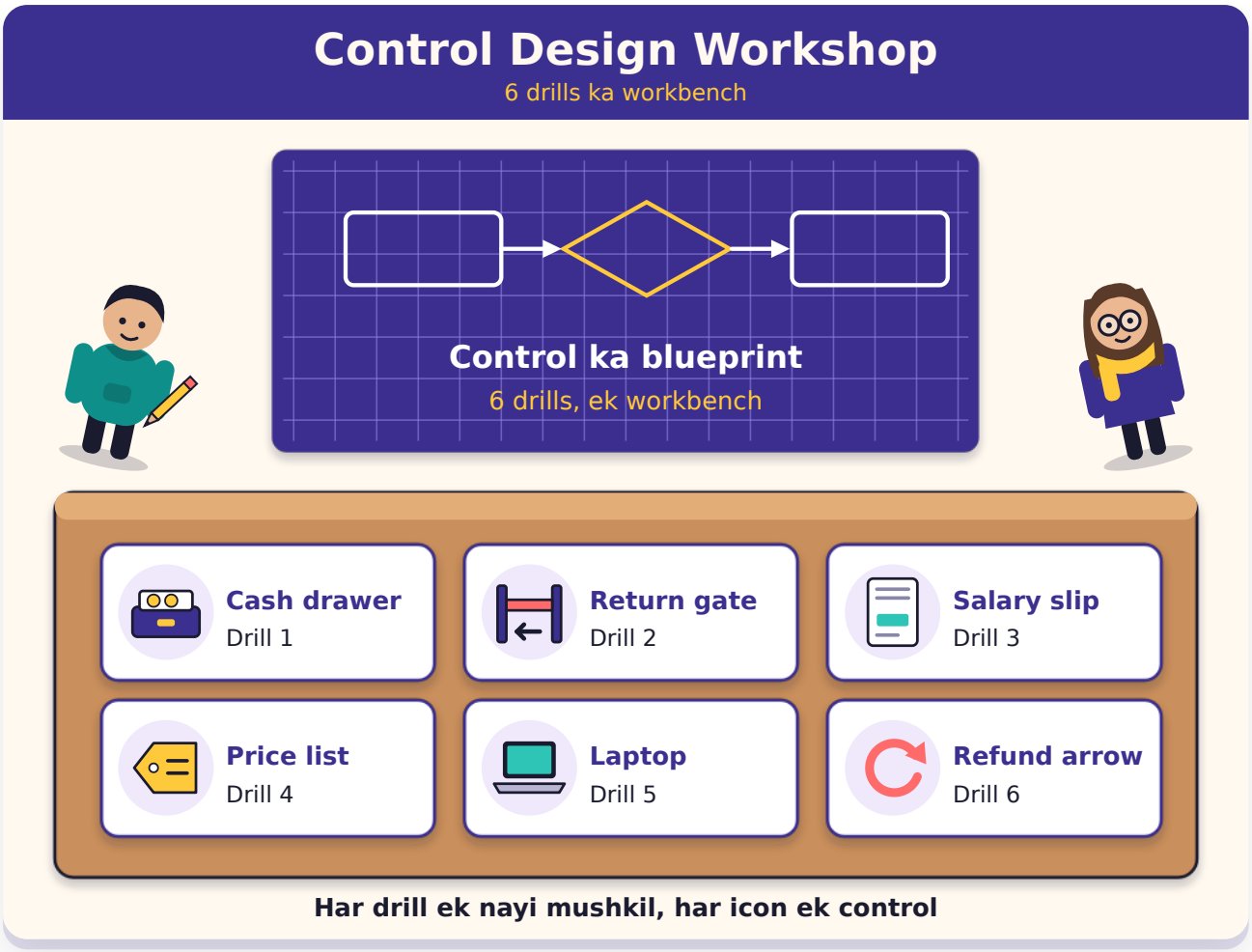
Solution: Refunds detective-control se pakde ja sakte the: refund-to-bank-account report (ek hi account par multiple refunds — easy data analytic), maker-checker approval, aur customer complaint line se cross-check. Ye PNB wala lesson hai: system ke andar capability thi, reconciliation nahi thi. Ek monthly report "refunds by beneficiary account" design karo — pehle hi mahine mein ek hi account par kai refunds dikh jaate.

Prabhat
Ek baat samajh aayi. Har drill mein wahi 4 cheezein: kaam baanto, record milao, master data bachao, aur alerts par koi bhaitha rakho.

Iksha
Haan. Control design rocket science nahi hai. Mushkil cheez discipline hai — har din, har shift, har branch. Companies tab nahi girti jab rule nahi hota; tab girti hai jab rule ko koi follow nahi karta.

Prabhat
Aur auditor wahi check karta hai: rule hai bhi, aur chalta bhi hai.

Iksha
Ab diary sambhal ke rakhna. Kal se tumhari apni diary shuru hogi.



Part B samapt. Diary ka agla panna tumhara hai.

Episode 7: Vouching aur Verification

Topic 1: Vouching kya hai?

Real example: Wirecard (Germany) - €1.9 billion ka gayab cash

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1. Kahani hook: Gupta ji ki kirana dukaan aur gayab paisa

Gupta ji ki kirana dukaan Shahganj chowk par hai. Har mahine woh apni cash register kholte hain aur hisaab milate hain. Ek din unhone dekha: register mein 18,400 rupaye hone chahiye, par ginti karne par sirf 16,900 rupaye nikle. 1,500 rupaye gayab.

Gupta ji ne apne bete Prabhat ko bulaya. Prabhat aaj kal audit padh raha hai. Prabhat ne kaha, "Papa, ghabraiye mat. Pehle yeh dekhiye ki register mein jo likha hai, uska saboot hai ya nahin."

Prabhat ne ek-ek entry uthayi. "Yeh 12 tarikh ko 800 rupaye maal bechne ki entry. Iska bill kahan hai?" Bill mila. "Yeh 14 tarikh ko 2,000 rupaye dukandaar ko dene ki entry. Iski rasid kahan hai?" Rasid nahin mili. Sirf ek chitthi thi jis par likha tha: "Babu ko diye."

Agle din Prabhat apni Iksha ke paas gaya. Iksha ek chartered accountant hain, PhD holder, yellow tie aur gol chashme waali. Prabhat ne kaha, "Iksha, papa ki dukaan par 1,500 rupaye kaant chhoot gaye. Kuch entries ke saboot nahin mile."

Iksha muskurayi. "Prabhat, tumne bina jaane audit ka sabse purana aur sabse zaroori kaam kar diya. Jo kaam tumne kiya, use kehte hain **vouching**. Har entry ka saboot maangna, yahi vouching hai. Aur jab tum register ka asli cash ginti se

milate ho, use kehte hain **verification**. Yeh chapter isi do kaam ki poori kitaab hai."

Prabhat ne kaha, "Iksha, 1,500 rupaye to chhoti baat hai. Kya bade log bhi aise hi pakde jaate hain?"

Iksha ne apna phone nikala. "Bade log? Ek German company thi, Wirecard. Uske auditors ne bank ka saboot theek se nahin maanga. Natija? 1.9 billion euro ka cash (kai hazaar crore rupaye) duniya mein kahin tha hi nahin. Company 2018 mein 24 billion euro ki thi, aur June 2020 mein dharaashayi ho gayi. Chalo, ab detail se padhte hain."

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2. Chat dialogue: topic by topic

Topic 1: Vouching kya hai?

Prabhat
Iksha, seedhe shabdon mein, vouching kya hai?

Iksha
Vouching ka matlab hai: books of account mein likhi har transaction ko uske documentary evidence se mila kar dekhna. Document ko hum **voucher** kehte hain. Bill, invoice, rasid, cash memo, agreement, bank statement, yeh sab voucher hain.

Prabhat
Matlab auditor ka pehla kaam yahi hai?

Iksha
Haan. Indian audit textbooks mein ek famous line hai: "Vouching is the backbone of auditing." Matlab vouching audit ki reedh ki haddi hai. Vouching ke bina baaki sab kaam hawa mein hai.

Prabhat
Auditor kya-kya check karta hai vouching mein?

Iksha
Paanch cheezein. Ek, transaction hui sach mein? Do, woh business ke liye hui, personal nahin? Teen, sahi amount likha gaya? Chaar, sahi account mein likha gaya? Paanch, kisi authorised aadmi ne approve kiya?

Prabhat
Agar voucher nahin mila to?

Iksha
To auditor entry ko doubt mein daalta hai. Management se explanation maangta hai. Agar jawab santoshjanak nahin, to audit report mein likh sakta hai. Yaad rakhna: jo entry bina voucher ke hai, woh auditor ke liye ek red flag hai.

Prabhat
Vouching sirf expense ki hoti hai?

Iksha
Nahin. Income bhi, assets ki khareed bhi, loan lena bhi. Jahan bhi paisa aaya ya gaya, wahan vouching hoti hai.

6 saal ka bachha box: Socho tumne kaha "maine kal 5 toffee kharidi." Tumhari mummy kahegi, "rasid dikhao." Rasid dikhana = voucher. Mummy ka rasid check karna = vouching.

Normal explanation: Vouching woh process hai jisme auditor books mein recorded har transaction ki authenticity, accuracy aur authorisation ko uske supporting documents se verify karta hai. Yeh substantive checking ka foundation hai.

PhD box: Vouching substantive procedures ka ek hissa hai (SA 500, Audit Evidence, ke framework mein "inspection of records and documents"). Auditor documentary evidence ki reliability assess karta hai: external documents (vendor invoice) internal documents (internal memo) se zyada reliable maane jaate hain, aur originals photocopies se zyada. Vouching primarily "occurrence" aur "accuracy" assertions ko address karta hai transactions ke liye.

Topic 2: Voucher ke types

Prabhat
Iksha, voucher kitne prakaar ke hote hain?

Iksha
Do bade prakaar. **Primary voucher**: woh document jo transaction ka seedha saboot hai, jaise supplier ka bill. **Secondary ya collateral voucher**: woh document jo primary voucher ki kami ko poora karta hai, jaise bill kho jaye to supplier ka duplicate ya certified copy.

Prabhat
Aur andar ke documents?

Iksha
Haan, ek aur categorisation: **internal vouchers** company ke andar bante hain, jaise material requisition slip. **External vouchers** bahar se aate hain, jaise bank statement. External hamesha zyada bharosemand.

Prabhat
Missing voucher ka kya?

Iksha
Auditor teen kaam karta hai. Pehla, duplicate ya written confirmation maangta hai. Doosra, dekhta hai entry ka nature business se match karta hai ya nahin. Teesra, agar saboot phir bhi nahin milta, to woh amount ko "unvouched" mark karke report mein disclose kar sakta hai.

Prabhat
Matlab ek missing voucher se poora audit fail?

Iksha
Ek missing voucher chhota ho to theek, par agar missing vouchers ka pattern ban raha hai, to auditor samajh jaata hai: internal control kamzor hai, ya koi fraud chhupa raha hai.

6 saal ka bachha box: Report card kho jaye to school se duplicate nikaalna padta hai. Duplicate bhi voucher jaisa hota hai, par asli jaisa strong nahin.

PhD box: SA 500 (application material) reliability ke general principles deta hai: external source ka evidence internal se, direct knowledge (observation, inspection) indirect se, documentary evidence oral se, aur original documents photocopy se zyada reliable maane jaate hain. Ye koi fixed ranking nahin, circumstances par depend karta hai. Missing voucher auditor ko "limitation on scope" ki taraf le ja sakta hai, jo SA 705 ke under qualified opinion (effect material par pervasive nahi) ya disclaimer of opinion (effect material aur pervasive) tak ja sakta hai.

Topic 3: Vouching vs Verification vs Valuation

Prabhat
Iksha, teen V words hain: vouching, verification, valuation. Inmein fark kya hai?

Iksha
Bahut important exam question hai. **Vouching** transactions ke liye hoti hai, poore saal ki entries. **Verification** balance sheet items ke liye hoti hai, saal ke aakhri din ki position. **Valuation** un items ki sahi keemat tay karti hai.

Prabhat
Example do.

Iksha
Company ne machine kharidi. Us entry ko bill se milana: vouching. Balance sheet date par machine factory mein maujood hai, company ki hai, kaam kar rahi hai: verification. Machine ko cost par dikhana ya depreciation kaat kar dikhana: valuation.

Prabhat
Vouching ka focus?

Iksha
Sachai (existence of the transaction), authority, aur sahi recording. Verification ka focus: asset exist karti hai, ownership company ke paas hai, possession kiske paas hai, aur koi charge ya pledge to nahin.

Prabhat
Kaun pehle hota hai?

Iksha
Vouching saal bhar chalti hai transactions par. Verification aam taur par saal ke end mein hoti hai balance sheet items par. Dono mil kar auditor ko assurance dete hain ki financial statements sach hain.

6 saal ka bachha box: Vouching = tumne pencil kharidi, rasid dikhao. Verification = dikhao pencil abhi bhi tumhare pencil box mein hai. Valuation = pencil ki keemat ab kitni bachi, purani ho gayi to kam.

PhD box: Financial statement assertions (SA 315 framework) se mapping: vouching maps to occurrence, accuracy, cut-off; verification maps to existence, rights and obligations, completeness; valuation maps to valuation and allocation. Verification of assets mein auditor physical inspection, external confirmation aur title documents ka combination use karta hai. Valuation mein auditor management ke accounting estimates ko test karta hai (SA 540).

Topic 4: Cash book ki vouching aur teeming-lading

Prabhat
Iksha, sabse zyada fraud kahan hota hai?

Iksha
Cash mein. Isliye cash book ki vouching sabse careful hoti hai. Cash book ke do sides hain: **receipts side** (paisa aaya) aur **payments side** (paisa gaya). Dono alag tarike se check hote hain.

Prabhat
Receipts side kaise?

Iksha
Receipts ke saboot milna mushkil hota hai, kyunki paisa dene waala aadmi rasid maangta hai, rasid dene waala company counterfoil rakhti hai. Auditor counterfoils, carbon copies of receipts, bank paying-in slips aur cash memos se milata hai. Sabse important: internal check strong hona chahiye, nahin to cashier chori kar sakta hai.

Prabhat
Cashier kaise chori karega?

Iksha
Classic fraud ka naam sunao: **teeming and lading**, jise "lapping" bhi kehte hain. Cashier A se 5,000 rupaye received ka paisa pocket mein daal leta hai, entry nahin karta. Jab B se 5,000 aate hain, to woh unhein A ke naam entry kar deta hai. Phir C ke paise se B ki entry. Yeh ghumta rehta hai.

Prabhat
Yeh kab tak chal sakta hai?

Iksha
Jab tak cashier chhutti par nahin jaata ya surprise cash check nahin hoti. Isliye auditor: (1) surprise cash count karta hai, (2) receipts ko bank deposits se milata hai daily basis par, (3) debtors se direct confirmation maangta hai ki unhone kab kitna bhara.

Prabhat
Payments side?

Iksha
Payments side ka saboot strong hota hai: payee ki signed rasid, invoice, approval. Auditor check karta hai rasid company ke naam par hai, amount sahi hai, date saal ke andar hai, aur payment business purpose ka hai. Ek trick: fake ya duplicate rasid se double payment nikaalna. Auditor same amount, same payee ki do rasid dhundhta hai.

6 saal ka bachha box: Teeming-lading aisa hai jaise tumne mummy se mila tiffin ka paisa kharch kiya, phir papa se mila paisa mummy ko dikhaya ki "dekhiye paisa pada hai." Jab tak koi dono se ek saath nahin poochta, chalta rehta hai.

PhD box: Teeming and lading detection ke liye auditor cut-off testing karta hai: year-end ke aas-paas ki receipts ko bank statement se match karke dekhta hai ki koi receipt agle period mein daali to nahin gayi. Debtor confirmations (SA 505) lapping ko expose karte hain kyunki debtor apni payment ka record rakhta hai. Strong internal control: cashier aur record-keeper alag aadmi (segregation of duties), receipts serial numbered ho, daily bank deposit ho, aur cashier ki periodic rotation ho.

Topic 5: Purchases aur Sales ki vouching

Prabhat
Iksha, purchases ki vouching kaise hoti hai?

Iksha
Purchase entry ke teen saathi document hote hain: **purchase order** (humne order kiya), **goods received note** (maal aaya), aur **supplier invoice** (bill). In teeno ko milana **three-way match** kehlata hai. Phir auditor dekhta hai: rate sahi, quantity sahi, discount kaata gaya, aur goods business ke liye hain.

Prabhat
Credit purchases mein koi extra check?

Iksha
Haan. Supplier ki statement se balance milaya jaata hai. Aur purchases returns (debit notes) alag se check hote hain, kyunki wahan se paisa wapas aata hai, fraud ka ek raasta.

Prabhat
Sales side?

Iksha
Sales ki vouching sales invoices, dispatch documents, transporter receipts (L/R ya bilty) aur customer orders se hoti hai. Auditor cut-off test karta hai: 31 March se pehle dispatch hua maal is saal ki sale, baad ka agle saal ki.

Prabhat
Sales se kya fraud ho sakta hai?

Iksha
Do classic frauds. **Fictitious sales**: jhooti sale entries dikhana taaki profit phoola lage. **Goods sent on approval ko sale likhna**: customer ne abhi approve hi nahin kiya, sale booked. Dono se profit inflate hota hai.

PhD box: Revenue recognition ke cut-off tests audit ke sabse sensitive tests hain kyunki revenue financial statements ka sabse bada aur sabse aasani se manipulate hone wala hissa maana jaata hai. Auditor SA 240 ke under revenue mein fraud risk presume karta hai ("presumed fraud risk in revenue recognition"), jab tak rebut na kare.

Topic 6: Khaas items ki vouching

Prabhat
Iksha, exam mein "vouching of ..." karke alag-alag items poochta hai. Ek list bana do.

Iksha
Bilkul. Chalo rapid round:

Iksha

Wages: wages sheet, worker ki muster roll, signatures/thumb impressions, aur casual workers ke names verify. Fraud: dummy workers (bhoota mazdoor). Check: kuch workers se personally milo.

Iksha

Petty cash: imprest system check karo, petty vouchers serial se, har voucher approved. badi rakam ke vouchers ko extra dhyan se.

Iksha

Rent paid: rent agreement, receipts, TDS deducted ya nahin. **Rent received**: agreement, rent register, empty shops ka reason.

Iksha

Capital expenditure: machine kharid mein board resolution, quotation comparison, invoice, aur asset ka installation certificate. Revenue kharch ko capital likhna profit phoolata hai, yeh classic manipulation hai.

Iksha

Directors' fees aur commission: articles of association, board resolution, Companies Act ki limits. **Travelling expenses**: tour programme, tickets, hotel bills, personal to nahin?

Iksha

Sale of investments: broker's contract note, bank credit. **Bad debts recovered**: earlier write-off entry, recovery proof. **Insurance claim received**: surveyor report, insurance company ki letter.

Prabhat

Itne saare! Ek common funda?

Iksha

Har item ke liye poochho: (1) kya document hai, (2) kisne authorise kiya, (3) business se juda hai ya nahin, (4) koi law ka limit to nahin lagta. Yeh chaar sawaal har item par chal jaayenge.

6 saal ka bachha box: Har cheez ka apna "saboot" hota hai. Pencil ki rasid alag, cycle ki rasid alag. Auditor ko pata hona chahiye kaunsi cheez ka saboot kahan milta hai.

Topic 7: Verification kya hai?

Prabhat

Iksha, ab verification detail mein batao.

Iksha

Verification ka matlab: balance sheet mein dikhayi gayi assets aur liabilities ka **existence, ownership, possession aur sahi disclosure** check karna. Chaar sawaal: (1) asset hai sach mein? (2) company ki hai? (3) company ke control mein hai ya kisi aur ke paas padi hai? (4) koi loan ka girvi (charge) to nahin?

Prabhat

Verification ke objectives?

Iksha

Paanch. Existence yaani asset physically maujood. Ownership yaani title company ke naam. Possession yaani asset company ke kabze mein. Charge-free yaani girvi nahin rakhi bina bataye. Aur proper valuation ke saath disclosure, yeh valuation ke saath mil kar.

Prabhat

Verification mein auditor kaunse techniques use karta hai?

Iksha
Chaar main: **physical inspection** (jaakar dekhna), **document inspection** (title deeds, registration), **external confirmation** (bank, debtor, creditor se seedha letter), aur **recomputation** (depreciation khud calculate karna).

Prabhat
Sabse strong technique?

Iksha
Situation par depend karta hai. Cash ke liye physical count. Bank balance ke liye bank se direct confirmation. Building ke liye title deed plus physical visit. Debtors ke liye confirmation letters. Ek technique sab par fit nahin hoti.

6 saal ka bachha box: Mummy kehti hain "tumhari cycle kahan hai?" Tum dikhate ho cycle ghar mein khadi hai (existence), us par tumhara naam likha hai (ownership), aur kisi dost ke paas udhaar nahin di (possession).

PhD box: SA 501 (Audit Evidence - Specific Considerations for Selected Items) inventory aur litigation ke liye specific procedures deta hai: inventory ke liye auditor ko physical count mein attend karna chahiye jab inventory material ho, aur count procedures evaluate karne chahiye. SA 505 external confirmations ko regulate karta hai: auditor ko confirmation process ka control maintain karna chahiye, requests khud bhejni chahiye, replies seedha auditor ke paas aani chahiye. Management ka confirmation rokna ek scope limitation ho sakta hai.

Topic 8: Specific assets aur liabilities ki verification

Prabhat
Iksha, item-wise verification batao, exam ke liye.

Iksha
Chalo. **Cash in hand**: physical count, surprise basis par, saare locations ka cash ek saath count karo taaki ek jagah ka cash doosri jagah dikhaya na jaye.

Iksha

Cash at bank: bank reconciliation statement banao, aur bank se seedha confirmation letter lo. Yeh sabse zaroori step hai. Aage Wirecard mein dekhoge kya hota hai jab yeh step nahin kiya jaata.

Iksha

Investments: share certificates physically dekho, ya depository (NSDL/CDSL) statement lo. Agar shares bank ke paas girvi hain, to bank se confirm karo.

Iksha

Stock in trade: physical stock count mein auditor khud haazir hota hai. Cut-off check karo: jo maal 31 March ko andar hai woh stock mein, jo bech diya woh bahar. Obsolete ya sada hua maal mark karo.

Iksha

Sundry debtors: debtor confirmation letters bhejo (positive ya negative confirmation). Bad debts provide karo. Credit sales real hain ya kisi related party ko dikhayi hain, yeh dekho.

Iksha

Fixed assets: fixed asset register se physical assets milao. Naye additions ki vouching. Disposals ka proof. Depreciation rate check.

Iksha

Goodwill aur intangible assets: purchase agreement, consideration ka proof, aur impairment ka review. Yeh sabse mushkil verification hai kyunki inhe chhoo kar nahin dekh sakte.

Iksha

Liabilities side: creditors se statements, loans ke liye loan agreement aur lender se confirmation, outstanding expenses ke liye next year ke payments check, aur **contingent liabilities** ke liye lawyer letters aur board minutes.

Prabhat
Contingent liability kya hoti hai?

Iksha
Woh liability jo ho bhi sakti hai aur nahin bhi, ek future event par depend karti hai. Jaise court case chal raha hai: haar gaye to 10 lakh dene padenge. Balance sheet mein footnote mein dikhana padta hai. Auditor court papers aur legal advisors se verify karta hai.

Topic 9: Window dressing

Prabhat
Iksha, window dressing kya hai?

Iksha
Balance sheet ko saja-savar kar dikhana. Jaise dukaan waala diwali par dukaan sajaata hai. Company year-end par temporary tricks karti hai: loan lekar cash dikhana (jo 2 April ko wapas kar de), debtors se advance recover karke cash badhana, ya expenses ko agle saal dhakelna.

Prabhat
Yeh illegal hai?

Iksha
Agar entries jhooti hain to fraud hai. Agar entries asli hain par sirf dikhawe ke liye ki gayi hain, to misleading hai, aur auditor ko iska dhyan rakhna chahiye. Detection: year-end ke aas-paas ki unusual transactions check karo, aur just after year-end ke reversals dekho.

Prabhat
Window dressing vs fraud?

Iksha
Window dressing presentation ki chaal hai, fraud jhoothi recording hai. Dono galat hain, par fraud criminal hai.

Topic 10: Wirecard ki chat - verification ka sabse bada lesson

Prabhat
Iksha, ab woh German company batao, Wirecard.

Iksha
Wirecard 1999 mein bani, Munich ke paas ki payment processing company. 2002 se CEO Markus Braun. 2018 se yeh Germany ke prestigious DAX index mein thi, aur 2018 mein uski peak value 24 billion euro thi. [src]

Prabhat
Itni badi company ka fraud kahan tha?

Iksha
Uske cash mein. Wirecard dikhati thi ki uske paas Philippine banks mein trustee accounts mein 1.9 billion euro cash pada hai. Auditor EY ne saalon tak is cash ko theek se independently verify nahin kiya. EY cash ke existence ko fake dikhne wale bank statements se verify nahin kar paya.

Prabhat
Phir kya hua?

Iksha
18 June 2020 ko Wirecard ne bataya ki EY ke audit ke baad 1.9 billion euro cash gayab hai. EY ke mutabik ek trustee ne auditor ko dhokha dene ki koshish ki thi, aur 2019 ke results release nahin ho paaye. Do din mein stock 72% gir gaya. [src]

Prabhat
Aur paisa?

Iksha
Paisa tha hi nahin. Kuch din baad Wirecard ke management board ne kaha ki 1.9 billion euro ka cash "likely did not exist". Philippines ke dono banks ne kaha unke paas yeh paisa kabhi tha hi nahin. Financial Times ki report mein Philippine bank governor ne bhi kaha ki paisa desh ke financial system mein aaya hi nahin. [src]

Prabhat
Logon ka kya hua?

Iksha
CEO Markus Braun resign karke arrest ho gaya. COO Jan Marsalek bhaag gaya, aaj bhi Europe's Most Wanted list mein hai. 25 June 2020 ko company ne insolvency file kar di. [src]

Prabhat
Confirmation letters to mile the auditors ko?

Iksha
Mile the, par fake the. Singapore mein Citadelle naam ki trustee company ne jhoothe confirmation letters diye ki uske paas Wirecard ka 1.1 billion euro hai. January 2026 mein Singapore court ne do aadmiyon ko 10 saal aur saade 6 saal ki saza sunayi is jhooth ke liye. [src]

Prabhat
Matlab lesson?

Iksha
Lesson simple hai: **verification mein shortcut mat lo**. Bank balance ho to bank se seedha poochho. Trustee ya agent ke kagaz par bharosa mat karo. Auditor ka kaam maan-na nahin, mila-na hai.

---

3. Core idea: teen levels mein poora chapter

6 saal ka bachha box (ek line): Har hisaab ke liye kagaz maango (vouching), aur jo cheez dikhai ja rahi hai use aankhon se dekh lo (verification).

Normal: Vouching poore saal ki transactions ko vouchers se milane ka kaam hai; verification balance sheet date par assets aur liabilities ke existence, ownership, possession aur disclosure ko establish karta hai; valuation unki sahi keemat lagata hai. Teeno mil kar financial statements ki reliability banate hain.

PhD box: Vouching aur verification assertions-based testing ke practical roop hain. SA 500 audit evidence ki sufficiency (quantity) aur appropriateness (quality) maangta hai. SA 501 inventory aur specific items ke liye procedures deta hai. SA 505 external confirmation ka process control karta hai. Wirecard case ne dikhaya ki jab auditor evidence ka source independently control nahin karta, to confirmation evidence unreliable ho jaata hai, aur opinion collapse kar sakta hai.

---

4. Real example: Wirecard - €1.9 billion jo tha hi nahin

Background. Wirecard AG, Munich ka payment processor, kabhi Germany ka fintech star tha. 1999 mein founded, 2018 se DAX member, peak valuation 2018 mein 24 billion euro. [src]

Red flags pehle se the. 2008 se hi balance sheet par sawaal uthte rahe. 2019 mein Financial Times ki investigations aur whistleblower complaints ke baad Wirecard ne KPMG se special audit karwaya. KPMG 2016 se 2018 ke zyadatar profits verify nahin kar payi, kyunki Wirecard aur uske partners ne documents nahin diye. April 2020 mein yeh announcement aayi to shares 26% gir gaye. [src] [src]

Crash. 18 June 2020: Wirecard ne bataya ki EY ke audit ke baad 1.9 billion euro cash gayab hai; EY ke mutabik ek trustee ne auditor ko dhokha dene ki koshish ki thi. Stock do din mein 72% gira. 19 June ko Braun resign, 22 June ko arrest. Kuch din baad board ne kaha yeh paisa shayad kabhi tha hi nahin. 25 June 2020: insolvency. [src]

Auditor ki galti kya thi? EY 2008 ke special audit ke baad Wirecard ka main auditor bana aur company ke ant tak raha. KPMG ke special audit ke mutabik EY

cash reserves ka existence verify nahin kar paya, aur wo jin bank statements par tika tha wo fraudulent dikhte the. Singapore ke Citadelle trustee ne jhoothe confirmation letters issue kiye jinmein dikhaya gaya ki 1.1 billion euro Wirecard ka rakha hai; January 2026 mein iske liye do logon ko jail hui. [src]

Audit lesson for UPSSSC: Bank balance ki verification ka gold standard hai auditor ka khud bank se direct confirmation lena (SA 505 style). Management se mili photocopy ya trustee ka letter sufficient evidence nahin hai. Jo auditor cash verify karna bhool jaaye, woh poora audit kho deta hai.

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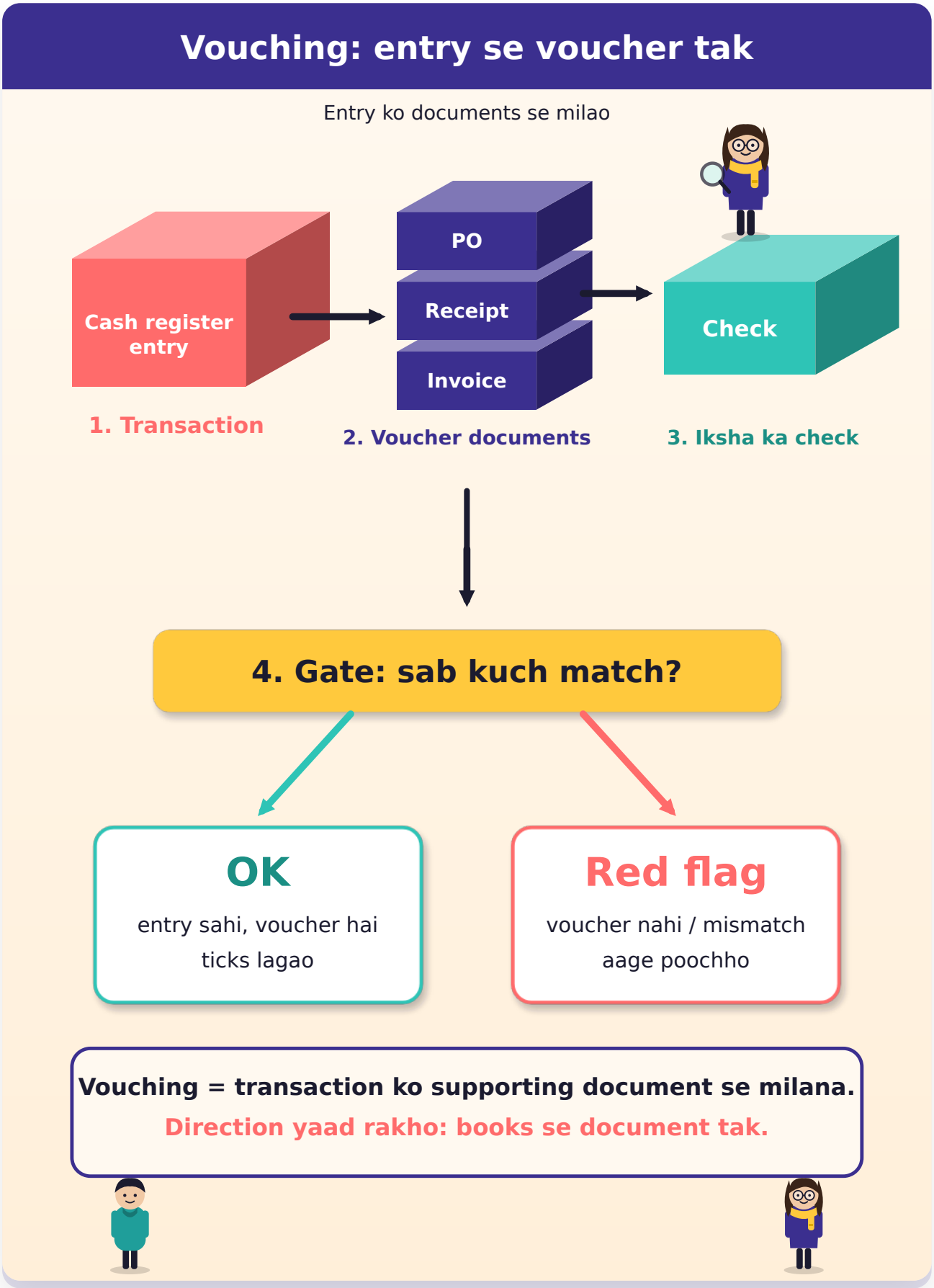
5. Infographics



Vouching | Verification | Valuation

Vouching
transactions, poore saal

- **B** Bill
- **V** Voucher
- **T** Tick

Verification
balance sheet items, year-end

- **E** Exist
- **O** Own
- **F** Free

Valuation
sahi keemat

- **C** Cost
- **M** Market
- **R** Rate

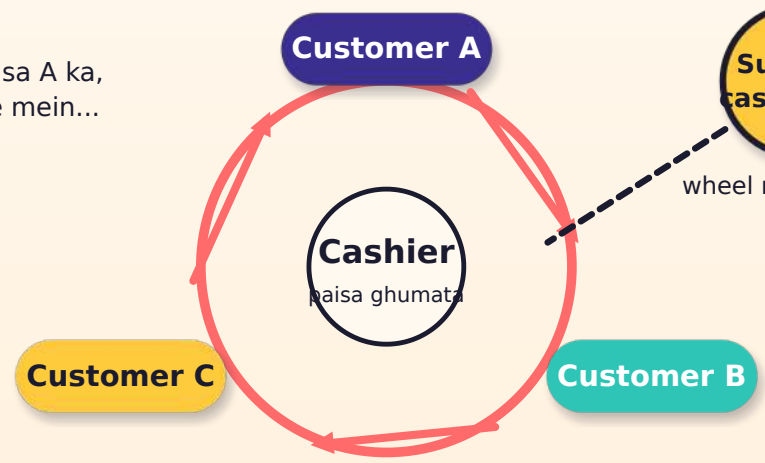
Teeno ek saath: transaction -> asset ka wajood aur malkiyat -> sahi keemat





Teeming and Lading: chakkar

Chhota paisa A ka,
B ke khate mein...

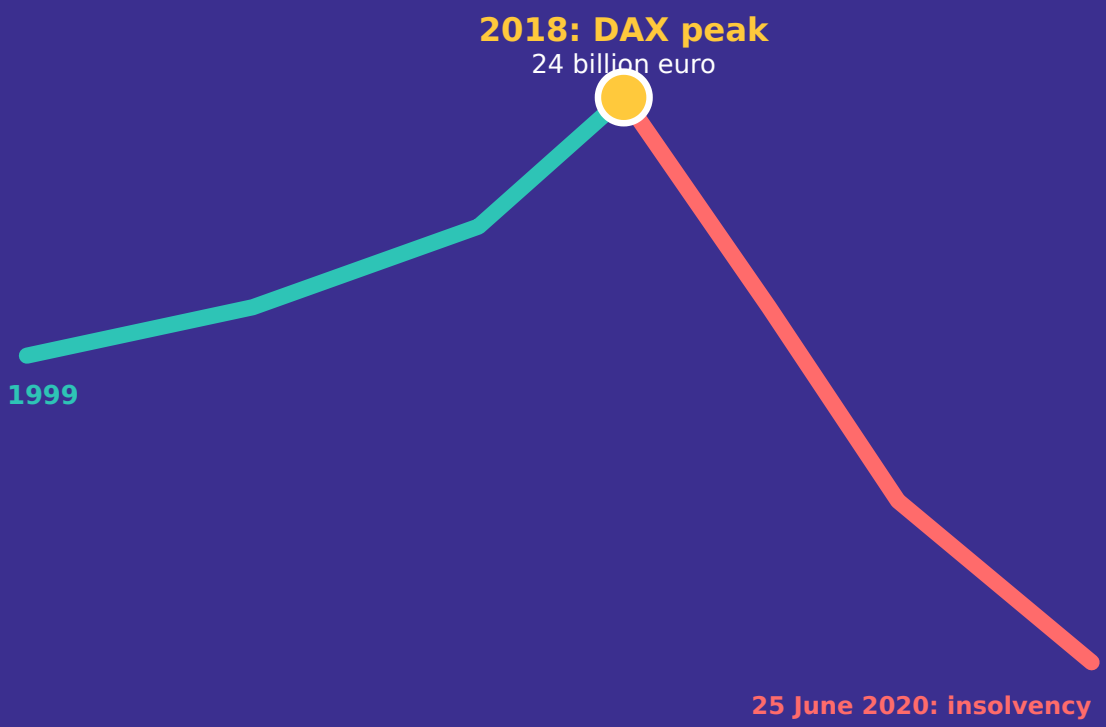






Wirecard: chadhai aur girawat

Source: Wikipedia (Wirecard, Wirecard scandal)



1999
Founded. Munich ki payment company.

2018
DAX mein, peak EUR 24 billion.

April 2020
KPMG report aaya, shares 26% gire.

18 June 2020
EY ne 2019 accounts sign nahi kiye.
EUR 1.9bn ke confirmations spurious.
Stock do din mein 72% se zyada gira.

22 June 2020
Board: EUR 1.9bn shayad tha hi nahi.

25 June 2020
Insolvency file.

Seekh: bank balance seedha bank se confirm karo.

Verification ke 4 tools

Physical inspection
khud dekho

Documents
papers dekho

External confirmation
bahar se pucho

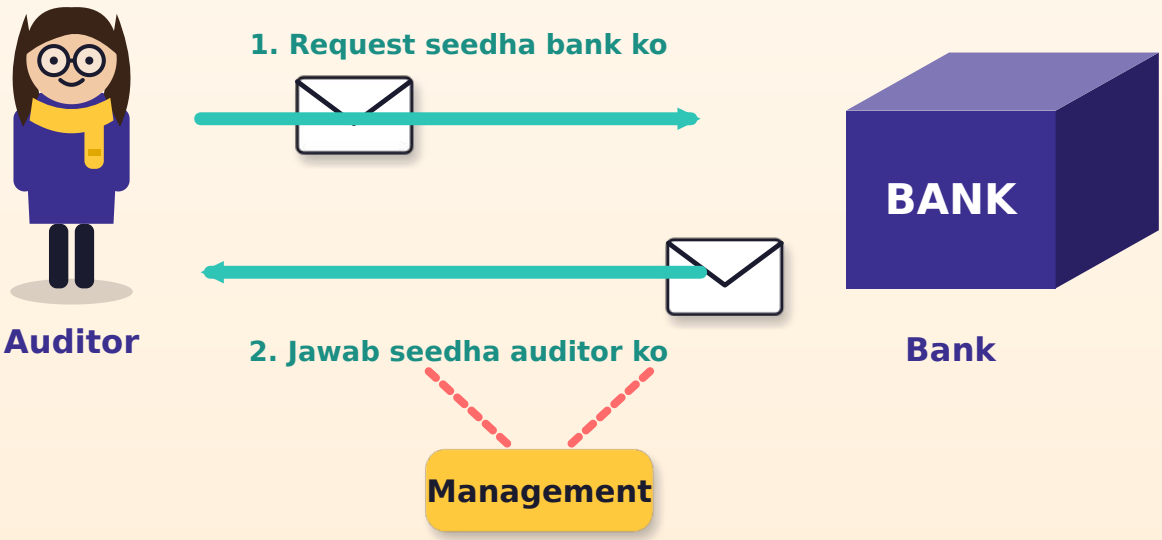
Recomputation
dobara hisaab

Jaisa asset, waisa tool: kabhi ek, kabhi do ya zyada.





Bank confirmation: seedha raasta



X Management beech mein nahi aa sakti

6. Exam angle: UPSSSC kya poochta hai

UPSSSC Auditor exam mein vouching aur verification se har baar 2-4 sawaal aate hain. Pattern: definitions ka fark (vouching vs verification), teeming and lading, missing voucher, aur specific items ki vouching (wages, rent, capital expenditure).

Q1. "Vouching is the backbone of auditing" - yeh statement kis concept ko batata hai? (a) Verification (b) Vouching (c) Valuation (d) Investigation **Answer:** (b). Vouching audit ka aadhar hai; bina documentary evidence ke koi transaction accept nahin ki jaati.

Q2. Teeming and lading kis se juda fraud hai? (a) Stock (b) Cash receipts (c) Fixed assets (d) Purchases **Answer:** (b). Cashier ek customer ka paisa pocket mein daal kar doosre customer ke paisa se pehle ki entry karta hai. Detection: surprise cash count aur debtor confirmations.

Q3. Balance sheet date par assets ka existence aur ownership check karna kehlata hai: (a) Vouching (b) Verification (c) Routine checking (d) Test checking **Answer:** (b) Verification.

Q4. Bank balance verify karne ka sabse reliable tareeqa: (a) Cash book dekhna (b) Pass book ki photocopy (c) Bank se direct confirmation letter (d) Management se poochna **Answer:** (c). Direct external confirmation sabse strong evidence hai. Wirecard mein cash ka saboot fake nikla, isliye ye case isi ka sabak hai.

Q5. Contingent liability ko kahan dikhaya jaata hai? (a) Profit and loss account (b) Balance sheet ke footnote mein (c) Cash book (d) Trial balance **Answer:** (b). Court case jaisi possible liabilities footnote/disclosure mein jaati hain.

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7. Recap page

10 bullets:

1. Vouching = har transaction ko voucher (documentary evidence) se milana. Yeh audit ki backbone hai.
2. Voucher do type ke: primary (asli bill/rasid) aur secondary/collateral (duplicate ya supporting).
3. External evidence internal se zyada reliable hota hai.

4. Missing voucher = red flag. Pattern ban jaye to fraud ya weak control ka signal.
5. Cash receipts side sabse fraud-prone hai; teeming and lading (lapping) classic fraud hai.
6. Teeming-lading detection: surprise cash count, daily bank deposit matching, debtor confirmations.
7. Vouching transactions ke liye (poore saal), verification balance sheet items ke liye (year-end), valuation keemat ke liye.
8. Verification ke chaar sawaal: existence, ownership, possession, charge-free.
9. Bank balance hamesha direct confirmation se verify karo; Wirecard ke case mein cash ka existence verify nahin ho paya aur €1.9 billion gayab nikla. [src]
10. Window dressing balance sheet sajane ki chaal hai; year-end ke reversals dekh kar pakdo.

Cheat-sheet table:

Item	Vouching ke documents	Verification ka tareeqa
Cash in hand	Receipt counterfoils, petty vouchers	Surprise physical count
Cash at bank	Paying-in slips, cheques	Bank reconciliation + direct bank confirmation
Purchases	PO + GRN + invoice (3-way match)	Supplier statements, cut-off test
Sales	Invoices, dispatch documents, L/R	Debtor confirmations, cut-off test
Wages	Wages sheet, muster roll	Dummy worker check, payment in presence
Fixed assets	Invoice, installation certificate	Physical inspection, title deeds
Investments	Broker contract notes	Certificate inspection, depository statement
Stock	Purchase/sales records	Physical count attendance, obsolescence review
Creditors	Supplier invoices	Creditor statements, confirmations
Contingent liabilities	Court papers	Legal letters, board minutes, footnote disclosure

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Chapter 7 samapt. Agla chapter: Sampling aur Testing - jab poora hisaab dekhna possible na ho, to sample se poori picture kaise banaate hain.

Chapter 7 Extension (Part B): Vouching aur Verification ki workshop

New content: 15 worked vouching/verification examples with journal entries, 3 company case studies (Luckin Coffee, Toshiba, Satyam), rapid drills,

B1. Bridge chat: workshop mein swagat

Prabhat
Iksha, chapter padh liya. Definitions yaad hain. Par jab paper mein "vouch the following" aata hai, to pen ruk jaata hai.

Iksha
Kyunki definition aur kar-pana alag cheez hai, Prabhat. Ab hum workshop karenge. Main tumhein pandrah asli transactions doongi, journal entries ke saath. Tum bataoge: kaunsa voucher maangoge, kya check karoge, aur red flag kahan hai.

Prabhat
Pandrah? Thoda zyada nahin?

Iksha
woh apna chashma theek karti hain, aankhein thodi sakt UPSSSC mein yahi pandrah patterns ghoomte hain, Prabhat. Har saal wahi wages, wahi petty cash, wahi capital-revenue ka khel. Tum pandrah kar lo, to paper mein koi naya pattern nahin bachega. Aur haan...

Prabhat
Haan?

Iksha
awaaz thodi naram ...raat ke gyarah baj chuke hain. Chai main bana doongi. Tum pehla example khol do.

Prabhat
muskaan rok nahin paata Deal hai. Har galat example par ek chai main banaunga.

Iksha
To tayyar raho kitchen ke liye bhi. Chalo, example 1.

B2. Pandrah worked examples: journal entry se verification tak

Har example ka format: **Scenario → Journal Entry → Vouching (kaunse kagaz) → Verification/Checks → Red flag aur lesson.**

Example 1: Cash sales ki vouching

Scenario. Gupta Electronics ki 14 March ko cash sales 48,500 rupaye. Cashier ne cash book mein entry ki.

Journal entry:

Account	Dr (₹)	Cr (₹)
Cash A/c Dr	48,500	
To Sales A/c		48,500

Vouching ke kagaz: cash memos ke counterfoils ya carbon copies, salesman ke daily summary sheets, cash register ka till roll (agar electronic counter hai), aur agle din ka bank paying-in slip.

Auditor kya kare:

1. Counterfoils ki serial numbers check kare: 1201 se 1280 tak, koi number missing ya cancelled to nahin. Cancelled memo par dono copies file mein honi chahiye.
2. Counterfoils ka total cash book se milaye.
3. Dekhe ki 48,500 rupaye agle din bank mein deposit hue ya nahin. Delay = cashier ke paas paisa pada raha = teeming-lading ka darwaza khula.
4. Kuch memos ke rate aur quantity ki calculation check kare.

Red flag: Counterfoil 1247 missing hai. Cashier kehta hai "galat likh diya tha, phenk diya." Phenkna allowed nahin hai, cancelled memo bhi file par rehta hai. Yeh ek possible cash chori ka rasta hai: customer ko memo diya, counterfoil phenka, paisa pocket mein.

Exam trap

Cash sales ke liye "sales invoices" mat likh dena. Credit sales mein invoice, cash sales mein cash memo/counterfoil. Examiner yahi farak pakadta hai.

Example 2: Credit purchases aur three-way match

Scenario. 10 January ko Sharma Traders se maal 1,20,000 rupaye plus 18% GST (21,600) udaar kharida.

Journal entry:

Account	Dr (₹)	Cr (₹)
Purchases A/c Dr	1,20,000	
Input GST A/c Dr	21,600	
To Sharma Traders A/c		1,41,600

Vouching ke kagaz: purchase order (PO) ki copy, goods received note (GRN), supplier ka invoice, aur purchase register.

Auditor kya kare (three-way match):

1. PO dekhe: humne kya manga tha? PO par rate 1,15,000 tha, invoice 1,20,000 ka hai. 5,000 ka fark: ya to price change approved tha, ya billing error. Approval note maange.
2. GRN dekhe: kitna maal actually aaya? GRN mein quantity invoice se kam hai to short receipt ka hisaab alag chahiye.
3. Invoice ki math: 1,20,000 ka 18% = 21,600. Sahi.
4. Invoice par company ka naam, GST number, date (saal ke andar) check kare.
5. Purchase register se ledger posting tak trace kare.

Verification angle: Supplier se period-end statement maang kar balance milaye. Sharma Traders ke yahan humara payable kitna hai, woh supplier khud bataye: yeh external evidence hai.

Red flag: Invoice par GRN reference hi nahin. Matlab maal aaya ya nahin, koi proof nahin. Aise entries se "jhooti khareed" banti hai jisse profit ghata kar tax bachaya jaata hai.

Example 3: Wages aur bhoote mazdoor

Scenario. Ek construction company ne March ki wages 3,60,000 rupaye di, 40 workers ko.

Journal entry:

Account	Dr (₹)	Cr (₹)
Wages A/c Dr	3,60,000	
To Cash A/c		3,60,000

Vouching ke kagaz: wages sheet, muster roll (kaun kitne din aaya), workers ke signatures ya thumb impressions, overtime approval slips.

Auditor kya kare:

1. Muster roll se wages sheet milaye: naam, din, rate. 40 workers sach mein roz aaye the?
2. Kuch signatures dekhe: do alag workers ke sign ek jaisi likhawat mein hain? Thumb impressions genuine lagte hain?
3. **Surprise test:** wages payment ke din khud haazir rahe. Paanch random workers ko bulaye aur unka naam muster roll se poochhe. Do naam aise hain jo site par hain hi nahin: yeh **dummy workers (bhoota mazdoor)** hain.
4. Casual workers ke liye appointment ya contractor agreement dekhe.

Red flag: Ek "Ramesh Kumar" teen mahine se har sheet par hai, par site supervisor use pehchanta nahin. Contractor har mahine uska 9,000 rupaye khud sign karke le jaata hai. Classic dummy worker fraud.

> **Exam trap**
> Dummy worker fraud pakadne ka sabse seedha test: **payment ke din surprise physical presence**. "Muster roll check karna" aadha jawab hai, physical verification poora jawab hai.

Example 4: Machine kharid - capital ya revenue?

Scenario. 5 August ko company ne machine kharidi: basic price 8,00,000, transport 20,000, installation 30,000. Saath mein purani machine ki repair 40,000 ka bhi bill aaya, aur accountant ne dono ko Machinery account mein daal diya.

Sahi journal entries:

Account	Dr (₹)	Cr (₹)
Machinery A/c Dr (8,00,000 + 20,000 + 30,000)	8,50,000	
To Bank A/c		8,50,000
Repairs A/c Dr	40,000	
To Bank A/c		40,000

Vouching ke kagaz: supplier invoice, transport bilty, installation certificate, quotation comparison sheet, board ya purchase committee ka approval.

Auditor kya kare:

1. **Capital vs revenue check:** transport aur installation machine ko working condition tak laane ka kharch hai, isliye cost mein judta hai. Repair sirf purani machine chalane ka kharch hai, woh revenue expense hai, P&L mein jaayega.
2. Accountant ki galti ka asar: 40,000 repair ko Machinery mein daalne se asset phool gaya aur is saal ka expense kam ho gaya, matlab **profit 40,000 se zyada dikha** (depreciation ka chhota asar alag). Yeh classic profit inflation technique hai.
3. Correction entry maange: Repairs A/c Dr 40,000 / To Machinery A/c 40,000.
4. Quotation comparison dekhe: teen quotations mein sabse sasta kyun nahin liya? Agar maalik ke rishtedaar ki firm se kharida, related party disclosure ka sawaal.

Verification angle: Machine physically factory mein dekhe, serial number invoice se milaye, aur depreciation ka calculation recompute kare.

> **Exam trap**
> "Installation charges kahan jaate hain?" - Machinery ki cost mein. "Major overhaul jo life badha de" - capital. "Routine repair" - revenue. Yeh teen-line rule yaad rakho.

Example 5: Rent received ki vouching

Scenario. Seth ji ne apni building ki teen dukaanein kiraye par di hain, har dukaan 15,000 rupaye mahina. Saal bhar ki books mein rent received 5,25,000 dikhta hai.

Journal entry (har mahine, teen dukaanein):

Account	Dr (₹)	Cr (₹)
Cash A/c Dr	45,000	
To Rent Received A/c		45,000

Vouching ke kagaz: rent agreements, rent register, tenants ko di gayi receipts ke counterfoils, bank statement (agar rent bank mein aata hai).

Auditor kya kare:

1. Agreement se rate confirm kare: teen dukaanein x 15,000 x 12 mahine = **5,40,000** hona chahiye. Books mein 5,25,000 hai. 15,000 kam kyun?
2. Rent register mein dekhe: July ka ek dukaan ka rent missing. Tenant se confirmation maange: tenant kehta hai usne July ka rent cash mein Seth ji ke bete ko diya. Ab yeh Seth ji ke bete tak pahuncha ya nahin, yeh family matter hai; auditor ke liye yeh **rent in arrears** hai jo books mein dikhna chahiye.
3. Khali dukaan ka reason poochhe: agar ek dukaan do mahine khali rahi, to us period ka rent na hona sahi hai, par vacancy ka proof (electricity bill zero, local enquiry) ho.

Red flag: Tenant confirmation mein tenant kehta hai usne 18,000 mahina diya, books mein 15,000 likha hai. 3,000 har mahine kahin aur ja raha hai. Rent receipts ka counterfoil check karo.

Example 6: Bank loan ki verification

Scenario. Company ne 1 October ko bank se 25,00,000 ka term loan liya, factory building girvi rakh kar.

Journal entry:

Account	Dr (₹)	Cr (₹)
Bank A/c Dr	25,00,000	
To Term Loan A/c		25,00,000

Vouching ke kagaz: loan sanction letter, loan agreement, bank statement mein credit, board resolution (loan lene ki authority).

Verification ke steps:

1. **Direct confirmation:** auditor khud bank ko letter likhe: 31 March ko outstanding kitna hai, interest rate kya hai, kya security di gayi hai. Reply

seedha auditor ke paas aana chahiye (SA 505 ka spirit: confirmation process ka control auditor ke haath mein).
2. **Charge check:** building girvi hai, to charge registrar ke yahan register hua ya nahin, dekhe. Balance sheet mein loan "secured" tabhi dikhaya jaa sakta hai jab charge ka proof ho.
3. **Interest accrual:** 6 mahine ka interest recompute kare. Rate 10% hai to 25,00,000 x 10% x 6/12 = 1,25,000. Books mein outstanding interest kitna dikha?
4. **Purpose check:** loan factory ke liye tha; kya paisa sach mein factory mein laga? Bank statement se bade payments trace kare.

Red flag: Management kehti hai "bank se hum confirm karwa denge, aap mat likhiye." Confirmation ka control management ke haath mein gaya to evidence kamzor ho gaya. Wirecard yaad rakho.

Example 7: Debtor confirmation ka mismatch

Scenario. Books mein debtor Mehta & Co ka balance 2,45,000 hai. Auditor ne direct confirmation bheji. Mehta & Co ne reply diya: "Hamara balance sirf 1,95,000 hai. 50,000 ka cheque humne 29 March ko post kiya tha."

Auditor ka analysis:

1. Pehla possibility: cheque 29 March ko bheja gaya, company ko 2 April ko mila. To ye **cheque in transit** hai. Agle saal ki cash book dekho: 2 April ko 50,000 ka receipt entry hai? Hai to theek, koi galti nahin, sirf timing.
2. Doosri possibility: cheque kabhi aaya hi nahin. Ya aaya, cashier ne pocket mein daala, aur receipt entry hi nahin ki. Ab yeh **teeming-lading** ka signal hai.
3. Teesri possibility: Mehta & Co jhooth bol raha hai taaki apni liability kam dikha sake. Isliye cheque number aur bank clearing ka proof maango.

Koi journal entry abhi nahin - auditor pehle fact establish karta hai. Agar cheque in transit sahi hai, to yeh reconciliation item hai, adjustment nahin. Agar cashier ne churaya, to entry chahiye: Mehta & Co Dr 50,000 / To Cash 50,000 (receipt record karna), aur phir cashier se recovery ka alag raasta.

Red flag: Aise mismatch sirf Mehta & Co mein nahin, paanch aur debtors mein mile, sab "cheque post kiya tha" wale. Pattern = cashier receipts rok raha hai. Debtor confirmations lapping pakadne ka sabse sasta tool hai.

Example 8: Stock verification aur cut-off

Scenario. Books ke hisaab se 31 March ko stock: 4,200 units @ 250 = 10,50,000. Auditor ne 31 March ko physical count kiya: 4,050 units. Saath hi dekha: 60,000 ka maal 2 April ko dispatch hua, par sale 31 March ki books mein likhi gayi.

Auditor ka analysis:

1. **Shortage:** 150 units x 250 = **37,500 ka stock gayab**. Wajah? Chori, damage, ya counting error. Entry: Stock Shortage (P&L) Dr 37,500 / To Trading A/c (Stock) 37,500.
2. **Cut-off error:** maal 2 April ko gaya to sale agle saal ki hai. Is saal sale mein daalna galat. Reversal: Sales A/c Dr 60,000 / To Debtor A/c 60,000. Aur woh maal is saal ke stock mein wapas judega (cost par).
3. **Goods in transit:** supplier se maal 30 March ko bheja gaya, 2 April ko pahuncha. Agar ownership 30 March ko transfer ho gayi thi (FOB shipping point), to yeh stock hamara hai, "goods in transit" ke roop mein stock mein judega.

Vouching ke kagaz: stock sheets, count tags, GRN aur dispatch documents ki last serial numbers (cut-off proof ke liye).

Red flag: Management count ke baad kehti hai "woh 150 units doosre godown mein hain." Auditor ka jawab: "Chaliye, abhi chalte hain." Doosre godown mein woh units naye dikh rahe hain, dhool nahin. Shaqq aur gehra hua.

> **Exam trap**
> Goods sent on approval stock mein judega (cost par), sale mein nahin. Goods sold but not dispatched stock se hat jayega. Dono taraf cut-off ka test chalta hai.

Example 9: Investments - certificates hain, par girvi bhi hain

Scenario. Company ke paas X Ltd ke 10,000 shares hain, cost 120 per share = 12,00,000. Company ne certificates dikha diye.

Auditor kya kare:

1. Certificates physically dekhe: company ke naam par hain? Serial numbers investment register se milte hain?

2. **Pledge check:** certificates par "pledged" ka stamp? Company ne bank se overdraft liya tha, ho sakta hai shares girvi hon. Bank se direct confirmation maange: bank confirm karta hai ki 10,000 shares overdraft ke against lien mein hain.
3. **Disclosure:** pledged shares ka disclosure balance sheet mein chahiye. Books mein koi note nahin: yeh incomplete disclosure hai.
4. **Income trace:** X Ltd ne is saal dividend diya? Dividend warrant ya bank credit se income verify kare. Agar shares hain par dividend kabhi nahin aaya, poochho kyun: ho sakta hai shares bech diye hon par books mein hon.

Journal entry (dividend):

Account	Dr (₹)	Cr (₹)
Bank A/c Dr	30,000	
To Dividend Received A/c		30,000

Red flag: Certificates original nahin, photocopies hain. Original "bank mein hain." Theek, bank se confirm karo. Bank kehta hai koi shares nahin hain uske paas. Ab poora investment doubtful hai.

Example 10: Fixed asset ki sale

Scenario. Company ne ek machine bechi: cost 5,00,000, accumulated depreciation 2,00,000, sale price 2,60,000.

Journal entry:

Account	Dr (₹)	Cr (₹)
Bank A/c Dr	2,60,000	
Accumulated Depreciation A/c Dr	2,00,000	
Loss on Sale A/c Dr	40,000	
To Machinery A/c		5,00,000

(WDV = 5,00,000 − 2,00,000 = 3,00,000. Sale 2,60,000. Loss 40,000.)

Vouching ke kagaz: sale agreement ya delivery challan, board approval, bank mein paisa aaya ka proof.

Auditor kya kare:

1. Approval dekhe: 3 lakh ki WDV ki machine bechne ka approval kisne diya? Articles ya board minutes mein authority hai?
2. Price reasonable tha? 2,60,000 market ke hisaab se theek tha ya kisi related party ko sasta bech diya? Do independent quotations ya valuation maange.
3. Calculation recompute kare: WDV, loss, sab.
4. **Asset register update:** machine ab bhi fixed asset register mein hai? Hai to register phoola hua hai.

Red flag: Machine maalik ke damaad ki firm ko 2,60,000 mein bechi gayi jabki scrap dealer bhi 3,10,000 de raha tha. Related party aur undervaluation dono ka sawaal.

Example 11: Petty cash surprise count

Scenario. Imprest amount 10,000. Auditor ne bina bataye Tuesday subah petty cash box khulwaya. Vouchers ka total 7,300, cash hona chahiye 2,700. Actual cash: 2,200.

Auditor ka analysis:

1. **500 rupaye short.** Pehle poochho: koi voucher likha gaya jo abhi register mein entry nahin hua? Koi IOU (main baad mein lauta doonga) padi hai box mein? IOU allowed nahin hoti, par milti zaroor hain.
2. Ek voucher 800 ka hai jis par koi approval signature nahin. Unapproved voucher = unvouched payment.
3. Ek voucher "office decoration 1,500" ka hai par bill nahin, sirf haath se likhi chitthi. Secondary evidence maango ya unvouched mark karo.

Equation yaad rakho:

> Imprest amount = cash in box + approved vouchers + (jo cheez explain nahin hui, woh shortage)

10,000 = 2,200 + 7,300 + 500 shortage.

Red flag: Petty cashier kehta hai "500 maine apne jeb se advance diye the peon ko, woh lauta dega." Advance personal capacity mein allowed nahin. Petty cash se personal loan teeming-lading ka nanha roop hai.

Exam trap

Petty cash check ka sahi tareeqa **surprise** count hai, appointment lekar nahin. Appointment mili to box "sajja" kar aayenge.

Example 12: Travelling expenses - business ya honeymoon?

Scenario. Director ke travelling expenses 85,000 claim hue, Europe tour. Bills attached hain.

Vouching ke kagaz: tour programme, tickets, boarding passes, hotel bills, board approval for foreign travel, daily allowance policy.

Auditor kya kare:

1. Tour programme se tickets milaye: director ke saath do aur tickets hain, Mrs. Director aur bete ki, 32,000 rupaye. Yeh **personal expense** hai, business ka nahin.
2. Hotel bill mein family room ka charge.
3. Board approval mein kya likha tha: "director akela jaayega" ya "family allowed"?
4. Personal hissa recover karna chahiye: Director's A/c Dr 32,000 / To Travelling Expenses A/c 32,000.

Red flag: Bills mein ek jeweller ka bill bhi mila, "client gift" likha hua. Client ka naam? Business purpose? Directors ke expenses mein auditor ki skepticism sabse tez honi chahiye kyunki approval karne wala khud beneficiary hai.

Example 13: Goods on approval ko sale likh diya

Scenario. 28 March ko company ne 1,00,000 ka maal ek customer ko "sale or return" basis par bheja, approval ka period 15 din. Accountant ne sale book kar di: Debtor Dr 1,00,000 / To Sales 1,00,000. Maal ki cost 80,000 thi.

Auditor ka analysis:

1. 31 March ko customer ne approve nahin kiya. Matlab 31 March ko yeh **sale nahin hai**. Yeh hamara stock hai, customer ke paas pada hua.
2. Profit ka asar: sale 1,00,000 aur cost 80,000 dono books mein chale gaye, matlab profit 20,000 phool gaya.

3. Correction entries:
4. Sales A/c Dr 1,00,000 / To Debtor A/c 1,00,000 (sale reverse)
5. Stock with Customer on Approval Dr 80,000 / To Trading A/c 80,000 (stock wapas, cost par)

Verification angle: Customer se confirm karo: kya 31 March tak approve kiya tha? Agar customer 5 April ko approve karta hai, to sale agle saal ki hai.

> Exam trap
> Sale or return hamesha **cost par** stock mein aata hai, sale price par nahin. Aur profit is saal ka kabhi nahin.

Example 14: Bank reconciliation aur confirmation

Scenario. 31 March ko cash book mein bank balance 6,40,000. Bank statement mein 8,15,000.

Auditor ka reconciliation:

- Cheques issued par present nahin hue: +2,30,000
- Cheque deposited par clear nahin hua: −55,000
- Cash book 6,40,000 + 2,30,000 − 55,000 = **8,15,000** = bank statement. Mil gayi.

Auditor kya kare:

1. Har reconciling item ko trace kare: woh 2,30,000 ke cheques April mein present hue? Bank statement of April dekhe.
2. 55,000 wala deposit April ke pehle hafte clear hua?
3. **Direct confirmation:** bank se seedha letter. Balance, koi lien, koi guarantee jo company ne di ho. Statement ki photocopy management se mat lo.
4. Old outstanding cheques: koi cheque 6 mahine se present nahin hua? Woh stale hai, wapas likhna chahiye.

Red flag: Ek reconciling item "cheque issued not presented 90,000" teen mahine purana hai. Auditor ne payee se confirm kiya: payee kehta hai usko kabhi cheque mila hi nahin. Matlab cheque nikala gaya, kisi aur ko cash karaya gaya, aur "not presented" dikhakar baitha diya gaya. Yeh Wirecard wali duniya ka darwaza hai: bank figure ko management ke kagaz se maan lena.

Example 15: Contingent liability ki verification

Scenario. Company par ek customer ka case chal raha hai: 12,00,000 ka claim. Case court mein pending hai.

Auditor kya kare:

1. **Court papers** dekhe: plaint copy, claim amount, current status.
2. **Legal letter:** company ke lawyer se direct letter maange: haarne ka chance kya hai? Lawyer kehta hai "possible but not probable."
3. **Board minutes:** kya board ne is case ka zikr kiya, kya koi provision banane ki baat hui?
4. **Treatment:** lawyer kehta hai possible hai, probable nahin, to koi journal entry nahin. Sirf **footnote disclosure**: "Contingent liability: customer claim 12,00,000, company is contesting the case."
5. Agar lawyer kehta "probable hai, 10 lakh dena hi padega," to provision banta hai: P&L A/c Dr 10,00,000 / To Provision for Claim 10,00,000.

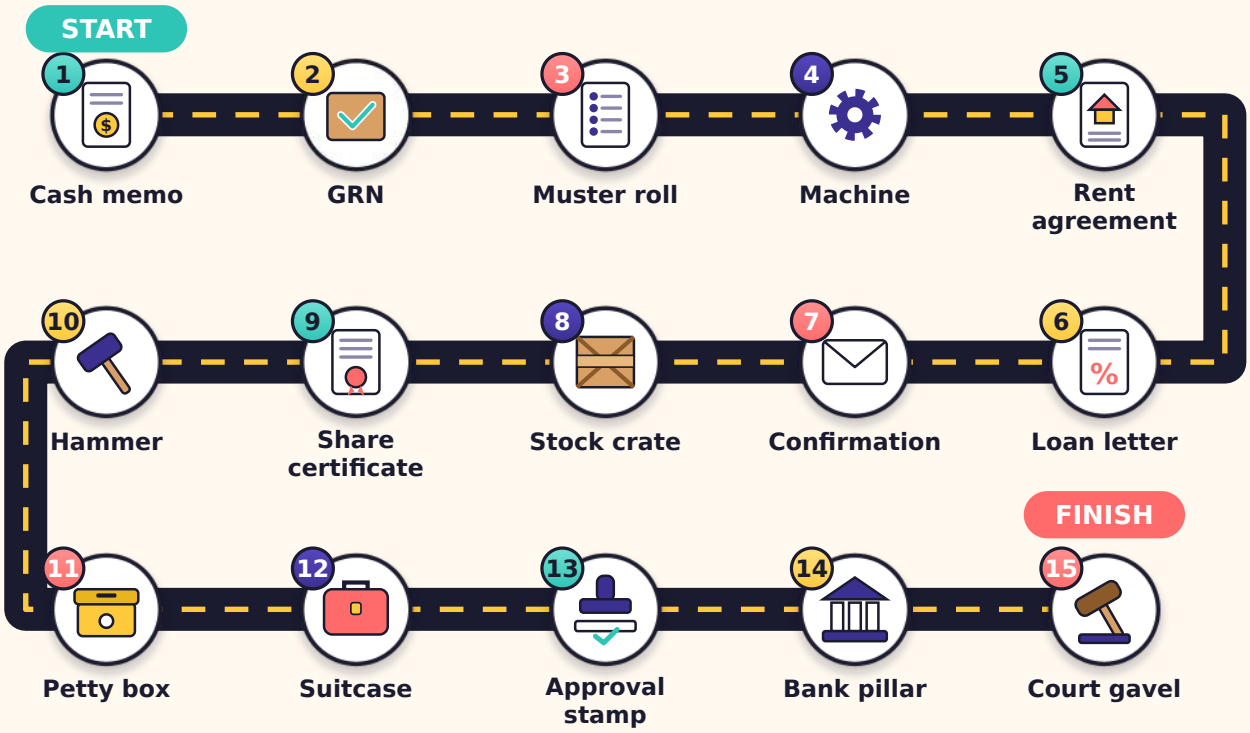
Red flag: Management kehti hai "case to bahut purana hai, footnote ki zaroorat nahin." Purana hona liability khatam nahin karta. Jab tak court se disposal ka order nahin, disclosure chahiye.

Exam trap

Contingent liability ko **books mein entry nahin** hoti, sirf disclosure hota hai. "Provision kab banta hai?" - jab outflow probable ho aur amount reliably estimate ho sake.

Voucher Jungle Trail

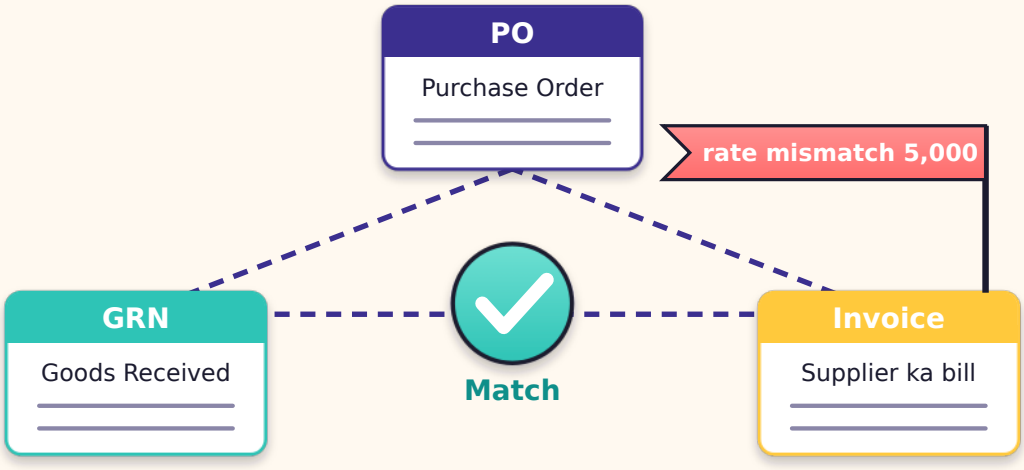
15 worked examples ka raasta



15 vouching examples: ek ek stop, ek ek seekh

Three-way Match

PO + GRN + Invoice

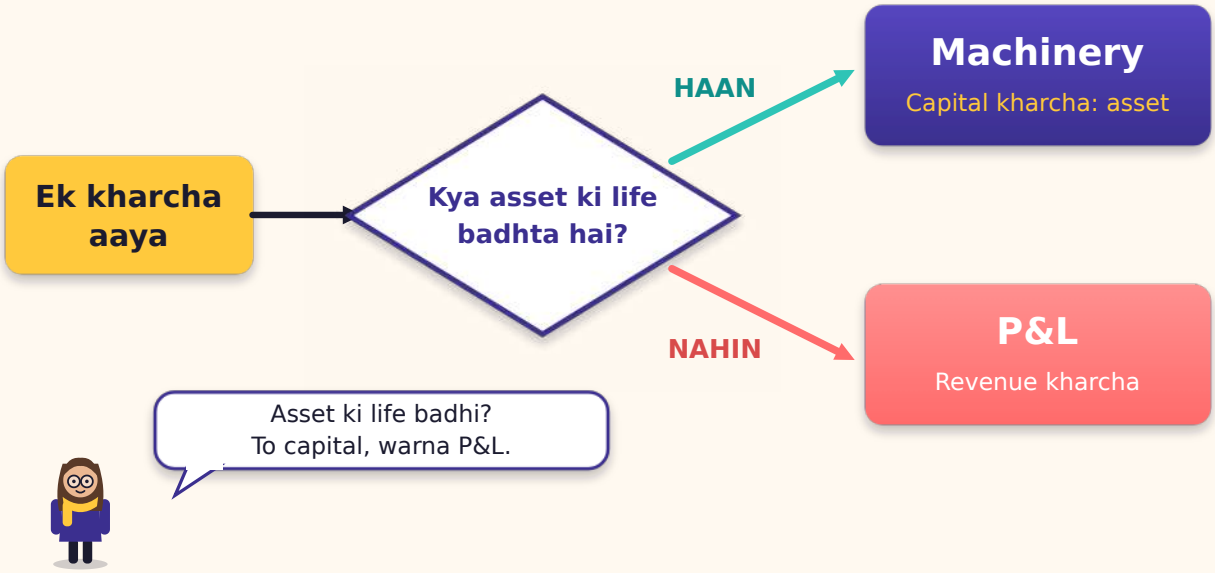




PO, GRN aur Invoice teeno milao, tab hi payment

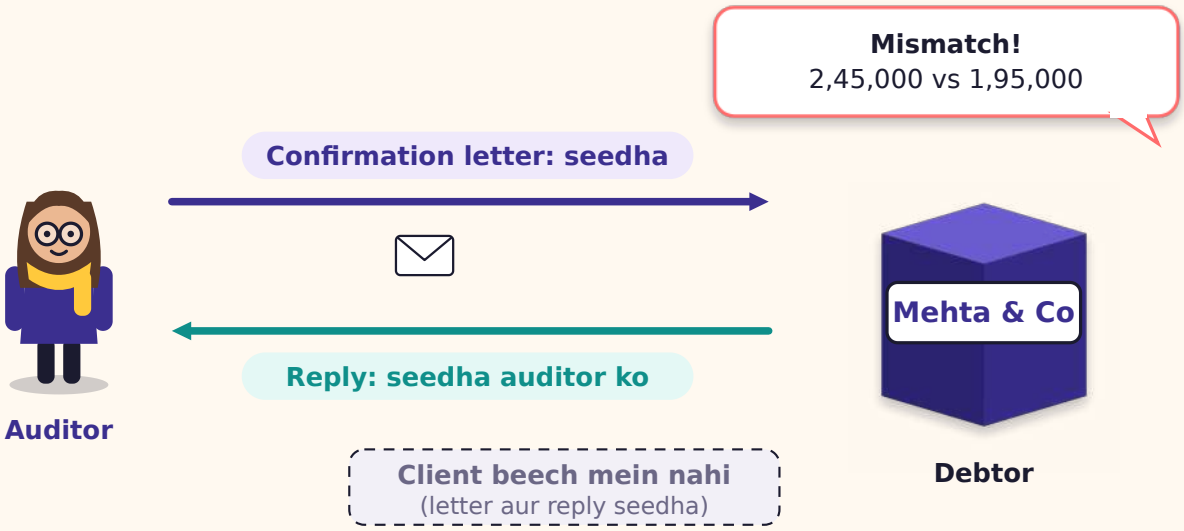
Capital vs Revenue

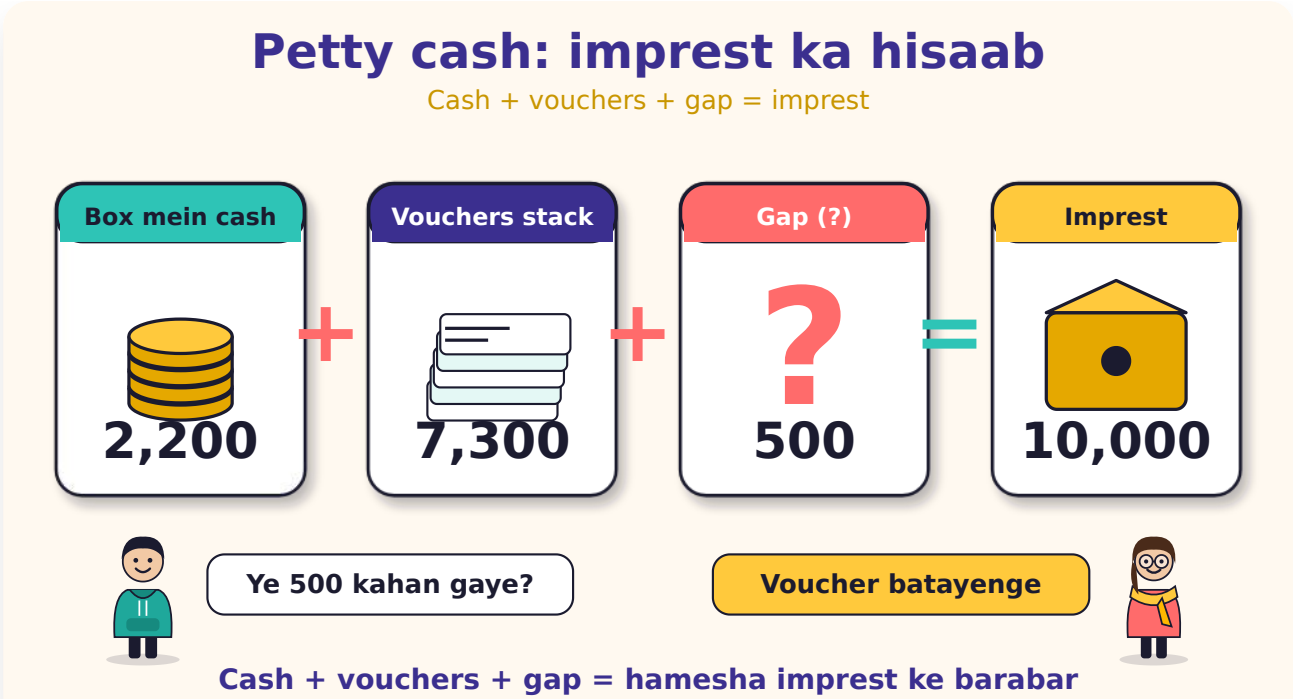
Kharcha kahan jayega?

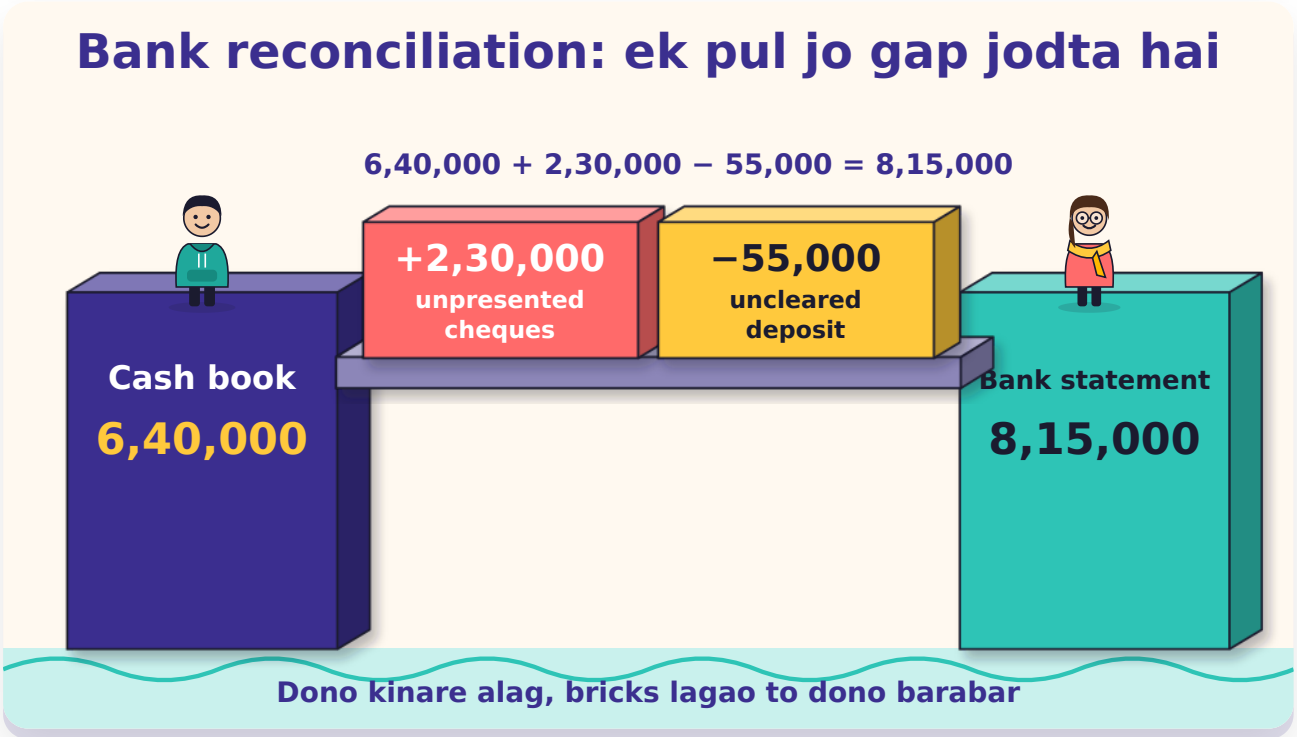


Debtor Confirmation

Seedha bhejo, seedha mangao







B3. Mini case study 1: Luckin Coffee - 2.2 billion yuan ki jhooti sales

Kya hua. Luckin Coffee China ka coffee chain tha, jo Starbucks ko takkar de raha tha. 2019 mein America ke Nasdaq par list hua, 17 dollar ke share se shuruat hui. [src] 31 January 2020 ko short-seller Carson Block ki firm Muddy Waters ne ek

anonymous 89-page report publish ki: dawa tha ki Luckin ne apne per-store sales figures inflate kiye hain, 2019 ki third quarter mein kam se kam 69% aur fourth quarter mein 88% tak, aur iske peeche 11,200 ghante ki video footage thi. [src] Company ne pehle sab kuch deny kiya.

Phir 2 April 2020. Company ne khud bataya: internal investigation mein paya gaya ki COO Jian Liu ne 2019 ki sales "around RMB 2.2 billion" (lagbhag 310 million dollars) fabricate ki thi. [src] April mahine mein stock 80% se zyada gira. 15 May ko Nasdaq ka delisting notice aaya, 29 June 2020 ko delisting ho gayi. [src] 16 December 2020 ko US SEC ke saath 180 million dollar ka settlement hua accounting fraud case mein. [src] February 2021 mein company ne US mein Chapter 15 bankruptcy file ki. [src]

Audit failure kahan thi? Jhooti sales ka matlab: aise invoices jo kabhi hue hi nahin. Vouching ke nazariye se yeh fictitious sales ka textbook case hai. Agar sales entries real documents ke saath bhi banayi gayi thin (fake invoices, fake orders), to document dekhna kaafi nahin: auditor ko sales ki **occurrence** independently check karni thi. Muddy Waters ne wahi kiya jo ek auditor ko karna chahiye tha: store level par actual activity observe ki (video footage), aur recorded numbers se milaya. Observation aur external data, sirf management ke records nahin: yahi SA 500 ke reliability principles ka lesson hai.

Lesson. Sales ki vouching mein invoice ka hona zaroori hai par kaafi nahin. Jab revenue hi fraud ka target ho (SA 240 revenue mein fraud risk presume karta hai), auditor ko independent data chahiye: store footfall, delivery records, payment processor data. Jo aadmi khud video laga kar sach nikaal sakta hai, uske jhoothe invoice par auditor ki tick mark ka kya mol?

Exam angle. UPSSSC sawaal: "Fictitious sales pakadne ke liye auditor kya kare?" Jawab mein likho: cut-off testing, debtor confirmations, dispatch documents ko invoices se milana, aur unusual month-end sales spikes ki enquiry. Luckin yaad rakhna: sales inflate karna sabse purana fraud hai.

B4. Mini case study 2: Toshiba - saat saal ka phoola hua profit

Kya hua. Japan ki electronics giant Toshiba ne May 2015 mein announce kiya ki woh ek accounting scandal ki internal investigation kar rahi hai aur pichhle teen saalon ke profits revise karne pad sakte hain. [src] 21 July 2015 ko CEO Hisao Tanaka ne resign kiya. Usne is scandal ko company ke 140 saal ke itihaas ka "most damaging event" kaha. Investigation mein paya gaya ki profits pichhle saat saalon mein lagbhag 1.2 billion dollar inflate kiye gaye the. [src] Tanaka ke saath 8 aur senior officials gaye, jinmein do former CEOs bhi shamil the. [src]

Audit angle: verification of estimates. Toshiba ka fraud sales invoice ka jhooth nahin tha; yeh **estimates aur judgments ka khel** tha: long-term projects mein kitna profit abhi book karna hai, kitna loss dikhana hai, kab dikhana hai. Jab top management hi pressure daale ki "target to poora karna hi hai," to neeche ke accountants estimates ko dheere-dheere, saal-dar-saal dhakelte hain. Har saal thoda, saat saal mein 1.2 billion dollar.

Verification ka lesson. Estimates ko verify karna assets chhoone jitna seedha nahin hota. Auditor ko karna padta hai: (1) management ke assumptions ko independent data se milana, (2) pichhle saal ke estimates ka is saal ke actual se comparison (jise "estimation ki hindsight review" kaha ja sakta hai), (3) unusual top-side adjustments aur journal entries ka test karna, kyunki top-down fraud hamesha entries ke zariye hi aata hai. SA 540 accounting estimates ke audit ke liye hi hai.

Ek aur sakt lesson. Do former CEOs ka jaana dikhata hai: yeh ek aadmi ka fraud nahin tha, yeh **culture** tha. Jab tone at the top galat ho, to internal controls kagaz par rehte hain. Auditor ka kaam sirf documents dekhna nahin, yeh mehsoos karna bhi hai ki company mein jhooth bolne ka dabaav kitna hai.

Exam angle. "Verification of provisions and estimates is difficult because..." - kyunki yeh future events par based hain, management judgment lagta hai, aur auditor ko assumptions ki reasonableness test karni padti hai. Toshiba iska sabse bada saboot hai.

Luckin Coffee: nakli sales ka bubbla

Kaise pakda gaya



Fake receipts

Coffee cup se nikalti nakli receipts

Jan 2020
Muddy Waters report

2 Apr 2020
RMB 2.2bn admission

29 Jun 2020
Delisting

Dec 2020
SEC $180m

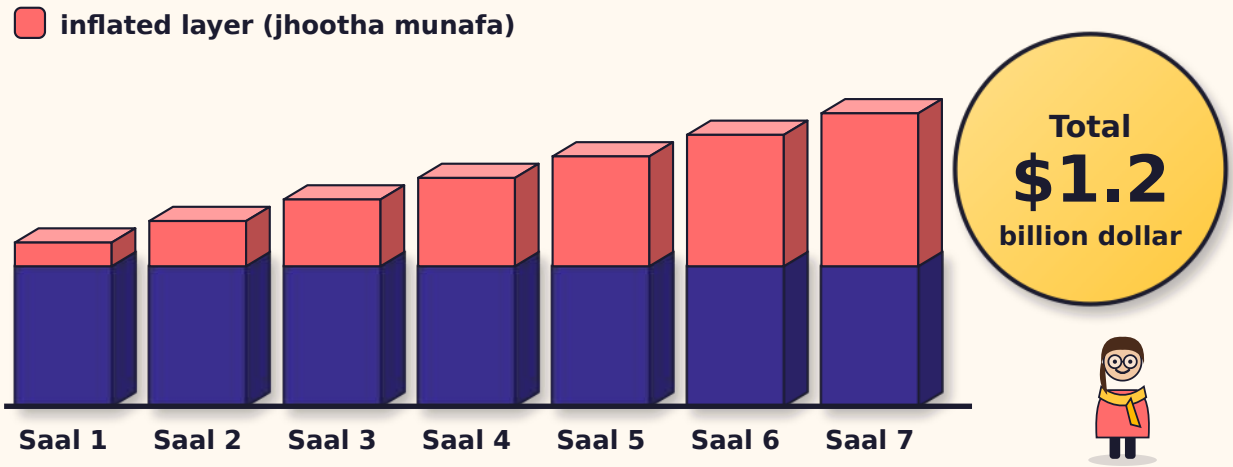
Footage dekho





Video camera

Toshiba: saat saal ka phoola hua munafa



Har saal thoda jhooth, saat saal mein bahut bada

B5. Master tables (revision ke liye)

Table 1: 15 examples ka ek-nazar recap

#	Item	Pehla voucher	Sabse bada red flag
1	Cash sales	Cash memo counterfoil	Serial gap / missing counterfoil
2	Credit purchases	Supplier invoice	GRN reference missing
3	Wages	Wages sheet + muster roll	Same handwriting ke signs
4	Machine purchase	Invoice + installation cert	Repair ko capital banana
5	Rent received	Rent agreement	Tenant ka confirmation alag rate ka
6	Bank loan	Sanction letter	Management khud confirm karana chahe
7	Debtor balance	Confirmation reply	"Cheque post kiya tha" wala pattern
8	Stock	Count sheets/tags	"Doosre godown mein hai" wala bahana
9	Investments	Share certificates	Photocopy dikhana, pledge chhupana
10	Asset sale	Sale agreement	Related party ko sasta bechna
11	Petty cash	Petty vouchers	IOU slips box mein
12	Travel expenses	Tickets + tour programme	Family ke bills business mein
13	Sale or return	Approval terms	Customer ne approve hi nahin kiya
14	Bank balance	Bank statement	Purana "unpresented cheque"
15	Contingent liability	Court papers	"Purana case hai" karke disclosure se inkaar

Table 2: Vouching vs Verification ek aur angle se

Sawaal	Vouching	Verification
Kis par?	Transactions (saal bhar)	Assets/liabilities (year-end)
Saboot ka source	Vouchers, documents	Physical inspection + external confirmation
Assertion	Occurrence, accuracy, cut-off	Existence, rights, completeness
Failure ka example	Luckin ki jhooti sales	Wirecard ka gayab cash

(In tables ke company facts ke sources: Luckin https://en.wikipedia.org/wiki/Luckin_Coffee, Wirecard https://en.wikipedia.org/wiki/Wirecard_scandal, dono accessed 2026-11-27.)

B6. "What would you do?" scenarios

Scenario A. Tum ek textile firm ke audit mein ho. December mein sales achanak pichhle saal ki December se double ho gayi, par factory ka electricity bill same hai. Kya karoge?

Iksha ka jawab

Pehle dispatch documents dekho: maal gaya bhi ya sirf invoice bane? Phir electricity bill ki tarah independent indicators dhundho: transport receipts, godown entries, production records. Month-end ki sales ka cut-off test karo. Debtors se confirmations bhejo. Agar sales real hain to proof milega; agar Luckin-style hain to documents ke bahar jhijhak milegi.

Scenario B. Client kehta hai: "Stock count tum mat aao, humari team count karke list de degi, hum to har saal aise hi karte hain." Tumhari response?

Iksha ka jawab

Stock material hai to physical count mein auditor ka attend karna SA 501 ka expectation hai. Politely but firmly attend karo: count observe karo, apne test counts karo, cut-off numbers note karo (last GRN, last dispatch). Agar client rokta hai, yeh scope limitation hai aur report par asar pad sakta hai.

Scenario C. Cashier ki chhutti ke do hafte mein koi cash receipt entry record hi nahin hui. Wapas aate hi usne saari entries "pending thi" keh kar ek saath daal di. Kya karoge?

Iksha ka jawab

Yeh teeming-lading ka classic cover hai. Un do hafton ki har receipt ke counterfoil uthao, bank deposits se milao, aur un customers se confirm karo jinke naam receipts bani hain ki unhone kab bhara tha. Dates ka mismatch hi jhooth kholega.

B7. 30 MCQs (answer + 2-line explanation)

Q1. Vouching mein sabse pehle auditor kya dekhta hai? (a) Profit (b) Voucher ka existence (c) Balance sheet (d) Audit report **Answer:** (b). Vouching ka pehla kadam hi documentary evidence maangna hai. Bina voucher ke entry ko auditor accept nahin karta.

Q2. Cash sales ka primary voucher hai: (a) Sales invoice (b) Cash memo ka counterfoil (c) Delivery challan (d) Purchase order **Answer:** (b). Cash sales mein customer ko cash memo diya jaata hai aur counterfoil office mein rehta hai. Sales invoice credit sales ka document hai.

Q3. Three-way match mein kaunsa document nahin aata? (a) Purchase order (b) Goods received note (c) Supplier invoice (d) Bank passbook **Answer:** (d). Three-way match PO + GRN + invoice ka hota hai. Passbook payment ke stage par aata hai, receipt of goods ke stage par nahin.

Q4. Teeming and lading pakadne ka best test: (a) Trial balance milana (b) Debtors se direct confirmation (c) Stock count (d) Depreciation recheck **Answer:** (b). Debtor khud batata hai usne kab kitna bhara. Cashier ki ghumti entries debtor ke jawab se expose hoti hain.

Q5. Dummy worker fraud kis area mein hota hai? (a) Sales (b) Wages (c) Purchases (d) Rent **Answer:** (b). Fake naam wages sheet mein daal kar koi aur payment utha leta hai. Surprise presence at payment time iska best detection hai.

Q6. Machine ki installation charges ka treatment: (a) Repairs mein (b) Machinery ki cost mein (c) P&L mein direct (d) Prepaid expenses **Answer:** (b). Machine ko working condition tak laane ka har kharch cost ka hissa hai. Isliye installation capital hota hai, routine repair nahin.

Q7. Revenue kharch ko capital dikhane se: (a) Profit kam dikhta hai (b) Profit zyada dikhta hai (c) Koi asar nahin (d) Cash badh jaata hai **Answer:** (b). Expense P&L se hat kar balance sheet mein chala jaata hai, isliye is saal ka profit phool jaata hai. Yeh classic manipulation hai.

Q8. Bank balance ki sabse reliable verification: (a) Cash book (b) Bank statement ki photocopy (c) Auditor ka bank se direct confirmation (d) Manager ka oral jawab **Answer:** (c). Direct confirmation auditor ke control mein hoti hai aur external source se aati hai. Wirecard ne dikhaya management ke kagaz par bharosa karna kya karata hai.

Q9. Petty cash mein imprest system ka matlab: (a) Jitna chaho nikalo (b) Fixed amount, kharch ke vouchers se reimbursement (c) Sirf online payment (d) Maheene mein ek baar count **Answer:** (b). Imprest mein fixed float hota hai aur jitna kharch ho utna hi reimburse hota hai. Cash + vouchers = imprest amount, yeh equation check hoti hai.

Q10. IOU slip petty cash box mein mile to: (a) Theek hai, normal hai (b) Yeh irregularity hai, personal loan petty cash se allowed nahin (c) Use receipt maano (d) Ignore karo **Answer:** (b). IOU ka matlab kisi ne paisa nikala bina expense ke. Yeh shortage hai jab tak wapas na aaye, aur system ki weakness dikhata hai.

Q11. Goods sent on sale-or-return, customer ne year-end tak approve nahin kiya. Treatment: (a) Sale likho (b) Sale na likho, stock mein cost par dikhao (c) Sale likho par profit mat lo (d) Bad debt likho **Answer:** (b). Approval tak ownership transfer nahin hoti, to maal hamara stock hai, cost par. Sale price par dikhana profit phoola deta hai.

Q12. Contingent liability kahan dikhai jaati hai? (a) Trial balance (b) Balance sheet footnote/disclosure (c) Cash book (d) Sales register **Answer:** (b). Future event par depend karne wali liability books mein entry nahin, sirf disclosure maangti hai. Probable ho tab provision banta hai.

Q13. Debtor confirmation ka reply seedha kiske paas aana chahiye? (a) Accountant (b) Cashier (c) Auditor (d) Director **Answer:** (c). Reply auditor ke paas aaye to manipulation ka chance khatam. Management ke haath se guzra evidence kamzor ho jaata hai.

Q14. Missing voucher ka case ho to auditor pehle kya maangega? (a) Resignation (b) Duplicate copy ya written confirmation (c) Police complaint (d) Naya accountant **Answer:** (b). Pehla step duplicate/collateral evidence hai. Phir nature aur authorisation check hoti hai, aur aakhir mein unvouched disclosure.

Q15. Fixed assets ki verification mein auditor kya nahin karta? (a) Physical inspection (b) Title deeds check (c) Sirf management ke list par sign (d) Additions ki vouching **Answer:** (c). Sirf list par sign karna verification nahin hai. Existence, ownership aur possession teeno independently establish karne hote hain.

Q16. Window dressing pakadne ka tareeqa: (a) Saal ke beech ke reversals dekhna (b) Sirf trial balance dekhna (c) Staff se poochna (d) Kuch nahin kar sakte **Answer:** (a). Year-end ke aas-paas ki unusual entries aur just-after-year-end reversals window dressing expose karte hain. Cut-off testing isi ka tool hai.

Q17. Verification ke chaar pillars kaunse hain? (a) Sales, purchase, cash, stock (b) Existence, ownership, possession, charge-free disclosure (c) Debit, credit, balance, trial (d) Bill, voucher, receipt, invoice **Answer:** (b). Har asset ke liye yeh chaar sawaal poochhe jaate hain. Chaaron ka jawab evidence ke saath chahiye.

Q18. External voucher internal voucher se zyada reliable kyun? (a) Lamba hota hai (b) Bahar ke independent party ne banaya hota hai (c) Mehenga hota hai (d) Computer se banta hai **Answer:** (b). Jo document client ke control ke bahar bana, usmein manipulation mushkil. Yeh SA 500 ke reliability principles ka core hai.

Q19. Rent received ki vouching mein vacancy ka proof kya ho sakta hai? (a) Malik ka kahna (b) Zero electricity bill aur local enquiry (c) Sirf agreement (d) Kuch nahin **Answer:** (b). Khali dukaan ka dawa independent evidence se check hota hai. Warna fake vacancy dikhakar rent pocket mein daala ja sakta hai.

Q20. Investments girvi hone par kya chahiye? (a) Kuch nahin (b) Pledge ka disclosure aur lender se confirmation (c) Shares bech do (d) Dividend rok do **Answer:** (b). Pledged investments ka disclosure mandatory hai aur lender confirmation se pledge verify hota hai. Chhupana incomplete disclosure hai.

Q21. Cut-off test kis assertion ko check karta hai? (a) Sahi period mein transaction record hui (b) Sahi handwriting (c) Sahi file (d) Sahi staff **Answer:** (a). 31 March ke dono taraf ki entries dekh kar auditor confirm karta hai ki sale/purchase sahi saal mein gayi. Example 8 aur 13 mein yahi kiya.

Q22. Luckin Coffee fraud ka center kya tha? (a) Stock chori (b) Fabricated sales (c) Fake purchase (d) Loan default **Answer:** (b). 2019 ki sales ko RMB 2.2 billion tak fabricate kiya gaya. [src] Fictitious revenue ka modern classic case hai.

Q23. Muddy Waters ne Luckin ke khilaf sabse strong evidence kya use kiya? (a) Gossip (b) Store-level video footage (c) Tarot (d) Old newspapers **Answer:** (b). 11,200 ghante ki video footage se per-store actual sales count ki gayi thi. [src] Observation evidence ka power yahi hai.

Q24. Toshiba scandal mein profits kitne saal tak inflate hue? (a) 1 saal (b) 3 saal (c) Lagbhag 7 saal (d) 20 saal **Answer:** (c). Lagbhag 1.2 billion dollar pichhle saat saalon mein inflate kiye gaye the. [src]

Q25. Toshiba jaise estimate-based frauds mein auditor ka key tool: (a) Sirf invoice dekhna (b) Pichhle estimates ka actual se comparison aur top-side journal entries ka test (c) Staff party (d) Trial balance **Answer:** (b). Estimates ka audit hindsight review aur unusual journal entry testing se hota hai. Document tick karne se estimate fraud nahin pakda jaata.

Q26. WDV 3,00,000 ki machine 2,60,000 mein bechi to: (a) Profit 40,000 (b) Loss 40,000 (c) Profit 2,60,000 (d) Koi asar nahin **Answer:** (b). Sale price WDV se kam

hai to loss on sale 40,000 P&L mein jaayega. Example 10 ki entry yaad karo.

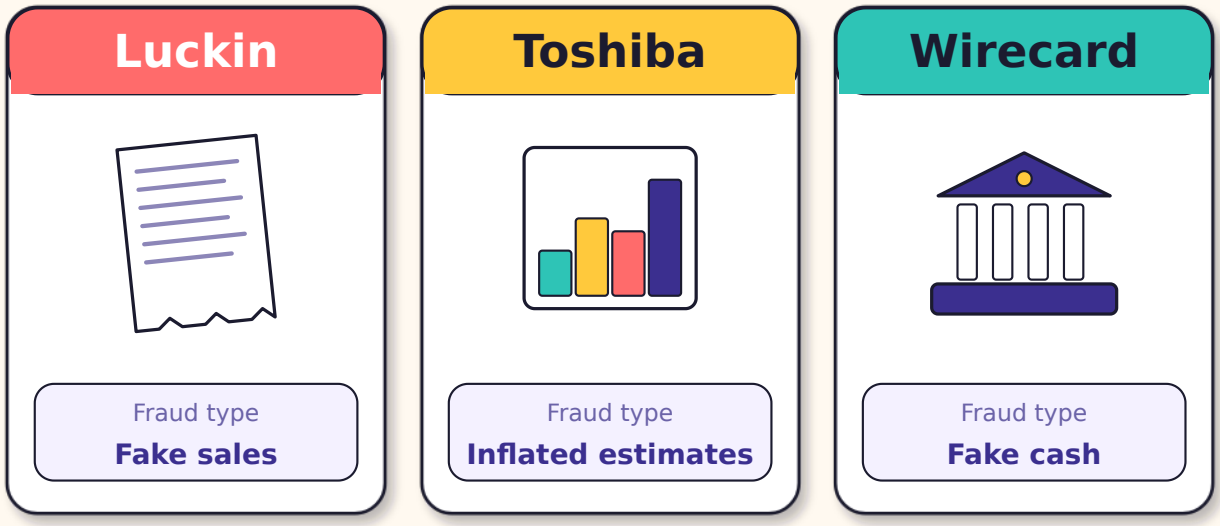
Q27. Surprise cash count kyun kiya jaata hai? (a) Staff ko darane ke liye (b) Taaki koi shortage cover karne ka time na mile (c) Time pass (d) Rule book ke liye **Answer:** (b). Pehle se bata doge to koi bhi shortage temporarily poori kar dega. Surprise hi is test ki jaan hai.

Q28. Confirmation process ka control kiske haath mein hona chahiye? (a) Client ke (b) Auditor ke (c) Bank manager ke (d) Kisi ke bhi **Answer:** (b). SA 505 ke under auditor khud requests bhejta hai aur replies seedha paata hai. Wirecard mein yahi control toota tha.

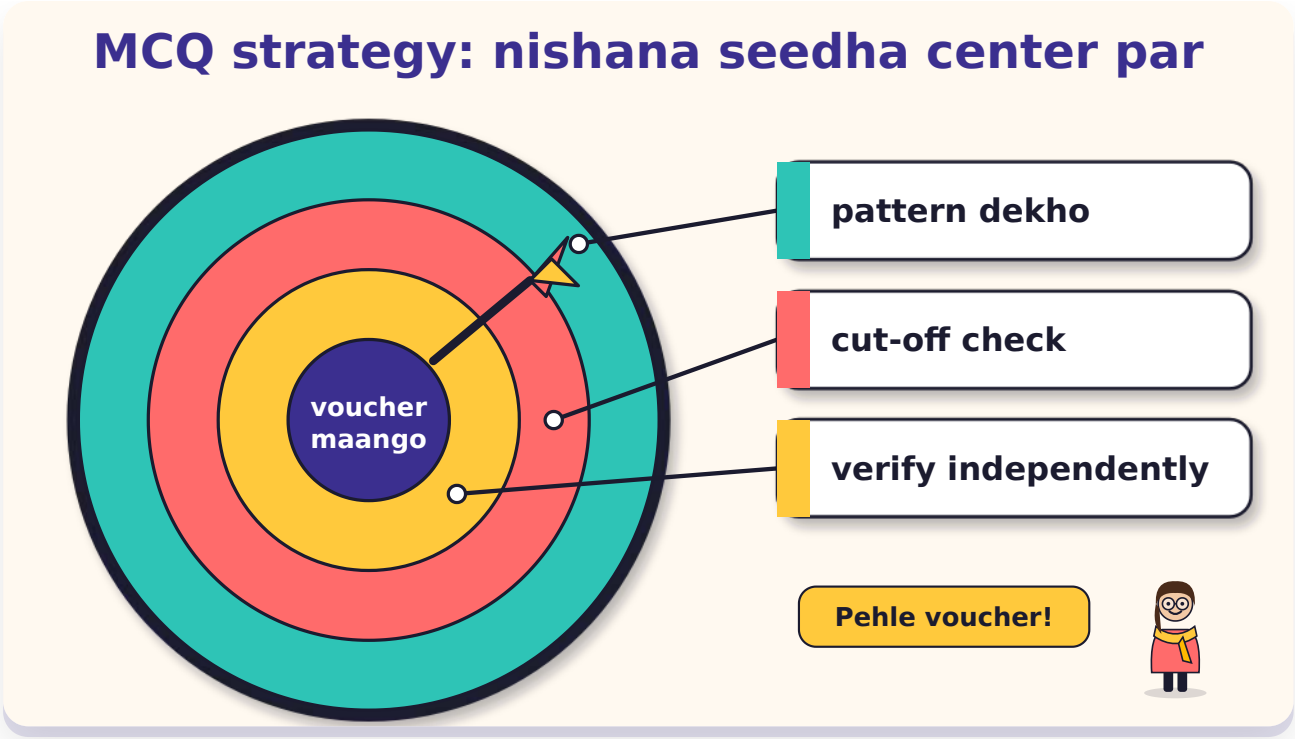
Q29. "Vouching is the backbone of auditing" ka matlab: (a) Vouching optional hai (b) Bina documentary checking ke poora audit structure gir jaata hai (c) Vouching aakhiri step hai (d) Sirf bade audits mein hoti hai **Answer:** (b). Vouching nikal do to verification, valuation, report sab bina aadhar ke reh jaate hain. Isliye backbone.

Q30. Ek auditor ko creditor statement mili jo company ke records se zyada payable dikhati hai. Pehla step: (a) Statement phenk do (b) Reconciliation: in-transit payments, unrecorded invoices, disputes check karo (c) Report mein likh do seedha (d) Client ko daanto **Answer:** (b). Difference ke kardecomposition karna pehla kaam hai: payment in transit, invoice jo humne record hi nahin ki, ya dispute. Seedha conclusion koodna audit nahin hai.

Teen fraud, teen andaaz



Teeno mein ilaaj ek: independent proof maango



B8. Rapid-fire vouching drill: 25 items, ek line mein jawab

Prabhat
Iksha, exam mein time kam hota hai. Koi aisi drill jo dimaag ko tez kare?

Iksha
Haan. Main 25 items bolungi, tum teen cheezein bologe: pehla voucher, ek extra document, aur ek red flag. Beech mein mat ruko. Ready... go.

1. **Legal fees:** Vakil ki fee note aur case file. Extra: court ka receipt. Red flag: case company ka hai ya director ka personal?
2. **Commission paid to agent:** Agency agreement aur commission statement. Extra: agent ka PAN/TDS deduction. Red flag: commission sales ke proportion se zyada.
3. **Freight inward:** Transporter ka bilty (L/R) aur freight bill. Extra: GRN se link. Red flag: freight hai par goods received ka record nahin.
4. **Advertisement:** Newspaper/magazine ki clipping aur invoice. Extra: contract. Red flag: ek hi chhote publication ko bahut bade payments.

5. **Repairs to building:** Contractor ka bill aur work completion certificate. Extra: engineer ka approval. Red flag: repair bill mein naye construction ka material (capital banana chahiye).
6. **Insurance premium:** Policy aur premium receipt. Extra: asset list se cover match. Red flag: premium diya par policy expire ho chuki.
7. **Dividend received:** Dividend warrant ya bank advice. Extra: investment register. Red flag: shares books mein hain par dividend kabhi nahin aaya.
8. **Interest on loan paid:** Bank ka interest debit advice. Extra: loan agreement se rate recompute. Red flag: books ka interest bank ke calculation se kam.
9. **Sale of scrap:** Scrap sale note aur weighbridge slip. Extra: gate pass. Red flag: scrap sale kabhi cash mein, kabhi entry hi nahin.
10. **Custom duty paid:** Bill of entry aur duty challan. Extra: import invoice se link. Red flag: duty stock cost mein nahin daala (undervalued stock).
11. **Bonus to staff:** Bonus agreement/settlement aur payment sheet. Extra: Payment of Bonus calculations. Red flag: ineligible employees ko bonus.
12. **Electricity expenses:** Electricity board ka bill. Extra: meter reading register. Red flag: factory ka bill flat, production double (production inflated?).
13. **Purchase of stationery:** Supplier bill aur store issue slips. Extra: stock register of stationery. Red flag: stationery ka bill, issue register mein kuch nahin.
14. **Bank charges:** Bank statement. Extra: charges schedule. Red flag: unusual "commission" entries bank mein.
15. **Loan to employee:** Loan application aur approval. Extra: salary se deduction schedule. Red flag: loan diya, deduction kabhi shuru nahin hui.
16. **Advance to supplier:** Advance agreement aur payment proof. Extra: baad mein GRN se adjustment. Red flag: advance saalon se outstanding, supply kabhi nahin aayi.
17. **Donation paid:** Donee ki receipt aur approval. Extra: donee ka registration. Red flag: donation maalik ke apne trust ko.
18. **Royalty paid:** Royalty agreement aur sales-based calculation. Extra: production data. Red flag: royalty fixed, sales variable (calculation match nahin).
19. **Hire purchase asset:** HP agreement aur installments schedule. Extra: asset possession. Red flag: poora HP price asset mein daal diya, interest alag nahin kiya.
20. **Refund of income tax:** Assessment order aur refund advice. Extra: earlier tax payments. Red flag: refund aaya, books mein interest on refund missing.
21. **Sales return (credit note):** Credit note aur goods inward note. Extra: maal ki condition. Red flag: saal ke baad ke returns is saal se adjust (cut-off).

22. **Purchase return (debit note):** Debit note aur outward gate pass. Extra: supplier ki acknowledgement. Red flag: debit note bana, maal gaya nahin.
23. **Carriage outward:** Transporter receipts aur freight register. Extra: sales invoices se link. Red flag: carriage zyada, dispatches kam.
24. **Printing of share certificates:** Printer ka bill aur board approval. Extra: certificates stock register. Red flag: certificates count register se zyada print.
25. **Preliminary expenses:** Registration fees receipts aur MOA/AOA filing proof. Extra: ROC receipts. Red flag: inhe ek saal mein expense kar diya ya hamesha ke liye asset bana diya.

Prabhat
saans rok kar Ho gaya? ...Sab bole? Bhai, 25 mein se 23 sahi bole.

Iksha
Do galat: bonus aur hire purchase. Dono kal subah repeat karenge. Yahi drill exam ke pehle hafte roz karni hai.

B9. Standards ka naksha: kaunsa SA kahan lagta hai

Prabhat
Iksha, yeh SA 500, 501, 505 ke numbers mujhe uljha dete hain. Ek seedha map do.

Iksha
Theek hai. Sirf woh standards jo is chapter se judte hain, chat style mein:

- **SA 500 (Audit Evidence):** sabka baap. Evidence sufficient (quantity) aur appropriate (quality) ho. Reliability ke principles: external > internal, direct > indirect, documentary > oral, original > photocopy. Vouching iska inspection procedure hai.
- **SA 501 (Specific Considerations):** inventory aur litigation jaise khaas items. Inventory material ho to count mein attend karo aur count procedures evaluate karo. Example 8 yaad karo.

- **SA 505 (External Confirmations):** auditor confirmation process ka control rakhe: khud request bheje, reply seedha uske paas aaye, aur management ke rokne ko scope limitation samjhe. Example 6, 7, 14 isi par chale.
- **SA 240 (Fraud):** auditor ka fraud pakadna primary kaam nahin, par reasonable assurance ke liye fraud risk assess karna hai. Revenue mein fraud risk presume hota hai. Luckin iska poster boy hai.
- **SA 315 (Risk Assessment):** entity aur uske environment ko samajhna, assertions identify karna. Vouching/verification ko assertions se jodta hai.
- **SA 330 (Responses to Assessed Risks):** risk jo mila, uske hisaab se procedures design karo. Controls weak nikle to substantive badhao.
- **SA 540 (Accounting Estimates):** estimates ki reasonableness. Toshiba ka chapter isi mein likha gaya hai.
- **SA 705 (Modifications to Opinion):** evidence na mile to qualified opinion (material, not pervasive) ya disclaimer (material aur pervasive).

Prabhat
Exam mein number yaad na rahe to?

Iksha
Concept batao, number galat likhne se better hai na likhna. Par yeh aath to yaad hi rakho: 500, 501, 505, 240, 315, 330, 540, 705. Mnemonic: "Paunch sau ka evidence, paanch sau ek ka stock, paanch sau paanch ka confirmation."

B10. Journal-entry classification practice: 12 koshishen

Har transaction ke saamne likho: capital ya revenue, aur sahi entry. Phir neeche answers se milao.

1. Purani building ki annual whitewash, 35,000.
2. Nayi machine ka erection aur trial run, 60,000.
3. Legal fees for acquiring land, 25,000.
4. Legal fees for defending a suit, 15,000.
5. Import duty on raw material, 40,000.
6. Import duty on machinery, 90,000.
7. Major engine overhaul jo truck ki life 5 saal badha de, 1,20,000.

8. Painting of newly purchased second-hand machine before use, 8,000.
9. Registration fees for new shop purchase, 50,000.
10. Fire insurance premium for stock, 12,000.
11. Expenses on shifting machinery to a better site, 45,000.
12. Employee training for new software, 30,000.

Answers:

1. Revenue: Repairs A/c Dr / To Cash. Routine maintenance.
2. Capital: Machinery A/c Dr / To Cash. Working condition tak ka kharch.
3. Capital: Land A/c Dr / To Cash. Acquisition se juda legal cost asset mein.
4. Revenue: Legal Expenses Dr / To Cash. Defence cost asset create nahin karti.
5. Revenue (stock cost): Purchases/Stock cost mein. Raw material ki cost ka hissa.
6. Capital: Machinery A/c Dr. Asset laane ka duty cost mein.
7. Capital: Truck A/c Dr. Life badha di, benefit future periods tak.
8. Capital: Machinery A/c Dr. Pehli baar use ke liye zaroori tha.
9. Capital: Shop A/c Dr. Acquisition cost.
10. Revenue: Insurance Dr. Routine protection.
11. Revenue: Relocation Expenses Dr. Na naya asset, na life improvement; bas jagah badli.
12. Revenue: Training Expenses Dr. Employee training asset nahin banti.

Exam trap
Land acquire karne ki legal fees capital, par usi land par case defend karne ki legal fees revenue. Dono "legal fees" hain; question ka context padho, keyword par mat koodo.

B11. Fraud signals dictionary: 15 ishafe jinhe auditor ignore na kare

1. **Month-end sales spike:** aakhri hafte mein sales double. Cut-off test lagao.
2. **Missing serial numbers:** invoices ya receipts mein gaps. Cancelled documents maango.
3. **Too many round figures:** 50,000, 1,00,000 jaise gol amounts. Asli duniya mein amounts tedhe hote hain.

4. **Manual entries at top level:** senior officers dwara seedhi journal entries. Top-side entries hamesha test karo.
5. **Related party payments without disclosure:** maalik ke rishtedaar ki firms. Ownership chain trace karo.
6. **Photocopies instead of originals:** "original bank mein hai" sabse purana bahana. Bank se confirm karo.
7. **Staff never on leave:** cashier saalon se chhutti nahin leta. Lapping ka cover yahi hai.
8. **Lifestyle beyond salary:** cashier ki nayi gaadi. Direct evidence nahin, par enquiry ka point hai.
9. **Slow bank deposits:** receipt aaj, deposit paanch din baad. Teeming-lading ka raasta.
10. **Frequent adjusting entries:** har mahine "rectification" entries. System weak ya fraud ka asmaan.
11. **Unusual year-end reversals:** 31 March ko entry, 2 April ko reverse. Window dressing.
12. **Suppliers with no physical address:** invoice par address incomplete. Fictitious vendor check karo.
13. **Same handwriting signatures:** alag workers/employees ke sign ek jaisi likhawat. Dummy records.
14. **Stock shortage explained by "doosra godown":** verify immediately, physically.
15. **Management avoiding confirmations:** "bank se hum pooch lenge." Confirmation ka control auditor ke haath mein rakho.

Iksha ka niyam
ek signal investigation maangta hai, teen signal ek saath audit plan badalte hain, aur paanch signal ek saath to auditor ko apni fees se zyada apni report ki fikr honi chahiye.

B12. Wirecard par aakhri chat: auditor ko kya karna chahiye tha

Prabhat
Iksha, ek baat phir se. EY jaise bade firm ne Wirecard mein aakhir kya nahin kiya?

Iksha

Teen kaam jo unhe karne chahiye the. Pehla, **cash ka independent verification**: trustee ke kagaz par tike rehne ke bajaye banks se direct confirmation, woh bhi auditor ke control wale channel se. Doosra, **third-party partners ki reality check**: Wirecard ka business model aise partners par tika tha jinki existence aur activity verify mushkil thi; unke yahan jaana, unke records dekhna, unke customers se baat karna chahiye tha. Teesra, **whistleblower aur press reports ko seriously lena**: saalon se red flags uth rahe the; KPMG ke special audit ne 2016-2018 ke zyadatar profits verify nahin kar paaye. [src]

Prabhat

Aur Singapore wale jhoothe letters?

Iksha

Citadelle naam ki trustee ne fake confirmation letters diye ki 1.1 billion euro uske paas hai. January 2026 mein Singapore court ne do aadmiyon ko 10 aur saade 6 saal ki saza di. [src] Lesson: confirmation tabhi evidence hai jab source independent ho aur channel auditor ke haath mein ho. Jo confirmation management arrange karke de, woh evidence nahin, invitation hai dhokhe ka.

Prabhat

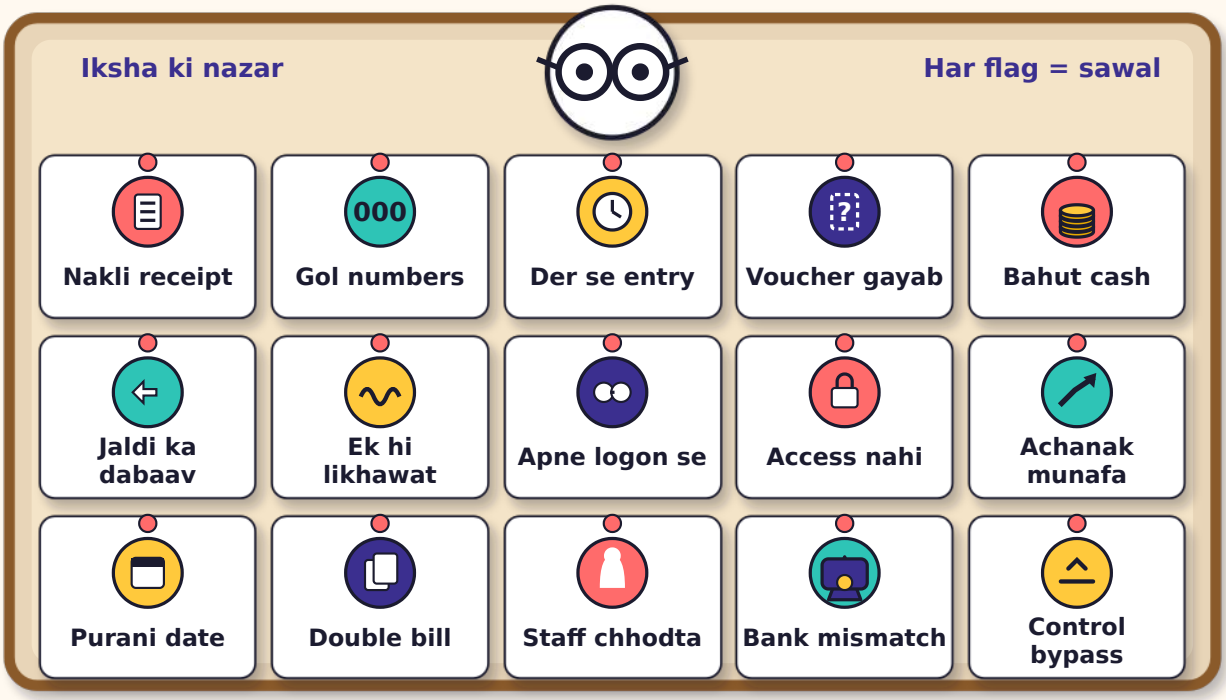
Ek line mein poora Wirecard?

Iksha

"Jo paisa dikhaya ja raha tha, tha hi nahin; aur jise verify karna tha, usne kagaz dekh kar tasalli kar li." Bas. Ab chup-chap example 6 aur 14 dobara padho; wahan yeh galtiyan sudhaari hui hain.

Fraud ke 15 red flags

Notice board par pinned



Audit standards ka metro map



Ek station, ek procedure: sab judkar poori audit line

B13. Mini case study 3: Satyam - India ka apna Wirecard

Kya hua. Satyam Computer Services India ki IT giant thi. 7 January 2009 ko chairman B. Ramalinga Raju ne resign karte hue confess kiya ki usne company ke accounts ko lagbhag **7,000 crore rupaye** manipulate kiya tha. [src] Confession mein jo sabse chonkane wali baat thi: balance sheet mein dikhaya gaya **bank balance ka ek bada hissa exist hi nahin karta tha**. [src] Shares, jo 2008 mein 544 rupaye ke high par the, 9 January 2009 ko 6.30 rupaye par aa girre. [src]

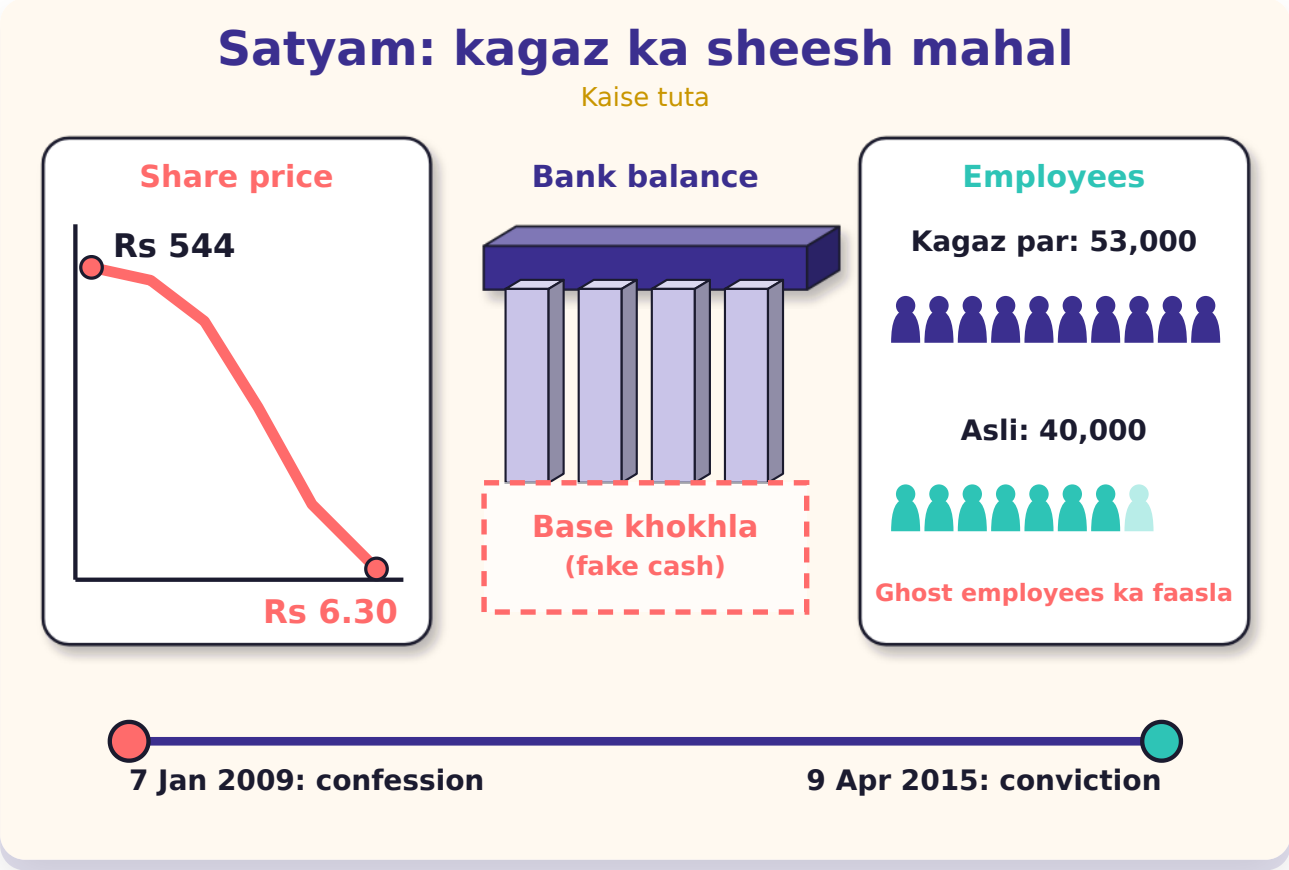
Fake cash ke alawa kya-kya tha. Books mein profits dikhaye gaye jo kabhi hue hi nahin. Fake invoices bane. Aur sabse creative fraud: company ke records mein 53,000 employees dikhaye gaye, actual the lagbhag 40,000; 13,000 **non-existent employees** ki "salaries" ke naam par Raju allegedly har mahine lagbhag 200 million rupaye nikaal rahe the. [src]

Auditor par kya aaya. Satyam ke auditors PricewaterhouseCoopers ke affiliates the. US SEC ne PwC ki Indian arm par 6 million dollars ka fine lagaya auditing standards na manne par. [src] 2018 mein SEBI ne Price Waterhouse ko 2 saal ke liye India ki kisi bhi listed company ka audit karne se roka aur 13 crore rupaye se zyada ka disgorgement order diya. [src] PwC ne khud 14 January 2009 ko kaha ki management ki di potentially false information par reliance se unki audit reports "inaccurate and unreliable" ho sakti hain. [src] Raju aur 9 others ko 9 April 2015 ko Hyderabad court ne 7 saal ki saza sunayi. [src]

Vouching aur verification ke aaine mein. Satyam mein teeno failures ek saath thin: (1) **Bank balance verification fail** - agar auditor ne har bank se direct, independently controlled confirmations li hote, fake cash ki deewar pehle saal hi gir jaati. Yeh example 14 ka asli duniya wala roop hai. (2) **Revenue vouching fail** - fake invoices ko debtor confirmations aur payment trails se milaya nahin gaya; Luckin se pehle ka Luckin. (3) **Payroll vouching fail** - 13,000 dummy employees hamare example 3 (bhoota mazdoor) ka corporate mega version hain. Ek physical presence test ya PF/ESI records se match karne par yeh pakda ja sakta tha.

Lesson. Satyam aur Wirecard ek hi sikke ke do pahlu hain: dono mein **cash ka verification** management ke kagaz se kiya gaya, independent source se nahin. Aur dono mein auditors ne saalon tak clean reports din. Isliye hamara niyam: bank balance, debtors, aur payroll - teen jagah auditor ka apna, seedha, unmediated evidence. In teen par shortcut = audit par jua.

Exam angle. "Discuss the role of auditor in Satyam scam" - points: direct bank confirmations (SA 505), debtor confirmations, payroll surprise checks, management representations par over-reliance na karna, aur auditor ki duty public interest tak phailti hai kyunki listed company ke shares public hold karti hai.



B14. Verification of goodwill aur intangibles: sabse mushkil imtihaan

Prabhat
Iksha, machine to chhoo kar verify kar loon. Goodwill ka kya karoon? Woh to dikhti bhi nahin.

Iksha
Isliye intangibles verification ka PhD-level topic hain. Teen rules. Pehla, **paid goodwill hi books mein aati hai**: jab business kharida aur net assets se zyada daam diya, woh extra goodwill hai. Purchase agreement aur consideration ka proof vouching ka hissa. Apni banayi goodwill khud se books mein daalna allowed nahin.

Prabhat
Doosra?

Iksha
Impairment review: har saal management ko dekhna chahiye ki goodwill ki value ab bhi utni hai ya business kharab ho gaya. Auditor management ke assumptions test karta hai - future cash flows, discount rates, growth. Toshiba yaad karo: estimates hi fraud ka playground hain.

Prabhat
Teesra?

Iksha
Amortisation ya write-off policy consistent ho. Ek saal likha "goodwill 10 saal mein amortise," agle saal "kabhi amortise nahin," bina reason ke - yeh manipulation ka signal. Policy change ka justification aur disclosure maango.

Prabhat
Aur patents, trademarks?

Iksha
Registration certificates dekho, renewal fees ke receipts, aur unse aane wali income ka reasonable link. Jo patent kabhi renew hi nahin hua, woh asset kehlaya jaaye yeh enforceable sawaal hai.

B15. Cash book walkthrough: 10 entries, ek surprise

Exercise. Neeche Gupta ji ki March ki cash book ke 10 items hain. Har item ke saamne likho: kaunsa voucher, kaunsa check. Phir aakhri mein woh "surprise" dhundo jo auditor ko dikhna chahiye.

1. 2 March: Cash sales 32,000
2. 4 March: Rent paid 15,000
3. 7 March: Cash purchase of goods 48,000
4. 10 March: Received from debtor Sharma 25,000
5. 12 March: Salary paid 60,000
6. 15 March: Cash sales 28,500
7. 18 March: Electricity bill 4,200
8. 21 March: Cash sales 31,000
9. 25 March: Withdrawn by owner 20,000
10. 31 March: Cash sales 47,000

Expected answers (short):

1. Cash memo counterfoils; total milao; bank deposit next day?
2. Rent agreement + landlord receipt; TDS angle dekho agar threshold lagta ho.
3. Supplier cash memo; rate/quantity; goods store mein aaye (GRN/stock register)?
4. Receipt issued ka counterfoil; Sharma ki ledger account mein credit; debtor confirmation se match.
5. Salary sheet, signatures; PF/ESI records se headcount match.
6. Counterfoils; serial continuity 1 March se ab tak.
7. Electricity board receipt; meter reading.
8. Counterfoils.
9. Drawings - authorization nahin chahiye par capital account mein posting check; business cash se personal nikaas ka pattern?
10. Counterfoils; cut-off: kya 31 March ki sale next day bank gayi?

Surprise: Items 1, 6, 8 ki sales 32,000 / 28,500 / 31,000 hain, par 31 March ko achanak **47,000**. Month-end spike. Yeh pattern window dressing ya fictitious sale ka signal ho sakta hai. Auditor 31 March ke counterfoils specially check karega: customers real hain? Maal dispatch hua? Paisa sach mein aaya ya "receivable" mein daal diya? Ek month-end spike kabhi ignore mat karo.

B16. 10 bonus MCQs

Q31. Satyam mein 13,000 fake employees ka fraud kis audit test se pakda ja sakta tha? (a) Stock count (b) Payroll records ko PF/ESI jaise external records se match karke aur surprise presence (c) Bank reconciliation (d) Trial balance **Answer:** (b). Payroll ka independent verification dummy employees expose karta hai. Satyam mein 53,000 dikhaye gaye, actual lagbhag 40,000 the. [src]

Q32. Satyam aur Wirecard ka common audit failure: (a) Stock count (b) Bank balance ka independent verification na karna (c) Depreciation (d) Tax audit **Answer:** (b). Dono mein fake cash dikhaya gaya aur auditors ne management-ke-arranged evidence par rely kiya. Direct confirmation dono ko tod deta.

Q33. Purchased goodwill ki vouching ka document: (a) Board minute only (b) Purchase agreement aur consideration ka proof (c) Advertisement bill (d) Staff list **Answer:** (b). Paid goodwill business acquisition se aati hai, isliye agreement aur payment proof uska voucher hai. Self-generated goodwill books mein nahin aati.

Q34. SEBI ne 2018 mein Price Waterhouse par kya action liya? (a) Warning letter (b) 2 saal listed company audits se ban aur 13 crore se zyada disgorgement (c) Kuch nahin (d) License permanent cancel **Answer:** (b). [src] Auditor accountability ka Indian landmark.

Q35. Month-end sales spike ka pehla audit response: (a) Ignore (b) Counterfoils, dispatch proof aur cash trail ka cut-off test (c) Client ko daantna (d) Fees badhana **Answer:** (b). Spike ka matlab fake ya pulled-forward sales ho sakti hain. Cut-off test hi pehla jawab hai.

Q36. Drawings ki vouching mein auditor kya dekhta hai? (a) Authorization by board (b) Capital account posting aur personal vs business separation (c) Employee approval (d) Bank loan **Answer:** (b). Owner ke nikaas ko board approval nahin chahiye, par posting sahi ho aur business ka paisa personal use ka pattern fraud na chhupa raha ho.

Q37. Impairment review kis asset ke liye sabse relevant? (a) Cash (b) Goodwill (c) Stock (d) Debtors **Answer:** (b). Goodwill ki value future expectations par tiki hai; har saal dekho woh expectations ab bhi valid hain ya nahin.

Q38. Salary vouching mein PF/ESI records ka role: (a) Koi nahin (b) External corroboration of actual headcount (c) Tax saving (d) Attendance decoration

Answer: (b). Government records mein jo employee hai hi nahin, woh fake hai. External corroboration payroll ka sabse sasta fraud detector hai.

Q39. "Jo likha nahin, woh hua nahin" kis concept se juda hai? (a) Taxation (b) Audit documentation (c) Costing (d) Budgeting **Answer:** (b). Working papers hi auditor ka defense hain. Satyam mein PwC ka reliance claim bhi documentation se hi judge hua.

Q40. Vouching ka final output kya hota hai? (a) Nayi entries (b) Har tested transaction par evidence-based assurance ya exception (c) Client ki fees (d) Naya ledger **Answer:** (b). Vouching entries banati nahin, unhe todti ya mazboot karti hai. Output assurance hai, accounting nahin.

B17. Drill 2: banking transactions ki vouching (10 items)

Bank se jude items ka apna grammar hai. 10 items, format wahi: voucher, extra check, red flag.

1. **Fixed deposit banaya:** FD receipt original dekho. Extra: bank se direct confirmation of FD aur uspar koi lien. Red flag: FD receipt photocopy hai, "original locker mein."
2. **Bills discounted with bank:** bill ka usance, drawee, discounting charges ki calculation. Extra: drawee se confirmation. Red flag: discounted bills ka record bills receivable register se mismatch.
3. **Letter of credit khulwaya:** LC application aur bank ki LC copy. Extra: margin money ka payment. Red flag: LC kholkar uske against maal kabhi nahin aaya, par liability chhupi hui.
4. **Bank guarantee di gayi:** guarantee ki copy aur commission debit. Extra: beneficiary ka naam aur expiry date. Red flag: guarantee expire ho gayi par contingent liability note mein ab bhi nahin, ya ulta, chal rahi hai par note se gayab.
5. **Interest capitalized on FD:** bank advice. Extra: recompute from rate aur period. Red flag: interest books mein rate se zyada (fake income?) ya kam (siphoning?).
6. **Cheque dishonoured:** bank ka return memo. Extra: customer account mein reversal entry. Red flag: dishonour hua par debtors se woh amount hata diya

bina follow-up ke.

7. **Cash credit / overdraft balance:** bank statement. Extra: bank se direct confirmation aur security documents (hypothecation deed, stock statements jo bank ko diye gaye). Red flag: bank ko diye stock statement aur books ke stock mein farak - dono alag kahani kehte hain.
8. **Locker rent paid:** bank receipt. Extra: locker register entry. Red flag: koi aur locker bhi rent par hai jiska koi mention hi nahin.
9. **Dividend warrant received:** warrant counterfoil ya bank credit. Extra: investment register se match. Red flag: warrant aaya, encash hua, books mein nahin.
10. **Foreign remittance received:** bank advice aur FIRC (foreign inward remittance certificate). Extra: invoice se link aur conversion rate. Red flag: remittance hai par koi corresponding sale/export record nahin.

Iksha ka niyam
banking transactions mein bank se seedha confirm karna default hai, exception nahin. Bank woh ek institution hai jiske paas tumhare client ke jhooth ka antidote pada hai; use poochho.

B18. Management representation letter: kagaz jo management khud sign karti hai

Prabhat
Iksha, jab kisi cheez ka koi voucher hi na ho, to auditor kya kare? Jaise "yeh contingent liability aur koi nahin hai" - iska voucher kya hoga?

Iksha
Kuch cheezon ka evidence sirf management hi de sakti hai. Wahan auditor **management representation letter** maangta hai: ek signed document jisme management likh kar deti hai ki usne saari liabilities, saari records, saare frauds auditor ko bata diye.

Prabhat
To phir yeh letter kaafi hai?

Iksha
sakt awaaz mein Kabhi nahin. Representation letter **supplementary** evidence hai, substitute nahin. Jo cheez independently verify ho sakti hai, uske liye letter bahana nahin. Aur agar letter books se contradict kare, to auditor investigate karta hai, letter par sign nahin karta.

Prabhat
Management letter dene se mana kar de to?

Iksha
Scope limitation. Opinion par asar padta hai. Aur ek practical baat: jo management likh kar dene se katraye, uske paas chhupane ke liye kuch hai. Satyam mein PwC ka sabse bada lesson yahi tha: management ki di information par reliance ne unki audit reports ko "inaccurate and unreliable" hone ka risk diya, unke apne words mein. [src]

B19. Jab vouching fail hoti hai: auditor ki zimmedari kitni?

Prabhat
Iksha, ek kathin sawaal. Agar auditor ne normal care se vouching ki aur phir bhi fraud chhoot gaya, to kya woh zimmedar hai?

Iksha
Law aur profession ka general principle: auditor **watchdog hai, bloodhound nahin**. Uska kaam reasonable care aur skill se checking hai, har fraud ko pakadne ki guarantee nahin. Agar documents itne ache forged the ki reasonable professional dhoka kha jaye, auditor ki liability limited hai.

Prabhat
Par kab bloodhound ban-na padta hai?

Iksha
Jab **red flags dikhen**. Jab circumstances suspicious hon - missing vouchers ka pattern, month-end spikes, management ka confirmation rokna - tab normal care ka matlab badh jaata hai. Suspicion ke baad bhi surface checking karna negligence hai. Isliye Satyam aur Wirecard mein auditors safe nahin the: flags saalon se lehera rahe the.

Prabhat
Ek line ka formula?

Iksha
Normal circumstances mein reasonable care; suspicious circumstances mein probing inquiry. Dono ka boundary court aur tribunal case-by-case tay karte hain, par auditor ki file hi uska defense hai: jo red flag tumne dekha aur file mein nahin likha, woh court ke saamne dekha hi nahin gaya.

Exam trap
"Auditor is not an insurer" ya "watchdog, not bloodhound" wale sawaal mein dono taraf likhna: guarantee nahin, par suspicion ke baad depth zaroori. Sirf ek taraf ka jawab aadha marks dilata hai.

B20. Cut-off ka deep dive: do taraf ki deewar

Prabhat
Iksha, cut-off sirf sales aur purchases ka hai ya aur bhi?

Iksha
Har jagah jahan period badalta hai. Paanch jagah yaad rakho:

1. **Sales cut-off:** dispatch date vs invoice date. Dispatch 31 March se pehle = is saal.

2. **Purchases cut-off:** receipt date (GRN) vs invoice date. Maal 31 March tak aa gaya = is saal ka purchase aur stock dono.
3. **Stock cut-off:** count ke din last GRN aur last dispatch numbers freeze karo. Count ke baad movement mix ho gayi to count bekaar.
4. **Expenses cut-off:** March ki electricity ka bill April mein aaya - outstanding expense is saal mein book hoga. Accrual concept yahi maangta hai.
5. **Receipts cut-off:** 31 March ko mila cheque kab record hua, kab deposit hua - teeming-lading ka favourite playground.

Prabhat
Ek hi test sab par chalta hai?

Iksha
Principle ek hai: **period boundary ke dono taraf ke documents uthao aur entry ki date se milao.** Documents hamesha boundary ke around ke chune jaate hain, random nahin. Cut-off testing sampling ki woh jagah hai jahan random selection hara deti hai aur targeted selection jeet-ti hai.

B21. 5 bonus MCQs

Q41. Bills discounted ki vouching mein sabse important check: (a) Bill ka rang (b) Drawee se confirmation aur register se match (c) Bank ka naam (d) Kuch nahin **Answer:** (b). Discounted bill ka risk drawee ke na chukane par wapas aata hai; uski reality confirm karna zaroori hai.

Q42. Management representation letter kab sufficient evidence hota hai? (a) Hamesha (b) Kabhi nahin, yeh supplementary hai (c) Sirf chhote amounts ke liye (d) Sirf Sunday ko **Answer:** (b). Jo independently verify ho sakta hai uske liye letter substitute nahin. Yeh SA ke evidence hierarchy ka direct application hai.

Q43. "Watchdog, not bloodhound" ka matlab: (a) Auditor kuch nahin karta (b) Reasonable care expected, guarantee nahin; par suspicion par probing inquiry zaroori (c) Auditor police hai (d) Auditor judge hai **Answer:** (b). Normal mein reasonable care, red flags par depth. Dono halves milkar poora jawab.

Q44. Cash credit balance verify karte waqt auditor bank se kya-kya confirm karega? (a) Sirf balance (b) Balance, security, aur bank ko diye stock statements (c) Sirf interest (d) Kuch nahin **Answer:** (b). Stock statements ka books se mismatch hypothecation fraud dikhata hai: bank ko phoola hua stock, tax ko ghata hua.

Q45. Cut-off testing mein items kaise chune jaate hain? (a) Random (b) Period boundary ke dono taraf ke targeted documents (c) Sabse bade (d) Sabse purane **Answer:** (b). Cut-off ka test boundary par hota hai; yahan targeted selection random se behtar hai.

B22. Revision cards: 20 one-liners (chapat yaad karne ke liye)

1. Vouching transactions ki, verification balance sheet items ki, valuation keemat ki.
2. Bina voucher ke entry auditor ke liye red flag hai.
3. External document internal se strong; original photocopy se strong.
4. Cash receipts side sabse fraud-prone: teeming-lading yahin ghar banati hai.
5. Surprise count ka matlab: kisi ko pehle mat batao.
6. Three-way match: PO + GRN + invoice. Teen mein se ek missing = ruk jao.
7. Dummy worker pakadna hai to payment ke din khud haazir ho jao.
8. Repair capital banana = profit phoolana. Overhaul jo life badhaye, wahi capital.
9. Bank balance ka gold standard: auditor ka direct confirmation.
10. Debtor confirmations lapping ka sabse sasta detector hain.
11. Sale or return approval tak stock hai, cost par.
12. Contingent liability books mein nahin, footnote mein.
13. Photocopy certificates = pledge ya non-existence ka shaq.
14. IOU petty cash mein allowed nahin.
15. Management representation supplementary hai, substitute nahin.
16. Watchdog, not bloodhound - par red flag dikhe to probe zaroori.
17. Cut-off test boundary ke dono taraf ke documents se hota hai.
18. Month-end spike = cut-off test ka invitation.
19. Luckin = fake sales, Toshiba = fake estimates, Wirecard/Satyam = fake cash.
20. Jo likha nahin, woh hua nahin: documentation hi auditor ka defense hai.

B23. Part B recap table: 15 examples + 3 cases ek frame mein

Fraud/failure ka roop	Example/case	Pakadne ka tool
Cash receipt chori	Ex 1, 11	Surprise count, counterfoil serials
Teeming-lading	Ex 7, 14	Debtor confirmations, deposit matching
Dummy workers	Ex 3, Satyam case	Physical presence, PF/ESI match
Capital-revenue khel	Ex 4	Nature test: life badhi ya nahin
Fake/jhooti purchase	Ex 2	Three-way match, supplier statement
Personal expense business mein	Ex 12	Tour programme vs bills
Premature sale booking	Ex 8, 13, Tesco (ch8)	Cut-off testing
Fake cash	Ex 14, Wirecard, Satyam	Direct bank confirmation
Fake sales	Luckin case	Independent data (footfall, deliveries)
Fake estimates	Toshiba case	Hindsight review, top-side entry testing
Pledge chhupana	Ex 9	Lender confirmation, disclosure check
Undisclosed liability	Ex 15	Legal letters, board minutes

(Is table ke case facts ke sources upar har case ke saath aur file ke aakhir mein source list mein diye gaye hain.)

B24. Closing beat

Prabhat
table par pandrah ticked examples dekhte hue Iksha, pandrah ho gaye. Chai ab bhi main banaunga?

Iksha
pehli baar sach mein muskurati hain Nahin. Aaj main banaungi. Tumne example 8 mein jo cut-off wali galti pakdi, woh kai CAs nahin pakadte.

Prabhat
Ek baat batao. Luckin, Toshiba, Wirecard - sab mein auditors the, sab qualified log the. Phir bhi sab chalta raha.

Iksha
chashma utaar kar, dheere Kyunki audit ki sabse badi dushman jhooth nahin hai, Prabhat. Bharosa hai, bina saboot wala. Auditor ka kaam insaano par shaq karna nahin hai; kaam hai kagaz par shaq karna. Kagaz se sach maango, insaan se nahin.

Prabhat
Yeh line to main diary mein likhonga.

Iksha
Likh lo. Aur kal chapter 8: jab har kagaz check karna namumkin ho, to kaunse kagaz chuno. Sampling. Wahan daadi ki chawal wali muthhi kaam aayegi.

Part B samapt. Ab chapter 8 ke extension mein sampling ke asli calculations.

Chapter 7 extension source list (sabhi 2026-11-27 ko fetch kiye gaye):

- https://en.wikipedia.org/wiki/Luckin_Coffee - Luckin fraud timeline, RMB 2.2bn fabrication, delisting, SEC $180m settlement, Muddy Waters report details
- https://en.wikipedia.org/wiki/Toshiba - 2015 accounting scandal, $1.2bn inflated profits over 7 years, CEO resignation 21 July 2015
- https://en.wikipedia.org/wiki/Satyam_scandal - Satyam Rs 7,000 crore confession, fake bank cash, 13,000 fake employees, PwC/SEBI actions, 2015 conviction
- https://en.wikipedia.org/wiki/Wirecard_scandal - KPMG special audit, Citadelle false confirmations, Singapore 2026 sentences

Episode 8: Sampling aur Testing

Topic 1: Audit sampling kya hai?

Real example: retail inventory - Walmart aur America ka retail shrink

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1. Kahani hook: Chawal ke bora aur ek muthhi

Prabhat ke ghar par naya chawal mangaya gaya, 25 kilo ka bora. Prabhat ki daadi ne bora khola, upar se ek muthhi chawal li, haath mein ragda, danedar dekha, khushboo sunghi, aur boli, "Chawal theek hai, poora bora achha hai."

Prabhat hairan hua. "Daadi, aapne sirf ek muthhi dekhi. Poora 25 kilo kaise pakka kiya?"

Daadi hansi. "Beta, muthhi upar se nahin, maine borra hila kar, alag jagah se li. Agar har muthhi same nikle, to poora bora same hota hai. Har daana dekhoon to raat nikal jaayegi."

Agle din Prabhat ne yeh sawaal Iksha se poocha. Iksha ne table par haath rakha. "Prabhat, tumhari daadi auditor hain aur unhein pata bhi nahin. Unhone **sampling** kiya: poori population (25 kilo chawal) mein se ek sample (muthhi) check karke poori population ke baare mein conclusion nikala. Auditor bhi yahi karta hai. Ek company mein lakhon transactions hote hain; auditor har ek ko check nahin kar sakta. Woh sample chunta hai, test karta hai, aur usi se poori books ke baare mein opinion deta hai."

Prabhat: "Par Iksha, agar sample mein galti chhoot gayi to?"

Iksha: "Wohi to is chapter ka dil hai. Sample sahi chunna, uska size sahi rakhna, aur result ko sahi padhna. Galat sample se auditor jhoothi tasalli le leta hai, jaise Wirecard ke auditors ne li thi. Aur sahi sample se duniya ke sabse bade retail stores ka stock check hota hai, jahan ek-ek item ginna namumkin hai. Chalo shuru karte hain."

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2. Chat dialogue: topic by topic

Topic 1: Audit sampling kya hai?

Prabhat
Iksha, sampling ki pakki definition?

Iksha
Audit sampling ka matlab: population ke 100% se kam items par audit procedures lagana, aise ki har sampling unit ko chune jaane ka chance ho, taaki sample se poori population ke baare mein conclusion nikala ja sake. Yeh SA 530 (Audit Sampling) ka concept hai.

Prabhat
Population kya hai?

Iksha
Woh poora set jis par auditor conclusion chahta hai. Jaise ek saal ki saari sales invoices, ya saare debtors, ya poora stock. Population kaunsi hai, yeh auditor ka objective tay karta hai.

Prabhat
Aur sampling unit?

Iksha
Population ke individual pieces: ek invoice, ek debtor, ek stock item. Jo bhi auditor physically test karega, wahi sampling unit hai.

Prabhat
Kab sample, kab 100%?

Iksha
Teen cases mein 100% check karna better hai: (1) population chhoti ho, (2) kuch items itne bade hon ki unhe chhodna risk ho, jaise 10 transactions jo total value ka 60% hain, unhe hamesha check karo, (3) risk bahut high ho aur sample se answer na mile. Baaki sab jagah sampling chalti hai.

Prabhat
Matlab sampling audit ka shortcut hai?

Iksha
Shortcut nahin, professional technique hai. Shortcut tab banta jab sample galat ho. Sahi sampling statistics par khadi hoti hai.

6 saal ka bachha box: Daadi ki chawal wali muthhi. Poora bora khol kar har daana dekhna = 100% check. Ek hati hui muthhi dekhna = sampling.

PhD box: SA 530 ke under sample design karte waqt auditor objective, population, sampling unit, aur tolerable misstatement define karta hai. Selection method aisa hona chahiye ki har unit ko selection ka chance mile, isliye haphazard ya judgment-only selection statistical sampling nahin ban sakta. Sampling substantive tests (details) aur tests of controls dono mein use hota hai, par risk assessment procedures (SA 315) mein sampling relevant nahin hoti.

Topic 2: Sampling risk aur non-sampling risk

Prabhat
Iksha, sample se galat conclusion ka khatra?

Iksha
Usi ko **sampling risk** kehte hain. Do roop hain. Tests of controls mein: (1) auditor soche control achha hai jabki asal mein kharab hai (risk of assessing control risk too low), (2) auditor soche control kharab hai jabki achha hai (too high). Pehla wala audit ko ineffective banata hai, doosra inefficient.

Prabhat
Aur substantive testing mein?

Iksha
Do roop wahan bhi: (1) **risk of incorrect acceptance** - auditor soche sab theek jabki material misstatement hai. Yeh sabse khatarnak hai kyunki galat clean opinion nikal sakta hai. (2) **risk of incorrect rejection** - auditor soche galti hai jabki theek hai. Isse extra kaam badhta hai par opinion safe rehti hai.

Prabhat
Aur non-sampling risk?

Iksha
Woh risk jo sample se nahin, auditor ki apni galti se aata hai: galat procedure chunna, evidence galat padhna, ya fraud ka document pehchan na paana. Yeh sample kitna bhi bada ho, kam nahin hota. Isko sirf training, supervision aur quality control se kam kar sakte ho.

Prabhat
Kaunsa risk zyada dangerous?

Iksha
Incorrect acceptance aur control risk ko low assess karna. Dono mein auditor ko jhoothi tasalli milti hai. Audit efficiency ki galti theek ho jaati hai, effectiveness ki galti opinion ko duba deti hai.

6 saal ka bachha box: Tumne dabbe se 3 biscuit nikale, sab acche, aur bola "saare acche hain." Agar bich mein kuch sade hue the aur tumhari muthhi mein nahin aaye, tum galat bole: yeh sampling risk hai. Agar biscuit achha tha par tumne use sada samajh liya: yeh non-sampling risk hai.

PhD box: Statistical sampling mein sampling risk ko quantify kiya ja sakta hai (confidence level = 1 minus sampling risk). Non-statistical (judgmental) sampling mein sampling risk measure nahin hota, sirf judgment se control hota hai.

Incorrect acceptance practically beta risk jaisa hai; auditors typically 5-10% risk levels par kaam karte hain jab control reliance low ho.

Topic 3: Statistical vs non-statistical sampling

Prabhat
Iksha, statistical aur non-statistical sampling mein fark?

Iksha
Statistical sampling mein random selection hoti hai aur probability theory se result evaluate hota hai; sampling risk numerically measure hota hai. **Non-statistical (judgmental) sampling** mein auditor apne experience se items chunta hai; risk measure nahin hota.

Prabhat
Kaunsi better?

Iksha
Dono acceptable hain SA 530 mein. Statistical zyada defensible hai, size scientifically nikalta hai. Judgmental chhote audits mein practical hai. Par ek baat: judgmental mein bhi selection itna unbiased hona chahiye ki representative lage.

Prabhat
Exam ke liye fark table?

Iksha
Yaad rakho: statistical = random + measurable risk + fixed formula se size. Judgmental = auditor ki choice + risk unmeasured + size experience se. Dono mein documentation zaroori hai.

PhD box: Statistical sampling ke do streams: attributes sampling (controls ke liye, deviation rate measure karta hai) aur variables sampling (substantive, monetary misstatement estimate karta hai). Variables sampling ke methods: mean-per-unit, difference estimation, ratio estimation, aur monetary unit sampling (MUS/PPS),

jisme har rupaya ek sampling unit hai aur bade items ke select hone ka chance zyada hota hai.

Topic 4: Sample selection ke methods

Prabhat
Iksha, items chunne ke tareeke batao.

Iksha
Paanch main methods. Pehla, **random number selection**: random number table ya software se numbers nikaalo, un numbers ki entries uthao. Sabse pure method.

Iksha
Doosra, **systematic selection**: population ko sample size se divide karke interval nikaalo, jaise har 50vi entry. Shuruat random honi chahiye. Dhyan rahe population mein koi pattern na ho jo interval se takra jaye, jaise har 50vi entry hamesha ek hi clerk ki ho.

Iksha
Teesra, **haphazard selection**: auditor bina kisi structured bias ke chunta hai, har unit ko chance milta hai. Par yeh statistical sampling nahin hai kyunki probability measure nahin hoti.

Iksha
Chautha, **block selection**: ek time period ya sequence ke saare items, jaise sirf August mahine ki saari entries. Yeh sample representative nahin hota, isliye audit sampling ke liye aam taur par manzoor nahin. SA 530 bhi block selection ko appropriate nahin maanta.

Iksha
Paanchva, **stratified / value-weighted selection**: population ko value ke hisaab se layer (strata) mein baanto, bade items ko 100% check karo, chhote items se sample lo. Monetary unit sampling isi family ka hai.

Prabhat
Sabse zyada practical kaunsa?

Iksha
Bade audits mein MUS aur systematic random. Chhote mein haphazard plus bade items ka 100% cover. Funda: bade rupaye pehle pakdo, phir baaki par sample.

6 saal ka bachha box: Sabzi mandi mein aloo chunna: aankh band karke kahin se bhi uthana = random. Har teesre thele se ek aloo = systematic. Sirf pehle thele ke saare aloo = block (galat, kyunki baaki thele ka pata hi nahin chala).

Topic 5: Sample size kaise decide hota hai?

Prabhat
Iksha, kitne items check karoon? Yeh kaise tay hota hai?

Iksha
Chaar factors. Pehla, **risk jitna zyada**, sample utna bada. Client ka internal control kamzor hai to sample badao. Doosra, **tolerable misstatement jitna chhota**, sample utna bada. Tolerable misstatement woh maximum galti hai jo auditor phir bhi accept kar sakta hai.

Iksha
Teesra, **expected misstatement jitni zyada**, sample utna bada. Past experience mein galtiyan milti aayi hain to aur items check karo. Chautha, **population ka size** bhi matter karta hai, par surprisingly kam; badi population mein bhi sample size bahut zyada nahin badhta agar risk same ho.

Prabhat
Ek formula hai?

Iksha
Statistical sampling mein confidence level, tolerable rate aur expected rate se tables/formulas hain. Judgmental mein auditor ka experience. UPSSSC ke liye itna yaad rakho: risk badhe to sample badhe, tolerable error ghate to sample badhe.

Prabhat
Agar sample mein galti mile to?

Iksha
Teen options: galti ko investigate karo, nature samjho (ek-anamoly hai ya system ki problem), phir ya to sample badao ya poori population par projection nikalo. Galti ko ignore karna allowed nahin.

PhD box: Attributes sampling mein sample size nikalne ka formula confidence factor par based hai; MUS mein sample size = population book value x confidence factor / tolerable misstatement. Sample mein mili misstatements ko population par project karte hain, aur projected misstatement plus sampling allowance tolerable misstatement ke andar honi chahiye. Isse "precision gap widening" ya incremental allowance kehte hain classical approach mein.

Topic 6: Tests of controls vs substantive tests (compliance vs substantive)

Prabhat
Iksha, sampling kahan-kahan lagti hai?

Iksha
Do bade tests mein. Pehla, **tests of controls** (purane Indian textbooks mein **compliance tests**): yeh dekhte hain internal control chal raha hai ya nahin. Jaise har purchase bill par manager ki sign hai ya nahin. Result hota hai: deviation rate, kitne percent cases mein control fail hua.

Prabhat
Aur doosra?

Iksha

Substantive tests: yeh seedha figures ki sachai check karte hain. Do type: (1) **tests of details** - invoices, balances ka sample check karna, (2) **analytical procedures** - ratios aur trends se unusual pattern pakadna, jaise is saal sales 40% badhi par market flat hai, kyun?

Prabhat

Dono mein sampling alag kaise?

Iksha

Tests of controls mein hum rate dekhte hain (kitne percent mein sign missing), isliye attributes sampling. Substantive details mein hum amount dekhte hain (kitne rupaye ki galti), isliye variables ya monetary unit sampling.

Prabhat

Controls achhe nikle to?

Iksha

To substantive testing kam kar sakte ho, kyunki system par bharosa hai. Controls kharab nikle to substantive testing badha do. Yeh audit ki economy hai: jahan system strong, wahan kam kaam; jahan weak, wahan zyada.

PhD box: Yeh relationship audit risk model se juda hai: Audit Risk = Inherent Risk x Control Risk x Detection Risk. Controls reliable hon to control risk low, to detection risk zyada accept kar sakte hain, matlab chhota substantive sample. SA 330 (responses to assessed risks) isi balance ko govern karta hai.

Topic 7: Routine checking, test checking aur audit in depth

Prabhat

Iksha, UPSSSC ke purane papers mein "test checking" bahut aata hai. Woh kya hai?

Iksha
Indian exam language samjho. **Routine checking**: books ke arithmetical checks, casting (totals), posting, balancing, carry forward. Yeh mechanical checking hai. **Test checking**: transactions ka ek representative sample deeply check karna, aur uske basis par baaki ko accept karna. Yeh practical sampling hai.

Prabhat
Test checking kab mat karo?

Iksha
Jab control weak ho, jab cash transactions zyada hon, jab staff naya ya unreliable ho, ya jab client bahut chhota ho aur 100% check sasta pade. Bank, trust jaisi jagah test checking risky hai.

Prabhat
Aur "audit in depth"?

Iksha
Ek transaction ko shuru se aakhir tak trace karna, har document par. Jaise ek sale: customer order, invoice, dispatch, gate pass, ledger entry, receipt, bank deposit. Depth checking auditor ko system ki real working samjhati hai. Aam taur par har area ki kuch transactions depth mein check ki jaati hain.

Prabhat
Teeno ka combination?

Iksha
Routine checking se arithmetic pakdo, test checking se coverage lo, depth checking se system samjho. Teen mil kar ek balanced audit banta hai.

Topic 8: Retail inventory ka example chat - Walmart

Prabhat
Iksha, retail mein sampling ka asli use dikhao.

Iksha
Walmart lo. Duniya ka sabse bada retailer. 31 January 2024 ko uske paas 54,892 million dollars, yani lagbhag 54.9 billion dollars ka inventory tha apne stores aur warehouses mein. [src]

Prabhat
Itna maal kaun ginega?

Iksha
Exactly. Hazaron stores mein lakhon items hain. Har din har item ginna impossible hai. Isliye retailers **cycle counting** use karte hain: saal bhar mein chhote-chhote samples ke physical counts, rotating basis par, taaki poora stock ek cycle mein cover ho jaye. Auditor bhi year-end count mein sab kuch nahin ginta; woh selected stores aur selected items ke test counts karta hai aur store team ke counts se milata hai.

Prabhat
Aur agar gina hua aur books mein likha alag nikle to?

Iksha
Woh difference **shrink** kehlata hai: chori, damage, counting errors, supplier fraud sab mila kar. America ke retail industry ka shrink 2022 mein 112.1 billion dollars tha, total retail sales ka average 1.6%. [src]

Prabhat
Pehle se zyada hai?

Iksha
Haan. 2021 mein yeh 93.9 billion dollars aur 1.4% tha. Aur shrink ka lagbhag do-tihai (65%) hissa internal aur external theft se aata hai. [src]

Prabhat
Yeh survey kitna bada tha?

Iksha
177 retail brands, jinki 2022 sales mila kar 1.6 trillion dollars thi, aur 97,000 se zyada stores. [src]

Prabhat
Toh auditor ka sample yahan kahan aata hai?

Iksha
Teen jagah. Ek, physical count ke test counts mein. Do, shrink estimate mein: stores sample counts se poori chain ka shrink project karte hain. Teen, high-risk categories par focus: jahan shrink historically zyada, wahan sample bada. Sampling ke bina retail audit ho hi nahin sakta.

---

3. Core idea: teen levels mein poora chapter

6 saal ka bachha box (ek line): Sabko check na kar sako to achhi tarah bikri hui muthhi bhar lo, par muthhi aisi ho jo poori bori jaisi dikhe.

Normal: Audit sampling population ke har unit ko selection ka chance dekar representative sample par tests lagati hai, aur result se population ke baare mein conclusion nikalti hai. Sahi selection method, sahi size, aur results ka honest projection: yeh teen sampling ke stambh hain. Sampling risk ko samajhna aur control karna auditor ki skill hai.

PhD box: SA 530 sampling design, size, selection aur evaluation govern karta hai. Statistical sampling risk quantify karti hai; non-statistical judgment par chalti hai. Tests of controls attributes sampling dete hain, substantive details variables/MUS. Sample mein mili misstatement ko project karke tolerable misstatement se compare karna mandatory evaluation step hai, aur anomalies ko projection se alag treat karna hota hai.

---

4. Real example: Retail inventory - jab ginti mumkin nahin

Problem. Walmart ke paas 31 January 2024 ko 54.9 billion dollars ka inventory tha. [src] Ek auditor subah se raat tak gine, tab bhi ek store ka ek hissa cover hoga.

Solution: systematic sampling + cycle counts. Retail chains saal bhar cycle counts chalaati hain: har hafte kuch stores, kuch aisles, kuch items physically gine jaate hain. High-value aur high-theft items zyada baar gine jaate hain. External auditor year-end par selected locations mein rehta hai, apne test counts karta hai, aur unhe company ke perpetual inventory records se milata hai.

Shrink: sample se industry estimate. National Retail Federation ka National Retail Security Survey dikhaata hai sampling ka doosra roop: 177 brands ke diye data se poori US retail industry ka shrink estimate hota hai - 2022 mein 112.1 billion dollars, sales ka 1.6%, jismein theft ka hissa lagbhag 65%. [src]

Audit lessons:

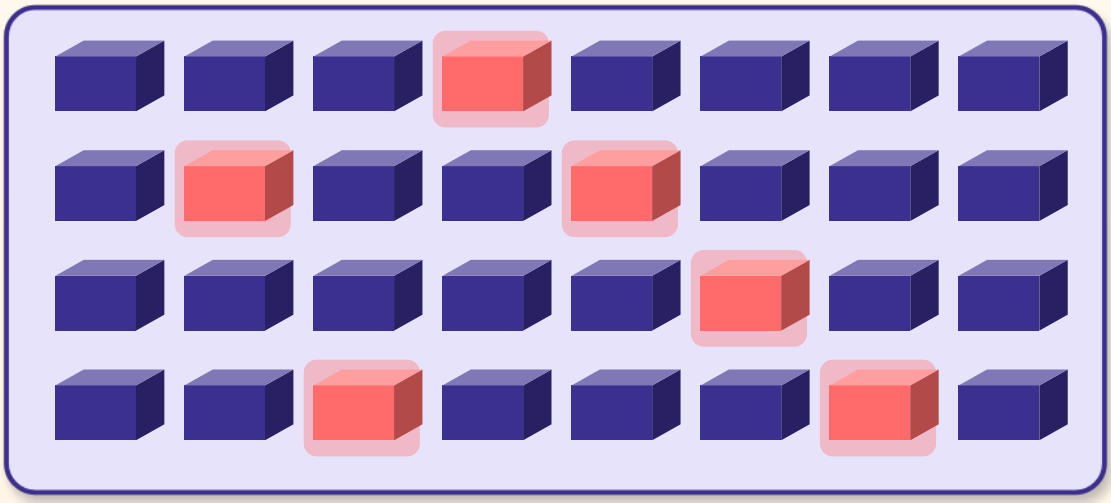
1. Population define karo: kis location ka stock, kis date ka.
2. Stratify karo: high-value/high-shrink items ko 100% ya heavy coverage.
3. Count ko observe karo, sirf management ke count sheets par bharosa mat karo (SA 501 ka spirit).
4. Sample ki galti ko poori population par project karo, tabhi stock figure par opinion banti hai.

---

5. Infographics

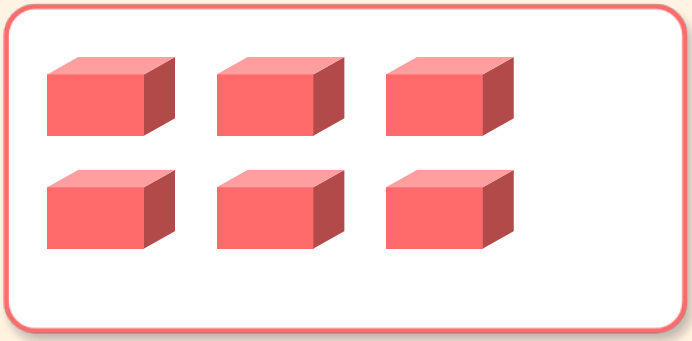
Population -> Sample -> Conclusion

1. Population: poora warehouse



kuch crates chuno

2. Sample: chune hue crates





Prabhat jaanch karta hai

3. Conclusion: poori population ke baare mein



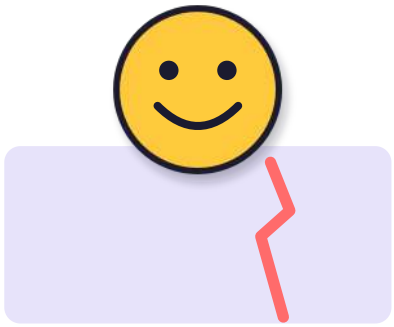
Sample ka result

poori population par lagao



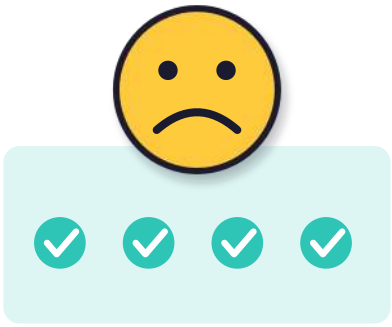
Sampling risk: do galtiyan

Incorrect acceptance



peeche red crack chhupa hai

Incorrect rejection



peeche sab green (theek) hai

Pehli galti audit effective nahi banati (khatarnak). Doosri time barbaad karti hai.





5 selection methods



Random

dice



Systematic

har k-th item



Haphazard

bina soche chuno



Block

ek hi gucchha

(allowed nahi)



Stratified

layers mein

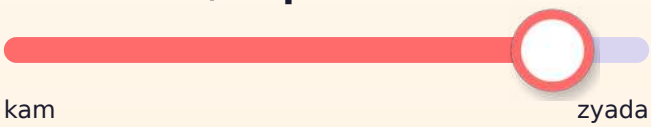
Haphazard = bias ka khatra; block selection akela kaafi nahi hota.





Sample size kis par depend karta hai

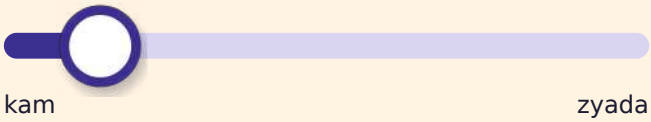
Audit risk / expected error



kam — zyada

→ **Sample size BADA**

Tolerable misstatement



kam — zyada

→ **Sample size BADA**

Risk/error upar = zyada check. Tolerable misstatement kam = zyada check.



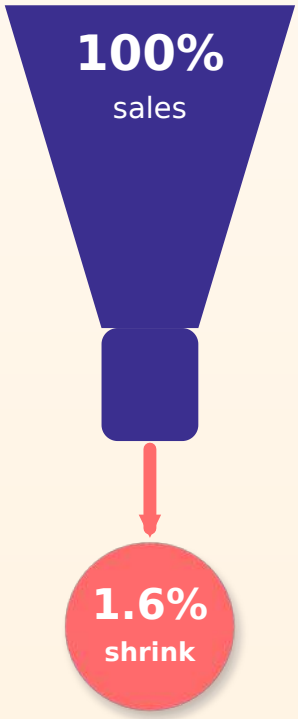


Cycle count: har hafte ek hissa

Source figures: NRF (US retail shrink 2022)



Har aisle ek alag hafte mein count hota hai



2022: $112.1 billion

US retail shrink

Theft: lagbhag 65%

shrink ka (NRF, 2021)

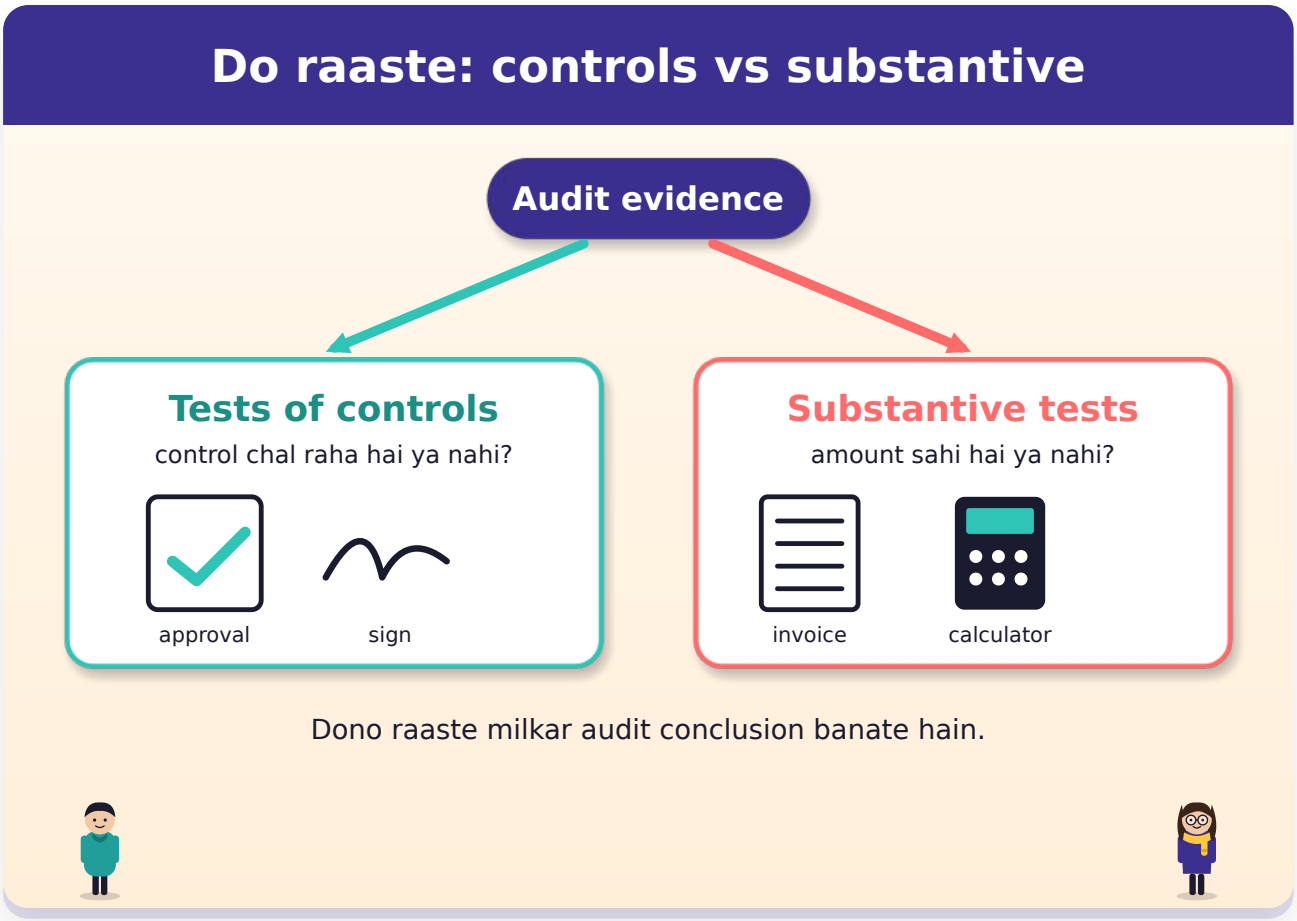
Walmart ke paas 31 Jan 2024 ko $54,892 million inventory tha.

Ek din mein sab gino = impossible. Isliye cycle count.

Aur shrink (chori, damage, galtiyan) ka paisa leak hota rehta hai.







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6. Exam angle: UPSSSC kya poochta hai

Sampling se typical sawaal: sampling risk ke types, test checking vs routine checking, statistical vs judgmental sampling, aur kab 100% checking zaroori hai.

Q1. Sampling risk ka matlab hai: (a) Auditor galat procedure chun le (b) Sample population ko represent na kare aur galat conclusion nikle (c) Client fraud kare (d) Records kho jayein **Answer:** (b). Sampling risk tab hota hai jab sample ka result population ke asli haal se alag ho.

Q2. Transactions ka ek sample deeply check karke baaki ko accept karna kehlata hai: (a) Routine checking (b) Test checking (c) Audit in depth (d) Vouching **Answer:** (b) Test checking.

Q3. Ek transaction ko shuru se aakhir tak har document par trace karna kehlata hai: (a) Test checking (b) Routine checking (c) Audit in depth (d) Analytical review **Answer:** (c) Audit in depth.

Q4. Statistical sampling aur judgmental sampling ka main fark: (a) Statistical mein sample bada hota hai (b) Statistical mein selection random aur sampling risk measurable hota hai (c) Judgmental galat hota hai (d) Koi fark nahin **Answer:** (b).

Q5. Sample size kab badhana chahiye? (a) Jab risk aur expected error zyada ho (b) Jab tolerable misstatement kam ho (c) Dono (a) aur (b) (d) Kabhi nahin **Answer:** (c).

---

7. Recap page

10 bullets:

1. Sampling = population ke har unit ko chance dekar kam items check karna aur poori population par conclusion nikalna.
2. 100% checking tab karo jab population chhoti ho, kuch items bahut bade hon, ya risk bahut high ho.
3. Sampling risk ke do khatarnak roop: incorrect acceptance aur control risk ko low assess karna. Dono jhoothi tasalli dete hain.
4. Non-sampling risk auditor ki apni galtiyon se aata hai; yeh sample bada kar kam nahin hota.
5. Statistical sampling: random selection, measurable risk. Judgmental: experience based, risk unmeasured. Dono SA 530 mein valid.
6. Selection methods: random, systematic (random start), haphazard, stratified/value-weighted. Block selection representative nahin, avoid karo.
7. Sample size ke drivers: risk upar = size upar; tolerable misstatement neeche = size upar; expected error upar = size upar.
8. Tests of controls (compliance tests) system check karte hain; substantive tests figures check karte hain. Controls strong to substantive kam.
9. Test checking ka use weak controls ya cash-heavy business mein savdhani se; audit in depth system samajhne ke liye ek transaction poora trace karta hai.
10. Retail inventory sampling ka best example: Walmart ka 54.9 billion dollar stock cycle counts se chalta hai, aur US retail shrink 2022 mein 112.1 billion dollars (1.6% of sales) tha. [src] [src]

Cheat-sheet table:

Concept	Ek line mein	Yaad rakhne ka hook
Population	Poora set jis par conclusion chahiye	Poora bora
Sampling unit	Ek test hone wala item	Ek daana
Sampling risk	Sample jhooth bol de	Muthhi mein sada daana na aaye
Non-sampling risk	Auditor khud galti kare	Aankh kamzor ho
Statistical sampling	Random + measurable risk	Scientific muthhi
Judgmental sampling	Experience se chunna	Daadi ki muthhi
Stratification	Value ke layers baantna	Bade aloo alag tokri
Test checking	Sample se poora accept	Ek thaali se poori biryani judge
Audit in depth	Ek transaction, poora safar	Ek aloo ka khet se thaali tak
Tolerable misstatement	Kitni galti chalegi	Kitne kankad chal jaayenge

---

Chapter 8 samapt. Pichhla chapter: Vouching aur Verification. Agla chapter: Evidence aur Documentation - auditor ka kagaz ka kaam.

Chapter 8 Extension (Part B): Sampling ke asli calculations

New content: 9 worked numerical examples (attribute, MUS, stratified, classical methods, discovery, sequential, shrink projection, cut-off), Tesco case study, practice drills, 2 end-to-end sampling plans, exam trap boxes, 45 MCQs

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B1. Bridge chat: ab calculator khulega

Prabhat

Iksha, sampling ki theory ho gayi. Par ek sawaal pakad ke baitha hai: jab auditor kehta hai "100 items ka sample kaafi hai," to woh 100 kahan se aaya? Koi formula hai ya dil se?

Iksha
laptop kholti hain Dono. Statistical sampling mein formula hai, judgmental mein experience. Aaj hum dono chalayenge, calculator ke saath. Aur ek vaada: har number jo main doongi, woh calculate karke dikhaungi. Audit mein bina calculation ke confidence jhooth hota hai.

Prabhat
Aur agar mera calculation galat nikla to?

Iksha
To achha hoga. Yahan galti sasti hai, Prabhat. Exam hall mein mehngi. *thodi der ruk kar* ...aur asli audit mein sabse mehngi. Ek galat sample size aur tumne laakhon shareholders ko jhoothi tasalli de di.

Prabhat
Chalo. Pehla calculation dikhao.

Iksha
Pehle controls ka test, attribute sampling. Phir paiso ka test, monetary unit sampling. Phir Tesco - jahan supplier rebates ke estimate galat pade aur aadha profit statement hil gaya. Ready?

B2. Worked example 1: Attribute sampling (control test) - poora calculation

Scenario. Mehta Textiles mein ek control hai: 10,000 rupaye se zyada ka har purchase bill purchase manager ke sign ke bina pay nahin ho sakta. Auditor yeh test karna chahta hai ki yeh control saal bhar chala ya nahin.

Step 1: Objective aur population define karo.

- Population: saal bhar ke 5,000 purchase bills (10,000 se upar wale).
- Sampling unit: ek bill.
- Deviation (galti) ki definition: bill par manager ka sign missing.

- Test ka type: test of controls, isliye attribute sampling (answer rate mein aata hai: kitne percent mein sign missing).

Step 2: Parameters set karo.

- Tolerable deviation rate: **7%** - is se zyada missing signs mile to auditor is control par rely nahin karega.
- Expected deviation rate: **2%** - pichhle saal ke experience se.
- Confidence: **95%** - auditor 5% sampling risk le sakta hai.

Step 3: Sample test karo. Auditor ne 100 bills randomly chune aur check kiye. Result: **2 bills par sign missing**.

Step 4: Evaluate karo - yahan log galti karte hain. Sample deviation rate = 2/100 = **2%**. Ab zyada tar students yahin ruk jaate hain: "2% < 7%, control theek!" Galat. Sample sirf 100 ka hai; poori 5,000 mein rate thoda zyada ho sakta hai. Isliye statistical sampling **upper confidence bound** nikalti hai: woh maximum rate jo population mein ho sakti hai, 95% confidence ke saath.

Exact calculation (binomial method) se, 100 mein 2 deviations par 95% one-sided upper bound aata hai lagbhag **6.2%**.

Conclusion: 6.2% < tolerable 7%. Control par reliance chal sakta hai, par margin patla hai.

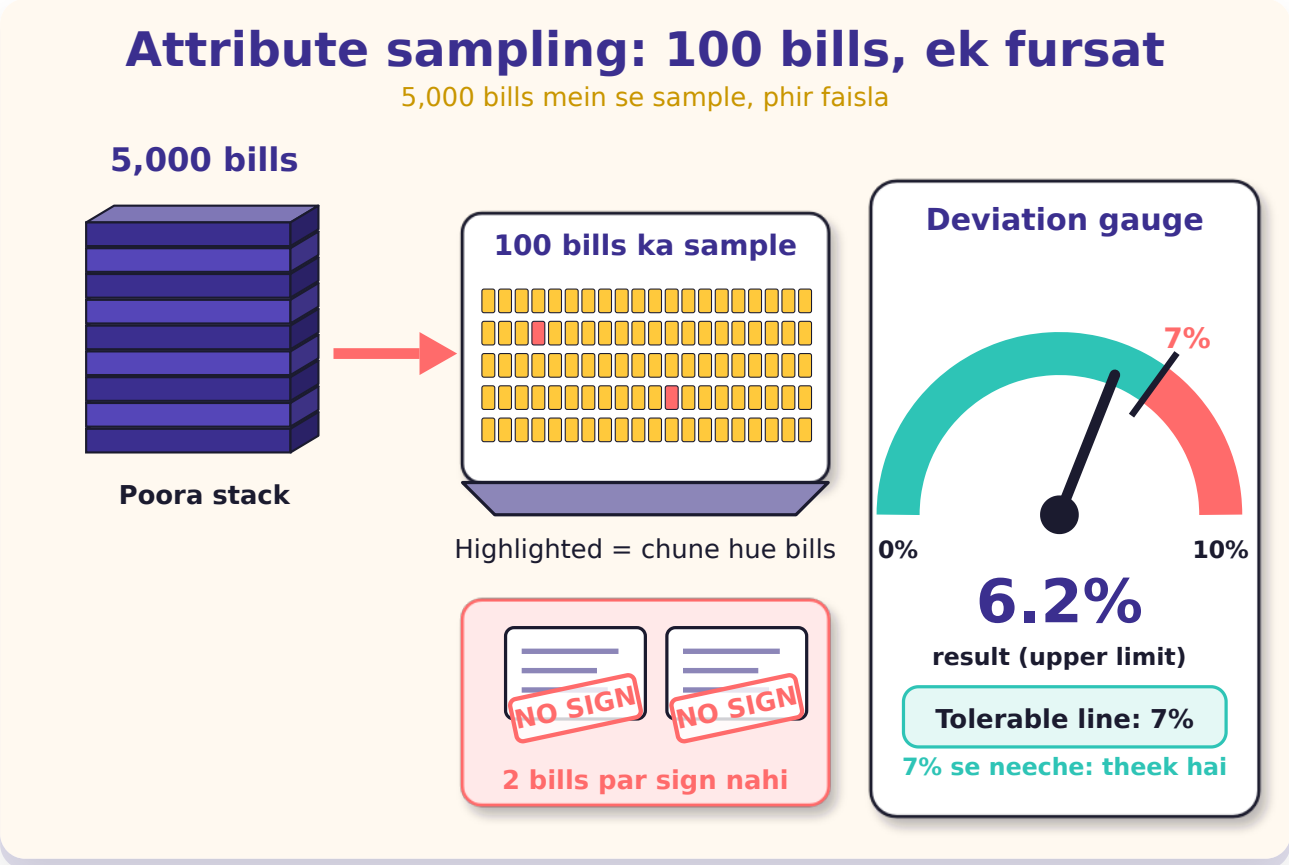
Ab twist: agar 3 signs missing nikle hote? To upper bound lagbhag **7.6%** aata hai, jo 7% se upar hai. Conclusion badal jaata: control unreliable, aur substantive testing badhaani padegi. Ek extra missing sign ne poori audit strategy palat di.

Aur ek data point: wahi 3 deviations agar 200 ke sample mein milte, to upper bound sirf **3.8%** hota. Bada sample = patla uncertainty band. Yahi sampling ka central trade-off hai: kitna kaam, kitni certainty.

> **Exam trap**
> Sample rate ko seedha population rate mat samajhna. UPSSSC ke objective mein "sample mein 2% deviations mile, tolerable 7% hai, to auditor kya karega?" - options mein hoga "control reliable hai." Strictly statistical jawab: **upper deviation rate** compare hota hai, sample rate nahin. Conceptual paper mein yahi fark tumhein top karega.

6 saal ka bachha box: Tumne 100 toffee mein se 2 kadwi nikalin. Keh sakte ho "zyada tar meethi hain." Par 100 mein 3 kadwi niklin to? Ab tum sure nahin ho. Aur 200 mein se sirf 3 kadwi niklin to phir se sure ho gaye. Jitni zyada chakhoge, utna pakka jawab.

PhD box: Attribute sampling evaluation mein sample deviation rate ek point estimate hai; decision upper bound par hoti hai (computed via binomial/Poisson approximation, ya standard audit tables se). Jab upper bound tolerable rate cross kare, auditor control risk ko high re-assess karta hai, aur SA 330 ke under substantive procedures ka nature, timing aur extent badhaata hai. Expected deviation rate ka role sample size mein hai, evaluation mein nahin.



B3. Worked example 2: Monetary Unit Sampling (MUS/PPS) - debtors ka poora case

Scenario. Gupta Distributors ke 31 March ko **10,000 debtor accounts** hain, total book value **5,00,00,000 rupaye** (5 crore). Auditor substantive test karna chahta hai: kya debtors overstated to nahin?

Step 1: Parameters.

- Tolerable misstatement (TM): **15,00,000 rupaye** - is se zyada ki galti auditor accept nahin karega.
- Risk of incorrect acceptance: **5%**.
- Expected misstatement: zero (pichhle audits clean rahe).

Step 2: Confidence factor. MUS mein zero expected errors ke liye factor aata hai formula se: **−ln(risk) = −ln(0.05) = 2.996, lagbhag 3.0**. Yeh Poisson distribution par based standard PPS factor hai.

Step 3: Sample size. Sample size = (Population book value x Factor) / TM = (5,00,00,000 x 3.0) / 15,00,000 = **100 items**.

Step 4: Sampling interval aur selection. Interval = Population / Sample size = 5,00,00,000 / 100 = **5,00,000 rupaye**. Random start liya: **2,37,451** (1 aur 5,00,000 ke beech ka random number). Selection points: 2,37,451; 7,37,451; 12,37,451; 17,37,451; 22,37,451; ... aur aise 100 points.

Ab dekho MUS ki jaadugari. Har rupaya ek sampling unit hai; jis account ke andar point girta hai, woh account select hota hai:

Account	Amount (₹)	Cumulative (₹)	Point jo girta hai	Selected?
Debtor 1	60,000	60,000	-	Nahin
Debtor 2	2,00,000	2,60,000	2,37,451	**Haan**
Debtor 3	1,50,000	4,10,000	-	Nahin
Debtor 4	3,40,000	7,50,000	7,37,451	**Haan**
Debtor 5	90,000	8,40,000	-	Nahin
Debtor 6	5,00,000	13,40,000	12,37,451	**Haan**

Dekha? Debtor 6 (5 lakh) apni size ki wajah se pakka style mein select hua, Debtor 1 (60,000) ka chance chhota tha. **MUS automatically bade rupaye ki taraf jhukta hai.** Koi bhi account jo interval (5,00,000) se bada hai, zaroor select hoga.

Step 5: Test aur galti milna. 100 selected accounts verify karne par 2 galtiyan mili:

- **Galti A:** ek account book value 80,000, actual hona chahiye 64,000. Overstatement 16,000. **Tainting** = 16,000/80,000 = **20%**.
- **Galti B:** ek account book value 6,20,000 (interval se bada), actual 6,00,000. Overstatement 20,000.

Step 6: Projection aur upper misstatement limit (UML).

Basic precision (koi galti na ho tab bhi allowance) = Factor x Interval = 3.0 x 5,00,000 = **15,00,000**.

Galti A ka projection: tainting x interval = 20% x 5,00,000 = **1,00,000**. (Chhote item ki galti ko hum poori population ki tarah behave maan kar project karte hain.) Galti A ke liye incremental allowance: standard PPS factor adjustment, (4.74 − 3.00)/3.00 = lagbhag 0.58, to 1,00,000 x 0.58 = lagbhag **58,000**. Galti B: interval se bade item ka actual misstatement poora count hota hai, projection nahin: **20,000**.

UML = 15,00,000 + 1,00,000 + 58,000 + 20,000 = 16,78,000.

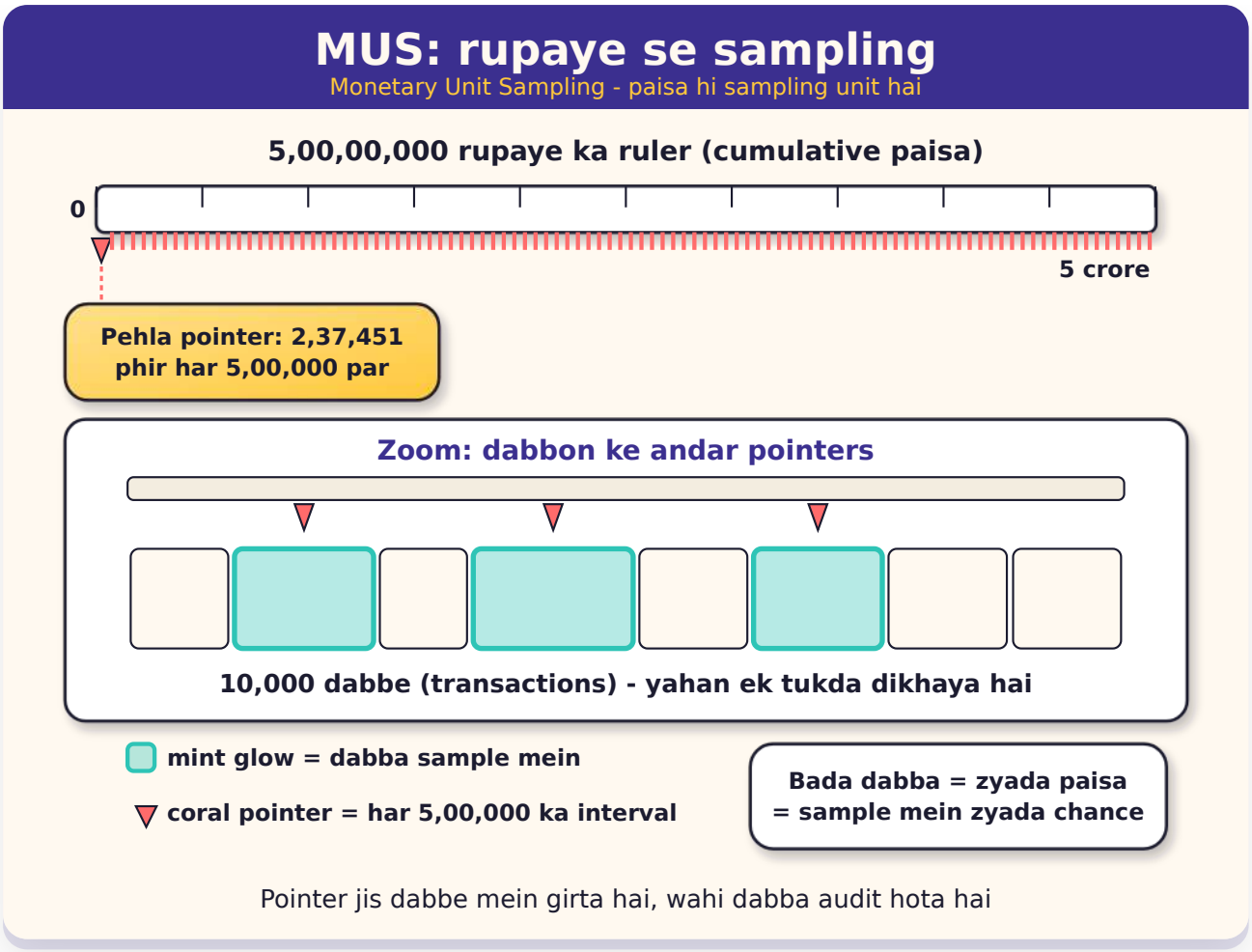
Step 7: Decision. UML (16,78,000) > TM (15,00,000). **Population acceptable nahin.** Auditor ab: client se 36,000 ki known misstatements correct karwayega, galtiyon ki nature investigate karega (yeh 20% tainting systematic to nahin?), aur sample extend kar sakta hai.

Ek gehri baat: dekho basic precision hi 15,00,000 hai, TM ke barabar. Matlab zero-error assumption par banaya sample **ek bhi galti afford nahin karta**. Isliye practice mein expected misstatement daal kar sample bada rakha jaata hai.

> **Exam trap**
> MUS mein chhote item ki galti project hoti hai (tainting x interval), bade item (interval se upar) ki galti actual count hoti hai. Dono mix mat karo. Aur UML ko TM se compare karna final step hai, sample misstatement ko nahin.

6 saal ka bachha box: Socho 5 crore rupaye 10,000 dabbon mein rakhe hain. Tum har 5 lakhve rupaye ko pointer se chhoo rahe ho. Jis dabbe mein pointer gire, woh dabba kholo. Bade dabbe mein rupaye zyada, to pointer wahan zyada girta hai. Isliye bade dabbe hamesha khulte hain.

PhD box: MUS probability-proportional-to-size selection hai: har monetary unit equal chance, isliye items unki value ke proportional chance paate hain. Zero-misstatement design mein sample size TM ke barabar basic precision deta hai, jo expected misstatement ko ignore karta hai; isliye expanded design mein expected misstatement ka factor add hota hai. Understatement testing ke liye MUS naturally weak hai (zero-balance items select hi nahin hote), isliye completeness ke liye alag approach chahiye.



B4. Worked example 3: Stratified sampling - teen layers ka hisaab

Scenario. Sharma Manufacturing ki inventory ki book value **2,00,00,000 rupaye**, 648 items mein. Auditor har item ko same chance nahin dena chahta; woh value ke hisaab se layers baantta hai.

Strata aur plan:

Stratum	Items	Value (₹)	Coverage
1: 5,00,000 se upar	8	80,00,000	100% (sab check)
2: 1,00,000 - 5,00,000	40	60,00,000	10 items ka sample
3: 1,00,000 se neeche	600	60,00,000	60 items ka sample
Total	**648**	**2,00,00,000**	

Results:

- Stratum 1 (100% check): misstatements mili **2,00,000**. Projection ki zaroorat nahin, yeh actual hai.
- Stratum 2: 10 items ke sample mein misstatement **30,000**. Sample 40 mein se 10 ka tha, to projection = 30,000 x (40/10) = **1,20,000**.
- Stratum 3: 60 items ke sample mein misstatement **12,000**. Sample 600 mein se 60 ka, projection = 12,000 x (600/60) = **1,20,000**.

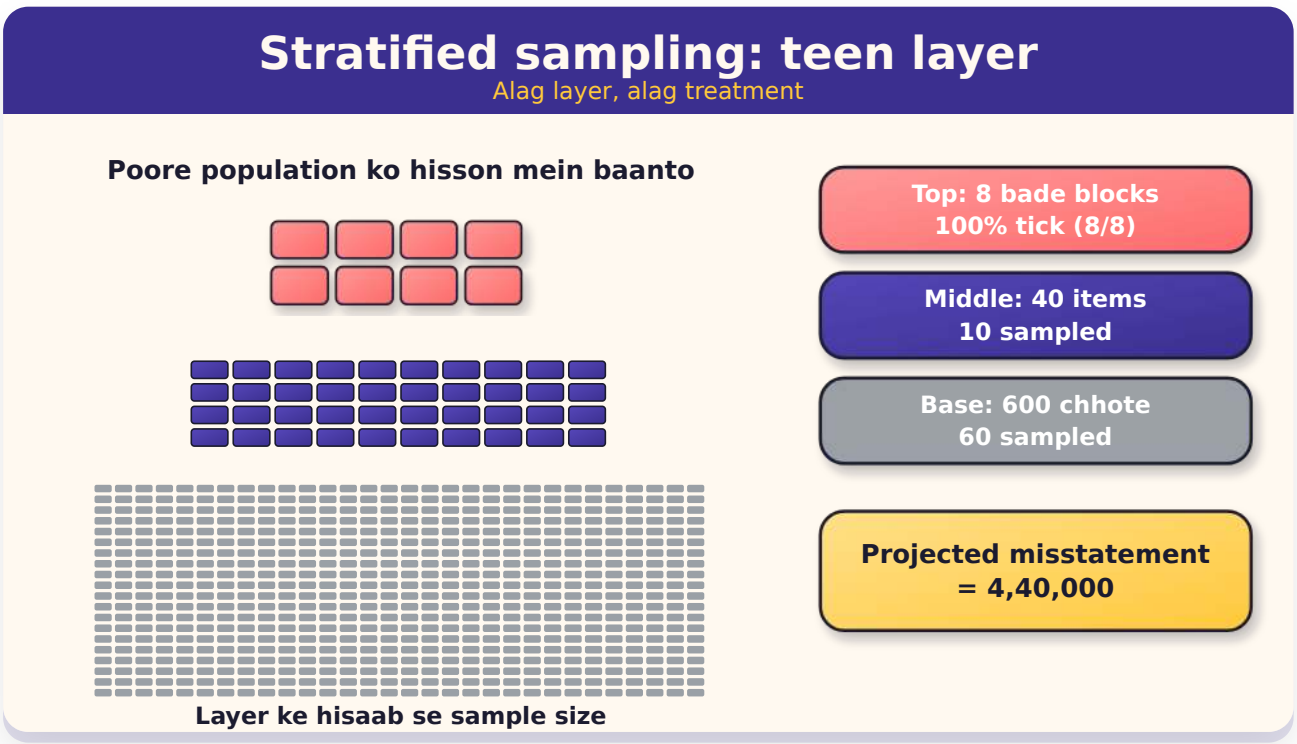
Total projected misstatement = 2,00,000 + 1,20,000 + 1,20,000 = 4,40,000.

Decision: TM 5,00,000 hai. 4,40,000 < 5,00,000, par margin chhota hai kyunki sampling allowance bhi judta hai. Auditor stratum 3 ka sample badha sakta hai ya client se known errors (2,00,000 + sample errors) correct karwa sakta hai. Correction ke baad projected figure TM ke comfortably andar aa jaata hai.

Kyun stratify kiya? Agar hum poori population par flat sample karte, to 80 lakh ke 8 bade items shayad sample mein aate bhi nahin. Unko 100% cover karke humne population ka 40% sirf 8 tests mein pakad liya. Yeh sampling economy ki sabse tez trick hai.

Exam trap

Stratification ka fayda sample "kam" karna nahin, **coverage smart** karna hai. Bade items 100%, beech ke medium sample, chhote halka sample. Flat random sample is design ko kabhi har nahin sakta efficiency mein.



B5. Worked example 4: Classical variables methods - teen tareeke, ek population

Scenario. Ek client ke 2,000 creditors, book total **4,00,00,000 rupaye**. Auditor ne 50 ka random sample audit kiya. Sample ki book value 10,00,000, audited value 9,80,000. Matlab sample mein total overstatement 20,000... par hold on, hum sample mein individual differences bhi jante hain: total misstatements (positive minus negative) = 20,000.

Method 1: Mean-per-unit. Audited mean = 9,80,000 / 50 = 19,600 per account. Population estimate = 19,600 x 2,000 = **3,92,00,000**. Projected misstatement = 4,00,00,000 − 3,92,00,000 = **8,00,000 overstatement**.

Method 2: Difference estimation. Mean difference = 20,000 / 50 = 400 per account. Projected misstatement = 400 x 2,000 = **8,00,000**. (Is case mein mean-per-unit ke barabar, kyunki sample mean uniform tha.)

Method 3: Ratio estimation. Ratio = audited/book = 9,80,000 / 10,00,000 = 0.98. Population estimate = 4,00,00,000 x 0.98 = **3,92,00,000**. Phir wahi 8,00,000.

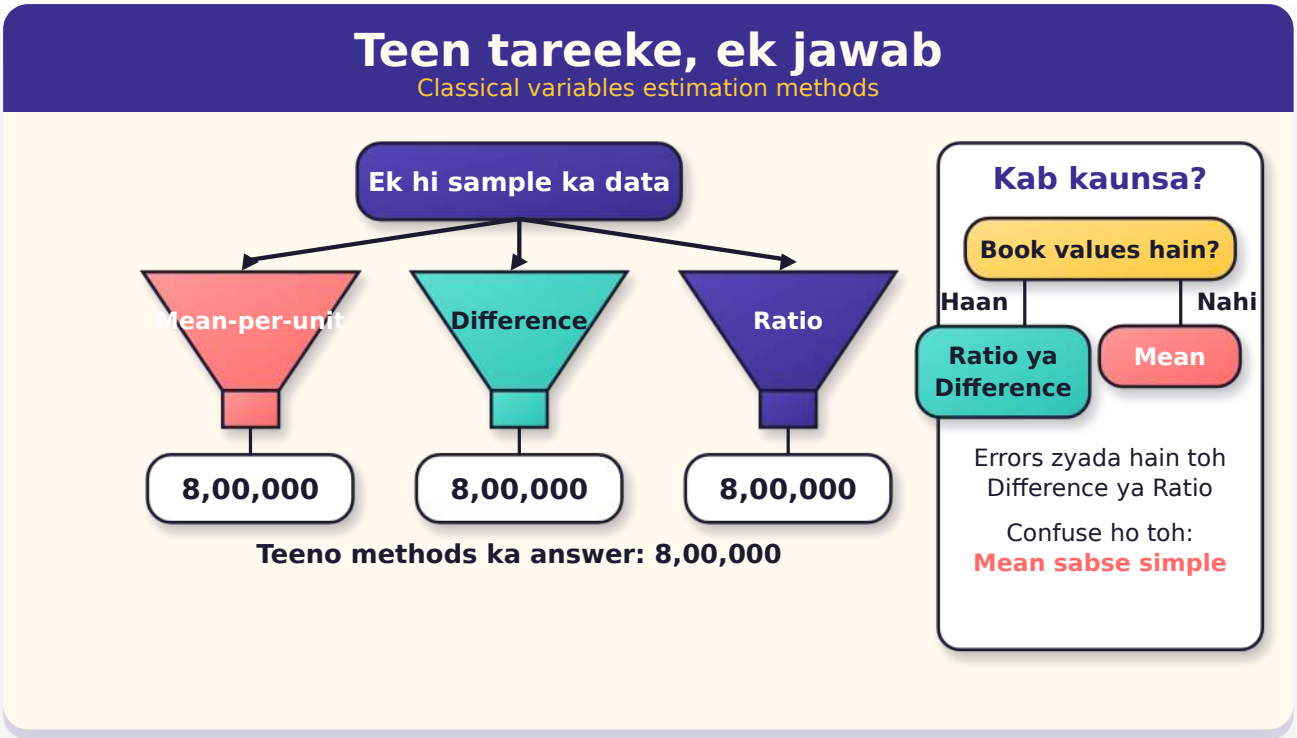
To teeno same kyun aaye? Kyunki is simplified example mein differences sab items par proportional thin. Asal duniya mein farak hota hai:

- **Difference method** tab best jab misstatement item ki size se independent ho (har item mein lagbhag same rupaye ki galti).
- **Ratio method** tab best jab galti size ke proportional ho (bade item mein badi galti).
- **Mean-per-unit** tab jab book records unreliable hon aur auditor har item independently value kare.

Decision: TM 6,00,000 hai. Projected 8,00,000 > TM. Auditor client ko batata hai: creditors ka balance theek karwao ya hum extend karenge. Client 5,00,000 ki corrections kar deta hai; revised projection TM ke andar aa jaata hai.

Exam trap

"Ratio estimation kab use karte hain?" - jab misstatement book value ke proportional ho. "Difference estimation kab?" - jab misstatements ki frequency zyada ho aur size uniform. Yeh pairing yaad rakho.



B6. Worked example 5: Discovery sampling - jab ek bhi galti khatra ho

Scenario. Ek bank branch mein auditor yeh check karna chahta hai ki koi **bhi** unauthorized loan file to nahin. Yahan tolerable rate bahut low hai, kyunki ek hi galti fraud ka signal ho sakti hai.

Logic: agar population mein deviation rate 3% bhi ho, to 100 ke random sample mein **zero deviations** milne ka chance sirf 5% hai. Isliye: 100 items test kiye, **zero deviations mile** - to auditor 95% confidence se keh sakta hai ki population mein deviation rate **3% se neeche** hai. (Exact figure: 2.95%.)

Aur agar ek bhi unauthorized file nikal aayi? Sampling abhi wahin ruk jaati hai aur investigation shuru hota hai. Isliye ise **discovery sampling** kehte hain: kaam hi "discover" karna hai, estimate nahin.

Doosra angle: 50 ke sample mein zero deviations par upper bound lagbhag 5.8% hota hai. Double sample (100) ne bound aadha kar diya (2.95%). Zero-error results mein sample size hi poora message hai.

6 saal ka bachha box: Mummy ne kaha "is dabbe mein ek bhi sada aam nikla to poora crate wapas." Tumne 100 aam dekhe, sab acche: crate accept. Ek sada nikla:

sab kuch rok do, crate khol do.

> **Exam trap**
> Discovery sampling fraud-sensitive controls ke liye hai; iska jawab "rate kitna hai" nahin, "hai ya nahin" hota hai. Isse variables sampling se confuse mat karna.

B7. Worked example 6: Stop-or-go (sequential) sampling - kaam ka bachat khata

Scenario. Ek chhote client mein auditor ke paas time kam hai. Woh ek hi baar mein 100 bills test nahin karna chahta. Woh sequential plan banata hai:

1. Pehle **50 bills** test karo.
2. **Zero deviations** mile? Ruk jao, control reliable maano (bound achha hai).
3. **1-2 deviations** mile? 50 aur test karo, aur phir combined 100 par evaluate karo (jaise example 1 mein kiya).
4. **3 ya zyada** pehle 50 mein hi mil gaye? Ruk jao, control unreliable: aage test karne ka fayda nahin, seedha substantive plan badhao.

Fayda: strong controls wale clients par aadha kaam mein jawab; weak controls par bhi jaldi jawab. Sirf borderline cases mein poora 100 lagta hai. Audit fees aur time dono bachte hain, quality ke bina compromise kiye, kyunki har stage par decision ek pehle se likhe rule se hota hai.

> **Exam trap**
> Sequential sampling mein decision rules **pehle se fixed** hote hain. Beech mein rule badalna ("aur 20 dekh leta hoon, phir 20 aur") sampling ko judgmental tamasha bana deta hai.

B8. Worked example 7: Sample size ki sensitivity - do parameter ghumao, size dekho

Scenario setup. MUS wala hi case: population 5,00,00,000.

Case A (base): TM 15,00,000, factor 3.0 → Size = 5,00,00,000 x 3.0 / 15,00,000 = **100**.

Case B (TM aadha): auditor strict ho gaya, TM 7,50,000 → Size = 5,00,00,000 x 3.0 / 7,50,000 = **200**. TM aadha, size double. **Inverse relationship**, pakka yaad rakho.

Case C (risk aur zyada): internal control weak nikla, auditor ab 5% ki jagah 1% risk lena chahta hai. Factor = −ln(0.01) = 4.6. Size = 5,00,00,000 x 4.6 / 15,00,000 = lagbhag **153**. Confidence badhane par size badhta hai, par linear nahin: 95% se 99% confidence mein size 100 se 153 hua, double nahin.

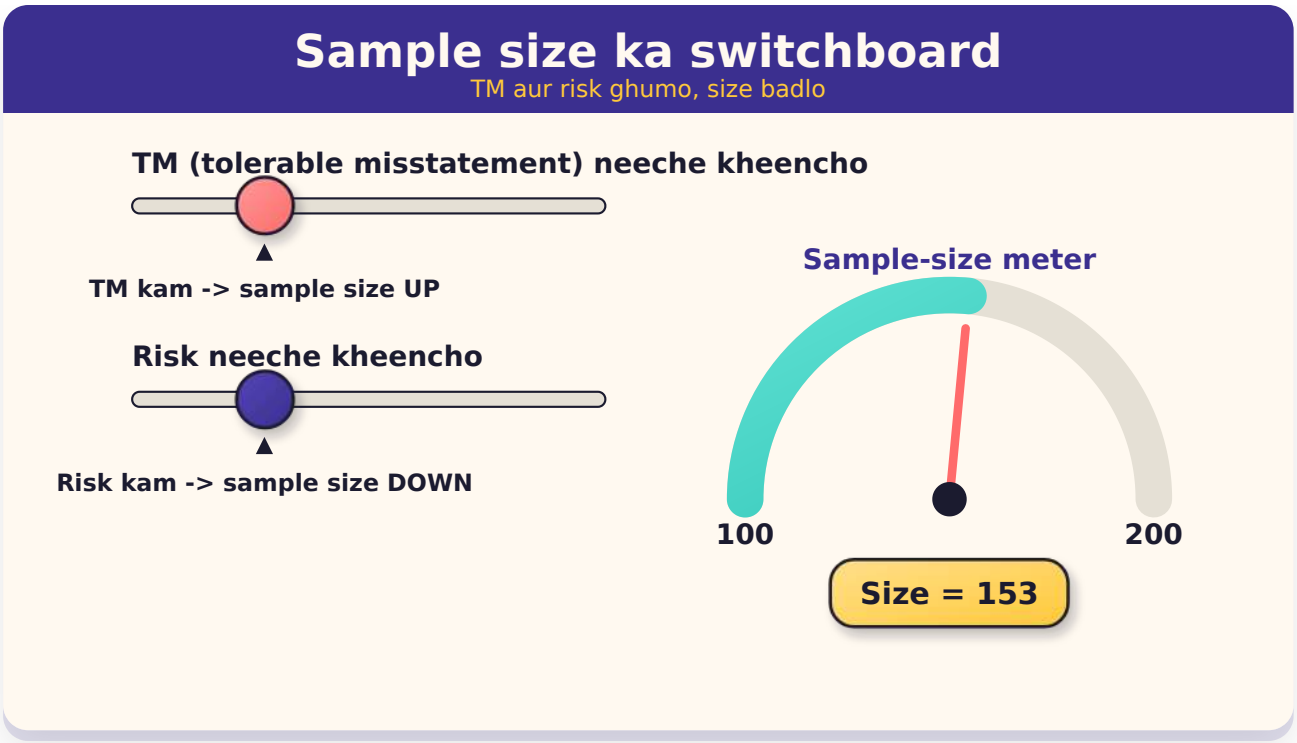
Case D (expected misstatement ke saath): pichhle saal galtiyan mili thin, auditor expected misstatement 5,00,000 assume karta hai. Ab usable precision ghatti hai, size badhega. Message: **past errors future ka kaam badhati hain.**

Summary table:

Change	Effect on size	Direction
TM aadha	100 → 200	Size double
Risk 5% → 1%	100 → 153	Size badhta hai, dheere
Expected misstatement judi	badhta hai	Precision kha jaati hai
Population double (same TM)	negligible change	Size population se almost free

Exam trap

"Population double ho gayi to sample size?" - statistical sampling mein **lagbhag same** rehta hai. Yeh sabse zyada galat kiya jaane wala MCQ hai. Sample size TM, risk aur expected error se chalta hai, population ke raw size se nahin (finite correction chhod kar).



B9. Worked example 8: Retail shrink projection aur cycle count plan

Scenario 1: shrink projection. Ek retail chain ki saal ki sales **500 crore rupaye**. Auditor ne 20 stores ke sample counts kiye aur stock shortage rate paya **1.8%** of sales. Projected shrink = 500 crore x 1.8% = **9 crore rupaye**.

Context ke liye: America ke retail industry ka average shrink 2022 mein 1.6% tha, 112.1 billion dollars. [src] Toh hamara client 1.8% par benchmark se thoda upar hai: auditor high-shrink categories (cosmetics, electronics) par next cycle mein zyada counts rakhega.

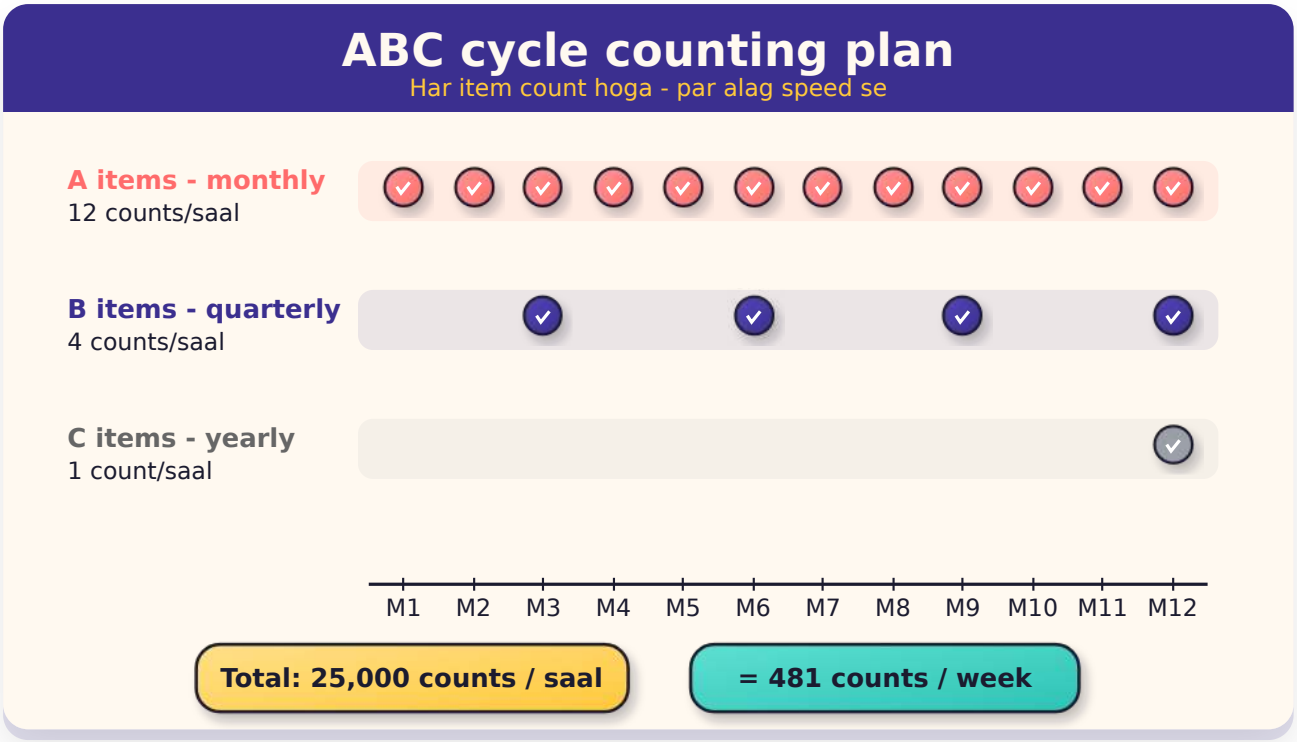
Scenario 2: cycle count plan. Chain ke paas **12,000 SKUs** hain. ABC classification:

- A items (high value/theft-prone): 500 SKUs, mahine mein ek baar count → 500 x 12 = **6,000 counts/saal**
- B items: 2,500 SKUs, quarter mein ek baar → 2,500 x 4 = **10,000 counts/saal**
- C items: 9,000 SKUs, saal mein ek baar → **9,000 counts/saal**

Total = 6,000 + 10,000 + 9,000 = **25,000 counts per saal**, yani lagbhag **481 counts per hafta**. Ab operations team decide karti hai: har store per hafta kitna gin sakti hai, aur schedule ghoomta rehta hai taaki staff pattern pakad na sake.

Audit angle: external auditor year-end par selected stores mein apne test counts karta hai aur company ke perpetual records se milata hai. Walmart jaise giant ka 31 January 2024 ka inventory 54,892 million dollars tha; aise scale par 100% count sochna hi sampling ko na samajhna hai. [src]

> **Exam trap**
> Cycle counting mein har item ki frequency uski value/risk par hoti hai, barabar nahin. A items zyada baar, C items kam. "Sabko saal mein ek baar" wala answer galat hai.



B10. Worked example 9: Year-end cut-off ka sample - Tesco ka darwaza

Scenario. Ek retailer ka saal 28 February ko khatam hota hai. Auditor cut-off sample karta hai:

1. **Last documents note karo:** 28 Feb ka last goods received note #9,847, last dispatch note #4,312, last sales invoice #18,560.
2. **Purchase side:** GRN #9,840 se #9,847 tak ki entries uthao. Sab is saal ki purchases mein hain? Agar GRN #9,845 (maal 26 Feb ko aaya) agle saal ke purchase register mein mila, to purchases understated, yeh cost push-back hai.

3. **Sales side:** dispatch #4,308 se #4,312 tak. Dispatch 27 Feb, invoice 2 March? To sale is saal ki thi, agle saal mein daali gayi? Ya ulta: invoice 27 Feb, dispatch 3 March? To sale jaldi book ho gayi.
4. **Rebate side (yahan Tesco aata hai):** suppliers se milne wale year-end rebates ke accruals ka sample lo. Har accrual ke liye poochho: rebate kis period ke purchases par mili, aur kya humne use is saal book kar liya jabki condition agle saal poori honi thi?

Yahi chaar tests Tesco ko bacha sakte the. Ab asli kahani.

B11. Mini case study: Tesco - 250 million pound ka "estimate"

Kya hua. Britain ke sabse bade supermarket Tesco ne 29 August 2014 ko ek trading statement diya jo performance ko asli se behtar dikha raha tha. 22 September 2014 ko, market khulne se pehle, Tesco ne correction nikala: half-year profits lagbhag **250 million pounds overstate** ho gaye the. [src] Baad mein yeh figure badha kar **326 million pounds** tak revise hua. [src]

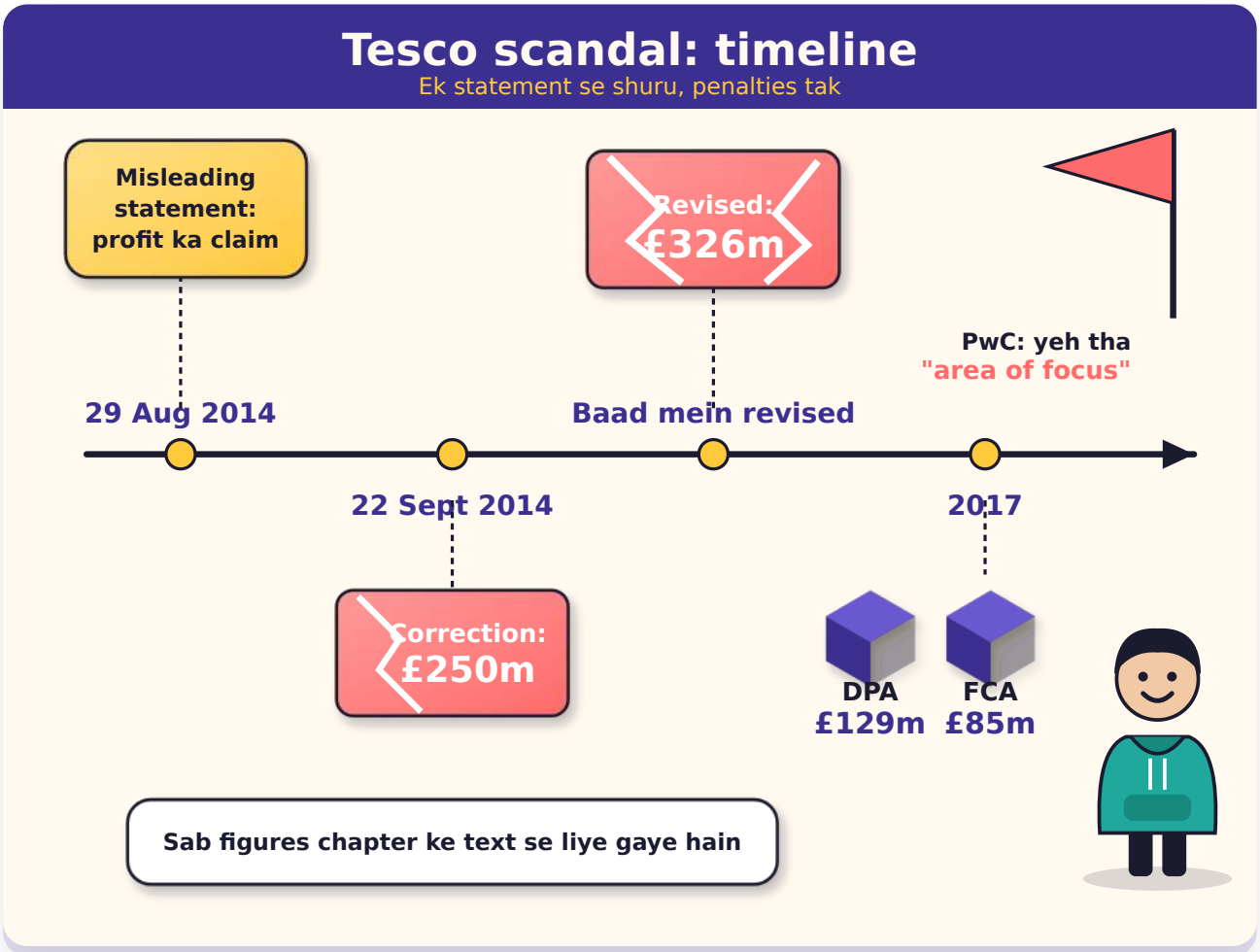
Mechanism kya tha? Overstatement principally Tesco ke UK food business ke supplier contracts se juda tha, jis division ki 2013-14 revenue 48.2 billion pounds thi. [src] Wajah: suppliers se aane wale payments (rebates/incentives) ko **jaldi recognize** karna aur costs ko **aage dhakelna**. [src]

Auditor ka angle. Tesco ke auditors PwC 1983 se the, aur unhone apni 2013-14 report mein supplier rebates ko "area of focus" aur manipulation ka risk bataya tha. [src] UK ke accounting watchdog FRC ne baad mein auditors ke against apni investigation June 2017 mein close kar di. [src] Company ne 2017 mein Serious Fraud Office ke saath **129 million pounds** ka Deferred Prosecution Agreement kiya prosecution se bachne ke liye, aur FCA ke saath 85 million pounds investor compensation par agree kiya. [src]

Sampling lesson. Rebates estimates hote hain: hazaron supplier contracts, har ek ki apni conditions. 100% check mushkil, to auditor sample karta hai. Par Tesco dikhata hai: jab estimate hi manipulate ho raha ho, sample ka design **risk-focused** hona chahiye - bade year-end accruals, unusual manual entries, aur woh

contracts jahan target miss hua ho. Random sample average dhoondhta hai; fraud average mein nahin chhupta, corners mein chhupta hai.

Exam angle. "Income ko jaldi aur expense ko der se book karna" - dono profit inflate karte hain. Yeh cut-off aur estimation assertions ka direct attack hai. Tesco = rebates + timing ka textbook case.



B12. Evaluation ke niyam: anomalies aur projection

Prabhat
Iksha, ek cheez atki hai. Agar sample mein ek galti mile jo sach mein one-off ho, jaise ek clerk ne ek din ka double entry kiya aur woh system mein kahin aur ho hi nahin sakti - to bhi project karna padega?

Iksha
Achi pakad. Nahin. SA 530 ka approach: pehle galti ki **nature aur cause** investigate karo. Agar woh sach mein **anomaly** hai, aur tumhein uske na repeat hone ka reasonable assurance hai, to use projection se alag rakho, sirf actual amount consider karo. Par anomaly ka dawa auditor ko **prove** karna padta hai, maan-na nahin.

Prabhat
Aur agar prove na kar sake?

Iksha
To woh anomaly nahin, representative error hai. Project karo. Yaad rakho: anomaly ka dafa management ke muh se nahin, evidence se milta hai.

Evaluation summary (card bana lo):

Step	Sawaal	Action
1	Galti mili?	Nature aur cause investigate karo
2	Anomaly hai?	Prove karo, warna representative maano
3	Project karo	Population par extrapolate
4	Compare karo	Projected + allowance vs tolerable
5	Decision	Accept / extend / adjust / control risk badhao

B13. Master tables

Table 1: Kaunsa method kab (ek-nazar)

Situation	Method	Kyun
Control test (sign hai ya nahin)	Attribute sampling	Answer rate mein chahiye
Debtors/creditors overstatement	MUS/PPS	Bade rupaye auto-select hote hain
Zero tolerance control (fraud)	Discovery sampling	Ek galti = full stop
Time kam, control shayad achha	Stop-or-go	Strong par jaldi nikal lo
Population mixed value	Stratified	Bade 100%, chhote sample
Records unreliable, sab revalue	Mean-per-unit	Book value par bharosa nahin
Galti size ke proportional	Ratio estimation	Proportion seedha lagta hai
Galti flat/uniform	Difference estimation	Per-item mean project hota hai

Table 2: Sample size ke drivers (tatkal revision)

Driver	Badhane par size	Yaad rakhne ka hook
Risk (assessed)	Badhta hai	Khatra zyada, dekhna zyada
Confidence maangi	Badhta hai	Pakka jawab mehenga
Tolerable misstatement/rate	Ghatata hai	Strictness = zyada kaam
Expected misstatement	Badhta hai	Purani galti naya kaam
Population size	Lagbhag same	5,000 ho ya 50,000, farak kam

B14. "What would you do?" scenarios

Scenario A. Tumhare 100 ke sample mein 1 deviation mila. Client kehta hai: "Bas ek hi to hai, chhodo na." Tumhara jawab?

Iksha ka jawab

Ek deviation ka matlab "bas ek" nahin hota. Upper bound nikalo: 100 mein 1 par lagbhag 4.7% tak population mein ho sakta hai. Tolerable 4% hai to control fail. Client ke emotional frame ko statistical frame se jawab do: "ek mila" sample fact hai, decision upper bound se hota hai.

Scenario B. MUS sample mein sabse bada debtor (12 lakh, interval se double) galat nikla. Client: "Woh to akela case hai, baaki sab theek nikle."

Iksha ka jawab

Interval se bade item ki galti project nahin hoti, woh actual count hoti hai: poori ki poori. Aur "akela case" hone ka dawa tumhein investigate karke prove karna hai. Agar yeh systematic billing error nikla jo har bade invoice mein hai, to poori population suspect hai.

Scenario C. Warehouse manager kehta hai: "Stock count ke din aap aa rahe hain, main sab sajja dunga." Kya problem hai?

Iksha ka jawab

Sajjana hi problem hai. Count se pehle records freeze hone chahiye, movements rukne chahiye, aur auditor ko last GRN/dispatch numbers milne chahiye. Manager ki "sajaa" hui ginti mein cut-off loose rehta hai. Count observe karo, apne test counts karo, aur woh numbers note karo.

B15. 30 MCQs (answer + 2-line explanation)

Q1. Audit sampling ka definition kya hai? (a) 100% checking (b) 100% se kam items par procedure lagana jisme har unit ko selection ka chance ho (c) Sirf bade items dekhna (d) Sirf random dekhna **Answer:** (b). Yeh SA 530 ka core hai: partial testing, par har unit ko chance. "Sirf bade items" selection ka bias hai, sampling nahin.

Q2. Sampling risk kab hota hai? (a) Jab auditor thak jaye (b) Jab sample ka conclusion population ki asliyat se alag ho (c) Jab client jhooth bole (d) Jab fees kam ho **Answer:** (b). Sample ne jhooth bolkar tasalli di ya bewajah shaq kara diya, dono sampling risk hain. Ye risk sample size se control hota hai.

Q3. Risk of incorrect acceptance ka matlab: (a) Galat client accept karna (b) Material misstatement hone par bhi "theek hai" keh dena (c) Fees accept karna (d) Report der se accept karna **Answer:** (b). Yeh sabse khatarnak sampling risk hai kyunki isse galat clean opinion nikalti hai. Effectiveness ka risk hai, efficiency ka nahin.

Q4. Non-sampling risk ka source: (a) Chhota sample (b) Auditor ki galti: galat procedure, galat interpretation (c) Bada sample (d) Client ki size **Answer:** (b). Non-

sampling risk sample size badhane se kam nahin hota. Training, supervision aur quality control se kam hota hai.

Q5. Attribute sampling kis liye hota hai? (a) Amount estimate (b) Deviation rate measure karne (c) Stock valuation (d) Tax calculation **Answer:** (b). Tests of controls mein answer "kitne percent mein control fail" hota hai. Rate = attribute ka output.

Q6. MUS mein sampling unit kya hai? (a) Ek invoice (b) Ek rupaya (c) Ek customer (d) Ek mahina **Answer:** (b). Har monetary unit equal chance paata hai, isliye bade accounts ke select hone ka chance unki value ke proportional hota hai.

Q7. Population 5 crore, TM 15 lakh, factor 3.0. MUS sample size? (a) 50 (b) 100 (c) 150 (d) 200 **Answer:** (b). 5,00,00,000 x 3.0 / 15,00,000 = 100. Formula: BV x factor / TM.

Q8. MUS mein interval se bade item ki galti ka treatment: (a) Project karo (b) Actual misstatement poora count karo (c) Ignore karo (d) Half count karo **Answer:** (b). Bada item already poora test hua hai, usmein extrapolation ka sawaal hi nahin. Projection sirf chhote (tainting wale) items par hai.

Q9. Tainting ka formula: (a) Misstatement / book value of item (b) Book value / misstatement (c) Misstatement / population (d) Population / sample **Answer:** (a). 80,000 ke item mein 16,000 ki galti = 20% tainting. Projected misstatement = tainting x interval.

Q10. Stratification ka main fayda: (a) Sample badhana (b) Bade items ko 100% cover karke efficiency (c) Randomness hatana (d) Time badhana **Answer:** (b). Sharma Manufacturing example mein 8 tests ne population ka 40% cover kiya. Stratification coverage ko smart banata hai.

Q11. TM aadha karne par MUS sample size: (a) Aadha (b) Same (c) Double (d) Four times **Answer:** (c). Size TM ke inversely proportional hai. 15 lakh se 7.5 lakh karne par 100 se 200 hua (example 7).

Q12. Population double hone par statistical sample size: (a) Double (b) Aadha (c) Lagbhag same (d) Zero **Answer:** (c). Size TM, risk aur expected error se driven hai, population ke raw size se nahin. UPSSSC ka favourite trap.

Q13. Discovery sampling mein ek deviation milne par: (a) Sample badhao (b) Investigation shuru, sampling stop (c) Ignore (d) Rate compute karo **Answer:** (b). Yahan ek galti hi red flag hai. Estimate karna is test ka purpose nahin, discover karna purpose hai.

Q14. Stop-or-go sampling mein pehle 50 mein 0 deviations mile to: (a) 50 aur lo (b) Ruk jao, control reliable (c) 100 aur lo (d) Control reject karo **Answer:** (b). Zero-error early result strong evidence hai, aage ka kaam waste hai. Rules pehle se fixed hote hain.

Q15. Ratio estimation kab best hai? (a) Galti size ke proportional ho (b) Galti uniform ho (c) Records na hon (d) Fraud ho **Answer:** (a). Jab bade items mein proportionally badi galti ho, ratio seedha fit hota hai. Difference method uniform errors ke liye.

Q16. Block selection audit sampling ke liye kyun poor hai? (a) Mehnga hai (b) Representative nahin hota, baaki periods/items ka chance zero (c) Slow hai (d) Legal nahin **Answer:** (b). Sirf August ki entries dekhna baaki 11 mahino ka chance zero kar deta hai. SA 530 ke under appropriate selection nahin hai.

Q17. Systematic selection mein kya zaroori hai? (a) Random start (b) Fixed start (c) Pehla item (d) Aakhri item **Answer:** (a). Interval ke saath random start hi selection ko unbiased banata hai. Warna population ke pattern se takra sakta hai.

Q18. Haphazard selection statistical sampling kyun nahin hai? (a) Auditor aalsi hai (b) Probability measure nahin hoti (c) Galat hai (d) Illegal hai **Answer:** (b). Har unit ko chance milta hai par kitna chance, yeh measurable nahin. Isliye risk quantify nahin hota.

Q19. Test checking kab risky hai? (a) Strong controls mein (b) Weak controls aur cash-heavy business mein (c) Chhote sample mein (d) Bade sample mein **Answer:** (b). Jab system hi weak ho, sample par bharosa karna dangerous hai. Wahan zyada coverage ya 100% checking sahi hai.

Q20. Audit in depth ka matlab: (a) Ek transaction shuru se aakhir tak trace karna (b) Bahut saare samples (c) Sirf year-end checking (d) Sirf cash checking **Answer:** (a). Depth checking system ki real working dikhati hai. Har area ki kuch transactions is tarah trace hoti hain.

Q21. Sample mein mili misstatement ka population par extrapolation kehlata hai: (a) Projection (b) Guessing (c) Rounding (d) Tainting **Answer:** (a). Projection evaluation ka mandatory step hai. Tainting MUS mein per-item percentage hai, projection ka input.

Q22. Anomaly ko projection se alag kab rakhte hain? (a) Jab management bole (b) Jab auditor uske na repeat hone ka evidence-based assurance le (c) Hamesha (d)

Kabhi nahin **Answer:** (b). Anomaly ka dawa prove karna padta hai. Warna har galti "one-off" ban jaayegi aur projection ki authority khatam.

Q23. 100 ke sample, 0 deviations, 95% confidence. Upper deviation rate lagbhag: (a) 0% (b) 3% (c) 7% (d) 10% **Answer:** (b). Zero errors ka matlab zero rate nahin; bound lagbhag 3% hai. Discovery sampling ka core figure.

Q24. Tesco scandal ki mechanism kya thi? (a) Fake stores (b) Supplier rebates ka jaldi recognition aur costs ka aage dhakalna (c) Stock chori (d) Fake currency **Answer:** (b). [src] Timing manipulation ka classic case.

Q25. Tesco ka overstatement pehle kitna bataaya gaya aur baad mein kitna hua? (a) £100m se £150m (b) Lagbhag £250m se £326m (c) £500m se £700m (d) £50m se £60m **Answer:** (b). [src]

Q26. Retail shrink ka matlab: (a) Sales ka ghatna (b) Book stock aur actual stock ka difference (chori, damage, errors) (c) Staff ka ghatna (d) Store ka chhota hona **Answer:** (b). Shrink inventory ka woh hissa hai jo books mein hai par shelves par nahin. US retail ka average 2022 mein 1.6% tha. [src]

Q27. Cycle counting mein A items kitni baar gine jaate hain? (a) Saal mein ek (b) Quarter mein ek (c) Mahine mein ek (d) Kabhi nahin **Answer:** (c). High-value/high-risk items ki frequency sabse zyada. Hamare plan mein 500 A items x 12 = 6,000 counts per saal.

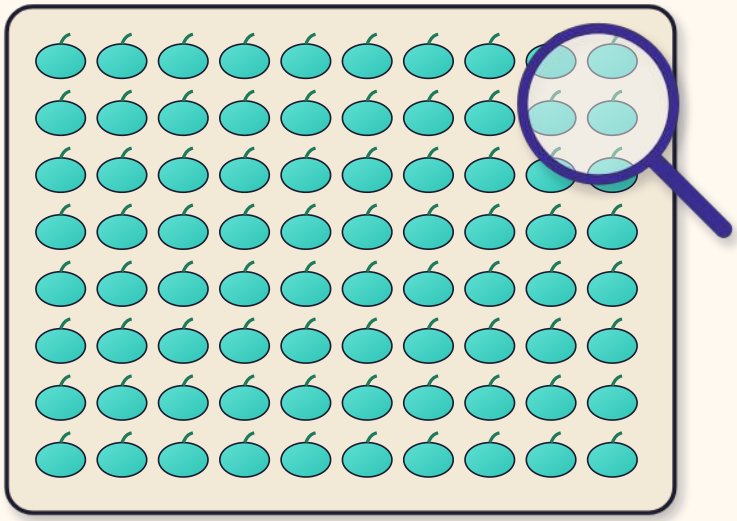
Q28. Tests of controls ke result se kya decide hota hai? (a) Fees (b) Substantive testing ka extent (c) Client ka naam (d) Audit date **Answer:** (b). Controls reliable to substantive kam, unreliable to zyada. Yeh audit risk model ka practical roop hai.

Q29. Judgmental sampling ki sabse badi kamzori: (a) Illegal hai (b) Sampling risk measure nahin hota (c) Slow hai (d) Mehngi hai **Answer:** (b). Experience se chunna allowed hai, par risk ka number nahin nikalta. Isliye bade audits mein statistical preferred hai.

Q30. MUS ki sabse badi kamzori kis side par hai? (a) Overstatement (b) Understatement/completeness (c) Cash (d) Sales **Answer:** (b). Zero ya chhote balances select hone hi nahin paate, to understatement pakadna mushkil. Completeness ke liye alag procedures chahiye.

Discovery sampling: 100 aam

Ek error bhi mila toh poora check



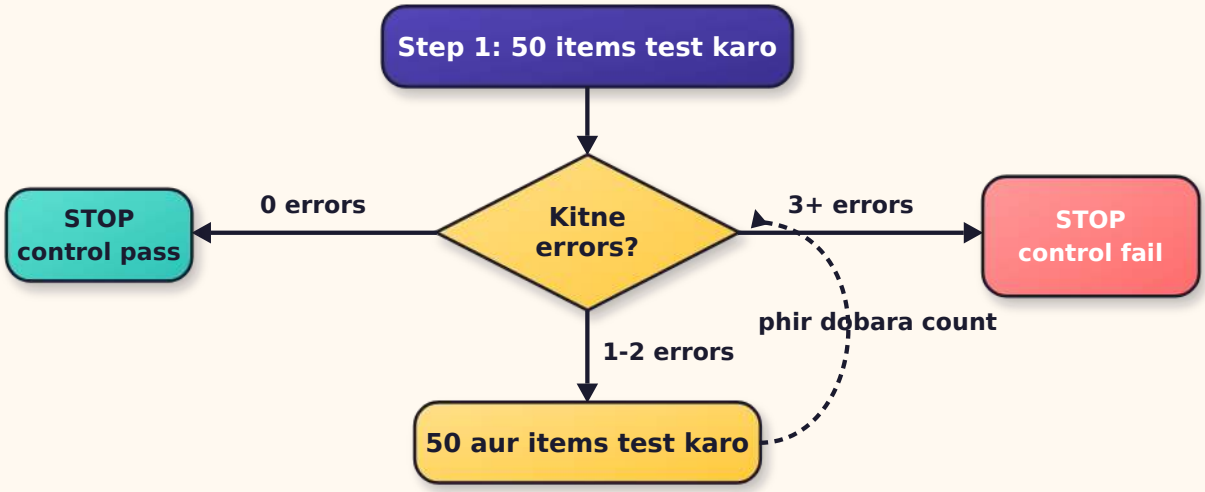
100 aam ki tray - sab green (koi error nahi)

0 errors mile
= max 3% error rate
(95% confidence)

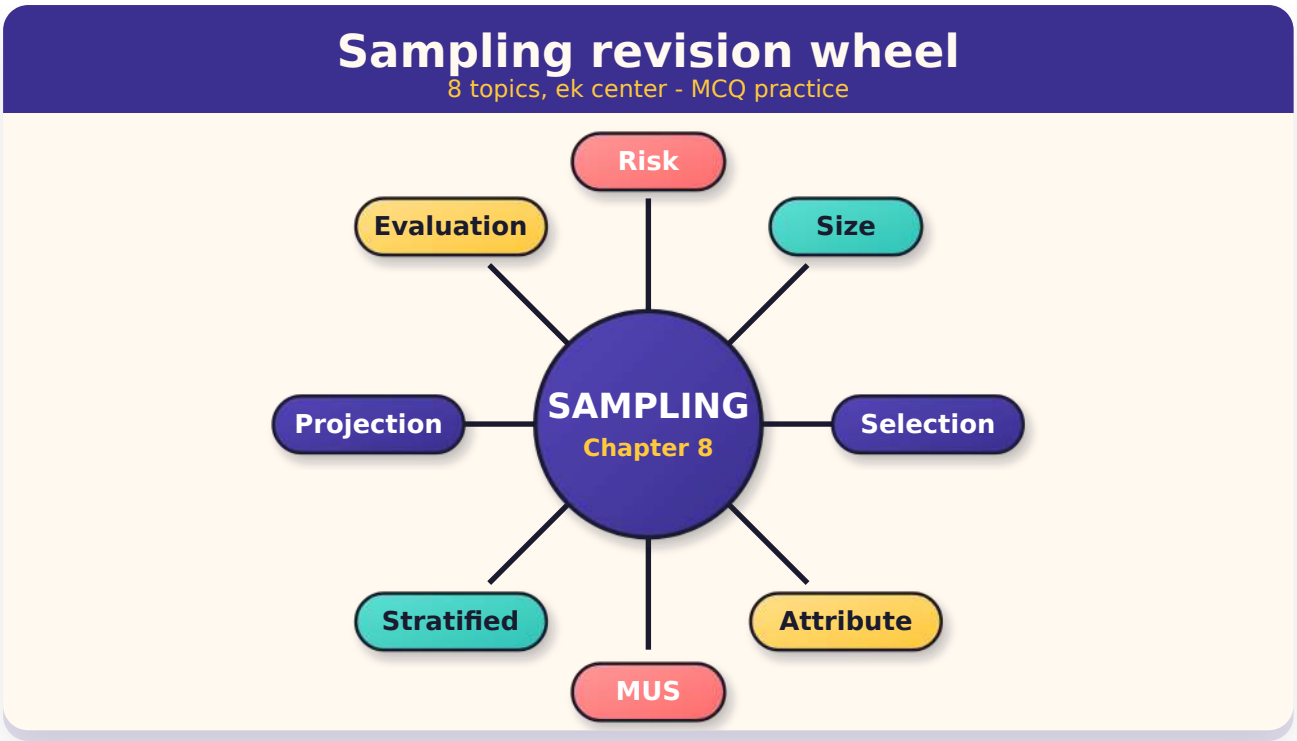
Matlab: agar error rate 3% se zyada hota, toh 95% chance tha ki kam se kam 1 dikhta

Stop-or-Go sampling

Sequential sampling: rukna kab hai



Kam errors = aage badho, zyada errors = ruk jao



B16. Practice problem set: 6 aur calculations (solutions ke saath)

Iksha
Theory ho gayi. Ab exam conditions: calculator allowed, rona allowed nahin. Chhe problems. Pehle khud solve karo, phir solution padho.

Problem 1 (Attribute sampling). Ek company mein control hai: har sales return ke liye credit note manager approve kare. Auditor ne 150 credit notes test kiye, **2 unapproved** nikle. Tolerable deviation rate 5% hai. Decision?

Solution 1. Sample rate = 2/150 = 1.3%. Par decision sample rate par nahin: 150 mein 2 deviations par 95% upper bound lagbhag **4.1%**. 4.1% < 5%, to control reliable. Margin patla hai; auditor year-end mein ek aur chhota follow-up sample le sakta hai.

Problem 2 (Wahi control, bura result). Agar 150 mein 5 unapproved nikle?

Solution 2. Sample rate 3.3% hi lagta hai, par 5 deviations par upper bound 5% se upar niklega (4 deviations par hi lagbhag 7.5% jata hai 120 ke sample mein).

Control unreliable. Ab auditor returns ki substantive testing badhayega, kyunki ho sakta hai kuch credit notes fake hon.

Problem 3 (MUS, naye numbers). Population: 60,00,00,000 rupaye (60 crore) ke debtors, TM 15,00,000, factor 3.0. Sample size aur interval?

Solution 3. Size = 60,00,00,000 x 3.0 / 15,00,000 = **1,200**. Interval = 60,00,00,000 / 1,200 = **5,00,000**. Random start 1 aur 5,00,000 ke beech se.

Problem 4 (Tainting aur projection). Us sample mein ek account mila: book 45,000, audited 40,500. Projected misstatement?

Solution 4. Overstatement = 4,500. Tainting = 4,500/45,000 = **10%**. Projected = 10% x 5,00,000 = **50,000**. Iske upar incremental allowance bhi judta hai evaluation mein.

Problem 5 (Stratified). Ek inventory: Stratum 1 (sabse bade items) 60,00,000, 100% check, misstatement 90,000. Stratum 2: 50 items, 50,00,000, sample 10 items mein misstatement 40,000. Stratum 3: 400 items, 40,00,000, sample 40 items mein misstatement 16,000. Total projected?

Solution 5. Stratum 1: 90,000 actual. Stratum 2: 40,000 x (50/10) = 2,00,000. Stratum 3: 16,000 x (400/40) = 1,60,000. Total = 90,000 + 2,00,000 + 1,60,000 = **4,50,000**.

Problem 6 (Audit risk model). Auditor total audit risk 5% par rakhna chahta hai. Inherent risk 80% assess hua, control risk 50%. Detection risk kitna accept ho sakta hai, aur iska sample size se kya matlab?

Solution 6. AR = IR x CR x DR. DR = 0.05 / (0.8 x 0.5) = 0.125 = **12.5%**. Agar auditor controls par rely na kare (CR = 100%) aur IR bhi high maane (100%), to DR = 0.05 / (1.0 x 1.0) = **5%**. Low detection risk = auditor ko evidence se hi saara kaam karna hai = **bada sample**. Controls par reliance = DR badhti hai = **chhota sample**. Yahi audit ki economy ka engine hai.

> **Exam trap**
> DR ka formula ulta mat karna. DR = AR / (IR x CR). Jo bache hue risk ko auditor apni testing se pakadta hai, wohi DR hai. IR aur CR client ke hain, DR auditor ka hai.

B17. Sampling documentation checklist: kagaz jo auditor chhodta hai

Prabhat
Iksha, sample test ho gaya. Ab file mein kya likhoon?

Iksha
SA 530 documentation maangta hai. Checklist bana do, har item ka ek line ka reason ke saath:

1. **Objective of the test** - kya prove karna tha (control reliance ya balance correctness).
2. **Population definition** - kaunsi population, kaunsa period, kitni items, total value.
3. **Sampling unit** - invoice, debtor, item line, ya rupaya.
4. **Deviation/misstatement ki definition** - kya count hoga error mein, likh kar pehle se tay.
5. **Parameters** - tolerable rate/misstatement, expected error, confidence/risk level.
6. **Sample size aur uska basis** - formula ya judgment, dono likho.
7. **Selection method** - random numbers kaise generate hue, interval, start.
8. **Selected items ki list** - taaki koi dobara wahi sample pull kar sake.
9. **Har item ka result** - pass/fail, aur fail ka nature.
10. **Evaluation** - sample rate, upper bound ya projected misstatement, tolerable se comparison.
11. **Anomalies ka treatment** - kya alag rakha, kyun, kaise prove kiya.
12. **Conclusion** - control reliance hua ya nahin, balance acceptable hai ya nahin, aage kya kiya.

Prabhat
Itna sab? Sirf 100 bills check karne ke liye?

Iksha
Haan. Kyunki teen saal baad koi regulator ya court tumse poochega "tumne yeh sample kaise chuna," aur tumhari yaaddasht tab kaam nahin aayegi. Audit mein jo likha nahin, woh hua nahin. Yeh working papers ka pehla niyam hai.

B18. Long-answer bank: 8 UPSSSC-style descriptive questions

Q1. "Audit sampling is not a shortcut but a scientific technique." Discuss. Model answer ke points: sampling ki definition (SA 530, har unit ko chance); selection methods ka scientific basis (random/systematic/MUS); sample size ka risk-TM se judna; results ka projection aur upper-bound evaluation; aur yeh dikhana ki judgmental shortcut (block selection, sirf bade items) sampling nahin hai. Conclusion: shortcut tab banta hai jab science chhod di jaye.

Q2. Distinguish between sampling risk and non-sampling risk with examples. Points: sampling risk sample ke partial nature se (incorrect acceptance, incorrect rejection, control risk too low/high); non-sampling risk human failure se (galat procedure, galat interpretation, fraud document na pehchanna). Pehla size se control hota hai, doosra training/supervision se. Daadi ki chawal wala example dono par chalta hai.

Q3. Explain Monetary Unit Sampling with its advantages and limitations. Points: har rupaya sampling unit; selection value-proportional; interval method; advantages: bade items automatic cover, overstatement ke liye efficient, sample size ka simple formula (BV x factor / TM); limitations: understatement/completeness ke liye weak, zero balances select nahin hote, errors milne par evaluation complex.

Q4. What factors determine sample size in audit sampling? Points: assessed risk (zyada risk, bada sample); tolerable misstatement/rate (kam tolerance, bada sample); expected misstatement (zyada expectation, bada sample); confidence level (zyada confidence, bada sample); population size ka chhota effect. Example 7 ka table quote karo.

Q5. Test checking should be avoided in certain situations. Elucidate. Points: weak internal controls; cash-heavy transactions; naya ya unreliable staff; bahut chhota client jahan 100% sasta pade; regulated entities (banks, trusts); jab koi fraud indicator ho. Har point par ek-line reason.

Q6. Describe the auditor's approach when errors are found in a sample. Points: nature aur cause investigate; anomaly hai to evidence se prove karke alag treat; representative ho to project; projected + allowance ko tolerable se compare; extend sample ya request adjustment; control risk re-assess (SA 330); sab document karo.

Q7. Stratified sampling flat random sampling se behtar kyun hai? Example de kar samjhao. Points: value concentration; 100% coverage of top stratum; Sharma Manufacturing wala example (8 tests = 40% coverage); flat sample mein bade items chhoot sakte hain; efficiency aur risk coverage dono behtar.

Q8. Write short notes on: (a) Discovery sampling (b) Stop-or-go sampling. Points (a): zero tolerance situations, fraud-sensitive controls; 100 items zero errors = rate 3% se neeche (95% confidence); ek error = full investigation. Points (b): pre-fixed decision rules; 50 test, 0 errors stop; 1-2 errors aur 50; 3+ stop aur reject; time bachat strong controls par; rules beech mein badalna mana.

B19. End-to-end scenario: sugar mill ka sampling plan (Iksha ke saath)

Iksha
Chalo ek poora plan banate hain. Client: ek sugar mill, season November se April. Sales 120 crore, debtors 18 crore, stock 9 crore. Staff mein ek naya cashier. Tum auditor ho. Sampling plan batao, step by step.

Prabhat
Pehle risk assessment. Naya cashier = cash receipts par control risk high. Sugar ka stock seasonal hai, year-end ke baad maal bikta hai, to valuation aur cut-off sensitive. Debtors mein kuch bade sugar traders honge.

Iksha
Good. Ab tests design karo.

Prabhat
Cash receipts: attribute sampling nahin, yahan main zyada coverage lunga kyunki cashier naya hai; daily deposits ka 100% match for two months, phir debtor confirmations. Debtors: MUS, kyunki bade traders hain; TM suppose 25 lakh. Stock: stratified - sugar bags high volume, by-products (molasses, bagasse) alag stratum; count mein attend karunga. Sales cut-off: season-end ke aas-paas ke dispatches ka sample.

Iksha
Kya bhool rahe ho?

Prabhat
...documentation. Har test ka objective, population, size, selection method, results aur conclusion likhunga. Aur cane purchase side: ganne ki kharid parchi system se hoti hai, wahan weight bridge ke records ka sample aur dummy farmer check.

Iksha
thodi der chup, phir muskurati hain Dummy farmer check. Prabhat, tum ab auditor sound kar rahe ho. Yeh plan file mein likh do, main isse tumhare mock interview mein todungi.

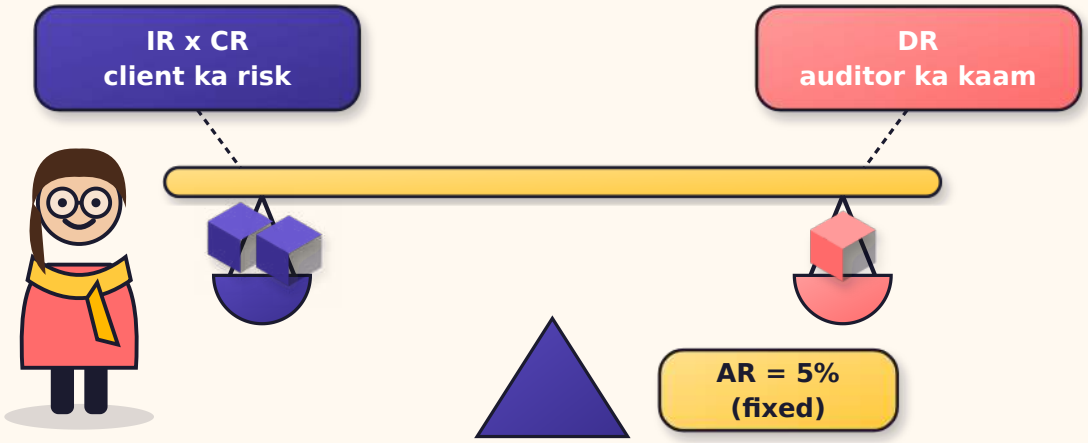
B20. Sampling myths: 6 galat-fehmiyan jo exam aur audit dono bigaadti hain

1. **"Bada sample hamesha better."** Nahin. Galat selection ka bada sample bhi galat hai. 1,000 biased items se behtar hai 100 random.
2. **"Sample mein kuch na mila to population clean."** Nahin. Zero errors ka upper bound hota hai (100 par lagbhag 3%). Clean nahin, "3% ke andar" hai.
3. **"Statistical sampling judgment ki jagah leti hai."** Nahin. Parameters (TM, risk, expectation) to judgment hi hain. Statistics sirf selection aur evaluation karti hai.

4. **"Judgmental sampling galat hai."** Nahin. SA 530 dono allow karta hai; bas risk measure nahin hota, to defensibility kam.
5. **"Population badi to sample bada."** Nahin. Size TM aur risk se chalta hai; 50,000 ki population ka sample 5,000 wali se zyada bada nahin hota same parameters par.
6. **"Ek error ko ignore kar sakte hain agar chhota ho."** Nahin. Har error investigate hoga; nature pata kiye bina chhota error bhi systematic ho sakta hai. 20% tainting ka 16,000 yaad rakho.

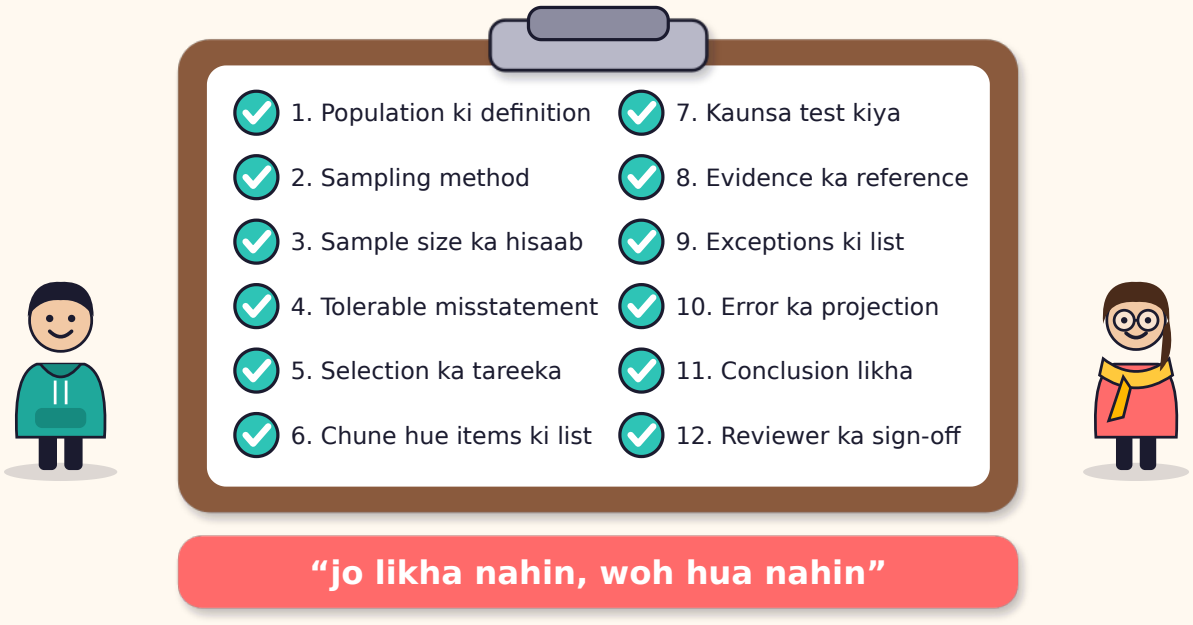
Audit risk model ka seesaw

AR = IR x CR x DR



IR x CR zyada -> DR kam karna hoga (aur zyada testing)

Sampling documentation wall



B21. Projection drill: 5 quick calculations (30-second reps)

Har drill ka jawab 30 second mein aana chahiye. Neeche answers hain; pehle khud karo.

Drill 1. Stratum mein 200 items, sample 20, sample misstatement 5,000. Projected? **Drill 2.** MUS: interval 2,00,000, item book 50,000, audited 46,000. Tainting? Projected? **Drill 3.** Mean-per-unit: sample 40 items ki audited value 7,60,000, population 1,500 items. Population estimate? **Drill 4.** Ratio estimation: sample book 5,00,000, audited 4,85,000, population book 2,50,00,000. Estimate aur projected misstatement? **Drill 5.** Difference estimation: sample 40 mein total misstatement 24,000, population 1,500. Projected?

Answers:

1. 5,000 x (200/20) = **50,000**.
2. Misstatement 4,000; tainting = 4,000/50,000 = **8%**; projected = 8% x 2,00,000 = **16,000**.
3. Mean = 7,60,000/40 = 19,000; estimate = 19,000 x 1,500 = **2,85,00,000**.
4. Ratio = 4,85,000/5,00,000 = 0.97; estimate = 2,50,00,000 x 0.97 = **2,42,50,000**; projected misstatement = **7,50,000** overstatement.
5. Mean difference = 24,000/40 = 600; projected = 600 x 1,500 = **9,00,000**.

Iksha ka niyam
yeh paanch drills roz subah. Exam mein numerical aaya to yahi paanch patterns milenge, bas numbers badle honge.

B22. Confirmations par sampling: positive vs negative

Prabhat
Iksha, debtor confirmations mein "positive" aur "negative" kya hota hai? Aur sample kaise chunoon?

Iksha

Positive confirmation: debtor ko letter, "aapka balance X hai, agree karte hain ya nahin, reply zaroor karein." Reply na aaye to auditor ko follow-up karna padta hai. **Negative confirmation:** "aapka balance X hai; disagree karein to hi reply karein." Sasti, par weak: khamoshi ka matlab agreement bhi ho sakta hai, letter kho gaya bhi ho sakta hai.

Prabhat

Kab kaunsi?

Iksha

Positive jab balances bade hon, risk zyada ho, ya dispute ka chance ho. Negative tabhi jab control strong ho, balances chhote aur bahut saare hon, aur auditor ko ummeed ho ki koi galti serious nahin hogi. Aur selection: saare bade debtors 100% positive mein, beech ke sample positive mein, chhote negative mein. Stratification yaad hai? Wahi soch yahan bhi.

Prabhat

Reply na aaye to?

Iksha

Alternative procedures: us debtor ke subsequent payments dekho (year-end ke baad usne bhara ya nahin), invoices aur dispatch documents dekho. Non-reply ko ignore karna confirmation process ko bekaar kar deta hai.

B23. End-to-end scenario 2: private hospital ka sampling plan

Client: 200-bed private hospital. Revenue streams: OPD fees, IPD bills, pharmacy sales, insurance/TPA claims, lab tests. Saal ka revenue 85 crore. Problem areas jo tumhein diye gaye: pharmacy stock, insurance claims receivable, cash counters.

Tumhara plan (Prabhat ke style mein likho):

1. **Cash counters (high risk):** teen counters, roz ka collection. Attribute sampling nahin, yahan pehle surprise cash counts aur receipt serial continuity ka 100% check for two weeks. Phir daily collection ko bank deposit se milane ka sample for the year.
2. **Pharmacy stock:** expiry aur theft dono risk. Stratified plan: high-value medicines (oncology, implants) 100% ya heavy coverage; common drugs systematic sample; expired stock ka alag review. Cut-off: last GRN aur last issue slip numbers count ke din.
3. **Insurance/TPA claims receivable:** MUS ideal: claims ki value bahut uneven hoti hai, bade claims auto-select honge. TM fix karo, confirmations TPA se positive mode mein.
4. **IPD bills:** tests of controls: har bill par discharge summary ka link, doctor sign, rate master se price. Attribute sampling: tolerable deviation 5%.
5. **Lab tests:** analytical procedures + sample: test count vs reagent consumption ka ratio. Reagent zyada, tests kam? Billing leak ho sakti hai.

Discussion points Iksha se: har stream ka alag sampling unit kya hai; kahan 100% justified hai; kahan analytical procedure sample ko replace ya support karti hai; aur pharmacy shrink ko NRF benchmark (retail shrink average 1.6% in 2022, US data) se compare karke sochna. [src]

B24. UPSSSC question patterns: sampling mein kahan se koodta hai paper

Iksha
Papers ka pattern padhna bhi audit hai. Sampling se sawaal chaar families mein aate hain:

1. **Definition family:** sampling, sampling risk, population, unit. Ek line ka answer, example ke saath. Trap: "sampling = test checking" dono same nahin; test checking practical application hai, sampling uska scientific frame.
2. **Comparison family:** statistical vs judgmental; test checking vs routine checking vs depth; positive vs negative confirmation. Hamesha 4-column table banake yaad karo: basis, risk measurement, use case, limitation.
3. **Situation family:** "kab 100% checking karein," "kab test checking avoid karein," "kab sample badhayein." In sabke answers ke peeche ek hi engine hai: risk zyada to coverage zyada, TM kam to coverage zyada.

4. **Numerical family (nayi lekin badhti hui):** sample size formula, interval, projection. B16 aur B21 ke drills isi family ke liye hain.

Prabhat
Aur case-based sawaal?

Iksha
Wirecard, Satyam, Luckin, Tesco - chaaron ko ek line mein bolne ki practice karo: "kya fraud tha + kaunsa audit procedure use tod deta." Chaar line, chaar marks.

B25. 10 bonus MCQs

Q31. Negative confirmation kab use karni chahiye? (a) Jab risk high ho (b) Jab controls strong hon, balances chhote aur bahut saare hon (c) Jab fraud ka shaq ho (d) Kabhi nahin **Answer:** (b). Negative confirmation weak evidence hai, sirf low-risk mass balances ke liye. Khamoshi agreement ka proof nahin.

Q32. Debtor ka confirmation reply na aaye to: (a) Balance sahi maano (b) Alternative procedures: subsequent payments, invoices, dispatch docs (c) Balance galat maano (d) Debtor hata do **Answer:** (b). Non-reply neutral hai; auditor alternative evidence se balance verify karta hai. Ignore karna allowed nahin.

Q33. Stratum 2 mein 100 items, sample 20, sample misstatement 15,000. Projected? (a) 15,000 (b) 75,000 (c) 1,50,000 (d) 3,000 **Answer:** (b). 15,000 x (100/20) = 75,000. Projection factor = population items / sample items.

Q34. MUS mein interval 3,00,000, tainting 15%. Projected misstatement? (a) 15,000 (b) 45,000 (c) 4,500 (d) 3,00,000 **Answer:** (b). 15% x 3,00,000 = 45,000. Tainting ko interval se multiply karo, book value se nahin.

Q35. Audit risk model mein DR ka formula: (a) AR x IR x CR (b) AR / (IR x CR) (c) IR / (AR x CR) (d) AR + IR + CR **Answer:** (b). Detection risk woh bacha hua risk hai jo auditor apni testing se absorb karta hai. IR, CR client ke; DR auditor ka.

Q36. Controls par reliance badhane se substantive sample: (a) Badhta hai (b) Ghat-ta hai (c) Same rehta hai (d) Zero ho jaata hai **Answer:** (b). Control reliance detection risk ko relax karti hai, to substantive sample chhota. Par kabhi zero nahin: kuch substantive testing hamesha hoti hai.

Q37. Analytical procedure kis test ka hissa hai? (a) Test of controls (b) Substantive testing (c) Vouching (d) Physical verification **Answer:** (b). Ratios aur trends se unusual patterns pakadna substantive ka non-detail roop hai. Hospital ka reagent-vs-tests ratio yaad karo.

Q38. Tesco ke auditor PwC ne supplier rebates ko kya kaha tha? (a) Koi risk nahin (b) "Area of focus" kyunki manipulation ka risk tha (c) Illegal (d) Perfect **Answer:** (b). [src] Risk batana aur fraud rokna alag cheezein hain - yeh bhi ek exam discussion point.

Q39. Sequential sampling mein rules kab fix hote hain? (a) Test ke baad (b) Test se pehle (c) Client ke kehne par (d) Kabhi nahin **Answer:** (b). Beech mein rules badalna sampling ko tamasha bana deta hai. Pehle likho, phir test karo.

Q40. Sampling documentation ka pehla item: (a) Conclusion (b) Test ka objective (c) Client ka naam (d) Fees **Answer:** (b). Objective ke bina na population sahi define hogi, na evaluation. File objective se shuru hoti hai, conclusion par khatam.

B26. Population definition ki 5 galtiyan (sample tabhi galat hota hai jab population galat ho)

Iksha
Prabhat, sampling ki sabse chupi hui galti sample mein nahin hoti. Population mein hoti hai. Paanch classic blunders:

1. **Incomplete population:** debtors ka sample customer ledger se liya, par kuch balances sales register se direct reh gaye. Conclusion aadhi population par chala aur auditor ko pata bhi nahin. Test: population ki total ko general ledger control account se milao pehle.
2. **Galat direction:** understatement test karna hai (unrecorded liabilities) aur sample recorded invoices se liya. Recorded population se understatement kabhi nahin milega. Test: direction ka sawaal poochho - "jo cheez records mein hai hi nahin, use kahan dhoondhoonga?" (Answer: after-date payments, unmatched GRNs, supplier statements.)
3. **Period mix:** saal 2025-26 ka conclusion nikalna hai aur sample mein March 2027 ki entries aa gayi. Cut-off par population freeze karo.

4. **Unit confusion:** population invoice lines ki hai par auditor poore invoices ko unit samajh baitha. Har level par conclusion alag hota hai; pehle unit define karo.
5. **Voided/cancelled items ka treatment:** cancelled invoice ko "error" gin liya jabki woh properly voided thi. Voided items population ke valid members nahin hote; unhe pehle se hatao aur unka handling plan likho.

Prabhat
Ek line ka test?

Iksha
Sample chunne se pehle apne aap se poochho: "Kya yeh population woh sab kuch cover karti hai jis par mera conclusion hai?" Agar answer mein rukavat hai, sampling abhi shuru mat karo.

B27. Stratification thresholds kaise set karein

Prabhat
Iksha, Sharma Manufacturing mein humne 5,00,000 aur 1,00,000 ke thresholds liye. Yeh numbers kahan se aaye?

Iksha
Teen considerations. Pehli, **materiality:** jo individually tolerable misstatement ke kareeb ya usse bada ho, woh top stratum mein jaa kar 100% check hoga. TM 5,00,000 hai to 5,00,000 ke upar wale items automatic "must check."

Prabhat
Doosri?

Iksha
Distribution ka shape: population ko descending order mein line se likho aur dekho kahan value concentrated hai. Agar top 2% items 40% value rakhte hain, threshold wahin kheencho. Ek cumulative percentage table banao, knee (modda) dikhega.

Prabhat
Teesri?

Iksha
Practicality: strata zyada mat banao; teen se chaar kaafi hain. Har stratum ka apna sample design aur evaluation hota hai; aath strata banane se audit file jungle ban jaati hai. Simplicity bhi ek control hai.

B28. Tests of controls vs substantive: sampling ki do zindagiyan (poori comparison chat)

Prabhat
Iksha, dono mein sampling alag kyun?

Iksha
Kyunki sawaal alag hain. Test of controls poochta hai: "system ne rule follow kiya, kitni baar?" Iska answer ek **rate** hai - deviations percentage. Isliye attribute sampling. Substantive test poochta hai: "figure mein kitne rupaye ki galti hai?" Iska answer ek **amount** hai. Isliye variables/MUS.

Prabhat
Sample size ki soch bhi alag?

Iksha
Haan. Controls mein tolerable **rate** socho (kitne percent failures tolerate kar loge), substantive mein tolerable **misstatement** socho (kitne rupaye tolerate kar loge). Aur result ka use alag: controls pass to reliance aur chhota substantive sample; substantive pass to figure accepted.

Prabhat
Ek hi sample dono kaam kar sakta hai?

Iksha

Haan, ise **dual-purpose sample** kehte hain: ek hi invoice par control check (sign hai?) aur substantive check (amount sahi hai?) dono. Efficient hai, par documentation mein dono conclusions alag-alag likho, kyunki dono ke evaluation rules alag hain.

B29. Formula cheat sheet (exam ke pehle din ka page)

Formula	Kya deta hai	Yaad hook
Sample size (MUS) = BV x Factor / TM	Kitne items test karne hain	"Bada hisaab, chhoti tolerance, bada sample"
Interval = BV / Sample size	Selection ka gap	Har intervalve rupaye par pointer
Tainting = Misstatement / Item book value	Item kitna phoota	Percentage of lie
Projected (MUS) = Tainting x Interval	Poori population ka andaza	Jhooth ka scale-up
Projected (stratified) = Sample misstatement x (Stratum items / Sample items)	Stratum ka andaza	Seedha gunan
Upper bound (attribute)	Population ka worst-case rate	Sample rate + insurance
DR = AR / (IR x CR)	Auditor ka bacha hua risk	Risk ka hissa-baanti
Basic precision = Factor x Interval	Zero-error allowance	Khamoshi ka bhi daam

(Confidence factors −ln(risk) formula se aate hain: 5% risk par 2.996, yaani lagbhag 3.0; yeh Poisson-based standard PPS factor hai. Upper bounds binomial calculation se nikale gaye hain - dono is chapter ke worked examples mein step-by-step dikhaye gaye hain.)

B30. 5 bonus MCQs

Q46. Understatement (unrecorded liabilities) test karne ka sahi population source: (a) Recorded invoices (b) After-date payments aur unmatched GRNs (c) Trial

balance (d) Sales register **Answer:** (b). Jo record mein hai hi nahin, use records se nahin dhoondhte. Direction of testing ka concept.

Q47. Dual-purpose sample ka matlab: (a) Do auditor ek saath (b) Ek sample par control aur substantive dono checks (c) Do saal ka sample (d) Do clients ka sample **Answer:** (b). Efficient hai, par dono conclusions alag evaluate aur document hote hain.

Q48. Top stratum ka threshold aam taur par kisse judta hai? (a) Client ki fees (b) Tolerable misstatement ke aas-paas ke individually bade items (c) Auditor ka mood (d) Staff count **Answer:** (b). Individually material items ko 100% check karna sampling ka pehla discipline hai.

Q49. Cancelled/voided invoices ka treatment: (a) Error gin lo (b) Pehle se population se hatao, handling plan document karo (c) Ignore bilkul (d) Police ko do **Answer:** (b). Properly voided items population ke valid members nahin; unhe error banana projection bigaad deta hai.

Q50. Basic precision MUS mein kya hai? (a) Koi galti na mile tab bhi lagne wala allowance (b) Client ka bonus (c) Sample size (d) Auditor ki fees **Answer:** (a). Factor x Interval. Zero errors par bhi yeh allowance rehta hai, isliye zero-error design TM ke barabar precision deta hai.

B31. Attribute sampling ka poora decision table

Sample result (95% confidence)	Upper bound (lagbhag)	Tolerable 7% ke saath decision
100 mein 0 deviations	3.0%	Reliable
100 mein 1 deviation	4.7%	Reliable
100 mein 2 deviations	6.2%	Reliable, margin patla
100 mein 3 deviations	7.6%	**Unreliable**
200 mein 3 deviations	3.8%	Reliable
150 mein 2 deviations	4.1%	Reliable
60 mein 0 deviations	4.9%	Reliable sirf tab jab tolerable 5%+ ho

(Bounds exact binomial calculation se nikale gaye hain, jaise worked example 1 mein dikhaya. Table ka lesson: ek hi sample rate alag sample sizes par alag decisions deta hai; isliye decision hamesha upper bound par.)

Table ka istemaal kaise karein: pehle tolerable rate fix karo (test se pehle!), phir sample lo, deviations gino, upper bound dekho, compare karo. Tolerable rate ko result dekh kar adjust karna cheating hai, apne aap ke saath.

B32. Revision cards: 20 one-liners (sampling)

1. Sampling = har unit ko chance, phir poori population ka conclusion.
2. 100% checking tab: population chhoti, items bahut bade, ya risk bahut high.
3. Incorrect acceptance sabse khatarnak: jhoothi tasalli.
4. Non-sampling risk size se nahin, training se ghat-ta hai.
5. Statistical = random + measurable risk; judgmental = experience + unmeasured risk.
6. Block selection representative nahin; avoid.
7. Systematic selection mein random start zaroori.
8. MUS ka unit rupaya hai; bade items auto-select.
9. MUS understatement ke liye weak hai.
10. Tainting x interval = projection.
11. Interval se bade item ki galti: actual, projection nahin.
12. UML > TM to population reject, adjust ya extend.
13. Attribute sampling controls ke liye; variables/MUS rupayo ke liye.
14. TM aadha = sample double.
15. Population double = sample lagbhag same.
16. Zero errors ka matlab zero rate nahin: bound hota hai.
17. Discovery sampling: ek galti = full stop.
18. Anomaly ka dawa evidence se prove hota hai.
19. Controls strong = substantive chhota; DR = AR/(IR x CR).
20. Sample se pehle population define karo; galat population = galat audit.

B33. Closing beat

Prabhat
calculator band karte hue Iksha, aaj ek baat samajh aayi. Sampling ka numbers ka hissa to aasaan hai. Mushkil hai yeh man-na ki muthhi bori ko represent karti hai.

Iksha
laptop band karti hain, dheere se Wahi to auditor ki profession ki shaan hai, Prabhat. Duniya ke har bade business ka sach, kisi ke dhyan se chune hue sau items par tika hota hai. Woh sau items tumhari imaandari hain.

Prabhat
Aur agar koi muthhi hi bigaad de? Tesco mein rebates ka sample banaya hoga kisi ne. Phir bhi 250 million pound phisal gaya.

Iksha
Kyunki sample bana, par fraud ke corners mein nahin daala. *khidki ki taraf dekhti hain, baahar raat ho chuki hai* Randomness averages dhoondhti hai, Prabhat. Jhooth corners mein milta hai. Auditor ko dono jagah dekhna aana chahiye.

Prabhat
Ek din main bhi aise kisi corner mein jhooth pakdunga.

Iksha
halki si muskaan Pehle exam to nikaal lo, Sherlock. Chalo, chai thandi ho gayi hogi. Kal chapter 9.

Part B samapt. Agla: chapter 9 ke extension mein internal control ki kasauti.

Chapter 8 extension source list (sabhi 2026-11-27 ko fetch kiye gaye):

- https://www.bbc.co.uk/news/business-39415681 - Tesco £250m overstatement, £326m revision, £129m DPA, £85m FCA compensation, 29 Aug / 22 Sept 2014 statements
- https://www.reuters.com/article/world/tescos-250-million-pound-black-hole-who-was-minding-the-shop-idUSKCN0HR0BX/ - Tesco mechanism (early supplier payment recognition, cost push-back), PwC since 1983, rebate area of focus, UK food revenue £48.2bn
- https://www.frc.org.uk/news-and-events/news/2020/06/frc-announces-closure-of-tesco-investigation/ - FRC investigation closure, auditors investigation closed June 2017

- https://nrf.com/media-center/press-releases/shrink-accounted-over-112-billion-industry-losses-2022-according-nrf - NRF 2023 survey: $112.1bn shrink, 1.6% rate, 2021 comparison
- https://www.sec.gov/Archives/edgar/data/104169/000010416924000056/R5.htm - Walmart FY2024 10-K balance sheet, inventories $54,892 million

Episode 9: Audit Evidence aur Documentation (Saboot aur Likhit Record)

Topic A: Audit evidence kya hai?

> Real example: Luckin Coffee (China) Sources: SEC, Wikipedia, CNBC (sab [[SRC]] tags mein)

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1. Kahani Hook: Chai ki Dukaan wali Chitthi

Prabhat ki nani gaon mein chai ki dukaan chalati hain. Ek din nani ne kaha, "Beta, is mahine humne 4,000 cup chai beche. Bahut achha business chal raha hai!"

Prabhat ne poocha, "Nani, aapko kaise pata 4,000 cup?"

Nani boli, "Mujhe lagta hai."

Prabhat ne kaha, "Lagne se audit nahi hoti, nani. Saboot chahiye."

Toh nani ne apni register nikali. Roz ki cash entry, doodh waale ka bill, cheeni ka packet ka bill, sab kuch likha tha. Prabhat ne count kiya. Register mein the 3,100 cup. Nani ke yaad mein the 4,000 cup.

Farq: 900 cup. Ya toh nani bhool gayi, ya cash register kahi aur rakhi hai, ya koi cup free mein gaya.

Agle din se nani ne ek naya rule banaya: har din shaam ko cash ginna, register mein likhna, aur bill ki parchi ek dabbe mein daalna. Ek mahine baad Prabhat ne phir check kiya. Is baar saboot aur kahaani dono mile jule the.

Yehi kahani hai audit evidence ki. Auditor ka kaam "mujhe lagta hai" sunna nahi hai. Auditor ka kaam hai: **"Dikhao, sabit karo, aur jo sabit kiya usko likh ke rakho."**

Is chapter mein hum seekhenge:

- Audit evidence kya hai (saboot)
- Achha saboot kaisa hota hai (sufficient + appropriate)
- Saboot kaise ikattha karte hain (procedures)
- Documentation: working papers kyun audit ki spine hain
- Luckin Coffee: jab company ne nakli saboot bana diya, aur auditor ko asli saboot kahan mila

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2. Chat Dialogue: Prabhat aur Iksha

Topic A: Audit evidence kya hai?

Prabhat
Iksha, evidence matlab saboot? Jaise court case mein hota hai?

Iksha
Bilkul waisa hi. Auditor company ke financial statements ko "claim" maanta hai. Company kehti hai, "hamare paas 50 crore ka maal hai." Auditor poochta hai, "Saboot kya hai?" Us saboot ko hum kehte hain audit evidence.

Prabhat
Toh evidence kahan se aata hai?

Iksha
Do bade sources. Ek, accounting records: books of account, vouchers, invoices, bank statements. Doosra, other information: management se baat, direct confirmation, physical inspection, industry data. Sirf books dekh lena kaafi nahi hai.

Prabhat
Books toh company khud banati hai na? Toh woh toh biased ho sakti hai!

Iksha
Exactly! Isliye evidence ki quality matter karti hai. Company ke andar bana document (internal evidence) kam strong hai. Bahar se aaya document (external evidence), jaise bank ka seedha confirmation, zyada strong hai. Aur auditor ne khud haath se dekha ya gina (auditor's direct knowledge), woh sabse strong hai.

Prabhat
Matlab hierarchy hai? Sabse upar apni aankh, phir bahar waala kagaz, phir company ka kagaz?

Iksha
Shabaash. Ye hierarchy yaad rakhna, exam mein aata hai: (1) Auditor ka direct observation, (2) External evidence from independent sources, (3) Internal evidence jab internal control strong ho, (4) Internal evidence jab control weak ho, (5) Sirf management ki zubaani statement, sabse neeche.

Prabhat
Iksha, ek line mein evidence ka definition?

Iksha
"Audit evidence is all the information used by the auditor in arriving at the conclusions on which the audit opinion is based." Matlab woh saari jaankari jis par auditor apna opinion tikata hai. Ye SA 500 ka concept hai, Standards on Auditing mein.

Topic B: Sufficient aur Appropriate: kitna aur kaisa?

Prabhat
Iksha, "sufficient appropriate audit evidence" suna hai. Dono words alag alag kyun?

Iksha
Sufficient = quantity, kitna evidence chahiye. Appropriate = quality, kaisa evidence chahiye. Dono zaroori hain.

Prabhat
Quantity kaise decide hoti hai?

Iksha
Risk se. Jahan risk of material misstatement zyada, wahan zyada evidence. Jahan control achha hai, wahan thoda kam chal jata hai. Chhoti company ki petty cash ke liye 5 voucher kaafi ho sakte hain. 10,000 crore ki inventory ke liye detailed counting aur testing chahiye.

Prabhat
Aur quality mein kya dekhte hain?

Iksha
Do cheezein: relevance aur reliability. Relevance matlab evidence usi assertion se juda ho. Agar main check kar rahi hoon ki maal exist karta hai, toh maal ki photo relevant hai, uska purchase price relevant nahi. Reliability matlab source pe bharosa. Bank ka seedha aaya letter reliable hai. Manager ka whatsapp message kam reliable hai.

Prabhat
Agar kam quantity lekin high quality ho, chalega?

Iksha
Haan! Quality quantity se upar hai. 100 weak internal documents se achhe 5 strong external documents. Lekin ulta nahi chalta: bahut saara low quality evidence se opinion nahi banta.

Prabhat
Nice. Toh formula: right amount of the right kind.

Iksha
Perfect summary. Chai pio, ab procedures pe aate hain.

Topic C: Evidence kaise ikattha karte hain: 7 procedures

Iksha
SA 500 kehta hai auditor 7 tarah ke procedures use karta hai. Suno dhyan se.

Prabhat
Ready, Iksha.

Iksha
Pehla, **Inspection**. Documents dekhna ya physical assets dekhna. Invoice padhna, machine ko dekhna. Doosra, **Observation**. Koi process hote hue dekhna, jaise stock count. Teesra, **External confirmation**. Third party se seedha jawab maangna, jaise bank ya debtor ko letter bhejna.

Prabhat
Ruko, note kar raha hoon... okay, aage.

Iksha
Chautha, **Recalculation**. Khud math dobara karna, jaise depreciation check karna. Paanchva, **Reperformance**. Company ka control khud dobara chala ke dekhna. Chhata, **Analytical procedures**. Numbers mein relationships aur trends dekhna, jaise "sales 20% badhi toh commission bhi badhna chahiye tha, badha kyun nahi?" Saatva, **Inquiry**. Logon se sawaal poochna, management aur staff se.

Prabhat
Inquiry sabse weak hogi na, kyunki log jhooth bol sakte hain?

Iksha
Haan. Inquiry akeli kabhi kaafi nahi hoti. Usse aage verify karna padta hai. Agar manager bole "sab maal godown mein hai," toh auditor godown jaake dekhega. Ye professional scepticism hai.

Prabhat
Iksha, ye procedures kab use hote hain? Risk assessment mein ya substantive mein?

Iksha
Dono mein. Risk assessment procedures se auditor risk samajhta hai. Phir further audit procedures: control testing (controls theek se chal rahe hain ya nahi) aur substantive procedures (directly transactions aur balances ki testing). Substantive do type ke: tests of details aur substantive analytical procedures.

Topic D: Documentation: working papers kyun zaroori hain

Prabhat
Iksha, ek baat samajh nahi aayi. Auditor ne sab check kar liya, report de di. Phir files kyun sambhal ke rakhta hai?

Iksha
Kyunki evidence ka kaam tab khatam nahi hota jab report sign ho jati hai. Kal ko koi poochhe, court, regulator, ya peer reviewer, "Tumne yeh opinion kis basis pe diya?" Toh auditor ko dikhana padega. Isliye SA 230 kehta hai: audit documentation banao.

Prabhat
Documentation mein kya kya aata hai?

Iksha
Sab kuch jo auditor ne kiya: audit plan, kya procedures kiye, kya mila, kaunse conclusions nikale, kisne kaam kiya, kisne review kiya, kab kiya. Working papers kehte hain inko.

Prabhat
Working papers do type ke hote hain na?

Iksha
Haan. **Permanent audit file**: woh cheezein jo har saal kaam aati hain, jaise company ka MOA/AOA, long term contracts, loan agreements, internal control notes. Aur **current audit file**: sirf is saal ka kaam, jaise is saal ki trial balance, confirmations, stock count sheets.

Prabhat
Files kiske property hoti hain? Company ki ya auditor ki?

Iksha
Auditor ki. Working papers auditor ki property hain. Company unhe maang nahi sakti, aur auditor unhe bina permission ke kisi ko nahi dikhata, client confidentiality. Lekin regulator ya court process ke through access ho sakta hai.

Prabhat
Kitne saal rakhne padte hain?

Iksha
ICAI ke SA 230 (aur SQC 1) ke hisaab se audit documentation ki retention period aam taur par auditor ki report ki date se kam se kam 7 saal hai (international ISA 230 mein ye 5 saal hai, par India mein ICAI ne 7 saal rakha, kyunki Chartered Accountants Act ke regulations yehi maangte hain). Final audit file assemble karne ka samay aam taur par report date ke baad 60 din se zyada nahi (SA 230 A21). Exam ke liye: **7 saal retention, 60 din assembly.** [src]

Prabhat
Documentation ka kya benefit hai practically?

Iksha
Teen bade. Ek, proof ki kaam hua. Do, team supervision aur review easy hota hai. Teen, agle saal ke auditor ko (ya future team ko) samajh aata hai ki kya hua tha. Audit mein ek famous line hai: "Jo document nahi hua, woh hua hi nahi." Not documented = not done.

Topic E: Management representation letter

Prabhat
Iksha, akhir mein auditor management se ek letter bhi mangwata hai na?

Iksha
Haan, management representation letter. Management likh ke deti hai ki unhone saari information di hai, sab transactions record ho gaye, unki responsibilities poori ki hain. SA 580 isko cover karta hai.

Prabhat
Toh kya us letter pe audit khatam? "Management ne likh diya, sab theek hai"?

Iksha
Kabhi nahi! Representation letter saboot ke badle nahi hai. Agar auditor ke paas doosra evidence hai jo letter se takrata hai, toh auditor ko investigate karna padega. Letter sirf ek additional piece hai, foundation nahi.

Prabhat
Aur agar management letter dene se mana kar de?

Iksha
Red flag. Auditor ko dobara sochna padega ki management ki integrity pe bharosa hai ya nahi. Serious case mein opinion pe effect padta hai.

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3. Core Idea in 3 Levels

6 saal ka bachha box

Socho tum apne dost ko kehte ho, "Mere paas 100 rupaye hain." Dost bolega, "Dikhao." Tum apni jeb se 100 rupaye nikaal ke dikhate ho. Ab dost ko yakeen ho gaya. **Jeb se nikala hua note = evidence.** Aur tumne us din diary mein likh liya,

"Aaj maine Chintu ko apne 100 rupaye dikhaye." **Diary = documentation.** Audit mein bhi yahi hota hai: company apna paisa aur maal "dikhati" hai, aur auditor apni "diary" mein likhta hai ki usne kya dekha.

Normal explanation

Audit evidence woh information hai jiske basis par auditor opinion banata hai. Evidence do factors mein judge hota hai: sufficiency (quantity) aur appropriateness (quality: relevance + reliability). Best evidence woh hai jo auditor ne khud, independently, external source se liya ho. Evidence collect karne ke 7 procedures hain: inspection, observation, external confirmation, recalculation, reperformance, analytical procedures, inquiry. Documentation (SA 230) matlab saare kaam ka likhit record: kya kiya, kya mila, kya conclude kiya. Working papers auditor ki property hain, permanent aur current file mein bante hain, aur prescribed period tak preserve hote hain. Management representation letter ek supporting evidence hai, substitute nahi.

PhD box

SA 500 (Audit Evidence) aur uske companions (SA 501 specific items, SA 505 external confirmations, SA 520 analytical procedures, SA 530 sampling) evidence framework banate hain. Assertions socho: management har balance ke saath implicit claims karti hai, existence, completeness, rights and obligations, valuation, presentation. Har procedure kisi assertion ko test karta hai; procedure-assertion mapping hi audit design ki core hai. Evidence ki reliability hierarchy: auditor's direct knowledge > external independent > internal under strong control > internal under weak control > oral inquiry. Documentation ka doctrine ("not documented = not done") disciplinary aur litigation context mein decisive hai: NFRA aur FRC actions mein sabse common deficiency insufficient audit documentation hoti hai. Fraud cases mein, jaise Luckin, spoofed documents ka risk hota hai, isliye auditor ko authenticity pe alert rehna chahiye (SA 240) aur forged documents ke signs samajhne chahiye. Confirmation process ka control (kisko bheja, kaise aaya reply, e-confirmation ki authenticity) khud ek audit risk area hai: Satyam mein fake bank confirmations chal gaye the kyunki process compromise tha.

---

4. Real Example: Luckin Coffee, jab nakli saboot bana diya gaya



Background

Luckin Coffee ek Chinese coffee chain thi, October 2017 mein Beijing mein shuru hui [src]. Company ka model tha: app se order, chhote kiosks, Starbucks se sasta. Growth itni tez thi ki 2019 tak China mein Starbucks se zyada stores ho gaye. May 2019 mein company Nasdaq pe list hui, shares $17 par price hue, aur IPO mein $561 million raise kiye [src].

Muddy Waters report: outsider ne saboot ikattha kiya

31 January 2020 ko short-seller firm Muddy Waters ne ek anonymous 89-page report publish ki [src]. Report mein claim tha ki Luckin apni per-store sales inflate kar rahi hai: Q3 2019 mein kam se kam 69% aur Q4 2019 mein 88% tak zyada dikhayi gayi [src]. Is report ke peeche lagbhag 11,200 ghante ki store video footage thi [src].

Dekho irony: yahan **external evidence** itna strong tha ki company ki internal records ki authenticity pe direct sawaal khada ho gaya. Video footage matlab direct observation, jo evidence hierarchy mein sabse upar hai. Luckin ne pehle sab deny kiya.

Internal investigation: jhooth pakda gaya

2 April 2020 ko Luckin ne khud disclose kiya: internal investigation mein paya gaya ki COO Jian Liu aur uski reporting employees ne 2019 ki sales ko lagbhag 2.2 billion yuan (kareeb $310 million) se fabricate kiya tha [src]. Us din stock premarket mein 80% se zyada gira, aur kareeb $5 billion market value mitti mein mil gayi [src].

SEC complaint: nakli evidence ka poora mechanism

December 2020 mein SEC ne bataya ki fraud kaise kaam kiya tha [src]:

- April 2019 se January 2020 tak, Luckin ne **$300 million se zyada ki fake retail sales** banayi, related parties ko use karke teen alag purchasing schemes ke through.
- Fraud chhupane ke liye employees ne **expenses ko $190 million se zyada inflate** kiya, ek **fake operations database** banaya, aur **accounting aur bank records alter kiye** taaki fake sales match karein.
- Public financial statements mein revenue ko June 2019 quarter mein **lagbhag 28%** aur September 2019 quarter mein **45%** tak overstate kiya gaya.
- Fraud ke dauran company ne investors se **$864 million se zyada** debt aur equity mein raise kiye.

Aakhirkar fraud tab pakra gaya jab annual external audit chal raha tha [src]. Company ne SEC ke saath cooperate kiya, logon ko terminate kiya, aur controls badhaye. Settlement: **$180 million penalty** [src]. Nasdaq ne June 2020 mein company ko delist kar diya (Wikipedia: 29 June 2020; SEC ke mutabik ADS Nasdaq par 13 July 2020 tak trade hue, isliye exact date source ke hisaab se alag hai) [src].

Audit lesson: evidence chapter ke liye kyun important hai ye case

1. **Internal evidence ko spoof kiya ja sakta hai.** Luckin ne fake database banaya, records alter kiye. Agar auditor sirf company ke system pe bharosa kare, toh fraud ko fraud hi lagta hai.
2. **External, independent evidence ne fraud phoda.** Muddy Waters ka video, aur baad mein audit ke dauran bank/third party checks ne asli picture

dikhayi.

3. **Analytical procedures ne gaant kholi.** Sales badh rahi thi par expenses aur cash flows match nahi kar rahe the. Relationships toot rahi thi.
4. **Documentation matters.** SEC case mein altered records khud evidence ban gaye ki kya hua tha. Fraud prove karne mein audit trail hi base tha.

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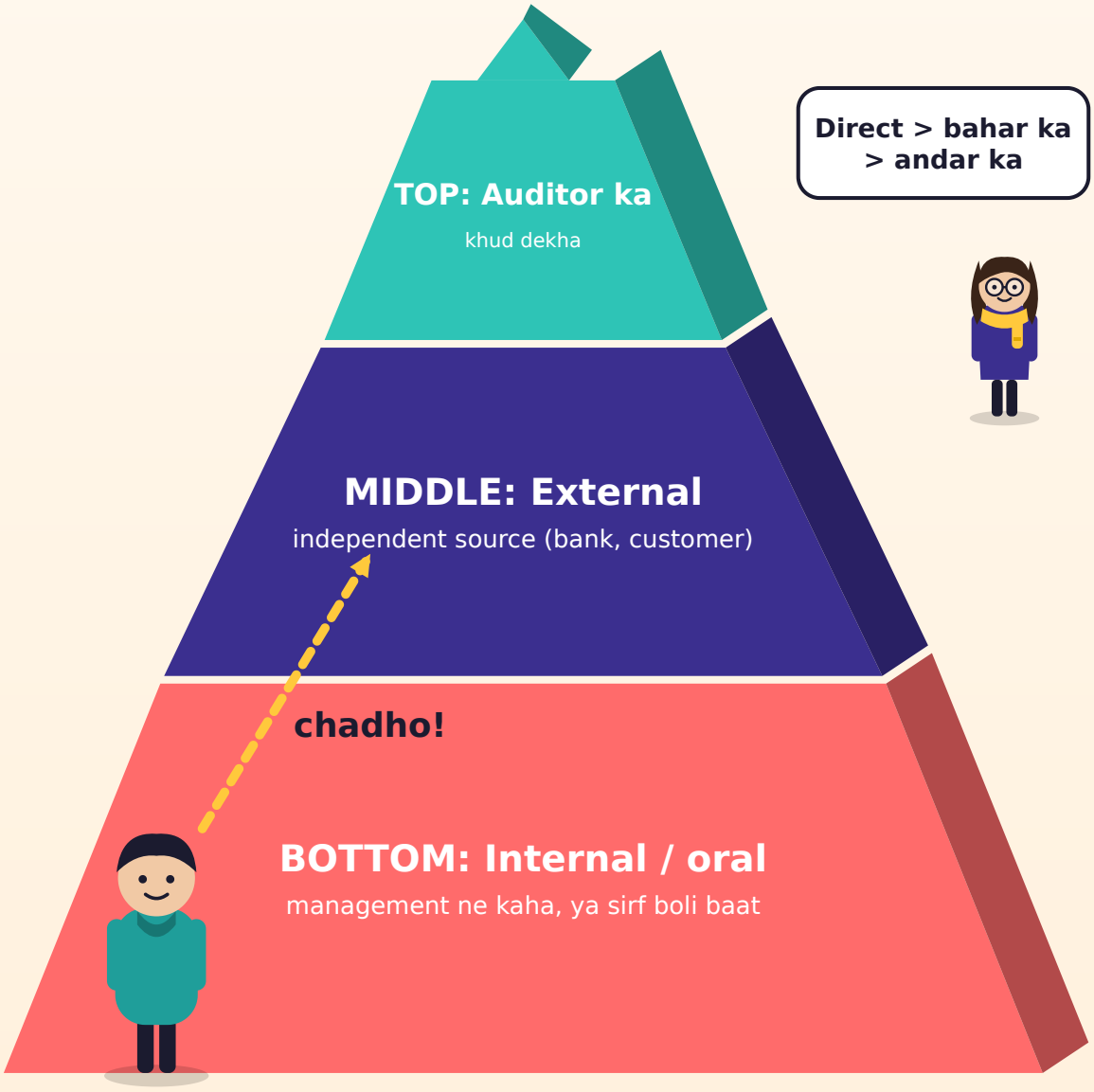
5. Infographic Section

Audit evidence ka pyramid

Upar jaao = evidence zyada bharosemand



Jitna independent aur direct, utna reliable.

Written > oral. Original > photocopy.

Auditor jab khud verify kare, evidence sabse strong.

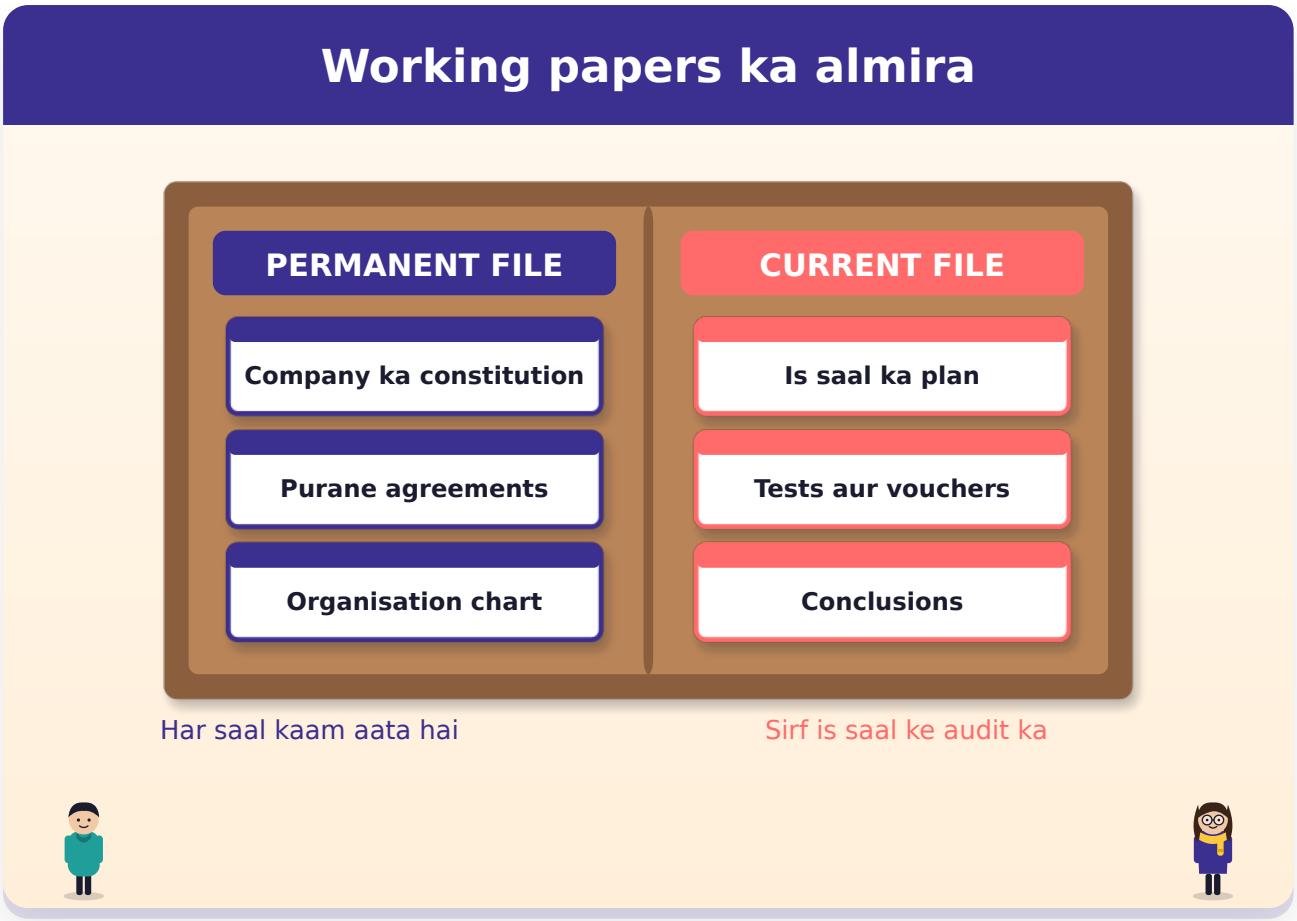
Audit ke 7 procedures



Evidence ke 7 raaste

dekho (inspection), hote dekho (observation), bahar se pucho (confirmation),
dobara jodo (recalculation), khud karo (reperformance),
ratios dekho (analytical), sawaal pucho (inquiry)

Ek procedure kaafi nahi, mix chahiye.



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6. Exam Angle: UPSSSC isko kaise poochta hai

UPSSSC Auditor exam mein evidence aur documentation se seedhe factual sawaal aate hain: SA numbers, procedures ke naam, working papers ki property, representation letter. Assertion-based sawaal bhi aane lage hain. Neeche 5 PYQ-style questions hain.

Q1. Audit evidence ki "sufficiency" kis cheez se judi hai? (a) Evidence ki quality (b) Evidence ki quantity (c) Evidence ka source (d) Evidence ka format

Answer: (b). Sufficiency = quantity (kitna). Appropriateness = quality (relevance + reliability).

Q2. Audit evidence collect karne ka kaunsa method NAHI hai? (a) Inspection (b) External confirmation (c) Guarantee letter (d) Reperformance

Answer: (c). 7 procedures hain: inspection, observation, external confirmation, recalculation, reperformance, analytical procedures, inquiry. Guarantee letter koi procedure nahi.

Q3. Audit working papers kiski property hoti hain? (a) Client company (b) Shareholders (c) Auditor (d) Registrar of Companies

Answer: (c). Working papers auditor ki property hain. Client unka maalik nahi hai, par confidentiality auditor ka duty bhi hai.

Q4. Audit documentation ka main standard kaunsa hai? (a) SA 230 (b) SA 500 (c) SA 700 (d) SA 240

Answer: (a). SA 230 = Audit Documentation. SA 500 = Audit Evidence. Ye dono frequently confuse hote hain, dhyan rakhna.

Q5. Sabse zyada reliable audit evidence kaunsa hai? (a) Management ka oral statement (b) Company ke accountant ki internal note (c) Bank se seedha aaya written confirmation (d) Sales team ka estimate

Answer: (c). Independent external source se seedha aaya written evidence sabse strong hai.

---

7. Recap Page

10 bullet points

1. Audit evidence = woh saari information jis par auditor apna opinion tikata hai (SA 500).
2. Evidence do dimensions mein judge hota hai: sufficiency (quantity) aur appropriateness (quality).
3. Appropriateness = relevance + reliability. Quality hamesha quantity se upar.
4. Reliability hierarchy: auditor ka direct knowledge > external independent > internal (strong control) > internal (weak control) > oral inquiry.
5. Evidence ke 7 procedures: inspection, observation, external confirmation, recalculation, reperformance, analytical procedures, inquiry.
6. Inquiry akeli kabhi sufficient nahi; usko corroborate karna padta hai.
7. Documentation (SA 230) ka rule: not documented = not done. Working papers mein plan, procedures, findings, conclusions sab aate hain.
8. Files do type: permanent file (long-term info) aur current file (is saal ka kaam). Working papers auditor ki property hain.
9. Management representation letter (SA 580) supporting evidence hai, doosre evidence ka substitute nahi.

10. Luckin Coffee ne dikhaya ki internal records fake ho sakte hain: $300M+ fake sales, fake database, altered bank records; external evidence ne fraud phoda (SEC penalty $180M, 2020).

Cheat-sheet table

Concept	Ek line	Standard / Source
Audit evidence	Opinion ka base information	SA 500
Sufficiency	Kitna evidence (quantity)	SA 500
Appropriateness	Kaisa evidence (relevance + reliability)	SA 500
7 procedures	Inspection, observation, confirmation, recalculation, reperformance, analytical, inquiry	SA 500
External confirmation	Third party se seedha jawab	SA 505
Analytical procedures	Numbers ke relationships/trends	SA 520
Documentation	Kaam ka likhit record, not documented = not done	SA 230
Permanent file	Har saal reusable info (MOA, contracts)	SA 230 practice
Current file	Sirf is saal ka audit kaam	SA 230 practice
Representation letter	Management ki written confirmation, substitute nahi	SA 580
Luckin lesson	Internal evidence spoof ho sakta hai, external verify karo	SEC 2020-319

Next chapter: Assets aur Liabilities ki audit, jahan hum Carillion ka £7 billion wala collapse dekhenge.

Chapter 9 Extension (Part B): Evidence Hierarchy, Working Papers, Confirmation aur Cutoff

> Is hisse mein sab kuch naya hai. Upar ke Part A ke sections 1 se 7 dobara nahi dohraye gaye. Numbering section 8 se shuru hoti hai. Hypothetical (kaalpanik) numbers ko "Maan lo" ya "Example (kaalpanik)" likha gaya hai. Asli company ke numbers ke saath [[SRC]] hai.

8. Evidence Hierarchy: Kaun sa saboot kitna bharosemand?

8.1 Raat ki chat: kahani ka tension

Raat ke gyarah baje the. Library band ho chuki thi, par Prabhat Iksha ke flat par baitha tha, laptop khula, chai thandi ho rahi thi.

Prabhat
Iksha, ek baat samajh nahi aati. Saboot toh saboot hai na. Invoice hai toh hai. Ye "hierarchy" kya naatak hai?

Iksha ne chashma utaara, scarf ek taraf rakha, aur uski taraf dekha. Woh nazar jo Prabhat ko pasand bhi thi aur thoda daraati bhi thi.

Iksha
Naatak nahi, Prabhat. Zindagi hai. Maan lo mujhe tum bolo "main kal raat tumhare saath tha." Aur ek aur insaan bole "Prabhat kal raat us ke saath tha." Kis par bharosa karoge?

Prabhat
Jo mujhe jaanta hai... nahi, jo bahar ka ho. Jo mere se kuch nahi kama raha.

Iksha
Sahi. Auditor ke liye bhi yahi hai. Jo saboot company ke bahar se, seedha auditor ke haath mein aaye, usmein hera-pheri ka mauka kam hota hai. Jo saboot company ke andar bana, aur management ke haath se guzra, usmein mauka zyada.

Prabhat
Toh andar ka saboot bekaar hai?

Iksha
Bekaar nahi. Kamzor. Fark samjho. Bekaar kuch nahi hota, par sab saboot barabar nahi hote.

Prabhat
Hmm. Toh ek ladder jaisa kuch?

Iksha
Haan, ladder. Upar wala step zyada bharosemand. (halka sa muskurayi) Aur tum mere upar wale step par ho, mat bhoolna.

Prabhat
(haske) Audit chal raha hai, Iksha.

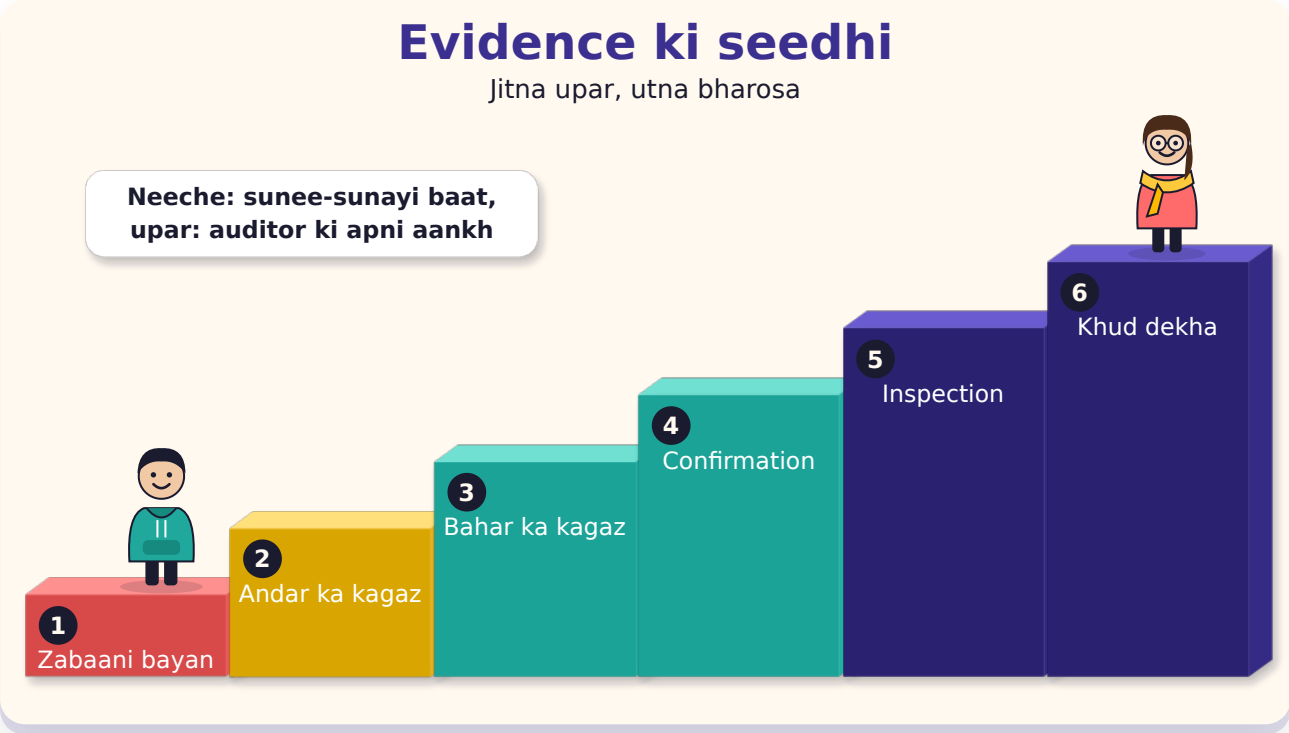
Iksha
Haan haan. Chalo ladder dekhte hain.

8.2 Ladder: reliability ke general principles

SA 500 (Audit Evidence) ke hisaab se evidence ki reliability kuch cheezon par depend karti hai: source kaun hai, nature kya hai, aur kin halat mein mila. Neeche ek simple ladder hai jo ICAI ki SA 500 ki bhasha ko simple Hinglish mein rakhti hai. Ye ek teaching tool hai, standard ki word-by-word list nahi.

Level	Saboot ka type	Example	Reliability
1 (sabse upar)	Auditor ne khud dekha/gina/recalculate kiya	Stock count mein khud ginti, bank balance ki khud recalculation	Bahut zyada
2	Bahar ki party se seedha auditor ko mila (original form)	Bank se direct confirmation letter	Zyada
3	Bahar ka document, par company ke paas se guzra	Supplier ka invoice jo company ne rakha	Madhyam
4	Company ke andar bana document, achhe internal control ke saath	Controlled GRN (goods received note), numbered sales invoices	Madhyam se kam
5	Company ke andar bana document, kamzor control	Handwritten adjustment voucher bina approval	Kam
6 (sabse neeche)	Mukhya taur par zabaani bayan	Manager ne bola "stock sahi hai"	Sabse kam

Source note: ye reliability principles SA 500 ke general framework se aate hain; ICAI ka SA 500 text is chapter ke Part A mein pehle se [[SRC]] ke saath hai. Is table mein koi naya company figure nahi hai.



8.3 3 levels mein samjhein

6 saal ka bachha box: Maan lo tumhare dost ne bola "maine homework kar liya." Teacher ne kaha, "Notebook dikhao." Notebook dekhna zyada bharosemand hai kyunki teacher ne khud dekha. Agar dost ki mummy ne bola "haan kar liya," toh thoda kam bharosa. Aur dost ne sirf bola, toh sabse kam.

Normal explanation: Auditor saboot ko teen sawaal poochke taulta hai. Pehla: saboot kahan se aaya, company ke andar se ya bahar se? Doosra: kya auditor ne use seedha pakda ya management ke raaste se aaya? Teesra: kya saboot ke peeche internal control mazboot hai? Jitna zyada bahar, seedha aur controlled, utna reliable.

PhD box: Reliability aur sufficiency ek doosre ke saath trade-off nahi karte, ek-tarfa dependence hai. Zyada quantity weak evidence ki kami poori nahi karti (SA 500 ke principle ke hisaab se). Ek unreliable source (jaise management ka zabaani bayan) ko do baar bulwakar "do saboot" nahi bana sakte. Corroboration ke liye independent source chahiye. Aur jab auditor ko lagta hai ki ek source ki reliability par shaq hai, toh SA 500 ka principle hai ki additional procedures ya wording ke badlaav ki zaroorat par vichaar kare. Fraud risk (SA 240) mein ye aur strict ho jata hai kyunki document khud forged ho sakta hai.

Exam trap

"Do alag alag management representations ek external confirmation ke barabar hote hain." GALAT. Management representation (SA 580) kabhi bhi doosre appropriate evidence ki jagah nahi leti. Sirf supportive hoti hai.

8.4 Chhota exercise: apni list rank karo

Prabhat ne notebook mein 5 cheezein likhi. Iksha ne unko rank karwaya.

Iksha

Batao, in paanch mein se kaun upar, kaun neeche: (a) bank ka direct reply, (b) accountant ka email, (c) tumne khud godown mein ginti ki, (d) company ka internal sales register, (e) CEO ka bayan.

Prabhat

(c) sabse upar. Phir (a). Phir (d), agar control achha ho. Phir (b). Sabse neeche (e).

Iksha

Perfect. Ab bonus: agar (a) bank ka reply company ke haath se hoke aaya toh?

Prabhat

Toh... (a) ki quality gir gayi. Company ne beech mein badal diya ho sakta hai.

Iksha

Yehi toh Parmalat mein hua tha. Wahi section 10 mein padhenge.

---

9. Working Paper Formats: Auditor ka Likhit Record

9.1 Pehle ek chhoti si baat: working paper kyun alag format maangta hai

Prabhat
Iksha, working paper mein toh bas likh deta hoon na kya kiya?

Iksha
Nahi. Ek achhe working paper ko ek anjaan experienced auditor, jisne tumhare saath kaam nahi kiya, padh sake aur samjhe: kya kiya, kab kiya, kisne kiya, kya mila, kya conclusion nikla. Ye SA 230 ka bhaav hai. Retention ke baare mein: ICAI ne SA 230 ke para A23 mein purani 10 saal ki limit ko 7 saal kar diya (SQC 1 ke amendment ke baad). [src]

Prabhat
Toh format ka koi fixed template hai?

Iksha
Standard koi fixed template nahi deta. Par practice mein har firm ke paas kuch common format hote hain. Main teen dikhati hoon: lead schedule, vouching/testing sheet, aur confirmation control sheet.

9.2 Format 1: Lead schedule (summary)

Lead schedule ek line mein ek balance sheet item ka saar hota hai. Peeche supporting schedules aur tests hote hain.

Example (kaalpanik): Nani ki Chai Dukaan Pvt Ltd, 31 March 2027

WP ref	Item	Opening (Rs)	Additions (Rs)	Deductions (Rs)	Closing per books (Rs)	Closing per audit (Rs)	Diff (Rs)	Status
C-1	Cash in hand	12,000	3,10,000	3,05,000	17,000	17,000	0	Done
C-2	Bank (SBI CA)	1,40,000	8,00,000	7,60,000	1,80,000	1,80,000	0	Confirmed
D-1	Debtors	60,000	2,10,000	1,95,000	75,000	70,000	(5,000)	Query raised

Teen cheezein dhyan do:

1. Har row ka ek WP reference (C-1, C-2, D-1). Cross-referencing se reviewer seedha supporting work tak pahunchta hai.
2. "Per books" aur "per audit" do alag columns. Fark yahin dikhta hai.
3. Status column. Kaam kitna baaki hai, ek nazar mein.

9.3 Format 2: Vouching / testing sheet with tick marks

Tick marks auditor ki short-hand hai. Har firm ki legend alag hoti hai, par legend har sheet par honi chahiye (warna koi samjhega nahi).

Legend (kaalpanik):

- ✓ = Vouched to original invoice
- G = Goods received note dekha
- R = Recalculated, sahi
- B = Bank statement se match
- X = Exception, alag note mein likha

Example (kaalpanik): Purchases vouching, sample of 5

Sr	Date	Supplier	Invoice no.	Amount (Rs)	Invoice	GRN	Recalc	Bank	Remark
1	04-Jan	Doodh Dairy	1182	18,000	✓	G	R	B	OK
2	09-Jan	Cheeni Mart	0447	7,500	✓	G	R	B	OK
3	14-Jan	Patti Traders	0991	12,400	✓	G	X	B	Total galat jodha, Rs 400 zyada
4	20-Jan	Cup House	2290	5,000	✓		R	B	GRN nahi mila, query
5	28-Jan	Gas Agency	7731	3,600	✓	G	R	B	OK

Sheet ke neeche conclusion likhna zaroori hai:

"Sample size 5 se 3 mein koi exception nahi. 2 exceptions: Sr 3 (Rs 400 over-charge, supplier ko return note), Sr 4 (GRN missing, stock register se cross-check karna hai). Management ko letter mein mention kiya. Conclusion: Purchases occurrence assertion ke liye reasonable assurance, subject to Sr 4 ke follow-up ke."

Prabhat
Toh sirf tick mark nahi, conclusion bhi?

Iksha
Haan. Bina conclusion ke working paper aadha hai. Saboot hai, par us se kya nikla, wo likha nahi.

9.4 Format 3: External confirmation control sheet

Is sheet mein confirmation ka poora safar track hota hai.

Ref	Party	Type	Balance asked (Rs)	Sent on	Sent by	Mode	Reply on	Reply mode	Balance replied (Rs)	Diff	Resolution
B-1	SBI Branch A	Bank	1,80,000	10-Apr	Auditor	Post, auditor ke address se	18-Apr	Seedha auditor ko	1,80,000	0	None
D-1a	Customer P	Debtor	40,000	10-Apr	Auditor	Email, auditor ke domain se	22-Apr	Email	35,000	5,000	Timing, cheque in transit, dekha
D-1b	Customer Q	Debtor	20,000	10-Apr	Auditor	Post	No reply	-	-	-	Alternative procedure: subsequent receipt

Control sheet ke teen sawaal:

1. Request kaun bhej raha hai? (Auditor, management nahi.)
2. Reply kahan aa raha hai? (Auditor ke paas, management ke raaste nahi.)
3. Address kisne diya aur kisne verify kiya?

Exam trap

"Debtor confirmation ka address list company deti hai toh auditor ko khud verify karne ki zaroorat nahi." GALAT. Address aur identity auditor ko independent source se verify karni chahiye. Agar company ke diye gaye address par reply aaya jo company ke hi control mein hai, toh confirmation ka matlab khatam.

Confirmation ka safar

Jawab seedha bank se, beech mein company ka haath nahin



9.5 Working paper review: reviewer ke sawaal

Ek review sign-off sirf "dekha" nahi hota. Reviewer ke kuch standard sawaal:

Sawaal	Kyun
Kya objective likha hai?	Test kis assertion ke liye hai
Kya sample ka basis likha hai?	Reviewer ko samajh aaye kyun itne items
Kya exceptions ka resolution likha hai?	Khula exception sabse badi red flag
Kya conclusion saboot se milta hai?	Kabhi kabhi conclusion bahut jaldi likh diya jata hai
Kya preparer aur reviewer ke naam aur date hain?	Accountability

Prabhat

Ye saara kaam tedha lag raha hai, Iksha.

Iksha
Tedha hai. Par mat bhoolna, jab koi regulator aata hai, tab sirf working paper bolta hai. Auditor ka mooh nahi.

Wo thodi der chup rahi. Phir dheere se bola.

Iksha
Jab kuch galat hota hai na, log pehle ye poochte hain, "tumne kya likha tha?" Yaad nahi, likha hua.

Prabhat
(dheere se) Aur agar kuch likha hi nahi?

Iksha
Toh maana jata hai ki kiya hi nahi.

Exam trap
Is line ko mat bhoolna. "Agar likha nahi, toh kiya nahi" practice mein ek common thumb rule hai, aur SA 230 ka spirit iske saath chalta hai: documentation itni ho ki doosra auditor samjhe kya kiya gaya.

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10. Mini Case Study 1: Parmalat aur Bank of America ka nakli letter

10.1 Kya hua

Parmalat Italy ki badi dairy group thi. Wikipedia ke mutabik, 2003 mein company ek mutual fund Epicurum se jude lenden aur uske baad cash ki kami ke sawaalon mein phans gayi. Parmalat ki Cayman Islands ki subsidiary Bonlat ke baare mein Bank of America ne ek document ko forgery bataya, jo Parmalat ke bank account mein €3.95 billion dikhata tha. [src]

Parmalat ke founder Calisto Tanzi par fraud aur money laundering ke aarop lage. Wikipedia ke mutabik Tanzi ko 10 saal ki sazaa hui (Milan court, December 2008, market-rigging aur false accounting ke liye), baki saat defendants (executives aur bankers) ko bari kiya gaya, aur aath ne September 2008 mein out-of-court settle

kiya. [src] [src] Baad mein December 2010 mein Parma ki court ne use fraudulent bankruptcy ke liye alag se 18 saal ki sazaa di. [src]

Settlements bhi hue. Wikipedia ke mutabik Deloitte ne 2007 mein $149M ka bhugtan kiya, Bank of America ne 2009 mein $100M, aur Grant Thornton International ne $4.4M mein settle kiya. Naye management ne lagbhag $700M recover kiye. [src]

10.2 Audit failure: evidence ladder ke hisaab se

Ye case teen cheezein dikhata hai:

1. **Ek document ka rank uske raaste se tay hota hai.** Bank letter, agar bank se seedha auditor ke paas aaye, level 2 ka saboot hai. Agar wo company ke haath se guzre, toh level 3 ya neeche, kyunki beech mein editing, scanning ya badalna sambhav hai.
2. **Ek bahut bade balance ka sirf ek letter.** €3.95 billion ka balance ek document par tika tha. Jab ek hi saboot par bahut bada claim tika ho, toh auditor ko aur layers dhoondhni chahiye: bank statement ka seedha access, bank ke saath phone verification, transaction ka flow (interest income, usage).
3. **Bonlat jaisi chhoti-door entity.** Cayman subsidiary jaisi door ki entity, jahan group auditor ka seedha kaam nahi hota, wahan component auditor par bharosa aur group auditor ka oversight (SA 600, Using the Work of Another Auditor, ka bhaav) dono zaroori hain. [src]

10.3 Lesson

Confirmation ka matlab sirf letter bhejna nahi. Confirmation ka matlab hai poora raasta control mein rakhna: kisne bheja, kahan gaya, kahan se wapas aaya, aur kya letterhead, signature, aur address asli hain.

10.4 Exam angle

UPSSSC ya similar exam mein sawaal aa sakta hai: "External confirmation ki reliability sabse zyada kab hai?" Jawab: Jab auditor khud request bheje aur reply seedha auditor ko aaye, management ke raaste nahi.

10.5 Prabhat aur Iksha: ek cheez jo rok nahi payi

Prabhat
Ek letter. Ek letter par €3.95 billion ka bharosa? Aur kisi ne dobara nahi poocha?

Iksha
Jab sab kuch ek achhe, mehnat se bane dikhne wale dikhawe par tika ho, toh log sawaal poochna band kar dete hain. Ye insaan ki aadat hai, sirf auditor ki nahi.

Prabhat
Tum kabhi darti ho? Ki tum bhi chook jaogi?

Iksha ne ek lamba saans liya. Ghadi ki tik tik. Bahar kisi gaadi ka horn.

Iksha
Roz. Isliye skepticism ek aadat hai, ek haath ki lakeer nahi. Jis din lagta hai "ab toh sab pata hai," usi din galti hoti hai.

Prabhat ne uska haath pakda. Dono kuch der chup rahe.

Prabhat
Toh aaj ke baad mera rule: ek letter ko kabhi akela mat chhodna.

Iksha
(muskurayi) Rule achha hai. Chai ban gayi?

---

11. Mini Case Study 2: Wirecard, jab €1.9 billion ka cash nahi mila

11.1 Kya hua

Wirecard Germany ki payments company thi. Wikipedia ke mutabik, 18 June 2020 ko company ne bataya ki €1.9 billion cash uske accounts mein se gayab hai. 25 June 2020 ko Wirecard ne insolvency file ki. CEO Markus Braun ne resign kiya aur baad mein arrested hua. Former COO Jan Marsalek ko fugitive bataya gaya hai. [src]

Wikipedia ke mutabik, jin do Philippines ke banks ke paas ye paisa hona tha, unhone kaha ki unke paas ye rakam kabhi thi hi nahi. [src]

Wirecard ke auditor EY ke baare mein Wikipedia kehta hai ki EY ke mutabik Wirecard ke ek trustee ne auditor ko "deceive" karne ki koshish ki, aur company 2019 ke results release nahi kar saki. [src]

KPMG ne 2019 mein special audit kiya. 28 April 2020 ko KPMG ne kaha ki use sabhi aarop address karne ke liye sufficient documentation nahi mila, aur Wirecard ke shares 26% gire. [src]

11.2 Audit failure: evidence ke nazariye se

Wirecard case mein sabse bada sabak: **cash sabse safe asset maana jata hai kyunki confirm karna aasan hai.** Par jab confirmation ka source hi (trustee, third-party partner) company ke control mein ho ya company ka dost ho, toh aasaan test bhi kamzor ho jaata hai.

Teen red flags jo exam mein example ban sakte hain:

Red flag	Kyun matter karta hai
Cash ka bahut bada hissa third-party trustees ya partners ke paas	Auditor ka direct bank access nahi
Banks ne confirm kiya ki rakam hai hi nahi	Confirmation mein asli bank ka reply sabse strong
Short-sellers aur press ke saalon ke sawaal	Skepticism ko trigger karna chahiye tha

Press-related warning ke baare mein Wikipedia kehta hai ki Financial Times ne 30 January 2019 ko aarop chhape, aur 2016 ki Zatarra report ne pehle hi fraud ke aarop lagaye the. [src]

11.3 Lesson aur exam angle

1. Cash confirmation mein "kaun confirm kar raha hai" utna hi important hai jitna "kitna confirm hua."
2. Jab third party (trustee) hi control mein ho, toh direct bank access ki maang karo.
3. Press aur whistleblower complaints evidence nahi hain, par risk assessment (SA 315 ka bhaav) ko update karne ke liye trigger hain.

What would you do (scenario): Tum ek company ke auditor ho. Company ke paas Rs 50 crore cash ek third-party trustee ke paas hai. Trustee ne email se

confirm kiya. Kya karoge?

Model answer: Trustee ke email ko akela saboot nahi maanoge. Underlying bank se direct confirmation maangoge, trustee ke contract aur bank statement ko inspect karoge, trustee ki independence aur existence verify karoge, aur agar access nahi mila toh scope limitation ka vichaar karoge (SA 705 ka bhaav).



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12. Cutoff Testing: Din ki Seema ka Khel

12.1 Cutoff kya hai (bachhe ki bhasha mein)

6 saal ka bachha box: Maan lo school ka saal 31 March ko khatam hota hai. Agar tumne 1 April ko toffee kharidi, toh wo agle saal ka kharcha hai. Par agar tumne bola "main kal ki toffee aaj ke hisaab mein daal deta hoon", toh ye cutoff ki galti hai.

Normal explanation: Cutoff test ye check karta hai ki transactions sahi accounting period mein record hue. Sales aur purchases ke liye ye do taraf ka test hai: period ke ant ke aas paas ke transactions dekho, aur dekho ki goods ki movement (dispatch ya receipt) ka din aur invoice ki date sahi period mein aayi.

PhD box: Cutoff assertion (SA 315 ke sandarbh mein, assertions about classes of transactions) ek alag assertion hai, jo occurrence, completeness, accuracy aur

classification ke saath us list mein aata hai. [src] Revenue recognition ka timing Ind AS 115 ya relevant framework par depend karta hai, par audit-test sidha hai: shipping documents aur invoice ko period-end ke dono taraf match karo. Fraud risk (SA 240) mein revenue recognition par presumed risk hota hai, isliye cutoff ke tests ko zyada gehra rakha jata hai.

12.2 Step-by-step worked example 1: Sales cutoff

Example (kaalpanik): Nani ki Chai Dukaan Pvt Ltd ka year-end 31 March 2027. Auditor 31 March ke 3 din pehle aur 3 din baad ke sales invoices test karta hai.

Invoice	Invoice date	Dispatch (GRN/gate pass) date	Amount (Rs)	Books mein period	Sahi period	Result
S-901	29-Mar	29-Mar	30,000	FY 26-27	FY 26-27	OK
S-902	31-Mar	02-Apr	50,000	FY 26-27	FY 27-28	Cutoff error: overstated
S-903	01-Apr	30-Mar	20,000	FY 27-28	FY 26-27	Cutoff error: understated
S-904	02-Apr	02-Apr	10,000	FY 27-28	FY 27-28	OK

Step-by-step:

1. Period-end ke aas paas ke sales invoice list karo.
2. Har invoice ke saath dispatch document dekho.
3. Jahan dono ki dates alag periods mein hain, wahan error pakdo.
4. Net effect nikalo.

Net effect on FY 26-27 revenue: S-902 se overstated Rs 50,000, S-903 se understated Rs 20,000. Net overstated Rs 30,000.

Proposed adjustment journal entry (kaalpanik), S-902 ko agle saal mein shift karne ke liye:

Dr Sales A/c 50,000 Cr Debtors A/c 50,000

Aur S-903 ko is saal mein laane ke liye:

Dr Debtors A/c 20,000 Cr Sales A/c 20,000

(Stock ke COGS ke adjustments bhi alag se karne honge, yahan sirf revenue side dikhayi gayi.)

Exam trap

Cutoff error ka effect sirf profit par nahi, closing stock aur debtors par bhi padta hai. Agar sale ko aage badhaya, toh stock ka closing balance bhi adjust karna padega.

12.3 Worked example 2: Purchases cutoff

Example (kaalpanik): Goods 30 March ko pahunche, par supplier ka invoice 3 April ko aaya, aur company ne purchase 3 April ko record kiya.

Item	Details
Goods received	30-Mar, Rs 80,000
Invoice date	03-Apr
Booked in	FY 27-28
Sahi period	FY 26-27 (goods ka control company ke paas aa gaya)
Effect	Purchases aur payables dono Rs 80,000 understated

Adjustment:

Dr Purchases (ya Inventory) A/c 80,000 Cr Creditors A/c 80,000

Prabhat

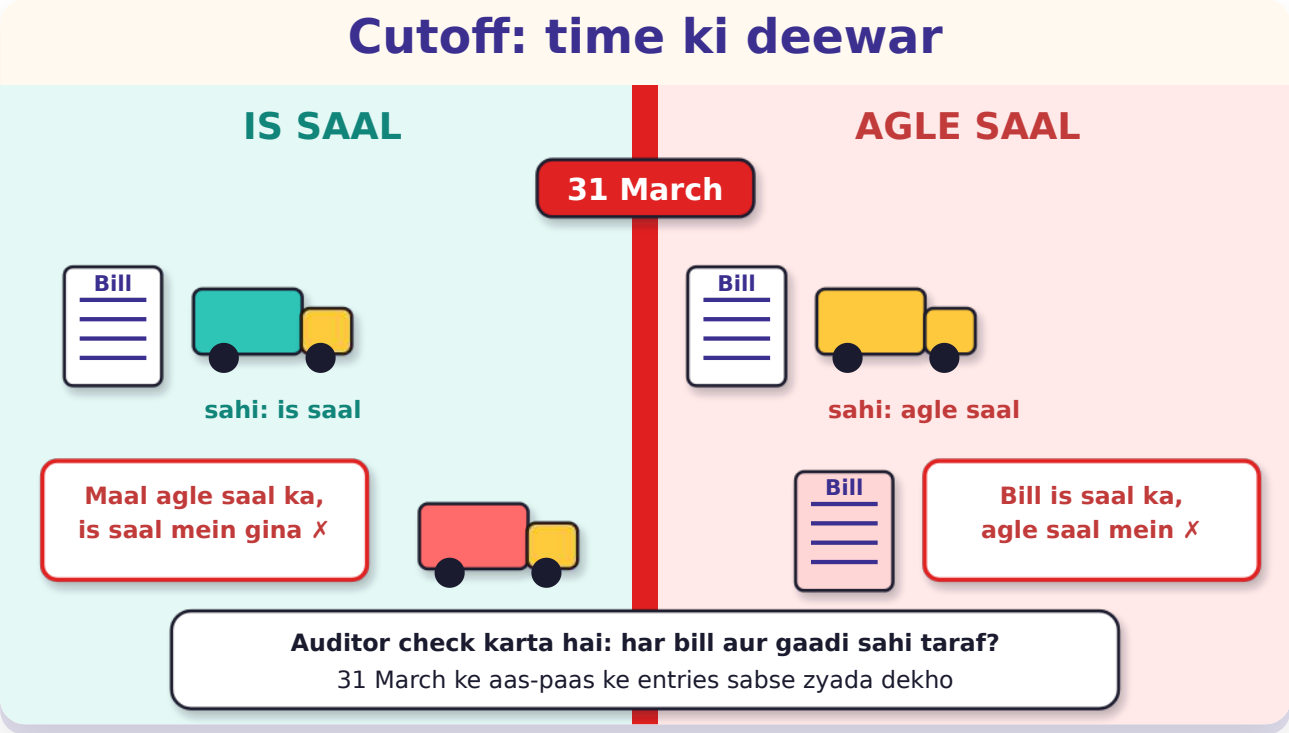
Toh purchases cutoff mein kya dhyan rakhna?

Iksha

Liabilities ko aksar kam dikhane ka lalach hota hai. Isliye purchases cutoff ka direction samjho: understatement ka khatra zyada. Jab tak receipt ka documentary saboot (GRN) nahi dekhte, tab tak invoice date par bharosa mat karo.

12.4 Cutoff ke red flags

Red flag	Matlab
Quarter/year ke aakhri hafte mein bade sales spike	Revenue pulled forward ho sakta hai
Period ke turant baad bade credit notes	Sales return jo pehle sale ban gaye
Round-number bade journal entries period ke ant mein	Management override ka sanket
Invoice date aur dispatch date alag periods mein	Seedha cutoff error



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13. Mini Case Study 3: Satyam, jab bank mein paisa tha hi nahi

13.1 Kya hua

Satyam Computer Services India ki badi IT company thi. 7 January 2009 ko chairman B. Ramalinga Raju ne resign kiya aur maana ki unhone accounts mein hera-pheri ki thi, jiski raashi Wikipedia ke mutabik Rs 7,000 crore thi. [src]

Wikipedia ke mutabik, saalon tak Satyam ke accounts mein aisa munafa dikhta raha jo tha hi nahi, aur bank mein aisa cash dikhta raha jo tha hi nahi. Accounts mein $3m ki "salary" aise logon ke naam par thi jo exist hi nahi karte the. [src]

Auditor ke baare mein: US SEC ne PwC India par $6 million ka jurmana lagaya. 2018 mein SEBI ne Price Waterhouse ko do saal ke liye kisi bhi listed company ka audit karne se rok diya aur Rs 13 crore se zyada ka disgorgement ka order diya. [src]

9 April 2015 ko Raju aur nau anya ko doshi paya gaya aur saat saal ki sazaa hui. [src]

13.2 Evidence ke nazariye se

Satyam ka case "cash exist karta hai ya nahi" ki seedhi misaal hai. Teen sabak:

1. **Existence assertion** (cash aur bank balances ke liye): bank se seedha confirmation sabse strong test hai. Agar balance forged documents se dikhaya gaya, toh auditor ko bank ke saath alag channel se verify karna chahiye tha.
2. **Fictitious payroll** ka test: employee names ka HR records ke saath physical verification, salary account details ka independent match.
3. **Auditor ki independence aur scepticism** ka court aur regulator dwara test hota hai, sirf company ka internal matter nahi.

Raju ke 7 January 2009 ke letter (SEC filing) ke mutabik balance sheet mein Rs 5,040 crore ka non-existent cash aur bank balance tha (books mein Rs 5,361 crore dikhaya gaya tha). [src]

13.3 Exam angle

UPSSSC mein ek typical sawaal: "Fictitious employees ko pakadne ka best audit procedure?" Jawab: payroll ko HR records aur physical verification (ya salary bank accounts ke independent confirmation) se match karna.

Prabhat
Matlab agar kisi ko salary mil rahi hai aur wo kabhi office aaya hi nahi...

Iksha
Toh ya toh wo remote hai, ya wo hai hi nahi. Dono ka saboot alag hota hai. Pehla badge ya system logs mein dikhega. Doosra kahin nahi dikhega.

---

14. Mini Case Study 4: Enron aur Arthur Andersen, jab documentation hi saboot ban gaya

14.1 Kya hua

Enron ka scandal October 2001 mein saamne aaya. Wikipedia ke mutabik company ne 2 December 2001 ko Chapter 11 bankruptcy file ki aur uska $63.4 billion ka asset base us samay US ki sabse badi corporate bankruptcy tha. [src]

Auditor Arthur Andersen ke baare mein Wikipedia kehta hai ki use SEC investigation se judi documents ko gair-kanooni tareeke se nasht karne ka doshi paya gaya, jisse uska public companies ka audit license khatam ho gaya. Supreme Court mein faisla baad mein palta gaya, par tab tak firm apne zyadatar clients kho chuki thi. [src]

14.2 Documentation ka sabak

Enron ka case dikhata hai ki working papers aur documents sirf internal kaam nahi, ye legal evidence bhi ban jaate hain. Do baatein:

1. Documents ko retention policy ke mutabik rakhna zaroori hai. India mein SA 230 ke para A23 mein ICAI ne seven years ki retention period batayi hai, report ki date se. [src]
2. Investigation chalu hone par, ya uska andesha hone par, documents ko nasht ya badalna sabse khatarnaak galti hai.

Exam trap
"Audit file ka assembly report date ke 6 mahine baad bhi complete kiya ja sakta hai." Is chapter ke Part A mein check report ke mutabik SA 230 (A21) mein file assembly ka general limit 60 din hai. Isliye 6 mahine wala option galat hai. [src]

14.3 Prabhat ka sawaal

Prabhat
Documents nasht karna toh seedha crime hai. Ye audit ka topic kyun?

Iksha
Kyunki audit ka matlab hi hai "kuch likha hua jo baad mein dekha ja sake." Jis din ye aitbar tootta hai, uske saath poora profession doobta hai. Andersen ke saath yehi hua.

Prabhat kuch der kuch nahi bola. Khidki se thandi hawa aa rahi thi.

Prabhat
Tum kabhi koi file delete karogi? Agar kisi ne kaha...

Iksha
(seedhi aankhon mein dekhte hue) Kabhi nahi. Chahe kisi ka bhi dabaav ho. Chahe tum bhi bolo.

Prabhat
Main nahi bolunga.

Iksha
Pata hai. Isliye baat kar rahi hoon.

---

15. Mini Case Study 5: Carillion, jab estimates ne saboot ki jagah le li

15.1 Part A ke Carillion material ko yaad rakho, ab naya kona

Chapter 10 mein Carillion ka balance sheet wala kona detail mein hai. Yahan sirf evidence aur estimates ka kona.

Wikipedia ke mutabik Carillion ne 10 July 2017 ko ek trading update mein £845M ki impairment charge batayi, jo mainly teen loss-making UK PFI projects aur Middle East ke kharchon se judi thi. [src]

UK Parliament ki joint report ke mutabik KPMG ko 19 saal ke audit ke £29 million mile aur usne ek baar bhi apna opinion qualify nahi kiya. Report ke shabdon mein Parliament ne kaha ki KPMG ne accounting judgements ke prati professional scepticism nahi dikhayi. [src]

15.2 Estimates ka evidence

Construction contracts mein revenue aur profit ka bada hissa **estimates** par tika hota hai: project kitna pura hua, aage kitna kharcha, kitna claim milega. Ye evidence ki duniya mein sabse "soft" cheez hai kyunki ye management ka judgement hai.

Evidence ke teen layer jo auditor ko chahiye:

1. **Past estimates ka track record:** pichle projects mein estimates aur actuals mein kitna fark tha (hindsight review).

2. **Independent expert ya technical input:** engineer ya quantity surveyor ka assessment.
3. **Contract documents aur client correspondence:** claims ka asli saboot, sirf internal projection nahi.

Ye approach SA 540 (accounting estimates) ke bhaav se milti hai, jo is chapter ke Part A ke check report mein bhi sahi title ke saath maujood hai.

15.3 Lesson

Jab revenue ya profit bahut zyada judgement par tika ho, toh evidence ka bhaar management ke bayan par nahi, bahari data par shift karna chahiye. Aur agar saalon tak estimates upar ki taraf hi jhukte rahe, toh wo bias ka sanket hai.

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16. Documentation aur Representation: Scenarios (What Would You Do?)

Har scenario mein pehle socho, phir niche model answer dekho.

Scenario 1: Late ki working paper Tumhare senior ne 3 hafte baad kaha, "Us din ka test ka paper abhi bhi nahi bana, bana do, date wahi likh dena." Model answer: Date badalna ya purani date likhna galat hai. Working paper mein actual date likho aur noting karo ki ye baad mein add hua hai. Kaam kab hua, ye clearly likho. SA 230 ka bhaav yahi hai ki kaam, kisne kiya aur kab, ye record ho.

Scenario 2: Management ne rep letter par sign karne se mana kiya Model answer: SA 580 ke bhaav ke hisaab se ye serious baat hai. Management ki integrity par vichaar karo, alternative evidence dekho, aur aage opinion par asar ka vichaar karo. (SA 580, Written Representations; para number check nahi kiya.)

Scenario 3: Debtor ne confirmation ka reply nahi diya Model answer: Alternative procedures: subsequent receipts (period ke baad paisa mila), invoices aur dispatch documents ka match, customer ke saath communication ka record. Likh do ki confirmation kyun nahi mila aur kya alternative kiya.

Scenario 4: Bank confirmation ka reply company ke office par aaya Model answer: Is reply ki reliability kam hai kyunki ye company ke control se guzra. Bank se seedha dobara maango, auditor ke address par. Parmalat ka sabak yahi tha.

Scenario 5: Client ne bola "documents server crash mein gaye" Model answer: Scope limitation ho sakta hai. Alternative saboot dhoondho (bank, third parties). Agar fir bhi kaafi saboot nahi mila toh opinion par asar (qualification ya disclaimer) ka vichaar karo, aur management aur those charged with governance se communicate karo. (SA 705, Modifications to the Opinion; para number check nahi kiya.)

Scenario 6: Ek hi saboot par bada balance Tumhe pata chala ki Rs 40 crore ka balance sirf ek third-party letter par tika hai. Model answer: Corroboration dhoondho: statement, transaction flow, income, contract. Ye Wirecard aur Parmalat dono ka common sabak hai.

Scenario 7: Chhoti si exception ko "immaterial" bol kar chhod dena Model answer: Ek exception chhoti ho sakti hai, par uska pattern aur nature dekho. Ek fraud-type exception chhoti rakam ki hone par bhi serious ho sakti hai, kyunki fraud ki materiality qualitative bhi hoti hai.

Scenario 8: Management ka bayan aur document alag Manager ne kaha stock Rs 10 lakh, count sheet mein Rs 8 lakh. Model answer: Khud ki ginti (level 1) ko tarjeeh do. Fark ka karan dhoondho, management se pucho, aur wo bayan likh lo par us par akela depend mat karo.

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17. Summary Table: Ch9 Extension ka Saar

Topic	Ek line ka saar
Evidence ladder	Auditor ki khud ki dekhi > bahar se seedha > bahar ka document > andar ka controlled > andar ka weak > bayan
Working paper	Objective, kaam, saboot, conclusion, preparer, reviewer: sab likha ho
Retention	ICAI ne SA 230 A23 mein 7 saal bataya
Confirmation control	Request auditor bheje, reply auditor ko aaye
Cutoff	Period-end ke dono taraf test, dispatch ke saath invoice ka match
Parmalat	Forged bank document, €3.95bn
Wirecard	€1.9bn missing, Philippines ke banks ne kaha rakam kabhi thi hi nahi
Satyam	Cash aur payroll mein fictitious entries
Enron/Andersen	Documents nasht karne ka crime aur firm ka patan
Carillion	Estimates ka bias aur scepticism ki kami

Sources upar ke har case study ke text ke neeche diye gaye hain.

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18. 30 MCQs (Answer + 2-line explanation)

Q1. Neeche mein se sabse reliable evidence kaun sa hai? (a) Manager ka bayan (b) Auditor ki khud ki ginti (c) Internal memo (d) Staff ka email **Ans: (b).** Auditor ki seedhi observation ya recalculation sabse upar hai. Management ka bayan sabse neeche.

Q2. Bank confirmation ka sabse reliable form kaun sa? (a) Company ke office mein aaya reply (b) Bank se seedha auditor ko (c) Company ka scan kiya hua letter (d) Staff ka phone call **Ans: (b).** Beech mein management ka haath nahi. Parmalat jaisa risk kam.

Q3. SA 230 ke para A23 mein ICAI ne retention period kitni batayi? (a) 5 saal (b) 7 saal (c) 10 saal (d) 3 saal **Ans: (b).** ICAI announcement ne 10 se 7 saal kiya. ISA mein 5 saal hai, India mein 7.

Q4. Cutoff test ka maksad? (a) Staff kam karna (b) Transactions ka sahi period mein record hona check karna (c) Tax bachana (d) Fixed assets ginna **Ans: (b).** Cutoff period ke dono taraf ke transactions ki timing dekhta hai.

Q5. Working paper kis ke liye hai? (a) Sirf client ke liye (b) Auditor ka kaam aur conclusion record karne ke liye (c) Sirf tax department ke liye (d) Marketing **Ans: (b).** Working paper auditor ka likhit record hai. Reviewer aur regulator ise dekhte hain.

Q6. Debtor confirmation ka reply nahi aaya. Kya karoge? (a) Balance sahi maan lo (b) Alternative procedures jaise subsequent receipts (c) Debtor ko hata do (d) Opinion do hi mat **Ans: (b).** Non-response par alternative procedures karna hota hai. Phir likh dena.

Q7. Parmalat mein kis document ko forgery bataya gaya? (a) Audit report (b) Bank of America ka document jisme €3.95 billion dikhaya tha (c) Tax return (d) Board minutes **Ans: (b).** Wikipedia ke mutabik Bank of America ne is document ko forgery bataya. Ye Bonlat ke account se juda tha.

Q8. Wirecard mein €1.9 billion ke baare mein sahi kaun sa? (a) Philippines ke banks ne rakam hone ki baat maani (b) Banks ne kaha rakam kabhi thi hi nahi (c)

Rakam wapas mil gayi (d) Koi missing rakam nahi thi **Ans: (b).** Wikipedia ke mutabik dono Philippines ke banks ne kaha ki unke paas ye rakam kabhi nahi thi.

Q9. "Corroboration" ka matlab? (a) Ek hi saboot do baar dekhna (b) Doosre independent saboot se pushti karna (c) Management se dobara poochna (d) Documents delete karna **Ans: (b).** Ek hi source ko dohrane se corroboration nahi hota. Independent source chahiye.

Q10. Management representation letter kya ho sakta hai? (a) Sufficient appropriate evidence ki jagah (b) Doosre evidence ka supplement (c) Auditor ka opinion (d) Tax return **Ans: (b).** Rep letter akela saboot nahi, sirf supportive.

Q11. Tick mark ki legend kyun zaroori? (a) Sundar dikhne ke liye (b) Reviewer samajh sake ki mark ka matlab kya hai (c) Rule hai ki 10 marks ho (d) Client maangta hai **Ans: (b).** Bina legend ke tick mark ka matlab nahi.

Q12. Lead schedule mein kya hota hai? (a) Ek balance sheet item ka saar aur supporting WP ka reference (b) Sirf signatures (c) Tax return (d) Legal notice **Ans: (a).** Lead schedule summary hai, detail peeche ke WPs mein.

Q13. Goods 30 March ko pahunche, invoice 3 April ko aaya. FY March mein purchase record na ho toh? (a) Sahi hai (b) Purchases aur payables understated (c) Sales overstated (d) Tax ghat jayega nahi **Ans: (b).** Goods ka control March mein aa gaya, isliye March ka purchase hai.

Q14. Satyam ke case mein PwC India par SEC ne kitna jurmana lagaya? (a) $1 million (b) $6 million (c) $60 million (d) $600 million **Ans: (b).** Wikipedia ke mutabik SEC ne $6 million ka fine lagaya.

Q15. Enron mein Arthur Andersen ko kis kaaran se doshi paya gaya? (a) Documents ko gair-kanooni tareeke se nasht karna (b) Late fees (c) Tax chori (d) Fake audit firm **Ans: (a).** SEC investigation se jude documents nasht karne ke liye. Baad mein faisla Supreme Court mein palta.

Q16. Fictitious employees ka best test? (a) HR records aur physical verification se payroll match (b) Management se poochna (c) Sirf bank statement (d) Kuch nahi **Ans: (a).** Payroll ko independent source se match karna chahiye.

Q17. Evidence ki quantity badhane se quality ki kami poori ho jaati hai? (a) Haan hamesha (b) Nahi, weak evidence ki kami zyada quantity se poori nahi hoti (c) Kabhi kabhi (d) Sirf bade clients mein **Ans: (b).** SA 500 ke principle ke hisaab se quality ki kami quantity se poori nahi hoti.

Q18. Sales cutoff test mein auditor kya match karta hai? (a) Invoice aur dispatch ki date (b) Invoice aur logo (c) Salary aur bonus (d) Bank aur tax **Ans: (a).** Dispatch document se invoice ki date ka match check hota hai.

Q19. SA 500 mein evidence ikattha karne ka procedure kaun sa nahi hai? (a) Inspection (b) Confirmation (c) Hearsay (d) Reperformance **Ans: (c).** Check report ke mutabik SA 500 ke 7 procedures: inspection, observation, confirmation, recalculation, reperformance, analytical procedures, inquiry.

Q20. Working paper ka sabse bada red flag? (a) Khula exception jiska resolution nahi (b) Do tick marks (c) Date likhi hai (d) Reviewer sign hai **Ans: (a).** Khule exception ka matlab audit adhoora.

Q21. Revenue recognition fraud risk ke liye kaun sa standard relevant hai? (a) SA 240 (b) SA 230 (c) SA 700 (d) SA 505 **Ans: (a).** Check report ke mutabik SA 240 fraud se judta hai. Revenue par fraud risk ka presumption hota hai.

Q22. Third-party trustee ke email par bada cash balance tika hai. Pehla kadam? (a) Maan lo sahi hai (b) Underlying bank se direct confirmation maango (c) Client ko batao (d) Kuch nahi **Ans: (b).** Wirecard jaisa risk. Direct bank access ya confirmation sabse bharosemand.

Q23. Documentation kab complete ho jaani chahiye (SA 230 A21 ke mutabik)? (a) Report date ke 60 din ke andar (b) 1 saal ke baad (c) Kabhi nahi (d) 5 saal baad **Ans: (a).** Check report ke mutabik ordinarily 60 din. 5 saal retention ki baat alag hai.

Q24. Hindsight review of estimates kya hai? (a) Purane estimates ko actuals se compare karna (b) Naye estimates banana (c) Tax audit (d) Stock ginna **Ans: (a).** Isse management bias ka pata chalta hai.

Q25. Ek confirmation control sheet mein sabse zaroori sawaal? (a) Reply kis raste aaya, kisne bheja (b) Font kaun sa (c) Kaun sa pen (d) Date format **Ans: (a).** Raasta control mein hona confirmation ki jaan hai.

Q26. Auditor ne ek chhoti exception paayi. Sahi kadam? (a) Ignore (b) Nature aur pattern dekhna, resolve karna (c) Client ko dhamkana (d) Report mein sabse upar likhna **Ans: (b).** Chhoti rakam ka bhi pattern ya fraud sanket ho sakta hai.

Q27. Carillion ke saath KPMG ke baare mein Parliament ki report ne kya kaha? (a) Ek baar qualify kiya (b) 19 saal mein ek baar bhi opinion qualify nahi kiya (c) Kabhi

audit nahi kiya (d) Sirf 1 saal audit kiya **Ans: (b).** Report ke mutabik KPMG ne £29 million ke 19 saal ke audit mein kabhi opinion qualify nahi kiya.

Q28. "Observation" procedure ka example? (a) Stock count dekhna (b) Bank letter bhejna (c) Invoice dobara jodna (d) Manager se poochna **Ans: (a).** Observation = kisi process ko hota hua dekhna. Dobara jodna recalculation hai.

Q29. Working paper mein kaam ki date galat likhna kaisa? (a) Theek (b) Documentation ki integrity ka ullanghan (c) Chhoti baat (d) Allowed hai agar senior bole **Ans: (b).** Date aur kaam ka asli record hona chahiye. Baad mein add hua toh waisa hi likhna.

Q30. Wirecard ke case mein KPMG ne 28 April 2020 ko kya kaha? (a) Sab theek hai (b) Sufficient documentation nahi mila (c) Audit complete (d) Koi aarop nahi **Ans: (b).** Wikipedia ke mutabik KPMG ne kaha ki use sabhi aarop address karne ke liye sufficient documentation nahi mila.

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19. Chapter 9 Extension: Ant ki baat

Raat dher ho chuki thi. Chai kab ki khatam, mug mez par.

Prabhat
Aaj bahut kuch seekha. Par ek cheez mere andar atak gayi hai.

Iksha
Kya?

Prabhat
Ki saboot sab kuch hota hai. Par kabhi kabhi dil saboot ke bina bhi kuch jaanta hai. Jaise tumhare baare mein.

Iksha ne uski taraf dekha. Kuch pal kuch nahi bola.

Iksha
Dil ka bharosa mat chhodna. Par audit mein usse kabhi opinion mat likhna.

Prabhat
(muskuraya) Aur zindagi mein?

Iksha
Zindagi mein... saboot bhi dikhana padta hai. Roz.

Ghadi ne ek baja diya. Dono hans pade.

Episode 10: Assets aur Liabilities ki Audit (Sampatti aur Dendariyon ki Jaanch)

Topic A: Vouching vs Verification

> Real example: Carillion plc (UK) Sources: Wikipedia, UK Parliament report, Reuters (sab [[SRC]] tags mein)

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1. Kahani Hook: Pitara aur Udhar ki Diary

Prabhat ke ghar mein ek purana steel ka pitara hai. Nani kehti hain, "Isme hamari sabse keemti cheezein hain." Ek din Prabhat ne pitara khola. Andar mila: ek sona ki chain, kuch purane sikke, ek property ka kagaz, aur... ek raddi radio.

Nani boli, "Ye radio bhi keemti hai!"

Prabhat bola, "Nani, ye toh chalta bhi nahi. Iski value zero hai. Aap isko assets mein kyun ginti ho?"

Phir Prabhat ne ek aur cheez dekhi. Almirah ke peeche ek diary thi: "Udhar ka hisaab." Usme likha tha, "Sharma ji ke 12,000 rupaye dene hain." Nani ne kabhi iska zikr nahi kiya tha.

Prabhat ne kaha, "Dekho na. Hamare paas jitna dikhta hai usse zyada dena hai. Agar hum sirf pitara dekhein aur diary na dekhein, toh humein lagega hum ameer hain, jabki asli hisaab kuch aur hai."

Yehi hai assets aur liabilities ki audit ka dil:

- **Assets**: jo company kehti hai "ye mera hai", kya sach mein hai? Kya exist karta hai? Kitne ka hai?
- **Liabilities**: jo company ko dikhana chahiye "ye dena hai", kya sab dikhaya? Kuch chhupaya toh nahi?

Companies ke paas hamesha temptation hota hai: assets ko phula ke dikhana (radio ko bhi sona banana) aur liabilities ko chhupana ya ghatana (udhar ki diary ko almirah ke peeche rakhna). Auditor ka kaam dono taraf dekhna hai.

Is chapter mein:

- Vouching vs verification ka farq
- Fixed assets, inventory, receivables, investments, cash: har asset kaise verify hoti hai
- Liabilities: completeness test, contingent liabilities, subsequent events
- Valuation aur depreciation ka audit
- Carillion: jis company ne apni real liabilities chhupayi, aur 2018 mein £7 billion ke saath doob gayi

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2. Chat Dialogue: Prabhat aur Iksha

Topic A: Vouching vs Verification

Prabhat
Iksha, pichle chapters mein vouching padha tha. Ab verification. Dono mein farq kya hai?

Iksha
Vouching transactions ki checking hai: kya ye kharcha sahi tha, sahi amount, sahi authority, sahi voucher. Ye profit & loss account pe focus karta hai. Verification assets aur liabilities ki checking hai: kya ye balance sahi hai, exist karta hai, company ka hai, sahi value pe hai. Ye balance sheet pe focus karta hai.

Prabhat
Toh vouching saal bhar ke kaam ka hisaab, verification saal ke aakhri din ki photo?

Iksha
Sundar example. P&L ek film hai, saal bhar ki. Balance sheet ek photo hai, 31 March ki. Vouching film ke frames check karta hai. Verification photo ki authenticity check karta hai.

Prabhat
Verification mein auditor kya kya check karta hai?

Iksha
Chaar cheezein, yaad rakhna: **Existence** (asset sach mein hai?), **Ownership** (company ka hai?), **Possession** (company ke paas hai?), **Valuation** (sahi value pe dikhaya hai?). Liabilities ke liye ulta socho: sabse bada risk overstatement nahi, **understatement** hai. Koi liability chhupi toh nahi? Isko completeness test kehte hain.

Prabhat
Kyun? Assets mein zyada dikhane ka lalch, liabilities mein kam dikhane ka?

Iksha
Bilkul. Profit aur net worth dono isi se bante hain. Assets inflate karo, balance sheet strong dikhegi. Liabilities chhupao, bhi strong dikhegi. Dono side audit equally zaroori hai. Isliye kehte hain, verification balance sheet ki aatma ki jaanch hai.

Topic B: Fixed assets ki verification

Prabhat
Iksha, factory, building, machines, inko kaise verify karte hain? Ginti toh kar nahi sakte easily.

Iksha
Fixed assets mein teen kaam. Ek, **existence aur possession**: physical inspection, site visit, fixed assets register se actual assets tak match karna. Do, **ownership**: title deeds, purchase documents, registration papers dekhna. Building ke papers kiske naam hain? Teen, **valuation**: cost minus depreciation. Depreciation sahi rate se laga? Useful life sahi hai?

Prabhat
Agar company ne machinery kisi ko mortgage kar rakhi hai?

Iksha
Charge check karna padega. Registrar of Companies ke records mein registered charges dekhne chahiye. Mortgaged asset free asset ki tarah nahi dikhna chahiye. Balance sheet notes mein disclosure zaroori hai.

Prabhat
Naye additions ka kya?

Iksha
Vouching. Purchase invoice, installation cost, capitalization ka decision. Dhyan rakhna: revenue expense ko capital expense banana bhi ek fraud trick hai. WorldCom ne yahi kiya tha, normal expenses ko capitalized kar diye taaki profit badhe. Toh auditor check karta hai ki capital aur revenue ka split sahi hai.

Prabhat
Aur jo assets bech diye ya scrap ho gaye?

Iksha
Register se hata diye gaye hain ya nahi, sale proceeds record hui ya nahi, profit/loss on disposal sahi calculate hua ya nahi. Register mein likhi machine jo physically nahi hai, woh "ghost asset" hai. Existence test isi ko pakadta hai.

Topic C: Inventory (stock) ki verification

Prabhat
Stock toh sabse mushkil lagta hai, Iksha. Maal ghumta rehta hai.

Iksha
Isliye stock audit ka sabse sensitive area hai. SA 501 specifically inventory attendance ko cover karta hai. Auditor stock count pe physically jaata hai, ya company ke count ko observe karta hai.

Prabhat
Observe karne se kya milta hai?

Iksha
Do cheezein. Existence ka proof, aur company ke counting procedures ki reliability. Auditor sample items khud ginta hai, floor se sheet tak (existence) aur sheet se floor tak (completeness) dono direction check karta hai.

Prabhat
Direction ka farq samajhao?

Iksha
Floor se sheet: jo maal pada hai woh list mein hai ya nahi. Ye completeness pakadta hai. Sheet se floor: jo list mein hai woh pada hai ya nahi. Ye existence pakadta hai. Dono zaroori.

Prabhat
Valuation kaise hoti hai stock ki?

Iksha
Rule: cost ya net realisable value, jo bhi kam. Agar maal sada hua hai ya purana model hai, usko cost pe nahi dikhaya ja sakta. Auditor slow-moving aur obsolete stock ki list maangta hai. Cut-off bhi dekho: 31 March ke aas paas ki sales aur purchases sahi period mein record hui hain ya nahi. Cut-off manipulation se stock aur sales dono distort hote hain.

Prabhat
Third party ke paas maal ho toh?

Iksha
Direct confirmation. Jaise goods with consignee ya job worker. Wo log likh ke confirm karein ki hamare maal unke paas hai.

Topic D: Receivables aur cash

Iksha
Ab debtors. Company kehti hai "log humein 100 crore denge." Kaise verify karoge?

Prabhat
Hmm... debtors se seedha poochho?

Iksha
Waah! **Direct confirmation** (SA 505). Auditor selected debtors ko letter bhejta hai, "Kripya confirm karein ki aapko company se itna dena hai." Reply seedha auditor ke office aana chahiye, company ke haath se nahi.

Prabhat
Kyun company ke haath se nahi?

Iksha
Kyunki company beech mein reply badal sakti hai. Satyam scam yaad hai? Fake bank balances dikhaye gaye the. Confirmation process ka control khud auditor ke paas hona chahiye: kisko bheja, kahan se reply aaya, envelope kya tha.

Prabhat
Aur jo debtors bahut purane hain?

Iksha
Provision for doubtful debts check karo. Purana debtor jo kabhi nahi dega, usko full value pe dikhana galat hai. Ageing analysis dekho: 0-30 din, 30-90 din, 90+ din. Jitna purana, utna doubtful.

Prabhat
Cash aur bank?

Iksha
Cash: physical count, surprise mein, saath mein cashier ko bulake. Bank: bank statement se reconciliation, aur seedha bank confirmation. Bank reconciliation statement ka audit karna classic exam question hai. Outstanding cheques, deposits in transit, sab check.

Topic E: Liabilities ki audit: completeness ka khel

Prabhat
Iksha, liabilities mein sabse bada risk chhupa hua udhar hai. Auditor use dhundhe kaise? Jo cheez books mein hi nahi, use kaise pakdein?

Iksha
Ye audit ka sabse kathin kaam hai. Kuch techniques. Ek, **subsequent payments** dekho: year end ke baad company ne kisse paise diye? Agar April mein supplier ko payment hui par March ki books mein wo liability nahi thi, matlab liability chhupi thi.

Prabhat
Smart! Aage ka data pichhle saal ka sach bata raha hai.

Iksha
Do, **unrecorded liabilities search**: year end ke baad aaye invoices, unmatched purchase orders, goods received but not invoiced. Teen, loan agreements, board minutes, legal letters padho. Wahan undisclosed borrowings ya guarantees mil sakti hain.

Prabhat
Contingent liabilities ka kya? Wo toh ho bhi sakti hain, nahi bhi.

Iksha
Contingent liability matlab possible obligation, jaise chalta hua court case. Books mein entry nahi hoti, lekin notes mein disclose karna zaroori hai. Auditor lawyer ko letter bhejta hai (legal confirmation) ki pending cases kya hain aur unka possible outcome kya hai.

Prabhat
Aur company jo doob rahi ho? Uski liabilities toh explode kar jati hain.

Iksha
Wahan aata hai going concern (SA 570). Kya company agle 12 mahine chal payegi? Agar nahi, toh balance sheet ki poori valuation basis badal jaati hai: assets liquidation value pe aate hain, jo aksar bahut kam hoti hai. Isi concept pe Carillion case gaya. Ab uski kahani suno.

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3. Core Idea in 3 Levels

6 saal ka bachha box

Tum apni toy collection ko register mein likhte ho: "100 toys." Ek din dost aata hai aur ginta hai: sirf 85 toys hain. 10 toh toot gaye the, 5 tumne cousin ko de diye the. Register galat tha. Auditor woh dost hai jo har cheez ginta hai aur poochta hai, "Ye toota hua toy bhi full value ka hai kya?" Aur ulta side: tumne dost se 50 rupaye udhar liye the par register mein likha hi nahi. Dost bolega, "Ye bhi likhna padega!" **Assets sahi value pe + liabilities poori list** = sachi balance sheet.

Normal explanation

Assets ki verification ka matlab: existence (physical inspection, confirmations), ownership (title deeds, documents), possession, valuation (cost less depreciation; stock at lower of cost and NRV). Har asset class ka apna drill hai: fixed assets mein register se physical matching aur charge search, inventory mein count attendance aur cut-off, receivables mein direct confirmation aur ageing, cash/bank mein physical count aur reconciliation. Liabilities mein main risk understatement hai:

subsequent payments review, unrecorded liability search, legal confirmations, board minutes. Contingent liabilities books mein nahi par notes mein disclose hoti hain. Going concern doubt aa jaye toh valuation basis hi badal jaata hai.

PhD box

Balance sheet audit assertions ke around structured hai: existence, rights and obligations, completeness, accuracy/valuation, presentation. Asset overstatement aur liability understatement dono earnings management ke classic channels hain. Verification procedures assertion-mapped hain: vouching additions (occurrence), inspecting title (rights), attending count (existence), NRV testing (valuation), subsequent cash review (completeness of liabilities). SA 501 inventory aur litigation dono ke specific procedures deta hai. Cut-off testing period-end manipulation ke khilaf primary defence hai. Going concern (SA 570) auditor ko 12 mahine aage dekhene pe majboor karta hai; material uncertainty disclose honi chahiye, aur basis inappropriate ho toh adverse opinion. Carillion mein long-term contract accounting (percentage of completion, WIP valuation, onerous contract provisions) hi collapse ka engine tha: revenue aur contract assets aggressive, provisions weak. Construction sector audit isliye high risk hai: estimates pe based hai, aur estimates mein management bias ghusna aasan hai. Auditor ko estimate audit (SA 540) mein management ka bias actively test karna hota hai.

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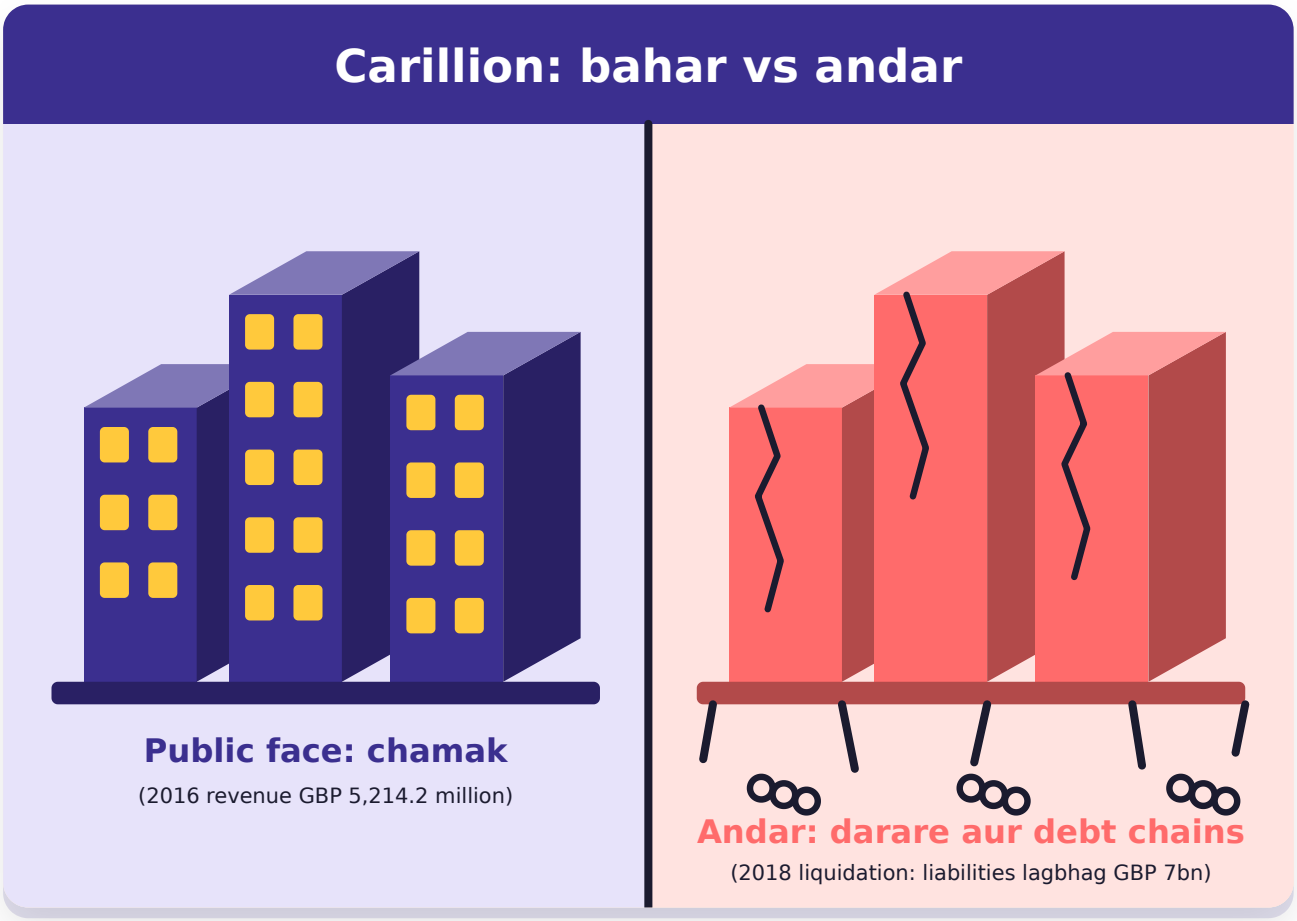
4. Real Example: Carillion, £29 million cash aur £7 billion liabilities



Company ka background

Carillion ek British construction aur facilities management company thi, July 1999 mein Tarmac se demerge hoke bani, aur UK ki second largest construction company ban gayi [src]. 2016 mein company ki revenue thi **£5,214.2 million** aur kareeb **43,000 employees** the, jinmein 18,257 UK mein [src]. Company schools, hospitals, railway lines banati thi, sarkari contracts ka bada player thi.

Rosy accounts, record dividend

1 March 2017 ko Carillion ne apne 2016 ke accounts publish kiye. Picture achhi dikhayi gayi. Usi base par company ne **£79 million ka record dividend** pay kiya, jismein £55 million 10 June 2017 ko gaya [src].

Sirf chaar mahine baad, 10 July 2017, company ne profit warning di: construction contracts ki value mein **£845 million ka impairment** [src]. September 2017 mein ye

badhkar **£1,045 million** ho gaya, jo pichhle saat saalon ke total profit ke barabar tha [src].

Socho iska matlab: saalon tak books mein dikhaya gaya "profit" asal mein tha hi nahi. Contract revenues aur valuations zyada likhi gayi thi. Assets side pe ye contract assets aur receivables the; liabilities side pe provisions nahi banayi gayi thi. November 2017 mein company ne kaha ki uska debt **£925 million** tak pahunch raha hai, aur share price 18p pe gir gaya, poori company ki value bas **£73 million** reh gayi [src].

Collapse: 15 January 2018

15 January 2018 ko Carillion compulsory liquidation mein chali gayi, UK insolvency law ki sabse drastic procedure, liabilities ke saath **lagbhag £7 billion** [src]. Us waqt company ke paas cash tha sirf **£29 million** [src]. April 2018 mein Official Receiver ne estimate kiya ki 27 liquidated UK companies ki total liabilities **£6.9 billion** thi, jo 2016 ke accounts mein dikhaye figure se teen guna zyada tha [src].

Aur pension? National Audit Office ke hisaab se **£2.6 billion** ki pension liabilities Pension Protection Fund pe aayi, 13 pension schemes ke 27,000 members ke saath [src].

Auditor ka role: KPMG

KPMG Carillion ka auditor tha lagatar **19 saal** tak, aur is kaam ke liye use **£29 million** mile. UK Parliament ke Business and Work and Pensions Committees ke report ke hisaab se, KPMG ne **ek baar bhi apna audit opinion qualify nahi kiya** [src].

Matlab: jab company £845 million ka impairment le rahi thi, tab bhi pichhle accounts pe "sab theek hai" ka opinion diya ja chuka tha. Baad mein:

- 2022 mein Official Receiver ne KPMG ke khilaf **£1.3 billion** ka audit negligence claim file kiya [src].
- October 2023 mein UK regulator FRC ne KPMG par Carillion audits ke liye **£21 million ka record fine** lagaya [src].

Assets and liabilities audit ke lessons

1. **Contract assets ki valuation hi crime scene thi.** Long-term contracts mein kitna revenue recognize karna hai ye estimate pe chalta hai. Carillion ne

aggressive estimates use kiye. Auditor ka kaam tha un estimates ko challenge karna (SA 540), jo nahi hua effectively.

2. **Liabilities understate ho sakti hain dramatically.** Actual liabilities books se teen guna nikli. Completeness testing fail hui.
3. **Going concern red flags sab jagah the:** profit warnings, £925M debt, £29M cash. Phir bhi clean opinions diye gaye.
4. **Dividend profits se nahi, cash se do.** Record dividend us company ne diya jiske paas cash nahi tha. Balance sheet audit ko liquidity aur solvency dono dekhni chahiye.
5. **Auditor tenure aur familiarity risk.** 19 saal ek hi auditor. Fresh pair of eyes kabhi nahi aayi. India mein isi liye listed companies mein auditor rotation mandatory hai.

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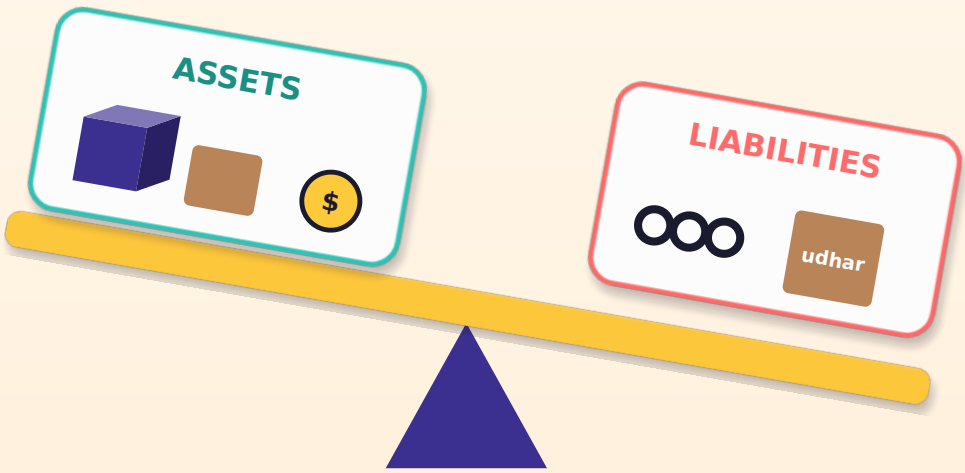
5. Infographic Section

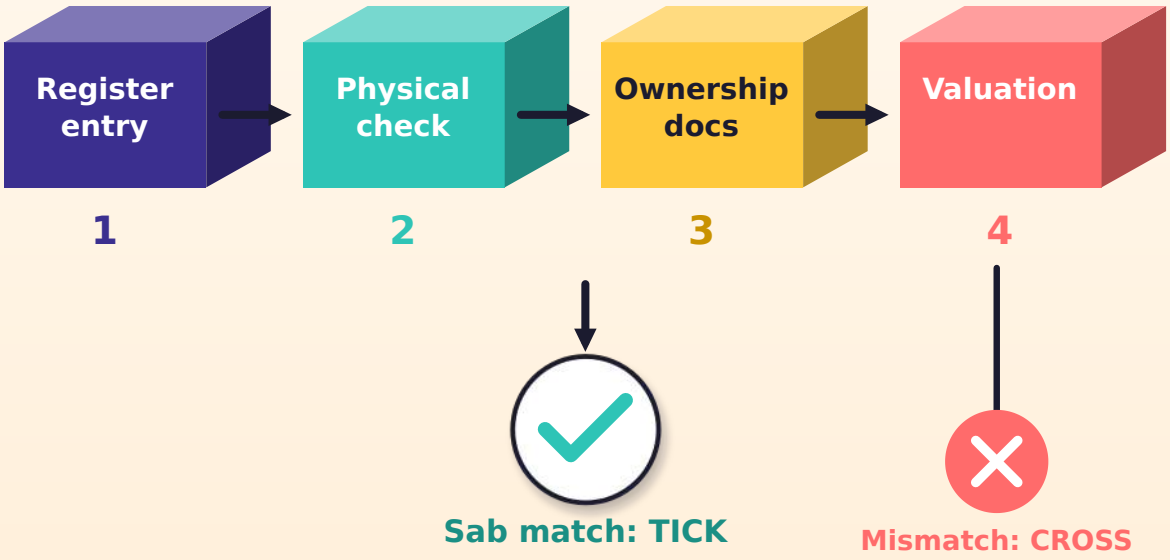
Balance sheet seesaw



Asal liabilities 2016 accounts se teen guna zyada nikli

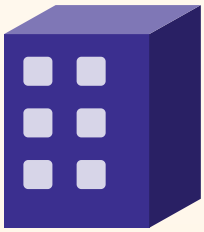
(Official Receiver, April 2018: GBP 6.9bn, 27 companies)

Asset verification: 5 kadam



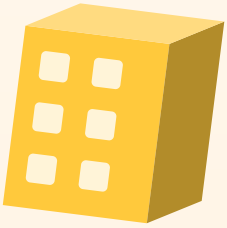
Carillion: dominoes ki tarah

Source: UK Parliament report, Wikipedia, Reuters



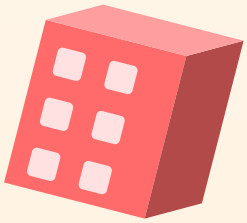
1 Mar 2017

2016 accounts published.
Record dividend GBP 79 million



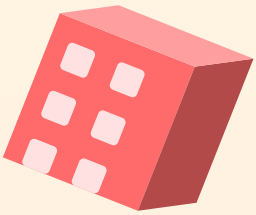
10 Jul 2017

Profit warning:
GBP 845 million impairment



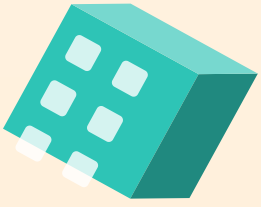
Nov 2017

Debt GBP 925 million,
share price 18p



15 Jan 2018

Compulsory liquidation,
liabilities lagbhag GBP 7bn



Oct 2023

FRC ne KPMG par
record GBP 21 million fine



Auditor ne 19 saal mein ek baar bhi opinion qualify nahi kiya

6. Exam Angle: UPSSSC isko kaise poochta hai

Verification aur valuation ke sawaal har UPSSSC paper mein aate hain. Vouching vs verification ka farq, stock valuation rule, contingent liability ka treatment, working papers se milke, classic topics hain.

Q1. Verification ka main uddeshya kya hai? (a) Transactions ki arithmetic check (b) Assets aur liabilities ka existence, ownership aur valuation check karna (c) Fraud pakadna (d) Tax calculation

Answer: (b). Verification balance sheet items ki jaanch hai: exist karte hain, company ke hain, sahi value pe hain.

Q2. Stock (inventory) ko kis value pe dikhaya jaata hai? (a) Cost price (b) Market price (c) Cost ya net realisable value, jo bhi kam (d) Selling price

Answer: (c). Lower of cost and NRV. Prudence principle.

Q3. Liabilities ki audit mein sabse bada risk kya hai? (a) Overstatement (b) Understatement / unrecorded liabilities (c) Wrong classification (d) Typing mistakes

Answer: (b). Companies liabilities chhupane ya ghatane mein interested hoti hain. Isliye completeness test zaroori.

Q4. Contingent liability ko kahan dikhaya jaata hai? (a) Balance sheet ki liability side mein entry (b) Profit & loss account mein (c) Balance sheet ke notes mein disclosure (d) Kahin nahi

Answer: (c). Contingent (possible) liability books mein entry nahi hoti, par notes/footnote mein disclose hoti hai.

Q5. Debtors ki verification ka sabse strong tareeka kya hai? (a) Ledger dekhna (b) Management se poochna (c) Debtors se direct confirmation (d) Sales register dekhna

Answer: (c). Direct external confirmation (SA 505), reply seedha auditor ko.

---

7. Recap Page

10 bullet points

1. Vouching transactions (P&L) check karta hai; verification balance sheet ke assets/liabilities check karta hai.
2. Assets verification ke 4 pillars: existence, ownership, possession, valuation.
3. Fixed assets: register se physical matching, title deeds, depreciation rate check, charge search (ROC records).
4. Inventory: auditor count attend karta hai (SA 501), floor-to-sheet (completeness) aur sheet-to-floor (existence) dono.
5. Stock valuation: cost ya NRV, jo bhi kam. Obsolete stock ko cost pe nahi dikhaya ja sakta.
6. Receivables: direct confirmation (SA 505) sabse strong evidence; ageing se doubtful debts ka provision check.
7. Liabilities mein main risk understatement hai: subsequent payments, unrecorded liability search, board minutes, legal letters.
8. Contingent liabilities books mein entry nahi, notes mein disclosure.
9. Going concern (SA 570) doubtful ho toh valuation basis hi badal jaata hai; Carillion mein ye sab fail hua.
10. Carillion: 2016 accounts rosy, record dividend £79M; phir £845M impairment, liquidation with ~£7bn liabilities vs £29M cash; KPMG 19 saal auditor, kabhi qualify nahi, £21M record fine (2023).

Cheat-sheet table

Item	Main test	Kya pakadta hai
Fixed assets	Physical inspection + title deeds + depreciation check	Existence, ownership, valuation
Inventory	Count attendance, cut-off, NRV test	Existence, completeness, valuation
Receivables	Direct confirmation (SA 505), ageing	Existence, valuation
Cash/Bank	Physical count, reconciliation, bank confirmation	Existence, accuracy
Investments	Certificates, demat statement, market value	Ownership, valuation
Loans taken	Agreements, lender confirmation, charge search	Completeness, rights
Creditors	Supplier statements, subsequent payments	Completeness
Contingent liabilities	Legal letters, board minutes, notes review	Disclosure
Provisions	Estimate review (SA 540), past accuracy	Valuation
Going concern	Cash forecasts, post-year events (SA 560/570)	Basis of accounting
Carillion lesson	Liabilities books se 3x nikli; opinion kabhi qualify nahi	Real case

---

Next chapter: Audit Report aur Opinions, jahan dekhenge auditor akhir mein kya likhta hai, aur Lehman Brothers ka Repo 105, jo auditor ke saamne se guzar gaya.

Chapter 10 Extension (Part B): Assets aur Liabilities ke Walkthroughs aur Real Cases

> Part A ke sections 1 se 7 dobara nahi dohraye. Numbering section 8 se shuru. Kaalpanik (hypothetical) numbers "Example (kaalpanik)" mein hain. Asli company ke numbers ke saath [[SRC]] hai.

---

8. Case Study 1: Carillion, ek naya kona: Reverse Factoring aur Chhupa Hua Debt

8.1 Part A mein kya tha aur ab kya naya

Part A mein Carillion ka £29 million cash aur lagbhag £7 billion liabilities (Official Receiver ka April 2018 ka anumaan £6.9 billion) wala picture hai. [src] Yahan hum liabilities ke "completeness" ka ek aur kona dekhte hain: supplier ko der se paisa dena aur financing ka sawaal.

8.2 Reverse factoring ek line mein

6 saal ka bachha box: Maan lo tumne doodhwale se doodh liya, aur paise abhi nahi diye. Ek bank bolta hai, "doodhwale ko main abhi paisa de deta hoon, tum mujhe baad mein dena." Doodhwale ko paise mil gaye. Tum ab bank ke karzdaar ho gaye, doodhwale ke nahi. Par asal mein tumne udhar hi liya hai.

Normal explanation: Reverse factoring ya supply chain finance mein bank supplier ko jaldi bhugtan karta hai, aur company bank ko baad mein deti hai, aksar lambe terms par. Sawaal ye hai ki company ise "trade payable" dikhaye ya "borrowings". Dono se balance sheet par dikhne wala debt alag ho jata hai.

PhD box: Classification ka sawaal terms ki prakriti par depend karta hai: terms ka extension, bank ka role, security aur interest. Audit ke liye important ye hai ki completeness of liabilities aur disclosure ka test dono ho, aur ye accounting framework ke tareeke par ho.

8.3 Carillion ke saath kya hua

Wikipedia ke mutabik UBS analyst Gregor Kuglitsch ne March 2015 mein Carillion ke extended supplier payment terms aur reverse factoring ke istemal par dhyan dilaya aur kaha ki company reported se zyada leveraged hai. [src]

Wikipedia ye bhi kehta hai ki June 2016 tak Carillion ke 20% se zyada shares hedge funds ko loan par the (short selling ke liye), jabki 2015 ki shuruat mein ye 5% se kam tha. [src]

Collapse ke samay: Wikipedia ke mutabik Carillion ke paas around £900M ka debt aur £580M ka pension deficit tha, aur FT ke mutabik sirf £29M cash. [src]

8.4 Auditor ke liye sabak (liabilities ki completeness)

Jab bahar ke analysts aur short-sellers ek hi cheez par sawaal uthayein, toh auditor ke paas teen kaam hone chahiye:

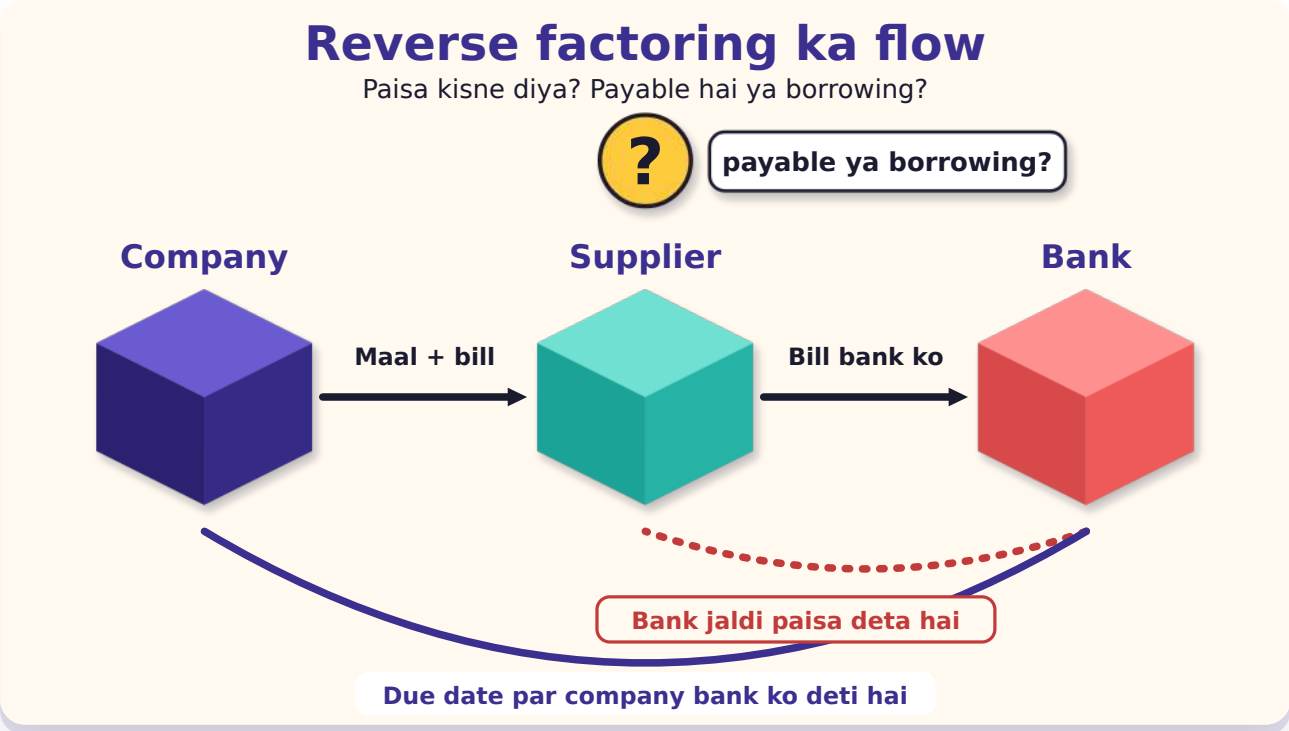
1. Supplier payment terms ki details alag se mango, saal bhar ke trend ke saath.

2. Bank aur financing arrangements ke contracts padho, accounting treatment ko terms se match karo.
3. Year-end ke aas paas ki unusual payables movement ko test karo.

Prabhat
Matlab doosre log pehle sawaal uthate hain?

Iksha
Kabhi kabhi. Aur auditor ka kaam hai unke sawaal ko dushman nahi, ek data point maanna.

Exam trap
"Short-seller ke aarop evidence hai." NAHI. Aarop evidence nahi hain, par risk assessment ko update karne ka trigger hain.



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9. Case Study 2: Olympus, jab loss ko acquisition fee bana kar chhupaya gaya

9.1 Kya hua

Olympus Japan ki camera aur medical equipment company hai. October 2011 mein naye CEO Michael Woodford ko hataya gaya jab usne kuch acquisitions ki payments par sawaal uthaye. Wikipedia ke mutabik, baad mein ye ek bade scandal mein badla jisme ¥117.7 billion ($1.5 billion) ke investment losses ko chhupane ka aarop tha. [src]

Woodford ne 2008 ke $2.2 billion ke Gyrus Group acquisition par sawaal uthaye. Thomson Reuters ke mutabik, ek middleman ko $687 million success fee ke roop mein diye gaye, jo purchase price ka 31% tha. [src]

8 November 2011 ko company ne maana ki paisa 1990s se chale aa rahe investment losses ko cover karne ke liye use hua aur uski accounting "not appropriate" thi. [src]

9.2 Asset audit ka angle

Ye case asset ki **valuation** aur **existence** dono par hai:

1. Acquisition ke baad goodwill aur intangibles ki carrying value: kya wo uchit hai?
2. Advisory ya success fee ka unusual size: kya uska business reason hai?
3. Investments ki valuation: kya independent price source ya confirmation mila?

Audit procedure (general):

- Acquisition se judi payments ko contracts se match karo.
- Unusually bade fees ke liye recipient ke existence aur services ka saboot maango.
- Investments ke liye custodian se direct confirmation.

9.3 Exam angle

"Related party aur unusual transactions ke liye auditor kya karega?" Jawab: business rationale samjhega, board approvals dekhega, aur counterparty ki independence verify karega (SA 550, Related Parties, ka bhaav). [src]

---

10. Case Study 3: Toshiba, 7 saal ka inflated profit

Toshiba ne May 2015 mein bataya ki wo accounting scandal ki jaanch kar raha hai. 21 July 2015 ko CEO Hisao Tanaka ne resign kiya. Wikipedia ke mutabik profits pichle saat saal mein $1.2 billion se inflated the, aur aath aur senior officials ne bhi resign kiya. [src]

Is page par scandal ke exact mechanism (kaun si accounts, kaun sa auditor) ka detail nahi mila, isliye yahan sirf headline facts diye hain.

Exam angle: Saat saal tak chali galat profit ki figure ye sikhati hai ki audit ek saal ka hota hai, par pattern multi-year ho sakta hai, isliye prior year ke estimates ka review (hindsight) zaroori hai.

---

11. Case Study 4: Autonomy aur HP, acquisition ke baad ka write-off

Wikipedia ke mutabik Hewlett-Packard ne October 2011 mein Autonomy ko $11.7 billion (£7.4 billion) par kharida, aur ek saal ke andar $8.8 billion ka write-off kiya. HP ne "serious accounting improprieties" ka aarop lagaya, jabki purane CEO Mike Lynch ne kaha ki dikkat HP ke run karne mein thi. [src]

Asset audit ke liye sabak: goodwill aur intangibles ke impairment testing mein assumptions (growth rates, discount rates) ka evidence sabse zaroori hai. Do parties ke bayan alag hone par auditor ko dono ke assumptions ka independent data se test karna hota hai.

> **Exam trap**
> "Goodwill ka impairment annual accounting entry hai jo auditor test nahi karta." GALAT. Auditor management ke impairment assumptions ko test karta hai (estimates ka evidence).

---

12. Case Study 5: Valeant aur Philidor, receivables ka sawaal

21 October 2015 ko short-seller Citron Research ke Andrew Left ne aarop lagaya ki Valeant ne specialty pharmacy Philidor Rx Services ko jo sales dikhayi, wo false the, kyunki Valeant hi Philidor ko control karta tha. Is wajah se revenue booking improper ho sakti thi. [src]

Ye ek aarop tha jo Wikipedia ne report kiya. Is page par aage ka outcome (audit ya restatement ka detail) maine fetch nahi kiya.

Receivables audit ke liye sabak: **related ya controlled customers** ko pehchano. Debtor confirmation tab kamzor hai jab debtor hi company ke control mein ho. Substance over form dekho: kya bechna asli third-party sale hai ya group ke andar ka transfer?

---

13. Case Study 6: Kingfisher Airlines, Going Concern aur Liabilities

Wikipedia ke mutabik Kingfisher Airlines 20 October 2012 ko band hui, saalon ke continuous losses aur high debts ke baad. [src]

Ek BSE disclosure mein company ne kaha ki use bade nuksan hue hain aur net worth eroded hai, par financial statements going concern basis par tayyar kiye gaye. [src]

July 2014 mein Kingfisher ka karz India ke state-owned banks ka top non-performing asset ban gaya, jahan ₹40 billion se zyada ka karz wapas nahi hua. [src]

Liabilities audit ke liye sabak: jab net worth erode ho chuka ho, toh SA 570 ke hisaab se management ke going concern ke plans (debt recast, fleet recovery) ke evidence ki jaanch kaafi gehri honi chahiye, sirf unke bayan par nahi. SA 570 ke baare mein check report ne pehle se confirm kiya hai ki ye 12-month look-ahead ka standard hai.

---

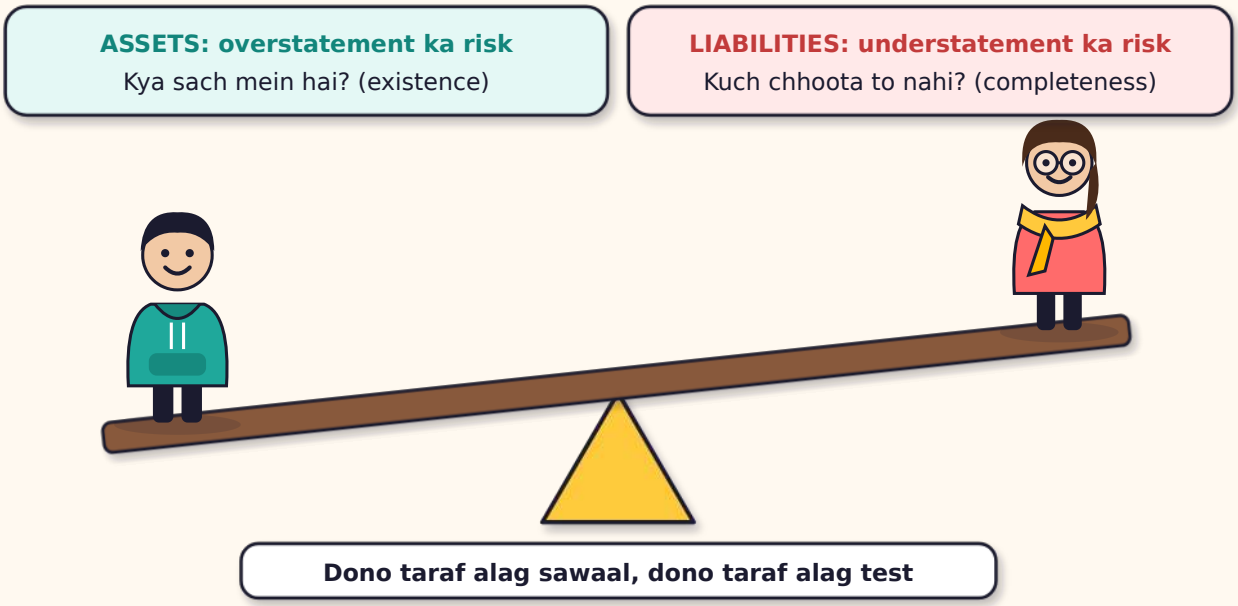
14. Case Study 7: Enron ke chhupe liabilities

Wikipedia ke mutabik Enron ke executives ne mark-to-market accounting ke galat istemal aur special purpose entities ke zariye arabon dollars ka debt chhupaya. [src]

CFO Andrew Fastow ne off-balance-sheet vehicles banaye. Company ka stock August 2000 ke $90.75 se November 2001 ke ant tak $1 se kam ho gaya. [src]

Liabilities ki audit ka sabak: **completeness** ka matlab sirf books ke andar ka sab kuch nahi, consolidation ke bahar ki entities jahan company ka control ya guarantee ho, wo bhi. Auditor ko SPEs, guarantees aur commitments ke lie alag se poochna padta hai.

Asset vs Liability: risk ki see-saw



15. 20 Asset aur Liability Audit Walkthroughs

Har walkthrough: **Situation, Assertion, Procedure, Evidence, Conclusion/Entry.** Numbers kaalpanik hain jab tak source na diya ho.

Walkthrough 1: Cash in hand ki ginti

Situation (kaalpanik): Books mein cash Rs 17,000. Auditor 31 March ko cash count karta hai. **Assertion:** Existence. **Procedure:** Surprise count, cashier ki

maujoodgi mein, sab notes aur coins ginne, vouchers aur IOUs alag se note karna. **Evidence:** Count sheet par cashier ke sign. Physically gine hue Rs 15,500 aur Rs 1,500 ke petty cash vouchers. **Conclusion:** Rs 15,500 + Rs 1,500 vouchers = Rs 17,000. Vouchers ko dekhna ki wo valid hain aur pending reimbursement ke hain. **Entry:** Koi nahi agar vouchers valid; invalid vouchers ho toh unko "Cash short" ya cashier ke receivable mein daalna.

Walkthrough 2: Bank reconciliation

Situation (kaalpanik): Books ka bank balance Rs 1,80,000, bank statement Rs 1,95,000. **Assertion:** Existence aur accuracy. **Procedure:** Reconciliation banao: cheques issued par bank ne pass nahi kiye (Rs 20,000), deposit in transit (Rs 5,000). **Calculation:** 1,95,000 minus 20,000 plus 5,000 = 1,80,000. **Evidence:** Bank statement, cheque book counterfoils, subsequent bank clearing. **Conclusion:** Reconciled. Subsequent statement mein cheques clear hue ya nahi, ye check karna.

Walkthrough 3: Bank confirmation

Situation: Bank balance Rs 1,80,000 aur ek loan Rs 5,00,000. **Assertion:** Existence, completeness, rights/obligations. **Procedure:** Auditor bank ko seedha letter bheje, saath mein pooche accounts, loans, guarantees, charges. **Evidence:** Bank ka reply seedha auditor ko. Parmalat aur Wirecard ka sabak: raasta control mein. **Conclusion:** Agar reply mein ek aur account aaya jo books mein nahi, toh completeness ka exception.

Walkthrough 4: Fixed assets: physical verification

Situation: 50 machines ka register, 5 sample machines. **Procedure:** Register se floor tak (existence) aur floor se register tak (completeness) dono dishaon mein test. **Evidence:** Serial numbers, location tags, photographs. **Conclusion:** Ek machine floor par mili par register mein nahi. Ye completeness exception hai, sambhavtah expensed ya unrecorded asset.

Walkthrough 5: Depreciation recalculation

Situation (kaalpanik): Machine cost Rs 10,00,000, residual 5%, useful life 10 saal, straight line. **Calculation:** Depreciable amount = 10,00,000 minus 50,000 = 9,50,000. Annual = 9,50,000 / 10 = Rs 95,000. **Books mein:** Rs 1,00,000

depreciation. Fark Rs 5,000 (overstated). **Entry:** Dr Accumulated Depreciation 5,000, Cr Depreciation Expense 5,000. **Evidence:** Policy note, recalculation.

Walkthrough 6: Addition ka capital vs revenue

Situation: Machine ki repairing Rs 3,00,000 capitalized. **Procedure:** Invoice dekho: kya ye life badhata hai ya sirf maintenance? **Conclusion:** Agar sirf maintenance, toh expense hona chahiye. **Entry (agar repairs):** Dr Repairs Expense 3,00,000, Cr Fixed Assets 3,00,000.

Walkthrough 7: Inventory count observation

Situation: Godown mein 8 lakh ka stock count sheet par, books mein 10 lakh. **Procedure:** Auditor count mein observe kare, test counts kare (floor to sheet, sheet to floor), cutoff ke last GRN/dispatch note kare. **Evidence:** Test count sheets, count instructions. **Conclusion:** Rs 2 lakh ka fark. Karan dhoondho (shrinkage, cutoff, count error). Agar unexplained, toh write down. **Entry:** Dr Cost of Goods Sold / Stock Loss 2,00,000, Cr Inventory 2,00,000.

Walkthrough 8: Inventory valuation: NRV

Situation (kaalpanik): Cost Rs 100, estimated selling price Rs 90, selling cost Rs 5. **Calculation:** NRV = 90 minus 5 = Rs 85. Inventory lower of cost and NRV, isliye Rs 85. **Write-down per unit:** Rs 15. **Evidence:** Post year-end sale prices, price lists. **Entry (1,000 units):** Dr COGS/Write-down 15,000, Cr Inventory 15,000.

Walkthrough 9: Debtors circularization

Situation (kaalpanik): Debtors Rs 75,000, 3 customers. **Procedure:** Positive confirmations bhejo, auditor ke address se. **Evidence:** Replies. Customer P ka reply Rs 35,000 (books Rs 40,000): Rs 5,000 cheque in transit. **Conclusion:** Timing difference, subsequent receipt dekha. No adjustment.

Walkthrough 10: Doubtful debts (provision)

Situation (kaalpanik): Debtors Rs 5,00,000, ek debtor Rs 80,000 insolvent. **Procedure:** Aging analysis, subsequent receipts, customer ki financial condition. **Entry:** Dr Bad Debts / Provision 80,000, Cr Debtors (ya Provision for doubtful debts) 80,000. **Evidence:** Insolvency notice, communication.

Walkthrough 11: Investments

Situation: Company ke paas listed shares aur ek unlisted stake. **Procedure:** Listed: custodian confirmation aur year-end market price. Unlisted: valuation report aur expert ka kaam. **Evidence:** Custodian statement, price source. **Conclusion:** Olympus ka sabak: valuation ke assumptions independent se test karo.

Walkthrough 12: Prepaid expenses

Situation (kaalpanik): Insurance Rs 12,000, 1 Jan 2027 se 12 mahine. Year-end 31 March. **Calculation:** 3 mahine consumed = 3,000. Prepaid = 9,000. **Books mein prepaid Rs 12,000:** Overstated Rs 3,000. **Entry:** Dr Insurance Expense 3,000, Cr Prepaid 3,000.

Walkthrough 13: Trade payables completeness

Situation: Creditors Rs 4,00,000 books mein. **Procedure:** Supplier statements, unrecorded liabilities search: period ke baad ke payments aur invoices dekhna jo pichle period ke goods ke hon. **Evidence:** April ke payments, GRN. **Conclusion:** Rs 80,000 ka invoice (goods March mein mile) April mein book hua. Unrecorded liability. **Entry:** Dr Purchases 80,000, Cr Creditors 80,000.

Walkthrough 14: Accrued expenses

Situation (kaalpanik): Electricity bill 15 April ko aaya Rs 24,000 for Feb-March. **Assertion:** Completeness. **Entry:** Dr Electricity Expense 24,000, Cr Outstanding Expenses 24,000 (31 March par).

Walkthrough 15: Loans aur borrowings

Situation: Bank loan Rs 5,00,000, 10% interest, year-end par accrued. **Procedure:** Bank confirmation, loan agreement, interest recalculation, covenants check. **Calculation (kaalpanik):** 6 mahine bakaya interest 5,00,000 x 10% x 6/12 = Rs 25,000. **Entry (agar accrual nahi):** Dr Interest Expense 25,000, Cr Interest Accrued 25,000.

Walkthrough 16: Provisions aur contingent liabilities

Situation: Ek legal case, claim Rs 20 lakh, lawyer ka opinion: probable loss. **Procedure:** Lawyer ka letter (external confirmation), board minutes. **Conclusion:** Probable aur estimate reliable toh provision; possible toh disclosure; remote toh kuch nahi.

Walkthrough 17: Statutory dues

Situation: GST, TDS aur PF dues. **Procedure:** Returns aur challans ka match, due dates ka compare, short deduction ka check. **Evidence:** Government portal challans. **Conclusion:** Unpaid dues ka liability aur penalty provision.

Walkthrough 18: Related party balances

Situation: Director ke saath loan balance. **Procedure:** Board approvals, confirmation from the related party, terms ki fairness. **Evidence:** Agreement, confirmation. **Conclusion:** Disclosure ki completeness. Enron aur Olympus ka sabak: related ya controlled parties ke saath unusual terms par extra jaanch.

Walkthrough 19: Going concern indicators

Situation: Net worth negative, loans default, salaries late. **Procedure:** Management ke plans (debt recast, new funds) ke evidence, cash flow forecast ki assumptions test. **Evidence:** Lender letters, signed term sheets. **Conclusion:** Kingfisher ka sabak: sirf bayan nahi, evidence chahiye. Material uncertainty ho toh disclosure aur report mein uska asar.

Walkthrough 20: Subsequent events

Situation: 15 April ko ek bada customer insolvent ho gaya, balance sheet 31 March. **Procedure:** Subsequent events review: board minutes, legal letters, post year-end receipts. **Conclusion:** Condition 31 March ko maujood thi toh adjusting event; nahi thi toh sirf disclosure. (SA 560, Subsequent Events; para number check nahi kiya.)

---

16. Do Level Chat: Walkthroughs ka Nichod

Prabhat
Iksha, 20 walkthroughs mein ek pattern dikha mujhe. Har baar do sawaal: "hai?" aur "poora hai?"

Iksha
(aankhein chamak gayi) Yehi toh. Assets mein "hai ya nahi?" (existence), liabilities mein "poora likha hai ya nahi?" (completeness). Asset ko log badhate hain, liability ko log chhupate hain.

Prabhat
Isliye Carillion mein liabilities...

Iksha
Haan. Aur Enron mein bhi. Aur Olympus mein asset ki value.

Bahar baarish shuru ho gayi thi. Iksha ne khidki band ki, wapas aayi aur Prabhat ke paas baith gayi, itni paas ki uski kandhe se kandha chhoo gaya.

Prabhat
Tumhe kabhi lagta hai ki hum dono bhi kuch chhupa rahe hain? Ek doosre se?

Iksha ne kuch der kuch nahi kaha. Phir dheere se:

Iksha
Har kisi ke andar ek khaata hota hai jo wo sabko nahi dikhata. Fark ye hai ki jo ek doosre ko dikhana chahte hain, wo apni bahi khud khol dete hain. Bina confirmation letter ke.

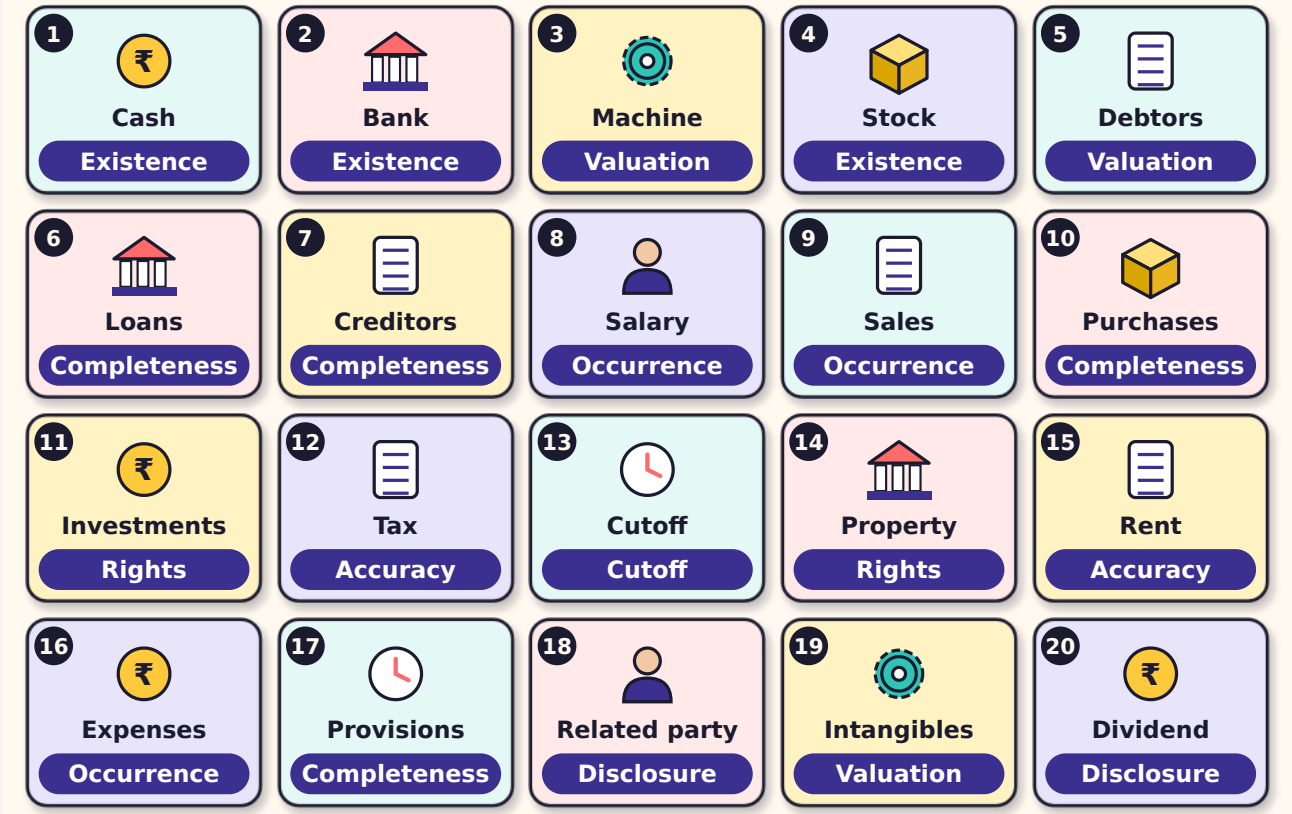
Prabhat
(dheere se) Toh aaj main apni bahi kholta hoon.

Iksha
Pehle MCQ kar. Phir baat karte hain.

---

20 walkthroughs ka poster

Har walkthrough ke saath ek assertion tag



17. Exam Traps (Ch10 Extension)

Exam trap 1

"Vouching aur verification ek hi hain." GALAT. Vouching transactions ko documents se match karna hai, verification assets-liabilities ke existence, ownership, valuation ka saboot dekhna hai. (Part A mein detail hai.)

Exam trap 2

"Stock ki ginti auditor ka kaam nahi, management ka hai." GALAT. Management count karti hai, par auditor observe karta hai aur test counts karta hai.

Exam trap 3

"Liabilities ka sabse bada risk overstatement hai." GALAT. Liabilities ka mukhya risk understatement (completeness) hai.

Exam trap 4
"Confirmation reply na aaye toh balance galat hai." GALAT. Non-response par alternative procedures karte hain.

Exam trap 5
"Subsequent event ka matlab hamesha adjust karna." GALAT. Adjusting aur non-adjusting dono hote hain, depend karta hai ki condition balance sheet date par thi ya nahi.

---

18. Summary Table: Asset aur Liability Tests

Item	Main assertion	Sabse achha test	Common red flag
Cash in hand	Existence	Surprise count	Count nahi karne diya
Bank	Existence, completeness	Direct bank confirmation	Reply company ke raaste aaya
Fixed assets	Existence, valuation	Floor to register aur register to floor	Register mein nahi par floor par
Inventory	Existence, valuation	Count observation, NRV test	Count ke baad adjustments bahut
Debtors	Existence, valuation	Confirmation, subsequent receipts	Controlled ya related debtors
Investments	Existence, valuation	Custodian confirm, price source	Valuation sirf management ka
Payables	Completeness	Unrecorded liabilities search	Period ke baad ke bade payments
Loans	Completeness, disclosure	Bank confirmation, agreement	Terms badal gaye, covenants break
Provisions	Completeness, valuation	Lawyer letter, minutes	Legal case ka disclosure nahi
Going concern	Disclosure	Cash flow forecast test	Net worth negative

Sources: case studies ke upar ke text ke neeche. Is table mein koi company figure nahi hai.

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19. 30 MCQs (Answer + 2-line explanation)

Q1. Assets ki audit mein mukhya risk kya hota hai? (a) Understatement (b) Overstatement (c) Koi nahi (d) Tax **Ans: (b).** Assets aksar zyada dikhaye jaate hain. Isliye existence aur valuation ka test.

Q2. Liabilities ki audit mein mukhya risk kya hota hai? (a) Understatement (b) Overstatement (c) Kam dikhana na ho (d) Koi nahi **Ans: (a).** Liabilities chhupayi jaati hain, isliye completeness sabse zaroori.

Q3. Fixed assets ke completeness test ki disha? (a) Register se floor (b) Floor se register (c) Dono (d) Kuch nahi **Ans: (b).** Floor par jo hai wo register mein hai ya nahi, ye completeness hai. Register se floor existence hai.

Q4. Stock count mein auditor kya karta hai? (a) Count karta hai (b) Observe karta hai aur test counts karta hai (c) Kuch nahi (d) Report likhta hai **Ans: (b).** Count management ka kaam hai, auditor observe aur test karta hai.

Q5. NRV ka matlab? (a) Cost (b) Estimated selling price minus selling cost (c) Market cap (d) Book value **Ans: (b).** Inventory cost aur NRV mein se kam par dikhayi jaati hai.

Q6. Cost Rs 100, SP Rs 90, selling cost Rs 5. Inventory ki value per unit? (a) 100 (b) 90 (c) 85 (d) 95 **Ans: (c).** NRV = 90 minus 5 = 85, jo cost se kam hai.

Q7. Machine Rs 10 lakh, residual 5%, life 10 saal. Annual SLM depreciation? (a) 1,00,000 (b) 95,000 (c) 50,000 (d) 90,000 **Ans: (b).** Depreciable amount 9,50,000 / 10 = 95,000.

Q8. Unrecorded liabilities search kya dekhta hai? (a) Period ke baad ke payments aur invoices (b) Fixed assets (c) Cash (d) Sales **Ans: (a).** Jo pichle period ka tha par baad mein book hua.

Q9. Bank confirmation mein kya kya poochna chahiye? (a) Sirf balance (b) Balance, loans, guarantees, charges (c) Kuch nahi (d) Sirf loans **Ans: (b).** Completeness ke liye saare accounts aur obligations.

Q10. Wirecard mein €1.9 billion kis ki baat hai? (a) Cash jo missing nikla (b) Profit (c) Tax (d) Dividend **Ans: (a).** Wikipedia ke mutabik company ne June 2020 mein €1.9 billion ka cash missing bataya.

Q11. Carillion ke collapse par cash kitna tha (FT ke mutabik)? (a) £29M (b) £290M (c) £2.9M (d) £2.9bn **Ans: (a).** Wikipedia ke mutabik FT ne £29M cash report kiya.

Q12. Reverse factoring ka mukhya sawaal? (a) Payables ya borrowings classification (b) Cash count (c) Stock (d) Fixed assets **Ans: (a).** Isse balance sheet par dikhne wala debt badal jaata hai.

Q13. Olympus ke Gyrus deal mein middleman ko fee kitni batayi gayi? (a) $687 million (b) $68 million (c) $6.8 billion (d) $2.2 billion **Ans: (a).** Thomson Reuters ke mutabik $687 million, jo price ka 31% tha.

Q14. Olympus ne kitne ke investment losses chhupaye (Wikipedia ke mutabik)? (a) ¥117.7 billion (b) ¥1.77 billion (c) ¥11.7 trillion (d) ¥177 million **Ans: (a).** Wikipedia ke mutabik more than ¥117.7 billion ($1.5 billion).

Q15. Toshiba ke case mein profit kitne se inflate hua (Wikipedia)? (a) $1.2 billion (b) $120 million (c) $12 billion (d) $12 million **Ans: (a).** Pichle saat saal mein $1.2 billion se inflated.

Q16. HP ne Autonomy ko kitne mein kharida (Wikipedia ke mutabik)? (a) $11.7 billion (b) $1.17 billion (c) $117 billion (d) $1.17 million **Ans: (a).** Saath hi ek saal mein $8.8 billion ka write-off.

Q17. Kingfisher Airlines kab band hui? (a) 20 October 2012 (b) 2005 (c) 2017 (d) 2020 **Ans: (a).** Wikipedia ke mutabik operations 20 October 2012 ko band hue.

Q18. Going concern ke liye sahi standard kaun sa hai? (a) SA 570 (b) SA 230 (c) SA 500 (d) SA 700 **Ans: (a).** Check report ke mutabik SA 570 going concern ka standard hai.

Q19. Subsequent events ka standard kaun sa? (a) SA 560 (b) SA 570 (c) SA 580 (d) SA 530 **Ans: (a).** Check report ke mutabik SA 560 subsequent events ke liye.

Q20. Accounting estimates ka standard? (a) SA 540 (b) SA 500 (c) SA 505 (d) SA 230 **Ans: (a).** SA 540 estimates ke liye hai.

Q21. External confirmations ka standard? (a) SA 505 (b) SA 501 (c) SA 580 (d) SA 700 **Ans: (a).** Check report mein SA 505 confirmations ke liye mention hai. SA 501 specific items (stock, litigation) ke liye.

Q22. Insurance Rs 12,000, 12 mahine, 1 Jan se. 31 March par prepaid kitna? (a) 9,000 (b) 3,000 (c) 12,000 (d) 0 **Ans: (a).** 3 mahine consume hue (3,000), 9 mahine baaki.

Q23. Bank statement Rs 1,95,000, outstanding cheques Rs 20,000, deposit in transit Rs 5,000. Books mein balance? (a) 1,80,000 (b) 1,70,000 (c) 2,20,000 (d) 1,95,000 **Ans: (a).** 1,95,000 minus 20,000 plus 5,000 = 1,80,000.

Q24. Debtor insolvent, Rs 80,000. Sahi entry? (a) Dr Bad Debts, Cr Debtors (b) Dr Debtors, Cr Bad Debts (c) Dr Cash, Cr Debtors (d) Koi entry nahi **Ans: (a).** Bad debt expense badhta hai, debtor ka balance ghatta hai.

Q25. Lawyer ka letter kis ke liye hai? (a) Litigation aur claims ke external saboot (b) Cash (c) Stock (d) Fixed assets **Ans: (a).** Provisions aur contingencies ka external confirmation.

Q26. Probable loss aur reliable estimate hone par? (a) Provision (b) Sirf disclosure (c) Kuch nahi (d) Asset **Ans: (a).** Possible ho toh disclosure, remote ho toh kuch nahi.

Q27. Controlled related party se sales ka risk? (a) Revenue substance par sawaal (b) Koi nahi (c) Cash badhta hai (d) Tax kam **Ans: (a).** Valeant jaisa sawaal: kya sale asli third-party sale hai.

Q28. Enron mein liabilities chhupane ka tareeka? (a) Off-balance-sheet special purpose entities (b) Cash ginna (c) Stock count (d) Tax refund **Ans: (a).** Wikipedia ke mutabik SPEs aur mark-to-market ka galat istemal.

Q29. Goods March mein mile, invoice April mein. March mein record na ho toh? (a) Purchases aur payables understated (b) Overstated (c) Koi asar nahi (d) Cash kam **Ans: (a).** Control March mein aa gaya tha, isliye March ki liability.

Q30. Going concern mein management ke plans ka saboot kyun? (a) Bayan akela kaafi nahi (b) Management kabhi galat nahi hota (c) Sirf formality (d) Tax ke liye **Ans: (a).** Kingfisher jaise cases mein plans ka asli evidence (signed term sheets, lender letters) chahiye.

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20. Chapter 10 Extension: Ant ki baat

Baarish thami nahi thi. Mez par kitabein, kagaz, aur do khaali mug.

Prabhat ne kitab band ki. Iksha ne uske haath par apna haath rakha.

Prabhat
Aaj ek baat samjhi. Audit sirf numbers ka kaam nahi hai. Ye bharosa aur sachchai ke beech ka pul hai.

Iksha
(dheere se) Aur kabhi kabhi ek pul jo log todne ki koshish karte hain. Hamara kaam usko tikaye rakhna hai.

Prabhat
Hum dono ka?

Iksha
Dono ka.

Bijli chamki. Ek pal ke liye kamre mein roshni hui. Dono ne ek doosre ki aankhon mein dekha, aur phir hans pade.

Prabhat
Kal ka chapter?

Iksha
Kal ka kal. Aaj raat ka kaam ho gaya.

Episode 11: Audit Report aur Opinions (Auditor ki Final Report)

Topic A: Audit report ke elements

> Real example: Lehman Brothers aur Repo 105 (USA) Sources: Wikipedia (Lehman Brothers, Repo 105), NY AG (sab [[SRC]] tags mein)

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1. Kahani Hook: School ki Report Card

Prabhat ke chhote bhai Chintu ki school report card aayi. Usme likha tha: "Maths: A. Science: A. Behaviour: A."

Mummy khush ho gayi. Lekin Prabhat ne report card palat ke dekhi. Peeche ek chhota sa note tha teacher ka: "Chintu ne do baar homework copy kiya hai, isliye uske marks verify kiye gaye hain. Teesri test mein usne cheating ki thi, us test ke marks include nahi kiye gaye."

Prabhat bola, "Mummy, report card ka asli matlab aage ke grades mein nahi hai. Asli matlab peeche ke note mein hai."

Yehi hai audit report ka secret. Sab log sirf ek cheez dekhte hain: "clean hai ya nahi?" Lekin asli kahani report ke andar hoti hai: opinion ka type, emphasis of matter, key audit matters, aur woh chhote notes jahan auditor chilla ke nahi, par saaf saaf likh deta hai ki kahin daal mein kala hai.

Audit report auditor ka **final product** hai. Mahino ka kaam, saare procedures, saara evidence, sab condense hoke ek document mein aata hai. Investor, bank,

sarkar, employee, sab isi ek document ko padh ke decide karte hain ki company pe bharosa hai ya nahi.

Is chapter mein:

- Audit report ke elements (kya kya hota hai)
- Opinion ke 4 types: unqualified, qualified, adverse, disclaimer
- Emphasis of Matter aur Key Audit Matters
- India mein report: Companies Act Section 143, CARO
- Lehman Brothers: jahan auditor ne clean report di, aur company Repo 105 se $50 billion chhupa rahi thi

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2. Chat Dialogue: Prabhat aur Iksha

Topic A: Audit report ke elements

Prabhat
Iksha, audit report mein aakhir hota kya hai?

Iksha
SA 700 (Revised) ke hisaab se standard elements hote hain. Order se suno. Pehla, **title**, jismein "Independent Auditor's Report" likha ho. Doosra, **addressee**: report kiske naam hai, usually members/shareholders of the company. Teesra, **Opinion section**: sabse pehle aata hai revised format mein, auditor ka opinion kya hai.

Prabhat
Ruko, opinion sabse upar? Pehle woh end mein nahi hota tha?

Iksha
Haan, purane format mein opinion end mein tha. Revised standards mein upar le aaye, kyunki reader ko sabse pehle yahi jaanna hota hai. Phir aata hai **Basis for Opinion**: auditor ne kaunse standards follow kiye, independence ka declaration. Phir **Key Audit Matters** (listed companies ke liye, SA 701): audit ke sabse significant matters kya the. Phir management ki responsibility, auditor ki responsibility, aur end mein **Other reporting obligations** (jaise India mein CARO), signature, place, date, UDIN.

Prabhat
UDIN kya hota hai?

Iksha
Unique Document Identification Number. ICAI ka system hai India mein: har audit report aur certificate pe ek unique number generate hota hai, taaki fake reports pe pakad ho sake. Koi bhi udin.icai.org pe jaake verify kar sakta hai ki report asli hai ya nahi.

Prabhat
Nice. Toh report = opinion + basis + KAM + responsibilities + signature. Got it.

Topic B: Opinion ke 4 types

Prabhat
Iksha, ab main cheez. Opinion kitne type ke hote hain?

Iksha
Chaar. Suno dhyan se, ye exam ka favourite hai.

Prabhat
Ready.

Iksha

Pehla, **Unqualified opinion**, jisko "clean opinion" bhi kehte hain. Matlab: financial statements true and fair view dete hain, sab material respects mein theek hain. Isme koi "par" nahi hai.

Prabhat

Clean chit.

Iksha

Haan. Doosra, **Qualified opinion**. Matlab: sab theek hai, **except for** ek specific cheez. Ek particular matter galat hai ya uska evidence nahi mila, aur woh material hai, par pervasive nahi, matlab poori statements ko pollute nahi karta.

Prabhat

Pervasive matlab?

Iksha

Har jagah faila hua. Ek debtors ki entry galat hai, woh material ho sakta hai par pervasive nahi. Lekin agar accounting system hi toota hua hai, records hi nahi hain, woh pervasive hai. Teesra, **Adverse opinion**: statements true and fair nahi hain, misstatement material **aur pervasive** dono hai. Auditor kehta hai, "In statements pe bharosa mat karo."

Prabhat

Aur chautha?

Iksha

Disclaimer of opinion: auditor opinion hi nahi de paata. Evidence hi nahi mila, aur jo missing hai woh material aur pervasive hai. Auditor kehta hai, "Hum kuch nahi keh sakte." Ye tab hota hai jab records destroyed hon, ya management ne access hi na diya ho.

Prabhat
Toh decision tree: problem hai ya nahi? Nahi = unqualified. Haan = misstatement ya evidence-missing? Material but not pervasive = qualified. Material and pervasive = adverse (misstatement) ya disclaimer (evidence missing)?

Iksha
Perfect. Ye SA 705 ka framework hai. Table bana lena, recap mein bhi dunga.

Topic C: Emphasis of Matter aur Key Audit Matters

Prabhat
Iksha, kabhi kabhi clean opinion ke baad bhi kuch likha hota hai na report mein?

Iksha
Haan. Do cheezein confuse mat karna. **Emphasis of Matter (EOM)**: auditor kisi cheez pe reader ka dhyan khinchta hai jo statements mein already disclosed hai, jaise major uncertainty, court case, going concern ka issue. Opinion modify nahi hota, par auditor kehta hai "ye paragraph dhyan se padho." SA 706 isko cover karta hai.

Prabhat
Aur Key Audit Matters?

Iksha
KAM (SA 701) woh matters hain jo auditor ke professional judgement mein is saal ke audit ke **sabse significant** the. Jaise ek badi acquisition ka valuation, ya revenue recognition ka complex area. KAM mein auditor batata hai: ye matter kyun important tha aur humne isko audit mein kaise address kiya.

Prabhat
Farq samajh aaya: EOM statements ke andar ki cheez pe dhyan dilata hai; KAM audit process ki sabse badi challenges batata hai. Dono mein opinion clean reh sakta hai?

Iksha
Bilkul. Dono opinion modify nahi karte. Lekin smart reader inhe zaroor padhta hai. Jaise Chintu ki report card ka peeche wala note.

Prabhat
Haha, Chintu phir aa gaya!

Topic D: India mein audit report: Section 143 aur CARO

Prabhat
Iksha, India mein company audit report ke special rules kya hain?

Iksha
Companies Act 2013 ka **Section 143** core hai. Auditor ko report karna hota hai ki usne accounts dekhe, aur unke hisaab se statements true and fair view dete hain ya nahi. Section 143(1) mein auditor ko inquiry karni hoti hai kuch matters pe, jaise loans against assets, personal expenses books mein toh nahi. Section 143(3) mein report mein specific cheezein state karni hoti hain: information mili ya nahi, books theek rakhe gaye ya nahi, statements Act ke compliant hain ya nahi.

Prabhat
Aur fraud ka kya?

Iksha
Section 143(12): agar auditor ko audit ke dauran fraud ka pata chale jo prescribed threshold se upar hai, toh usko Central Government ko report karna padta hai (Rule 13, ab form ADT-4 ke through, pehle Board/Audit Committee ko batana hota hai). Ye bahut important duty hai, auditor chup nahi reh sakta.

Prabhat
CARO bhi suna hai. Woh kya hai?

Iksha

CARO = Companies (Auditor's Report) Order. Latest version CARO 2020 hai. Government ka order hai ki auditor apni report mein extra matters pe comment kare: fixed assets, inventory, loans, statutory dues, unrecorded income, fraud, internal audit, wagah wagah. 21 clauses hain CARO 2020 mein. Matlab normal opinion ke upar, ek detailed checklist report bhi deni hoti hai.

Prabhat

Toh Indian audit report = opinion + basis + KAM (listed ho toh) + Section 143(3) matters + CARO + signature + UDIN?

Iksha

Sahi pakde ho. Aur haan, internal financial controls pe bhi report karna hota hai listed aur prescribed companies ke liye, Section 143(3)(i).

Topic E: Jab report galat padhe: auditor ki liability

Prabhat

Iksha, agar auditor ne clean report di aur company fraud nikli, toh auditor ki kya liability hai?

Iksha

Depends. Agar auditor ne standards follow kiye, sahi evidence liya, professional scepticism dikhayi, aur phir bhi fraud chhup gaya, kyunki fraud collusion aur forgery se hota hai, toh auditor ki defence strong hai. Audit guarantee nahi hai, reasonable assurance hai.

Prabhat

Reasonable assurance matlab?

Iksha

100% nahi. Audit sampling pe, judgement pe, aur time-cost balance pe chalta hai. Lekin agar auditor negligent tha, standards follow nahi kiye, obvious red flags ignore kiye, toh civil liability (damages), professional liability (ICAI/NFRA action), aur kabhi criminal liability bhi ho sakti hai. Abhi Lehman ki kahani suno, wahan yahi sawaal tha: auditor ne sab dekha, par kuch kaha nahi.

---

3. Core Idea in 3 Levels

6 saal ka bachha box

Socho tumne apne dost ko apna ghar dikhaya aur kaha, "Sab theek hai!" Dost ne check kiya aur ek chitthi di. Us chitthi mein ho sakta hai likha ho: "Sab theek hai" (clean). Ya "Sab theek hai, par bathroom ka nalka toota hai" (qualified). Ya "Ghar theek nahi hai" (adverse). Ya "Maine dekh hi nahi paya, tumne andar aane hi nahi diya" (disclaimer). Audit report woh chitthi hai. Auditor har company ke liye aisi chitthi likhta hai.

Normal explanation

Audit report auditor ka formal opinion document hai. Structure SA 700 (Revised) deta hai: title, addressee, opinion, basis for opinion, KAM (listed entities), responsibilities, signature, date, place, UDIN in India. Opinions 4 type: unqualified (clean), qualified (except for), adverse (galat hai, pervasive), disclaimer (opinion nahi de sakte, evidence missing pervasive). Modified opinions SA 705 ke under aate hain. EOM aur KAM (SA 706, 701) opinion ko modify kiye bina reader ko important cheezein batate hain. India mein Section 143 aur CARO 2020 extra reporting lagate hain, aur Section 143(12) fraud reporting mandatory karta hai.

PhD box

Opinion formation ka logic two-dimensional hai: nature of issue (misstatement vs inability to obtain evidence) x pervasiveness (material-but-not-pervasive vs material-and-pervasive). Isi 2x2 se qualified/adverse/disclaimer nikalte hain. Pervasiveness ka judgement subjective hota hai aur hi-stakes hota hai: ek

qualification se company ka cost of capital badh jaata hai, isliye auditors aur management ke beech opinion negotiation ek studied phenomenon hai. Revised auditor reporting (post-2015 IAASB changes) ne opinion ko upar laya aur KAM introduce kiya kyunki 2008 crisis ke baad criticism tha ki audit reports "binary aur information-free" hain. Research kehti hai KAM ne report ki communicative value badhayi hai, par boilerplate ho rahi hai. India mein NFRA auditor liability ko aggressive pursue karta hai: documentation quality hi defence hai (ch9 se link). Going concern reporting ka "expectation gap" persistent hai: Carillion jaise cases mein clean opinion ke 4 mahine baad collapse. Lehman mein E&Y ka stance tha ki Repo 105 accounting GAAP-compliant tha; critics kehte hain legal form pe substance dominate kiya gaya. Substance over form hi auditor ka dharma hai.

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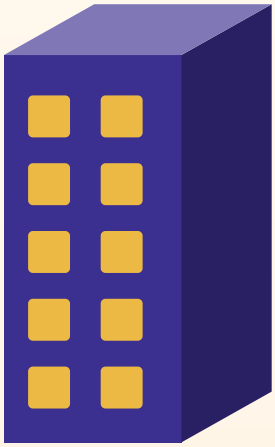
4. Real Example: Lehman Brothers aur Repo 105, $50 billion ka jaadu

Lehman: $50 billion ka jaadu

Source: Wikipedia (Lehman Brothers, Repo 105)

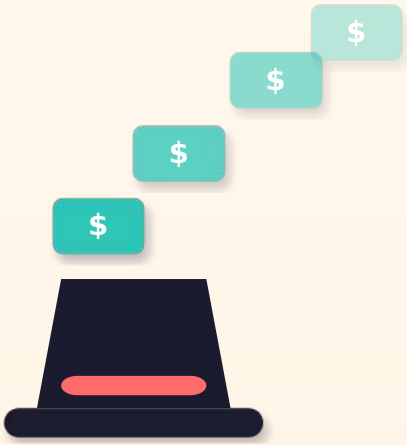
Quarter end se pehle



LEHMAN

balance sheet bhari hui

Quarter end par



$50 billion assets

"sale" dikha ke gayab

Statements publish

hone se theek pehle

Leverage kam dikhta

debt chhuka diya

(Repo 105: 105 do, 100 cash lo)



Quarter end

Agle din: wapas

borrow karo, assets wapas kharid lo

Examiner Valukas (11 Mar 2010):

teen baar use hua



Auditor ko dikha?



Lehman ka collapse

Lehman Brothers ek 150+ saal purani American investment bank thi. 15 September 2008 ko usne Chapter 11 bankruptcy file ki, jo **US history ki sabse badi bankruptcy** thi: **$639 billion assets**, **$613 billion bank debt**, aur **$155 billion bond debt** ke saath [src]. 2008 tak company ke $680 billion assets sirf $22.5 billion capital pe tike the, matlab leverage extreme tha [src].

Banks leverage ratio pe judge hoti hain: kitna debt, kitna equity. Lehman ko pata tha ki market uska leverage dekhti hai. Toh usne ek trick nikali.

Repo 105: balance sheet ka make-up

Normal repo (repurchase agreement) mein aap assets ko collateral ki tarah deke short-term cash lete ho: technically ek loan. Accounts mein bhi loan hi dikhta hai, asset balance sheet pe rehta hai, liability badhti hai.

Lehman ne kuch repo deals ko **sale** ki tarah treat kiya. Iska naam tha **Repo 105**: 105 value ki assets do, 100 cash pao (cost lagbhag 4.76%). Ek variant tha Repo 108 (108 deke 100 pao, cost 7.41%) [src]. Kyunki isko "sale" mana gaya, assets balance sheet se **gayab** ho jaate the aur aayi hui cash se Lehman apna **debt chhuka deta tha**. Result: quarter-end balance sheet pe leverage kam dikhne laga.

Court-appointed examiner Anton Valukas ki 11 March 2010 ki report ke hisaab se, Lehman ne is trick se financial statements publish karne se theek pehle **$50 billion ke assets temporarily cash mein badle** [src]. Report publish hote hi, company phir se borrow karti aur assets wapas kharid leti. Ye trick examiner ke hisaab se teen baar use hua [src].

Investors ko kya dikha? Ek "healthier" Lehman. Reality: wahi leverage, bas do din ke liye chhupa hua.

Auditor kahan tha?

Lehman ke auditor the **Ernst & Young**. Examiner ki report ke mutabik E&Y is classification se aware tha [src]. E&Y ne kabhi Lehman ke accounts qualify nahi kiye. Baad mein E&Y ka stance raha ki transactions ko GAAP ke hisaab se account kiya gaya tha [src].

December 2010 mein New York Attorney General Andrew Cuomo ne E&Y ke khilaf case kiya, alleging ki firm ne Lehman ki "massive accounting fraud" mein

substantially assist kiya, aur **$150 million** maange [src]. Case 2015 mein **$10 million** mein settle hua, bina E&Y ke wrongdoing admit kiye [src].

Audit report chapter ke lessons

1. **Clean opinion ka matlab "risk-free" nahi.** Lehman ki last reports clean the. Readers ko opinion ke peeche ki judgement samajhni chahiye.
2. **Substance over form.** Repo 105 legally "sale" banaya gaya, par substance mein woh window-dressing loan tha. Auditor ka kaam form nahi, substance dekhna hai.
3. **Window dressing hi ek misstatement hai.** Agar balance sheet sirf ek din ke liye achhi dikhti hai, toh woh true and fair nahi. Period-end transactions ko auditor specially test karta hai.
4. **Modified opinion ka power.** Ek qualified ya adverse opinion 2007 mein shayad market ko jaga deta. Auditor ke paas nuclear option hota hai, par use karne mein bahut pressure hota hai (client loss, fees, relationships).
5. **Expectation gap.** Public sochti hai audit = guarantee. Reality: reasonable assurance. Lehman ke baad hi auditor reports reform hue, KAM aaye, aur going concern disclosures strong hue.

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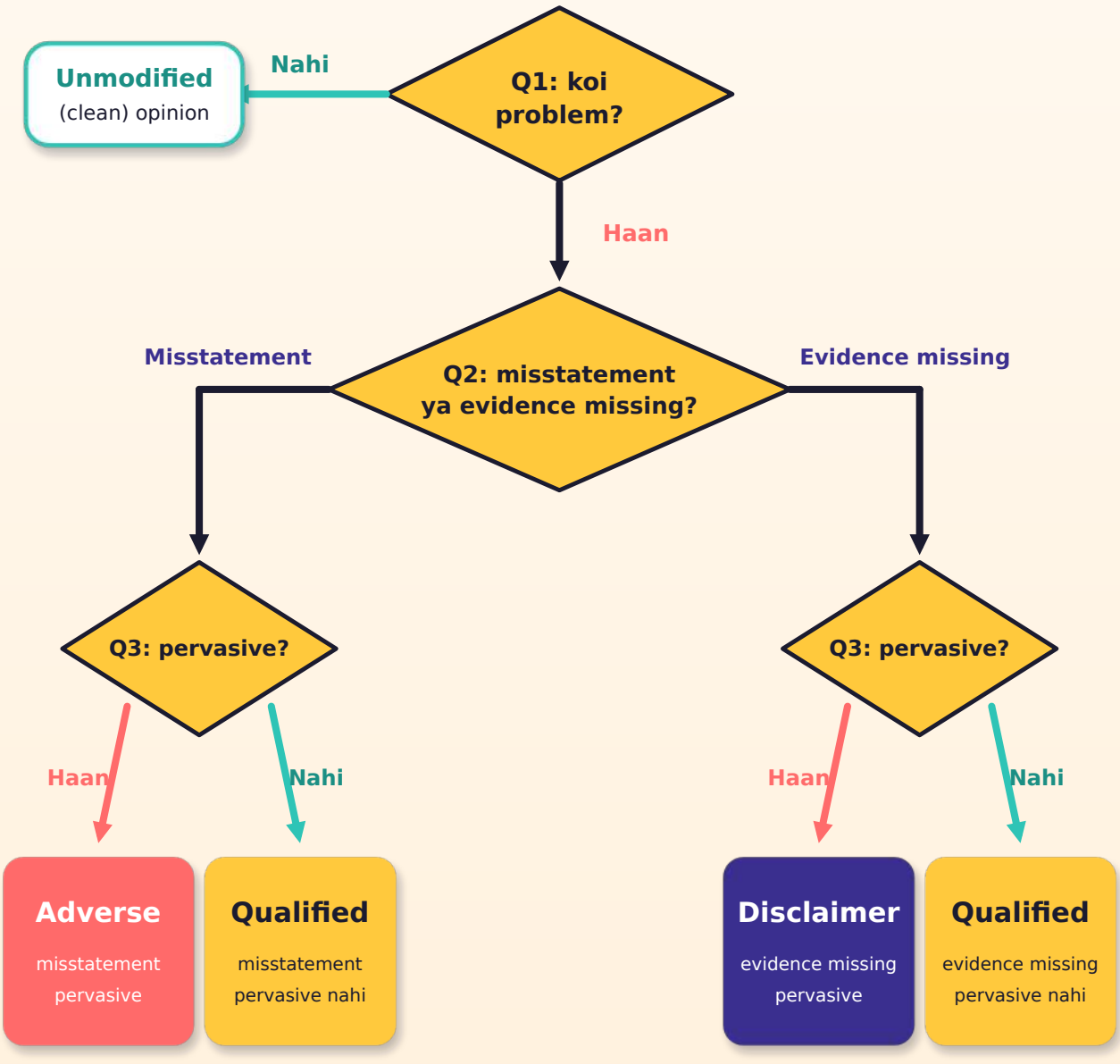
5. Infographic Section

Opinion ka decision tree



Yaad rakho:

Adverse: financial statements galat dikhate hain (bahut zyada).

Disclaimer: auditor ke paas itna evidence hi nahi ki opinion de sake.

Audit report ka anatomy

Title

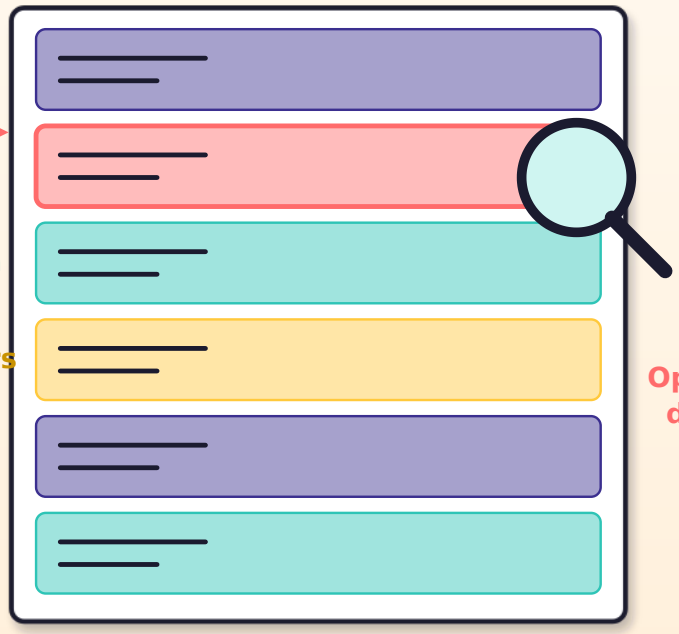
Opinion

Basis for Opinion

Key Audit Matters

Responsibilities

Signature



Opinion par dhyan do





Repo 105: kaise kaam karta tha

Source: Wikipedia (Repo 105)

LEHMAN
assets: 105
cash chahiye

105 assets →

← **100 cash**

Counterparty
deta hai: 100 cash
("sale" mana gaya)

↓

Cash se debt chhuka diya →

QUARTER END
balance sheet publish

Assets nahi dikhte, leverage kam dikhta

Quarter end ke baad: ulta (reverse)

Lehman wapas
borrow karta hai

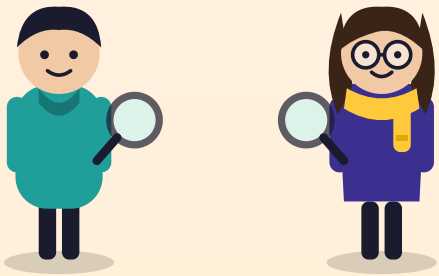
←

Assets wapas
kharid liye

Cost: Repo 105 = 4.76%, Repo 108 = 7.41% (assets exchanged)

Valukas (11 Mar 2010): $50 billion assets temporarily cash mein badle

Teen baar use hua (examiner report ke anusaar)



Auditor poochhe: yeh asli sale hai ya balance sheet ki makeup?

6. Exam Angle: UPSSSC isko kaise poochta hai

Audit report aur opinions UPSSSC ke favourite hain: opinion types, "except for" wording, CARO ka full form, Section 143 ke clauses, UDIN. Neeche 5 PYQ-style questions.

Q1. Jab financial statements mein material misstatement ho par pervasive na ho, auditor kaunsa opinion deta hai? (a) Unqualified (b) Qualified (c) Adverse (d) Disclaimer

Answer: (b). Material but not pervasive misstatement = qualified opinion ("except for"). Adverse tab jab pervasive bhi ho.

Q2. Disclaimer of opinion kab diya jaata hai? (a) Jab statements galat hon aur pervasive ho (b) Jab auditor sufficient appropriate evidence na le paye aur effect material and pervasive ho (c) Jab management rude ho (d) Jab fees na mili ho

Answer: (b). Disclaimer = evidence ki kami, material aur pervasive. Adverse = misstatement ka proof, material aur pervasive. Dono confuse mat karna.

Q3. "Except for" wali wording kis opinion mein aati hai? (a) Unqualified (b) Qualified (c) Adverse (d) Disclaimer

Answer: (b). Qualified opinion ki signature phrase hai.

Q4. CARO 2020 ka full form kya hai? (a) Companies (Audit Report) Order (b) Companies (Auditor's Report) Order (c) Company Accounts Review Order (d) Corporate Audit Reporting Order

Answer: (b). Companies (Auditor's Report) Order, 2020. 21 clauses hain isme.

Q5. Companies Act 2013 ka kaunsa section auditor dwara fraud ko Central Government ko report karne se juda hai? (a) Section 139 (b) Section 141 (c) Section 143(12) (d) Section 147

Answer: (c). Section 143(12): fraud above prescribed threshold report karna mandatory hai (ADT-4 route).

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7. Recap Page

10 bullet points

1. Audit report auditor ka final product hai: SA 700 (Revised) structure deta hai, opinion section ab upar aata hai.
2. Opinion ke 4 types: unqualified (clean), qualified (except for), adverse (galat + pervasive), disclaimer (evidence missing + pervasive).
3. Decision ka logic: nature (misstatement ya evidence gap) x pervasiveness. SA 705 modified opinions cover karta hai.
4. Emphasis of Matter (SA 706): reader ka dhyan kisi disclosed cheez pe; opinion modify nahi hota.
5. Key Audit Matters (SA 701): audit ke sabse significant matters, listed companies mein mandatory.
6. India: Section 143(3) matters, CARO 2020 (21 clauses), internal financial controls reporting, UDIN se verification.
7. Section 143(12): fraud government ko report karna mandatory hai; auditor chup nahi reh sakta.
8. Audit reasonable assurance deta hai, guarantee nahi. Lekin negligence pe auditor civil, professional aur criminal liability mein aa sakta hai.
9. Lehman Repo 105: $50 billion assets quarter-end pe "sale" dikha ke hata diye, leverage kam dikhaya; auditor E&Y aware tha per Valukas report (2010); NY AG case 2015 mein $10M settle.
10. Report padhna ek skill hai: opinion ke saath EOM, KAM aur basis paragraph zaroor padho. Asli kahani details mein hoti hai.

Cheat-sheet table

Opinion	Kab	Signature phrase / effect
Unqualified	Sab material respects mein theek	"True and fair view", clean
Qualified	Misstatement ya evidence gap, material par pervasive nahi	"Except for..."
Adverse	Misstatement material + pervasive	"Do not give true and fair view"
Disclaimer	Evidence gap material + pervasive	"We do not express an opinion"

Extra element	Kya hai	Standard
Basis for Opinion	Standards followed, independence	SA 700
EOM	Disclosed matter pe dhyan	SA 706
KAM	Audit ke sabse significant matters	SA 701
CARO 2020	21-clause checklist report	Companies Act
Fraud reporting	Government ko ADT-4	Sec 143(12)
UDIN	Fake report rokne ka unique number	ICAI
Lehman lesson	Clean report + window dressing = disaster	Valukas report

---

Ye chapter Part ke end ki taraf le jaata hai: report likhna seekh liya. Ab aage Companies Act ke audit provisions (Chapter 12) mein kanoon ki detail milegi.

Chapter 11 (Part B): Audit Report ko padhna seekho, paragraph by paragraph

> Ye extension Part A (sections 1-7) ke baad aata hai. Part A ne report ke elements aur 4 opinion types diye. Part B mein: ek poori report line-by-line, 10 sample report paragraphs (paraphrased model wording), pervasiveness ki depth, 2 naye real cases (Wirecard, Carillion), aur 30+ practice MCQs.

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8. Kahani hook 2: Photocopy wali dukaan ka page

Prabhat ek photocopy wali dukaan pe khada tha, Iksha ke notes chhapwane. Machine ke paas ek chhoota hua page pada tha. Kisi company ki audit report ka ek page.

Prabhat ne uthaya. Upar bade aksharon mein: **"Basis for Qualified Opinion"**.

Us raat Prabhat ne Iksha ko message kiya: "Aaj mujhe ek qualified report mili. Asli wali. Padh ke ajeeb laga, jaise kisi ki report card pe teacher ne likha ho 'sab theek hai, par ek subject mein nakal.'"

Iksha ka reply aaya: "Wo ek page kisi investor ke lakhon rupaye bacha sakta hai. Kal milo, main tumhe report padhna sikhati hoon. Aur Prabhat, wo page wapas rakh dena, kisi ka personal document hai."

Prabhat muskura diya. Iksha hamesha aisi hi hai: pehle ethics, phir lesson.

Kal jo hua, wahi is section ka content hai.

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9. Chat: Ek poori unmodified report ko line-by-line padhna

Iksha ne apne laptop pe ek sample report kholi. "Ye ek standard unmodified report hai, Indian format, SA 700 (Revised) ke hisaab se. Chalo, upar se neeche."

Prabhat
Sabse upar kya hai?

Iksha
"Independent Auditor's Report" aur neeche **"To the Members of XYZ Limited"**. Title mein "Independent" shabd zaroori hai. Addressee members hain, kyunki report shareholders ke liye hai, management ke liye nahi. Ye exam ka favourite trap hai: report management ko address nahi hoti.

Prabhat
Phir?

Iksha
Sub-heading **"Report on the Audit of the Financial Statements"**. Iske neeche pehla section: **Opinion**. Yahan auditor batata hai kya audit kiya (balance sheet, profit and loss, cash flows, changes in equity, notes), aur apna opinion deta hai. Clean report mein opinion yeh kehta hai ki statements Companies Act ki required information dete hain aur true and fair view dete hain, Indian accounting principles ke hisaab se [src].

Prabhat
Basis for Opinion?

Iksha
Wo paragraph jahan auditor kehta hai: humne audit Standards on Auditing ke hisaab se kiya, jo Section 143(10) ke under specified hain; hum independent hain ICAI Code of Ethics ke mutabik; aur jo evidence mila wo sufficient aur appropriate hai. Ye section har report mein hota hai, chahe opinion koi bhi ho. Clean ho ya adverse, independence declaration to hoga hi.

Prabhat
Aur agar company listed hai?

Iksha
Phir **Key Audit Matters** ka section aata hai (SA 701). Phir management ki responsibilities, phir auditor ki responsibilities ka lamba section, aur end mein **"Report on Other Legal and Regulatory Requirements"**, jahan Section 143(3) ke points aur CARO ki baat aati hai. Sabse aakhir mein: signature, membership number, FRN (firm registration number), place, date, aur UDIN.

Prabhat
Ek cheez batao. Opinion section mein auditor "to the best of our information and according to the explanations given to us" kyun likhta hai?

Iksha
Kyunki audit reasonable assurance hai. Auditor apni jaankari ki seema bata raha hai. Ye phrase auditor ko unlimited guarantee se bachati hai, lekin ye escape hatch nahi hai. Agar negligence ho, to ye phrase nahi bachayegi. Wirecard aur Carillion dono cases mein yahi sawaal utha, aage padhenge.

Prabhat
Report ki date ka kya matlab hai?

Iksha

Report ki date woh din hai jab tak auditor ne subsequent events dekhe. Auditor report us din se pehle date nahi kar sakta jab din statements approve hue. Aur report ki date ke baad ke facts ke liye auditor ki active duty nahi, kuch exceptions ke saath. Detail SA 560 ka hai, abhi itna yaad rakho: **report date = responsibility ki lakshman rekha**.



---

10. Dus sample paragraphs: auditor ki bhasha ka dictionary

Iksha ne kaha, "Ab main tumhe 10 sample paragraphs dikhati hoon. Ye standards ke model formats se **paraphrase** kiye gaye hain, exact legal wording ke liye hamesha SA text hi dekho. Lekin in 10 ko samajh loge to koi bhi audit report 2 minute mein crack kar loge."

Note for readers

Neeche diye paragraphs SA 700 (Revised), SA 705 (Revised), SA 570 (Revised) aur SA 706 ke illustrative formats se apne shabdon mein likhe gaye hain. Sources har paragraph ke neeche. Exam mein exact phrasing poochhe to bare standard se verify karna.

P1. Unmodified (clean) Opinion paragraph

> "Humne ABC Limited ki financial statements audit ki hain, jismein 31 March 20XX ka balance sheet, us date ko khatam hone wale saal ki profit and loss statement, cash flow statement, changes in equity, aur significant accounting policies ke notes shaamil hain. Hamare opinion mein, aur hamein mili jaankari aur diye gaye explanations ke mutabik, ye financial statements Companies Act, 2013 dwara required information uss tarike mein dete hain jaisa required hai, aur Indian accounting principles ke anusaar company ki 31 March 20XX ki sthiti aur us saal ke profit/loss aur cash flows ka true and fair view dete hain."

Iksha

Ismein teen code words hain: "in our opinion" (ye judgement hai, measurement nahi), "to the best of our information" (assurance ki seema), aur "true and fair view" (India ka fair presentation standard). Clean opinion mein koi "except" nahi hota. [src]

P2. Basis for Opinion paragraph

> "Humne apna audit Standards on Auditing (SAs) ke anusaar kiya, jo Companies Act, 2013 ke Section 143(10) ke under specified hain. Un standards ke under hamari responsibilities is report ke 'Auditor's Responsibilities' section mein di gayi hain. Hum company se independent hain ICAI ke Code of Ethics aur Companies Act ke ethical requirements ke mutabik, aur humne apni baaki ethical responsibilities poori ki hain. Hamara vishwas hai ki humein mila audit evidence hamare opinion ke liye sufficient aur appropriate basis deta hai."

Iksha
Chaar cheezein pakdo: SAs follow kiye, independence declare ki, ethics poori ki, evidence sufficient tha. Agar ye paragraph missing ho to report adhoori hai. [src]

P3. Qualified Opinion paragraph (misstatement wala)

> "Hamare opinion mein, aur hamein mili jaankari ke mutabik, **Basis for Qualified Opinion section mein describe kiye gaye matter ke effects ke siwa**, upar batayi financial statements Companies Act, 2013 dwara required information deti hain aur Indian accounting principles ke anusaar company ki 31 March 20XX ki sthiti, us saal ke profit/loss aur cash flows ka true and fair view deti hain."

Iksha
Sirf ek phrase add hua: "except for the effects of the matter described in the Basis for Qualified Opinion section." Yehi qualified opinion ki pehchaan hai. BA mein padha tha, ab wording bhi yaad karo. [src]

P4. Basis for Qualified Opinion paragraph (inventory misstatement example)

> "Company ne apni inventories ko balance sheet mein sirf cost pe dikhaya hai, jabki Accounting Standards kehte hain ki inventories ko cost aur net realisable value, dono mein jo kam ho, us pe dikhana chahiye. Agar company ne inventories ko sahi value pe likha hota, to cost of sales badhta, aur income tax, net income aur shareholders' funds kam hote. Ye misstatement material hai, lekin pervasive nahi."

Iksha
Ye SA 705 ke Illustration 1 ka paraphrase hai: inventories ka case. Dhyaan do: auditor hamesha batata hai ki effect kya hota, quantified ya qualitative. Sirf "galat hai" likhna kaafi nahi. [src]

P5. Qualified Opinion (evidence na milne wala): "possible effects"

> "Hamare opinion mein, **Basis for Qualified Opinion section mein describe kiye gaye matter ke possible effects ke siwa**, financial statements true and fair view deti hain."

Prabhat
Ruko, yahan "possible effects" kyun?

Iksha
Kyunki jab evidence hi nahi mila, to auditor exact effect nahi bata sakta. Isliye wording badal jaati hai: misstatement ho to "effects", evidence gap ho to "**possible** effects of the matter(s)". SA 705 para 17 ka rule hai. Exam mein isi ek shabd ka sawaal banta hai. [src]

P6. Adverse Opinion paragraph

> "Hamare opinion mein, **Basis for Adverse Opinion section mein describe kiye gaye matter ki significance ki wajah se**, ye financial statements Indian accounting principles ke anusaar company ki sthiti, profit/loss aur cash flows ka true and fair view **nahi** dete."

Iksha
Adverse ka signature: "because of the significance of the matter(s) ... do not give a true and fair view." SA 705 ka Illustration 2 iska example deta hai, jahan group ne ek subsidiary ko consolidate hi nahi kiya, aur effect pervasive tha. Adverse mein auditor khulte mein kehta hai: in statements pe bharosa mat karo. [src]

P7. Disclaimer of Opinion paragraph

> "Hum company ki financial statements audit karne ke liye appoint kiye gaye the. **Basis for Disclaimer of Opinion section mein describe kiye gaye matters ki significance ki wajah se, humein sufficient appropriate audit**

> **evidence nahi mil saka** jis pe opinion base ho sake, isliye hum in financial statements pe **koi opinion express nahi karte**."

Iksha
Disclaimer mein auditor apni responsibilities wale section ko bhi chhota karta hai, kyunki kaam hi poora nahi ho paya. Aur ek trap: disclaimer mein "except for" nahi aata, kyunki koi opinion hai hi nahi jise qualify kiya ja sake. [src]

P8. Material Uncertainty Related to Going Concern section (SA 570 Revised)

> "**Material Uncertainty Related to Going Concern.** Hum Note 6 ki taraf dhyan khinchte hain, jismein bataya gaya hai ki company ko saal mein net loss hua aur uski current liabilities total assets se zyada hain. Jaisa Note 6 mein kaha gaya hai, ye events aur conditions darshate hain ki ek material uncertainty exist karti hai jo company ki going concern ke roop mein chalne ki kshamata pe significant doubt daal sakti hai. **Is matter ke respect mein hamara opinion modify nahi hua hai.**"

Iksha
Bahut important update: revised standards mein going concern ki material uncertainty ab EOM mein **nahi** jaati, uska apna alag section hai, jo Basis for Opinion ke theek baad aata hai. Ye ICAI ke training material mein bhi clearly likha hai: pehle EOM mein tha, ab separate heading. [src]

P9. Emphasis of Matter paragraph (SA 706)

> "**Emphasis of Matter.** Hum Note 19 ki taraf dhyan khinchte hain, jo company ke khilaf chal rahi ek badi litigation ko describe karta hai, jiska outcome uncertain hai. **Is matter ke respect mein hamara opinion modify nahi hua hai.**"

Iksha
EOM ke 3 rules SA 706 ke: alag section jismein heading mein "Emphasis of Matter" ho; paragraph mein matter ka clear reference aur statements ke andar uski disclosure ki jagah; aur ye line ki opinion modify nahi hua. EOM sirf already disclosed cheez pe hota hai, nayi baat EOM mein nahi aa sakti. [src]

P10. Key Audit Matters sample (SA 701)

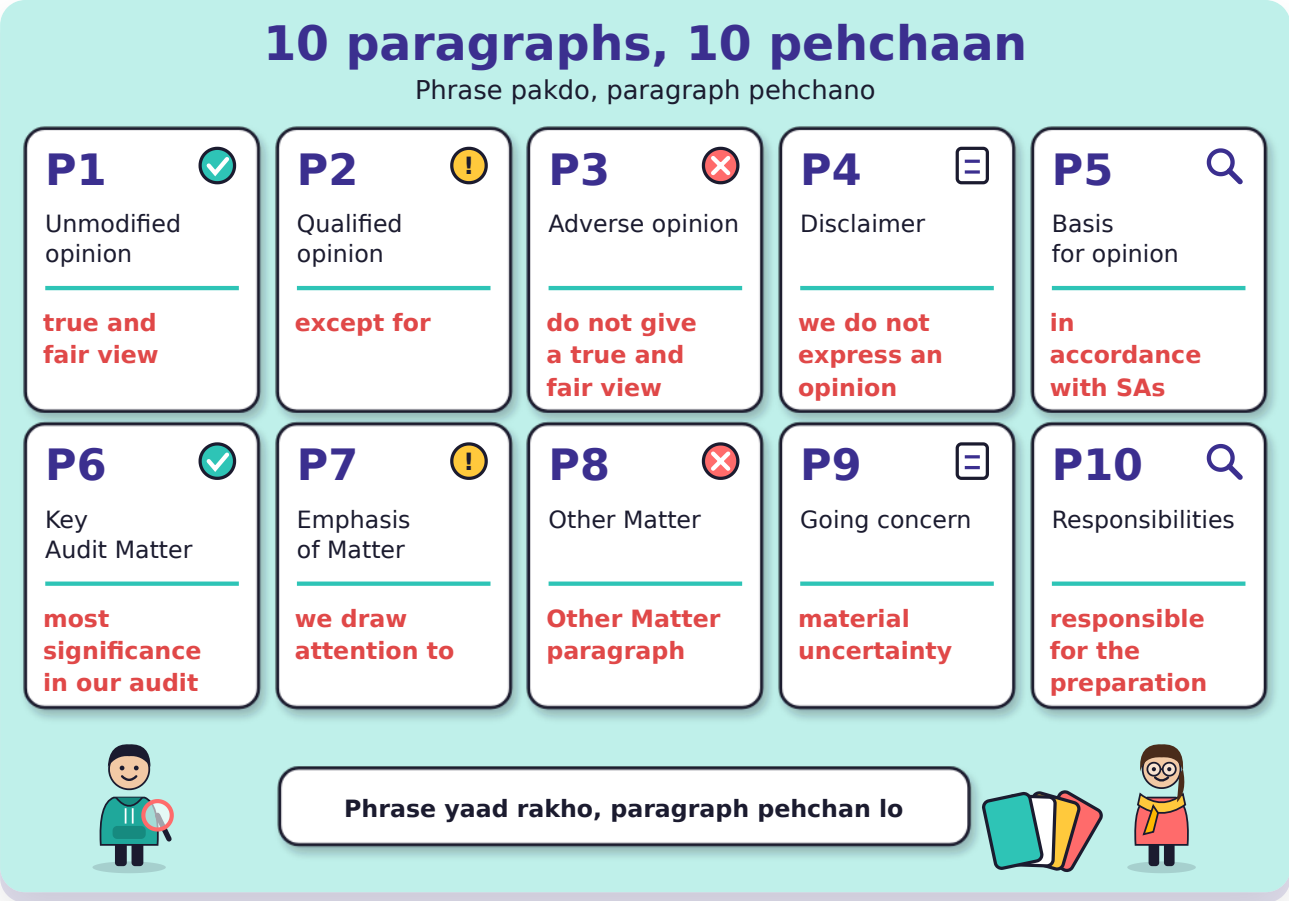
> "**Key Audit Matters.** Key audit matters wo matters hain jo hamare professional judgement mein is saal ke audit ke sabse significant the. Inhe poore financial statements ke audit ke context mein aur apne opinion banate hue address kiya gaya, aur hum in matters pe alag opinion nahi dete.
> **Revenue recognition:** Company ki lambi construction contracts mein revenue percentage-of-completion se recognise hoti hai, jo management ke cost estimates pe nirbhar hai. Estimates mein high judgement ke kaaran humne isse key audit matter mana. Humne contract terms ko test kiya, cost-to-complete estimates ko past accuracy se compare kiya, aur year-end ke aas-paas ke milestones ke liye site evidence liya."

Iksha
KAM ka format: matter kya hai, significant kyun hai, audit mein kaise address kiya. Aur golden line: "hum in matters pe alag opinion nahi dete." KAM kabhi opinion ka substitute nahi hota. Agar matter opinion modify karwata hai, to wo Basis for Qualified/Adverse section mein jaata hai, KAM mein nahi. [src]

Prabhat
Ye 10 paragraphs to poori report ka DNA hain. Opinion, basis, qualified, basis-qualified, possible effects, adverse, disclaimer, going concern, EOM, KAM.

Iksha

Ab inko aise yaad karo: **"Clean mein koi par nahi. Qualified mein except for. Adverse mein do not. Disclaimer mein no opinion. GC ka apna ghar. EOM ka disclaimer 'opinion not modified'. KAM ka disclaimer 'no separate opinion'."**



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11. Pervasiveness: ek shabd jo opinion badal deta hai

6 saal ka bachha box

Socho ek thaali mein ek aloo kharab hai. Baaki sabzi theek hai. To tum kehte ho: "Thaali theek hai, bas aloo mat khana." Ye **material but not pervasive** hai. Ab socho poori thaali mein zeher mila hua hai. Ab tum nahi keh sakte "aloo chhod do", poori thaali fenkni padegi. Ye **pervasive** hai.

Normal explanation

SA 705 para 5(a) pervasive ko define karta hai. Misstatement pervasive hai jab auditor ke judgement mein: (i) wo statements ke specific elements tak seemit **nahi** hai; ya (ii) agar seemit hai bhi, to wo statements ka itna bada hissa hai ki substantial proportion ban jaata hai; ya (iii) disclosures ke maamle mein, wo readers ki understanding ke liye fundamental hai [src].

Simple trick: **ek jagah ka problem = qualified; har jagah ka problem = adverse/disclaimer.**

PhD box

Pervasiveness audit ka sabse litigated judgement hai. Teen limbs dhyan se dekho. Limb (i) "not confined" ka matlab: effect multiple line items pe hai, jaise revenue recognition ka galat policy jo revenue, receivables, tax, sab ko chhoo le. Limb (ii) "substantial proportion": confined hai par itna bada ki statements ka character hi badal jaaye, jaise ek subsidiary jo group ki total assets ka 60% hai. Limb (iii) disclosure-specific: ek disclosure note itna fundamental hai ki uske galat hone se reader statements ko hi galat samjhe, jaise going concern ka inadequate disclosure (jo SA 570 ke saath interact karta hai: inadequate GC disclosure = misstatement, aur pervasive hone pe adverse, na ki sirf EOM). Practitioner literature (ICAI ka Practitioner's Guide on Drafting of Modified Opinions) isi 2x2 ko har example mein apply karta hai [src]. Ek aur nuance: pervasiveness ka threshold "substantial proportion" kabhi percentage mein define nahi hota, isliye do competent auditors alag conclusion pe pahunch sakte hain. Yahi wajah hai ki modified opinions ke baad litigation aur regulatory review (NFRA) pervasiveness ko hi challenge karta hai.

---

12. Scenario workshop: tum auditor ho, kya karoge?

Iksha ne chai ka cup uthaya. "Ab main tumhe 6 situations dungi. Tum bataoge kaunsa opinion. Galat kiya to chai tum banayoge."

Prabhat
Deal. Bolo.

Scenario 1: Company ne ek bada machinery purchase expense kar diya jabki capitalize karna chahiye tha. Amount profit ka 12% hai. Baaki sab theek hai.

Prabhat
Material hai, par ek item hai. Pervasive nahi. **Qualified**, "except for" wala.

Iksha
Sahi. Misstatement mila, evidence tha, material par not pervasive. SA 705 para 7(a).

Scenario 2: Company ke godown mein aag lag gayi aur saare records jal gaye. Aapko debtors, creditors, inventory, kisi ka evidence nahi mil raha.

Prabhat
Evidence gap, aur har line item pe. Material aur pervasive. **Disclaimer.**

Iksha
Perfect. Para 9. Ab ye.

Scenario 3: Company ne apni loss-making subsidiary ko consolidation se bahar rakha hai. Subsidiary group ke size ka 40% hai.

Prabhat
Misstatement, aur 40% to substantial proportion hai, pervasive. **Adverse.** SA 705 Illustration 2 jaisa hi hai.

Iksha
Bahut badhiya. Scenario 4: company ke against ek bada court case chal raha hai, company ne Note 19 mein poori disclosure de rakhi hai, sahi accounting bhi ki hai, par case bahut bada hai.

Prabhat
Misstatement nahi hai, disclosure adequate hai. Opinion modify nahi hoga. Bas **EOM** paragraph, Note 19 ka reference ke saath.

Iksha
Ek dum sahi. Scenario 5: company ka net loss hai, current liabilities assets se zyada, bank loan renew nahi ho raha, par management ne Note 6 mein poori going concern disclosure de di.

Prabhat
Adequate disclosure hai, to opinion clean rahega, lekin **Material Uncertainty Related to Going Concern** ka alag section aayega. EOM nahi, apna section.

Iksha
Waah. Last one. Scenario 6: wahi going concern problem, lekin management ne statements mein koi disclosure nahi di. Sab chhupa rakha hai.

Prabhat
Ab ye misstatement hai, inadequate disclosure. Fundamental to users' understanding, to pervasive. **Adverse opinion.**

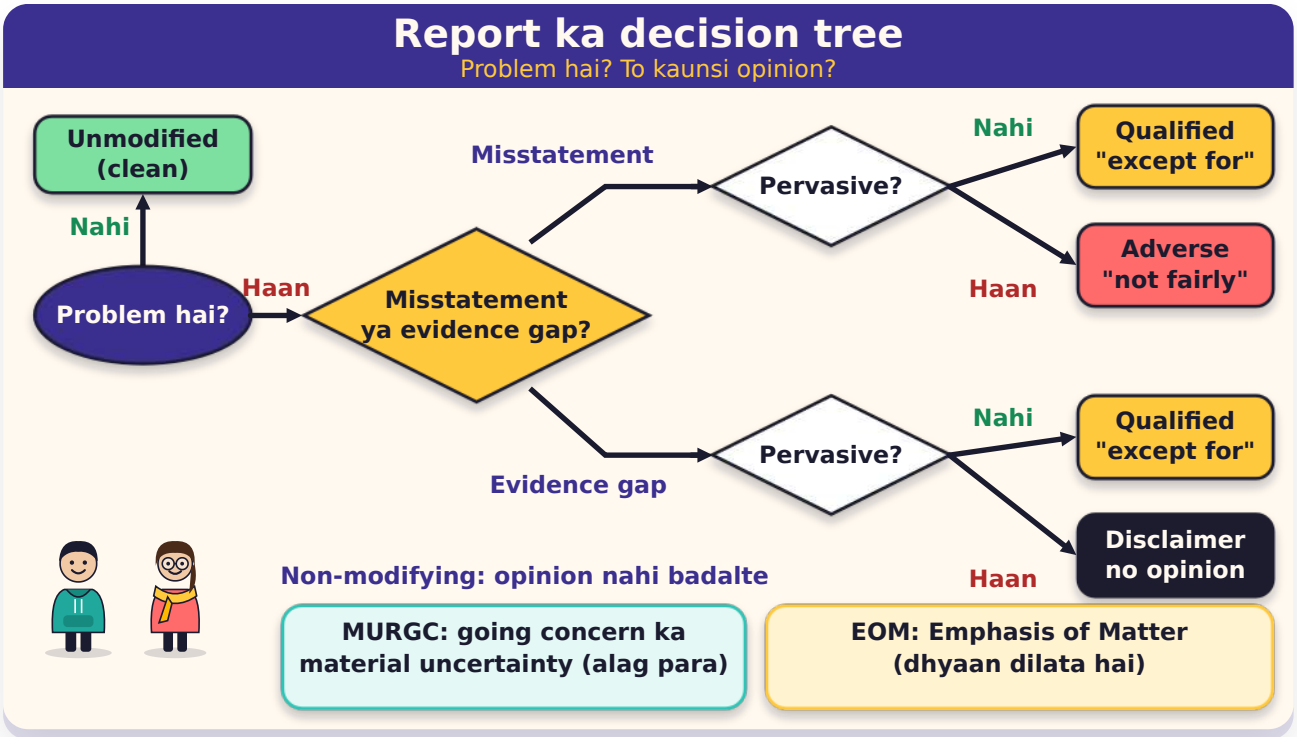
Iksha
Chai main banaungi. Tum jeet gaye. Aur ye last scenario yaad rakhna: going concern mein disclosure adequate ho to MURGC section, disclosure inadequate ho to qualified ya adverse. Yehi SA 570 (Revised) ka decision point hai [src].

Exam trap
"EOM mein going concern daal diya" wale options aaj kal galat hain. Revised SA 570 ke baad going concern material uncertainty ka apna section hai. Purane (pre-2018) notes follow karne wale yahan atak jaate hain.

Exam trap
Disclaimer of opinion mein "except for" ka option aaye to kaat do. Opinion hi nahi hai, to exception kis baat ka?

Exam trap

KAM ko opinion modification samajhna. KAM sirf communication hai. Agar matter misstatement hai, to wo KAM mein nahi, Basis for Qualified/Adverse mein jaata hai.



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13. Mini Case 1: Wirecard, jab €1.9 billion ka cash tha hi nahi

Kya hua. Wirecard ek German payment processor tha, Munich ka, jo DAX index ka member tha. 2018 mein uski peak value €24 billion thi [src]. Financial Times ki investigations aur whistleblowers ke baad, 25 June 2020 ko Wirecard ne insolvency file ki jab reveal hua ki **€1.9 billion "missing"** tha. CEO Markus Braun arrest hua [src].

Audit failure. Wirecard ke lambe time ke auditor **Ernst & Young** the. KPMG ki special audit ne baad mein paya ki EY cash reserves ka existence verify karne mein fail hua, jahan bank statements fraudulent lag rahi thi. KPMG 2016 se 2018 ke majority profits verify hi nahi kar payi, cooperation na milne ki wajah se [src]. Business model ka bada hissa third-party acquirers pe tha: whistleblowers ke hisaab se 2018 tak reported transaction volumes ka aadha hissa third-party acquirers se aata tha, aur trustee accounts ka cash Wirecard ki balance sheet

mein gina jaata tha [src]. January 2026 mein ek Singapore court ne do logon ko 10 aur 6.5 saal ki saza sunayi accounts falsify karne ke liye, jismein false confirmation letters shaamil the jo dikhate the ki Citadelle Wirecard ke liye €1.1 billion hold karti hai [src].

Lesson. Cash confirmation audit ka sabse basic procedure hai. Bank se direct confirmation lo, client se nahi (SA 505). Agar €1.9 billion ka cash hai to uska independent evidence bina audit poora nahi hota. Third-party reliance aur "client ne diya hua document" pe bharosa yahan toota.

Exam angle. (1) Cash/bank balances verify karne ka primary procedure: direct bank confirmation. (2) Agar auditor ko evidence nahi milta aur effect material + pervasive hai: disclaimer. EY clean opinions deta raha, isliye "possible malpractice" ka sawaal utha. (3) Regulator (BaFin) bhi criticised hua: audit sirf auditor ki nahi, poore system ki responsibility hai.

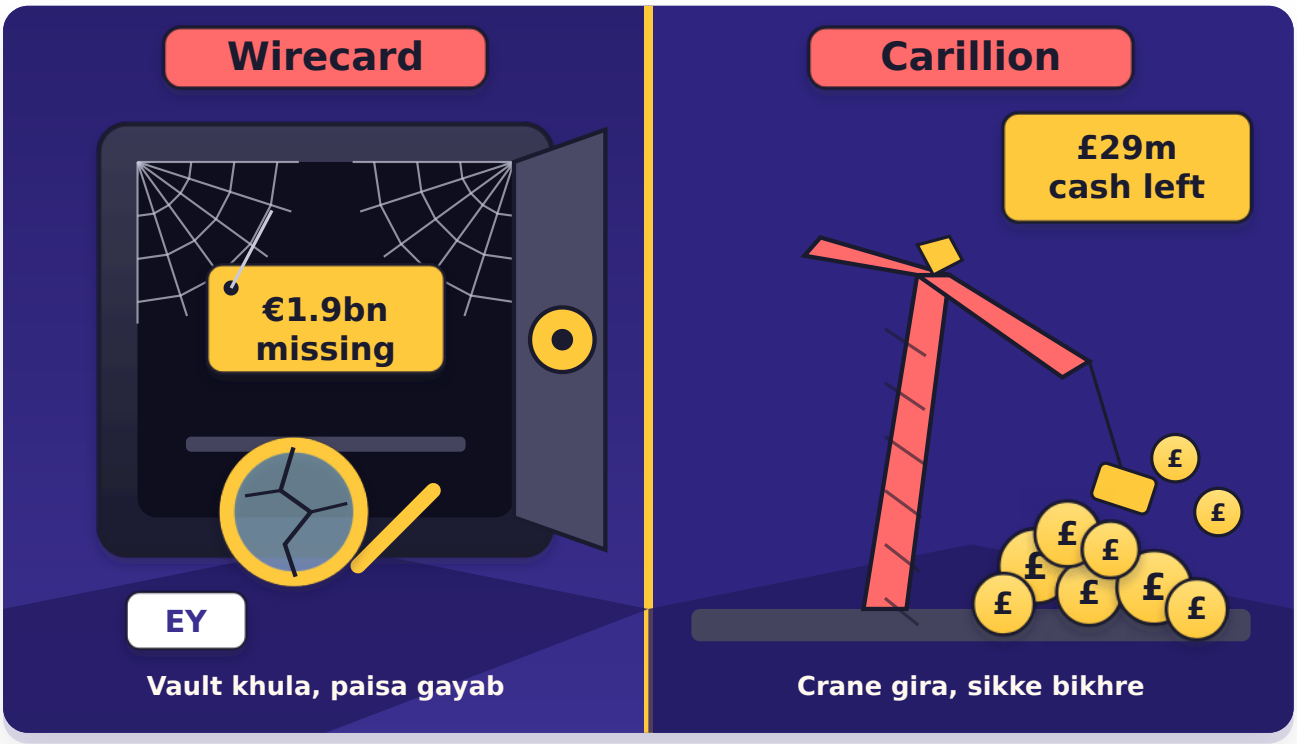
14. Mini Case 2: Carillion, clean opinions aur lagbhag 10 mahine baad liquidation

Kya hua. Carillion UK ki doosri sabse badi construction company thi, 2016 mein lagbhag 43,000 employees ke saath. 15 January 2018 ko wo **compulsory liquidation** mein chali gayi, UK insolvency law ka sabse drastic procedure, liabilities lagbhag **£7 billion** thi [src]. KPMG ne 2014, 2015 aur 2016 ke saalon mein unqualified opinion diya; 2016 ka audit opinion 1 March 2017 ko date hua, yaani liquidation se lagbhag 10 mahine pehle [src]. Collapse ke waqt company ke paas sirf **£29 million cash** tha, aur 18 January tak cash khatam ho jaata [src].

Audit failure. Carillion ke external auditor **KPMG** the aur internal audit Deloitte ke paas thi. May 2018 ki parliamentary inquiry ne collapse ko "recklessness, hubris and greed" ki kahani kaha aur directors ko financial reality misrepresent karne ka dosh diya. Teen directors ko Financial Conduct Authority ne total £600,000 se zyada ke fines diye, aur do aur ko Financial Reporting Council ne £280,000 se zyada [src]. Committee ne suna ki Big Four firms ne Carillion se saalon mein **£72 million fees** collect ki thi, aur ek MP ne KPMG ke partner se kaha: "I would not hire you to do an audit of the contents of my fridge" [src]. Committee chair Rachel Reeves ne kaha ki ye audits investors, workers aur public ko "false assurance" dene ke siwa kuch nahi the [src].

Lesson. Going concern assessment sirf ek checklist nahi hai. Company £900M debt, £580M pension deficit aur shrinking cash ke saath thi, phir bhi opinions clean rahe. SA 570 kehte hai: aage ke 12 mahine ka realistic assessment karo, aur doubt ho to statements mein disclosure maango ya opinion modify karo. Auditors ka revenue client se aata hai: ye conflict audit quality ko kaat sakta hai, isliye rotation aur oversight (ch12, ch13) exist karte hain.

Exam angle. (1) Going concern = SA 570. (2) Clean opinion ke turant baad collapse = expectation gap ka textbook example. (3) Auditor independence ka fees-angle: non-audit fees aur long tenure dono threats hain.



15. Opinion selection master table

#	Paragraph	Signature phrase	Standard	Kab use hota hai
P1	Unmodified opinion	"true and fair view", no except	SA 700 (Revised)	Sab material respects mein theek
P2	Basis for opinion	SAs under 143(10), independent, sufficient appropriate evidence	SA 700 (Revised)	Har report mein
P3	Qualified (misstatement)	"except for the effects"	SA 705 para 17	Material misstatement, not pervasive
P4	Basis for qualified	matter + quantified/qualitative effect	SA 705	Modification ki wajah explain karna
P5	Qualified (evidence gap)	"except for the possible effects"	SA 705 para 17	Evidence nahi mila, material not pervasive
P6	Adverse	"because of the significance ... do not give true and fair view"	SA 705 para 18	Misstatement material + pervasive
P7	Disclaimer	"we do not express an opinion"	SA 705 para 9	Evidence gap material + pervasive
P8	MURGC section	"material uncertainty ... going concern ... opinion not modified"	SA 570 (Revised)	GC doubt, adequate disclosure
P9	EOM	"we draw attention ... opinion not modified"	SA 706	Disclosed matter, fundamental to understanding
P10	KAM	"most significant ... no separate opinion"	SA 701	Listed entities; audit ke biggest matters

Sources: SA 705 text [src], unmodified/KAM illustrations [src], MURGC [src], EOM rules [src].

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16. Practice MCQs (32 questions)

Q1. Audit report ke revised format mein sabse pehle kaunsa section aata hai? (a) Management responsibilities (b) Opinion (c) Auditor's responsibilities (d) CARO **Answer: (b).** Revised SA 700 ne opinion section ko sabse upar rakha taaki reader ko pehle conclusion mile. Purane format mein opinion end mein hota tha.

Q2. Audit report kise address hoti hai? (a) Management (b) Board of Directors (c) Members/shareholders (d) Registrar of Companies **Answer: (c).** Report members ke liye hai, kyunki auditor unki taraf se appoint hota hai. Management ko nahi, ye independence ka point hai.

Q3. "Except for the possible effects of the matter(s)" kab likha jaata hai? (a) Har qualified opinion mein (b) Jab modification evidence na milne se aaye (c) Adverse opinion mein (d) EOM mein **Answer: (b).** SA 705 para 17: evidence gap wali modification mein "possible effects" shabd aata hai. Misstatement wali mein sirf "effects".

Q4. Adverse opinion mein opinion paragraph kis phrase se shuru hota hai? (a) Except for (b) Subject to (c) Because of the significance of the matter(s) (d) With reference to **Answer: (c).** "Because of the significance of the matter(s) described in the Basis for Adverse Opinion section..." Ye SA 705 para 18 ka format hai.

Q5. Disclaimer of opinion mein kaunsa sach hai? (a) "Except for" zaroor aata hai (b) Auditor koi opinion express nahi karta (c) Misstatement pervasive hai (d) Report chhota hota hai kyunki audit jaldi khatam hua **Answer: (b).** Disclaimer = no opinion. Evidence material aur pervasive roop se missing hai. "Except for" ismein nahi aata.

Q6. Material Uncertainty Related to Going Concern ka section kahan aata hai? (a) EOM ke andar (b) Basis for Opinion ke baad, alag heading mein (c) KAM ke andar (d) CARO mein **Answer: (b).** Revised SA 570: adequate disclosure ho to MURGC ka alag section, Basis for Opinion ke baad. EOM mein nahi.

Q7. Going concern disclosure inadequate ho to? (a) EOM (b) MURGC section (c) Qualified ya adverse opinion (d) KAM **Answer: (c).** Inadequate disclosure = misstatement. Pervasiveness ke hisaab se qualified ya adverse. MURGC sirf adequate disclosure pe.

Q8. EOM paragraph ke liye kaunsi shart zaroori nahi? (a) Heading mein "Emphasis of Matter" (b) Matter ka statements mein disclosure hona (c) "Opinion not modified" ki line (d) Matter ka misstatement hona **Answer: (d).** EOM sirf disclosed, sahi presented matters pe hota hai. Misstatement ho to EOM nahi, modification chahiye.

Q9. KAM ke baare mein sahi kathan? (a) Har company mein mandatory (b) Alag-alag matters pe alag opinion deta hai (c) Listed entities ke audit ke sabse significant matters (d) Opinion ko modify karta hai **Answer: (c).** KAM (SA 701) listed entities ke liye hai, aur auditor alag opinion nahi deta KAM matters pe.

Q10. Pervasive ka matlab SA 705 ke mutabik kya nahi hai? (a) Specific elements tak confined nahi (b) Confined ho to substantial proportion (c) Disclosure

fundamental to understanding (d) Amount 10% se zyada **Answer: (d).** Pervasiveness percentage se define nahi hoti. Teen limbs hain, koi fixed % nahi.

Q11. Inventory ko cost pe dikhaya jabki NRV kam thi. Effect material, not pervasive. Opinion? (a) Unqualified (b) Qualified (c) Adverse (d) Disclaimer **Answer: (b).** SA 705 Illustration 1 ka hi pattern hai. Misstatement hai, evidence hai, pervasive nahi: qualified.

Q12. Records aag mein jal gaye, koi evidence nahi. Opinion? (a) Qualified (b) Adverse (c) Disclaimer (d) Unqualified with EOM **Answer: (c).** Evidence gap material + pervasive = disclaimer. Adverse tab jab misstatement ka proof ho.

Q13. Subsidiary ko consolidate nahi kiya, effect pervasive. Opinion? (a) Qualified (b) Adverse (c) Disclaimer (d) EOM **Answer: (b).** SA 705 Illustration 2: non-consolidation, pervasive = adverse.

Q14. Basis for Qualified Opinion section mein kya hota hai? (a) Sirf opinion (b) Matter ka description aur effect, quantified ya qualitative (c) Management ki responsibilities (d) CARO clauses **Answer: (b).** Auditor batata hai matter kya hai aur statements pe effect kya padta/padta.

Q15. UDIN ka kaam kya hai? (a) Audit fees calculate karna (b) Report ki authenticity verify karna (c) Tax compute karna (d) Company registration **Answer: (b).** UDIN ICAI ka unique number system hai, fake reports pakadne ke liye. udin.icai.org pe verify hota hai.

Q16. Wirecard ka auditor kaun tha? (a) KPMG (b) PwC (c) Ernst & Young (d) Deloitte **Answer: (c).** EY lambe time ka auditor tha. KPMG ne baad mein special audit ki thi jo EY ki verification failures expose kar gayi.

Q17. Wirecard mein kitna cash "missing" nikla? (a) €1.9 billion (b) €900 million (c) €24 billion (d) €6 million **Answer: (a).** €1.9 billion missing reveal hone ke baad 25 June 2020 ko insolvency. €24bn peak valuation thi, confuse mat karna.

Q18. Carillion kab liquidate hua? (a) 15 September 2008 (b) 15 January 2018 (c) 25 June 2020 (d) 7 January 2009 **Answer: (b).** 15 January 2018, compulsory liquidation. 15 Sep 2008 Lehman hai, dates mix mat karna.

Q19. Carillion ke external auditor? (a) EY (b) KPMG (c) Deloitte (d) BDO **Answer: (b).** KPMG external auditor tha; Deloitte internal audit karta tha. Dono pe parliamentary criticism hua.

Q20. Carillion collapse ke waqt cash kitna tha? (a) £29 million (b) £900 million (c) £7 billion (d) £580 million **Answer: (a).** Sirf £29M cash bacha tha. £900M debt, £580M pension deficit, £7bn liabilities.

Q21. "True and fair view" phrase kahan aata hai? (a) Sirf adverse mein (b) Opinion paragraph mein (c) KAM mein (d) CARO mein **Answer: (b).** Opinion paragraph ki core phrase hai. Adverse mein "do not give a true and fair view" ke roop mein aati hai.

Q22. Report mein auditor independence declare kahan karta hai? (a) Opinion (b) Basis for Opinion (c) EOM (d) Signature **Answer: (b).** Basis for Opinion mein ICAI Code of Ethics ke mutabik independence declare hoti hai.

Q23. Ek matter KAM aur Basis for Qualified dono mein ho sakta hai? (a) Haan, dono mein daal do (b) Nahi, modifying matter Basis section mein jaata hai, KAM mein nahi (c) Haan, agar listed ho (d) KAM mein pehle, phir Basis mein **Answer: (b).** Jo matter opinion modify kare wo Basis for Qualified/Adverse mein. KAM usi opinion ke context mein aur matters batata hai.

Q24. Qualified opinion ka matlab readers ke liye? (a) Statements bilkul galat hain (b) Ek specific matter chhod ke sab theek (c) Auditor ne audit nahi kiya (d) Company bankrupt hai **Answer: (b).** "Except for" = ek matter chhod ke baaki true and fair. Adverse ka matlab hota "bilkul galat".

Q25. SA 705 kin teen opinions ko cover karta hai? (a) Unqualified, qualified, adverse (b) Qualified, adverse, disclaimer (c) Clean, EOM, KAM (d) Unmodified, MURGC, EOM **Answer: (b).** Modified opinions = qualified + adverse + disclaimer. Unqualified SA 700 mein.

Q26. Report ki date kya darshati hai? (a) Year end (b) Jis din tak auditor subsequent events ke liye responsible (c) AGM ki date (d) Fees payment date **Answer: (b).** Report date tak hi auditor subsequent events actively dekhta hai. Uske baad passive duty (SA 560).

Q27. Agar KAM section mein koi matter nahi hai, auditor kya kare? (a) Section chhod de (b) "No KAM" state kare (c) EOM laga de (d) Disclaimer de **Answer: (b).** SA 701: agar koi KAM nahi, to report mein yahi state karna hota hai, section silently drop nahi hota (listed entity).

Q28. Singapore court ne Wirecard case mein false confirmation letters kis cheez ke liye diye? (a) €1.1 billion held for Wirecard (b) DAX listing (c) KPMG audit fees (d)

CEO bail **Answer: (a).** Citadelle ne jhoothi confirmations di ki wo Wirecard ka €1.1 billion hold karti hai. Bank confirmation ka fraud.

Q29. "Opinion is not modified in respect of this matter" line kahan-kahan aati hai? (a) Sirf EOM (b) Sirf MURGC (c) EOM aur MURGC dono (d) Qualified opinion mein **Answer: (c).** Dono non-modifying elements mein ye line zaroori hai. Qualified mein opinion modify hi hota hai.

Q30. Lehman ke Repo 105 ka audit lesson kya tha? (a) Sampling zaroori hai (b) Period-end transactions specially test karo, substance over form (c) Fees badhao (d) Rotation karo **Answer: (b).** Quarter-end window dressing pakadne ke liye cut-off aur period-end testing zaroori. Substance (loan) form (sale) se upar.

Q31. Ek auditor ko listed company ke audit ke sabse significant matters report karne hain. Kaunsa SA? (a) SA 700 (b) SA 701 (c) SA 705 (d) SA 706 **Answer: (b).** SA 701 = Key Audit Matters. 700 = opinion/report, 705 = modification, 706 = EOM/OM.

Q32. Adverse aur disclaimer mein common kya hai? (a) Dono mein misstatement (b) Dono mein pervasive effect (c) Dono mein "except for" (d) Dono non-modifying **Answer: (b).** Dono pervasive level ke hain. Farq nature ka hai: adverse = misstatement ka proof, disclaimer = evidence ka absence.

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17. Other Information, Other Matter, aur listed company ka extra filing

Prabhat
Iksha, report ke baad bhi kuch bacha kya?

Iksha
Teen cheezein. Pehli, **Other Information**. Annual report mein financial statements ke alawa jo bhi hai, directors' report, chairman ka message, management discussion, woh sab "other information" hai. SA 720 (Revised) kehta hai auditor ko wo padhna hota hai aur dekhna hota hai ki statements ke saath **material inconsistency** to nahi. Auditor us pe opinion nahi deta, par agar annual report ka director section keh raha hai "record profits" jabki statements mein loss hai, to auditor chup nahi baithega [src].

Prabhat
Doosri?

Iksha
Other Matter paragraph, SA 706 ka doosra half. Ye EOM se alag hai: EOM statements ke **andar** disclosed cheez pe dhyan khinchta hai; Other Matter aisi cheez pe jo statements mein disclosed **nahi** hai par users ke liye audit ya report samajhne ke liye relevant hai. Classic example: pichle saal ki statements kisi aur (predecessor) auditor ne audit ki thi. Comparative figures ka matter Other Matter mein aata hai.

Prabhat
Aur teesri?

Iksha
India-specific. Listed company ke modified opinion pe SEBI ka rule: LODR Reg 33(3)(d) ke under audited annual results financial year end ke **60 din** ke andar file hote hain, audit report ke saath. Agar opinion modified hai, to saath mein **Statement of Impact of Audit Qualifications** jaata hai; agar unmodified hai, to ek declaration. Aur standalone aur consolidated dono mein modified ho to alag-alag statements lagte hain [src].

Prabhat
Matlab qualification ka "impact" bhi market ko batana padta hai, rupees mein.

Iksha
Haan. Isliye companies auditor pe pressure daalti hain ki qualification na aaye. Ek qualified opinion ab sirf report ka paragraph nahi, stock exchange filing ka headline hai.

Exam trap
"Other Information pe auditor opinion deta hai", galat. Wo sirf padh ke inconsistency dekhta hai. Opinion sirf financial statements pe hota hai.

Exam trap
EOM vs Other Matter ka test simple hai: matter statements mein **disclosed** hai = EOM; disclosed **nahi** hai par audit/report samajhne ke liye relevant = Other Matter.

---

18. Scenario workshop round 2: 6 aur situations

Iksha ne board pe 6 naye scenarios likhe. "Is baar difficulty zyada. Chai double."

Scenario 7: Company ka ek bada loan default ho gaya. Note 14 mein poori disclosure hai, accounting sahi hai, going concern pe doubt nahi. Company listed nahi hai.

Prabhat
Disclosure adequate, misstatement nahi. Listed nahi, to KAM nahi. Agar ye matter fundamental to understanding hai, to **EOM** with Note 14 reference; warna plain unmodified.

Iksha
Sahi. EOM ka trigger judgement hai, not every disclosure gets an EOM.

Scenario 8: Pichle saal ki financial statements kisi doosre auditor ne audit ki thi.

Prabhat

Other Matter paragraph. Comparative info, predecessor auditor ka matter.

Iksha

Perfect.

Scenario 9: Annual report ki directors' report mein profit Rs 100 crore likha hai, statements mein Rs 60 crore hai.

Prabhat

Other Information mein material inconsistency. Auditor management/TCWG se correction maangega. Correct na karein to apni report mein respond karega, SA 720 ke hisaab se.

Iksha

Good. Scenario 10: auditor ko company ke ek division ka access nahi mila. Baaki sab mila. Us division ka effect material hai par pervasive nahi.

Prabhat

Evidence gap, material not pervasive. **Qualified**, "except for the possible effects" wala.

Iksha

Scenario 11: revenue recognition policy galat hai, aur company ke saare segments mein wahi policy chalti hai.

Prabhat

Misstatement, har jagah. **Adverse.**

Iksha

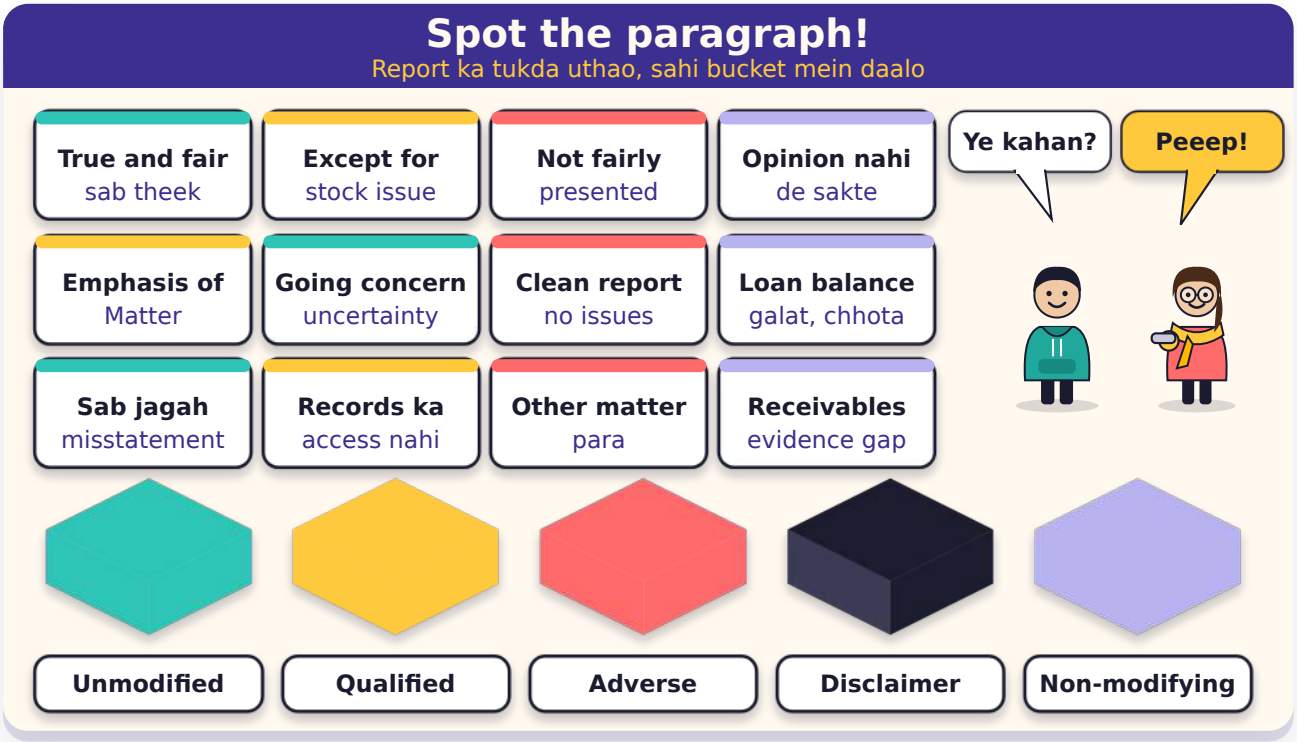
Last. Scenario 12: sab clean, company listed hai, audit ke do matters bahut significant the.

Prabhat

Unmodified opinion + KAM section mein wo do matters. KAM se opinion modify nahi hota.

Iksha

Full marks. Chai main, pakoda bhi main.



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19. Practice MCQs (round 2, Q33-Q40)

Q33. SA 720 (Revised) kis cheez ka standard hai? (a) Key Audit Matters (b) Other Information (c) Going concern (d) Sampling **Answer: (b).** Other Information = annual report ka non-financial part. Auditor padhta hai, opinion nahi deta.

Q34. Other Matter paragraph kab aata hai? (a) Matter statements mein disclosed ho (b) Matter disclosed nahi par audit/report samajhne ke liye relevant ho (c) Har report mein (d) Sirf adverse mein **Answer: (b).** Disclosed matter = EOM; non-disclosed but audit-relevant = Other Matter. Predecessor auditor example yaad rakho.

Q35. LODR Reg 33(3)(d) ke under audited annual results kitne din mein file hote hain? (a) 30 (b) 45 (c) 60 (d) 90 **Answer: (c).** 60 days from financial year end, audit report ke saath.

Q36. Modified opinion pe listed entity ko kya file karna hota hai? (a) Sirf audit report (b) Statement of Impact of Audit Qualifications (c) CARO only (d) Kuch nahi

Answer: (b). Modified = statement of impact; unmodified = declaration. Standalone aur consolidated ke liye alag-alag jab dono modified hon.

Q37. Directors' report mein statements se inconsistent profit figure ho to auditor kya kare? (a) Ignore, uska kaam nahi (b) SA 720 ke under correction maange aur respond kare (c) Turant resign (d) FIR **Answer: (b).** Other Information ka material misstatement bhi auditor ki responsibility hai, read-and-respond ke level pe.

Q38. KAM section mein "we do not provide a separate opinion on these matters" kyun likha hai? (a) Auditor lazy hai (b) KAM opinion ka substitute nahi, sirf communication hai (c) Law nahi maanta (d) Fees kam thi **Answer: (b).** KAM informative hai; modifying matters Basis section mein jaate hain.

Q39. Unmodified opinion + MURGC section ek saath ho sakte hain? (a) Nahi (b) Haan, adequate GC disclosure pe opinion clean rehta hai aur MURGC section aata hai (c) Sirf listed mein (d) Sirf private mein **Answer: (b).** MURGC opinion ko modify nahi karta; isliye usme "opinion is not modified" likha hota hai.

Q40. Qualified aur EOM ek hi report mein ho sakte hain? (a) Nahi (b) Haan, ek matter pe qualification aur doosre disclosed matter pe EOM possible (c) Sirf adverse ke saath (d) Sirf disclaimer ke saath **Answer: (b).** Modified opinion aur EOM mutually exclusive nahi. SA 706 explicitly EOM ko modified reports mein bhi allow karta hai.

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20. Ek poori sample report, start to finish (paraphrased model)

Iksha ne kaha, "Ab sab paragraphs jod ke ek full report dekhte hain. Ye ek unlisted company ki clean report hai. Main side mein notes deti jaungi."

> **INDEPENDENT AUDITOR'S REPORT To the Members of ABC Company Limited**
>
> **Report on the Audit of the Financial Statements**
>
> **Opinion** Humne ABC Company Limited ("Company") ki financial statements audit ki hain, jismein 31 March 20XX ka balance sheet, us date ko khatam saal ki profit and loss statement, changes in equity aur cash flow statement, aur

> significant accounting policies ke notes shaamil hain. Hamare opinion mein, aur hamein mili jaankari aur explanations ke mutabik, ye financial statements Companies Act, 2013 dwara required information required manner mein deti hain aur Indian accounting principles ke anusaar Company ki 31 March 20XX ki sthiti, us saal ke profit/loss, changes in equity aur cash flows ka true and fair view deti hain.

Iksha's note 1: Opinion upar. Do paragraphs: kya audit kiya + kya conclusion. Clean mein koi "except" nahi.

> **Basis for Opinion** Humne apna audit Companies Act, 2013 ke Section 143(10) ke under specified Standards on Auditing ke anusaar kiya. Un standards ke under hamari responsibilities neeche 'Auditor's Responsibilities' section mein hain. Hum Company se independent hain ICAI Code of Ethics aur Companies Act ke ethical requirements ke mutabik aur humne baaki ethical responsibilities poori ki hain. Hamara vishwas hai ki mila audit evidence hamare opinion ke liye sufficient aur appropriate basis hai.

Iksha's note 2: Independence + evidence, dono declare. Ye section opinion ke har type mein aata hai.

> **Material Uncertainty Related to Going Concern** *(agar applicable ho; is example mein nahi)*
>
> **Key Audit Matters** *(unlisted company, isliye SA 701 apply nahi; listed hoti to yahan section aata)*

Iksha's note 3: Unlisted mein KAM section na ho to wo simply nahi aata. Listed ho aur koi KAM na ho, to "no key audit matters" state karna hota hai.

> **Responsibilities of Management and Those Charged With Governance for the Financial Statements** Management financial statements ko Companies Act ke anusaar prepare karne aur true and fair view ke liye responsible hai, aur aise internal controls ke liye jo misstatement-free statements banane ke liye zaroori hon, chahe misstatement fraud se ho ya error se. Statements

> prepare karte waqt management going concern assess karta hai aur zaroori ho to going concern matters disclose karta hai.

Iksha's note 4: Pehle management ki zimmedari, phir auditor ki. Order yaad rakho.

> **Auditor's Responsibilities for the Audit of the Financial Statements** Hamara objective hai reasonable assurance lena ki statements as a whole material misstatement se free hain, chahe fraud se ya error se, aur apni report issue karna jismein hamara opinion ho. Reasonable assurance high level ka assurance hai, par guarantee nahi ki SA ke hisaab se kiya gaya audit hamesha material misstatement detect karega. Misstatements fraud ya error se ho sakte hain aur material maane jaate hain jab individually ya aggregate mein users ke decisions pe asar daal sakte hon. Audit mein hum professional judgement aur professional scepticism use karte hain; risks identify aur assess karte hain; procedures design aur perform karte hain; internal control samajhte hain; accounting policies aur estimates evaluate karte hain; going concern conclude karte hain; aur TCWG ke saath communicate karte hain, including significant audit findings.

Iksha's note 5: Ye sabse lamba section hota hai. Iska kaam expectation gap kam karna: batana ki audit kya karta hai aur kya nahi.

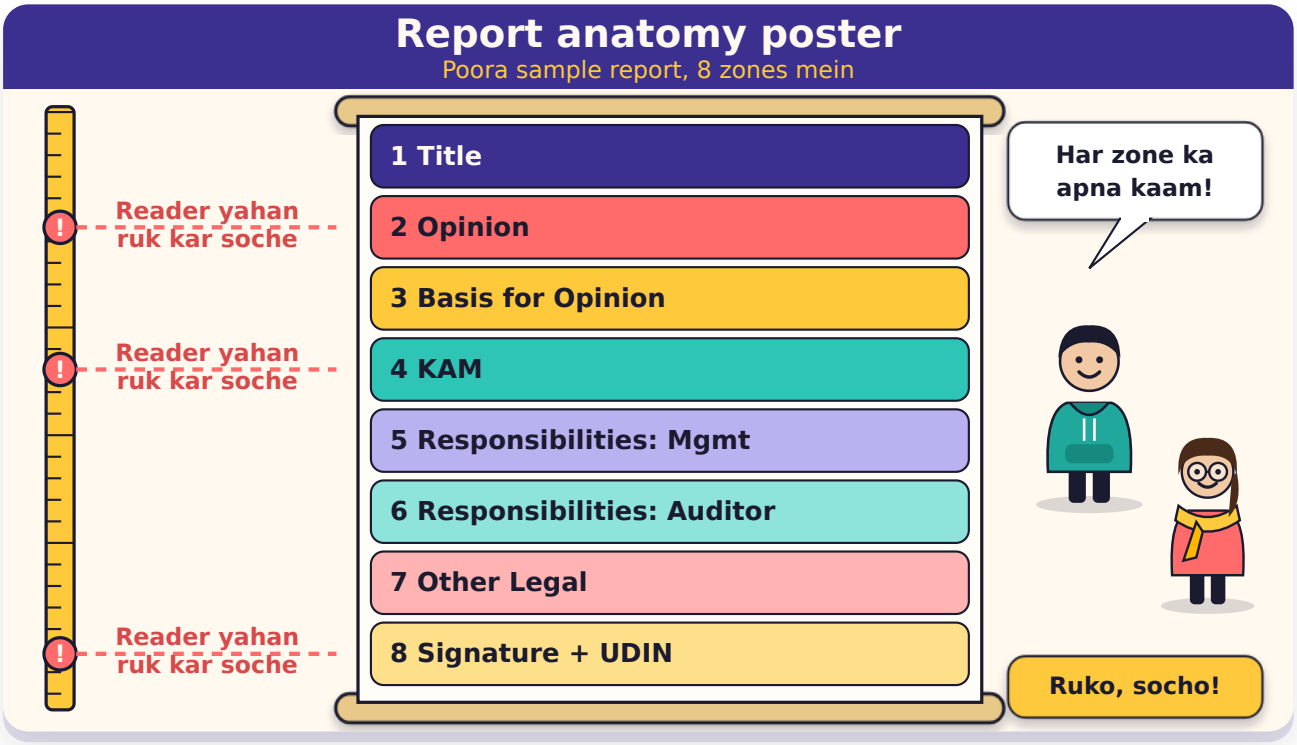
> **Report on Other Legal and Regulatory Requirements** Section 143(3) ke under required matters ke respect mein, hamein mili jaankari aur explanations ke mutabik: (a) humne wo saari information aur explanations maangi aur paayi jo hamari knowledge aur belief ke mutabik audit ke liye zaroori thin; (b) proper books of account rakhe gaye hain; (d) balance sheet aur profit and loss books of account se agree karte hain; (e) financial statements accounting standards ke anusaar hain; (g) directors ke respect mein, Board ki written representations ke basis pe, koi director 31 March 20XX ko Section 164(2) ke under disqualified nahi; (i) internal financial controls ki adequacy aur operating effectiveness ke respect mein, hamari alag report dekhna. CARO 2020 ke under required matters ke respect mein, hamari alag report dekhna.

Iksha's note 6: Ye India-specific hai. Section 143(3) ki checklist (ch12 Part B section 21) yahan answer hoti hai, aur CARO ki report "Annexure" ke roop mein attach hoti hai [src] [src].

> For M/s Sharma & Co., Chartered Accountants (Firm Registration No. XXXXXX) (Partner naam), Partner Membership No. XXXXXX UDIN: XXXXXXXXXXXXXX Place: Mumbai Date: 15 May 20XX

Iksha's note 7: Sign hamesha partner karta hai (141(2)), firm ka FRN, partner ka membership number, place, date, UDIN. Ye block exam mein "elements of audit report" ke answer ka last part hai.

Model structure ke sources: SA 700 (Revised) illustrative reports [src] [src].



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21. Practice MCQs (round 3, Q41-Q48)

Q41. Report ke elements ka sahi order kaunsa hai? (a) Basis, Opinion, KAM, Responsibilities (b) Opinion, Basis, KAM, Responsibilities, Other legal (c) Responsibilities, Opinion, Basis (d) KAM, Opinion, Basis **Answer: (b).** Revised format: Opinion pehle, phir Basis, phir KAM (listed), responsibilities, other legal, signature.

Q42. Auditor's Responsibilities section ka purpose? (a) Auditor ko defend karna (b) Expectation gap kam karna: audit kya karta hai aur kya nahi (c) Fees justify karna (d) Management ko blame karna **Answer: (b).** Ye section reasonable assurance ki limits explain karta hai.

Q43. "Reasonable assurance" ka matlab? (a) 100% guarantee (b) High level assurance, guarantee nahi (c) 50% confidence (d) Legal warranty **Answer: (b).** SA 700 wording: high level but not a guarantee that audit will always detect material misstatement.

Q44. Report pe sign mein kya-kya aata hai? (a) Sirf partner ka naam (b) Firm FRN, partner membership number, place, date, UDIN (c) Sirf UDIN (d) Company ka CIN **Answer: (b).** CIN company ki hai, audit report ke signature block ka nahi.

Q45. Unlisted company mein KAM section? (a) Mandatory (b) Apply nahi hota, section nahi aata (c) "No KAM" likhna zaroori (d) EOM se replace **Answer: (b).** SA 701 listed entities ke liye. Unlisted pe mandatory nahi; na ho to section hi nahi banta.

Q46. "Other Legal and Regulatory Requirements" section mein India mein kya answer hota hai? (a) SA 701 (b) Section 143(3) matters aur CARO (c) Income tax return (d) GST filing **Answer: (b).** 143(3) checklist + CARO 2020 annexure reference.

Q47. Directors ki disqualification (164(2)) ka statement report mein kahan aata hai? (a) Opinion (b) KAM (c) Other Legal and Regulatory Requirements (d) Basis **Answer: (c).** Section 143(3)(g) ka matter, jo other legal section mein cover hota hai.

Q48. Report date ka rule? (a) Year end se pehle (b) Statements ke approval se pehle nahi (c) AGM ke baad (d) Koi rule nahi **Answer: (b).** Auditor report statements ke approve hone se pehle date nahi karta; report date tak subsequent events ki responsibility.

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22. Teen collapses, ek timeline: Lehman, Carillion, Wirecard

Teen companies, teen continents, teen clean reports. Ek line mein compare karo:

Company	Country	Collapse	Auditor	Core audit issue
Lehman Brothers	USA	Chapter 11, 15 Sep 2008	Ernst & Young	Repo 105 window dressing; $50bn quarter-end pe off balance sheet; examiner ke hisaab se E&Y aware
Carillion	UK	Liquidation, 15 Jan 2018	KPMG	Going concern judgements; collapse ke waqt sirf £29m cash; MPs ne audits ko "false assurance" kaha
Wirecard	Germany	Insolvency, 25 Jun 2020	Ernst & Young	€1.9bn cash missing; KPMG special audit: cash existence verify nahi hua

Sources: Lehman [src] [src]; Carillion [src]; Wirecard [src].

Iksha
Pattern dekho. Teenon mein report technically GAAP/IFRS ke box tick karti thi. Teenon mein substance haar gaya form se. Isliye ch11 ka asli lesson ye nahi ki "auditors corrupt hain", ye hai ki **audit ek judgement profession hai aur judgement pressure mein toot sakta hai**.

Prabhat
Aur reader ka lesson?

Iksha
Clean opinion ko floor samjho, ceiling nahi. Uske upar khud ki analysis chalti hai: going concern notes, KAM, EOM, auditor tenure, fees. Report ka pehla word "Independent" hai, par independence tumhe khud judge karni padegi.

Rapid revision one-pager (ch11 Part B)

1. 4 opinions: unqualified / qualified (except for) / adverse (do not give true and fair) / disclaimer (no opinion).
2. 2x2: nature (misstatement vs evidence gap) x pervasiveness.
3. Evidence gap qualified = "possible effects".
4. MURGC = going concern ka alag section, opinion not modified.
5. EOM = disclosed matter + reference + opinion not modified.
6. Other Matter = non-disclosed but audit-relevant (predecessor auditor).
7. KAM = listed, most significant, no separate opinion.
8. LODR: audited results 60 din; modified ho to Statement of Impact of Audit Qualifications.

9. Wirecard: €1.9bn missing, EY, confirmations fail.
10. Carillion: £29m cash, KPMG, going concern fail.

MCQs (round 4, Q49-Q52)

Q49. Lehman, Carillion, Wirecard teenon ka common thread? (a) Sab US companies (b) Clean/unmodified style reports ke baad collapse (c) Sab banks (d) Sab government owned **Answer: (b).** Continent aur industry alag, par audit report ne risk pehle se warn nahi kiya.

Q50. Wirecard mein confirmation fraud ka lesson? (a) Confirmations useless hain (b) Reply direct aur reliable source se aana chahiye; doubt ho to further evidence (c) Cash audit nahi karte (d) DAX companies audit nahi hote **Answer: (b).** SA 505 paras 10-11. False confirmation letters Singapore case mein saza ka karan bane.

Q51. Carillion case mein select committee ne audits ko kya kaha? (a) Value for money (b) False assurance for investors, workers and public (c) Perfect (d) Cheap **Answer: (b).** Rachel Reeves ka quote. Expectation gap ka textbook example.

Q52. Examiner (Valukas) report ke hisaab se Lehman ne kitne quarter-ends (Q4 2007, Q1 2008, Q2 2008) pe bade Repo 105 transactions se balance sheet temporarily ghatayi? (a) Ek (b) Teen (c) Dus (d) Har quarter **Answer: (b).** Teen quarter-ends: lagbhag $38.6bn (Q4 2007), $49.1bn (Q1 2008), $50.38bn (Q2 2008), March 2010 examiner report ke hisaab se.

MCQs (round 5, Q53-Q56)

Q53. "Except for" phrase kis opinion ki pehchaan hai? (a) Adverse (b) Qualified (c) Disclaimer (d) Unmodified **Answer: (b).** Qualified = except for. Adverse = because of the significance.

Q54. Auditor ki responsibility fraud pakadna hai ya reasonable assurance dena? (a) Fraud pakadna guaranteed (b) Reasonable assurance ki statements material misstatement se free hain (c) Kuch nahi (d) Sirf tax check **Answer: (b).** Fraud prevention management ka kaam; auditor reasonable assurance deta hai, scepticism ke saath.

Q55. Wirecard kis index ka member tha? (a) FTSE 100 (b) DAX (c) NIFTY (d) Dow Jones **Answer: (b).** DAX since 2018; peak valuation €24bn.

Q56. Valukas report kis company ke collapse ki examiner report thi? (a) Carillion (b) Wirecard (c) Lehman Brothers (d) Satyam **Answer: (c).** Anton Valukas, 11 March 2010, Repo 105 expose.

Iksha
Aur ek aakhri baat. Jab exam hall mein opinion wala sawaal aaye, to pehle nature dekho (misstatement ya evidence), phir pervasiveness. Do sawaal, chaar answers. Kabhi jaldi mat karna.

Prabhat
Aur life mein?

Iksha
Life mein bhi. Pehle nature, phir pervasiveness. Chhoti baat pe adverse opinion mat diya karo. :)

Part B end. Ab ch12 mein Companies Act ke section-wise traps aur ch13 mein SA/NFRA ke real enforcement cases.

Episode 12: Companies Act, 2013: Auditor ke rules (Chapter X, Sections 139 se 147)

Topic A: Auditor kaun banta hai? (Section 139 aur 141)

> Source note: Section text yahan apni bhasha me samjhaya gaya hai. Original text: Companies Act, 2013 (India Code / MCA). Kanoon ka kaam hai exact words, isliye exam se pehle bare act ek baar zaroor padho.

---

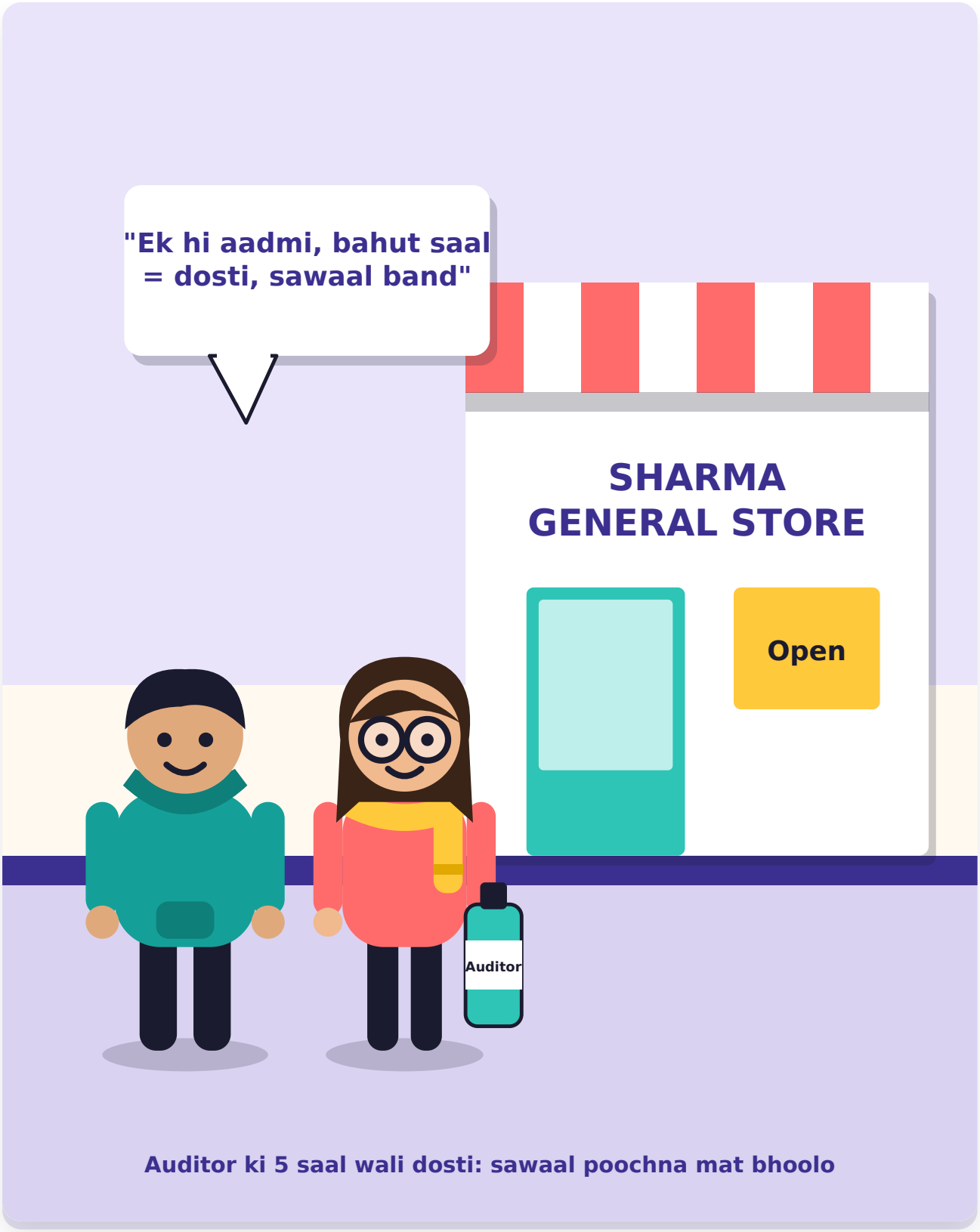
1. Kahani hook: "Rajesh Uncle ki dukaan aur ek bahut lamba CA"

Prabhat ke Rajesh uncle ki ek private company hai. Unka CA 22 saal se wahi hai. Dost jaisa. Har saal sign karta hai, chai peeta hai, chala jaata hai.

Ek din Prabhat ne Iksha se poocha, "Iksha, ek hi auditor itne saal rahe to dikkat kya hai?"

Iksha ne ek paani ki bottle uthayi. "Agar ek hi aadmi har roz tumhari bottle ka paani check kare, to ek din wo bhi bottle ka hissa lagne lagega. Wo sawaal poochna band kar dega. Isliye kanoon kehta hai: auditor ko badlo, aur kuch kaam auditor ko karne hi mat do."

Prabhat ne notebook khola. Iksha ne uski chai ka cup apni taraf khiskaya. "Pehle padhai, phir date. Deal?" Prabhat hans pada. Aaj Companies Act ka din hai.



Auditor ki 5 saal wali dosti: sawaal poochna mat bhoolo

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2. Chat dialogue

Chat: Prabhat and Iksha (blue bubble = Prabhat, yellow bubble = Iksha)

Topic A: Auditor kaun banta hai? (Section 139 aur 141)

Prabhat
Iksha, company ka auditor kaun appoint karta hai?

Iksha
Members, yaani shareholders, AGM me. Sabse pehle AGM me appoint hota hai, aur wo chhatha AGM ke end tak rehta hai. Phir har chhatha AGM par ye cycle chalta hai (Section 139(1)).

Prabhat
Pehla auditor bhi AGM se?

Iksha
Nahi. Company register hone ke 30 din ke andar Board pehla auditor appoint karta hai. Board na kare to members 90 din ke andar EGM me karte hain (Section 139(6)).

Prabhat
Aur Government company?

Iksha
Wahan CAG auditor appoint karta hai. Financial year shuru hone ke 180 din ke andar (Section 139(5)). Pehla auditor CAG 60 din ke andar appoint karta hai (Section 139(7)).

Prabhat
Auditor se pehle kuch lena padta hai?

Iksha
Haan. Written consent aur ek certificate ki "main Section 141 ki shartein poori karta hoon." Company 15 din ke andar Registrar ko notice bhi deti hai (Section 139(1) ke provisos).

Prabhat
Kaun auditor nahi ban sakta?

Iksha
Body corporate (LLP chhodke), company ke officer ya employee ka partner ya employee, aur wo jiske relative director ya KMP ho. Aur ek bada number: jo already 20 se zyada companies ka auditor ho (Section 141(3)). Number 20 yaad rakho.

Topic B: Rotation (Section 139(2))

Prabhat
Ab wo rotation wali baat?

Iksha
Listed companies aur kuch prescribed class ki companies me individual auditor sirf ek term of 5 consecutive years. Audit firm maximum 2 terms of 5 years, matlab 10 saal. Iske baad 5 saal ka cooling-off.

Prabhat
Firm badal ke wahi partner wapas aa jaye to?

Iksha
Nahi chalega. Common partner wali firm bhi agle 5 saal ke liye roki gayi hai.

Prabhat
Kya company auditor ko beech me hata sakti hai?

Iksha
Rotation ka matlab ye nahi. Hatana alag rule hai (Section 140).

Topic C: Removal aur resignation (Section 140)

Prabhat
Auditor ko term se pehle hata sakte hain?

Iksha
Sirf special resolution se, aur pehle Central Government ki approval se. Aur auditor ko sunne ka mauka dena zaroori hai (Section 140(1)).

Prabhat
Auditor resign kare to?

Iksha
30 din ke andar company aur Registrar ko statement dega, reasons ke saath. Government company me CAG ko bhi (Section 140(2)). Na kare to penalty hai, 50,000 ya remuneration, jo kam ho (Section 140(3)).

Prabhat
Fraud karne wala auditor?

Iksha
Tribunal auditor badalne ka order de sakta hai. Final order ke baad wo 5 saal kisi company ka auditor nahi ban sakta (Section 140(5)).

Topic D: Powers, duties aur reporting (Section 143)

Prabhat
Auditor ke powers kya hain?

Iksha
Books of account aur vouchers tak har waqt access. Officers se jankari aur explanation maangne ka haq. Aur kuch cheezon par inquiry bhi, jaise loans secured hain ya nahi, personal expenses revenue me to nahi dale, shares ke badle cash mila ya nahi (Section 143(1)).

Prabhat
Aur standards?

Iksha
Har auditor ko auditing standards follow karne hain (Section 143(9)). Jab tak Government naye notify na kare, ICAI ke standards hi maane jaate hain (Section 143(10)).

Prabhat
Fraud mile to?

Iksha
Sabse important sub-section: 143(12). Fraud ek bada amount ho to Central Government ko report. Chhota ho to audit committee ya Board ko. Rule ke hisab se limit 1 crore rupaye hai, isliye 1 crore ya zyada alag route, kam alag route. Good faith me report karne par auditor ka duty-breach nahi maana jaata (Section 143(13)).

Topic E: Kya service nahi de sakta? (Section 144)

Prabhat
Auditor consulting bhi karta hai na?

Iksha
Sirf wahi jo Board ya audit committee approve kare, aur ye list me na ho: accounting and book-keeping, internal audit, financial information system design, actuarial, investment advisory, investment banking, outsourced financial services, management services, aur jo aur prescribed ho.

Prabhat
Matlab khud books banao aur khud hi audit karo, nahi chalega.

Iksha
Bilkul. Self-review threat. Isse Chapter 4 me padh chuke ho.

Prabhat
Matlab tum meri copy khud check karogi to bhi number poore nahi dogi?

Iksha
Pyaar alag, independence alag. Tumhari copy kisi aur se check karwaungi. :)

Topic F: Saza (Section 147)

(Thoda dark topic. Isliye pehle ek line: audit ka kaam darane ka nahi, sach batane ka hai.)

Prabhat
Auditor galti kare to?

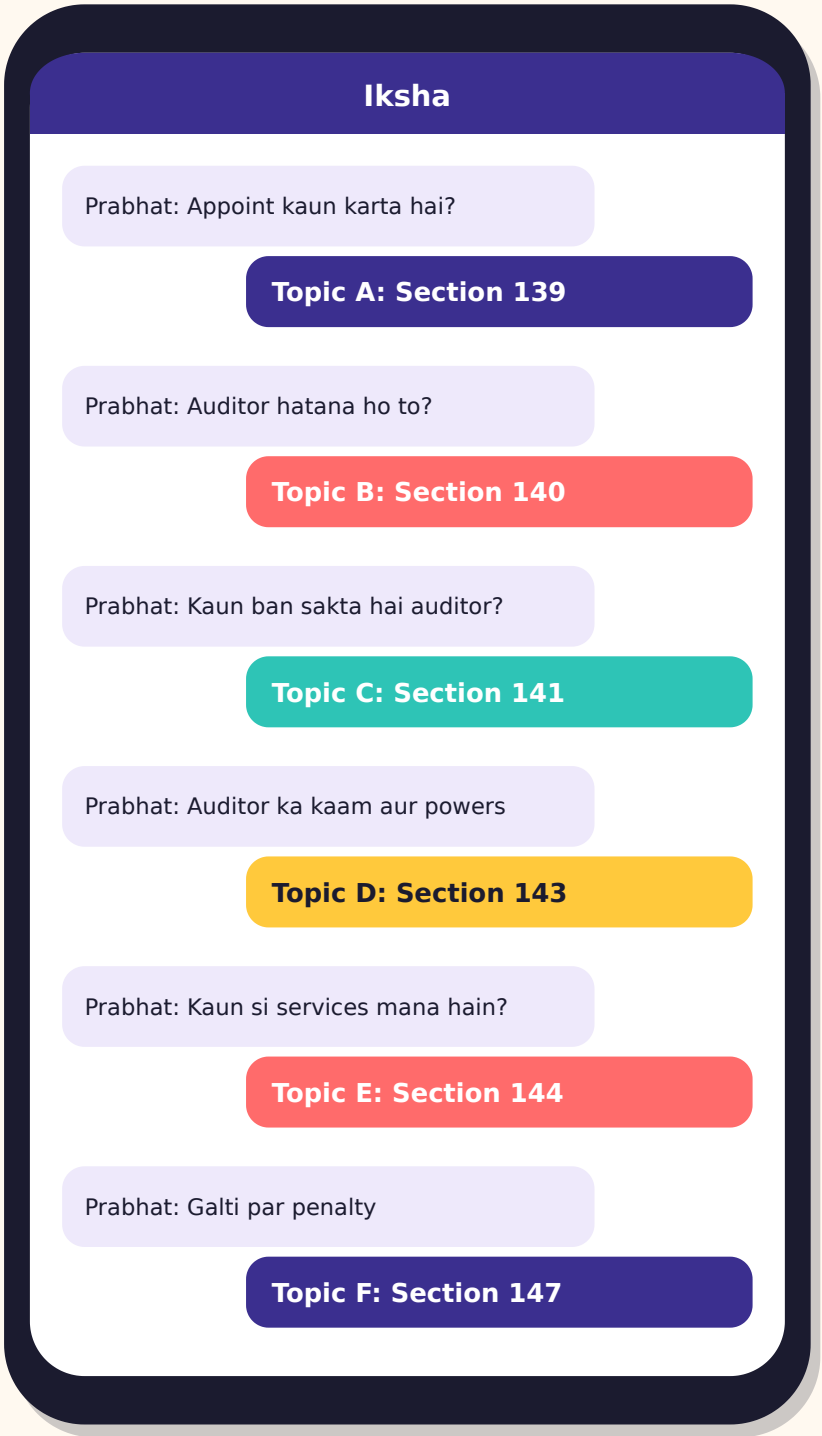
Iksha
Section 139, 143, 144 ya 145 todne par auditor par fine: 25,000 se 5 lakh, ya remuneration ka 4 guna, jo kam ho. Jaanbujh kar dhokha dene ke irade se kiya to 1 saal tak jail, aur fine 50,000 se 25 lakh ya remuneration ka 8 guna, jo kam ho (Section 147(2)).

Prabhat
Aur loss ka hisaab?

Iksha
Convicted hone par fee wapas, aur company, members, creditors ko damages (Section 147(3)). Firm ho to galat partner aur firm dono jointly and severally (Section 147(5)).

[src] [src] [src] [src] [src] [src] [src] [src]

Auditor ke 6 sawaal: chat mein



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3. Core idea in 3 levels

Box 1: 6 saal ka bachha

Class ka monitor har hafte badal jaata hai, taaki wo apne dost ko hamesha na bachaye. Monitor ko toffee bechne ka kaam bhi nahi milta, warna wo apni hi toffee ki list check karega. Companies Act yehi karta hai: auditor badlo, aur auditor ko "dost wala kaam" mat do.

Box 2: Normal explanation

Chapter X (Sections 139 se 147) auditor ki poori zindagi cover karta hai:

Stage	Section	Ek line me
Appointment	139	Members AGM me, sixth-AGM cycle; CAG for govt company
Eligibility	141	CA hona zaroori; disqualification list; 20 company limit
Rotation	139(2)	5 saal individual, 10 saal firm, phir 5 saal cooling-off
Removal / resign	140	Special resolution plus Central Govt approval; resign ka statement 30 din
Powers and duties	143	Books tak access, inquiry, standards follow, fraud reporting
Prohibited services	144	Internal audit, book-keeping, etc. nahi
Penalty	147	Fine, jail (jaanbujh kar), refund, damages

Box 3: PhD box (standards, theory, edge cases)

- **Independence ka theory:** Section 139(2) familiarity threat ko structurally kam karta hai. Section 144 self-review aur advocacy threats ko. Dono IESBA/ICAI Code of Ethics ke threats-and-safeguards model se mel khate hain.
- **Rotation ka scope:** Sirf listed companies aur prescribed classes par laagu. Rules (Companies (Audit and Auditors) Rules, 2014, Rule 6) manner of rotation define karte hain. Ek edge case: transition provision tha jisme purani companies ko pehle AGM tak adjust karna tha jo 3 saal ke baad aaye (Section 139(2) ka proviso).
- **Section 140(4) interplay:** Jab retiring auditor 5 ya 10 saal ka tenure poora kar chuka ho to naye auditor ke liye special notice nahi chahiye.
- **Fraud reporting (143(12)):** Mandatory aur amount-based. Statutory auditor ko report karna hai chahe fraud pehli baar usne identify na kiya ho (NFRA circular ka position, secondary source: Cyril Amarchand blog). Timeline: Board ko 2 din ke andar, 45 din me Board ki reply, phir Central Government ko 15 din (Rule 13 ke hisaab se; current rule se verify karo).
- **Section 147 liability:** Firm aur partner jointly and severally liable, par criminal liability me fine ke alawa sirf wahi partner jisne fraud kiya (proviso to 147(5)).

- **Section 143(3) report:** Auditor ki report me opinion ke alawa Sections me bataye matters (jaise proper books kept, internal financial controls ki adequacy) report hote hain. Details Chapter 11 aur 13 me.

[src] [src]

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4. Real example: Satyam aur IL&FS

Example 1: Satyam (2009), kaise Section 143(12) jaisa kanoon aaya

7 January 2009 ko Satyam ke chairman Ramalinga Raju ne istifa diya aur maana ki accounts me Rs 7,000 crore ka hera-pheri hua tha [src]. Company ke auditor PricewaterhouseCoopers ke Indian affiliates the. SEC (US) ne PwC ke India affiliates par $6 million ka fine lagaya, code of conduct aur auditing standards na follow karne ke liye [src]. Saal 2018 me SEBI ne Price Waterhouse ko 2 saal ke liye kisi listed company ka audit karne se roka [src].

Ek aur interesting number: court me kaha gaya ki Satyam me sirf 40,000 employees the, jabki 53,000 report huye the, aur har mahine Rs 200 million nikale ja rahe the 13,000 non-existent employees ke naam par [src]. Isi tarah ke "ghost" items ko pakadna auditor ki duty hai. Companies Act, 2013 ne iske baad NFRA ka concept diya (agla chapter).

Wikipedia ke mutabik, Satyam ke baad Standing Committee on Finance ne NFRA ka idea 21st report me diya [src].

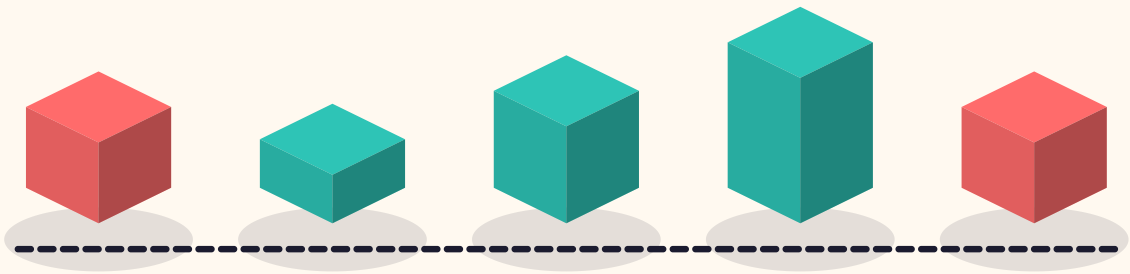
Example 2: IL&FS (2018), jab auditors par bhi sawaal uthe

IL&FS ek infrastructure finance group hai. Wikipedia ke hisaab se 2018 me iski 256 group companies thi, aur Government ne 1 October 2018 ko naya board bana diya, kyunki purana board apna kaam nahi nibha paya [src]. SFIO ki shuruati jaanch me Deloitte ke audit me kai kamiyan batayi gayi, par Bombay High Court ne Government ko Deloitte par "coercive action" se roka (October 2019 ka interim order) [src]. Corporate Affairs Secretary ne April 2020 me kaha ki ajeeb hai ki statutory auditors, independent directors aur rating agencies me se kisi ko pehle problem nahi dikhi; debt Rs 94,000 crore thi [src].

Section se link: Section 140(5) wahi hai jisme Tribunal Central Government ke application par auditor ko hata sakta hai. Section 143(12) wahi hai jisme fraud report karna hota hai.

Dhyan se: In companies me kaun doshi tha, ye court aur regulators decide karte hain. Hum sirf kanoon aur public record samajh rahe hain. Court order jahan stay hai wahan "alleged" shabd yaad rakho.

Crisis se kanoon tak: NFRA ka safar



7 Jan 2009
Satyam confession

NFRA idea
Itna bada fraud phir na ho

2013
Companies Act 2013

1 Oct 2018
NFRA bana

1 Oct 2018
IL&FS board badla

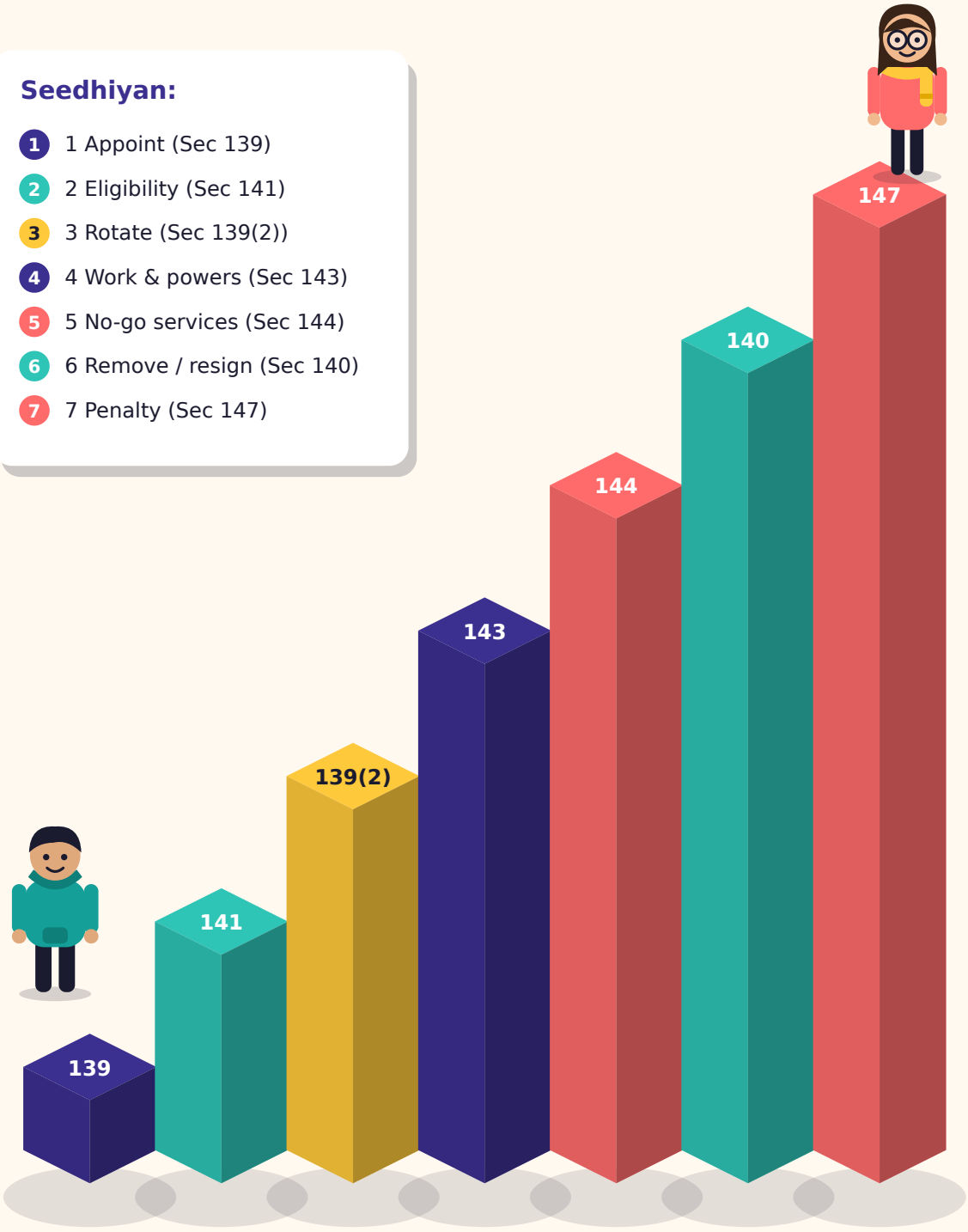
Crisis dates **Law dates**

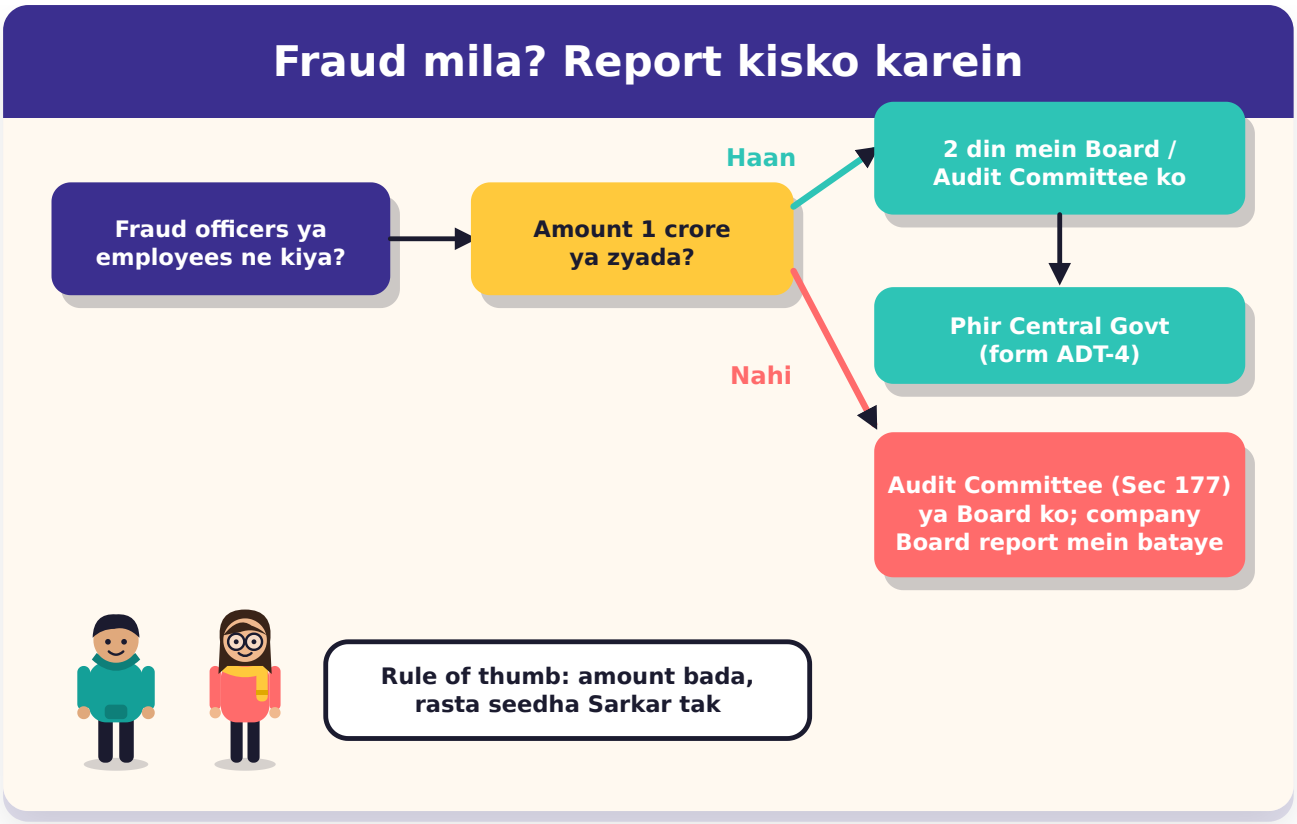
5. Infographic: Auditor ki zindagi ek line me

Auditor ki 7 seedhiyan (Companies Act 2013)

Seedhiyan:

1. 1 Appoint (Sec 139)
2. 2 Eligibility (Sec 141)
3. 3 Rotate (Sec 139(2))
4. 4 Work & powers (Sec 143)
5. 5 No-go services (Sec 144)
6. 6 Remove / resign (Sec 140)
7. 7 Penalty (Sec 147)





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6. Exam angle: UPSSSC kaise poochta hai

UPSSSC Auditor paper me aksar seedhe number poochte hain: kitne saal, kitne din, kaun appoint karta hai. Kam number yaad rakhne wale. Trick: **"5, 10, 5"** (individual 5, firm 10, cooling-off 5), **"20"** (company limit), **"30, 90"** (first auditor), **"180, 60"** (CAG), **"1 crore"** (fraud route).

5 PYQ-style questions (practice, original wording)

Q1. Companies Act, 2013 ke andar listed company me audit firm maximum kitne consecutive saal tak auditor reh sakti hai? (a) 5 saal (b) 10 saal (c) 15 saal (d) 20 saal **Ans: (b) 10 saal** (2 terms of 5 years, Section 139(2)(b)).

Q2. Ek CA maximum kitni companies ka auditor ban sakta hai, Section 141(3)(g) ke anusaar? (a) 10 (b) 15 (c) 20 (d) 25 **Ans: (c) 20.**

Q3. Government company ka auditor kaun appoint karta hai? (a) Shareholders (b) Board (c) Registrar (d) CAG **Ans: (d) CAG** (Section 139(5)).

Q4. Auditor ko term se pehle hatane ke liye kya zaroori hai? (a) Sirf Board resolution (b) Special resolution aur Central Government ki previous approval (c)

Sirf ordinary resolution (d) ICAI ka letter **Ans: (b)** (Section 140(1)).

Q5. Niche me se kaun si service auditor ko Section 144 ke tahat nahi deni chahiye? (a) Statutory audit (b) Internal audit (c) Audit report signing (d) Attend AGM **Ans: (b) Internal audit.**

[src]

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7. Recap page

10 bullet points

1. Chapter X of Companies Act, 2013 = Sections 139 to 147 = auditor ka kanoon.
2. Auditor members appoint karte hain AGM me, sixth-AGM cycle.
3. Pehla auditor: Board 30 din, warna members 90 din EGM.
4. Government company: CAG appoint karta hai, 180 din (pehla 60 din).
5. Rotation: individual 1 term of 5 years, firm 2 terms (10 years), phir 5 saal cooling-off (listed and prescribed companies).
6. Ek auditor 20 se zyada companies ka nahi ho sakta.
7. Removal: special resolution plus previous Central Government approval; auditor ko hearing.
8. Section 143(12): fraud ko 1 crore ke threshold ke hisaab se Central Government ya audit committee/Board ko report.
9. Section 144 internal audit, book-keeping jaisi services roke.
10. Section 147: fine, jail (jaanbujh kar), refund, damages, aur partner liability.

Cheat-sheet table

Topic	Number	Section
Term cycle	6th AGM	139(1)
Individual max	5 years	139(2)(a)
Firm max	2 x 5 = 10 years	139(2)(b)
Cooling-off	5 years	139(2) provisos
First auditor (Board)	30 days	139(6)
First auditor (EGM)	90 days	139(6)
CAG appoint	180 days / 60 days first	139(5), 139(7)
Company limit	20	141(3)(g)
Resignation statement	30 days	140(2)
Fraud route threshold	1 crore (Rule 13)	143(12)
Fine basic	25,000 to 5 lakh	147(2)
Tribunal bar	5 years	140(5)

Chapter 12 (Part B): Companies Act ka poora audit map, section by section

> Ye extension Part A (sections 1-7) ke baad aata hai. Part A ne Chapter X (139-147) samjhaya tha. Part B mein: audit se jude **saare** sections ka map (128, 129, 134, 139-148, 177, 178, 197, 245, 447), woh sections jo Part A mein chhoote (142, 145, 146, 148), penalties ki calculation, aur 2 naye cases (DHFL, Satyam sentencing).

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8. Kahani hook 2: Interview ka sawaal

Prabhat ek audit firm ke interview mein baitha tha, practice ke liye. Iksha ne interviewer ka role play kiya.

Iksha ne pehla sawaal daala, "Section 142 kya kehta hai?"

Prabhat atak gaya. "Wo... remuneration wala?"

"Aur 146?"

"...AGM?"

Iksha ne pen rakh diya. "Dekho Prabhat, 139 aur 143 sabko aate hain. Interviewer wahi poochta hai jo log chhod dete hain. 142, 145, 146, 148. Chhote sections, pakke marks."

Us raat dono ne poori section list banayi. Ye chapter wahi list hai. Aur haan, chai Prabhat ne banayi, kyunki sawaalon ke jawaab adhoore the.

---

9. Poora map: audit se jude saare sections

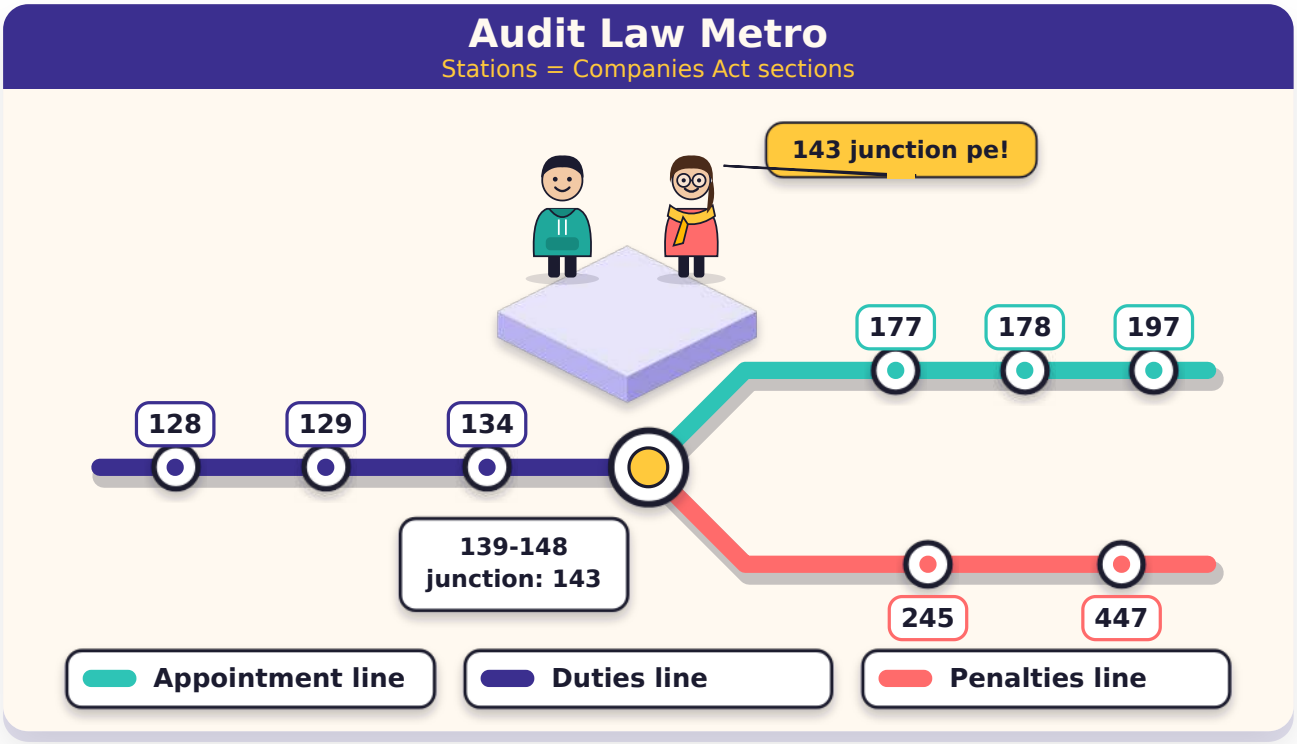
Pehle Act ka size. Companies Act, 2013 ko President ki assent 29 August 2013 ko mili aur 30 August 2013 ko Official Gazette mein notify hua [src]. Act mein **470 sections, 29 chapters aur 7 schedules** hain [src]. Multiple current pages isi count pe agree karte hain [src]. Amendment Acts (2015, 2017, 2019, 2020) ke baad numbering stable hai; section count pe koi disagreement nahi mila.

Ab audit ke liye jo sections matter karte hain, ek nazar mein:

Section	Ek line mein	Exam trap
128	Books of account rakhni hain registered office pe, accrual aur double entry basis pe	Trap: books "kisi bhi jagah" nahi; registered office default hai, Board decision se doosri jagah possible
129	Financial statements true and fair view den, Schedule III ke form mein	Trap: "true and correct" galat hai; exact shabd "true and fair"
134	Board's report, jismein auditors' report aur fraud reporting jaisi disclosures attach hoti hain	Trap: Board's report sign karne wala: chairperson/authorised directors, auditor nahi
139	Auditor ki appointment: AGM, sixth-AGM cycle, CAG for govt cos	Trap: pehla auditor members nahi, Board appoint karta hai (30 din)
139(2)	Rotation: individual 5 saal, firm 10 saal, cooling-off 5	Trap: rotation sab companies pe nahi, sirf listed + prescribed class
140	Removal (special resolution + Central Govt approval) aur resignation (30 din mein statement)	Trap: resignation ka statement na dene pe penalty 50,000 ya remuneration, jo **kam** ho
141	Eligibility/disqualification; CA hona zaroori; 20 companies limit	Trap: "20 se zyada" allowed nahi; 20 tak allowed
142	Remuneration general meeting mein fix hoti hai; first auditor ki Board fix kare	Trap: remuneration mein auditor ke **dusre services** ke paise include nahi hote
143	Powers (books access) aur duties (report, inquiry, standards)	Trap: auditor ke paas vote karne ka nahi, sirf poochne aur report karne ka haq
143(12)	Fraud report karna: threshold Rs 1 crore (Rule 13) ke hisaab se CG ya Audit Committee/Board ko	Trap: duty sirf "fraud pakadne" pe nahi; pata chalne pe report karna bhi duty
144	Prohibited non-audit services (book-keeping, internal audit, etc.)	Trap: prohibited services **audit client** ke liye banned, universally nahi
145	Auditor report sign kare; qualifications general meeting mein padhi jayein	Trap: report pe sign wahi person jo 141(2) ke under qualified ho
146	Auditor ko GM ke notices milte hain; attend karne ka haq/duty, unless exempted	Trap: authorised representative bhi auditor banne ki qualification rakhta ho
147	Penalties: auditor, company, sab ke liye	Trap: jaanbujh kar breach mein jail **1 saal tak**, fine 50,000 se 25 lakh ya 8x remuneration, jo kam ho
148	Cost records aur cost audit (cost accountant, Board appoint karta hai)	Trap: Section 139 ka statutory auditor cost auditor **nahi** ban sakta
177	Audit Committee: every listed public company + prescribed classes, min 3 directors, majority independent	Trap: auditors aur KMP sunne ka haq, **vote nahi**
178	Nomination & Remuneration Committee + Stakeholders Relationship Committee	Trap: 177/178 breach ka penalty 178(8) mein hai, 147 mein nahi
197	Managerial remuneration cap: total 11% of net profits; auditor 143 report mein iski statement de	Trap: auditor khud remuneration fix nahi karta, sirf report karta hai limit cross hui ya nahi
245	Class action: members/depositors Tribunal mein, **auditor including audit firm** ke against bhi	Trap: banking companies pe laagu nahi

Section	Ek line mein	Exam trap
	damages	
447	Fraud ki saza: 6 mahine-10 saal + fine amount involved se 3 guna tak; public interest ho to min 3 saal	Trap: threshold Rs 10 lakh ya 1% turnover, jo **kam** ho

Sources (table rows mein tags nahi, rules ke mutabik yahan): Section 128(6), 129(7), 134(8), 177, 447 ka text [src] [src] [src] [src] [src] [src] [src] [src] [src] [src] [src] [src] aur Chapter X ke sections (139-147) ke text Part A ke sources se [src].



Exam trap

Paper mein "Section 143 ke under fraud reporting" aur "Rule 13 ka Rs 1 crore threshold" alag-alag poochha jaata hai. Section mein threshold nahi likha, wo Rule 13 (Companies (Audit and Auditors) Rules, 2014) mein hai [src]. Dono ka rishta yaad rakho: **Act duty deta hai, Rule process deta hai.**

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10. Chat: Wo 4 sections jo sab chhod dete hain

Prabhat

Theek hai Iksha, aaj 142, 145, 146, 148. Chalo.

Iksha
Section 142 pehle. Auditor ki fees kaun fix karta hai?

Prabhat
Board?

Iksha
Galat, aadha sahi. **General meeting** fix karti hai, ya us meeting mein decide kiye tareeke se. Sirf **first auditor** ki remuneration Board fix kar sakta hai. Aur ek nuance: remuneration mein audit ke expenses aur facilities include hote hain, lekin auditor ki **dusri services** ke paise include nahi hote. Matlab audit fees alag, consulting fees alag [src].

Prabhat
Dusri services matlab jo Section 144 allow karta hai, Board approval se?

Iksha
Sahi connection. Ab 145. Report pe sign kaun karta hai?

Prabhat
Auditor, obviously.

Iksha
Haan, lekin point ye hai: qualifications, observations, comments jo company ke functioning pe adverse effect rakhte hain, wo **general meeting mein padhe jaate hain** aur kisi bhi member ke inspection ke liye open hote hain. Auditor chhupa ke report nahi de sakta [src].

Prabhat
Wah. Matlab qualified report sunai bhi jaati hai AGM mein.

Iksha
Ab 146. Auditor ko general meeting ke **saare notices aur communications** milte hain. Aur usko meeting attend karni chahiye, khud ya apne authorised representative ke through, jo auditor banne ke layak bhi ho. Usse company exempt kar sakti hai. Aur meeting mein usko **sune jaane ka haq** hai har us business pe jo auditor ke roop mein usse related ho [src].

Prabhat
Matlab AGM mein auditor chupchaap baitha ho to koi usse sawaal kar sakta hai?

Iksha
Bilkul. Isliye bade clients ke partner AGM jaate hain. Ab 148, sabse alag. Cost audit. Central Government kuch classes ki companies ke liye **cost records** rakhna specify kar sakti hai, aur unki **cost audit** karwa sakti hai. Cost auditor ek **cost accountant** hota hai, Board appoint karta hai. Aur ek hard rule: jo Section 139 ka statutory auditor hai, wo cost auditor **nahi** ban sakta [src].

Prabhat
Kyun? Aadmi to wahi CA-type hai.

Iksha
Independence. Apne hi audited numbers ki cost detail khud check kare to self-review. Cost audit Section 143 wali audit ke **additional** hai, replacement nahi. Cost auditor apni report Board ko deta hai, aur company us report ko qualifications ke explanations ke saath **30 din ke andar** Central Government ko deti hai [src].

Prabhat
Aur cost auditing standards?

Iksha
Institute of Cost Accountants of India issue karta hai, Central Government ke approval se. CA nahi, CMA wala institute. Ye bhi trap hai [src].

Prabhat
Ek aur cheez. Part A mein Section 143(3) detail mein nahi gaya tha.

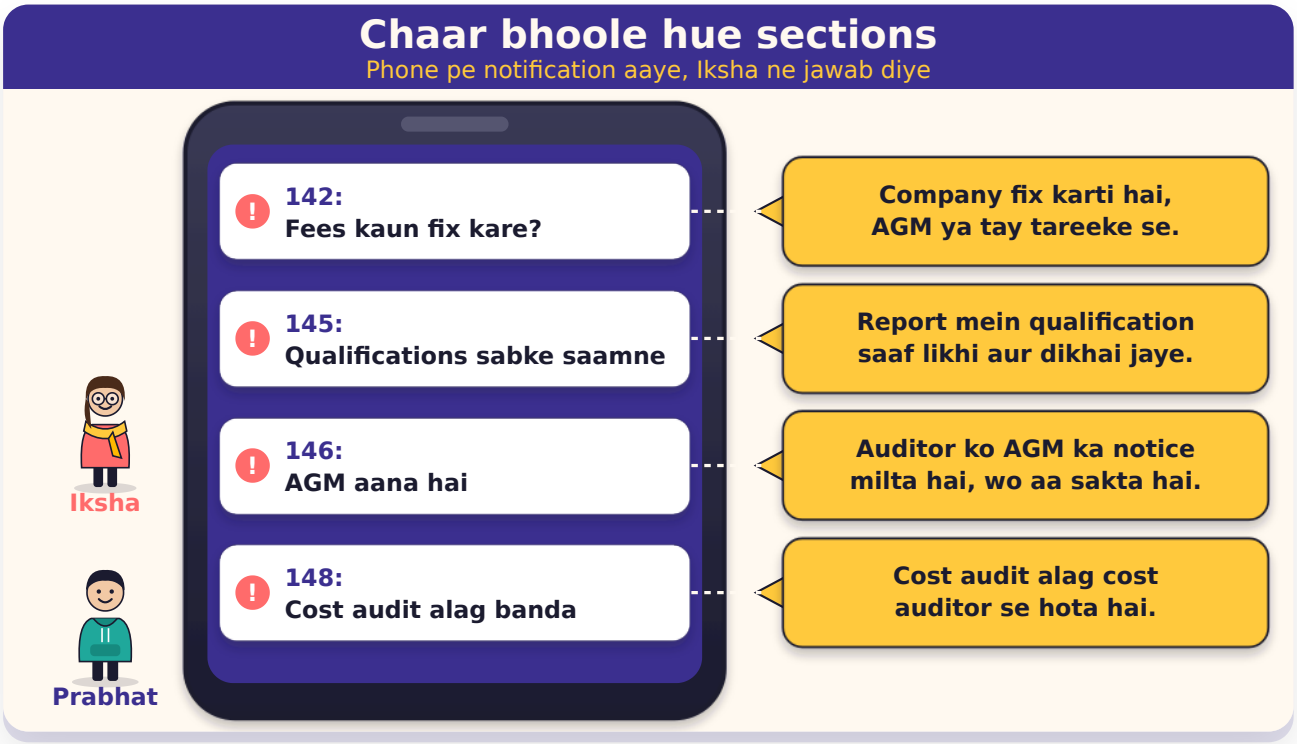
Iksha
Good catch. 143(3) mein auditor ko apni report mein state karna hota hai: (a) jo information aur explanations maange, mile ya nahi; (b) proper books of account rakhe gaye ya nahi, law ke hisaab se; (c) branch audit reports ka treatment; (d) statements Board meeting mein approved balance sheet aur P&L se agree karte hain; (e) statements accounting standards ke anusaar hain; (f) company ke kaam par adverse asar daalne wale financial transactions ya matters par observations; (g) directors disqualify to nahi (164(2)); (h) accounts ke maintenance se jude qualification, reservation ya adverse remark; (i) internal financial controls ki adequacy aur operating effectiveness (ye OPC, small company aur un private companies ko chhod ke lagta hai jinka turnover Rs 50 crore se kam aur borrowings Rs 25 crore se kam ho, aur jinhone filing default na kiya ho) [src]. Ye pura checklist hi report ka "Report on Other Legal and Regulatory Requirements" section banta hai.

Prabhat
Aur 143(11)?

Iksha
CARO wali duty wahin se aati hai: Central Government order kar sakti hai ki specified class ki companies ke liye report mein specified matters include hon. Wahi order CARO 2020 hai, 21 clauses.

Prabhat
Noted. 143(3) = auditor ki report ka mandatory content, 143(11) = CARO ka kanooni hook, 143(12) = fraud reporting. Teen alag kaam, ek hi section.

Iksha
Interview mein yahi bola to pakka job. Aaj ki chai main banati hoon.



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11. Do worked examples: rotation calendar aur penalty calculation

Worked example 1: Rotation ka calendar

Question: XYZ Ltd ek listed company hai. Firm "M/s Sharma & Co." ne FY 2015-16 se audit shuru kiya. Kab tak audit kar sakti hai, kab cooling-off, kab wapas aa sakti hai?

Iksha ka step-by-step:

1. Firm ka max tenure = 2 terms x 5 years = **10 consecutive years** (Section 139(2)(b)) [src].

2. FY 2015-16 se count karo: FY16, 17, 18, 19, 20 (term 1, 5 saal). FY21, 22, 23, 24, 25 (term 2, 5 saal).
3. FY 2024-25 ke baad tenure khatam. Cooling-off **5 saal**: FY 2025-26 se FY 2029-30 tak firm (aur uski common-partner wali firms) auditor nahi ban sakti.
4. Wapas aane ka earliest year: **FY 2030-31**.

Prabhat
Aur agar individual auditor hota, CA Sharma khud?

Iksha
Sirf **ek term, 5 saal**. FY 2019-20 ke baad khatam (FY16-FY20), cooling-off FY 2020-21 se FY 2024-25, phir FY 2025-26 se wapas possible. Firm ko double milta hai, isliye bade clients firms prefer karte hain.

Exam trap
Cooling-off mein wahi firm common partner ke saath wapas aa jaye, ye bhi banned hai. Option mein "new firm, same partner" dikhe to woh bhi galat answer hai.

Worked example 2: Section 147(2) ki penalty calculation

Question: Ek auditor ki audit remuneration Rs 80,000 hai. Usne Section 143 violate kiya (bina jaanbujhe). Maximum fine kitna? Aur agar jaanbujh kar, fraud ke intention se kiya ho to?

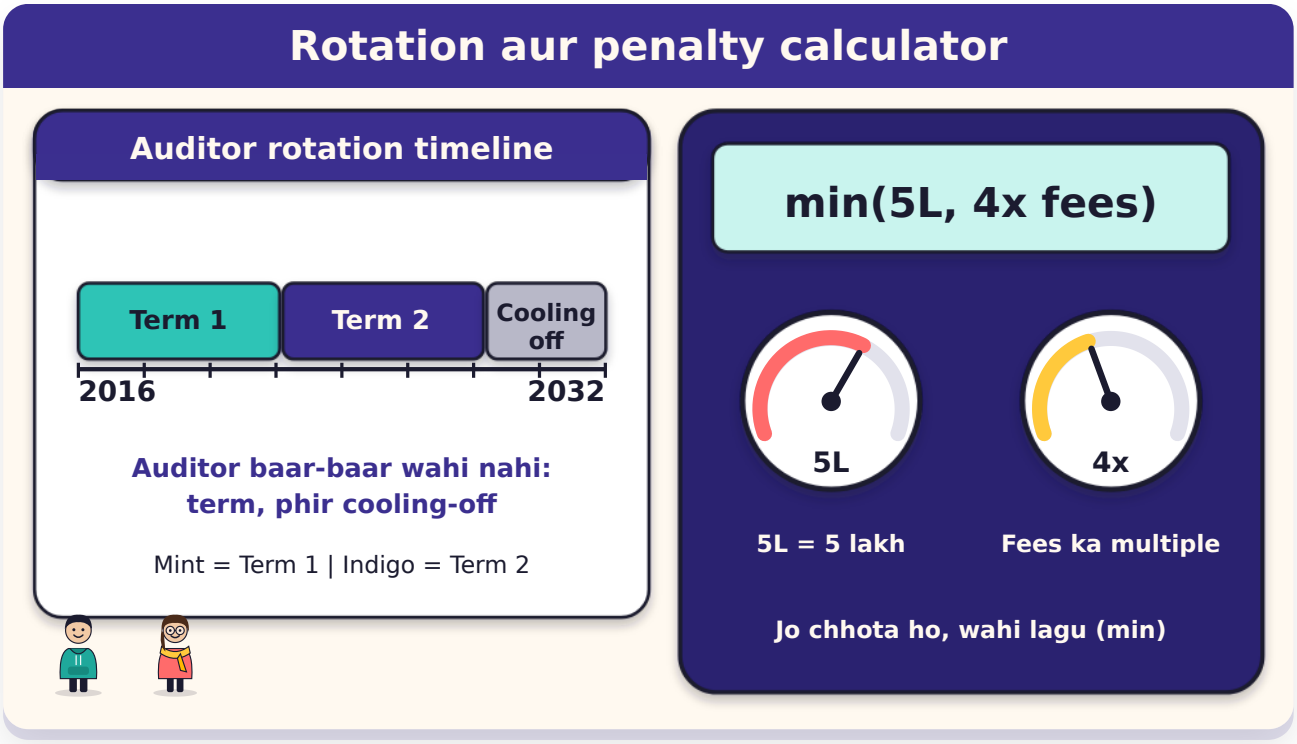
Iksha ka step-by-step:

1. Normal breach: fine Rs 25,000 se Rs 5 lakh, **ya remuneration ka 4 guna, jo kam ho** [src].
2. 4 x 80,000 = Rs 3,20,000. Compare: Rs 5 lakh vs Rs 3.2 lakh. **Jo kam ho = Rs 3.2 lakh.** Toh range: Rs 25,000 se Rs 3,20,000.
3. Knowing breach (fraud intention): jail **up to 1 saal** + fine Rs 50,000 se Rs 25 lakh **ya 8 guna remuneration, jo kam ho**.
4. 8 x 80,000 = Rs 6,40,000. Rs 25 lakh vs Rs 6.4 lakh. **Kam = Rs 6,40,000.** Range: Rs 50,000 se Rs 6,40,000, plus jail.

Prabhat
"Whichever is less" hi asli trap hai na. Sab 5 lakh ya 25 lakh mark kar aate hain.

Iksha

Bilkul. Cap do hai: absolute aur multiple. Dono mein jo chhota, wahi ceiling. Ye calculation 10 second ka hai agar formula yaad ho: **min(absolute cap, multiplier x fees)**.



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12. Mini Case 1: DHFL, jab branch auditors tak NFRA ki zadd mein aaye

Kya hua. Dewan Housing Finance Corporation (DHFL) India ka bada housing finance company tha. 29 January 2019 ko Cobrapost ne **Rs 31,000 crore se zyada ke fraud** ka allegation lagaya (DHFL ne ise mischief bataya) [src]. Baad mein DHFL IBC ke under insolvency mein gayi. 29 September 2021 ko Piramal Group ne DHFL ka acquisition **Rs 34,250 crore** total consideration (Rs 14,700 crore upfront cash + Rs 19,550 crore NCDs) dekar poora kiya, Committee of Creditors ke approved resolution plan ke under [src].

Audit angle. NFRA ki official orders list dikhati hai ki 21 June 2024 ko NFRA ne DHFL ke **branch audit** ke matter mein do alag orders pass kiye: ek CA Kashinath Chaturvedi ke against, ek CA Krishna Bihari Chaturvedi ke against [src].

Lesson. Teen seekh. Ek: **branch audit bhi audit hai**. Bahut log sochte hain branch auditor ki responsibility chhoti hoti hai; NFRA ne branch auditors ko bhi individually target kiya. Do: NFRA ne paya ki 250 ke aas-paas branches ke branch auditors ki appointment DHFL ke AGM mein approve hi nahi hui thi, yaani Section 139 ka process follow nahi hua, aur branch audit ke papers mein SA documentation ki kami thi. CA Kashinath Chaturvedi pe Rs 1 lakh penalty aur 1 saal debarment laga [src]. Teen: collapse ke saalon baad bhi orders aa sakte hain. Audit documentation (SA 230) hi auditor ka insurance hai, kyunki review 5-6 saal baad hota hai.

Exam angle. (1) Branch audit reports ka treatment Section 143(3)(c) mein. (2) NFRA Section 132 ke under auditors ke against orders pass karta hai. (3) Resignation karne wale auditor ki 30-din statement duty (140(2)) fraud situations mein bhi apply hoti hai.

13. Mini Case 2: Satyam sentencing, jab Section 447 jaisi saza asli hui

Kya hua. Part A mein Satyam ka fraud padha tha (Rs 7,000 crore, 7 January 2009 confession). Ab aage ki kahani. CBI ne February 2009 mein case Andhra Pradesh CID se takeover kiya (FIR 20 February 2009) aur 7 April 2009 ko pehli charge sheet file ki [src]. 9 April 2015 ko Hyderabad ki special CBI court ne Ramalinga Raju aur **9 others** ko guilty paya, revenue inflate karna, accounts aur income tax returns falsify karna, fake invoices banana, jaise charges mein, aur **7 saal imprisonment** ki saza di. Ramalinga Raju aur unke bhai Rama Raju pe Rs 5.5 crore (Rs 55 million) each ka fine bhi laga, baaki accused pe chhote fines [src].

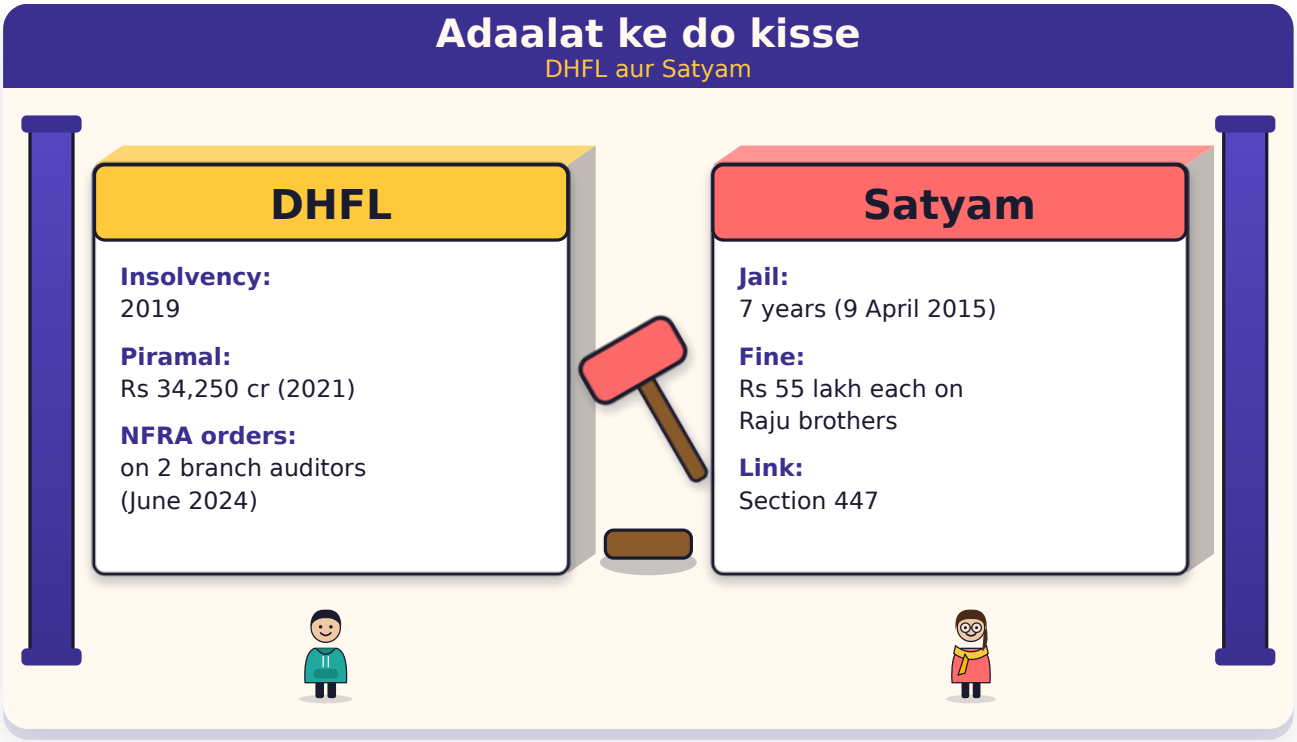
Section se link. Satyam Companies Act, 1956 ke time ka tha, lekin agar aaj hota to Section 447 seedha apply hota: fraud Rs 10 lakh ya 1% turnover (jo kam) se zyada ho to 6 mahine se 10 saal tak imprisonment **plus** fine jo fraud amount ke barabar se 3 guna tak; public interest wala fraud ho to minimum 3 saal [src]. Satyam ka fraud public interest wala hi tha (listed company, lakhon shareholders).

Aur auditor ke liye 245. Section 245(1)(g)(ii) ke under members aur depositors **auditor including audit firm** ke against class action mein damages claim kar sakte hain, agar audit report mein improper ya misleading statement ho ya fraudulent/wrongful conduct ho. Tribunal ka order company, members,

depositors aur **auditor including audit firm** pe binding hota hai [src]. Banking companies is section ke bahar hain (245(9)).

Lesson. Audit report ke words civil aur criminal dono consequences rakhte hain. 7 saal ki saza dikhati hai ki "accounts falsify karna" white-collar nahi, asli jail wala crime hai. Aur Section 245 dikhata hai ki shareholders ke paas ab collective weapon hai: ek small investor akela case nahi kar sakta, par class action mein hazaron milke auditor tak pahunch sakte hain.

Exam angle. (1) Section 447 ke thresholds: Rs 10 lakh / 1% turnover, jo kam. (2) Public interest fraud ka minimum: 3 saal. (3) Section 245 mein kaun nahi: banking company. (4) Class action ka forum: Tribunal (NCLT).



14. Penalties master table (sab sections, ek jagah)

Section	Kisne toda	Saza
128(6)	MD/WTD(finance)/CFO/charged person	Jail up to 1 saal, ya fine Rs 50,000 - 5 lakh, ya dono
129(7)	Same officers (warna sab directors)	Jail up to 1 saal, ya fine Rs 50,000 - 5 lakh, ya dono
134(8)	Company + officer in default	Company: Rs 50,000 - 25 lakh; officer: jail up to 3 saal ya Rs 50,000 - 5 lakh ya dono
140(3)	Resign kiya, statement nahi di	Rs 50,000 ya remuneration, jo kam
147(1)	Company (Chapter X breach)	Fine Rs 25,000 - 5 lakh; officer: jail up to 1 saal ya Rs 10,000 - 1 lakh ya dono
147(2)	Auditor (139/143/144/145 breach)	Rs 25,000 - 5 lakh ya 4x remuneration (kam); knowing: jail up to 1 saal + Rs 50,000 - 25 lakh ya 8x remuneration (kam)
178(8)	177/178 breach	Company: Rs 1 lakh - 5 lakh; officer: jail up to 1 saal ya Rs 25,000 - 1 lakh ya dono
197(15)	Remuneration cap breach	Person: Rs 1 lakh penalty; company: Rs 5 lakh
245(7)	Tribunal order ignore	Company: Rs 5 lakh - 25 lakh; officer: jail up to 3 saal + Rs 25,000 - 1 lakh
447	Fraud	6 mahine - 10 saal + fine amount se 3x tak; public interest: min 3 saal

Sources: sections 128, 129, 134, 178, 197, 245, 447 ke text upar section 9 ke source block mein; 140(3) aur 147 Part A ke kanoonhq sources se [src] [src].

> **Exam trap**
> "Jail kabhi nahi hoti Companies Act mein" jaisa blanket statement galat hai. 134(8), 147(2), 245(7), 447 sab mein imprisonment hai. Audit chapter ke sabse jail-friendly section: 447.

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15. Practice MCQs (32 questions)

Q1. Companies Act, 2013 mein kitne sections aur schedules hain? (a) 470 sections, 7 schedules (b) 658 sections, 15 schedules (c) 470 sections, 15 schedules (d) 448 sections, 7 schedules **Answer: (a).** 470 sections, 29 chapters, 7 schedules. 658 sections/15 schedules 1956 Act ka tha, classic swap trap.

Q2. Companies Act, 2013 ko President ki assent kab mili? (a) 30 August 2013 (b) 29 August 2013 (c) 1 April 2014 (d) 12 September 2013 **Answer: (b).** Assent 29 August 2013; gazette notification 30 August 2013. Dono dates options mein hote hain.

Q3. Books of account kahan rakhi jaati hain (default)? (a) Head office (b) Registered office (c) Auditor ke office (d) ROC office **Answer: (b).** Section 128: registered office. Board decide kare to any other place in India possible, par default registered office.

Q4. Financial statements ka form kaunsa Schedule deta hai? (a) Schedule II (b) Schedule III (c) Schedule V (d) Schedule VII **Answer: (b).** Schedule III = financial statements format. Schedule II depreciation, V managerial appointment conditions, VII CSR.

Q5. First auditor ki remuneration kaun fix karta hai? (a) Members in AGM (b) Board (c) CAG (d) Audit Committee **Answer: (b).** Section 142(1) proviso: Board may fix remuneration of first auditor appointed by it. Baaki general meeting.

Q6. Auditor ki remuneration mein kya include nahi hota? (a) Audit fee (b) Audit ke expenses (c) Auditor ko facilities (d) Auditor ki other services ka payment **Answer: (d).** Section 142(2): other services ka remuneration explicitly excluded.

Q7. Auditor ki qualifications general meeting mein padhi jaati hain, kaunsa section? (a) 143 (b) 144 (c) 145 (d) 146 **Answer: (c).** Section 145: adverse qualifications GM mein read hote hain aur members ke inspection ke liye open.

Q8. Section 146 ke under auditor ka haq? (a) GM mein vote (b) GM attend karne ka aur sune jaane ka (c) Minutes sign karne ka (d) Director appoint karne ka **Answer: (b).** Attend (khud ya qualified representative) + right to be heard. Vote ka haq nahi.

Q9. Cost auditor kaun hota hai? (a) Statutory auditor hi (b) Cost accountant (c) Company secretary (d) Internal auditor **Answer: (b).** Section 148(3): cost accountant. Statutory auditor (139) cost auditor nahi ban sakta.

Q10. Cost audit report company Central Government ko kitne din mein deti hai? (a) 15 din (b) 30 din (c) 45 din (d) 60 din **Answer: (b).** Section 148(6): 30 days from receipt of cost audit report, with explanations on every qualification.

Q11. Audit Committee mein minimum kitne directors? (a) 2 (b) 3 (c) 5 (d) 7 **Answer: (b).** Section 177(2): minimum 3 directors, majority independent.

Q12. Audit Committee ki meeting mein auditor ka kya haq hai? (a) Vote (b) Be heard, no vote (c) Chair karna (d) Kuch nahi **Answer: (b).** Section 177(7): auditors aur KMP right to be heard when audit report considered, no vote.

Q13. Audit Committee se bina approval kiya gaya Rs 80 lakh ka related-party transaction ratify nahi hua 3 mahine mein. Kya hoga? (a) Kuch nahi (b) Transaction voidable at Audit Committee's option (c) Director jail (d) Automatic fine **Answer: (b).** Section 177(4) proviso: Rs 1 crore tak ka transaction agar 3 months mein ratify na ho, Audit Committee ke option pe voidable.

Q14. Section 177/178 breach ki company penalty? (a) Rs 50,000 - 5 lakh (b) Rs 1 lakh - 5 lakh (c) Rs 25,000 - 1 lakh (d) Rs 5 lakh - 25 lakh **Answer: (b).** Section 178(8): company Rs 1-5 lakh; officer jail up to 1 year ya Rs 25,000-1 lakh.

Q15. Public company ki total managerial remuneration ka overall cap? (a) 10% of turnover (b) 11% of net profits (c) 5% of net profits (d) No cap **Answer: (b).** Section 197(1): 11% of net profits (Section 198 ke manner mein computed), special resolution se exceed possible Schedule V subject.

Q16. Section 197(16) ke under auditor kya karta hai? (a) Remuneration fix karta hai (b) 143 report mein state karta hai remuneration section ke mutabik hai ya nahi (c) Excess recover karta hai (d) Kuch nahi **Answer: (b).** Auditor report karta hai limit cross hui ya nahi; fix ya recover uska kaam nahi.

Q17. Class action (Section 245) kis pe laagu nahi? (a) Listed companies (b) Banking companies (c) Government companies (d) Private companies **Answer: (b).** Section 245(9): banking companies exempt.

Q18. Section 245 mein auditor ke against damages kab? (a) Kabhi nahi (b) Improper/misleading statement in audit report ya wrongful conduct (c) Sirf fees zyada ho to (d) Sirf criminal case ke baad **Answer: (b).** 245(1)(g)(ii): auditor including audit firm against damages for improper or misleading statement in audit report or fraudulent/unlawful/wrongful act.

Q19. Section 447 ka fraud threshold? (a) Rs 1 crore (b) Rs 10 lakh ya 1% of turnover, whichever is lower (c) Rs 50 lakh (d) Rs 5 lakh **Answer: (b).** 447 amended text: at least ten lakh rupees or one per cent of turnover, whichever is **lower**. 1 crore Rule 13 ka hai, mix mat karo.

Q20. Public interest wale fraud ka minimum imprisonment? (a) 6 mahine (b) 1 saal (c) 3 saal (d) 5 saal **Answer: (c).** 447 proviso: public interest involved ho to minimum 3 years, max 10.

Q21. Section 447 mein fine ki range? (a) Rs 10 lakh - 1 crore (b) Fraud amount ke barabar se 3 guna tak (c) Sirf Rs 50 lakh (d) Koi fine nahi **Answer: (b).** Fine not less than the amount involved, extendable to three times.

Q22. Chhota fraud (threshold se kam, no public interest) ki saza? (a) Kuch nahi (b) Jail up to 5 saal ya fine up to Rs 50 lakh ya dono (c) Sirf warning (d) 10 saal **Answer: (b).** 447 ka second proviso: smaller fraud bhi punishable hai, zero nahi.

Q23. DHFL ko kisne acquire kiya aur kitne mein? (a) Tata, Rs 10,000 cr (b) Piramal, Rs 34,250 crore (c) Adani, Rs 31,000 cr (d) RBI, Rs 1 lakh cr **Answer: (b).** Piramal Group, September 2021, Rs 34,250 crore, IBC resolution plan ke under.

Q24. NFRA ne DHFL matter mein kiske against orders diye (June 2024)? (a) Sirf Deloitte (b) Do branch auditors (c) PwC (d) KPMG **Answer: (b).** CA Kashinath Chaturvedi aur CA Krishna Bihari Chaturvedi, branch audit matters, orders dated 21/06/2024 (NFRA orders page).

Q25. Satyam case mein Ramalinga Raju ko kitni saza hui? (a) 5 saal (b) 7 saal (c) 10 saal (d) Life **Answer: (b).** 9 April 2015, Hyderabad CBI court, 7 years imprisonment, 9 others ke saath.

Q26. Section 143(3) mein kya state nahi karna hota? (a) Information mili ya nahi (b) Proper books rakhe gaye (c) Auditor ki fees adequate thi ya nahi (d) Directors 164(2) mein disqualified to nahi **Answer: (c).** Fees ki adequacy 143(3) ka part nahi. Baaki teen explicitly hain.

Q27. CARO ka legal hook kaunsa sub-section hai? (a) 143(3) (b) 143(11) (c) 143(12) (d) 143(9) **Answer: (b).** 143(11): Central Government order kar sakti hai specified matters report karne ko. Wahi order CARO 2020 hai.

Q28. Rotation mein individual auditor ka max tenure? (a) 1 term of 5 years (b) 2 terms of 5 years (c) 10 years (d) 3 years **Answer: (a).** Individual: 5 saal. Firm: 10 saal. Swap trap bahut aata hai.

Q29. M/s Sharma & Co. ne FY16 se audit shuru kiya (listed co). Wapas earliest kab aa sakti hai? (a) FY27 (b) FY32 (c) FY26 (d) FY31 **Answer: (d).** 10 saal tenure (FY16-FY25) + 5 saal cooling (FY26-FY30) = wapas FY31 (yaani FY 2030-31). Count carefully.

Q30. Auditor fees Rs 80,000, Section 143 breach (not knowing). Max fine? (a) Rs 5 lakh (b) Rs 3.2 lakh (c) Rs 6.4 lakh (d) Rs 25 lakh **Answer: (b).** min(5 lakh, 4 x 80,000) = Rs 3.2 lakh. "Whichever is less" apply hota hai.

Q31. Wahi auditor, knowing breach with intent to deceive. Max fine? (a) Rs 25 lakh (b) Rs 6.4 lakh (c) Rs 3.2 lakh (d) Rs 50,000 **Answer: (b).** min(25 lakh, 8 x 80,000) = Rs 6.4 lakh, plus jail up to 1 saal.

Q32. Government company ka pehla auditor kaun aur kab appoint karta hai? (a) Board, 30 din (b) CAG, 60 din (c) Members, 90 din (d) ROC, 15 din **Answer: (b).** Section 139(7): CAG within 60 days of registration. Baaki govt co audits CAG 180 din mein (139(5)).

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16. Casual vacancy, vacation, aur chhote sections ke chhote traps

Prabhat
Iksha, auditor beech mein chhod de to kursi ka kya hota hai?

Iksha
Section 139(8). Casual vacancy aaye to **Board 30 din ke andar** bhar deta hai. Lekin agar vacancy **resignation** se aayi hai, to Board ki recommendation ko company ko general meeting mein **3 mahine ke andar** approve bhi karna hoga, aur naya auditor next AGM tak hi rahega. Government company mein CAG 30 din mein bharta hai [src].

Prabhat
Aur Audit Committee ka role?

Iksha
Section 139(11): jahan Audit Committee banana mandatory hai (Section 177 wali companies), auditor ki **har appointment**, casual vacancy bharna bhi, us committee ki recommendations ko dhyan mein rakh ke hoti hai [src].

Prabhat
Firm appoint hui to sign kaun karega?

Iksha
Section 141(2): firm (LLP including) appoint ho to sirf woh partners jo **CA hain** hi act aur sign kar sakte hain firm ki taraf se [src]. Aur 141(3)(d) ka proviso interesting hai: auditor ka relative company mein security ya interest hold kar sakta hai, par face value **Rs 1,000 se zyada nahi**, ya jo sum prescribe ho [src].

Prabhat
Rs 1,000? Bahut chhota number hai.

Iksha
Isliye trap hai. Log sochte hain "1 lakh" ya kuch bada. Act text mein Rs 1,000 face value hai, "ya jo sum prescribe ho". Companies (Audit and Auditors) Rules, 2014 ka Rule 10(1) ye limit Rs 1 lakh prescribe karta hai [src]. Exam mein "Act text" poochha ho to Rs 1,000, "Rules ke mutabik" poochha ho to Rs 1 lakh. Aur last: **141(4)**. Agar appointment ke **baad** auditor ko koi disqualification lag jaaye, to usko office **vacate** karna padega, aur wo vacation casual vacancy maani jaayegi [src].

Prabhat
Matlab disqualification aate hi auditor automatic out. Kisi ko hatana nahi padta.

Iksha
Bilkul. Self-executing provision hai.

Exam trap
Casual vacancy vs resignation vacancy. Dono mein Board 30 din, par resignation wali mein GM approval 3 mahine mein bhi chahiye. Aur government company mein CAG, Board nahi.

---

17. CARO 2020 deep dive: 21 clauses ka order

Prabhat
Part A mein CARO ka naam aaya tha. Detail?

Iksha
CARO 2020 ko Central Government ne **25 February 2020** ko notify kiya, order number **S.O. 849(E)**, Section 143(11) ki powers se, CARO 2016 (S.O. 1228(E), 29 March 2016) ko supersede karte hue. Order **NFRA ke saath consultation ke baad** bana [src]. PIB press release bhi yehi date aur 143(11) hook confirm karta hai [src]. Order 21 matters (clauses) report karwata hai [src].

Prabhat
Kis pe apply hota hai?

Iksha
Har company pe, **except**: banking company, insurance company, Section 8 company, One Person Company, small company, aur chhoti private company jiska paid-up capital + reserves **Rs 1 crore** se zyada nahi, bank/FI borrowings **Rs 1 crore** se zyada nahi, aur revenue **Rs 10 crore** se zyada nahi. Foreign company pe bhi apply hota hai [src].

Prabhat
Consolidated statements pe?

Iksha
CFS pe CARO apply nahi hota, **except clause (xxi)**: consolidated CARO mein batana hota hai ki andar ki companies ke CARO reports mein koi qualifications ya adverse remarks the kya, paragraph numbers ke saath [src].

Prabhat
Kuch clauses batao jo naye type ke hain.

Iksha

Clause (xiv): internal audit system size aur nature ke anuroop hai ya nahi. Clause (xv): directors ke saath non-cash transactions, Section 192 compliance. Clause (xvi): RBI registration chahiye thi ya nahi, NBFC/HFC activities bina CoR, CIC criteria. Clause (xvii): **cash losses** is saal aur pichle saal, amount ke saath. Clause (xviii): saal mein **statutory auditors ki resignation** hui to kya issues/objections/concerns outgoing auditor ne raise kiye, unhe consider kiya gaya. Clause (xix): ratios, ageing, realisation dates ke basis pe auditor ka opinion ki company apne liabilities ek saal mein meet kar payegi, koi material uncertainty to nahi. Clause (xx): CSR ke unspent amounts Section 135 ke hisaab se transfer hue ya nahi [src].

Prabhat

Clause (xviii) to resignations ko hi spotlight karta hai.

Iksha

Deliberately. Ab auditor ke resign karne par outgoing auditor ke raise kiye issues, objections ya concerns ko consider kiya gaya ya nahi, ye report karna hoga. Resignation ab silent exit nahi.

Applicability date

CARO 2020 pehle FY commencing on or after **1 April 2019** pe lagna tha (PIB, 26 Feb 2020). MCA ne S.O. 1219(E) (24 March 2020) se ise 1 April 2020 kiya, aur phir S.O. 4588(E) (17 December 2020) se **1 April 2021** kar diya. Matlab CARO 2020 **FY 2021-22 se** lagu hai; FY 2020-21 mein CARO 2016 chala [src] [src].

Exam trap

CARO ka clause count: **21** (CARO 2016 mein 16 the). Aur CARO CFS pe apply nahi hota, sirf clause (xxi) chhod ke.



---

18. "Tum kya karte" scenarios (Companies Act)

Scenario 1: Tumhe pata chala client company ne apne director ke relative ko Rs 40 lakh ka loan diya bina kisi approval ke, aur management keh raha hai "audit mein mat uthao."

Iksha
Kya karoge?

Prabhat
Pehle Section 143(1) ki inquiry ka hissa, information maangunga. Misstatement/illegal ho to report mein qualify karunga, amount material ho to. Aur fraud threshold cross ho to 143(12) route. Pressure pe jhukna nahi, warna 147(2) aur ICAI/NFRA.

Iksha
Sahi. Scenario 2: Client keh raha hai, "humari internal audit bhi tum hi kar lo, extra fees denge."

Prabhat
Section 144: internal audit prohibited service hai statutory auditor ke liye. Refuse. Self-review threat.

Iksha
Scenario 3: Tumhare partner ki wife ne client company ke shares kharid liye, face value Rs 5 lakh.

Prabhat
141(3)(d) ka proviso Act mein Rs 1,000 ya prescribed sum tak allow karta hai, aur Rule 10(1) mein wo sum Rs 1 lakh face value hai. Rs 5 lakh us se upar hai, to ye disqualification trigger karega; 141(4) ke under office vacate karna padega. Pehle shares dispose karwao ya appointment mat lo.

Iksha
Aaj to tum form mein ho.

---

19. Practice MCQs (round 2, Q33-Q40)

Q33. Resignation se aayi casual vacancy ka naya auditor kab tak rehta hai? (a) 5 saal (b) Next AGM tak (c) 1 saal (d) 6 mahine **Answer: (b).** Section 139(8): GM approval ke baad next AGM tak. Phir AGM mein regular appointment.

Q34. Firm ke behalf pe sign kaun kar sakta hai? (a) Koi bhi partner (b) Sirf CA partners (c) Articles (d) Manager **Answer: (b).** Section 141(2). LLP bhi "firm" definition mein include hai (Chapter X Explanation).

Q35. Auditor ke relative ki allowed shareholding face value (Act text)? (a) Rs 1,000 (b) Rs 1 lakh (c) Rs 10,000 (d) No limit **Answer: (a).** 141(3)(d) proviso: not exceeding Rs 1,000 face value or prescribed sum. Prescribed sum Rule 10(1) mein Rs 1 lakh hai, isliye "Rules ke mutabik" wale version mein answer Rs 1 lakh hoga.

Q36. Appointment ke baad disqualification aaye to? (a) Kuch nahi (b) Office vacate, deemed casual vacancy (c) Fine only (d) Warning **Answer: (b).** Section 141(4), self-executing.

Q37. CARO 2020 ka order number aur date? (a) S.O. 1228(E), 2016 (b) S.O. 849(E), 25 Feb 2020 (c) G.S.R. 972(E), 2015 (d) S.O. 100(E), 2021 **Answer: (b).** S.O. 1228(E) CARO 2016 ka tha; 849(E) CARO 2020.

Q38. CARO 2020 kis pe apply nahi hota? (a) Foreign company (b) Banking company (c) Listed company (d) Manufacturing company **Answer: (b).** Banking, insurance, s.8, OPC, small company, aur threshold ke neeche wali private companies exempt. Foreign company pe apply hota hai.

Q39. CARO clause (xviii) kis bare mein hai? (a) Cash losses (b) Statutory auditors ki resignation (c) CSR (d) CIC **Answer: (b).** Resignation hui to outgoing auditor ke issues/objections/concerns consider kiye ya nahi. Clause (xvii) cash losses hai.

Q40. Consolidated financial statements pe CARO ka kaunsa clause lagta hai? (a) Sab 21 (b) Koi nahi (c) Sirf clause (xxi) (d) Sirf clause (i) **Answer: (c).** Clause (xxi): andar ki companies ke CARO qualifications/adverse remarks ki details.

---

20. Section 140(4): retiring auditor ka "aakhri word"

Prabhat
Iksha, AGM mein auditor ko nahi re-appoint karna ho to bas vote ho gaya?

Iksha
Nahi. Section 140(4) ek pura drama hai. **Special notice** chahiye aise resolution ke liye jo retiring auditor ke alawa kisi aur ko appoint kare, ya expressly kahe ki retiring auditor re-appoint nahi hoga. Ek exception: agar retiring auditor ne apna 5 saal (individual) ya 10 saal (firm) ka consecutive tenure poora kar liya hai (Section 139(2) wala), to special notice nahi chahiye [src].

Prabhat
Special notice ke baad?

Iksha

Company turant notice ki copy retiring auditor ko bhejegi. Auditor chahe to written representation bhej sakta hai aur request kar sakta hai ki wo members ko circulate ho. Company members ke notice mein ye fact batayegi ki representation aayi hai, aur uski copy har member ko bhejegi. Agar der se aayi ya company ne default kiya, to auditor maang sakta hai ki uski representation **meeting mein padhi jaye**, plus Registrar ko file hogi. Aur agar Tribunal ko lage ki auditor in rights ka abuse kar raha hai, to circulation/read-out rok sakta hai [src].

Prabhat

Matlab jaate jaate bhi auditor bol sakta hai, aur members sunte hain.

Iksha

Isi liye ye provision hai: company auditor ko chupchaap nahi nikaal sakti jab auditor kuch bolna chahta ho. Aur 140(5) yaad rakho: Tribunal suo motu ya Central Government/any person ke application pe, agar auditor ne fraud kiya ya fraud mein abet/collude kiya, auditor change karne ka order de sakta hai. CG application pe Tribunal **15 din** mein order karega ki auditor function nahi karega. Final order ke baad wo auditor (individual ya firm) **5 saal** kisi company ka auditor nahi, aur Section 447 ki liability bhi [src].

Prabhat

140(3) mein kuch naya tha?

Iksha

Haan, Part A mein aadha tha. Resignation statement (30 din) na dene pe penalty Rs 50,000 ya remuneration, jo **kam**. Lekin **continuing failure** pe Rs 500 per day extra, max Rs 5 lakh [src].

Exam trap

Special notice wala exception. Jab tenure (5/10 saal) poora hua ho, special notice ki zaroorat nahi. Paper mein dono situations diye jaate hain.

---

21. Section 143(2) se 143(6): report ki anatomy kanoon ke text mein

Prabhat

143(3) ka poora list chahiye, exact.

Iksha

Theek hai, text ke saath. Auditor apni report members ko deta hai aur kehta hai ki accounts, Act, accounting aur auditing standards, aur 143(11) ke order ke matters ko dhyan mein rakh ke, **true and fair view** dete hain (143(2)). Phir 143(3) mein ye statements:

1. **(a)** Jo information aur explanations audit ke liye zaroori the, wo maange aur mile, ya nahi mile to details aur effect.
2. **(b)** Proper books of account rakhe gaye, aur un branches se proper returns aaye jahan wo gaya nahi.
3. **(c)** Branch auditor ki report us tak pahunchi ya nahi, aur usne usse apni report mein kaise deal kiya.
4. **(d)** Balance sheet aur P&L books of account aur returns se agree karte hain.
5. **(e)** Statements accounting standards ke anusaar hain.
6. **(f)** Financial transactions/matters pe observations ya comments jo company ke functioning pe adversely affect karte hon.
7. **(g)** Koi director Section 164(2) mein disqualified to nahi.
8. **(h)** Accounts maintenance se jude koi qualification, reservation, adverse remark.
9. **(i)** Internal financial controls (financial statements ke reference mein) adequate hain aur effectively operate kar rahe hain.
10. **(j)** Aur jo matters prescribe hon [src].

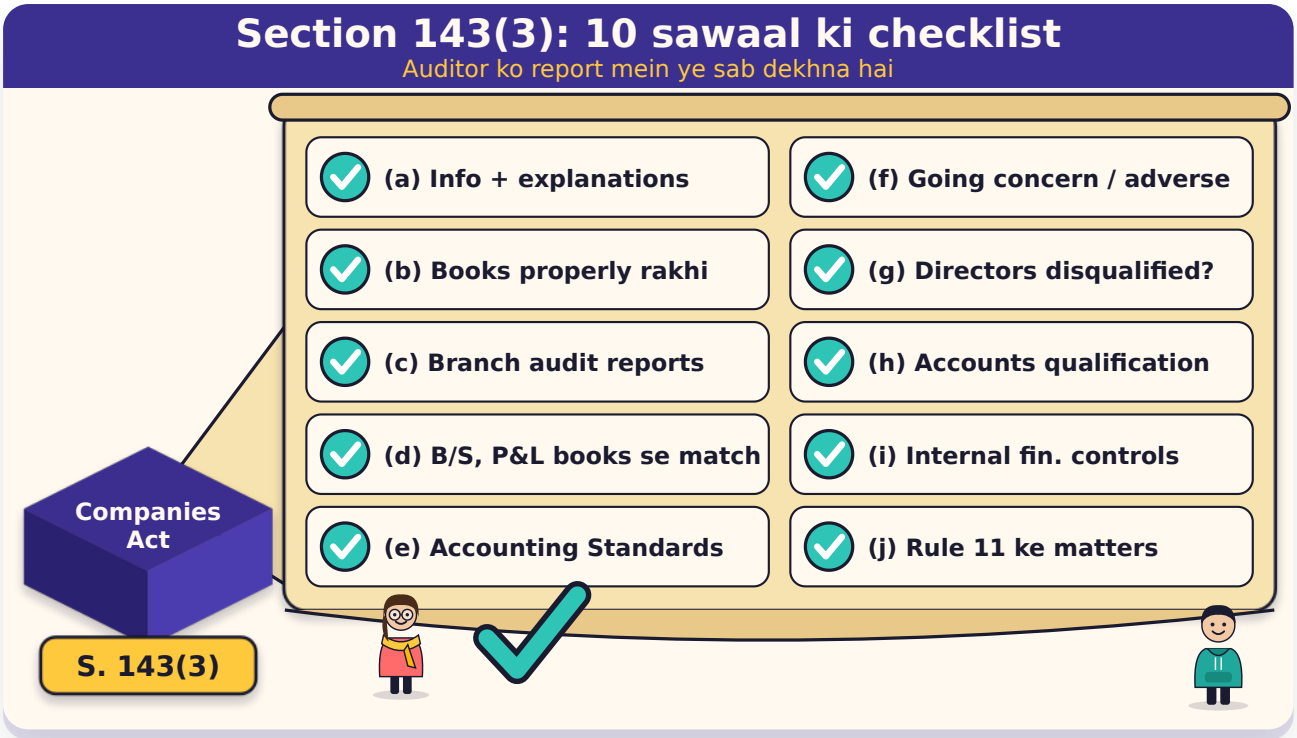
Iksha
Aur 143(4) chhota par powerful: agar inme se koi bhi answer **negative** ya **qualified** hai, to report mein **reasons** dene padenge. Chuppi allowed nahi.

Prabhat
Government company mein?

Iksha
143(5): CAG auditor ko **directions** deta hai ki accounts kis manner mein audit karne hain, aur auditor apni report ki copy CAG ko bhejta hai, jismein directions, un pe action, aur accounts pe impact likha ho. Phir 143(6): CAG ke paas **60 din** hain report receive hone se, supplementary audit karne ka right [src].

Prabhat
Toh government company mein do layer audit: statutory auditor + CAG ki supplementary.

Iksha
Haan. Aur branch audit (143(8)): branch ke accounts ya to company ka auditor kare ya koi aur qualified person; foreign branch mein local law ke mutabik qualified accountant bhi. Branch auditor apni report company auditor ko bhejta hai, jo usse apni report mein deal karta hai [src]. DHFL wale case mein branch auditors ko yaad rakho: branch audit formality nahi hai.



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22. Practice MCQs (round 3, Q41-Q48)

Q41. Retiring auditor ke alawa kisi aur ko appoint karne ke liye kya chahiye? (a) Ordinary notice (b) Special notice (c) NCLT order (d) Board resolution only **Answer: (b).** Section 140(4)(i). Exception: tenure 5/10 saal poora ho chuka ho.

Q42. Retiring auditor ki representation members ko circulate na ho sake to? (a) Kuch nahi hota (b) Meeting mein padhi jaye, Registrar ko file ho (c) AGM cancel (d) Fine on auditor **Answer: (b).** 140(4)(iii) provisos. Tribunal abuse pe rok sakta hai.

Q43. Section 140(3) mein continuing failure ki daily penalty? (a) Rs 1,000/day, max 5 lakh (b) Rs 500/day, max 5 lakh (c) Rs 5,000/day, no max (d) Rs 100/day **Answer: (b).** Rs 500 per day after the first, subject to maximum Rs 5 lakh.

Q44. 143(4) ke under negative/qualified answers ke saath kya dena padega? (a) Kuch nahi (b) Reasons (c) Registrar approval (d) NFRA permission **Answer: (b).** Har negative ya qualified matter ke reasons report mein state karne hain.

Q45. CAG government company ke auditor ki report receive karne ke baad supplementary audit kab tak kar sakta hai? (a) 30 din (b) 45 din (c) 60 din (d) 90 din **Answer: (c).** Section 143(6): within sixty days from receipt.

Q46. 143(3)(g) kis bare mein state karta hai? (a) Going concern (b) Directors ki disqualification under 164(2) (c) GST dues (d) CSR spend **Answer: (b).** Director disqualification check auditor ki reporting duty hai.

Q47. 143(3)(i) kis pe report maangta hai? (a) Internal financial controls with reference to financial statements: adequacy aur operating effectiveness (b) Internal audit fees (c) Inventory count (d) Insurance **Answer: (a).** IFC reporting, sab companies pe lagti hai; exemption sirf OPC, small company aur chhoti private companies (turnover < Rs 50 cr aur borrowings < Rs 25 cr, no filing default) ko hai.

Q48. Foreign branch ka audit kaun kar sakta hai? (a) Sirf company auditor (b) Company auditor ya us country ke law ke mutabik qualified person (c) Sirf ICAI member (d) Koi bhi **Answer: (b).** Section 143(8): foreign branch ke liye local law qualified accountant allowed.

---

23. Section 144: prohibited services ki poori list, ek memory trick ke saath

Prabhat
Iksha, 144 ki list yaad nahi hoti. (a) se (i) tak.

Iksha
Ek trick. Auditor apne audit client ko "doosra paisa" sirf Board ya audit committee ki approval se de sakta hai, aur wo bhi ye 9 services **nahi**, directly ya indirectly, company ko ya uski holding/subsidiary ko [src]:

1. (a) Accounting aur book-keeping
2. (b) Internal audit
3. (c) Financial information system ka design aur implementation
4. (d) Actuarial services
5. (e) Investment advisory
6. (f) Investment banking
7. (g) Outsourced financial services
8. (h) Management services
9. (i) Jo aur prescribed ho

Iksha

Memory trick: **"A Bookkeeper Intern Designs Actuarial Investments In Outside Management"**. A=accounting, Bookkeeper=book-keeping, Intern=internal audit, Designs=design of financial info system, Actuarial, Investments=advisory, In=investment banking, Outside=outsourced financial, Management=management services.

Prabhat

Holding aur subsidiary ko bhi nahi?

Iksha

Nahi. Ye trap hai: log sochte hain subsidiary ko de sakte hain. List "company, its holding company or subsidiary company" teeno ko cover karti hai.

Prabhat

Aur tax services?

Iksha

List mein nahi, to Board/audit committee approval se allowed. Isliye practice mein auditors tax returns bharte hain clients ke. Jo banned nahi, wo approval se possible; jo banned, wo approval se bhi nahi.

Exam trap

"Board approval le li to internal audit de sakta hai" galat. Approval sirf non-prohibited services ke liye relevant hai. Prohibited list absolute hai.

MCQs (round 4, Q49-Q52)

Q49. Section 144 mein prohibited services kitni hain? (a) 5 (b) 9 (c) 12 (d) 21
Answer: (b). (a) se (i). 21 CARO ke clauses hain, mix mat karo.

Q50. Auditor apne audit client ki subsidiary ko internal audit de sakta hai? (a) Haan, Board approval se (b) Nahi (c) Haan, agar fees alag ho (d) Haan, agar alag

partner ho **Answer: (b).** Prohibition holding aur subsidiary tak extend hoti hai, directly ya indirectly.

Q51. Kaunsi service 144 ke under banned nahi? (a) Internal audit (b) Actuarial (c) Tax return preparation (d) Book-keeping **Answer: (c).** Tax services list mein nahi; Board/audit committee approval se possible.

Q52. Non-audit services ka approval kaun deta hai? (a) Members in AGM (b) Board ya audit committee (c) CAG (d) NFRA **Answer: (b).** Section 144 opening words.

MCQs (round 5, Q53-Q56)

Q53. 147(3) ke under convicted auditor ko kya karna padta hai? (a) Sirf jail (b) Remuneration refund + damages to company, statutory bodies, members or creditors (c) Kuch nahi (d) Sirf fine **Answer: (b).** Refund plus damages. Loss incorrect/misleading audit report statements se arise hona chahiye.

Q54. Section 140(5) ka final order hone ke baad auditor kitne saal banned? (a) 1 (b) 3 (c) 5 (d) 10 **Answer: (c).** 5 saal kisi company ka auditor nahi, plus Section 447 liability. 10 saal NFRA ka debarment cap hai, mix mat karo.

Q55. Companies Act 2013 ke 7 schedules mein financial statements ka form kaunsa hai? (a) Schedule I (b) Schedule III (c) Schedule V (d) Schedule VII **Answer: (b).** Schedule III. I Table F/AoA, V managerial appointment, VII CSR.

Q56. Section 139(11) ke hisaab se auditor ki appointment mein kiski recommendation dhyan mein rakhni hoti hai? (a) NFRA (b) Audit Committee (c) CAG (d) SEBI **Answer: (b).** Jahan Audit Committee mandatory hai, har appointment uski recommendations ko consider karke.

Iksha
Last tip. Companies Act ke numbers ko do dabbon mein banto: **"din" wale** (30, 60, 90, 180, 15, 45, 2) aur **"saal" wale** (5, 10, 5, 20 companies). Exam mein jo number pooche, pehle dabba pehchano.

Prabhat
Aur agar phir bhi confuse ho jaaun?

Iksha
Toh section yaad karo, number nahi. Section yaad hai to story yaad aayegi, aur story se number. Isliye humne kanoon ko kahani banaya tha, yaad hai?

Prabhat
Yaad hai. Rajesh uncle ki dukaan se shuru hua tha.

Part B end. Agla: ch13 Part B mein SA ke detail, ICAI disciplinary cases aur regulation map (ICAI vs NFRA vs MCA vs SEBI vs CAG vs PCAOB).

Episode 13: Standards on Auditing (SA), ICAI aur NFRA

Topic A: SA kya hai?

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1. Kahani hook: "Cricket match bina rulebook ke"

Prabhat ke college me ek cricket match hua. Ek team ne kaha, "Hum 5 ball ka over khelenge." Doosri ne kaha, "Hum 8 ka." Umpire ne sar pakad liya.

Iksha ne ye sunke kaha, "Audit ka bhi yehi haal hota agar har auditor apna rulebook banata. Ek 'sab theek hai' likhta, doosra 'dhyan se dekha'. Isliye ek common rulebook hai: Standards on Auditing, yaani SA. Aur ek umpire bhi hai, jo dekhta hai ki rules follow hue ya nahi."

Prabhat ne poocha, "Rulebook kaun likhta hai aur umpire kaun hai?"

Iksha muskurayi. "Rulebook ICAI likhta hai. Umpire NFRA hai. Aaj dono ko jaanenge."



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2. Chat dialogue

Chat: Prabhat and Iksha

Topic A: SA kya hai?

Prabhat
Iksha, SA matlab?

Iksha
Standards on Auditing. Ye woh rules hain jinke hisaab se audit karna hota hai. Companies Act, 2013 ki Section 143(9) kehti hai: har auditor auditing standards follow karega.

Prabhat
Kaun banata hai?

Iksha
ICAI ki Auditing and Assurance Standards Board banata hai aur recommend karta hai. Section 143(10) ke hisaab se Central Government standards notify kar sakti hai, NFRA ki recommendation ko dekhkar. Jab tak naye notify na ho, ICAI ke standards hi chalte hain.

Prabhat
To SA aur Companies Act ka rishta kya hai?

Iksha
Act kehta hai "standards follow karo". SA batata hai "kaise follow karo".

Topic B: Numbering ka khel

Prabhat
SA 200, SA 700... itne numbers kyun?

Iksha
Numbers group me hain. Ek chhoti list yaad rakho:

Series	Kya cover karta hai
200-299	General principles and responsibilities
300-499	Risk assessment and response
500-599	Audit evidence
600-699	Using work of others
700-799	Conclusions and reporting
800-899	Special areas

Prabhat
Mujhe inme se kaun se exam ke liye zaroori hain?

Iksha
Ye "Hall of Fame" yaad karo: SA 200 (overall objectives), SA 230 (documentation), SA 240 (fraud), SA 300 (planning), SA 315 (risk), SA 320 (materiality), SA 500 (evidence), SA 530 (sampling), SA 570 (going concern), SA 700 (opinion), SA 701 (key audit matters), SA 705 (modified opinion), SA 706 (emphasis of matter).

Topic C: Kuch purane dost

Prabhat
Fraud wala SA kaun sa hai?

Iksha
SA 240, auditor ki fraud se jude responsibilities.

Prabhat
Documentation?

Iksha
SA 230. Jo likha nahi, wo kiya nahi.

Prabhat
Materiality?

Iksha
SA 320. Itna bada galat ki padhne wale ka faisla badal sakta hai.

Prabhat
Opinion wala?

Iksha
SA 700 (opinion), SA 705 (qualified, adverse, disclaimer ka sar), SA 706 (emphasis of matter aur other matter).

Prabhat
Kya SA 570 bhi hai? Going concern?

Iksha
Haan. Company aage chalegi ya nahi, uski report. Revised SA 570 ke naam se list hai.

Topic D: ICAI kaun hai?

Prabhat
Ab ICAI?

Iksha
Institute of Chartered Accountants of India. 1 July 1949 ko Chartered Accountants Act, 1949 ke tahat bana. Ye CA profession ko regulate karta hai. Sirf ICAI member jiske paas valid certificate of practice ho, wahi statutory auditor ban sakta hai.

Prabhat
Aur NFRA?

Iksha
NFRA 1 October 2018 ko bana. Ye auditing profession aur accounting standards ko oversee karta hai. Section 132 ke tahat. Ye investigation kar sakta hai, penalty laga sakta hai, aur auditor ko 10 saal tak debar kar sakta hai.

Prabhat
Kis par laagu?

Iksha
Listed companies, aur kuch bade unlisted companies, jo NFRA Rules, 2018 ke Rule 3 me bataye gaye hain.

Prabhat
Ye Satyam se juda hai?

Iksha
Haan. Satyam ke baad Standing Committee on Finance ne NFRA ka idea diya tha. Chapter 12 me dekha tha.

Topic E: ICAI aur NFRA me fark

Prabhat
To dono me fark kya hua?

Iksha
ICAI members ka professional body hai. NFRA ek independent regulator hai jo bade companies ke auditors ki quality dekhta hai aur saza bhi deta hai. Dono ke paas disciplinary power hai, par NFRA ka daayra bade companies tak hai.

Prabhat
Aur tum mere liye ICAI ho ya NFRA?

Iksha
Main wo hoon jo tumhe 2 baje raat tak jagne par daant deti hai. Neend bhi ek standard hai, Prabhat. Aur mock test se pehle ek line yaad rakhna: ek kharab din ek final result nahi hota. Mushkil ho to mujhse baat karna.

[src] [src] [src] [src]

SA series: 6 manzil ki building



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3. Core idea in 3 levels

Box 1: 6 saal ka bachha

Game ka rulebook hota hai, aur referee hota hai. Rulebook ka naam SA hai. Referee ka naam NFRA hai. Jisne rulebook likha, wo ICAI hai. Agar koi rule tode, referee card dikhata hai.

Box 2: Normal explanation

Naam	Kaam	Kab bana
SA (Standards on Auditing)	Audit kaise karna hai	ICAI ke dwara; Section 143(9) se binding
ICAI	CA profession regulate, standards recommend, discipline	1 July 1949
NFRA	Bade companies ke auditors par oversight, investigate, penalty, debar	1 October 2018

SA ka structure: Clarity Project ke baad SAs numbered series me hain. ICAI ki list me SA 200 se SA 810 tak ke standards bhi hain, aur review aur assurance ke alag standards (SRE, SAE) bhi hain.

Box 3: PhD box (standards, theory, edge cases)

- **Legal hook:** SA ka legal bal Section 143(9) se aata hai. Non-compliance Section 147(2) ke tahat penalty tak le jaa sakta hai (fine, aur jaanbujh kar ho to jail).
- **Standard-setter vs regulator:** Section 143(10) me standard-setting ICAI ki recommendation par hai, par NFRA ke saath consultation ke baad. Isliye "standard setter" aur "enforcement" ke beech ek check hai. International practice me bhi standards aur oversight alag hote hain (secondary view; Wikipedia ke mutabik NFRA ka concept isi independence ke liye aaya).
- **Clarity Project:** ICAI ki list ka header "New/Revised Standards issued under the Clarity Project" hai. Clarity format me har standard ke objectives, requirements aur application material alag hote hain.
- **Rule 3 scoping:** NFRA ka daayra listed aur kuch bade unlisted public companies par hai, jo Rule 3 ke thresholds se tay hota hai. NFRA-1 form se auditor ki jankari NFRA ko deni hoti hai (Rule 3(2), 3(3)).
- **Edge case, dual jurisdiction:** Kisi auditor par ICAI aur NFRA dono ka daayra ban sakta hai. Aise me NFRA ke order alag se aate hain. Exact overlap rules ke liye NFRA Act/Rules aur Section 132 ka latest text dekho.
- **SA 701 vs SA 705 vs SA 706:** KAM (701) sirf listed entities ke liye aam taur par; 705 opinion ko modify karta hai; 706 sirf paragraphs jodta hai, opinion nahi badalta. (Exact applicability ke liye SA text dekho.)

[src] [src]

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4. Real example: NFRA ke actions

NFRA ke orders public hain. Do examples, dono apni bhasha me.

Example 1: Coffee Day Enterprises (CDEL), August 2024

NFRA ne BSR & Associates LLP par Rs 10 crore ka penalty lagaya aur engagement partner CA Aravind Maiya par Rs 50 lakh aur EQCR partner CA Amit Somani par Rs 25 lakh (dono milake Rs 75 lakh) ka penalty lagaya. Maiya ko 10 saal aur Somani ko 5 saal ke liye debar kiya gaya. Diversion ki raqam Rs 3,535 crore thi (SEBI ki report ke mutabik, NFRA order ke executive summary mein). NFRA ka kehna tha ki auditors ne funds ke diversion ko report nahi kiya [src]. Order ki tarikh 19 August 2024 hai (order no. 020/2024); order mein Rs 10 crore (firm), Rs 50 lakh (Maiya), Rs 25 lakh (Somani) likhe hain [src]. Ye order Section 132(4)(c) ke tahat hai.

Seekh: related party loans aur diversion jaise matters par auditor ki alertness. SA 240 (fraud) aur Section 143(12) ka mel.

Example 2: Zee Entertainment (ZEEL), December 2024

NFRA ne Deloitte Haskins & Sells LLP par Rs 2 crore ka penalty lagaya (order 23 December 2024). Engagement partner par Rs 10 lakh aur 5 saal debarment, quality control partner par Rs 5 lakh aur 3 saal debarment. Mint ke mutabik, case Rs 200 crore ki ek fixed deposit se juda tha jo Yes Bank me thi aur jise bank ne July 2019 me promoter se jude entities ka karz chukane ke liye use kar liya, bina board ya shareholder approval ke, aisa NFRA ne apne order me kaha [src]. Business Standard ne bhi isi Rs 2 crore penalty ki report ki [src].

Seekh: bank confirmation (SA 505) aur documentation (SA 230) kitne zaroori hain. Ye "alleged" aur order ke mutabik hai; firm ne order review karne ki baat kahi thi.

Dhyan se: Penalties ke appeals ho sakte hain. Latest status ke liye NFRA ki website dekho: https://nfra.gov.in/debar/ aur https://nfra.gov.in/document-category/orders/ .

NFRA ki do karwai: ek nazar mein

CDEL

Aug 2024

Penalty
Rs 10 crore

10 aur 5 saal ki bandish

Auditor par pabandi (debarment)

ZEEL

Dec 2024

Penalty
Rs 2 crore

5 aur 3 saal ki bandish

Auditor par pabandi (debarment)

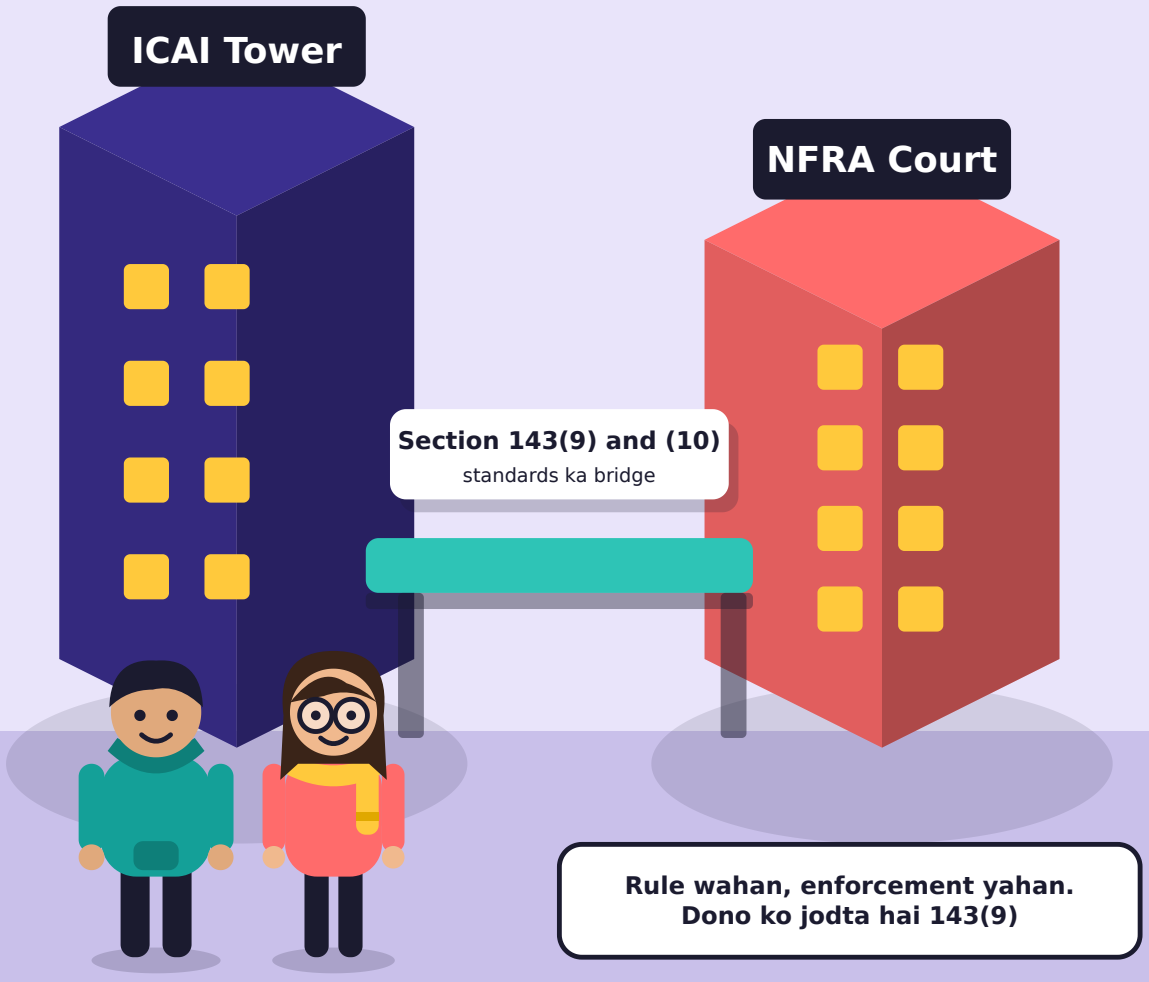
Dono mein NFRA ne auditors par jurmana aur bars lagaye

5. Infographic

ICAI rule banata hai, NFRA lagu karwata hai

Rules: SA 200-810

Oversight: Section 132





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6. Exam angle

UPSSSC me aksar poochte hain: SA ka number kis topic ka hai, NFRA kab bana, ICAI kab bana, kaun sa section kya kehta hai. Trick: **"ICAI 1949, NFRA 2018"** aur **"SA 200 objectives, 230 documentation, 240 fraud, 320 materiality, 700 opinion"**.

5 PYQ-style questions (original wording)

Q1. ICAI ki sthapna kis saal hui? (a) 1947 (b) 1949 (c) 1956 (d) 2013 **Ans: (b) 1949** (1 July 1949).

Q2. NFRA kab bana? (a) 2009 (b) 2013 (c) 1 October 2018 (d) 2020 **Ans: (c).**

Q3. Fraud se juda Standard on Auditing kaun sa hai? (a) SA 200 (b) SA 230 (c) SA 240 (d) SA 700 **Ans: (c) SA 240.**

Q4. Section 143(9) ke anusaar: (a) Auditor ko sirf company policy follow karni hai (b) Har auditor ko auditing standards follow karne hain (c) Sirf listed company ka auditor SA follow kare (d) SA optional hain **Ans: (b).**

Q5. NFRA kitne saal tak auditor ko debar kar sakta hai (Section 132 ke mutabik)? (a) 1 saal (b) 3 saal (c) 5 saal (d) 10 saal tak **Ans: (d) up to 10 years.**

[src]

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7. Recap page

10 bullet points

1. SA = Standards on Auditing, auditor ka common rulebook.
2. Section 143(9): har auditor ko standards follow karne hain.
3. Section 143(10): Central Government standards prescribe kar sakti hai, ICAI recommendation aur NFRA ke saath consultation ke baad; tab tak ICAI ke standards.
4. SA series: 200 general, 300 risk, 500 evidence, 600 others' work, 700 reporting, 800 special.
5. Yaad rakhne wale: SA 200, 230, 240, 300, 315, 320, 500, 530, 570, 700, 701, 705, 706.
6. ICAI: 1 July 1949, Chartered Accountants Act, 1949.
7. NFRA: 1 October 2018, Section 132, debarment up to 10 years.
8. NFRA Rule 3: listed aur kuch bade unlisted public companies ka daayra.
9. Real actions: CDEL (Rs 10 crore, Aug 2024) aur ZEEL (Rs 2 crore, Dec 2024).
10. Satyam ke baad NFRA ka idea aaya.

Cheat-sheet table

Item	Key fact
ICAI	1 July 1949
NFRA	1 October 2018
Binding	Section 143(9)
Govt prescribe	Section 143(10)
NFRA power	Section 132, debar up to 10 years
SA 200	Overall objectives
SA 230	Audit documentation
SA 240	Fraud
SA 320	Materiality
SA 500	Audit evidence
SA 530	Audit sampling
SA 570	Going concern
SA 700	Forming opinion and reporting
SA 701	Key audit matters
SA 705	Modified opinion
SA 706	Emphasis of matter, other matter

Chapter 13 (Part B): SA ki depth, real disciplinary cases, aur kaun kisko regulate karta hai

> Ye extension Part A (sections 1-7) ke baad aata hai. Part A ne SA ki numbering, ICAI aur NFRA ke basics diye. Part B mein: 4 important SAs ki depth, NFRA ke real orders ki table, ICAI Disciplinary Committee ke real cases, aur India vs USA ka poora regulation map.

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8. Kahani hook 2: Do letter, ek raat

Prabhat ko us raat do notifications aaye. Ek NFRA ke orders page ka, ek ICAI ke disciplinary digest ka. Dono mein auditors ke naam the, fines the, debarment tha.

Prabhat ne Iksha ko call kiya. "Iksha, ye padh ke dar lag raha hai. Kya ek galti poori career khatam kar sakti hai?"

Iksha kuch der chup rahi. Phir boli, "Galti nahi, Prabhat. Carelessness khatam karti hai. In cases mein kisi ne ek din mein nahi, saalon tak documents nahi dekhe. Tum padhai mein bhi yehi yaad rakho: ek din ka mock test tumhe fail nahi karta, har roz ka na padhna karta hai. Aur haan, mujhe call karke dar kam ho gaya?"

Prabhat hasa. "Haan. Thoda."

"Good. Ab notes kholo. Aaj hum wahi cases padhenge jo tumhe dara rahe hain. Dar ka ilaaj detail hai."

---

9. Chat: 4 SAs jo exam aur real life dono mein kaat te hain

Topic A: SA 240, fraud

Prabhat
SA 240 mein asli mein kya likha hai?

Iksha
Core idea: fraud rokna management aur those charged with governance ka kaam hai; auditor ka kaam hai **reasonable assurance** dena ki statements material misstatement se free hain, chahe woh fraud se ho ya error se. Auditor se expected hai professional scepticism: ye manna ki management imaandar hai, par evidence pe chalna.

Prabhat
Aur fraud ke do types?

Iksha

Fraudulent financial reporting (numbers jaan ke bigaarna) aur **misappropriation of assets** (assets churana). Aur ek golden rule: management override of controls hamesha fraud risk mana jaata hai. Matlab auditor har audit mein journal entries test karta hai [src].

Topic B: SA 230, documentation

Prabhat

"Jo likha nahi, wo kiya nahi", ye dialogue Part A mein tha. Detail do.

Iksha

SA 230 kehta hai auditor ko **audit documentation** banani hai: itni ki ek experienced auditor, jo is audit se juda nahi tha, samajh sake ki kya procedures hue, kya evidence mila, kya conclusions nikle. File assembly ka deadline hota hai report date ke baad, aur deletions allowed nahi, sirf additions with reasons. Disciplinary cases mein sabse pehla sawaal NFRA/ICAI ka hota hai: "file dikhao." File nahi, to defence nahi [src].

Topic C: SA 505, external confirmations

Prabhat

Ye to naya hai.

Iksha

Bahut practical. External confirmation = third party se **direct** written response. Do types: **positive request** (agree ya disagree, dono case mein reply do) aur **negative request** (sirf disagree ho to reply do). Negative kam persuasive hota hai, isliye sole procedure tabhi jab risk low, population bari aur homogeneous, exception rate low expected ho. Rules: auditor khud requests control karta hai, kya confirm karna hai, kisse bhejna hai, reply seedha auditor ko aaye. Management refuse kare bhejne se, to auditor reasons poochhega, alternative procedures karega, aur unreasonable ho to SA 705 ke under opinion pe asar sochega. Non-response pe alternative procedures. Exception mile to investigate [src].

Prabhat

Wirecard mein yahi toota tha na? Bank confirmations jhoothi thi.

Iksha

Bilkul. Confirmation aana kaafi nahi; confirmation **direct aur reliable source se** aana chahiye. SA 505 para 10: response ki reliability pe doubt ho to further evidence lo.

Topic D: SA 570, going concern

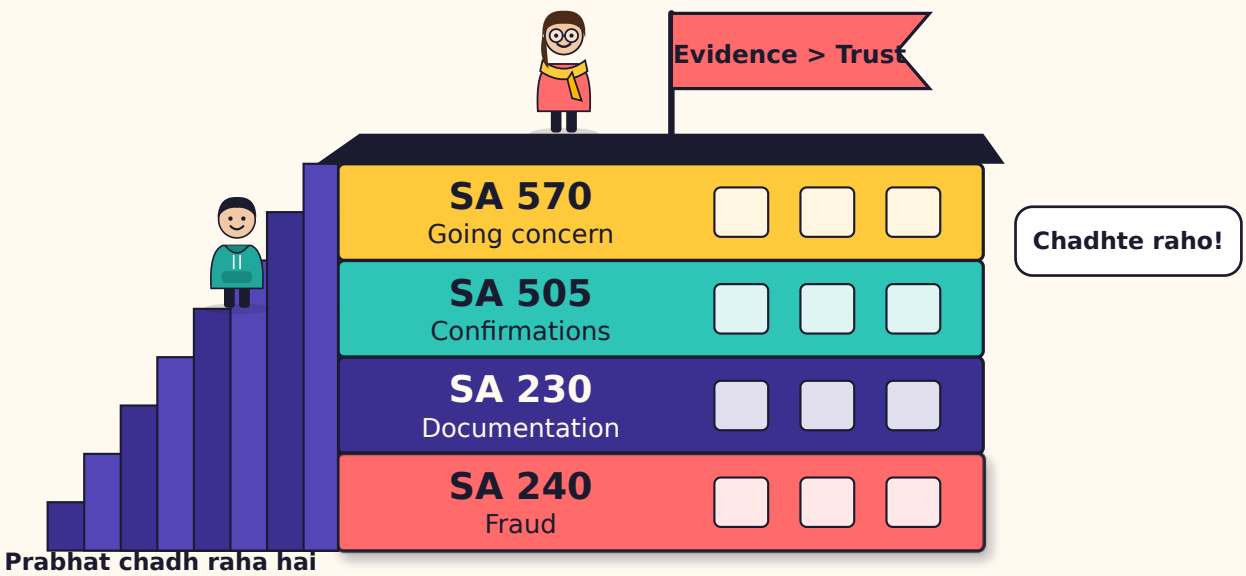
Prabhat

Aur last?

Iksha

SA 570 (Revised): auditor ko evaluate karna hai ki management ka going concern basis theek hai ya nahi. Signs: losses, negative working capital, loan renewals atakna, key suppliers ka credit band karna. Agar material uncertainty hai aur disclosure adequate hai, to report mein **Material Uncertainty Related to Going Concern** ka alag section (ch11 Part B mein poora paragraph dekha). Disclosure inadequate ho to qualified ya adverse. Aur ye yaad rakho: **auditor future predict nahi karta**, sirf available evidence pe management ke assessment ko test karta hai [src].

Audit ki 4 manzil: Evidence ki seedhi



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10. Regulation map: Hindustan mein kaun kisko pakadta hai

Ek bada confusion students ka: ICAI, NFRA, MCA, SEBI, CAG, sab "regulate" karte hain. Kis pe kiska daayra?

Regulator	Kya hai	Kis pe daayra	Powers/penalties	Audit connection
ICAI	CA profession ka statutory body (CA Act 1949)	Sab CA members aur firms	Disciplinary Committee: reprimand, name removal, fines	SA banata/recommend karta hai; members ko license (COP)
NFRA	Independent audit regulator (Companies Act s.132, 2018)	Listed + Rule 3 bade unlisted public cos ke auditors	Investigate, penalty, debar up to 10 saal	Audit quality oversight; SA recommend mein consult
MCA/ROC	Ministry + Registrar offices	Sab companies	Prosecution, penalties, strike-off	Companies Act 139-148 enforce; ADT forms
SEBI (LODR)	Securities market regulator (SEBI Act 1992)	Listed entities	Fines, debarment from markets, prosecution	LODR: audit committee, quarterly results, audit report filing
CAG	Constitutional auditor (Article 148)	Govt + govt companies (51%+)	Reports to Parliament; no penalty power	Govt co auditors appoint (139(5)/(7)); supplementary audit
PCAOB (USA)	Audit regulator under SOX 2002	US-listed cos ke auditors	Inspect, fine up to $100k individual / $2M firm, revoke registration	Registration + inspection + standards + enforcement

Sources: ICAI (1 July 1949, CA Act 1949) [src]; NFRA (1 Oct 2018, s.132, debar up to 10 years, Rule 3) [src]; MCA page (Act admin) [src]; SEBI (established 12 April 1988 executive, statutory 30 January 1992 via SEBI Act 1992) [src] aur LODR [src]; CAG (Article 148, statutory auditor of govt corporations, supplementary audit of 51%+ govt companies) [src]; PCAOB (SOX 30 July 2002; four functions registration, inspection, standard-setting, enforcement; fines $100,000 individual, $2 million firm; annual inspection for 100+ issuer firms, triennial for smaller) [src].

Who-regulates-whom: ek chat kahani

Prabhat

Iksha, ek listed company ka auditor hai. Us pe kitne log baith sakte hain?

Iksha

Count karo. Ek: company ke **members**, jo appoint aur remove karte hain (139, 140). Do: **Audit Committee** under Section 177, jo auditor se internal controls pe comments maang sakti hai aur uski report consider karti hai [src]. Teen: **SEBI**, kyunki listed hai: LODR Reg 33 ke under audited results 60 din mein file karne hain, aur modified opinion ho to Statement of Impact of Audit Qualifications [src]. Chaar: **NFRA**, audit quality review aur investigation ke liye. Paanch: **ICAI**, professional misconduct ke liye. Chhe: **MCA/ROC**, Companies Act violations ke liye. Aur agar fraud laga to **courts**, Section 447 tak.

Prabhat

Cheh regulator ek auditor pe. Aur government company ka auditor?

Iksha

Wahan CAG bhi aa jaata hai. CAG auditor appoint karta hai (139(5)/(7)), supplementary audit kar sakta hai, aur uski reports Parliament mein jaati hain jahan Public Accounts Committee unhe uthati hai [src]. Lekin note karo: CAG penalty nahi lagaata, wo report karta hai. Action us report pe sarkar karti hai.

Prabhat

Aur India ka NFRA vs USA ka PCAOB?

Iksha

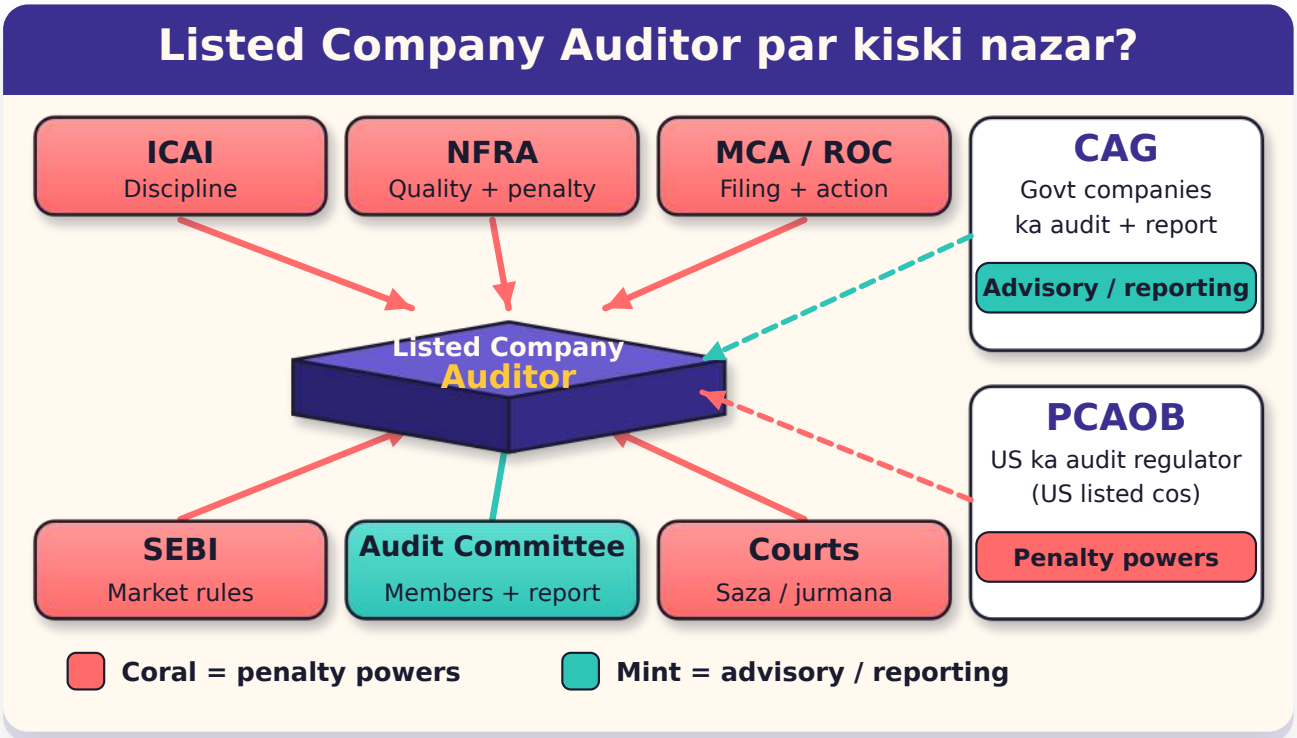
Dono ka birth scandal se hua. PCAOB 2002 mein Enron/WorldCom ke baad, jab Arthur Andersen dono companies ka auditor tha [src]. NFRA 2018 mein, Satyam ke baad Standing Committee ke idea se. Dono ne self-regulation khatam kiya. Farq: PCAOB har registered firm ko **routine inspect** karta hai, saal mein ya 3 saal mein. NFRA primarily investigation/orders se chalta hai. Dono ke penalties alag: PCAOB ke fines dollar caps ke saath, NFRA ke pas s.132 ke under penalty plus debarment.

Prabhat

Matlab trend clear hai: duniya har jagah auditor ke upar ek aur auditor baitha rahi hai.

Iksha

Haan. "Quis custodiet ipsos custodes?", kaun dekhega dekhene walon ko. Usi ka jawab ye regulators hain.



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11. NFRA ke orders: official page se poori list

NFRA apne saare orders apni website pe public karta hai. Abhi ke recent orders (dates ke saath, official orders page se) [src]:

Order matter	Date
Religare Finvest Limited against CA Neeraj Bansal (FY 2017-18)	31/01/2025
Zee Entertainment Enterprises Limited (FY 2018-19, 2019-20) - Errata	23/12/2024
DB Realty Limited (FY 2015-16) against CA Chetan Desai and CA Rakesh Rathi	23/12/2024
Ushdev International Limited (FY 2017-18) against CA Chirag Doshi	21/10/2024
Coffee Day Enterprises Limited (FY 2019-20) against M/s Venkatesh & Co., CA Dasaraty, CA Desikan G.	10/10/2024
Sanwaria Consumer Limited against CA Santosh Deshmukh (FY 2017-18)	10/09/2024
Mysore Amalgamated Coffee Estates Limited (MACEL) against M/s Lavitha & Associates and EP	09/09/2024
Coffee Day Enterprises Ltd (FY 2018-19) against BSR & Associates LLP, CA Aravind Maiya, CA Amit Somani	19/08/2024
Vikas Proppant and Granite Limited (FY 2018-19 to 2019-20) against CA Yogesh Mahipal	05/07/2024
Vikas Proppant and Granite Limited (FY 2020-21) against M/s Singh Ajay & Co. and CA Priyank Mittal	05/07/2024
DHFL Branch Audit against CA Kashinath Chaturvedi	21/06/2024
DHFL Branch Audit against CA Krishna Bihari Chaturvedi	21/06/2024

In sab mein sabse bade two detailed cases Part A mein aaye the: CDEL/BSR (Rs 10 crore firm penalty; CA Aravind Maiya Rs 50 lakh + 10 saal debarment; CA Amit Somani Rs 25 lakh + 5 saal; order 020/2024 dated 19 August 2024, s.132(4)(c); diversion Rs 3,535 crore) [src] aur ZEEL/Deloitte (firm Rs 2 crore; engagement partner A B Jani Rs 10 lakh + 5 saal; EQCR partner Rakesh Sharma Rs 5 lakh + 3 saal; order signed 23 December 2024) [src].

Exam trap

NFRA ke orders sirf "news" nahi hote. Har order ek case study hai: kaunsa SA toota, kaunsa evidence missing tha, kaunsi documentation nahi thi. Interview aur descriptive answers mein 1-2 order names quote karna examiner ko dikhata hai ki tumne real enforcement padha hai.

---

12. ICAI Disciplinary Committee: system aur real cases

System kaise kaam karta hai

CA Act, 1949 ke under misconduct do schedules mein divided hai: **First Schedule** (Director (Discipline) agar isme misconduct maane to case Board of Discipline ke paas jaata hai) aur **Second Schedule** (ya dono Schedules: case Disciplinary Committee ke paas jaata hai, zyada serious). Second Schedule Part I ke clauses jo baar baar aate hain: **Clause (7)**: due diligence na karna ya gross negligence in professional duties; **Clause (8)**: sufficient information na lena jo opinion ke liye zaroori ho. Guilty hone pe Section 21B(3) ke under punishments: reprimand, name removal from Register of Members (fixed period ya permanent), aur fine. Real orders in clauses ko quote karte hain [src].

Case 1: CA B. Balasubramanian (Capture Systems audit)

Ek auditor ne Capture Systems Private Limited ka statutory audit FY 2005 se FY 2009 tak kiya, **books of account verify kiye bina**. Financial statements false aur fabricated nikli. Bank statements mein total receipts sirf **Rs 3 crore** thi jabki reported turnover **Rs 40 crore** tha. Koi service tax, VAT, TDS nahi, aur koi document support nahi. Auditor ne report qualify bhi nahi ki. Disciplinary Committee ne kaha: SA 250 (laws and regulations) ke hisaab se qualify karna chahiye tha. Usne ek net worth certificate bhi issue kiya bina valuation reports ke, aur property ke against loan minus kiye bina net worth nikali. Result: **Clause (7), Part I, Second Schedule** ke under guilty; **name removal 1 saal + fine Rs 50,000** [src].

Seekh: Turnover aur bank receipts ka 13x gap dekh ke bhi clean report dena gross negligence hai. Vouching aur bank verification optional nahi.

Case 2: CA Tapas Chakrabarti (Samudra Villa Pvt Ltd, SFIO complaint)

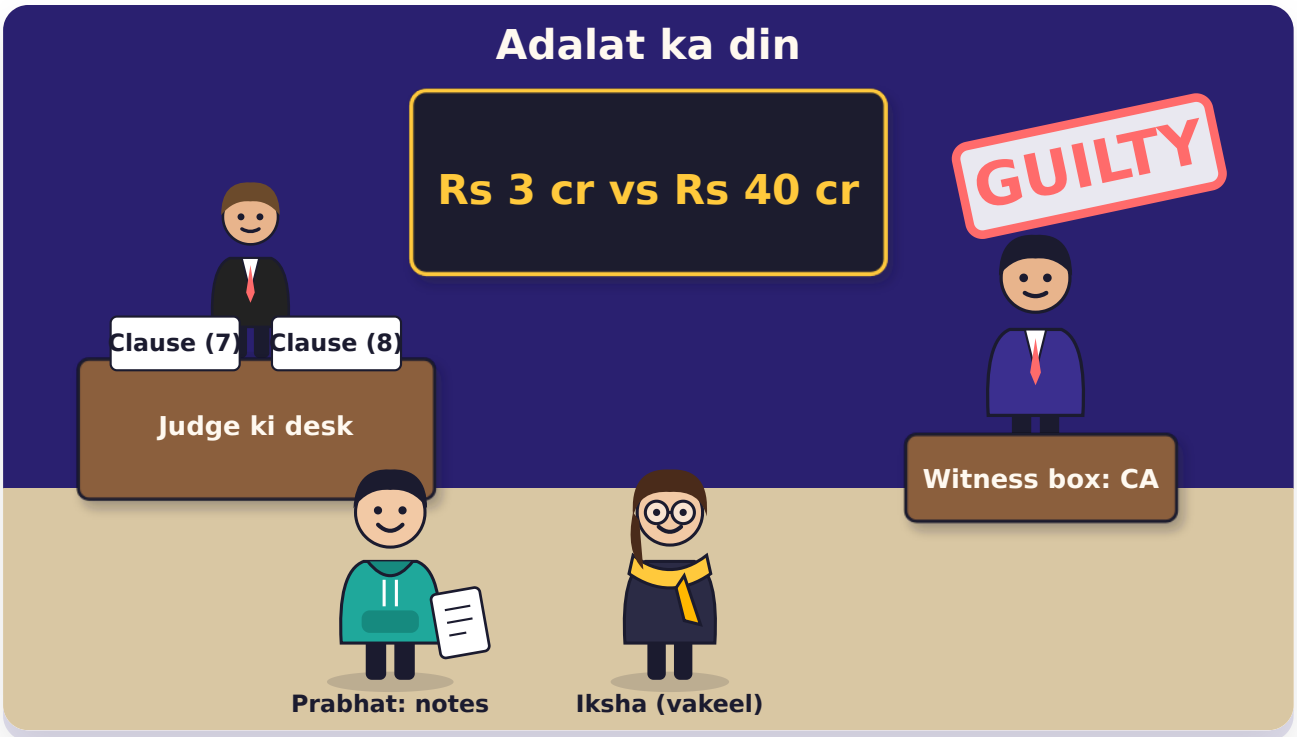
SFIO ne Prayag Infotech group ki investigation mein complaint ki. Auditor pe charges: FY 2012-13 mein company ki short-term borrowings **Rs 29.83 crore** thi par related party disclosures mein sirf **Rs 23.35 crore** dikhi, aur auditor ne CARO 2003 mein report kiya tha ki company ne Section 301 parties se loans nahi liye, jabki poori borrowing group company se thi. FY 2015-16 mein holding company (99.99% shareholding) ka disclosure hi nahi tha. Disciplinary Committee ne Items (5), (6), (7) of Part I, Second Schedule ke under guilty mana. Order (23 October 2026): **reprimand + name removal 1 month + fine Rs 50,000** [src].

Seekh: Related party disclosures auditor ki checklist ki sabse pehli cheez hai. Group companies mein paisa ghoomta hai, aur auditor ka kaam hai mirror

dikhana, chupana nahi.

Prabhat
Iksha, 1 month removal aur 1 saal removal mein itna farq kyun?

Iksha
Severity ka ladder hai. Balasubramanian case mein statements hi fabricated the aur saalon ka pattern tha: 1 saal. Chakrabarti case mein disclosure lapses the: reprimand + 1 month + fine. Punishment proportionate hota hai. Aur ek nuance: Committee mitigating factors sunti hai, jaise health, admission of mistake, cooperation. Par documentation na hona kabhi mitigating nahi hota.



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13. Mini Case 1: CDEL/BSR order ka anatomy (NFRA, August 2024)

Kya hua. Coffee Day Enterprises Limited (CDEL) ke FY 2018-19 audit ko NFRA ne review kiya. 19 August 2024 ke order (no. 020/2024) mein NFRA ne statutory auditor **BSR & Associates LLP** par **Rs 10 crore** penalty lagayi. Engagement

partner **CA Aravind Maiya** par **Rs 50 lakh + 10 saal debarment**, aur EQCR (engagement quality control review) partner **CA Amit Somani** par **Rs 25 lakh + 5 saal debarment** [src]. Background: SEBI ki report ke mutabik group companies mein **Rs 3,535 crore** ka diversion hua tha, jo NFRA order ke executive summary mein cited hai [src].

Audit failure ka pattern. Order ka essence: NFRA ne paaya ki firm, EP aur EQCR ne consolidated statements ke liye zaroori additional audit procedures nahi kiye jabki financial information ka bada hissa doosre auditors ne audit kiya tha (SA 600 para 10), MACEL (related party) se Rs 842.49 crore ki receivable ki recoverability aur impairment ko grossly negligent tareeke se evaluate kiya, aur fund diversion ke fraud risk ko evaluate nahi kiya. Order Section 132(4)(c) ke under hai, jo NFRA ko penalty aur debarment dono ki power deta hai.

Lesson. Teen log, teen levels of failure: firm (system), engagement partner (execution), EQCR partner (last gatekeeper). EQCR ka matlab hai "second partner review", aur CDEL order dikhata hai ki EQCR partner rubber stamp nahi ho sakta; uski apni personal liability hai. Group audits mein SA 600 ke under component balances verify karna core hai.

Exam angle. (1) NFRA ki penalty powers ka source: Section 132(4). (2) Debarment ka max: 10 saal. (3) EQCR partner ki liability individual hai.

14. Mini Case 2: Clause (7) ka matlab, Capture Systems se

Kya hua. Upar Case 1 jo padha (CA B. Balasubramanian), use ab "failure anatomy" ke roop mein dekho. FY 2005-2009, har saal audit report sign hui. Par books verify hi nahi hue. Turnover Rs 40 crore, bank mein total Rs 3 crore. Committee ne note kiya: koi service tax nahi, koi VAT nahi, koi TDS nahi, aur koi document nahi jo ye support kare [src].

Kya toota. Clause (7) ka text: "does not exercise due diligence, or is grossly negligent in the conduct of his professional duties" [src]. Due diligence ka matlab: woh care jo ek reasonably competent CA dikhata. 13x ka turnover-bank gap kisi bhi reasonably competent auditor ko rukna chahiye tha. SA 250 kehte hai laws and regulations dekho; tax filings na hona red flag tha. SA 500 kehte hai evidence

lo; evidence tha hi nahi. Committee ne specifically kaha auditor ko **report qualify karni chahiye thi** [src].

Lesson. Qualification karna auditor ka haq nahi, **duty** hai jab evidence missing ho. "Client ne bola sab theek hai" koi evidence nahi. Aur net worth certificate jaise "chhote" certifications bhi itni hi scrutiny maangte hain jitna ek audit report.

Exam angle. (1) Second Schedule Part I Clause (7) = due diligence/gross negligence. (2) Clause (8) = sufficient information na lena. (3) Disciplinary punishments ka source: Section 21B(3).

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15. SA master table (Part A + Part B combined)

SA	Topic	Ek line
SA 200	Overall objectives	Independent audit, reasonable assurance, scepticism
SA 230	Audit documentation	File hi defence hai; experienced auditor test
SA 240	Fraud	Two types; management override always a risk
SA 250	Laws and regulations	Non-compliance ka audit treatment
SA 300	Planning	Plan, strategy, direction
SA 315	Risk assessment	Entity + controls samajh ke risk identify
SA 320	Materiality	Jo decision badal de, wo material
SA 500	Audit evidence	Sufficient + appropriate
SA 505	External confirmations	Direct third-party replies; positive vs negative
SA 530	Audit sampling	Har item na dekhna, representative lena
SA 570	Going concern	12 months ka realistic look; MURGC section
SA 600	Group audits	Component auditors ka use
SA 700	Opinion aur report	Format, elements
SA 701	KAM	Listed entities ke significant matters
SA 705	Modified opinions	Qualified/adverse/disclaimer ka 2x2
SA 706	EOM/OM	Non-modifying attention paragraphs

Sources: SA titles ICAI list [src]; SA 505 details [src]; SA 250 reference ICAI DC order mein [src].

Exam trap

"SA 505 = sampling" nahi hai. Sampling SA 530 hai. 505 = confirmations. Numbers close hain, exam mein swap hote hain.

---

16. Practice MCQs (32 questions)

Q1. NFRA kis section ke under bana? (a) 139 (b) 143 (c) 132 (d) 147 **Answer: (c).** Section 132, Companies Act 2013. 139 appointment hai, confuse mat karo.

Q2. NFRA auditor ko maximum kitne saal debar kar sakta hai? (a) 5 (b) 7 (c) 10 (d) 15 **Answer: (c).** s.132 ke under debarment up to 10 years. CDEL order mein engagement partner ko yahi max mila.

Q3. CDEL matter mein BSR & Associates LLP par kitna penalty laga? (a) Rs 2 crore (b) Rs 10 crore (c) Rs 50 lakh (d) Rs 25 lakh **Answer: (b).** Firm Rs 10 crore. Partners pe Rs 50 lakh aur Rs 25 lakh alag.

Q4. CDEL order mein EQCR partner CA Amit Somani ko kitni debarment mili? (a) 10 saal (b) 5 saal (c) 3 saal (d) 1 saal **Answer: (b).** Maiya (EP) 10 saal, Somani (EQCR) 5 saal. EP vs EQCR ka split yaad rakho.

Q5. ZEEL matter mein Deloitte par penalty kitna tha? (a) Rs 10 crore (b) Rs 2 crore (c) Rs 75 lakh (d) Rs 5 crore **Answer: (b).** Order 23 December 2024: firm Rs 2 crore; partners Rs 10 lakh + Rs 5 lakh.

Q6. ICAI Disciplinary Committee ke orders kis section ke under aate hain? (a) 21A (b) 21B(3) (c) 132 (d) 143 **Answer: (b).** Section 21B(3) of CA Act 1949 read with Rule 19(1) of the 2007 Rules.

Q7. "Due diligence na karna ya gross negligence" kaunsa clause hai? (a) Clause (8), Part I, Second Schedule (b) Clause (7), Part I, Second Schedule (c) Clause (2), Part IV, First Schedule (d) Section 147 **Answer: (b).** Clause (7) ka exact text orders mein quote hota hai.

Q8. Capture Systems case mein turnover vs bank receipts kya the? (a) Rs 3 cr vs Rs 40 cr (b) Rs 40 cr vs Rs 3 cr (c) Rs 10 cr vs Rs 10 cr (d) Rs 29 cr vs Rs 23 cr **Answer: (b).** Reported turnover Rs 40 crore, bank receipts Rs 3 crore. Rs 29.83/23.35 crore SVPL case ka hai.

Q9. Balasubramanian case ki punishment? (a) Sirf reprimand (b) 1 saal name removal + Rs 50,000 fine (c) 1 month removal (d) Permanent removal **Answer: (b).** Removal for 1 year plus fine Rs 50,000.

Q10. SVPL case (Tapas Chakrabarti) ki punishment? (a) 1 saal removal (b) Reprimand + 1 month removal + Rs 50,000 (c) Sirf fine (d) Debar 5 saal **Answer: (b).** ICAI DC order 23 October 2026. NFRA debar karta hai, ICAI removal karta hai, terms mix mat karo.

Q11. SA 505 kis procedure ka standard hai? (a) Sampling (b) External confirmations (c) Going concern (d) Documentation **Answer: (b).** SA 505 External Confirmations. Sampling = SA 530.

Q12. Negative confirmation request kab sole substantive procedure ban sakta hai? (a) Hamesha (b) Kabhi nahi (c) Low risk, large homogeneous population, low expected exceptions (d) Sirf listed cos **Answer: (c).** SA 505 para 15 ki chaaron conditions yaad rakho.

Q13. Management confirmation bhejne se mana kare to auditor pehle kya kare? (a) Resign (b) Reasons pooche, alternative procedures kare, phir SA 705 implications (c) FIR (d) Kuch nahi **Answer: (b).** SA 505 para 8-9 ka sequence: inquire, evaluate, alternative procedures, TCWG ko communicate, opinion implications.

Q14. PCAOB kis Act se bana? (a) Dodd-Frank (b) Sarbanes-Oxley 2002 (c) Securities Act 1933 (d) Companies Act 2013 **Answer: (b).** SOX 2002, founded July 30, 2002. Dodd-Frank ne 2010 mein broker-dealer oversight add ki.

Q15. PCAOB audit firm pe max fine? (a) $100,000 (b) $2 million (c) $10 million (d) $1 million **Answer: (b).** Individuals $100,000, firms $2 million.

Q16. PCAOB kitne issuers se zyada wali firms ko annually inspect karta hai? (a) 50 (b) 100 (c) 500 (d) 20 **Answer: (b).** >100 issuers = annual inspection; 100 ya kam = generally every 3 years.

Q17. CAG ka constitutional source? (a) Article 280 (b) Article 148 (c) Section 132 (d) Article 324 **Answer: (b).** Article 148. CAG reports Parliament mein PAC/COPU ke saamne jaati hain.

Q18. CAG penalty laga sakta hai? (a) Haan, fines (b) Haan, jail (c) Nahi, wo report karta hai; action sarkar leti hai (d) Sirf states pe **Answer: (c).** CAG ka kaam audit aur report. Penal powers uske paas nahi.

Q19. SEBI statutory powers kab mili? (a) 12 April 1988 (b) 30 January 1992 (c) 1 July 1949 (d) 1 October 2018 **Answer: (b).** 1988 mein executive body, 30 January 1992 mein SEBI Act se statutory. Dono dates trap hain.

Q20. LODR Reg 33(3)(d) ke under audited annual results kab tak file hote hain? (a) 30 din (b) 45 din (c) 60 din (d) 90 din **Answer: (c).** Financial year end se 60 days, audit report ke saath; modified opinion ho to statement of impact of audit qualifications.

Q21. Government company ke auditor ki appointment kaun karta hai? (a) SEBI (b) CAG (c) NFRA (d) RBI **Answer: (b).** Section 139(5)/(7). CAG supplementary audit bhi karta hai 51%+ govt companies ka.

Q22. SA 240 ka subject? (a) Documentation (b) Fraud (c) Evidence (d) Sampling **Answer: (b).** 240 = fraud, 230 = documentation, 500 = evidence, 530 = sampling.

Q23. EQCR ka full form? (a) External Quality Check Review (b) Engagement Quality Control Review (c) Equity Query Compliance Report (d) Engagement Query and Compliance Rating **Answer: (b).** EQCR partner second-partner review karta hai; CDEL order ne uski personal liability dikhayi.

Q24. NFRA Rule 3 ka daayra? (a) Sab companies (b) Listed + prescribed bade unlisted public companies (c) Sirf PSUs (d) Sirf banks **Answer: (b).** NFRA Rules 2018 Rule 3. Private chhoti companies bahar.

Q25. ICAI aur NFRA dono ek auditor pe action le sakte hain? (a) Nahi, sirf ek (b) Haan, dono ka apna daayra; NFRA orders alag (c) Sirf ICAI (d) Sirf NFRA **Answer: (b).** Dual jurisdiction possible hai. NFRA big-company auditors ko, ICAI sab members ko.

Q26. Clause (8), Part I, Second Schedule kis baat pe hai? (a) Due diligence (b) Sufficient information na lena for opinion (c) Fees na lena (d) Advertising **Answer: (b).** Clause (7) due diligence, Clause (8) sufficient information. Pair yaad rakho.

Q27. Satyam ke baad NFRA ka idea kisne diya? (a) SEBI (b) Standing Committee on Finance, 21st report (c) RBI (d) CAG **Answer: (b).** Standing Committee on Finance ki 21st report.

Q28. Audit Committee auditor ke observations kis section mein maang sakti hai? (a) 139 (b) 177(5) (c) 143(12) (d) 148 **Answer: (b).** Section 177(5): internal control systems, scope of audit, auditor observations pe comments.

Q29. Material Uncertainty Related to Going Concern ka section kis SA se aata hai? (a) SA 700 (b) SA 570 (Revised) (c) SA 706 (d) SA 240 **Answer: (b).** SA 570 (Revised). EOM se nikal ke apna section bana.

Q30. Religare Finvest matter ka NFRA order kis date ka hai (orders page ke mutabik)? (a) 21/06/2024 (b) 31/01/2025 (c) 23/12/2024 (d) 10/10/2024 **Answer: (b).** 31 January 2025, against CA Neeraj Bansal, FY 2017-18.

Q31. NFRA order s.132(4)(c) mein kya kar sakta hai? (a) Sirf warning (b) Penalty aur debarment (c) Sirf inspection (d) Licence issue **Answer: (b).** CDEL order isi provision ke under: monetary penalty + debarment dono.

Q32. Enron/WorldCom ke auditor kaun the jinke collapse ne PCAOB ko janam diya? (a) EY (b) KPMG (c) Arthur Andersen (d) Deloitte **Answer: (c).** Arthur Andersen. Self-regulation (AICPA) khatam hua aur PCAOB aaya.

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17. Disciplinary process ka flow: complaint se punishment tak

Prabhat
Iksha, ICAI case kaise chalta hai? Direct punishment?

Iksha
Nahi, stages hain. Do real cases jo humne padhe, unke dates hi flow dikhati hain. SVPL case mein **findings 29 January 2026** ko pronounced hue aur **punishment order 23 October 2026** ko aaya [src]. Matlab pehle guilt establish hoti hai, phir alag stage mein punishment, jismein respondent apni taraf se oral aur written submissions de sakta hai, jaise leniency ki request. Balasubramanian case mein bhi Committee ne respondent ke oral aur written submissions consider kiye before final order [src].

Prabhat
Complaint kaun kar sakta hai?

Iksha
Koi bhi. SVPL case mein complainant **SFIO** ka Additional Director tha. Matlab government investigation bhi ICAI complaint ban sakti hai [src].

Prabhat
Aur orders kahan milte hain?

Iksha
ICAI apne disciplinary portal (disc.icai.org) pe orders public karta hai, wahi se ye case uthaya hai. Transparency hi deterrence hai: har CA padh sakta hai ki kis galti pe kya saza mili.

Prabhat
NFRA ka process?

Iksha
NFRA audit quality review aur investigation karta hai, phir s.132(4) ke under orders pass karta hai. Orders nfra.gov.in pe public hain, jaise humne section 11 mein dekha. Ek interesting baat: NFRA ke orders mein respondent auditors ki taraf ke arguments bhi detail mein hote hain, phir NFRA unhe point-by-point reject ya accept karta hai. Order padhna best free training hai.

---

18. SA pairs jo exam mein swap hote hain

Prabhat
Mujhe numbers mix ho jaate hain, Iksha.

Iksha
To pairs mein yaad karo, akele nahi.

Iksha

SA 240 vs SA 250. 240 = fraud (intentional), 250 = laws and regulations (non-compliance, intentional ya nahi). Capture Systems case mein Committee ne SA 250 cite kiya tha, kyunki tax filings na hona laws/regulations ka issue tha [src].

Iksha

SA 505 vs SA 530. 505 = confirmations (third party se direct reply), 530 = sampling (subset test karna). Dono 5-series (evidence) ke hain, isliye swap hote hain.

Iksha

SA 315 vs SA 330. 315 = risks identify aur assess karo (entity aur controls samajh ke). 330 = un assessed risks ke **responses** kya honge, procedures ka design. SA 505 ka text khud SA 330 ko isi tarah refer karta hai: risk jitna high, evidence utna persuasive [src].

Iksha

SA 700 vs 705 vs 706. 700 = normal report aur opinion. 705 = opinion modify karna (qualified/adverse/disclaimer). 706 = paragraphs jodna bina modify kiye (EOM/Other Matter). 700 report ka body, 705 uska surgery, 706 uska highlighter.

Prabhat

Body, surgery, highlighter. Ab nahi bhoolunga.

Iksha

Aur **SA 600 vs SA 620.** 600 = group audits mein doosre (component) auditors ka kaam use karna. 620 = expert ka kaam use karna, jaise valuer ya actuary. Component auditor auditor hota hai, expert non-auditor specialist.

Exam trap

"SA 620 group audits ka standard hai" galat. 600 group, 620 expert.



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19. NFRA-1: auditor ka annual registration

Prabhat
Ek aur term suna tha, NFRA-1. Kya hai?

Iksha
NFRA Rules, 2018 ke Rule 3(2) aur 3(3) ke under, un companies ke auditors jo NFRA ke daayre mein aate hain, unki jankari NFRA ko deni hoti hai, form NFRA-1 ke through. Yani regulator ke paas registry hai ki kaun bada audit kaun kar raha hai [src].

Prabhat
Matlab NFRA ko pehle se pata hota hai kise dekhna hai.

Iksha
Haan. Oversight ka pehla step registry hai. Isliye bade audits "chhup ke" nahi hote.

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20. Practice MCQs (round 2, Q33-Q40)

Q33. SA 250 kis se deal karta hai? (a) Fraud (b) Laws and regulations ka consideration (c) Sampling (d) Reporting **Answer: (b).** Fraud = SA 240. 250 = non-compliance with laws and regulations, jaise tax laws.

Q34. SA 330 ka subject? (a) Risk assessment (b) Auditor's responses to assessed risks (c) Evidence (d) Documentation **Answer: (b).** 315 identify/assess, 330 respond. Sequence: samjho (315), phir karo (330).

Q35. SA 620 kya cover karta hai? (a) Component auditors (b) Expert ka work use karna (c) Internal audit (d) Confirmations **Answer: (b).** 600 = component auditors in group audit; 620 = auditor's expert (valuer, actuary).

Q36. SVPL case mein findings aur punishment order ke beech kitna gap tha? (a) Same day (b) Findings Jan 2026, order Oct 2026 (c) 2 saal (d) 5 din **Answer: (b).** Two-stage process: guilt pehle, punishment baad mein, submissions ke saath.

Q37. ICAI disciplinary orders kis rules ke Rule 19(1) ke saath padhe jaate hain? (a) 2009 Rules (b) 2007 Rules (c) 2018 Rules (d) 1949 Rules **Answer: (b).** Chartered Accountants (Procedure of Investigations of Professional and Other Misconduct and Conduct of Cases) Rules, 2007.

Q38. NFRA-1 form ka link kis rule se hai? (a) Rule 13 (b) NFRA Rules 2018 Rule 3 (c) Rule 6 (d) CARO **Answer: (b).** Rule 3(2)/(3): daayre mein aane wali companies ke auditors ki filing. Rule 13 (Companies (Audit and Auditors) Rules, 2014) fraud reporting ka hai, mix mat karo.

Q39. Ek hi auditor pe ICAI aur NFRA dono ka case chal sakta hai? (a) Nahi, double jeopardy (b) Haan, alag-alag jurisdictions, alag orders (c) Sirf NFRA (d) Sirf ICAI **Answer: (b).** Dono alag legal bases pe operate karte hain: CA Act 1949 vs Companies Act s.132.

Q40. NFRA orders kahan public hote hain? (a) mca.gov.in (b) nfra.gov.in/document-category/orders/ (c) icai.org (d) Gazette only **Answer: (b).** Official orders page, free access. Debar list bhi nfra.gov.in/debar/ pe.

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21. Branch audit aur CAG ka 60-din wala haath

Prabhat
Iksha, DHFL wale branch auditors baar baar aa rahe hain. Branch audit ka rule kya hai?

Iksha
Section 143(8). Company ki branch ke accounts ya to company ka auditor khud audit kare, ya koi aur person jo Section 139 ke under auditor banne ke qualified ho. Foreign branch ho to us country ke law ke mutabik qualified accountant bhi chalega. Branch auditor apni report **company ke auditor ko** bhejta hai, aur company auditor usse apni report mein us manner mein deal karta hai jo wo necessary samjhe [src].

Prabhat
Matlab final responsibility company auditor ki?

Iksha
Haan, par iska matlab ye nahi ki branch auditor free pass. NFRA ke DHFL orders branch auditors ke khilaf individually aaye. Aur 143(3)(c) ke under company auditor ko report karna hota hai ki branch report mili ya nahi aur usne usse kaise deal kiya [src].

Prabhat
Aur CAG?

Iksha
Government company mein CAG auditor ko **directions** issue karta hai audit ke manner ke liye (143(5)), aur report milne ke baad **60 din ke andar** CAG **supplementary audit** kar sakta hai (143(6)). Matlab PSU audit do-manzila hai: pehle CA firm, phir desh ka supreme audit institution [src].

Prabhat
Isliye PSU auditors ko do baar kaam karna padta hai.

Iksha
Aur do baar sochna padta hai kya likh rahe hain. CAG ki supplementary audit comments bhi public domain mein ja sakte hain, kyunki CAG reports Parliament tak jaati hain.

Exam trap
"Branch auditor apni report members ko bhejta hai" galat. Wo company auditor ko bhejta hai. Members ko sirf company auditor report karta hai.

---

22. "Tum kya karte" scenarios (SA + regulators)

Scenario 1: Tum ek PSU ke branch auditor ho. Branch pe tumhe irregularities dikhin, management ne kaha "head office dekh lega."

Prabhat
Meri report company auditor ko jaayegi, usme irregularities clearly likhunga. CAG supplementary audit bhi kar sakta hai, to documentation tight rakhunga. "Head office dekh lega" meri duty khatam nahi karta.

Scenario 2: Client ke bank se confirmation reply aaya, par letterhead ajeeb lag raha hai.

Prabhat
SA 505 para 10: reliability pe doubt ho to further audit evidence lo. Bank se directly verify, branch visit ya call, aur client ke through nahi.

Scenario 3: Tumhe client ke related party disclosures incomplete lag rahe hain, management keh raha hai "sab sahi hai."

Prabhat
Written representation sirf evidence ka ek hissa hai, substitute nahi. SVPL case mein auditor ko isi tarah ke disclosure gaps pe guilty mana gaya. Incomplete ho to qualify karna padega.

Scenario 4: Ek bada news article aaya ki tumhare client mein fraud hua, par tumne khud kuch nahi pakda.

Prabhat
NFRA ke circular ke hisaab se (ch12 Part A) duty sirf "first identifier" ki nahi; fraud pata chalne pe 143(12) ka route evaluate karna padega, amount threshold dekho, aur saath mein apne audit evidence ko re-examine karo ki signs miss to nahi hue.

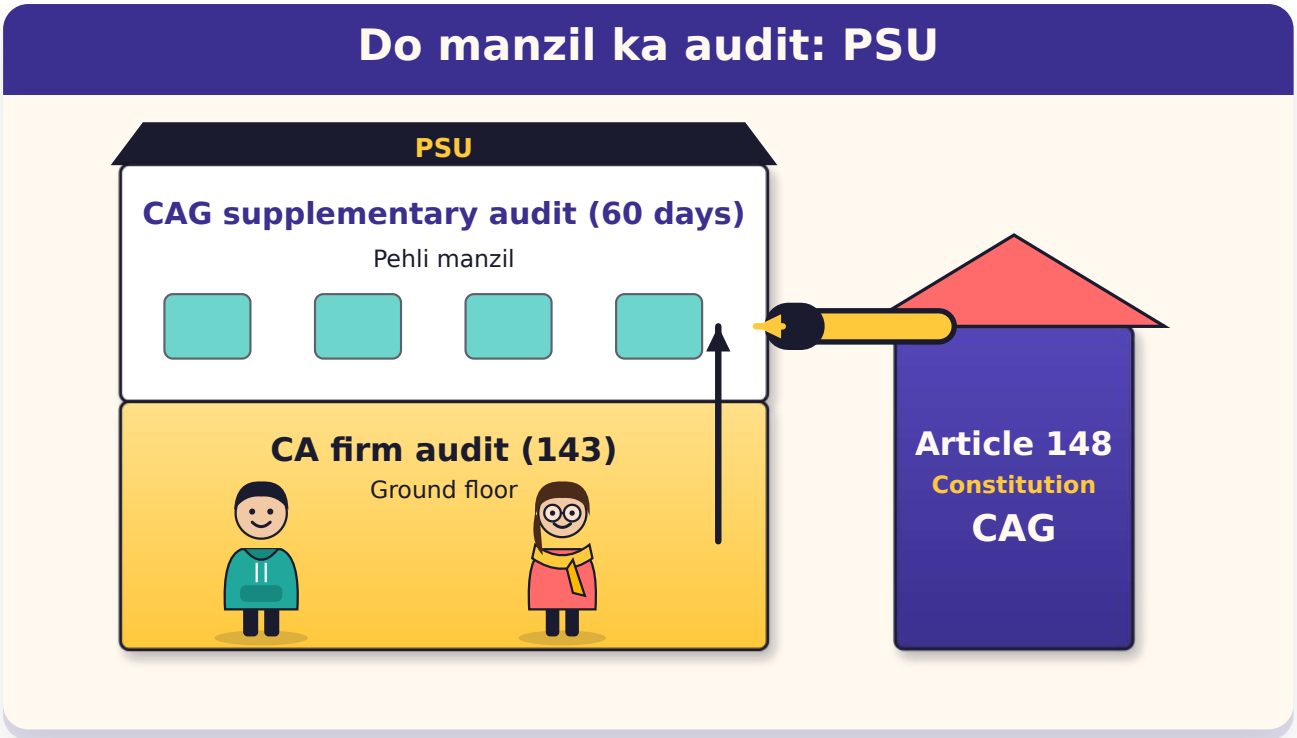
Scenario 5: ICAI ka notice aaya: 5 saal purane audit pe complaint.

Prabhat
Panic nahi. Meri defence meri audit file hai: SA 230 documentation. Jo kiya, wo likha hua hona chahiye. Submissions do, hearing attend karo, aur facts pe raho.

Iksha
In paanchon mein ek common thread hai, batao kya.

Prabhat
Document everything, verify independently, aur pressure mein duty mat bhoolo.

Iksha
Isliye tum mera favourite student ho. Aur aaj raat ka dinner tum banayoge, ye scenarios free nahi the.



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23. Practice MCQs (round 3, Q41-Q48)

Q41. Branch auditor apni report kise bhejta hai? (a) Members ko (b) Company auditor ko (c) ROC ko (d) CAG ko **Answer: (b).** Section 143(8) proviso. Members ko company auditor report karta hai.

Q42. CAG supplementary audit ka window? (a) 30 din (b) 60 din from receipt of audit report (c) 90 din (d) Unlimited **Answer: (b).** Section 143(6).

Q43. Foreign branch ka audit kaun kar sakta hai? (a) Sirf company auditor (b) Local law ke mutabik qualified person bhi (c) Sirf ICAI member (d) Koi nahi **Answer: (b).** Section 143(8): company auditor ya duly qualified person under that country's laws.

Q44. SA 505 mein confirmation reply ki reliability pe doubt ho to? (a) Accept kar lo (b) Further audit evidence to resolve doubts (c) Turant adverse (d) Resign **Answer: (b).** Para 10. Reliable nahi nikla to risk reassess aur procedures extend (para 11).

Q45. Written representation kya hai? (a) Purna evidence (b) Evidence ka ek hissa, substitute nahi (c) Opinion (d) KAM **Answer: (b).** Management ki representations alone sufficient appropriate evidence nahi banti.

Q46. 143(3)(c) mein auditor kya state karta hai? (a) Branch report mili ya nahi aur usse report mein kaise deal kiya (b) Branch ka profit (c) Branch ka location (d) Branch auditor ki fees **Answer: (a).** Branch audit ka treatment disclosure.

Q47. PSU audit ka "do-manzila" structure kya hai? (a) Internal + statutory (b) Statutory auditor + CAG supplementary audit (c) Joint auditors only (d) Tax + statutory **Answer: (b).** 143(5)/(6): CAG directions + supplementary audit within 60 days.

Q48. NFRA circular ka point 143(12) pe kya tha? (a) Sirf first identifier ko report karna hai (b) Auditor duty-bound hai ADT-4 submit karne chahe fraud pehli baar usne identify na kiya ho (c) ADT-4 optional hai (d) Sirf listed cos **Answer: (b).** Ch12 Part A mein sourced (Cyril Amarchand blog summary of NFRA circular para 4.2).

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24. PCAOB ka inspection model: NFRA se kya alag

Prabhat
PCAOB inspect kaise karta hai firms ko?

Iksha
Routine, predictable inspections. Jo firm 100 se zyada issuers ki audit reports deti hai, uski inspection **har saal**; 100 ya kam wali firms generally **3 saal mein ek baar**. Inspection reports public hote hain: Part I public, aur quality-control criticisms wala hissa (Part II) tab public hota hai jab firm 12 mahine mein fix na kar paye [src].

Prabhat
Aur NFRA?

Iksha
NFRA ka model case-driven hai: review ya investigation, phir public order. Dono models ke trade-offs hain. Routine inspection problems ko jaldi pakadti hai; case-driven enforcement bade failures ke baad saza deti hai. India mein dono ka mix debate chal raha hai.

Prabhat
Appeal?

Iksha
PCAOB ke decisions SEC ke paas appeal ho sakte hain; SEC modify ya overturn kar sakta hai. NFRA ke orders ke against NCLAT mein appeal ka route hota hai [src] [src].

Prabhat
Toh har level pe ek upar wala baitha hai.

Iksha
Haan. ICAI ke upar NFRA nahi, par bade audits ke quality matters mein NFRA; NFRA ke upar NCLAT; sab ke upar courts. Auditor ki duniya mein bhi appeal ka ladder hai, jaise tumhare exams mein re-evaluation.

Enforcement timeline (India, sourced)

Year/date	Event
7 Jan 2009	Satyam confession (Rs 7,000 crore)
29 Aug 2013	Companies Act 2013 ko assent (s.132 NFRA ka daar)
9 Apr 2015	Satyam: Raju + 9 others, 7 saal jail
1 Oct 2018	NFRA formed; IL&FS board change same day
21 Jun 2024	NFRA orders vs 2 DHFL branch auditors
19 Aug 2024	CDEL order: BSR Rs 10 crore, partners debarred 10/5 saal
10 Oct 2024	CDEL FY19-20 order vs Venkatesh & Co.
23 Dec 2024	ZEEL order: Deloitte Rs 2 crore, partners debarred 5/3 saal
31 Jan 2025	Religare Finvest order vs CA Neeraj Bansal

Sources: Satyam [src], MCA [src], NFRA [src], IL&FS [src], NFRA orders page [src].

MCQs (round 4, Q49-Q52)

Q49. PCAOB Part II report kab public hota hai? (a) Hamesha (b) Jab firm 12 mahine mein criticisms address na kare (c) Kabhi nahi (d) Sirf court order se **Answer: (b).** 12-month remediation window uske baad quality control defects public.

Q50. PCAOB ke decisions ke against appeal kahan? (a) Supreme Court (b) SEC (c) AICPA (d) NCLAT **Answer: (b).** SEC oversight; wo modify/overturn kar sakta hai. NCLAT India ka hai.

Q51. NFRA ke formation aur kis event ki date same hai? (a) Satyam confession (b) IL&FS naya board (1 October 2018) (c) CARO 2020 (d) SEBI Act **Answer: (b).** Dono 1 October 2018. Exam mein is pairing ka faida uthaya jaata hai.

Q52. India mein audit regulator ke orders ke against appeal ka forum? (a) SAT (b) NCLAT (c) High Court direct (d) Koi nahi **Answer: (b).** NCLAT companies law appeals ka appellate tribunal hai.

MCQs (round 5, Q53-Q56)

Q53. ICAI Disciplinary Committee mein punishment se pehle kya hota hai? (a) Direct fine (b) Findings/guilt stage, phir submissions ke baad punishment order (c) Jail (d) Warning only **Answer: (b).** Dono real cases mein findings aur punishment order alag dates ke hain.

Q54. SA 230 ka "experienced auditor" test kya hai? (a) 10 saal experience (b) Ek experienced auditor jo audit se juda nahi, file dekh ke procedures, evidence aur conclusions samajh sake (c) ICAI member (d) Partner review **Answer: (b).** Documentation ki quality ka benchmark yehi hai.

Q55. NFRA aur ICAI mein kaun "name removal from Register of Members" karta hai? (a) NFRA (b) ICAI (c) Dono (d) Koi nahi **Answer: (b).** ICAI removal karta hai; NFRA "debar" karta hai. Terminology ka farq exam mein poochha jaata hai.

Q56. CAG ki appointment kaun karta hai? (a) Prime Minister (b) President of India (c) Parliament (d) Supreme Court **Answer: (b).** Article 148 ke under President appoint karta hai; salary Supreme Court judge ke barabar, independence ke liye.

Iksha
Aur ek last frame. ICAI rulebook likhta hai, NFRA umpire hai, CAG sarkar ka auditor hai, SEBI bazaar ka police hai, MCA registry hai, PCAOB America ka NFRA hai. Cheh kirdaar, ek kahani: bharosa.

Prabhat
Aur hum dono is kahani mein kya hain?

Iksha

Tum wo ho jo abhi rulebook padh raha hai. Aur main wo hoon jo kabhi tumhe umpire ke saamne sharminda nahi hone dungi. Chalo, ab 56 questions revise karo, phir dinner.

Part B end. Ab ch11-ch13 ka combined revision: report likhna (ch11), kanoon (ch12), aur enforcers (ch13). Agla chapter isi thread ko aage badhayega.

Episode 14: Govt Audit: CAG, GFR, PAC

Chat A: CAG kaun hai?

> Estimated length: about 24 to 28 PDF pages at 14pt with graphics (target in outline: 60). Honest note for lead: facts below are only the ones I could source. Pages beyond this need more verified material, see "Open items" at the end of the file. Sources accessed: 2026-11-27.

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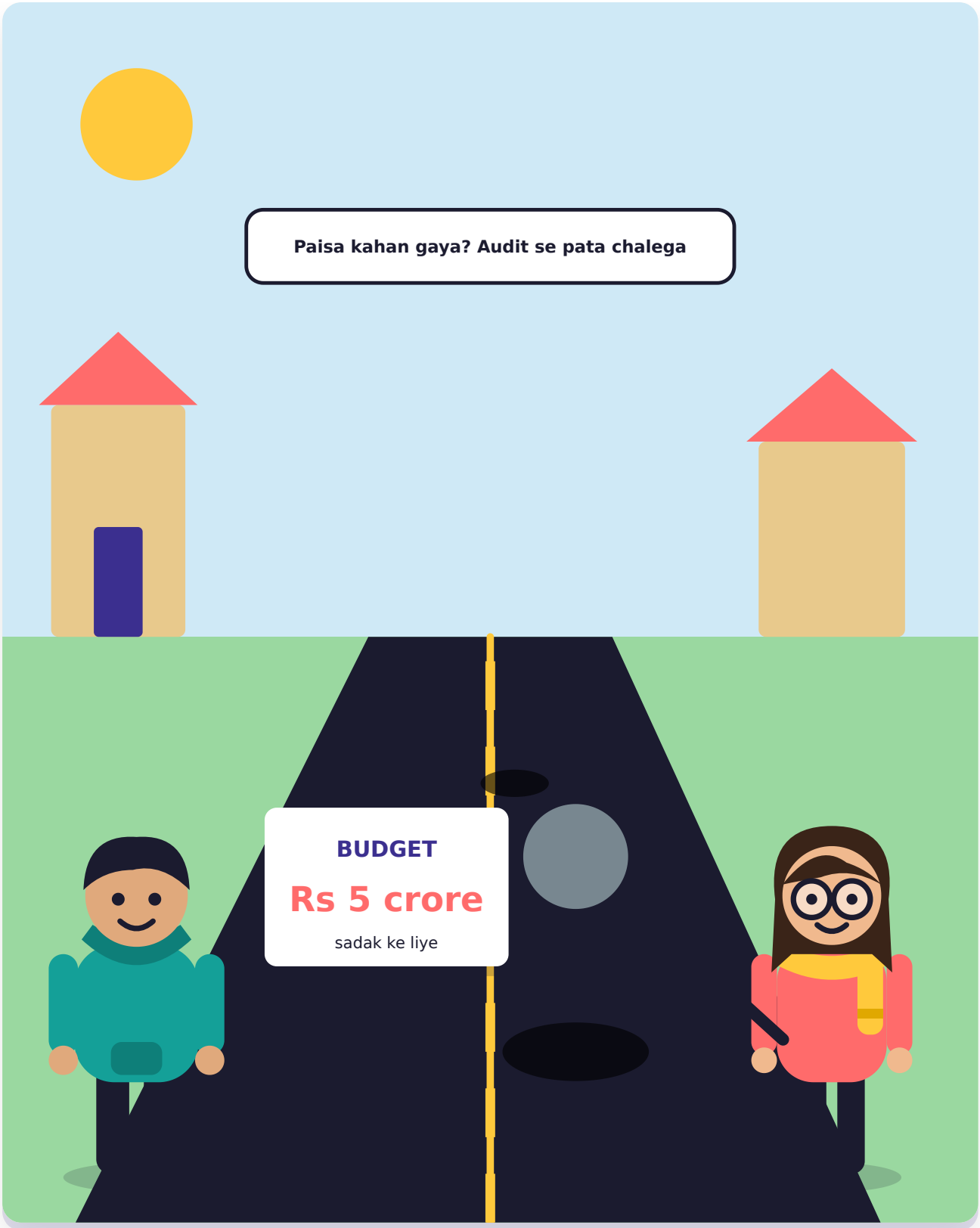
1. Kahani hook: "Paisa kiska hai?"

Prabhat ke gaon mein ek sadak banni thi. Paanch crore ka budget paas hua. Do saal baad sadak ki jagah gaddhe the aur thekedaar ghar chala gaya tha.

Prabhat ne Iksha se poocha: "ye paisa to sarkar ka tha. Kisne check kiya ki sahi kharch hua ya nahi?"

Iksha muskurayi. "Company ka audit shareholders ke liye hota hai. Sarkar ka paisa janta ka hota hai. Uska audit ek bahut khaas afsar karta hai, jisko Constitution ne kursi di hai. Us afsar ka naam hai CAG. Aaj hum usi ki kahani padhenge."



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2. Chat dialogue

Chat A: CAG kaun hai?

Prabhat
CAG ka full form kya hai?

Iksha
Comptroller and Auditor General of India. Ye India ka Supreme Audit Institution hai, matlab sabse upar ka auditor.

Prabhat
Ye post kahan se aayi?

Iksha
Constitution ke Article 148 se. Articles 148 se 151 CAG ke baare mein hain.

Prabhat
Kaun appoint karta hai?

Iksha
President of India, apne warrant se (Article 148(1)). Term ka rule Constitution mein nahi, CAG (DPC) Act, 1971 ki Section 4 mein hai: 6 saal ya 65 saal ki umar, jo pehle ho.

Prabhat
Hata kaun sakta hai?

Iksha
Article 148(1) kehta hai ki CAG ko usi tareeke aur usi grounds par hataya ja sakta hai jaise Supreme Court ke judge ko. Judge ka tareeka: Parliament ke dono houses ka address, proved misbehaviour ya incapacity par.

Prabhat
Itna mushkil kyun?

Iksha
Taaki sarkar naraz ho kar CAG ko hata na sake. Isko independence kehte hain.

Prabhat
CAG retire hone ke baad sarkari naukri le sakta hai?

Iksha

Nahi. Article 148(4): CAG office chhodne ke baad Government of India ya kisi State government ke under further office ke liye eligible nahi hota. Ye bhi independence ke liye hai.

[src] [src] [src]

Chat B: CAG kya audit karta hai?

Prabhat
CAG kya kya audit karta hai?

Iksha
Teen bade dabbe yaad rakho.

Iksha
Dabba 1: Consolidated Fund of India aur har State ka kharch aur aamdani.

Iksha
Dabba 2: Government companies aur corporations, jaise PSU.

Iksha
Dabba 3: Wo bodies jinko sarkar se bahut paisa milta hai (substantially financed).

Prabhat
Aur loans aur grants?

Iksha
Haan, wo bhi. Sarkar kisi ko khaas kaam ke liye grant ya loan de, to CAG dekh sakta hai.

Prabhat
kitne log CAG ke office mein kaam karte hain?

Iksha
Wikipedia ke hisaab se 1 March 2020 tak 43,576 employees. Ye Indian Audit and Accounts Department hai.

Prabhat
CAG ke upar kaun likhta hai ki kitna accounts rakhna hai?

Iksha
1976 se CAG ko accounting ka kaam nahi karna padta. Ab wo sirf audit par focus karta hai. Accounts alag se sarkar ke officers rakhte hain.

[src]

Chat C: CAG ka Act

Prabhat
koi Act bhi hai CAG ka?

Iksha
Haan. CAG (Duties, Powers and Conditions of Service) Act, 1971, jisko short mein DPC Act kehte hain.

Prabhat
Isme audit kahan likha hai?

Iksha
Sections 13 se 21, aur 23, 24. Section 13 kehta hai ki CAG Consolidated Fund of India, har State aur har Union Territory with legislature ka kharch audit karega.

Prabhat
Aur CAG ki salary?

Iksha
Supreme Court ke judge ke barabar (DPC Act 1971, Section 3). Article 148(3) ke hisaab se Parliament law se fix karti hai, aur appoint hone ke baad salary, leave, pension ya retirement age uske nuksan mein badal nahi sakte.

Prabhat
Order of precedence mein CAG kahan aata hai?

Iksha
Wikipedia ke mutabik 9th, Supreme Court ke sitting judge ke barabar.

[src]

Chat D: PAC ka role

Prabhat
CAG report likhta hai. Phir?

Iksha
Report President ko jaati hai, aur Parliament ke saamne rakhi (laid) jaati hai. Phir PAC use padhta hai.

Prabhat
PAC kya hai?

Iksha
Public Accounts Committee. Parliament ki ek financial committee.

Prabhat
Kitne members?

Iksha
Zyada se zyada 22. Lok Sabha ke 15 aur Rajya Sabha ke 7.

Prabhat
Chairman kaun?

Iksha
Lok Sabha Speaker appoint karta hai. Parampara se 1967 ke baad se chairman opposition se hota hai.

Prabhat
Koi minister member ban sakta hai?

Iksha
Nahi. Minister PAC ka member nahi ho sakta.

Prabhat
Term kitna?

Iksha
Ek saal. Har saal naye sire se election hota hai, proportional representation aur single transferable vote se.

[src]

Chat E: GFR kya hai?

Prabhat
GFR kisne banaya?

Iksha
Ministry of Finance ke Department of Expenditure ne. General Financial Rules.

Prabhat
Pehli baar kab?

Iksha
1947 mein. Phir GFR 1963, GFR 2005, aur ab GFR 2017.

Prabhat
Ye law hai?

Iksha
Nahi. Ye executive instructions hain. Sarkari officers ko inhe maanna padta hai, par ye Parliament ka Act nahi hai.

Prabhat
GFR 2017 ki date?

Iksha
Preface 11 February 2017 ko likha gaya. Aur 2017 mein Task Force ki sifarish aayi thi, jo PAC aur doosri committees ke kehne par bana tha.

Prabhat
Ye autonomous bodies par bhi lagta hai?

Iksha
Rule 1 ke mutabik haan, jab tak unke apne bye-laws alag na bolen.

[src]

---

3. Core idea in 3 levels

Box 1: 6 saal ka bachha

Socho class mein ek piggy bank hai. Teacher paise rakhti hai aur class ke kaam par kharch karti hai. Ek alag, imaandaar bada bhaiya aata hai aur dekhta hai ki paise sahi kaam par gaye ya nahi. Wo bhaiya CAG hai. Phir wo class ke sabse samajhdaar bacchon ki ek team (PAC) ko batata hai. Team teacher se sawaal puchti hai.

Box 2: Normal explanation

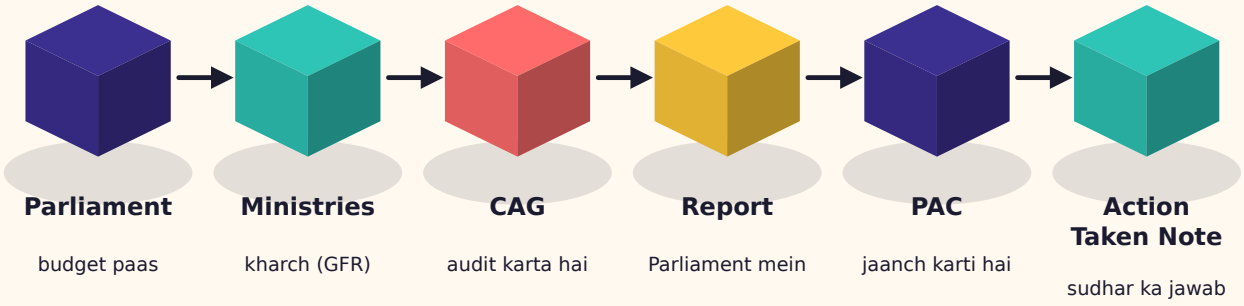
Sarkari audit ke teen pillar yaad rakho:

1. **CAG** ka audit karta hai aur report banata hai (Constitution, Art. 148 to 151).
2. **PAC** (aur COPU for PSUs) report par bahas karti hai aur sarkar se jawab maangti hai.
3. **GFR** wo rulebook hai jiske against officer ke kharch ko check kiya jaata hai. Audit mein pucha jaata hai: "GFR ka kaun sa rule tod kar paisa kharch hua?"

Auditor ke liye ek simple flow: `Budget paas (Parliament) -> Kharch (Ministry, GFR ke rules se) -> Audit (CAG) -> Report Parliament mein -> PAC jaanch -> Action Taken Note (Ministry ka jawab)`

CAG ke audit ke prakar (Wikipedia aur PAC page ke hisaab se): accountancy audit, regularity audit, appropriation audit, discretionary audit, efficiency-cum-performance audit. Aaj ki practice mein bhi do shabd bahut aate hain: **compliance audit** (rules maane ya nahi) aur **performance audit** (3E: Economy, Efficiency, Effectiveness).

Paisa Parliament se PAC tak: poora chakra



CAG audit ke baad jawabdehi ka chakra poora hota hai

Box 3: PhD box

- **Supreme Audit Institution (SAI):** Independent external auditor of the state. CAG ka model "Westminster style" hai: auditor Legislature ko report karta hai, aur Legislature ki committee (PAC) follow-up karti hai. Is model mein CAG executive ka hissa nahi hai.
- **Independence safeguards:** fixed term, removal Supreme Court judge jaisa, salary aur service conditions nuksan ke liye change nahi ho sakti, post-retirement office par rok. Ye sab ISSAI/INTOSAI ki independence ki soch se milte hain [src].
- **Propriety vs Regularity:** Regularity matlab "rule ke andar hua?". Propriety matlab "rule ke andar hone par bhi wise tha?". CAG dono dekhta hai.
- **Edge case, private parties:** Wikipedia ke mutabik Supreme Court ne kaha hai ki CAG un private firms ko audit kar sakta hai jo government ke saath revenue-share deal mein hain. 2013 tak ek estimate ke mutabik sarkari kharch ka lagbhag 60 percent CAG ki nazar se bahar tha (is baat ka source Wikipedia hai, usne estimate bataya hai).
- **Edge case, advisory/entrusted audits:** Panchayati Raj Institutions aur Urban Local Bodies ka audit Technical Guidance and Support (TGS) ke under entrusted hota hai.
- **Limit of CAG:** CAG policy ke merit par sawaal nahi uthata, wo uske financial impact dekhta hai. Supreme Court ne ek bench observation mein kaha ki CAG

> "munimji" nahi hai, wo economy, effectiveness aur efficiency dekhne wala constitutional authority hai (Wikipedia mein quoted observation).

[src]

---

4. Real examples (sourced)

Example 1: 2G spectrum report

Kahani: 2008 mein 2G licences diye gaye. CAG ne dekha ki licence bina auction ke diye gaye aur kaha ki sarkar ko "presumptive loss" hua. Presumptive matlab "agar doosra tareeka hota to itna aa sakta tha". Ye asli nuksan nahi, anumaan hota hai.

Cheez	Figure	Source
CAG ka presumptive loss estimate	Rs 1,76,600 crore	[src]
CBI chargesheet (2 April 2011) mein loss	Rs 31,000 crore	[src]
Supreme Court ne cancel kiye licences (2 Feb 2012)	122	[src]
Supreme Court ke kehne par naya reserve price (3 Aug 2012)	Rs 14,000 crore	[src]
Special court ka faisla (21 Dec 2017)	Sab accused acquitted	[src]

Auditor ki seekh: Ek hi report ke teen alag numbers ho sakte hain, kyunki method alag hai. Telegraph ne bhi likha ki CAG ne 2G report mein alag parameters se teen alag notional loss estimates diye the. Exam mein yaad rakho: CAG ka figure "presumptive" tha, court ne ye number prove nahi kiya.

[src]

Example 2: Coal block allocation report (2012)

CAG ne dekha ki coal blocks competitive bidding se nahi, screening committee ki sifarish se baante gaye. Draft mein estimate bahut bada tha, final report mein kam ho gaya.

Cheez	Figure	Source
Draft report (March 2012) windfall gain	Rs 10,67,300 crore	[src]
Final report (tabled 17 Aug 2012) financial gain	Rs 1,85,591.34 crore, as on 31 March 2011	[src]
Final report headline figure	Rs 1.86 lakh crore (Wikipedia: Rs 185,600 crore)	[src]
Blocks mentioned in the finding	57 blocks allotted May 2005 to July 2009	[src]
Average cost used (Coal India 2010-11)	Rs 583.01 per tonne (+ Rs 150 financing)	[src]
Average sale price used	Rs 1,028.42 per tonne	[src]
Net gain per tonne	Rs 295.41	[src]

Sum samjho (teaching math, sirf formula): `Gain per tonne = Sale price - (Cost + Financing) = 1,028.42 - (583.01 + 150) = 295.41` Phir `295.41 x extractable reserves of each block` jodkar total aaya. Check: 1,028.42 - 733.01 = 295.41. Sahi hai.

Sarkar ne is calculation ko galat kaha. Coal Minister ne kaha ki Coal India ke average se naye mines ka cost compare karna sahi nahi. Ye audit ka asli sabak hai: auditee ka reply hamesha report ka hissa hota hai aur dono taraf ki baat padhni chahiye.

Example 3: Commonwealth Games (2010)

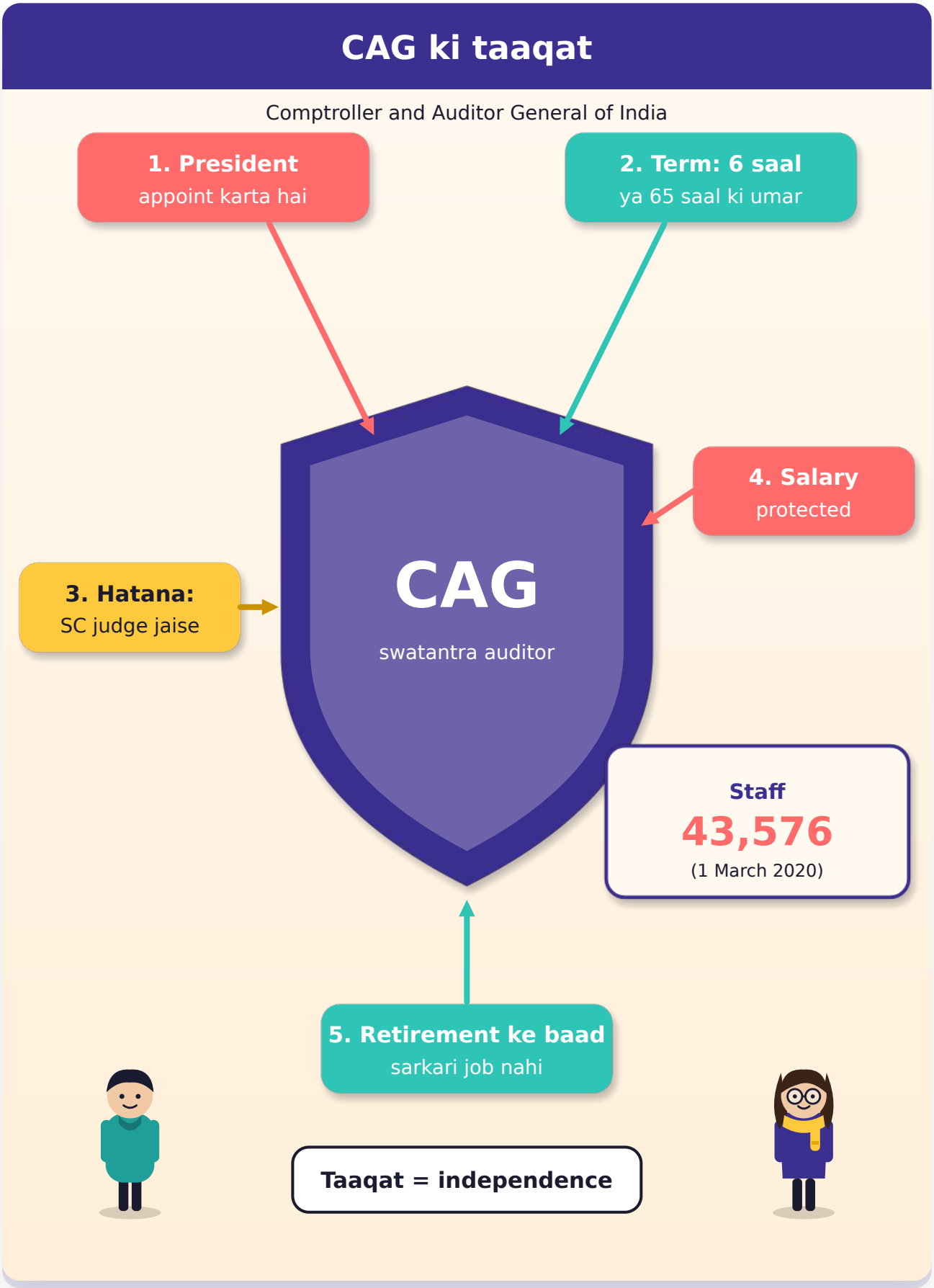
Games ke baad sarkar ne ek special committee banayi jiski head pichhle CAG V. K. Shunglu the (Wikipedia). Committee ne kuch contracts mein gadbad paayi. Wikipedia ke mutabik ek Swiss company ko 700 million rupees se zyada ka contract mila tha. Shunglu committee ke findings par CBI ne 23 August 2012 ko FIR darj ki.

[src]

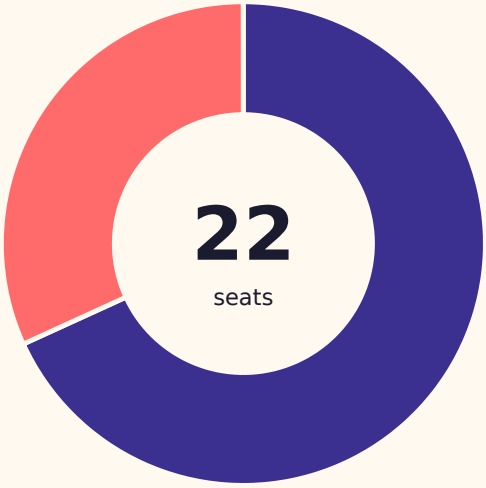
Dhyan rahe: Commonwealth Games wale case mein ye jaanch CAG ki nahi, Shunglu committee ki thi. Exam mein confuse mat ho.

---

5. Infographic / diagram



PAC: 22 sadasya



Lok Sabha: 15

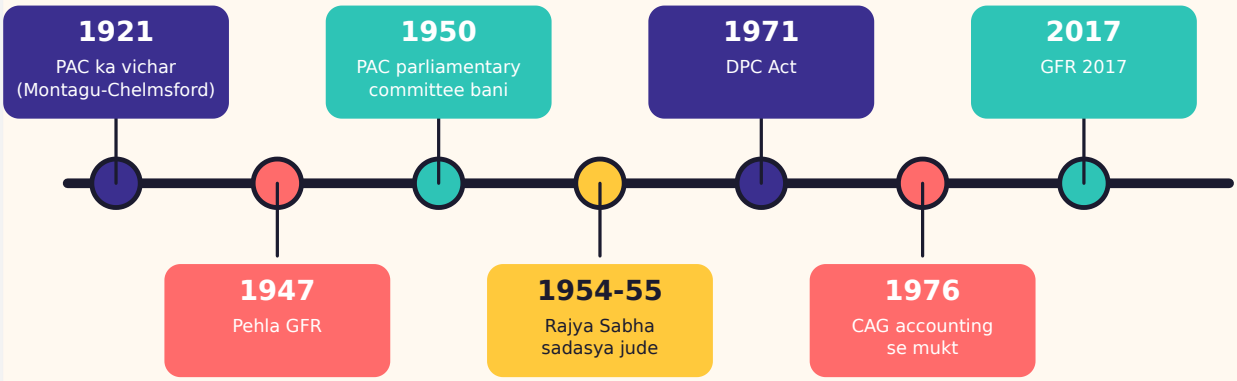
Rajya Sabha: 7

Term: 1 saal

Chair: opposition se

(1967 ke baad se)

Public audit ka itihaas



[src]

6. GFR in depth: Procurement ladder (exam favourite)

GFR 2017 Chapter 6 (Procurement) mein paise ke hisaab se tareeka badalta hai. Ye sabse zyada puchha jaane wala hissa hai. **Dhyan se:** limits amend hote rehte hain. Ye limits Department of Expenditure ke O.M. No. F.1/3/2024-PPD dated 10 July 2024 (doe.gov.in) se verify kiye gaye hain. Us O.M. ke pehle ke limits alag the. Exam question kis saal ka hai, ye dekh kar jawab do.

Tareeka (Goods, GeM ke bahar)	Rule	Current limits (10 July 2024 O.M. ke baad)	Pehle ke limits (O.M. ke "Existing Rule")
Bina quotation khareed, certificate ke saath	154	Rs 50,000 tak	Rs 25,000 tak
Local Purchase Committee (3 members)	155	Rs 50,000 se Rs 5 lakh	Rs 25,000 se Rs 2.5 lakh
Limited Tender Enquiry	162	Rs 50 lakh tak	Rs 25 lakh tak
Open / Advertised Tender	161	Rs 50 lakh aur upar	Rs 25 lakh se upar
Single Tender	166	Khaas cases, kisi value par	Khaas cases
GeM mandatory (jahan item GeM par ho)	149	Haan	Haan

[src] [src] [src]

GeM ki seedhi khareed ke limits (Rule 149) bhi badle hain. O.M. se pehle: Rs 25,000 tak seedha, Rs 25,000 se Rs 5 lakh ke beech GeM par kam se kam teen alag manufacturers ke sellers mein se lowest price wala, Rs 5 lakh se upar bidding ya reverse auction. O.M. ke baad: Rs 50,000 tak seedha, Rs 50,000 se Rs 10 lakh tak teen manufacturers mein se lowest, Rs 10 lakh se upar bidding ya reverse auction. (Automobiles ke liye sub-rule (i) aur (ii) mein ceiling nahi hai.)

[src]

Auditor ki nazar se red flags:

1. **Splitting:** Ek bada kharch ko tukdon mein todna taaki limit ke neeche rahe. GFR khud kehta hai ki demand ko chhote quantity mein baant kar piecemeal purchase nahi karna (Rule 149 ka clause viii).
2. Single tender bina reason ke.
3. LPC mein teen members ka joint certificate missing.
4. GeM par item hone ke bawajood bahar se khareed.

[src]

Rule 21: Standards of financial propriety. Har officer ko public money kharch karte waqt ucch standard of financial propriety rakhna hai. Sidhi bhasha mein: "Apne paise ki tarah dhyan se kharch karo." Ye audit ka dil hai.

[src]

GFR 2017 ke chapters (yaad rakhne ke liye): 1 Introduction, 2 General System of Financial Management, 3 Budget, 4 Government Accounts, 5 Works, 6 Procurement of Goods and Services, 7 Inventory Management, 8 Contract Management, 9 Grants-in-aid and Loans, 10 Externally Aided Projects, 11 Government Guarantees, 12 Miscellaneous.

[src]

---

7. Audit report ka safar (CAG report to PAC)

1. **Audit:** Field offices (Accountants General) departments ka audit karte hain.
2. **Inspection Report / Audit Paragraphs:** Auditee ko draft paragraph bheja jaata hai, reply maanga jaata hai.
3. **Report:** CAG report President/Governor ko deta hai, jo Parliament/Legislature mein rakhi jaati hai. Article 151(1): Union accounts ki CAG reports President ko submit hoti hain, jo unhe Parliament ke har House ke saamne rakhwate hain. Article 151(2): State accounts ki reports Governor ko, jo unhe State Legislature ke saamne rakhwate hain. [src]

Articles 149 aur 150 (simple): Article 149: CAG ke duties aur powers wo hain jo Parliament ka kanoon tay kare (aur kanoon banne tak wahi jo pehle Auditor-General of India ke the). Article 150: Union aur States ke accounts us form mein rakhe jaate hain jo President CAG ki salah par tay kare. [src]

1. **PAC selection:** Har saal PAC report ke important paragraphs chunti hai (Wikipedia).
2. **Hearing:** PAC secretaries ko bula kar sawal puchti hai. CAG PAC ki madad karta hai.
3. **PAC report:** Sifarishen sarkar ko jaati hain.
4. **ATN:** Ministry Action Taken Note deti hai. PAC ki ek sub-committee ke kaam mein "timely ATN submission" ka follow-up bhi aata hai.

[src]

---

8. Exam angle (UPSSSC style)

UPSSSC ka pattern: seedha factual sawaal. Zyada tar: kaun appoint karta hai, kitne members, kaun sa Article, kaun sa Act. Teen cheezein ratto: **148, 6/65 (DPC Act), 15+7**.

5 PYQ-style questions

Q1. CAG of India ki niyukti kaun karta hai? (a) Prime Minister (b) President (c) Speaker (d) Chief Justice **Ans: (b) President.** Wikipedia: Appointed by President.

Q2. CAG ke baare mein Constitution ka kaun sa Article hai? (a) 124 (b) 148 (c) 280 (d) 312 **Ans: (b) 148.**

Q3. PAC mein Lok Sabha aur Rajya Sabha ke zyada se zyada kitne members hote hain? (a) 15 aur 5 (b) 15 aur 7 (c) 10 aur 10 (d) 20 aur 5 **Ans: (b) 15 aur 7, total 22.**

Q4. Kaun sa Act CAG ke duties, powers aur conditions of service batata hai? (a) Companies Act 2013 (b) CAG (DPC) Act 1971 (c) GST Act 2017 (d) RTI Act 2005 **Ans: (b).**

Q5. PAC ke chairman ka chunav kaun karta hai (appoint karta hai)? (a) President (b) PM (c) Lok Sabha Speaker (d) Rajya Sabha Chairman **Ans: (c) Lok Sabha Speaker.** Wikipedia: "chairperson is appointed by the Lok Sabha speaker."

Bonus Q6. GFR 2017 kis ministry ke Department ne issue kiya? **Ans:** Ministry of Finance, Department of Expenditure.

Bonus Q7. CAG ki salary kiske barabar hai? **Ans:** Supreme Court ke judge ke barabar.

Trap options to watch: "Chairman Prime Minister appoint karta hai" (galat), "CAG ko hatana President akela kar sakta hai" (galat), "PAC mein minister hota hai" (galat).

---

9. Recap page

10 bullet points

1. CAG = India ka Supreme Audit Institution, Article 148 se.
2. Articles 148 se 151 CAG ke baare mein hain.
3. Appointment: President. Term: 6 saal ya 65 saal ki umar, jo pehle ho.
4. Removal: Parliament ke dono houses ke address se, proved misbehaviour ya incapacity par.
5. CAG (DPC) Act, 1971 mein audit ke provisions Sections 13 se 21, 23 aur 24 mein hain.
6. 1976 se CAG ko accounting ka kaam nahi, sirf audit.
7. PAC mein max 22 members: 15 Lok Sabha, 7 Rajya Sabha. Term 1 saal. Minister member nahi ban sakta.
8. 1967 ke baad PAC chairman opposition se.
9. GFR 2017 Department of Expenditure ke executive instructions hain, Act nahi. Rule 21 = financial propriety.
10. Procurement ladder: no quotation, LPC, limited tender, open tender, single tender. Limits amend hote hain, saal dekho.

Cheat-sheet table

Topic	Yaad rakho
CAG Article	148
CAG term	6 yrs ya 65 yrs (DPC Act s.4, Constitution mein nahi)
CAG appoint	President
CAG salary	SC judge ke barabar
DPC Act	1971
PAC size	22 (15 + 7)
PAC term	1 year
PAC chair appoint	Lok Sabha Speaker
GFR	2017, Dept of Expenditure
GFR Rule 21	Financial propriety
GFR Rule 149	GeM
2G (CAG)	Rs 1,76,600 crore presumptive
Coal (CAG final)	Rs 1.86 lakh crore (Rs 1,85,591.34 crore)

Open items for lead and checkers

1. (Closed by fact-check) Art. 149-151 verified against cag.gov.in Constitution text. See checks/ch14.md.
2. (Closed by fact-check) Procurement limits verified against the DoE O.M. dated 10 July 2024 on doe.gov.in.
3. I did not use any Investopedia text. No sentences copied from Wikipedia. Wikipedia pages used: Comptroller and Auditor General of India, Public Accounts Committee (India), Commonwealth Games scam.
4. To reach 60 pages the lead may want another sourced worker for: COPU and Estimates Committee, Finance Accounts and Appropriation Accounts, Performance audit steps, CAG reports on specific departments. I did not add them without sources.

Chapter 14 Extension (Part B): CAG Reports, PAC in Action, GFR in Action

> Extension of Chapter 14. Appends after the recap of the base chapter. New material only; nothing repeated from Part A. Sources accessed: 2026-11-27. Every figure below carries a [[SRC]] tag from a page fetched for this extension.

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10. DPC Act, 1971: section by section (asli kanoon kya kehta hai)

Part A mein humne dekha ki CAG (DPC) Act, 1971 mein audit ke provisions Sections 13 se 21, 23 aur 24 mein hain. Ab Iksha ne Prabhat ke saamne Act ka asli text khol diya. Us raat hostel ki light chali gayi thi. Prabhat ne phone ki torch jalai, Iksha ne apna chashma saaf kiya, aur dono corridor mein baith kar Act padhte rahe. Barish ki awaaz ke beech kanoon ki lines aur bhi gehri lag rahi thi.

Chat H: Accounts ka kaam (Sections 10, 11, 12)

Prabhat
Section 10 kya kehta hai?

Iksha
Original Act mein CAG ke zimme tha ki wo Union aur har State ke accounts compile kare, treasuries aur departments se aaye initial aur subsidiary accounts se.

Prabhat
Lekin Part A mein likha tha 1976 se CAG accounts nahi banata?

Iksha
Sahi pakde. Section 10 mein ek proviso hai: President, CAG ki salah ke baad, order nikaal kar CAG ko accounts compile karne ki responsibility se chhutkara de sakta hai. State ke liye Governor, President ki pehle se approval aur CAG ki salah ke saath, aisa kar sakta hai. 1976 mein yahi hua.

Prabhat
Section 11?

Iksha
CAG har saal accounts (aur appropriation accounts) taiyaar karke President, Governor ya UT Administrator ko submit karega, date government ki concurrence se tay hogi. Isme bhi relief wala proviso hai.

Prabhat
Aur Section 12?

Iksha
CAG apne paas maujood accounts se Union aur State governments ko information dega aur unki annual financial statements banane mein reasonable assistance dega.

[src]

Chat I: Section 13, audit ki seedhi duty

Prabhat
Section 13 padho na.

Iksha
Sun. Section 13 kehta hai CAG ki duty hai:

Iksha
(a) Consolidated Fund of India, har State aur har legislature wale UT ka saara kharch audit karna, aur ye dekhna ki paisa legally us kaam ke liye available tha jis par laga, aur expenditure apni governing authority ke hisaab se hua.

Iksha
(b) Contingency Fund aur Public Account se judi saari transactions audit karna.

Iksha
(c) Sarkari departments ke trading, manufacturing, profit and loss accounts, balance sheets aur subsidiary accounts audit karna.

Iksha
Aur har case mein report dena.

Prabhat
Contingency Fund aur Public Account alag kyun likhe hain?

Iksha
Kyunki Consolidated Fund alag dabba hai, usme sarkar ki apni aamdani aur kharch aata hai. Contingency Fund emergency ke liye hota hai. Public Account mein provident fund jaise paise aate hain jo sarkar ke nahi, bas sarkar ke paas deposit hain. CAG teeno dabbe dekhta hai.

[src]

Chat J: Section 14, "substantially financed" ka ganit

Prabhat
Ye substantially financed ka matlab kya hai? Ikka-dukka grant milne se CAG aa jayega?

Iksha
Nahi. Section 14(1) ka Explanation clear hai: agar kisi body ya authority ko ek financial year mein Consolidated Fund se grant ya loan kam se kam Rs 25 lakh mila ho, AUR wo amount us body ke total expenditure ka kam se kam 75 percent ho, to wo body "substantially financed" maani jayegi. CAG uske receipts aur expenditure audit karega.

Prabhat
Ruko, example do.

Iksha
Ek NGO ko sarkar ne saal mein Rs 30 lakh diye. NGO ka total kharch Rs 38 lakh hai. 30 lakh, 38 lakh ka lagbhag 79 percent hai, aur 25 lakh se zyada bhi. Dono condition poori. CAG audit karega.

Prabhat
Aur agar grant Rs 1 crore ho par share 40 percent ho?

Iksha
To Section 14(2) aata hai: grant ya loan Rs 1 crore se kam na ho, to CAG President, Governor ya UT Administrator ki pehle se approval lekar audit kar sakta hai, chahe 75 percent wali condition poori na ho.

Prabhat
Ek saal audit hua, agle saal grant band ho gayi to?

Iksha
Section 14(3): ek baar audit shuru ho gaya to CAG agle do saal tak aur audit karta rahega, chahe conditions un do saalon mein poori na hon. Taaki koi body grant rok kar audit se bach na sake.

[src]

Exam trap

Limit Rs 25 lakh hai, Rs 25 crore nahi. Aur percentage 75 hai, 51 nahi. 51 percent government companies ka test hai (Companies Act wala), 75 percent substantially financed bodies ka. Paper mein dono ko mix karke option banate hain.

Chat K: Sections 15, 16, 17, 18

Prabhat
Section 15?

Iksha
Jab sarkar kisi body ko kisi specific purpose ke liye grant ya loan de, to CAG us sanctioning authority ki procedures ko scrutinise karega: kya usne conditions poori hone ka santosh prapt kiya? Iske liye CAG ko reasonable previous notice dekar us body ki books tak access ka right hai.

Prabhat
Section 16?

Iksha
Receipts ka audit. CAG ko satisfy hona hai ki revenue ke assessment, collection aur proper allocation par effective check ke liye banaye rules aur procedures sahi se follow ho rahe hain.

Prabhat
Section 17?

Iksha
Stores aur stock ke accounts ka audit. Sarkari godown mein saman gina aur likha ja raha hai ya nahi, wo.

Prabhat
Aur 18? Ye to power wala lagta hai.

Iksha
Haan. Section 18 CAG ko authority deta hai: (a) kisi bhi accounts office ka inspection, treasuries samet; (b) accounts, books, papers aur documents apne bataye hue place par mangwana; (c) office ke in-charge se sawaal poochna, observations dena, aur information maangna. Aur in-charge ko poori facilities deni padti hain, jitni jaldi ho sake.

[src]

Chat L: Sections 19, 20, 21, 23, 24

Prabhat
Government companies ka audit?

Iksha
Section 19: CAG ke duties aur powers government companies ke liye Companies Act ke provisions ke hisaab se chalte hain (Act ke text mein Companies Act, 1956 likha hai; aaj ye Companies Act, 2013 ke framework se chalta hai). Corporations ke liye unki apni parent legislation ke hisaab se.

Prabhat
Reports kahan rakhi jaati hain?

Iksha
Section 20: Government company ya corporation ki CAG reports concerned Government ko jaati hain. Central Government use dono Houses of Parliament mein rakhwati hai, State Government apni Legislature mein, jitni jaldi ho sake.

Prabhat
Section 21?

Iksha
Delegation. CAG apni powers apne department ke officers ko de sakta hai. Lekin ek proviso yaad rakho: President ya Governor ko submit hone wali report koi aur officer tabhi submit nahi kar sakta jab tak CAG leave par ya absent na ho. Report CAG ka apna haath maangti hai.

Prabhat
23 aur 24?

Iksha
Section 23: CAG regulations bana sakta hai audit ke scope aur extent ke liye, aur government accounting ke general principles de sakta hai. Section 24: CAG circumstances dekh kar detailed audit ka koi part chhod sakta hai aur limited check laga sakta hai.

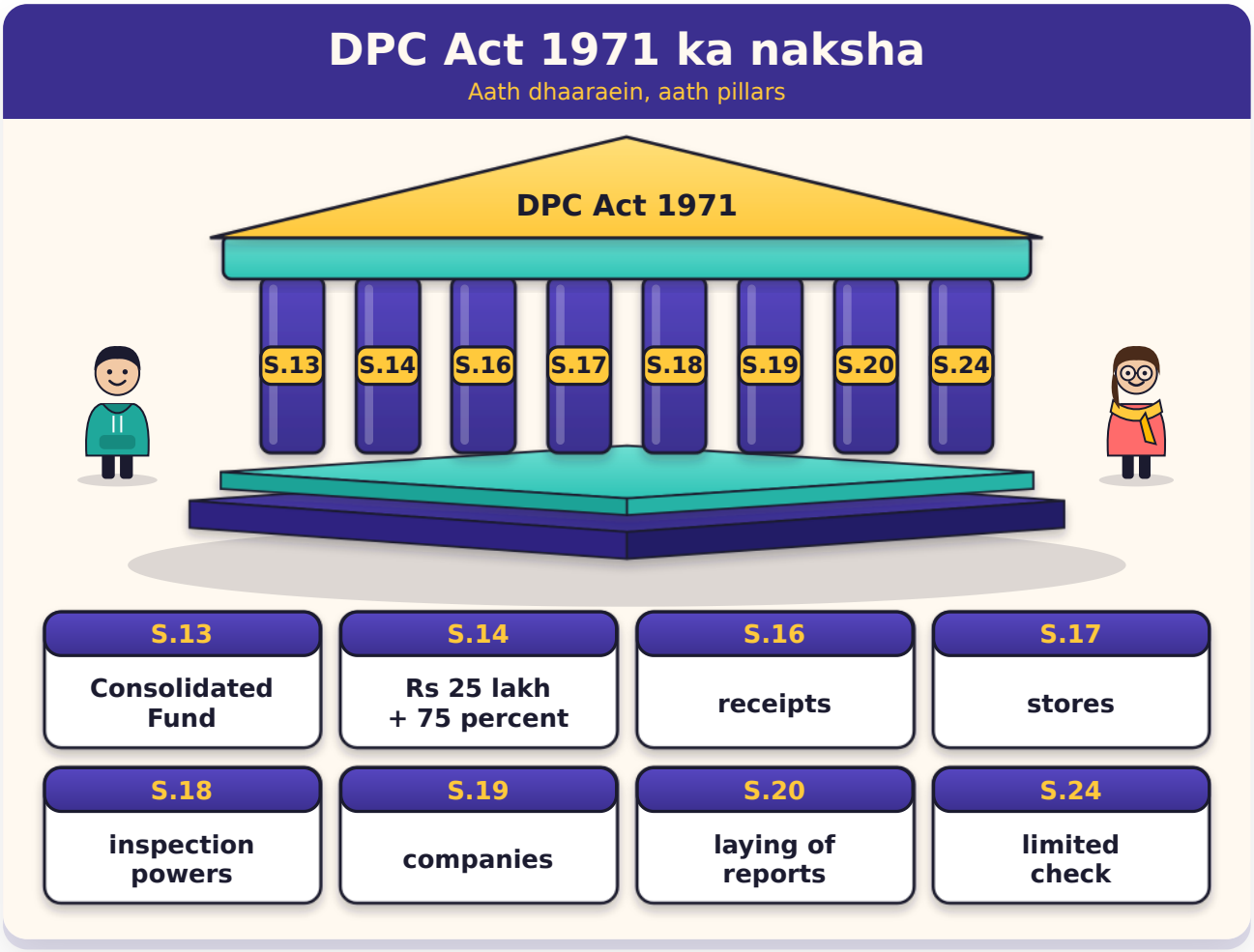
Prabhat

Matlab har voucher nahi dekhta?

Iksha

Bilkul nahi. Test audit hota hai. Isi liye reports mein likha hota hai ki instances test audit mein notice aaye.

[src]



Amendments ka ledger

DPC Act 1971 chaar baar amend hua hai: 1976 (Amendment Act No. 45 of 1976), 1984 (No. 2 of 1984), 1987 (No. 50 of 1987) aur 1994 (No. 51 of 1994). 1976 wale amendment ne accounts wali responsibility se relief ke provisos ko aur clear kiya. Exam ke liye bas yaad rakho: Act 1971, amendments 1976, 1984, 1987, 1994.

[src]

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11. CAG ki reports: types aur taaze udaharan (sirf official CAG pages se)

Chat M: Report ke prakar

Prabhat
CAG ki website par reports kaisi dikhti hain?

Iksha
Maine aaj hi cag.gov.in khol kar dekha. Wahan reports ke tags milte hain: Compliance, Financial, Performance. Teen bade prakar.

Prabhat
Hindi mein samjhao.

Iksha
Financial audit: kya accounts sahi banaye gaye, jaise State Finances wali report. Compliance audit: rules aur kanoon maane gaye ya nahi. Performance audit: kaam saste mein, achhe se aur asar ke saath hua ya nahi, matlab 3E (Economy, Efficiency, Effectiveness).

Prabhat
Report ka naam kaise hota hai?

Iksha
"Report No. X of 2026" jaise format mein. Har report ke saath government type (Union ya State), department, sector aur tabled hone ki date likhi hoti hai.

Prabhat
State ki report kisko jaati hai?

Iksha
Governor ko, Article 151 ke under, taaki State Legislature ke saamne rakhi ja sake. JJM wali report ke overview mein yehi likha hai.

[src] [src]

Taaze reports ki table (cag.gov.in se, saal 2026)

Report	Type	Kya hai	Tabled
Report No. 6 of 2026, Accounts of the Union Government 2024-25	Financial audit	Union Government ke accounts par CAG report, Ministry of Finance	2 April 2026
Report No. 32 of 2026, Taxation of Unexplained Transactions under Income Tax Act, 1961	Compliance audit	Department of Revenue (Direct Taxes) par compliance audit	12 August 2026
Report No. 8 of 2026, Direct Tax Vivad se Vishwas Scheme, 2020	Subject Specific Compliance Audit	Union Government, Department of Revenue (Direct Taxes)	12 August 2026
Report No. 5 of 2026, Jal Jeevan Mission in Madhya Pradesh	Performance audit	2019-20 se 2023-24 ka period, Governor ko Article 151 ke under	22 July 2026
Report No. 5 of 2026, Rajasthan State Finances 2024-25	Financial audit	State finances ka analytical review, audited accounts ke aadhar par	page par date nahi di
Report No. 3 of 2026, Assam Social, Economic and General Sectors	Mixed	Ek Performance Audit MGNREGA implementation par, ek IT Audit IFMS par, chaar chapters	29 July 2026
Report No. 4 of 2026, Kerala Local Self-Government Institutions	Compliance	March 2024 tak ka period, saat chapters, PRI aur ULB overview	listing par
Report No. 01 of 2026, West Bengal Compliance Audit	Compliance	31 March 2024 ko khatam saal, Governor ko Article 151 ke under	25 July 2026
Report No. 2 of 2026, Nagaland State Finances 2024-25	Financial audit	Nagaland ki fiscal position ka independent assessment	3 September 2026

Sources, sab cag.gov.in ke pages se: [src] [src] [src] [src]

Chat N: Ek report ke andar kya hota hai (JJM example)

Prabhat
Report ke andar kya likha hota hai, thoda idea do?

Iksha
JJM wali report ka overview padho. Usme likha hai ki report us saal ke liye hai jo 31 March 2024 ko khatam hua, aur performance audit 2019-20 se 2023-24 ka period cover karti hai.

Prabhat
Saare gaon check kiye honge?

Iksha
Nahi. Overview mein saaf likha hai: "The instances mentioned in this Report are among those which came to notice in the course of test audit." Matlab sample dekha gaya, pura universe nahi.

Prabhat
Iska matlab asli problem aur badi ho sakti hai?

Iksha
Ho sakti hai, par report sirf wahi kehti hai jo test audit mein mila. Auditor apne sample se zyada ka daawa nahi karta. Ye audit ki imaandari hai.

Prabhat
Aur standards?

Iksha
Overview kehta hai audit CAG ke issued Auditing Standards ke conformity mein hua. Matlab CAG ka apna rulebook hai kaam karne ka.

[src]

Chat O: Report tabled hone ka matlab

Prabhat
"Tabled" ka matlab?

Iksha
Parliament ya Legislature ke saamne formally rakh diya jaana. JJM report 7 May 2026 ko Government ko bheji gayi aur 22 July 2026 ko tabled hui.

Prabhat
Itna gap kyun?

Iksha
Report pehle government ko jaati hai, phir session mein rakhi jaati hai. Union ke liye Article 151(1) ka raasta: CAG President ko, President Parliament ke har House mein rakhwate hain.

Prabhat
Tabled hone ke baad?

Iksha
Phir PAC ya COPU ka kaam shuru. Aur media. Aur hum jaise students.

[src]

CAG press releases: kya chal raha hai (official press release page se)

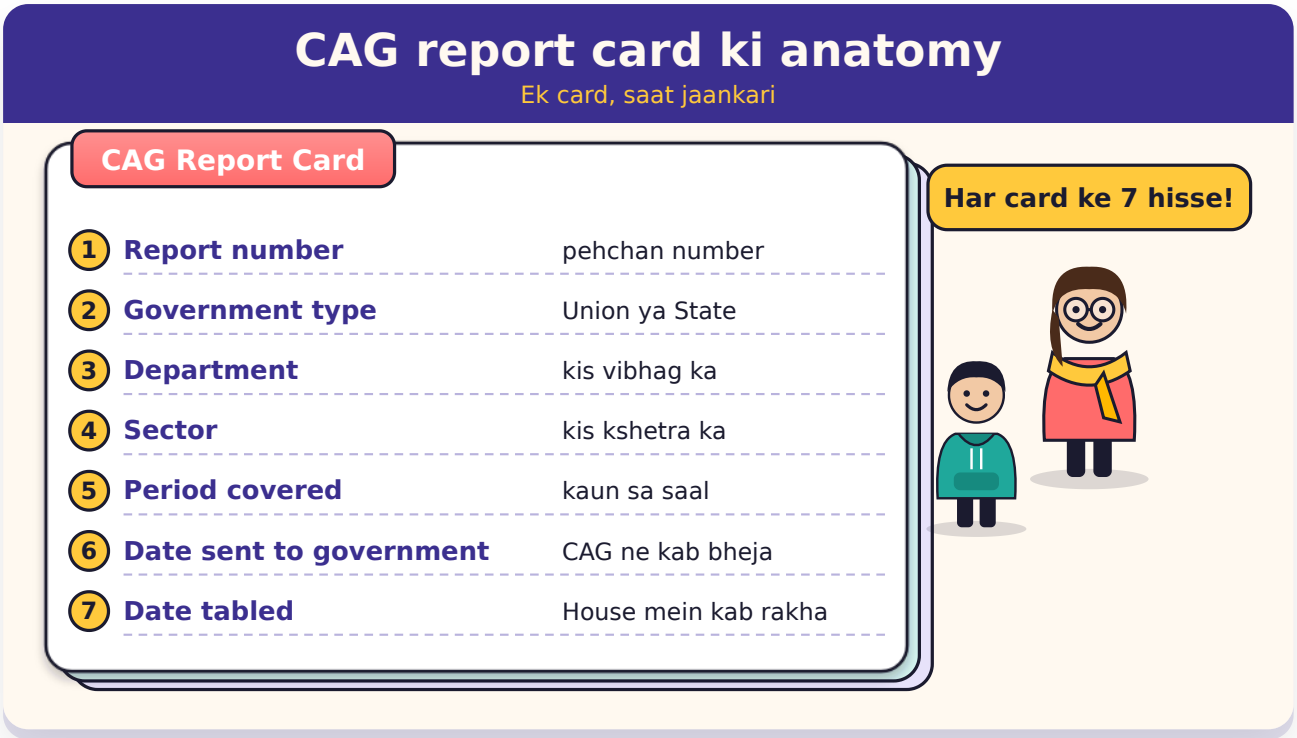
CAG apni reports aur kaam ki press releases bhi nikalta hai. 2026 ke listing se kuch headings:

- 23 November 2026: CAG ne PSUs ke management se kaha ki cyber aur IT security ko core business risk ki tarah lein.
- 16 June 2026: CAG ne State Finances 2024-25 publication release ki.
- 2 April 2026: Accounts of the Union Government wali CAG report Parliament mein tabled hui.
- 2 April 2026: Direct Taxes mein banks aur NBFCs ko diye exemptions aur deductions par CAG audit report Parliament mein present hui.
- 7-8 May 2026: India ne Bengaluru mein 5th BRICS SAI Leaders Summit host ki, theme "Ease of Living with a focus on Urban Mobility".

[src]

Exam trap

CAG report "release" nahi hoti balki Parliament/Legislature mein "laid" (tabled) hoti hai. Aur report pehle President/Governor ko jaati hai, seedha Parliament mein nahi. Option mein "CAG directly places the report in Parliament" galat hai.



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12. Mini case study 1: Bihar ka fodder scam (CAG report se khuli pol)

Kya hua: December 1995 mein CAG ki ek report aayi jisne Bihar ke animal husbandry department mein gadbad dikhayi. Report ne kaha ki sarkari khazane se lagbhag Rs 950 crore nikale gaye, aise supplies ke naam par jo kabhi hui hi nahi: chaara (fodder) aur dawaiyan jo exist hi nahi karti thin. Wikipedia ke CAG page ke mutabik report ne "fraudulent withdrawal of government funds" ki baat ki.

Audit angle: Ye case dikhata hai ki treasury system ka audit (Section 13 aur 18, DPC Act) kyun zaroori hai. Withdrawals treasury se hue, records mein fake

suppliers dikhaye gaye. Jab tak koi bahar ka auditor accounts ko actual delivery se nahi milata, kaghaz par sab sahi dikhta hai.

Aage kya hua: Patna High Court ke orders par CBI ne jaanch ki aur 63 cases register kiye. Kai accused convict hue, kai cases abhi bhi trial mein hain (Wikipedia).

Lesson:

1. Government audit ka asli dushman "kaghazi compliance" hai: bill hai, sanction hai, par saman nahi.
2. Ek report poori sarkar hila sakti hai, par uske liye numbers ka patan (documentation) chahiye.
3. CAG investigate nahi karta, wo sirf report karta hai; jaanch CBI jaise agencies karti hain, court faisla karta hai.

Exam angle: Fodder scam CAG report December 1995, lagbhag Rs 950 crore, Bihar animal husbandry department, 63 CBI cases. Agar paper mein aaye "kaun si agency ne fodder scam expose kiya", jawab: CAG ki audit report.

[src]

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13. Mini case study 2: PAC ka 2G probe (committee kaise kaam karti hai)

Kya hua: Part A mein humne 2G report ke numbers dekhe. Ab dekho PAC ne kya kiya. Wikipedia ke PAC page ke mutabik: 4 April 2011 ko PAC ne Ratan Tata (Tata group chairman) aur Niira Radia (corporate lobbyist) ko summon kiya. Tab ke PAC chairperson Murli Manohar Joshi the. 2G allocation par opposition (BJP) ne PAC ke saath saath Joint Parliamentary Committee (JPC) ki bhi maang ki, aur isi bahane 2010 ka winter session almost barbaad ho gaya: Parliament ka working ruk gaya. Tab ke PM Manmohan Singh ne kaha ki wo committee ke saamne aane ko taiyaar hain.

Audit angle: CAG report sirf shuruaat hai. PAC us report ko base bana kar officers aur witnesses ko bulati hai, sawaal poochti hai, aur apni report House ko deti hai. 2G mein dekho: CAG ne loss bataya, PAC ne logon se poochha, aur parallel mein JPC aur CBI bhi chal rahi thi. Ek hi mamle mein teen alag machinery.

Kahani ka morad (twist): 2017 mein special court ne sab accused ko acquit kar diya (Part A mein covered). Matlab PAC ka process political accountability ke liye hai, criminal guilt ke liye nahi. Court ka standard alag hota hai.

Lesson:

1. PAC post-mortem committee hai: jo ho gaya uska hisaab theek karti hai, future policy nahi banati.
2. PAC ke summons serious hote hain: bade industrialists bhi aate hain.
3. Audit report, criminal investigation aur court verdict teen alag cheezein hain; ek ka result doosre ko decide nahi karta.

Exam angle: PAC ka primary kaam CAG report examine karna. JPC ek alag, ad-hoc body hai; PAC permanent standing committee hai. Confuse mat hona.

[src]

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14. PAC in action: poora flow, chat by chat

Chat P: PAC ke andar ka engine

Prabhat
PAC kaam kaise karti hai, andar se?

Iksha
Lok Sabha ke Rules of Procedure mein Rule 308 aur 309 PAC ke baare mein hain.

Prabhat
Sub-committees bhi hain?

Iksha
Haan, chaar mukhya: (1) Non-compliance in timely submission of Action Taken Notes (ATN) on non-selected audit paragraphs aur excess expenditure, (2) Direct and Indirect Taxes, (3) Implementation of Recommendations of PAC, (4) Railways.

Prabhat
ATN wali kyun alag?

Iksha
Kyunki sabse badi problem yehi hai: departments report padh kar jawab hi nahi dete time par. Isliye ek poori sub-committee sirf ATN ke peechhe hai.

Prabhat
Kitni reports de chuki hai PAC?

Iksha
Wikipedia ke hisaab se 1950 se April 2018 tak total 1596 reports.

[src]

Chat Q: Excess expenditure aur regularisation

Prabhat
Agar department ne budget se zyada kharch kar diya to?

Iksha
Use excess grant kehte hain. PAC iski jaanch karti hai ki zyada kharch kyun hua, aur phir Parliament se us excess ko regularise karne ki sifarish karti hai, matlab baad mein muaafi aur approval.

Prabhat
Pehle kharch, baad mein approval? Ye to cheating hai.

Iksha
Isi liye PAC isko bahut strictly dekhti hai. ATN sub-committee ka kaam hi excess expenditure aur ATN par nazar rakhna hai. Democracy mein paisa Parliament deti hai, isliye har extra rupaya Parliament ke saamne hisaab maangta hai.

Prabhat
CAG ka role?

Iksha
Appropriation audit: CAG check karta hai ki kharch grant ke scope ke andar raha ya nahi. Phir PAC us finding ko pakadti hai.

[src]

Chat R: CAG, PAC ka "dost aur guide"

Prabhat
PAC ke paas apni audit team hai?

Iksha
Nahi. CAG hi PAC ki madad karta hai. Wikipedia likhta hai: "C&AG assists the committee during the course of investigation." Matlab CAG report deta bhi hai aur samjhata bhi hai.

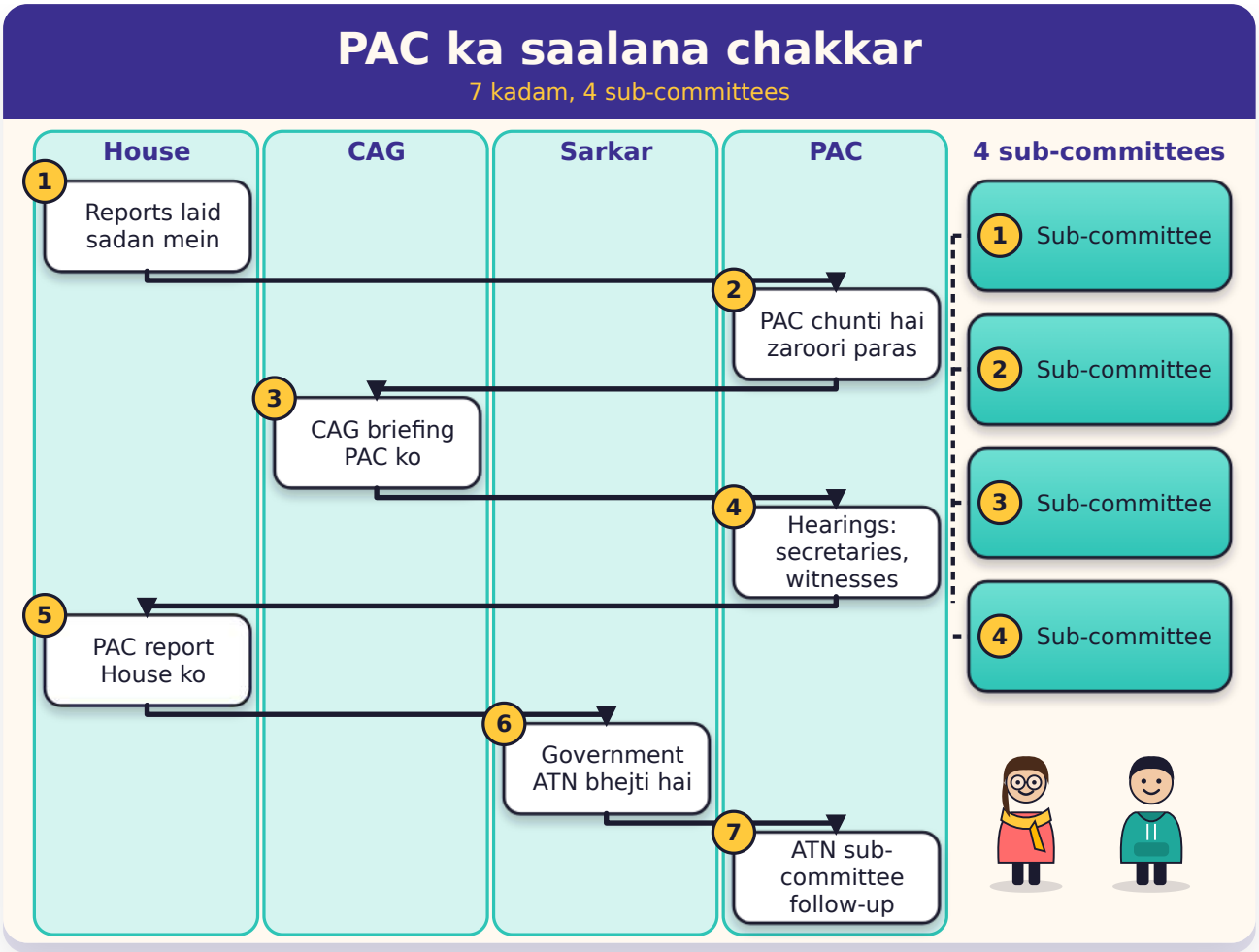
Prabhat
To CAG prosecutor jaisa hai aur PAC judge jaisi?

Iksha
Roughly. CAG evidence laata hai, PAC us par sunwai karti hai aur sifarish deti hai. Final action sarkar karti hai, aur ATN mein batati hai ki kya kiya.

Prabhat
Aur agar sarkar kuch na kare?

Iksha
To sub-committee peechhe padegi, aur agle saal ki report mein phir se paragraph aa jayega. Audit kabhi bhoolta nahi.

[src]



Exam trap

PAC ministers ko examine nahi karti balki civil servants (secretaries) ko bulati hai. Aur yaad rakho: koi bhi minister PAC ka member hi nahi ho sakta. Isliye jawab secretary level par aata hai.

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15. GFR in action: rules jo exam aur zindagi dono mein kaam aate hain

Part A mein procurement ladder (Rules 149, 154, 155, 161, 162, 166) ho chuka. Ab baaki important rules, worked examples ke saath. Har example ke baad Iksha ka "auditor kya pakdega" wala angle.

Rule 21: Financial propriety ke chaar imtihaan

GFR 2017 Rule 21 kehta hai ki public money kharch karne wala officer high standards of financial propriety se chale. Iske chaar principles:

1. Officer utni hi hoshiyari se sarkari paisa kharch kare jitni hoshiyari se ek samajhdaar aadmi apna paisa kharch karta.
2. Kharch mausam (occasion) ki demand se zyada na ho.
3. Koi authority aisa sanction na de jiska faida seedha ya seedha-ghoom kar (directly or indirectly) usi ko ho.
4. Sarkari paisa kisi khaas aadmi ya section ke fayde ke liye na lage, jab tak ki court mein enforce ho sake aisa claim ho ya recognized policy ya custom ho.

Worked example 1 (Prabhat-Iksha chat):

Prabhat
Ek officer ne apne office ke liye Rs 45,000 ki imported coffee machine kharidi, jabki Rs 8,000 wali kaam chal rahi thi. Rule 154 ke andar hai, quotation bhi nahi chahiye tha. Pakda jayega?

Iksha
Pakda jayega, lekin procurement rule se nahi, Rule 21 se. Principle 2: expenditure occasion ki demand se zyada nahi honi chahiye. Audit paragraph likhega: "expenditure was prima facie more than the occasion demands."

Prabhat
Matlab rule todna zaroori nahi, bewakoofi bhara kharch bhi objection kheenctaa hai?

Iksha
Yehi propriety aur regularity ka fark hai jo PhD box mein tha. Regularity: rule toota? Propriety: rule ke andar reh kar bhi bewakoofi to nahi?

[src]

Rule 22 aur 23: Sanction ke bina kuch nahi

- **Rule 22:** Koi bhi authority public funds se kharch ya liability tab tak nahi kar sakti jab tak competent authority ka sanction na ho.
- **Rule 23:** Financial powers Delegation of Financial Powers Rules se subordinate authorities ko di gayi hain. Jo powers delegate nahi hui, wo Finance Ministry ke paas rehti hain.

Worked example 2:

Prabhat
Ek section officer ne socha, "sanction to aayega hi, pehle kaam shuru kar deta hu." Usne Rs 3 lakh ka repair karwa liya, sanction baad mein aaya. Kya hoga?

Iksha
Rule 22 ki seedhi violation. Liability sanction se pehle. Audit mein isko "irregular expenditure" likha jayega, aur ho sakta hai wo paisa officer ki jeb se recover ho.

Prabhat
Aur agar power hi us officer ke paas na ho?

Iksha
Rule 23: jo power delegate nahi hui wo Finance Ministry ke paas hai. Officer ka sanction ultra vires hoga, matlab uska sanction valid hi nahi.

[src]

Rule 29 aur 30: Sanction ka paperwork aur expiry

- **Rule 29:** Har financial sanction aur order Audit Officer aur Accounts Officer ko communicate kiya jayega. Matlab audit ko sanction dikhega, tabhi wo payment ko sanction se mila sakega.
- **Rule 30:** Ek fresh charge ka sanction lapse ho jaata hai agar issue hone ke 12 mahine ke andar uske against koi payment (poora ya partial) na hua ho. Renewal karna padega.

Worked example 3:

Prabhat
March 2025 mein ek furniture ka sanction nikla, Rs 2 lakh. Department busy raha, payment hi nahi hui. May 2026 mein supplier ne bill bheja. Payment hogi?

Iksha
Nahi, seedha nahi. 12 mahine beet gaye, payment zero rahi, to sanction lapse ho gaya (Rule 30). Pehle sanction renew karwana padega, phir payment (agar tender accept ya indent place nahi hua tha; stores purchase mein tender accept hone ya indent lagne par Rule 30 ke proviso (iii) se sanction lapse nahi hota).

Prabhat
Auditor yahan kya dekhega?

Iksha
Do cheezein: (1) sanction ki date aur payment ki date, (2) renewal order hai ya nahi. Bina renewal ke payment = objection.

[src]

Rule 33: Loss ho to turant report

Rule 33(1) kehta hai: public money, departmental revenue, stamps, stores ya koi bhi sarkari property ka loss ya shortage, chahe wajah kuch bhi ho aur chahe baad mein recover ho gaya ho, turant report karna padega: (1) next higher authority ko, (2) Statutory Audit Officer ko, aur (3) concerned Principal Accounts Officer ko. (Chhoti loss, Rs 10,000 tak ki petty losses, aur kuch revenue-assessment wale cases ko report se chhoot hai.)

Worked example 4:

Prabhat
Ek office se Rs 20,000 ka saman chori hua. Clerk ne paisa jama karwa diya, sab shaant ho gaye. Report zaroori?

Iksha
Haan. Rule 33 clearly kehta hai "even when such loss has been made good by the party responsible for it." Paisa wapas aa jaye to bhi report.

Prabhat
Kyun?

Iksha
Kyunki audit ko pattern dikhna chahiye. Chori recover ho gayi, lekin security mein crack wahi ka wahi hai. Auditor system dekhta hai, sirf paisa nahi.

[src]

Rule 144: Public buying ke fundamental principles

Rule 144 har procuring authority ko zimmedar banata hai: efficiency, economy aur transparency lao, suppliers ke saath fair aur equitable treatment karo, aur competition ko promote karo. Iske yardsticks mein shamil hai:

- Description objective, functional, generic aur measurable ho; kisi khaas trade mark, trade name ya brand ki requirement na likhi jaye.
- Specifications quality aur type ke hisaab se clearly likhi jayen, bina superfluous features ke jo bekaar ka kharch badhayein.
- Requirement se zyada quantity na kharidi jaye, taaki inventory carrying cost na badhe.
- Offers fair, transparent aur reasonable procedure se invite hon.
- Procuring authority satisfy ho ki selected offer requirement ko poori tarah meet karta hai aur price reasonable hai.
- Har stage par, procurement decision ke peechhe kya considerations the, ye record par precise shabdon mein likha jaye.

Worked example 5:

Prabhat
Ek department ne tender mein likha: "sirf Brand X ke compatible parts chalenge." Auditor kya karega?

Iksha
Rule 144 ka seedha violation: particular trade name ya brand indicate nahi karna. Tender ko "restrictive specification" kaha jayega, aur audit mein competition kill karne ka paragraph banega.

Prabhat
Aur agar genuinely wahi brand ka part chahiye?

Iksha
To reasons likhne padenge record par. Rule 144 har stage par "place on record, in precise terms, the considerations" maangta hai. Kaghaz par wajah nahi, to objection hai.

[src]

Rule 136: Works ke liye pehle se tayyari

Works (construction) ke liye Rule 136(1) ke under kaam shuru karne se pehle ye sab hona chahiye: appropriate authority ka approval, competent authority ka expenditure sanction, properly detailed design sanction (Life Cycle cost ke principles consider kiye ja sakte hain), CPWD ya doosri Public Works Organisation ke Schedule of Rates ke aadhar par bane detailed estimates, aur saal ka fund provision competent authority se. Tenders rules ke hisaab se, phir Work Order.

Worked example 6:

Prabhat
Barish aa rahi thi, school ki chhat beh rahi thi, engineer ne bina sanction ke mazdoor laga diye. Ab?

Iksha
Rule 136(2) kehta hai: urgency mein officer apne judgement aur responsibility par kaam kara sakta hai, lekin simultaneously competent authority se approval maangni shuru kare aur Accounts Officer ko inform kare.

Prabhat
Matlab emergency mein kaam allowed hai, par baad mein regularise karna padega?

Iksha
Haan, "simultaneously" shabd important hai. Baad mein sochna nahi, saath saath.

[src]

Rule 170 aur 171: Bid security aur performance security

- **Rule 170 (Bid security):** Bidder se security li ja sakti hai taaki wo bid validity ke dauran bid wapas na le. Amount aam taur par estimated value ka 2 se 5 percent. Form: Insurance Surety Bond, Demand Draft, FDR, Banker's Cheque, bank guarantee ya online payment. Bid security normally final bid validity period se 45 din aage tak valid rehni chahiye. Haarne wale bidders ki security jald se jald, aur der se der contract award ke baad 30ve din tak, wapas karni chahiye. Bid security ki jagah "Bid Securing Declaration" bhi liya ja sakta hai: bidder sign karta hai ki agar wo bid withdraw ya modify karega, ya contract milne par sign nahi karega ya performance security nahi dega, to wo specified period ke liye us entity ke bids se suspend hoga.
- **Rule 171 (Performance security):** Jeetne wale bidder se contract ki performance ki security li jaati hai. Goods, consultancy aur non-consultancy services mein amount contract value ka 3 se 5 percent (1 January 2024 ke O.M. ke baad), jo bid documents mein specified hota hai; works mein performance security plus security deposit/retention money 3 se 10 percent rehta hai. Form wahi: account payee DD, FDR, bank guarantee ya online payment. Bid security jeetne wale bidder ko performance security milne par

wapas hoti hai. Ye contract ke saare obligations poore hone ke 60 din baad tak valid rehni chahiye.

Worked example 7:

Prabhat
Ek Rs 40 lakh ka supply contract. Department ne performance security Rs 2 lakh (5 percent) maangi. Contractor ne sirf Rs 50,000 di, department ne chalne diya. Auditor?

Iksha
Bid document mein 5 percent specified tha to 2 lakh lena zaroori tha. Kam lena Rule 171 ke against, aur audit isko "undue favour to contractor" ke roop mein likhega. Saath hi risk: contractor bhaaga to department ka nuksan.

Prabhat
Aur haarne walon ki bid security?

Iksha
Award ke 30ve din tak wapas. Usse late rakha to bhi objection: bidder ka paisa fasana bhi propriety ke against hai.

[src]

Rule 230 aur 238: Grants-in-aid ki dekh-rekh

Rule 230 grants-in-aid ke principles deta hai. Kuch khaas points:

- Grant maangne wali institution ko application ke saath Articles of Association, bye-laws, audited statement of accounts aur income-expenditure ka pattern dena hota hai.
- Institution ko certify karna hota hai ki usne usi purpose ke liye kisi doosri Ministry, Department, Government of India ya State Government se grant liya ya apply nahi kiya.
- (Rule 229(xi) mein, Rule 230 mein nahi) Jis organisation ko saal mein Rs 5 crore se zyada ka budgetary support milta hai, use Administrative Ministry ke saath Memorandum of Understanding (MoU) sign karna chahiye, jisme performance parameters aur measurable output targets hon.
- (Rule 229(xii)) Peer review (teen ya paanch saal mein) ke findings par aage ki releases conditional hoti hain.

Worked example 8:

Prabhat
Ek NGO ne Education Ministry se computer lab ke liye Rs 40 lakh liye, aur wahi project dikhakar Doordarshan wale cultural department se bhi grant le li. Pakda kaise jayega?

Iksha
Rule 230 ka certification tod diya. Jab auditor do ministries ki grant lists milayega, same purpose double funding dikhegi. Ye classic "double-dipping" objection hai.

Prabhat
Aur grant ka paisa kahan gaya, wo kaun batayega?

Iksha
Rule 238: Utilization Certificate (UC). Grant lene wale ko UC dena hota hai ki paisa usi kaam mein laga. UC ke bina aage ki grant rukni chahiye.

[src]



Exam trap

Bid security wapas karne ki deadline award ke baad "30th day" hai, 15 nahi. Performance security goods/services mein 3 se 5 percent hai (works mein 3 se 10 percent), bid security 2 se 5 percent. UC grant-in-aid se juda hai (Rule 238), procurement se nahi.

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16. "Tum hote to kya karte?" (scenarios)

Scenario 1: Tum ek district office ke auditor ho. Tumhe dikhta hai ki March ke aakhri hafte mein ek department ne saara bacha budget "advance payment" ke naam par kharij kar diya, supplies June mein aani hain. Kya pakdoge?

Iksha ka jawab: March rush of expenditure. Budget "use it or lose it" wala scene. Dekho: (1) kya advance bina immediate need ke diya gaya, (2) Rule 21 principle 2 ka test: kharch occasion ki demand se zyada to nahi, (3) supplies baad mein aayi bhi ya nahi, stores account (DPC Act Section 17 audit) match karo. March rush audit ka favourite paragraph hai.

Scenario 2: Ek body ko sarkar se Rs 90 lakh grant mili. Uska total annual kharch Rs 1.5 crore hai. CAG audit kar sakta hai?

Iksha ka jawab: Section 14(1) ka test: Rs 25 lakh se zyada, haan. 75 percent ka test: 90 lakh / 1.5 crore = 60 percent, fail. Lekin Section 14(2) dekho: grant Rs 1 crore se kam hai (90 lakh), to 14(2) bhi nahi lagega. Is body par CAG ka normal substantially-financed audit nahi chalega. Haan, agar grant specific purpose ke liye thi to Section 15 ke under CAG sanctioning authority ki procedure scrutinise kar sakta hai, notice dekar books access ke saath. Numbers ke saath khelna: yehi exam mein poochte hain.

Scenario 3: PAC hearing mein secretary kehta hai, "ye decision minister ka tha, main kya karta?" Tum PAC member ho, kya poochoge?

Iksha ka jawab: PAC ka focus system par hota hai, vyakti par nahi. Poochho: (1) written order kahan hai, (2) file noting mein objection dala gaya tha ya nahi, (3) rules (GFR) ke saath conflict ko kaise handle kiya gaya. PAC minister ko member bhi nahi banne deti, to personal blame game ke bajaye process repair par sifarish karo.

Scenario 4: Tumhe ek file mili jisme Rs 49,000 ke 8 alag bills ek hi supplier ke, ek hi hafte mein, sab Rule 154 ke andar. Kya kahoge?

Iksha ka jawab: Classic splitting. Rule 149(viii) (GeM purchases) aur Rule 157 (aam rule) piecemeal purchase mana karte hain. Total Rs 3.92 lakh ka purchase LPC ya tender se jana chahiye tha. Audit paragraph: "demand was split into small quantities to avoid sanction of higher authority." Ye exam aur interview dono ka favourite hai.

---

17. Appropriation accounts, Finance Accounts, Contingency Fund: teen dabbe aur samjho

Chat AF: Appropriation accounts kya hain?

Prabhat
Ye "appropriation accounts" shabd DPC Act mein baar baar aata hai. Matlab?

Iksha
DPC Act Section 2(b) ki definition sun: appropriation accounts wo accounts hain jo financial year mein book hua expenditure ko un items se relate karte hain jo law mein specify hote hain, Consolidated Fund se paise nikaalne ke liye bane law ke under.

Prabhat
Simple mein?

Iksha
Parliament ne budget mein kaha: "Health ko Rs 100 crore, Roads ko Rs 200 crore." Saal ke end mein appropriation account batata hai: health par kitna actually kharch hua, grant ke andar ya bahar. CAG ka appropriation audit isi ko check karta hai.

Prabhat
Aur finance accounts?

Iksha
Wo sarkar ki overall aamdani-kharch ki annual statement hai: receipts aur disbursements, har head ke under. Section 11 mein CAG inhe taiyaar karke submit karta tha, ab government banati hai, CAG audit karta hai.

[src]

Chat AG: Contingency Fund aur Public Account

Prabhat
Section 13(b) mein Contingency Fund aur Public Account kyun alag se likhe?

Iksha
Kyunki inka character alag hai. Consolidated Fund mein sarkar ki apni kamai aati hai, uspar kharch Parliament ki permission se hota hai. Contingency Fund emergency ke liye hota hai, jaise ghar ka "SOS envelope": pehle kharch, baad mein Parliament se regularise. Public Account mein wo paise hain jo sarkar ke malik nahi, bas custodian hai: provident fund, deposits, remittances.

Prabhat
To inpe bhi Parliament ka control?

Iksha
Contingency Fund par baad mein regularisation chahiye. Public Account ke transactions ki checking bhi zaroori hai, warna koi Consolidated Fund ka kharch Public Account se ghuma kar chhupa sakta hai. Isi liye CAG Section 13(b) mein dono audit karta hai.

[src]

Exam trap
Public Account ka paisa sarkar ka nahi hota, sarkar sirf custodian hai. "Public Account par Parliament ka vote lagta hai" galat statement hai; vote Consolidated Fund ke withdrawals par lagta hai.

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18. Audit paragraph kaise likhte hain (practice)

Iksha ne Prabhat ko ek formula diya: **C-C-C-E: Criteria, Condition, Cause, Effect.** Har CAG audit para in chaar ke around ghoomta hai.

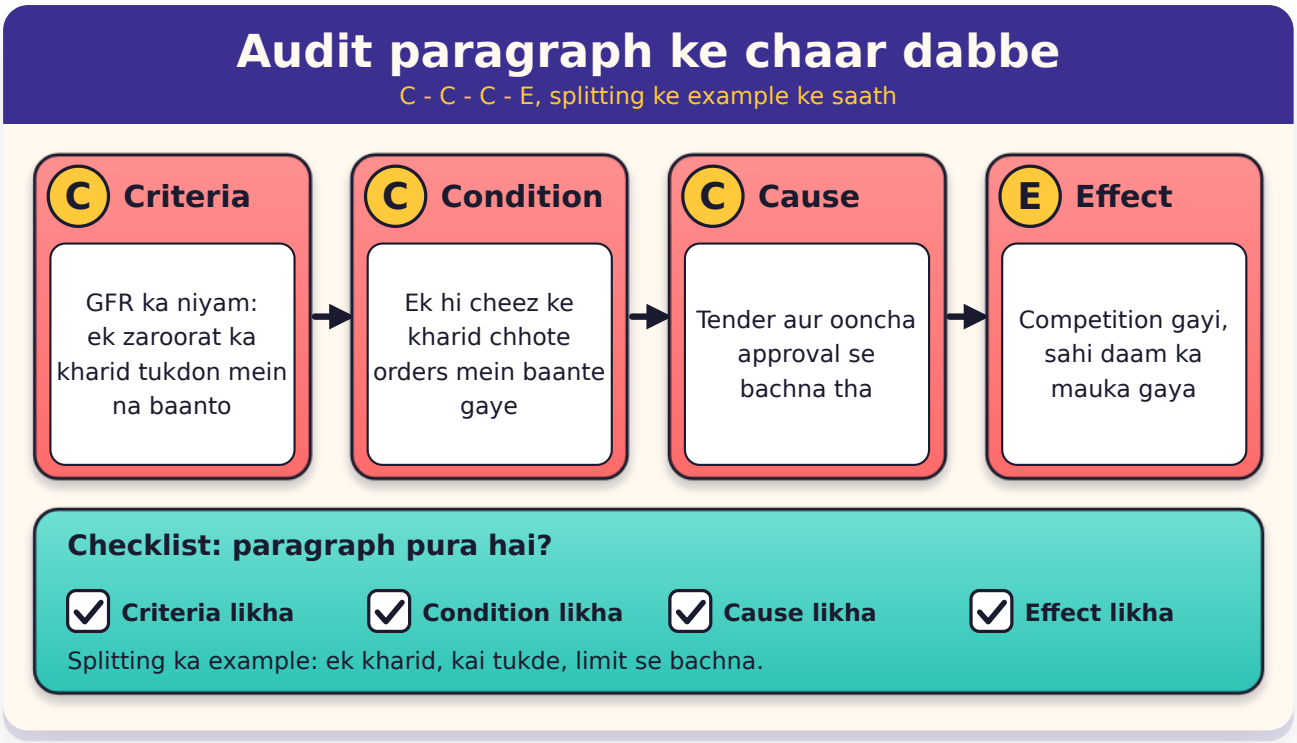
Practice para 1 (splitting):

- Criteria: GFR Rule 149(viii) aur Rule 157, demand ko chhote tukdon mein baant kar piecemeal purchase mana hai.
- Condition: Ek department ne ek hi supplier se ek hafte mein Rs 49,000 ke 8 bills banwaye, total Rs 3.92 lakh.
- Cause: LPC ya tender ki limit se bachne ki ichha, ya kam se kam procedure ki anadeki.
- Effect: Competition aur price reasonableness ka check bypass hua; excess payment ka risk.
- Recommendation: L1 comparison ya LPC route follow ho, responsible officer se explanation.

Practice para 2 (UC missing):

- Criteria: GFR Rule 238, grant-in-aid ke against Utilization Certificate dena zaroori.
- Condition: Ek NGO ko Rs 40 lakh diye gaye, do saal se UC pending, teesri instalment bhi release ho gayi.
- Cause: Sanctioning authority ne release se pehle UC status check nahi kiya.
- Effect: Paisa purpose mein laga ya nahi, verification absent; misuse ka risk open.
- Recommendation: Further release UC ke bina roko; past grants ki physical verification.

Prabhat ka homework: Fodder scam case study ko C-C-C-E mein likho. (Hint: criteria = treasury withdrawal rules; condition = Rs 950 crore bina supplies ke withdraw; cause = records aur delivery ka match na hona; effect = public money ka loss aur 63 CBI cases.)



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19. 40 MCQs (UPSSSC style)

Q1. DPC Act 1971 mein CAG ko accounts compile karne ki responsibility se kaun chhutkara de sakta hai? (a) Prime Minister (b) Finance Minister (c) President, CAG ki salah ke baad (d) PAC **Ans: (c).** Section 10 ka proviso: President, after consultation with CAG, order nikaal kar relieve kar sakta hai.

Q2. DPC Act Section 13 ke under CAG kis fund ka kharch audit karta hai? (a) Sirf Contingency Fund (b) Consolidated Fund of India, States aur legislature wale UTs (c) Sirf Public Account (d) Sirf company funds **Ans: (b).** Section 13(a) Consolidated Fund ka kharch; 13(b) Contingency Fund aur Public Account transactions.

Q3. Section 14 ke Explanation ke mutabik "substantially financed" ke liye minimum grant/loan amount: (a) Rs 10 lakh (b) Rs 25 lakh (c) Rs 50 lakh (d) Rs 1 crore **Ans: (b).** Kam se kam Rs 25 lakh, aur total expenditure ka kam se kam 75 percent.

Q4. Substantially financed maanne ke liye grant/loan body ke total expenditure ka kitna percent hona chahiye? (a) 51 (b) 66 (c) 75 (d) 90 **Ans: (c) 75 percent.**

Q5. Section 14(2) ke under, grant ya loan kitne amount par ho to CAG approval lekar audit kar sakta hai, chahe 75 percent na ho? (a) Rs 50 lakh (b) Rs 75 lakh (c)

Rs 1 crore (d) Rs 5 crore **Ans: (c) Rs 1 crore,** President/Governor/UT Administrator ki previous approval ke saath.

Q6. Ek baar substantially financed audit shuru hone ke baad, conditions baad mein poori na hone par bhi CAG kitne saal tak audit karta rahega? (a) 1 (b) 2 (c) 3 (d) 5 **Ans: (b) 2 saal** (Section 14(3)).

Q7. DPC Act Section 15 CAG ko kis cheez ka right deta hai? (a) Minister ko suspend karna (b) Specific purpose grants/loans ki sanctioning procedures scrutinise karna (c) Tax maaf karna (d) Budget banana **Ans: (b).** Right of access to books after reasonable previous notice bhi included.

Q8. Section 16 ka subject: (a) Stores ka audit (b) Receipts ka audit (c) Companies ka audit (d) Pension ka audit **Ans: (b) Receipts:** assessment, collection aur allocation par effective check ke rules follow ho rahe hain ya nahi.

Q9. Section 17 kis cheez ke accounts ka audit hai? (a) Stores and stock (b) Salaries (c) Loans (d) Foreign aid **Ans: (a) Stores and stock.**

Q10. Section 18 ke under CAG kya kar sakta hai? (a) Offices inspect karna, treasuries samet (b) Documents apne bataye place par mangwana (c) Office in-charge se sawaal poochna (d) Ye sab **Ans: (d).** Section 18(1)(a)(b)(c) teeno powers.

Q11. Government companies ke audit mein CAG apne duties/powers kis ke provisions ke hisaab se chalata hai? (a) Companies Act (b) GST Act (c) RTI Act (d) FEMA **Ans: (a) Companies Act** (DPC Act Section 19).

Q12. Government company ki CAG report kis House mein rakhi jaati hai? (a) Sirf Lok Sabha (b) Sirf Rajya Sabha (c) Dono Houses of Parliament (d) State Assembly **Ans: (c).** Section 20: Central Government har report dono Houses ke saamne rakhwati hai.

Q13. DPC Act Section 24 CAG ko kya allow karta hai? (a) Sarkar ko tax maaf karna (b) Detailed audit ka part chhod kar limited check lagana (c) Judges appoint karna (d) Budget badalna **Ans: (b).**

Q14. DPC Act 1971 kitni baar amend hua hai? (a) 2 (b) 3 (c) 4 (d) 6 **Ans: (c) 4:** 1976, 1984, 1987, 1994.

Q15. CAG ki reports Parliament/Legislature mein rakhwane (lay) ka Article: (a) 148 (b) 149 (c) 150 (d) 151 **Ans: (d) Article 151.**

Q16. cag.gov.in par reports kin teen categories mein tagged hain? (a) Civil, Defence, Railways (b) Compliance, Financial, Performance (c) Small, Medium, Large (d) Draft, Final, Revised **Ans: (b).** Listing par Compliance, Financial aur Performance tags milte hain.

Q17. Report No. 32 of 2026 kis par tha? (a) Coal blocks (b) Taxation of Unexplained Transactions under Income Tax Act, 1961 (c) 2G spectrum (d) Fodder scam **Ans: (b).** Union Government, Department of Revenue (Direct Taxes), tabled 12 August 2026.

Q18. Jal Jeevan Mission Madhya Pradesh performance audit (Report No. 5 of 2026) ka period: (a) 2014-15 se 2018-19 (b) 2019-20 se 2023-24 (c) Sirf 2024-25 (d) 2010-11 se 2014-15 **Ans: (b).** Overview ke mutabik 2019-20 to 2023-24.

Q19. CAG report mein "instances came to notice in the course of test audit" ka matlab: (a) Poori population check hui (b) Sample basis par check hua (c) Sirf media reports use hui (d) Koi audit nahi hua **Ans: (b) Test audit,** matlab sample. Report sirf sample se mile instances batati hai.

Q20. Report tabled hone se pehle Union Government ki report kisko bheji jaati hai? (a) Supreme Court (b) President (c) CBI (d) RBI **Ans: (b) President,** Article 151(1) ke under, jo Parliament ke Houses mein rakhwate hain.

Q21. PAC ke baare mein Lok Sabha Rules of Procedure ke kaun se rules hain? (a) Rules 100-101 (b) Rules 308 aur 309 (c) Rules 1-2 (d) Rules 500-501 **Ans: (b) Rules 308 aur 309.**

Q22. PAC ki kaun si sub-committee ATN aur excess expenditure dekhti hai? (a) Railways (b) Direct and Indirect Taxes (c) Non-compliance in timely submission of ATN (d) Implementation of Recommendations **Ans: (c).**

Q23. PAC ne 1950 se April 2018 tak lagbhag kitni reports publish ki? (a) 156 (b) 596 (c) 1596 (d) 2596 **Ans: (c) 1596** (Wikipedia, PAC page).

Q24. 4 April 2011 ko PAC ne 2G case mein kinhe summon kiya? (a) Ratan Tata aur Niira Radia (b) Mukesh Ambani aur Anil Ambani (c) PM aur FM (d) CAG aur CJI **Ans: (a).** Tab ke PAC chairperson Murli Manohar Joshi the.

Q25. Bihar fodder scam ki CAG report kab aayi? (a) December 1995 (b) January 2001 (c) July 2010 (d) March 2012 **Ans: (a) December 1995.**

Q26. Fodder scam mein CAG report ne kitne fraudulent withdrawal ka zikr kiya? (a) Rs 95 crore (b) Rs 950 crore (c) Rs 9,500 crore (d) Rs 1.76 lakh crore **Ans: (b) Rs 950 crore,** animal husbandry department, Bihar. CBI ne 63 cases register kiye.

Q27. GFR Rule 21 ka pehla principle: (a) Har kharch mein officer utni vigilance lagaye jitni apne paise mein (b) Har kharch online ho (c) Har kharch secret ho (d) Har kharch minister approve kare **Ans: (a).** "Same vigilance as a person of ordinary prudence over his own money."

Q28. Rule 22 ke under public funds se kharch kab ho sakta hai? (a) Jab officer chahe (b) Jab competent authority ka sanction ho (c) Jab media na dekh rahi ho (d) Jab election na ho **Ans: (b).** Sanction ke bina kharch ya liability mana hai.

Q29. Rule 30 ke mutabik fresh charge ka sanction kab lapse hota hai? (a) 6 mahine mein payment na ho (b) 12 mahine mein poora ya partial payment na ho (c) 5 saal mein (d) Kabhi nahi **Ans: (b) 12 mahine,** unless renewed.

Q30. Rule 33 ke under loss report kisko karna hota hai? (a) Sirf police ko (b) Next higher authority, Statutory Audit Officer aur Principal Accounts Officer (c) Sirf press ko (d) Kisi ko nahi **Ans: (b).** Loss recover ho jaye tab bhi report zaroori.

Q31. Rule 144 tender mein kya likhne se rokta hai? (a) Quantity (b) Particular trade mark, trade name ya brand (c) Delivery date (d) Price **Ans: (b).** Specifications objective, generic aur measurable honi chahiye.

Q32. Bid security normally kitne din aage tak valid rehni chahiye? (a) Bid validity ke 45 din baad tak (b) 1 saal (c) 7 din (d) Lifetime **Ans: (a).** Rule 170: final bid validity period se 45 din aage.

Q33. Haarne wale bidders ki bid security kab tak wapas karni chahiye? (a) 1 saal baad (b) Contract award ke baad 30ve din tak latest (c) Kabhi nahi (d) 5 din mein always **Ans: (b).** Rule 170: earliest, latest on or before the 30th day after award.

Q34. Performance security ka amount kitna hota hai? (a) Contract value ka 1 percent (b) 3 se 5 percent (goods/services), bid documents mein specified (c) 50 percent (d) 100 percent **Ans: (b).** Rule 171 (works mein performance security plus retention money 3 se 10 percent).

Q35. Performance security kab tak valid rehni chahiye? (a) Contract sign hone tak (b) Saare contractual obligations poore hone ke 60 din baad tak (c) 1 din (d) 10 saal **Ans: (b).** Rule 171.

Q36. GFR Rule 229(xi) ke under Rs 5 crore se zyada annual budgetary support wali organisation ko kya sign karna hota hai? (a) NOC (b) MoU with performance parameters aur measurable output targets (c) Affidavit only (d) Kuch nahi **Ans: (b) MoU** (Rule 229(xi)).

Q37. Grant lene wali institution ko certify karna hota hai ki: (a) Usne same purpose ke liye doosri Ministry/GoI/State se grant nahi li ya apply nahi kiya (b) Uske paas building hai (c) Wo profit banati hai (d) Wo political hai **Ans: (a).** Rule 230(1) ka certification requirement.

Q38. Utilization Certificate (UC) ka sambandh kis se hai? (a) Grants-in-aid, Rule 238 (b) TDS (c) GST (d) Passport **Ans: (a).**

Q39. "Piecemeal purchase" yani demand ko chhote tukdon mein baantna, kis rule ke khilaf hai? (a) Rule 149(viii) (b) Rule 21 (c) Rule 30 (d) Rule 33 **Ans: (a).** Rule 149(viii): demand for goods shall not be divided into small quantities to make piecemeal purchases (Rule 157 mein bhi yehi principle hai).

Q40. Ek NGO ko Rs 30 lakh grant, total kharch Rs 38 lakh. CAG substantially financed audit karega? (a) Nahi (b) Haan, kyunki 30 lakh > 25 lakh aur 79 percent > 75 percent (c) Sirf PAC kehne par (d) Sirf PM kehne par **Ans: (b).** Dono conditions poore: Rs 25 lakh se zyada, 75 percent se zyada.

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20. Core idea in 3 levels: report ka anatomy (extension ke liye)

Box 1: 6 saal ka bachha

Socho teacher ne class ka kharch likhne ke liye ek monitor rakha. Monitor notebook dekhta hai aur ek card banata hai: "Kitab Rs 100 likhi, par dukaan par kitab Rs 60 ki mili." Ye card report hai. Card teacher ke nahi, poori class ke saamne jaata hai (Parliament). Phir class ke chune hue bachhe (PAC) monitor ke card ko pakad kar teacher se poochte hain: "40 rupaye kahan gaye?"

Box 2: Normal explanation

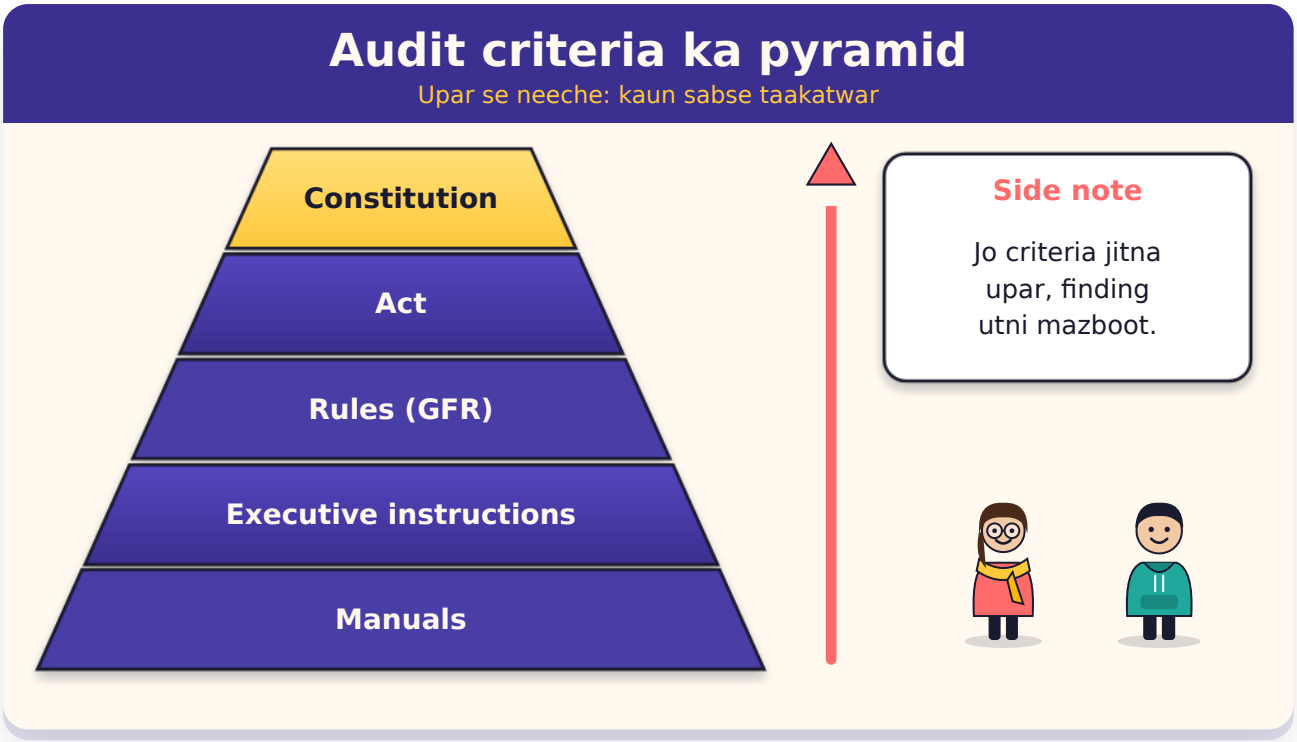
CAG report ek structured document hai:

- **Header:** Report number, saal, government type (Union/State), department, sector.
- **Period covered:** kaun se saal ka kharch check hua.
- **Method note:** test audit, matlab sample; aur standards, matlab CAG ke Auditing Standards.
- **Findings:** paragraphs jisme rule (criteria), fact (condition), wajah (cause) aur asar (effect) hota hai.
- **Auditee ka reply:** department apna jawab deta hai.

Padhne ka tareeka: pehle criteria pakdo (kaun sa rule/GFR/Act), phir condition (kya hua), phir effect (kitna paisa/kitna risk). Teen line ka formula hai: **rule kya tha, hua kya, nuksan kya.**

Box 3: PhD box

- **Audit criteria hierarchy:** Constitution > Act > Rules (jaise GFR) > executive instructions > internal manuals. Finding tabhi tikti hai jab criteria higher hierarchy se ho. Department ke apne manual ke against finding kamzor padti hai agar oopar ka rule kuch aur kehta ho.
- **Materiality in test audit:** Section 24 (dispense with detailed audit) ke saath padho: sampling risk explicitly accept kiya jaata hai. Isliye report "ye sab dosh hain" nahi kehti, "ye instances mile" kehti hai. Statistically, sample findings lower bound hain, upper nahi.
- **Presumptive vs actual loss:** 2G wala sabak. Jab CAG "presumptive" figure deta hai, wo counterfactual hai ("auction hota to"), verified cash loss nahi. Court standards ko verified loss chahiye. Isliye 2017 mein acquittal aaya jabki report politically devastate kar gayi thi. Dono sach apni apni jagah: audit opinion vs criminal proof.
- **Accountability chain:** CAG (find) -> PAC (question) -> Government (act, via ATN) -> agli CAG report (verify). Chain ka weakest link ATN ka delay hai, isliye PAC ki ek poori sub-committee sirf usi par hai.



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21. Mini case study 3: Adarsh Society (CAG ka quote)

Kya hua: 2011 ki ek CAG report ne Mumbai ke Adarsh Co-operative Housing Society ka mamla uthaya. Wikipedia ke PAC page par CAG report ka quote hai: episode dikhata hai kaise "a group of select officials, placed in key posts" ne rules aur regulations ko subvert kiya, taaki prime government land, jo public property thi, personal benefit ke liye grab ho sake.

Audit angle: Ye finding ka style samjho. CAG ne sirf "rules toote" nahi kaha; usne mechanism bataya: select officials, key posts, subversion. Government audit mein pattern dikhana (kaun, kahan, kaise) utna hi zaroori hai jitna amount.

Lesson:

1. Land aur allotment wale decisions high-risk area hain, kyunki discretion zyada hoti hai.
2. Audit report ka ek achha paragraph policy change karwa sakta hai, bina kisi ko jail bheje. Wo kaam court ka hai.
3. Public property ko private benefit mein badalna propriety (GFR Rule 21) ka sabse bada violation hai.

Exam angle: Adarsh = CAG report 2011, land grab for personal benefit. Agar MCQ aaye "Adarsh case kis se juda tha", jawab: CAG report on housing society grabbing prime government land.

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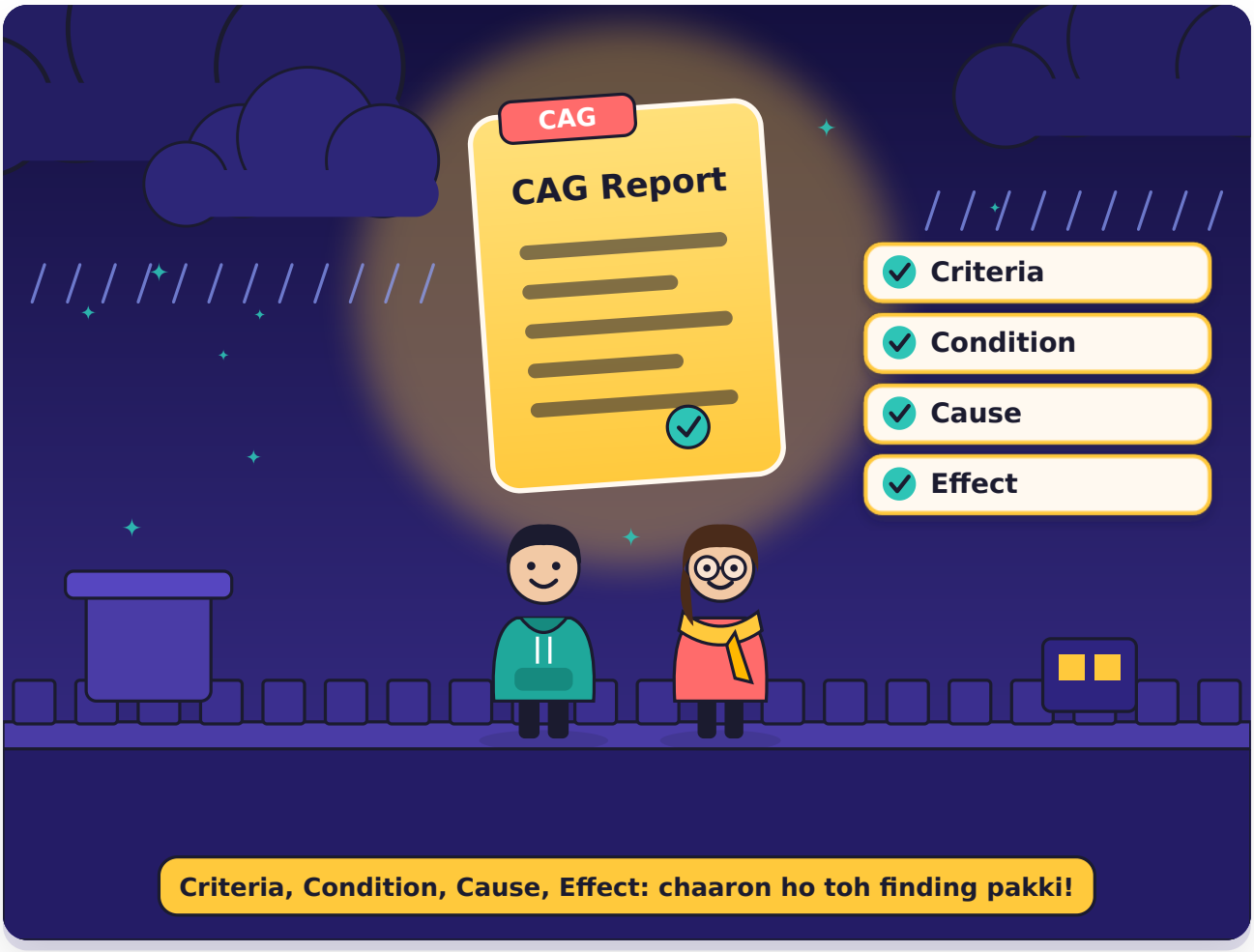

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22. Mini case study 4: KG-D6 gas aur CAG (2011)

Kya hua: Krishna-Godavari basin ka D6 block Reliance Industries ke paas tha, production-sharing contract (PSC) ke under: cost pehle recover hota hai, profit baad mein government aur operator baant te hain. CAG ne 2011 mein is arrangement ka audit kiya (private party ke saath revenue-share deal thi, isliye CAG ka haath pahuncha). Wikipedia ke CAG page ke mutabik: audit ke baad oil ministry ne company par production mein sharp drop aur CAG report ke violations ke liye Rs 7,000 crore ka fine lagaya. Report mein ye bhi aaya tha ki KG D-6 se receipts ka lagbhag 90 percent ab tak expenditure ke roop mein book ho

chuka tha, aur baaki 10 percent mein se sirf 1 percent government ko mila, 9 percent operator ko profit ke roop mein.

Audit angle: PSC ka structure hi audit ka maidan hai: "cost recovery" matlab operator jitna zyada cost dikhayega, utna kam profit share hoga. CAG ka kaam tha dekhna ki jo cost book ho rahi hai wo contract ke hisaab se sahi hai ya nahi. Ye example dikhata hai ki government audit sirf sarkari daftaron tak seemit nahi, revenue-share wale private partners tak bhi ja sakta hai.

Kahani ka tension: Wikipedia ke mutabik company ne CAG audit ko ek saal tak stall kiya, aur April mein ja kar audit shuru hone diya. Auditor ke liye access hi pehli jang hai: Section 18 ka right hai, par private PSC partner par wahi right contract ke through milta hai.

Lesson:

1. Revenue-share contracts mein audit rights contract mein likhne chahiye, warna CAG ko darwaza tak hi rehna padta hai.
2. "Cost recovery" model mein cost hi jang ka maidan hai. Cost zyada, profit kam, government ka share kam.
3. Fine ya recovery government karti hai; CAG sirf report karta hai. Ye distinction har case study mein repeat hota hai.

Exam angle: KG-D6 = CAG audit of a private company in a revenue-share deal. Agar MCQ aaye "CAG private company ka audit kab kar sakta hai", ek jawab: jab government ke saath revenue-sharing agreement ho (Supreme Court ruling, Part A PhD box).

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23. PAC ke saathi: COPU aur Estimates Committee (ek nazar)

Prabhat
PAC ke alawa aur kaun si financial committees hain?

Iksha
Teen financial standing committees hain: PAC, Estimates Committee (EC) aur Committee on Public Undertakings (COPU).

Prabhat
Fark ek line mein?

Iksha
PAC past ka hisaab dekhti hai (CAG reports ke through). Estimates Committee future ke budget estimates dekhti hai, paisa kharch hone se pehle. COPU sirf public undertakings (PSUs) ko dekhti hai, unki working aur accounts.

Prabhat
CAG reports COPU ke paas bhi jaati hain?

Iksha
Haan, CAG page par likha hai reports PACs aur COPUs dono mein discuss hoti hain. Government companies wali CAG reports ka natural ghar COPU hai.

Prabhat
Exam mein?

Iksha
Ek line: "PAC post-mortem, EC prevention, COPU PSUs." Isse zyada is chapter ke scope mein nahi; detail ke liye alag assignment chahiye hoga, kyunki abhi humne inki official pages nahi kholi.

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Exam trap

PSU audit reports ka natural forum COPU hai, PAC nahi. PAC ka focus government expenditure hai. Dono mein CAG assist karta hai, isliye confusion aam hai.

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24. Extension recap (ek nazar mein)

1. DPC Act 1971: Sections 13 se 21, 23, 24 audit ke hain; amendments 1976, 1984, 1987, 1994.
2. Section 14 test yaad rakho: Rs 25 lakh + 75 percent, aur Rs 1 crore wala alternative (approval ke saath); 2 saal ki continuity.
3. CAG reports teen prakar: Compliance, Financial, Performance; numbering "Report No. X of saal".
4. Report pehle President/Governor ko, phir House mein tabled; test audit ka limitation samjho.
5. PAC: Rules 308-309; 4 sub-committees (ATN, Taxes, Implementation, Railways); 1950 se April 2018 tak 1596 reports.
6. PAC CAG ki madad se kaam karti hai; CAG "friend, philosopher, guide" ki tarah brief karta hai.
7. GFR Rule 21 propriety ke chaar principles: apne paise jaisi vigilance, occasion se zyada nahi, apne fayde ke liye sanction nahi, khaas aadmi ke fayde ke liye nahi.
8. Rule 22: sanction ke bina kharch nahi; Rule 30: 12 mahine mein payment na ho to sanction lapse.
9. Rule 33: loss report immediately, recover ho jaye tab bhi.
10. Rule 170/171: bid security 45 din extra, 30ve din tak wapsi; performance security 3-5 percent (goods/services), 60 din extra.
11. Rule 230/238: grants mein certification, UC zaroori; Rs 5 crore+ par MoU Rule 229(xi) mein.
12. Fodder scam (Dec 1995, Rs 950 crore) aur PAC 2G probe (2011) yaad rakho as case studies.

Open items for lead and checkers (ch14 ext)

1. All CAG report details (numbers, dates, periods, categories) are from cag.gov.in listing, detail pages and press release page fetched on 2026-11-27. No press release PDFs were opened; the findings descriptions are limited to what the listing/overview text states.
2. GFR rules quoted from the GFR 2017 PDF (repmismoef.nic.in mirror of the DoE document). Procurement limits amended by the 10 July 2024 O.M. remain as in Part A; this extension does not repeat them.
3. PAC composition/history items from the Wikipedia PAC page; fodder scam and CAG-general facts from the Wikipedia CAG page. No Investopedia text used anywhere.
4. The DPC Act page on cag.gov.in shows Section 19 referencing the Companies Act, 1956 text of the era; government company audit today runs through the Companies Act, 2013 framework (as Part A states). Checker may harmonise the cross-reference if the lead wants.

Episode 15: Tax Audit and GST Audit

Chat A: Tax audit, Income Tax wala

> Estimated length: about 18 to 22 PDF pages at 14pt with graphics (target in outline: 40). Only sourced facts kept. Sources accessed: 2026-11-27. Law moves fast here. Every limit below is tagged with its source and date so the checker can re-verify.

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1. Kahani hook: "Dukaan ka hisaab"

Prabhat ke chacha ki kirana dukaan hai. Ek din chacha ne kaha: "Beti, CA sahab bol rahe hain ki is saal tax audit karwana padega. Ye audit hota kya hai? Kya mere paise chheen lenge?"

Prabhat hans padi. "Chacha, audit chheenta nahi, check karta hai. Tax audit ka matlab hai ki ek CA aapki books dekhe aur sarkar ko likh kar de ki aapne tax ke liye sahi detail di hai."

Chacha ne poocha: "Aur GST ka audit?" Prabhat ne kaha: "Wo thoda alag hai. Chalo Iksha se poochte hain."



Kirana ka bill bhi audit trail hai

---

2. Chat dialogue

Chat A: Tax audit, Income Tax wala

Prabhat
tax audit kis section mein hai?

Iksha
Income Tax Act, 1961 ka Section 44AB. Isko 1984 ke Finance Act se daala gaya tha, Assessment Year 1985-86 se.

Prabhat
Kyun laaye?

Iksha
Tax chori aur avoidance rokne ke liye. Auditor assessee ki di hui factual detail par apna opinion deta hai ki ye truth aur correct hain.

Prabhat
Kab zaroori hota hai?

Iksha
Business ho to turnover Rs 1 crore se upar. Profession ho to gross receipts Rs 50 lakh se upar.

Prabhat
kuch log kehte hain Rs 10 crore bhi hota hai?

Iksha
Haan. Agar cash receipts aur cash payments dono total ke 5 percent se zyada na hon, to limit Rs 10 crore ho jaati hai. Ye 1 April 2021 se laagu hua.

Prabhat
Cash ka 5 percent kaise gina jaata hai?

Iksha
Account payee na hone wala cheque ya draft bhi cash maana jaata hai.

Prabhat
Ye audit karta kaun hai?

Iksha
Chartered Accountant. Wo report portal par upload karta hai.

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Chat B: Forms

Prabhat
Report kaun sa form hai?

Iksha
Do jodiyan. 3CA-3CD aur 3CB-3CD.

Prabhat
Fark?

Iksha
Agar kisi aur law ke under accounts ka audit pehle se zaroori hai (jaise company ka Companies Act audit), to 3CA-3CD. Agar nahi hai, jaise chhoti proprietorship, to 3CB-3CD.

Prabhat
3CD kya hai?

Iksha
Ek lambi list jisme deductions, compliance aur doosri particulars hoti hain. Ye 3CA ya 3CB ke saath jaati hai.

Prabhat
Ek taxpayer ko dono bharne padte hain?

Iksha
Nahi. Dono mein se sirf ek jodi.

[src]

Chat C: Due date aur nayi cheezein

Prabhat
Last date kya hai?

Iksha
FY 2025-26 (AY 2026-27) ke liye normal due date audit report 30 September 2026 thi aur ITR 31 October 2026. Lekin CBDT ne Circular 07/2026 (28 September 2026) se is saal ITR 21 November 2026 tak aur audit report 21 October 2026 tak badha di. Date kabhi extend bhi hoti hai, isliye exam mein "normally 30 September" likhna.

Prabhat
Aur penalty?

Iksha
Naye Income-tax Act, 2025 mein default par penalty ki jagah fixed fee hai (Section 428(c)): ek mahine tak delay par Rs 75,000, usse zyada par Rs 1,50,000. Ye tax year 2026-27 se laagu hai. Purane Section 271B mein penalty 0.5% of turnover thi, maximum Rs 1.5 lakh.

Prabhat
naya Income Tax Act bhi aaya hai na?

Iksha
Naye Income-tax Act, 2025 ka Section 63 aur Income-tax Rules, 2026 ka Rule 47 purane Section 44AB aur Rule 6G ki jagah lete hain, aur Form 3CA, 3CB, 3CD ki jagah ek Form 26 aata hai. Par Form 26 sirf tax year 2026-27 se (1 April 2026 ke baad shuru hone wale saal se). FY 2025-26 ka audit abhi bhi 3CA/3CB/3CD me hota hai. Exam abhi purane naam se puchh sakta hai, isliye dono yaad rakho.

[src] [src] [src]

Chat D: GST audit, pehle kya tha

Prabhat
GST audit kya hai?

Iksha
GST audit matlab registered person ke records, returns aur documents ki jaanch ki turnover, tax, refund aur ITC sahi hain ya nahi. Ye CGST Act ki Section 2(13) se jud kar samjhaya jaata hai.

Prabhat
Kya CA se GST audit karwana zaroori hai?

Iksha
Pehle tha. Section 35(5) kehta tha ki prescribed limit se upar turnover wale registered person CA ya Cost Accountant se accounts audit karwayen.

Prabhat
Aur ab?

Iksha
Finance Act 2021 ne Section 35(5) hata diya. 1 August 2021 se. Notification 29/2021-Central Tax, dated 30 July 2021.

Prabhat
Matlab koi limit hi nahi bachi?

Iksha
CA ka mandatory GST audit nahi bacha. Ab sirf annual return GSTR-9 aur reconciliation GSTR-9C ki limits hain.

Prabhat
Ye purana Rs 2 crore wala limit kahan se aaya?

Iksha
Rule 80(3) ka purana version: aggregate turnover Rs 2 crore se upar ho to audited accounts aur certified GSTR-9C dena. Wo 1 August 2021 se badal gaya.

[src] [src] [src]

Chat E: GSTR-9 aur GSTR-9C

Prabhat
GSTR-9 kya hai?

Iksha
Annual return. Section 44 aur Rule 80(1) ke under, har saal 31 December tak, agle financial year ke baad.

Prabhat
GSTR-9C?

Iksha
Reconciliation statement. Isme books ke audited financial statement aur GST returns ke numbers match kiye jaate hain. Rule 80(3) ke hisaab se aggregate turnover Rs 5 crore se upar ho to bharna padta hai, aur ab self-certified hota hai.

Prabhat
Chhote taxpayer ke liye?

Iksha
Rs 2 crore tak aggregate turnover wale registered person ko GSTR-9 file karna zaroori nahi (exempt). Ye Notification 15/2025-Central Tax dated 17 September 2025 se hai, FY 2024-25 se aage ke liye. Source: GST Council newsletter aur CBIC notification.

Prabhat
Composition wale?

Iksha
Wo GSTR-4 annual return dete hain. GSTR-9A purane rule mein tha.

Prabhat
Aggregate turnover ka matlab?

Iksha
Ek hi PAN ke saare registrations ka all-India total: taxable supplies, exempt supplies, exports aur inter-State supplies. Isme GST khud nahi jodte.

Prabhat

Example?

Iksha

Teen State mein registration, har jagah Rs 2 crore turnover. Total Rs 6 crore. To har GSTIN ko GSTR-9C bharna padega.

[src] [src] [src]

Chat F: Departmental audit, Section 65

Prabhat
kabhi GST officers khud audit karne aate hain?

Iksha
Haan. Section 65. Commissioner ya uska authorised officer kisi bhi registered person ka audit kar sakta hai.

Prabhat
Pehle batate hain?

Iksha
Haan. Kam se kam 15 working days pehle notice.

Prabhat
Kahan hota hai?

Iksha
Registered person ke place of business par ya department ke office mein.

Prabhat
Kitne time mein khatam?

Iksha
Audit shuru hone ke 3 mahine mein. Zaroori ho to Commissioner reasons likh kar 6 mahine tak aur badha sakta hai.

Prabhat
Shuru hone ki date kya maani jaayegi?

Iksha
Jis din documents mile ya audit asal mein shuru hua, jo baad mein ho.

Prabhat
Findings kab batate hain?

Iksha
Audit khatam hone ke 30 din ke andar. Rights, obligations aur reasons ke saath.

Prabhat

Aur agar tax kam ya galat ITC mila?

Iksha
To Section 73 ya 74 (aur ab Section 74A bhi, Finance Act 2024 ke baad) ke under action shuru ho sakta hai.

[src]

Chat G: Special audit, Section 66

Prabhat
Aur CA wala GST audit kab hota hai?

Iksha
Special audit, Section 66. Department ki taraf se CA ya Cost Accountant nominate hota hai, jab value galat lagti hai ya credit zyada.

Prabhat
Kaun order karta hai?

Iksha
Assistant Commissioner se kam rank ka nahi, aur Commissioner ki prior approval se. Special audit ke liye CA ya Cost Accountant Commissioner nominate karta hai (Section 66).

Prabhat
Teen type yaad rakhun?

Iksha
Haan: departmental audit (65), special audit (66), aur voluntary GST health check jo company khud karwati hai.

[src]

---

3. Core idea in 3 levels

Box 1: 6 saal ka bachha

Dukaandar ke paas ek kitaab hai jisme likha hai kitna becha, kitna kharida. Ek bada bhaiya (CA) kitaab dekh kar likhta hai: "Haan, kitaab sahi lag rahi hai." Ye hai Income Tax wala audit. Alag se ek GST ka police-uncle kabhi kabhi aata hai: "Aapne tax jama kiya?" Ye hai GST wala audit.

Box 2: Normal explanation

	Tax Audit (Income Tax)	GST Audit
Kanoon	Income Tax Act 1961, Sec 44AB	CGST Act 2017: Sec 65, 66, 44
Kaun karta hai	CA (mandatory jab limit cross ho)	Department (Sec 65), nominated CA/CMA (Sec 66)
Kab	Turnover Rs 1 cr / Rs 10 cr (business), Rs 50 lakh (profession)	CA GST audit mandatory nahi (1 Aug 2021 se). Department kisi par bhi
Form	3CA/3CB + 3CD	GSTR-9, GSTR-9C (self-certified)
Kya check hota hai	Books, deductions, compliance	Turnover, tax, ITC, refund
Notice	Nahi (khud karwana padta hai)	15 working days notice (Sec 65)

Teen sawaal jo auditor poochta hai:

1. Books mein turnover aur return mein turnover match karta hai?
2. Input Tax Credit (ITC) wahi liya jo allowed hai?
3. Tax time par jama hua?

Box 3: PhD box

- **Different objectives:** Tax audit (44AB) ek attestation-type function hai. Assessee ka financial statement alag hota hai, aur tax auditor tax-specific particulars (Form 3CD clauses) par report karta hai. Statutory audit alag cheez hai. Isi liye 3CA mein "pehle se kisi law ke under audited" shart hai.
- **Reconciliation audit logic:** GSTR-9C ka purpose audited financial statement (books) aur GST returns (tax view) ke beech ke difference explain karna hai. Differences timing (advance, accrual), non-GST income, exempt supplies, ya errors se aate hain.
- **Self-certification shift:** 2021 ke baad responsibility CA se taxpayer par aayi. Department ko ab data analytics aur Section 65 par zyada bharosa karna padta hai. Isse audit risk ka dhancha badal gaya: pehle "certified by CA" ek comfort tha, ab taxpayer khud accountable hai.
- **Time bars in Section 65:** audit period 3 mahine plus up to 6 mahine, aur findings 30 din mein. Ye limits procedural fairness ke liye hain. Notice period 15 working days natural justice ka hissa hai.

- **Edge case, PAN-wise turnover:** Aggregate turnover PAN ke hisaab se, GSTIN ke hisaab se nahi. Isliye ek bade group ki chhoti units bhi limit cross kar sakti hain.
- **Edge case, government departments:** Sections 35(5) aur 44 ke provisos mein likha tha ki Central/State government departments ya local authorities, jinke accounts CAG ya local authority auditor audit karte hain, un par ye provisions laagu nahi hote. Yahan CAG (chapter 14) tax audit ke daayre se bahar rakhta hai.

[src]

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4. Real example (sourced): GST ka launch aur audit ka naya daur

Company ke bajaye yahan **asli sarkari tax reform** ka example lete hain, kyunki is chapter mein company ki sourced financial figures nahi hain aur hum unhe invent nahi karenge.

Fact	Detail	Source
GST kab laagu hua	1 July 2017	[src]
Constitution Amendment	101st Amendment	[src]
Shuruaati slabs	0%, 5%, 12%, 18%, 28%	[src]
Items classified on day one	lagbhag 1,211 items (HSN based)	[src]
Launch ceremony	Midnight session 30 June to 1 July in Central Hall	[src]
Revenue-neutral rate suggestion	15.3 percent (Arvind Subramanian committee)	[src]
CA GST audit kab khatam	1 August 2021	[src]

Kahani ka sabak: GST ke pehle chaar saal (2017 se 2021) mein audit CA se hota tha. 2021 ke baad CA ki jagah self-certification aayi aur department ka audit (Section 65) hi asli audit raha. Ye ek real policy change hai jo auditor ke kaam ko badal deta hai.

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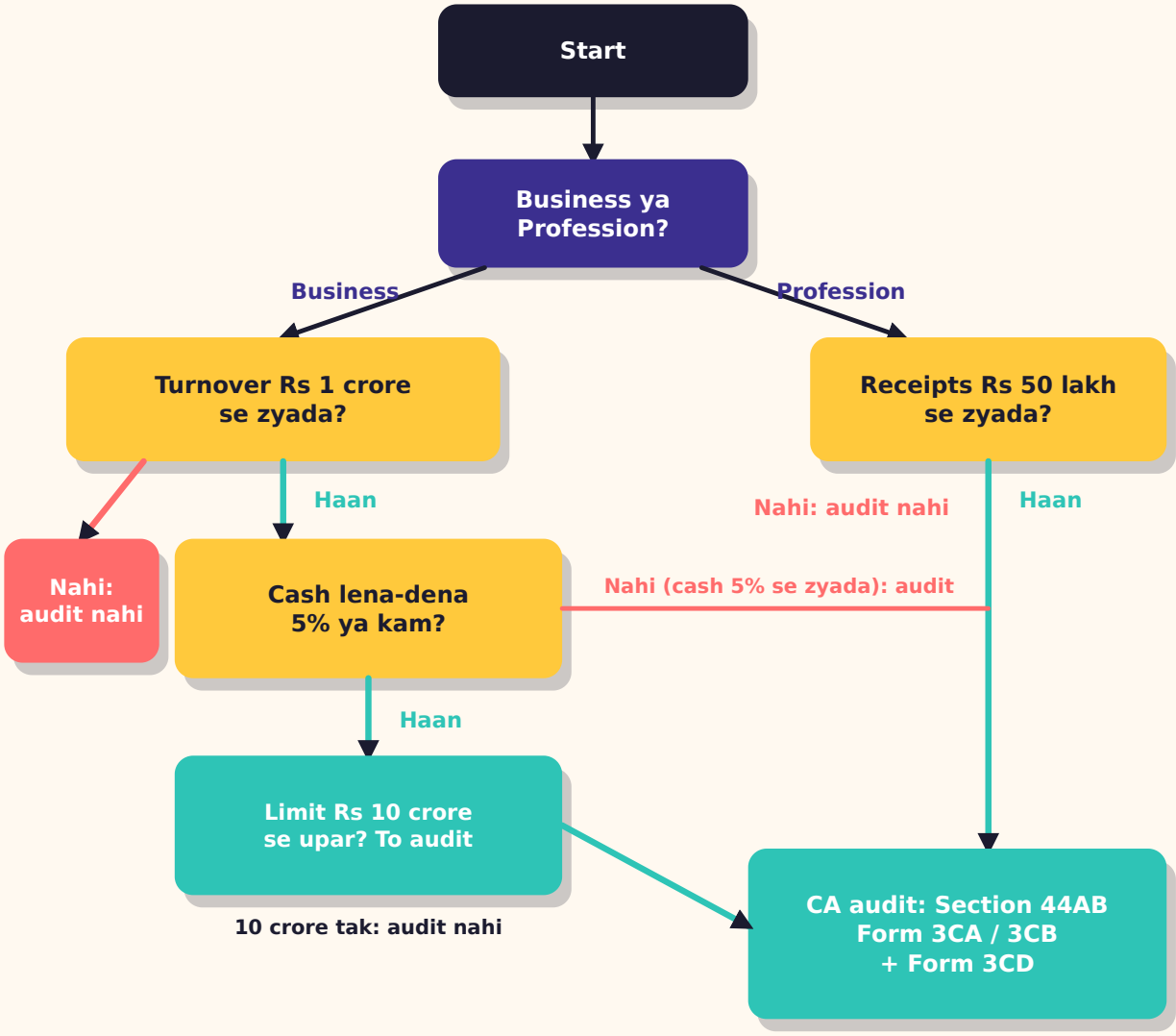
5. Infographic / diagram

Mera tax audit zaroori hai?





Yaad rakho: turnover, cash %, receipts teen cheezein dekho

GST annual return ki seedhi

Rs 5 crore se upar
GSTR-9 + self-certified GSTR-9C

Rs 2 se 5 crore
GSTR-9 zaroori

Rs 2 crore tak
GSTR-9 optional

turnover
badhta hai

Timeline

1 Jul 2017
GST shuru

1 Aug 2021
Sec 35(5)
omit hui

17 Sep 2025
Notification
15/2025



**Turnover jitna bada, return utna bhaari.
GSTR-9C me CA ka certificate**



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6. Exam angle (UPSSSC style)

UPSSSC mein Tax audit se seedhe 1 se 2 sawaal aate hain: section number, limit, form. GST audit mein Section 65 aur 35(5) ke fact. Seedhe ratt lo.

5 PYQ-style questions

Q1. Income Tax Act mein tax audit kaun sa section batata hai? (a) 44AA (b) 44AB (c) 80C (d) 139 **Ans: (b) 44AB.**

Q2. Business ke liye normal tax audit limit (turnover) kitni hai? (a) Rs 50 lakh (b) Rs 1 crore (c) Rs 2 crore (d) Rs 5 crore **Ans: (b) Rs 1 crore.** (10 crore tab, jab cash 5% se zyada na ho.)

Q3. Profession ke liye tax audit tab zaroori hai jab gross receipts kitne se upar hon? (a) Rs 25 lakh (b) Rs 50 lakh (c) Rs 1 crore (d) Rs 2 crore **Ans: (b) Rs 50 lakh.**

Q4. GST mein Department ki taraf se audit kaun se section ke under hota hai? (a) Section 35 (b) Section 44 (c) Section 65 (d) Section 73 **Ans: (c) Section 65.** Section 66 special audit, Section 44 annual return.

Q5. GST mein CA se mandatory audit (Section 35(5)) kab se hata diya gaya? (a) 1 July 2017 (b) 1 April 2020 (c) 1 August 2021 (d) 1 January 2023 **Ans: (c) 1 August 2021.**

Bonus Q6. Departmental GST audit ke liye kam se kam kitne din ka notice? **Ans:** 15 working days.

Bonus Q7. Aggregate turnover kis aadhar par gina jaata hai? **Ans:** PAN ke aadhar par, all India.

Trap alert: Purani books ya coaching notes mein "GST audit Rs 2 crore par zaroori" milega. Ye 1 August 2021 se pehle ka niyam hai. Aaj sahi jawab: CA GST audit mandatory nahi. Agar question purane saal ka ho (2018-2021 ke beech), to dhyan se option dekho.

---

7. Recap page

10 bullet points

1. Tax audit Income Tax Act ke Section 44AB mein hai.
2. 44AB Finance Act 1984 se aaya, AY 1985-86 se.
3. Business: turnover Rs 1 crore se upar. Profession: gross receipts Rs 50 lakh se upar.
4. Cash 5% se zyada na ho to business ki limit Rs 10 crore (1 April 2021 se).
5. Form 3CA-3CD (kisi aur law ka audit hai) ya 3CB-3CD (nahi hai).
6. GST ka CA audit Section 35(5) tha, 1 August 2021 se hata.
7. GSTR-9 annual return, GSTR-9C reconciliation (Rs 5 crore se upar, self-certified).
8. Departmental audit Section 65: 15 working days notice, 3 mahine plus up to 6 mahine, findings 30 din mein.
9. Special audit Section 66: department ka nominated CA/CMA.
10. Aggregate turnover PAN-wise, all India.

Cheat-sheet table

Item	Yaad rakho
Tax audit section	44AB (IT Act 1961)
Business limit	Rs 1 crore (Rs 10 crore if cash <= 5%)
Profession limit	Rs 50 lakh
Forms	3CA/3CB + 3CD
GST annual return	Section 44, GSTR-9, by 31 Dec
GST reconciliation	GSTR-9C, above Rs 5 crore, self-certified
Dept audit	Section 65
Special audit	Section 66
CA audit omitted	Section 35(5), 1 Aug 2021
GST start	1 July 2017

Open items for lead and checkers

1. Fact-check done 2026-11-27 (see checks/ch15.md). Form 26, due dates and Notification 15/2025 now rest on incometaxindia.gov.in, PIB and GST Council/CBIC sources. The Section 428(c) fee amounts rest on a secondary source (taxguru.in).
2. Mapping confirmed: Sec 44AB -> Sec 63 (IT Act 2025), Rule 6G -> Rule 47 (IT Rules 2026), Forms 3CA/3CB/3CD -> Form 26, from tax year 2026-27. Exam papers will likely still use 44AB and 3CA/3CB/3CD.
3. No Investopedia text used. Wikipedia used only for GST facts, written in own words.
4. To reach 40 pages the lead could assign: TDS audit and other 44AB-related forms, penalty section, GST refund and ITC audit steps, and a sourced company example (for example a published GST demand notice in a company annual report). I did not add unsourced company numbers.

Chapter 15 Extension (Part B): 44AB Limits by Year, Forms in Depth, GST Audit Worked Examples

> Extension of Chapter 15. Appends after the recap of the base chapter. New material only. Sources accessed: 2026-11-27. Tax law changes fast; every limit carries its source and the date.

---

8. Section 44AB limits: saal by saal (history table)

Iksha ne Prabhat ko ek purani photocopy dikhayi, uske dadaji ke CA ki 1990 ki diary. Usme likha tha "44AB: 40 lakh se upar, audit zaroori." Prabhat hairan tha: "Aaj to 1 crore hai!" Iksha boli: "Limit badhti gayi, inflation aur digital payments ke saath. Ye table rat lo, exam mein saal dekar poochte hain."

Financial Year (PY)	Business turnover limit	Profession gross receipts limit
1985-86 (44AB shuru)	Rs 40 lakh	Rs 10 lakh
2011-12	Rs 60 lakh	Rs 15 lakh
2013-14	Rs 1 crore	Rs 25 lakh
2017-18	Rs 1 crore	Rs 50 lakh
2021-22	Rs 5 crore (cash 5% condition ke saath)	Rs 50 lakh
2022-23 onwards	Rs 10 crore (cash 5% condition ke saath)	Rs 50 lakh

Ye history table ek secondary source (TaxGuru, CA Ajit Shah ka article) se hai; official Act text se cross-check karna baaki hai, isliye isko "direction sahi, exact amendment dates verify karna" samajh kar padho.

[src]

Current official position (AY 2026-27), Income Tax Department ke threshold page se:

Case	Limit	Source point
Business, normal	Rs 1 crore se upar	44AB(1)
Business, cash receipts aur payments dono total ke 5% tak	Rs 10 crore tak audit nahi chahiye	proviso
Profession	Rs 50 lakh se upar	44AB(2)
44AD presumptive opt karne wala	44AB nahi, jab tak turnover Rs 2 crore se upar na ho	note (a)

[src]

Chat S: Cash 5 percent ka hisaab

Prabhat
5 percent kaise naapen?

Iksha
Do alag tests hain. Cash receipts (sales, turnover, gross receipts ki payment samet) total receipts ke 5% se zyada nahi. Aur cash payments (expenditure samet) total payments ke 5% se zyada nahi. Dono pass karna zaroori hai.

Prabhat
Ek pass, ek fail?

Iksha
To Rs 10 crore wali limit nahi milegi. Normal Rs 1 crore lagega.

Prabhat
Cheque?

Iksha
Account payee nahi hai to cash jaisa treat hota hai, Part A mein pada tha.

[src]

Exam trap
History table mein profession limit kabhi Rs 40 lakh nahi hui. 40 lakh sirf 1985 wali business limit thi. Aur 2021-22 mein Rs 5 crore thi, Rs 10 crore nahi. Paper saal dekar poochta hai: "FY 2021-22 mein business limit kya thi (cash condition ke saath)?" Jawab: Rs 5 crore.

---

9. Forms in depth: 3CA/3CB/3CD se Form 26 tak

Chat T: Form 26 ka structure (official FAQ se)

Prabhat
Form 26 mein kya kya hai?

Iksha
Chaar parts. Part A: assessee ke particulars. Part B: Section 63 ke under statement of particulars. Part C: audit report jab accounts kisi aur law ke under audited hain, matlab purane 3CA wali situation. Part D: audit report jab kisi aur law ka audit nahi hai, matlab purani 3CB wali situation.

Prabhat
Kaun sign karta hai?

Iksha
Ek "Accountant", jaisa Income-tax Act 2025 ke Section 515(3)(b) mein defined hai. UDIN mandatory hai, aur firm ke naam se audit ho to FRN bhi likhna hota hai.

Prabhat
Process?

Iksha
Assessee accountant engage karta hai. Accountant portal par form bharta hai, UDIN generate karke quote karta hai, apne DSC se digitally sign karke upload karta hai. Aakhri step: assessee electronically accept karta hai. Tab filing complete.

Prabhat
3CD wali lambi list kahan gayi?

Iksha
Part B mein, lekin ab trigger-based schedules ke saath. Clause ka jawab "Yes" ho tabhi uska schedule bharna hai. Aur har clause ka Yes/No dena mandatory hai, blank nahi chhod sakte.

[src]

Chat U: Form 26 ki nayi cheezein

Prabhat
Kuch interesting change batao.

Iksha
Teen. Pehla: auditor ke observations/qualifications ko teen categories mein daalna padega: test-check basis with materiality, management representation par based, ya unable to verify. Department isse automated analysis karegi.

Iksha
Doosra: auditor ko statutory audit ke qualifications, adverse remarks, disclaimers ka profit/loss/book profit par impact batana hoga. Matlab company audit aur tax audit ka gap bandh raha hai.

Iksha
Teesra: TDS/TCS reporting mein auditor ko total transactions reported aur not reported dono ki count aur amount deni hogi, latest correction statement ke baad.

Prabhat
Software wala clause?

Iksha
Haan, Rule 46 ke hisaab se electronic books India mein accessible rehni chahiye aur India-located server par daily backup. Form 26 mein accounting software ka IP address, server ka country, aur India backup server ka address dena hota hai.

Prabhat
Clause mapping ka example?

Iksha
Form 26 ka Clause 36 purane 3CD ke Clause 18 se milta hai, depreciation aur brought forward losses wala. Ab 180 din se kam aur 180 din ya zyada use ki segregation explicitly hogi, dates ke jhanjhat ke bina.

[src]

Purane system ki yaad: 3CA/3CB/3CD ek line mein

Form	Kab	Kya hai
3CA	Accounts kisi aur law ke under audited hain (jaise company ka statutory audit)	Chhota audit report jo statutory audit par rely karta hai
3CB	Kisi aur law ka audit nahi	Poora tax audit report
3CD	Dono ke saath	Particulars ki lambi list (deductions, compliance)

[src]



Exam trap

Form 26 mein assessee ka "e-accept" aakhri step hai. Sirf accountant ke upload se filing complete nahi hoti. Aur UDIN optional nahi, mandatory hai.

---

10. Due dates, extension aur late hone ka kharcha

Chat V: Due date ka formula

Prabhat
Audit report ki due date ka formula kya hai?

Iksha
Simple: return of income ki due date se ek mahina pehle. Form 26 FAQ 5 mein likha hai: Form 26 specified date tak, jo Section 263(1) ke under return due date se one month prior hai. Return 31 October ko due hai to audit report 30 September; return 30 November ko due to report 31 October.

Prabhat
Is saal (AY 2026-27) kya hua?

Iksha
CBDT ne Circular 07/2026 (28 September 2026) nikali. Usme Section 119 of IT Act 1961, padha gaya Section 536 of IT Act 2025 ke saath, use karke ITR due date 31 October 2026 se badha kar 21 November 2026 ki, aur audit report ki specified date 21 October 2026 ho gayi, Section 44AB ke Explanation clause (ii) ke terms mein.

Prabhat
Matlab extension hoti rehti hai?

Iksha
Haan, par exam mein hamesha "normally" wali date likho, aur agar saal diya ho to extension check karo.

[src] [src]

Penalty se fee tak: purana vs naya

Cheez	Purana system (IT Act 1961)	Naya system (IT Act 2025)
Provision	Section 271B (penalty)	Section 428(c) (fee)
Amount	0.5 percent of turnover, max Rs 1.5 lakh	Delay ek mahine tak: Rs 75,000; usse zyada: Rs 1,50,000
Kab se	44AB ke saath chalta raha	Tax year 2026-27 se

Section 428(c) ke amounts ka source secondary hai (TaxGuru), official Act text se match karna baaki hai.

[src]

Worked example 1: kaun sa system lagega?

Prabhat
Gupta Traders ka FY 2025-26 (AY 2026-27) ka tax audit 30 November 2026 ko file hua. Kitna kharcha?

Iksha
AY 2026-27 purane Act ka saal hai, to 271B lagega, naye 428(c) ka nahi. Turnover Rs 3 crore maan lo. 0.5 percent = Rs 1.5 lakh. Cap bhi Rs 1.5 lakh. To penalty Rs 1.5 lakh. Circular 07/2026 ke baad specified date 21 October 2026 thi, to 30 November ko file karna late hai.

Prabhat
Aur agle saal, tax year 2026-27 mein late hua to?

Iksha
To naya fee system: ek mahine tak delay Rs 75,000, usse zyada Rs 1.5 lakh. Fixed amounts, turnover se nahi badhte.

Auditor ki seekh: AY/TY ka saal decide karta hai kaun sa kanoon lagega. 44AB/3CA wala system AY 2026-27 tak, Section 63/Form 26 tax year 2026-27 se. Exam mein saal sabse pehle underline karo.

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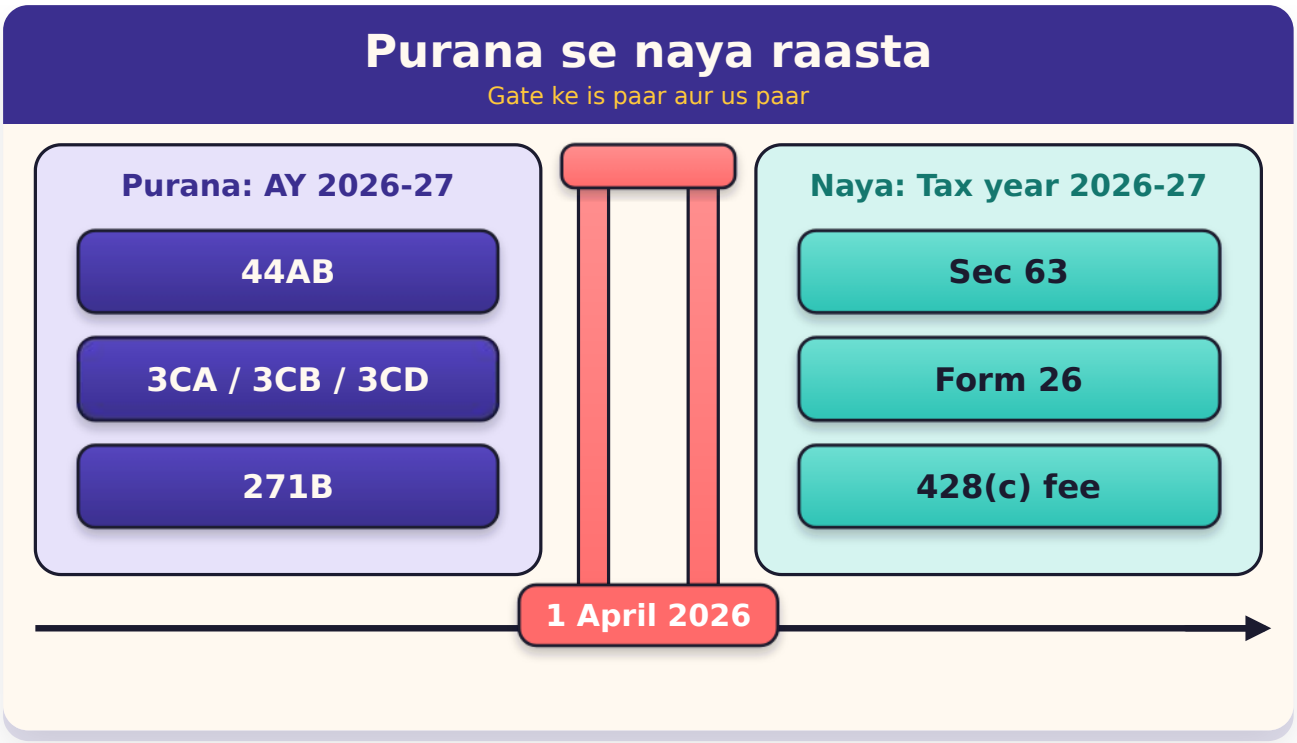

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11. GST audit in action: Section 65 aur 66, step by step

Chat W: Departmental audit ka poora scene

Prabhat
Maan lo chacha ki dukaan par GST audit ka notice aaya. Kya hoga?

Iksha
Scene by scene sun. Scene 1: Commissioner ya uska authorised officer, general ya specific order se, audit decide karta hai. Koi bhi registered person aa sakta hai, koi turnover limit nahi.

Prabhat
Notice?

Iksha
Scene 2: kam se kam 15 working days pehle notice. Ye hard floor hai, "not less than fifteen working days" likha hai Section 65(3) mein.

Prabhat
Audit kahan?

Iksha
Scene 3: chacha ki dukaan par ya officer ke office mein, Section 65(2). Dono allowed.

Prabhat
Kitna time lagega?

Iksha
Scene 4: audit commencement ke 3 mahine ke andar complete. Commissioner satisfy ho ki nahi ho payega, to written reasons ke saath maximum 6 mahine aur mil sakte hain. Matlab worst case 9 mahine.

Prabhat
Commencement kab maana jayega?

Iksha
Jis din records aur documents available hue, ya jis din dukaan par audit actually shuru hua, jo baad mein ho.

Prabhat

Audit ke dauran chacha ko kya karna padega?

Iksha
Facility dena, books verify karane dena, information dena, timely completion mein assist karna. Section 65(5) yahi kehta hai.

Prabhat
Aur end mein?

Iksha
Scene 5: conclusion ke 30 din ke andar proper officer findings, rights, obligations aur reasons batayega. Agar tax short, ya refund galat, ya ITC galat liya ho, to Section 73, 74 ya 74A ke under action.

[src]

Worked example 2: Section 65 timeline

Situation: 1 March 2027 (Monday maan lo) ko notice mila. 15 working days baad audit shuru. Records 5 April 2027 ko diye gaye, par officer 12 April 2027 ko dukaan aaya.

- Notice valid: haan, 15 working days ka gap diya.
- Commencement: 12 April 2027 (dono mein se baad wali date).
- Normal deadline: 12 July 2027 (3 mahine).
- Commissioner ka extension (reasons likh kar): maximum 12 October 2027 tak.
- Findings: audit conclude hone ke 30 din ke andar.

Prabhat
Agar department 9 mahine se aage kheenche?

Iksha
Extension ka cap 6 mahine hai, to 3 + 6 = 9 mahine ceiling hai. Uske aage ka audit Section 65(4) ke against hoga.

Chat X: Special audit, Section 66

Prabhat
Special audit kab hota hai?

Iksha
Jab scrutiny, inquiry, investigation ya kisi proceeding ke dauran officer ko lage ki value sahi declare nahi hui ya credit normal limits mein nahi hai.

Prabhat
Kaun order karta hai?

Iksha
Assistant Commissioner se kam rank ka officer nahi, aur Commissioner ki prior approval chahiye. Audit karega CA ya Cost Accountant, jisko Commissioner nominate karta hai.

Prabhat
Kitne din mein report?

Iksha
90 din ke andar, Assistant Commissioner ko signed aur certified report. Ek baar 90 din ka aur extension mil sakta hai, application par ya material aur sufficient reason se.

Prabhat
Kharcha kaun dega?

Iksha
Special audit ka kharcha, CA/CMA ki fees samet, Commissioner determine karke pay karega, aur wo determination final hai.

Prabhat
Aur taxpayer ka right?

Iksha
Section 66(4): jo material special audit se mila, agar usko proceedings mein use karna hai to registered person ko opportunity of being heard milegi. Natural justice.

Prabhat
Agar accounts pehle se audited hain?

Iksha

Section 66(3): farak nahi padta. Special audit phir bhi ho sakta hai.

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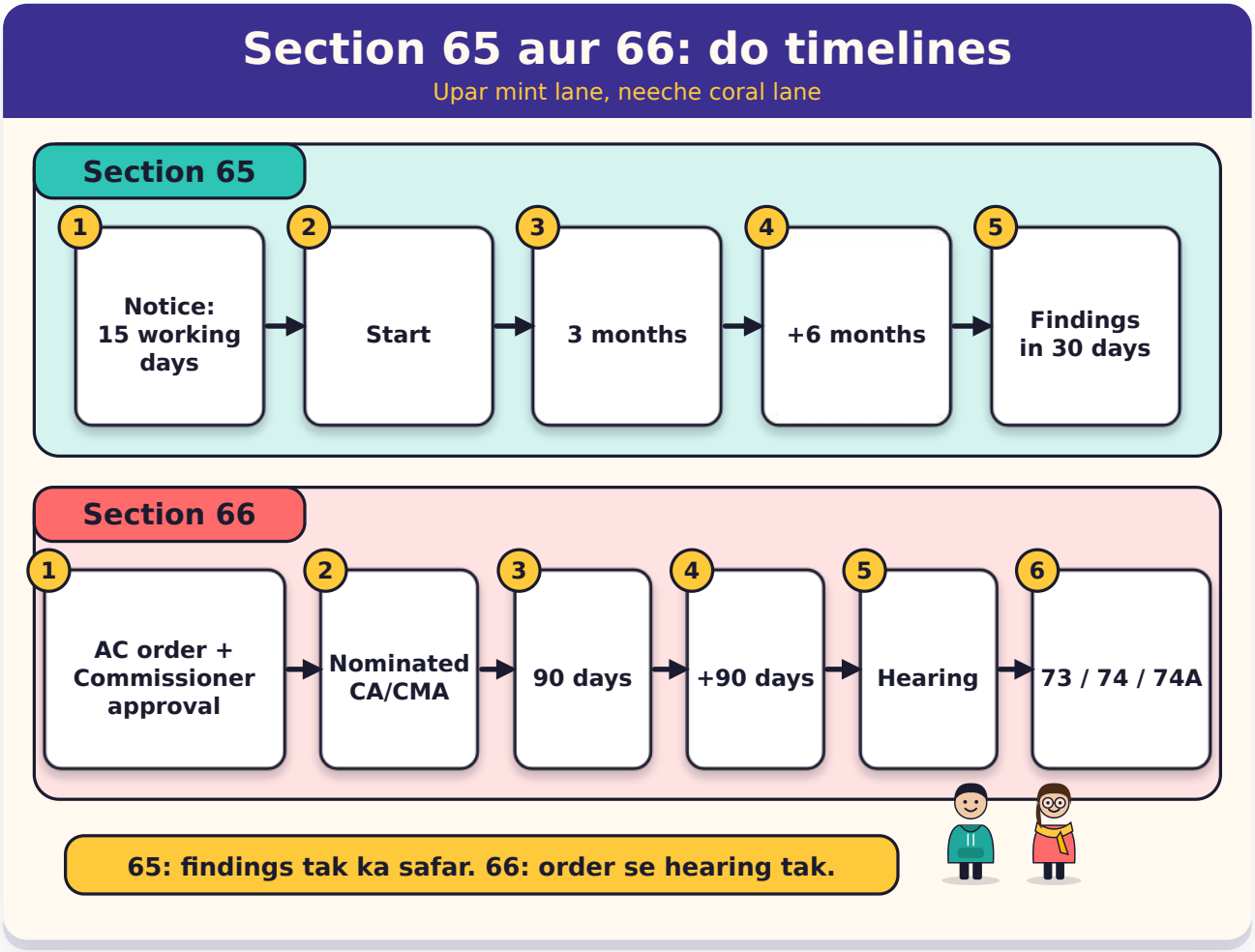

Exam trap

Section 65 ka extension "up to six months" hai, 6 mahine standard nahi. Aur Section 66 ka report 90 + 90 din hai, 3 mahine nahi. Dono ke numbers paper mein interchange karke diye jaate hain.

---

12. Annual return ka naya time bar aur late fee

Chat Y: Section 44 ka teen saal wala rule

Prabhat
GSTR-9 kitne saal purana file kar sakte hain?

Iksha
Finance Act 2023 ne Section 44 mein sub-section (2) joda, 1 October 2023 se effective, Notification 28/2023-CT (31 July 2023) se. Rule: annual return due date se teen saal ke baad file nahi hogi.

Prabhat
Matlab?

Iksha
FY 2023-24 ki GSTR-9 ki due date 31 December 2024 thi. Teen saal baad, 31 December 2027 ke baad, portal par file hi nahi hogi.

Prabhat
Koi exception?

Iksha
Government, Council ki recommendation par, notification se kisi person ya class ko allow kar sakti hai, conditions ke saath.

Prabhat
Aur government departments?

Iksha
Section 44 ka second proviso: jin Central/State government departments ya local authorities ki books CAG ya local authority auditor audit karta hai, un par Section 44 laagu nahi. Yaad aaya, chapter 14 ka link: CAG jahan audit karta hai, wahan GST annual return ka jhanjhat nahi.

[src]

Chat Z: Late fee (Section 47)

Prabhat
GSTR-9 late ho to?

Iksha
Section 47(2): due date ke baad har din Rs 100 late fee, maximum us State/UT ke turnover ka 0.25 percent.

Prabhat
Aur GSTR-1 ya GSTR-3B?

Iksha
Section 47(1): Rs 100 per day, maximum Rs 5,000. Ye CGST ka hissa hai; practical mein State law ke under utna hi aur lagta hai, par Act text ka exam answer Rs 100/day aur Rs 5,000 cap hai.

Prabhat
Chhote taxpayers ke liye koi relief?

Iksha
Notifications se reduced late fees aati rahi hain, par wo har saal badalti hain. Exam ke liye Act wala figure yaad rakho.

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13. GSTR-9C reconciliation: worked examples

Worked example 3: Books vs GST returns ka match

Situation (teaching numbers, koi real company nahi): Sharma Electronics (ek hi State, ek hi GSTIN) ka FY 2025-26:

- Audited financial statements mein total revenue: Rs 6.20 crore
- Isme shamil: non-GST income (interest on FD): Rs 10 lakh
- Isme shamil: exempt supplies: Rs 20 lakh
- GSTR-1 mein declared taxable supplies: Rs 5.75 crore
- March 2026 ki ek supply Rs 15 lakh jo books mein March mein hai par GSTR-1 mein April 2026 mein gayi (timing difference)

Reconciliation (GSTR-9C style):

```
Audited revenue 6.20 cr Less: non-GST income (interest) (0.10 cr) Less: exempt supplies* (0.20 cr) Books ka GST-relevant turnover 5.90 cr Less: March supply April mein file hui (0.15 cr) Returns mein expected 5.75 cr GSTR-1 mein declared 5.75 cr Difference 0
```

*Exempt supplies GST returns mein bhi declare hoti hain alag column mein; yahan simplified example hai ki kyun books ka number aur "taxable" number alag hota hai.

Iksha
Dekho Prabhat, reconciliation ka matlab "mela nahi" nahi, "kyun nahi mila, uska hisaab". Har difference ko ek dabbe mein daal do: timing, non-GST, exempt, ya error. Pehle teen legitimate hain; chautha (error) hi audit ka asli maal hai.

Prabhat
Aur agar difference unexplained rahe?

Iksha
To GSTR-9C mein additional tax liability aa sakti hai, aur department ko scrutiny ka point milta hai. 9C self-certified hai, isliye jhooth pakda gaya to seedha taxpayer zimmedar, CA nahi.

Worked example 4: ITC reconciliation

Situation (teaching numbers): Mehta Traders, FY 2025-26:

- Books mein ITC (input tax credit) booked: Rs 42 lakh
- GSTR-3B mein ITC claimed: Rs 40 lakh
- GSTR-2B (auto-drafted, suppliers ki filing se bana) mein available ITC: Rs 38 lakh

Iksha ka analysis:

- Books (42) vs 3B (40): Rs 2 lakh books mein booked par claim nahi kiya. Ho sakta hai blocked credit ho ya abhi claim karna baaki. Reason likho.

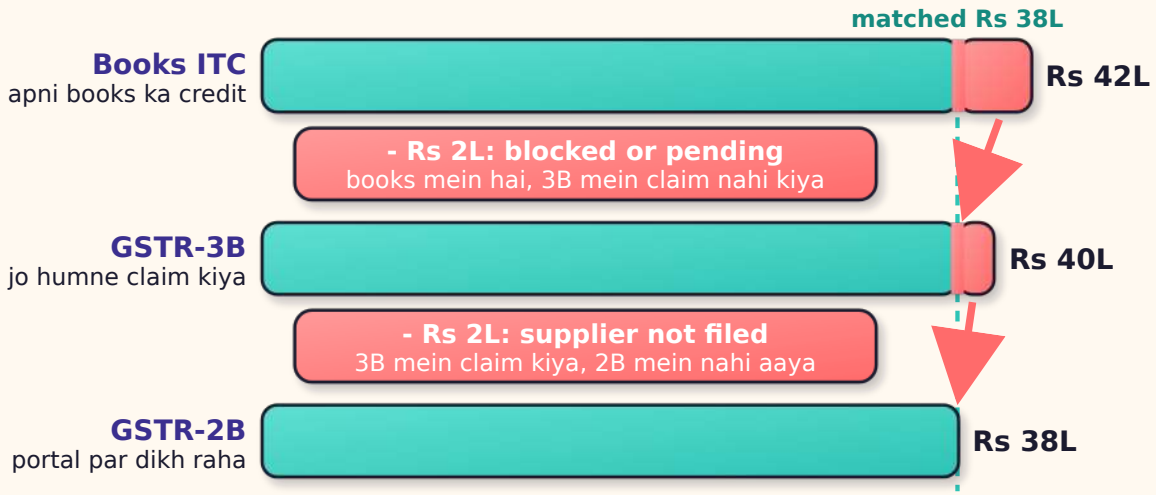
- 3B (40) vs 2B (38): Rs 2 lakh aisa claim jo suppliers ne apni GSTR-1 mein nahi dikhaya. Ye dangerous zone hai: ya to supplier ne file nahi ki (follow up karo), ya invoice fake/duplicate hai.
- Audit question: "ITC books, 3B aur 2B teeno mein match karta hai?" Yehi GST reconciliation ka dil hai.

Prabhat
Ye 2B kya hota hai?

Iksha
Auto-generated statement jo batata hai tum kitna ITC le sakte ho, suppliers ki filings ke aadhar par. Supplier file nahi karega, to tumhara credit atakta hai. Isliye GST mein apna audit sirf apni books ka nahi, suppliers ki compliance ka bhi hai.

ITC ka hisaab: 3 numbers, 2 gaps

Books, GSTR-3B aur GSTR-2B - teeno ko match karo



Mint = matched ITC (use kar sakte ho). Coral = gap: dhoondo aur theek karo.

Exam trap
GSTR-9C "reconciliation statement" hai, audit report nahi. 2021 ke baad ye self-certified hai. Option mein "GSTR-9C is certified by a CA" aaj galat hai (purane saal ke question mein sahi tha).

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14. Mini case study 1: 2021 ka badlav, jab CA ki GST audit khatam hui

Kya hua: GST ke shuru se (1 July 2017) Section 35(5) kehta tha: prescribed limit se upar turnover wala registered person apne accounts CA ya Cost Accountant se audit karwayega. Rule 80(3) ke purane version mein limit Rs 2 crore thi: audited annual accounts aur certified reconciliation statement (GSTR-9C) dena padta tha. FY 2018-19 aur 2019-20 ke liye ek proviso ne limit Rs 5 crore kar di thi. Phir Finance Act 2021 (Section 110) ne Section 35(5) ko hi hata diya, 1 August 2021 se, Notification 29/2021-CT (30 July 2021) se. Saath hi Rule 80(3) substitute hua (Notification 30/2021-CT, 30 July 2021): ab Rs 5 crore se upar turnover par "self-certified" reconciliation statement GSTR-9C mein dena hai, CA certification ka requirement khatam.

Audit failure ya design change? Ye failure nahi, deliberate design change tha. Sarkar ne compliance burden kam kiya aur zimmedari taxpayer par daal di. Auditor ki community ke liye ek poora practice area (certified GSTR-9C) ek raat mein gaya, aur uski jagah self-certification plus departmental audit (Section 65) aa gayi.

Lesson:

1. Audit mandate kanoon par chalta hai, tradition par nahi. Kanoon badla, audit ka roop badla.
2. Self-certification ka matlab accountability ka shift: ab jhoothi reconciliation ka bojh seedha taxpayer par.
3. Department ka reliance ab data matching (2B vs 3B, e-invoicing) aur Section 65 audits par zyada hai.

Exam angle: "CA se mandatory GST audit kab khatam hua?" 1 August 2021. "GSTR-9C ab kaun certify karta hai?" Khud taxpayer (self-certified). Purane notes mein Rs 2 crore + CA wala jawab ab galat hai.

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15. Mini case study 2: Form 26 ka janm (process redesign as a case)

Kya hua: Income-tax Act, 2025 ke aane ke saath purane Forms 3CA, 3CB aur 3CD ki jagah ek single Form 26 aaya, Section 63 read with Rule 47 of IT Rules 2026 ke under. Ye tax years commencing on or after 1 April 2026 se laagu hai; AY 2026-27 tak 3CA/3CB/3CD hi chalenge.

Kya badla (official FAQ se):

- Ek form, chaar parts (A, B, C, D); Part C purane 3CA ki jagah, Part D purane 3CB ki.
- Trigger-based schedules: "Yes" wale clause ka hi schedule.
- Har clause ka mandatory Yes/No.
- Auditor observations ki teen standard categories.
- Statutory audit qualifications ka profit impact ab tax audit mein bhi report hoga.
- Electronic books ke liye server location aur India backup ka disclosure (Rule 46 ke saath).
- TDS/TCS mein reported vs not reported transactions ki count aur amount.

Audit design ka lesson: Purane 3CD ka dukh tha: lambi narrative list, subjective jawab, aur ITR se mismatch. Form 26 ka jawab: structured Yes/No, schedules on trigger, aur ITR ke saath alignment (FAQ 37 kehta hai data ITR mein populate ho sake). Goal: mismatch kam, section 270(1) adjustments kam, appeals kam.

Exam angle: Mapping ratto: 44AB -> 63; Rule 6G -> Rule 47; 3CA/3CB/3CD -> Form 26 (Parts A-D). Applicability: tax years on or after 1 April 2026.

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16. "Tum hote to kya karte?" (scenarios)

Scenario 1: Tum ek CA ho. Client ka business turnover Rs 9.8 crore hai, cash receipts 4 percent, cash payments 6 percent. Tax audit chahiye?

Iksha ka jawab: Dono conditions 5 percent ke andar honi chahiye. Payments 6 percent hain, condition fail. To Rs 10 crore limit nahi milegi; normal Rs 1 crore

lagega. Audit zaroori. Ek percentage point ka khel hai, isliye cash test dono taraf naapo.

Scenario 2: Client ke teen States mein GSTIN hain, har jagah Rs 1.8 crore turnover. Kya kahoge GSTR-9C ke baare mein?

Iksha ka jawab: Aggregate turnover PAN-wise, all-India: 1.8 x 3 = Rs 5.4 crore. Rs 5 crore cross, to har GSTIN ko GSTR-9 ke saath self-certified GSTR-9C dena padega. "Meri dukaan to chhoti hai" wala bahana nahi chalega.

Scenario 3: Department ka notice aaya: 5 working days mein audit ke liye books lao. Tum taxpayer ke advisor ho.

Iksha ka jawab: Section 65(3) kehta hai notice not less than fifteen working days. 5 din ka notice section ke against hai. Written mein point out karo ki statutory notice period poora nahi hua; records ready rakho par procedural objection record par rakho. Baad mein ye objection kaam aa sakta hai.

Scenario 4: Client ne March 2027 ki ek badi sale ki invoice banayi, par GSTR-1 mein April mein dikhayi, taaki tax ek mahina baad jama ho. Tum 9C bhar rahe ho.

Iksha ka jawab: Timing difference GSTR-9C mein explain hoga, par tax point of supply ke hisaab se March mein hi due tha. Late deposit par interest lagega. 9C mein sahi disclosure karo; chhupaya to self-certification jhoothi hui aur 73/74/74A ka raasta khula.

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17. Core idea in 3 levels (extension)

Box 1: 6 saal ka bachha

Socho tumhe homework diary check karwani hai. Class teacher (tax department) kehti hai: "Jin bacchon ke 100 se zyada sums hain, unki diary ek bade bhaiya (CA) se check karwao." Ye tax audit hai. Phir teacher khud bhi kabhi kabhi diary uthati hai: "15 din pehle bata dungi, 3 mahine mein check kar lungi." Ye GST departmental audit hai. Aur agar teacher ko koi diary bahut uljhi lage, to wo ek special bhaiya bulati hai: "90 din mein check karke batao." Ye special audit hai.

Box 2: Normal explanation

Teen checks, teen alag triggers:

1. **Tax audit (44AB / Sec 63):** trigger = size (turnover/receipts). Khud karwana hai, CA se. Output: Form 3CA/3CB/3CD (AY 2026-27 tak) ya Form 26 (TY 2026-27 se).
2. **GSTR-9C:** trigger = aggregate turnover Rs 5 crore+. Khud certify karna hai. Output: reconciliation of books vs returns.
3. **GST audits (65/66):** trigger = department ka choice ya suspicion. Output: findings, phir 73/74/74A action.

Yaad rakhne ka hook: **Size par self-audit, suspicion par state-audit.**

Box 3: PhD box

- **Attestation continuum:** 3CA statutory audit par rely karta hai (attestation of particulars), 3CB khud full audit hai, aur Form 26 Part C/D dono ko merge karta hai with clause-wise standardisation. Design trend: narrative se structured data ki taraf, taaki machine-readable risk assessment ho.
- **Why the 5 percent cash test matters:** 44AB ka Rs 10 crore wala proviso digital economy ko reward karta hai. Audit cost ko compliance incentive ki tarah use karna regulatory design ka interesting case hai: limit badha kar digital payments ko subsidy milti hai.
- **Constitutional overlap:** Section 44 CGST ka proviso CAG-audited government bodies ko GST annual return se bahar rakhta hai. Matlab public audit (CAG) aur tax audit ke domains deliberately alag rakhe gaye hain. Ek hi books par do alag audit regimes na chalen, ye dhyan rakha gaya hai.
- **Procedural fairness knobs:** 15 working days notice (65), opportunity of being heard (66(4)), 3-month plus 6-month cap (65(4)), findings in 30 days (65(6)). Ye sab time limits tax administration ko arbitrary power se rokti hain. Exam ke liye numbers ratt lo, concept ke liye "fairness" yaad rakho.



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18. Presumptive taxation aur tax audit ka connection

Chat AA: 44AD wale ko audit kab lagta hai?

Prabhat
Chacha jaise chhote dukandaar to 44AD presumptive scheme mein hain. Unka audit?

Iksha
Normal rule: 44AD opt kiya aur turnover Rs 2 crore se upar nahi, to 44AB audit nahi chahiye. Income Tax Department ke threshold page par ye note likha hai.

Prabhat
Kab lag jayega phir?

Iksha
Do situations, Form 26 FAQ 3 se. Pehli: presumptive scheme (sections 58(2) ya 61(2) ke Table Sl. 4 aur 5, matlab purane 44AD/44ADA jaisi schemes) mein ho, par tumne income deemed income se kam declare kar di. Tab audit zaroori.

Prabhat
Doosri?

Iksha
Lock-in rule. Agar taxpayer paanch consecutive saal ke lock-in period ke beech mein presumptive scheme se opt out kare, aur uski income basic exemption limit se upar ho, to bhi audit.

Prabhat
Matlab scheme se nikalna bhi free nahi hai?

Iksha
Nahi. Sarkar chahti hai log scheme mein ghuse-na nikle bina wajah. Audit ek taraf ka gate hai.

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Worked example 5: opt-out ka khel

Situation: Ramesh, freelancer (44ADA jaisi presumptive scheme mein), ne FY 2024-25 mein deemed income 50 percent maan kar return bhari. FY 2026-27 mein

usne kaha: "Is saal actual books se bharunga, meri asli income deemed se kam hai." Uski income Rs 12 lakh hai (basic exemption se upar).

Iksha ka analysis: Ye lock-in ke andar opt-out hai. Income basic exemption se upar hai. Isliye Section 63 ke under tax audit zaroori hoga, Form 26 ke saath. Ramesh ko laga books banana aasaan rasta hai, par gate par audit khada hai.

Exam trap

Presumptive scheme = audit kabhi nahi, ye galat hai. Kam income declare karo ya lock-in mein opt out karo, audit aa jayega. Sahi line: "presumptive opt kiya aur deemed se kam nahi kaha, to audit nahi."

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19. Records ka kanoon (Section 35) aur voluntary health check

Chat AB: GST mein kya records rakhne hain?

Prabhat
GST audit aaye to kya kya dikhana padega?

Iksha
Section 35(1) ki list: (a) production ya manufacture of goods, (b) inward aur outward supply of goods ya services, (c) stock of goods, (d) input tax credit availed, (e) output tax payable aur paid, (f) prescribed particulars. Sab principal place of business par; multiple places hain to har place ka apna hissa wahin. Electronic form allowed hai.

Prabhat
Transporter ya godown wala registered nahi hai to?

Iksha
Section 35(2): warehouse ya godown ke owner/operator aur transporter, registered ho ya na ho, consigner, consignee aur goods ke details maintain karenge.

Prabhat
Fail ho gaya to?

Iksha
Section 35(6): jo goods ya services account nahi hue, proper officer un par tax determine karega jaise wo supply ho gayi ho, aur 73/74/74A mutatis mutandis lagega. Matlab records na rakhna khud ek taxable disaster ban jata hai.

[src]

Chat AC: Voluntary GST health check

Prabhat
Toh teesra type, voluntary audit?

Iksha
Haan. Kanoon nahi maangta, par samajhdaar company khud CA se GST health check karwati hai: 2B vs books match, exemption claims, e-invoice coverage, refund claims. Kyun? Kyunki Section 65 audit kabhi bhi aa sakta hai, aur tab readiness hi bachav hai.

Prabhat
Ye audit report kisi ko deni hoti hai?

Iksha
Nahi, internal hoti hai. Isliye isme imaandaari zyada hoti hai: koi dikhava nahi, sirf sudhar.

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20. Master comparison aur confusion pairs

Teen audits, ek table

Sawaal	Tax audit (44AB/63)	GSTR-9C	GST audit (65/66)
Trigger	Size (turnover/receipts)	Size (Rs 5 crore+)	Department choice/suspicion
Kaun karta hai	Accountant (CA), taxpayer engage karta hai	Khud taxpayer (self-certified)	GST officers (65) ya nominated CA/CMA (66)
Output	Form 3CA/3CB/3CD ya Form 26	Reconciliation statement	Findings + 73/74/74A action
Due date	Return due date minus 1 month	31 December following FY	Notice ke baad, 3+6 mahine
Late/default	271B penalty / 428(c) fee	Section 47(2) late fee	Tax + interest + penalty proceedings

Sources: upar ke sections 9, 10, 11, 12 ke tags dekho.

Confusion pairs jo paper mein aate hain

1. **Section 65 vs 66:** 65 = department khud karta hai (15 working days notice). 66 = nominated CA/CMA (90+90 din, Commissioner approval). Dono ke numbers ulat kar options bante hain.

2. **GSTR-9 vs 9A vs 9B vs 9C:** Rule 80(1): normal registered person GSTR-9; composition taxpayer (Section 10) GSTR-9A (proviso to 80(1)); e-commerce operator jo Section 52 TCS collect karta hai, GSTR-9B (Rule 80(2)); aur Rs 5 crore+ wala GSTR-9C (Rule 80(3)).
3. **3CA vs Part C:** Part C of Form 26 purane 3CA ki jagah, Part D purane 3CB ki. Dono mein Part B common hai.
4. **Penalty vs fee:** 271B (1961 Act) penalty thi, turnover-linked; 428(c) (2025 Act) fixed fee hai. Saal dekh kar jawab do.
5. **Rs 2 crore (purana GST CA audit) vs Rs 2 crore (GSTR-9 exemption) vs Rs 2 crore (44AD ceiling):** teen alag Rs 2 crore, teen alag contexts. Question ka context pakdo.

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21. Form 26 Part B ke andar: schedules ki duniya

Chat AD: Trigger-based schedules kaise kaam karte hain?

Prabhat
Part B mein schedules ka system samjhao.

Iksha
FAQ 15 kehta hai: schedules detailed annexures hain jo Part B ke disclosures ko support karte hain. Trigger-based approach hai: jab kisi clause ka jawab "Yes" ho, tabhi uska schedule khulega. Common schedules: General Information, Accounting Information, Computation of Receipt/Income, Computation of Expenses, Prior Period, Losses/Depreciation/Deductions, International Taxation, TDS/TCS, GST, Quantitative Details, aur Other Key Parameters.

Prabhat
Fayda kya hai?

Iksha
FAQ 34: schedule-based reporting compliance burden nahi badhati, kyunki ye trigger-based aur proportionate hai. Jis clause mein kuch hai hi nahi, uska schedule blank nahi bharna.

Prabhat
Aur schedules ka legal status?

Iksha
FAQ 16: Part B ke saare schedules audit report ka integral part hain, aur auditor ko unhe duly verify karna hota hai. Matlab schedule "extra" nahi, report ka hissa hai.

[src]

Chat AE: Do aur clause, jo badle

Prabhat
Clause 43 kya hai?

Iksha
Form 15CA (ab Form 145) wale foreign remittances ka clause. FAQ 27: ab ye sirf un remittances tak limited hai jo tax year mein Form 145 ke Part-D mein actually report hui. Pehle se scope narrow hai, duplication kam.

Prabhat
Clause 53?

Iksha
Quantitative details. FAQ 28: ab sirf tab chahiye jab assessee ke paas trading unit ya manufacturing concern ho, aur dedicated schedule mein raw materials, finished goods, by-products aur scrap alag alag. Purane system ka famous headache tha ye.

Prabhat
GST reporting mein kya badla?

Iksha
FAQ 20: indirect taxes (GST, excise, customs) ke prescribed particulars dene hain jin par liability hai, lekin total expenditure ko GST entries se reconcile karne wala requirement hata diya gaya. Scope rationalise hua.

[src]

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22. Mini case study 3: Vivad se Vishwas scheme par CAG ki nazar

Kya hua: Government ne 2020 mein Direct Tax Vivad se Vishwas Scheme laayi, taaki tax disputes settle hon aur litigation ghate. 2026 mein CAG ne isi scheme par ek Subject Specific Compliance Audit ki: Report No. 8 of 2026, Union Government, Department of Revenue (Direct Taxes), 12 August 2026 ko tabled (cag.gov.in listing).

Audit angle: SSCA ka matlab samjho: CAG poori department ka audit nahi kar raha, sirf ek scheme utha kar dekh raha hai ki uske rules follow hue ya nahi. Scheme-based audits ka fayda: scope tight, finding sharp. Isi report ke saath ek aur report aayi, Report No. 32 of 2026, "Taxation of Unexplained Transactions" par: dono Direct Taxes ke revenue-side audits hain.

Lesson:

1. Tax audit sirf taxpayer par nahi hota; department ke kaam ka audit bhi hota hai, aur wo CAG karta hai.
2. Dispute-resolution schemes ka asli test audit hota hai: kya eligibility rules maane gaye, kya sahi amounts settle hue.
3. Chapter 14 aur 15 yahan milte hain: CAG (govt audit) income tax department ki working ka compliance audit karta hai, jabki CA taxpayer ki books ka tax audit karta hai. Do alag directions.

Exam angle: "CAG audits tax administration" wala angle. Agar question aaye "Vivad se Vishwas scheme ko kisne audit kiya", direction samjho: scheme ki administration ka audit CAG ka Subject Specific Compliance Audit (Report No. 8 of 2026) tha.

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23. 40 MCQs (UPSSSC style)

Q1. Section 44AB Income Tax Act mein kaun se Finance Act se aaya? (a) 1980 (b) 1984 (c) 1991 (d) 2000 **Ans: (b) Finance Act 1984,** AY 1985-86 se.

Q2. 44AB shuru hone par (FY 1985-86) business limit kya thi? (a) Rs 10 lakh (b) Rs 40 lakh (c) Rs 1 crore (d) Rs 60 lakh **Ans: (b) Rs 40 lakh.** Profession Rs 10 lakh.

Q3. FY 2011-12 mein tax audit limits kya thin? (a) 40 lakh / 10 lakh (b) 60 lakh / 15 lakh (c) 1 crore / 25 lakh (d) 1 crore / 50 lakh **Ans: (b) Rs 60 lakh business, Rs 15 lakh profession.**

Q4. FY 2013-14 se business limit: (a) Rs 60 lakh (b) Rs 75 lakh (c) Rs 1 crore (d) Rs 2 crore **Ans: (c) Rs 1 crore.** Profession Rs 25 lakh.

Q5. Profession limit Rs 50 lakh kab se? (a) FY 2013-14 (b) FY 2017-18 (c) FY 2021-22 (d) FY 2022-23 **Ans: (b) FY 2017-18.**

Q6. Cash 5 percent condition ke saath FY 2021-22 ki business limit: (a) Rs 1 crore (b) Rs 2 crore (c) Rs 5 crore (d) Rs 10 crore **Ans: (c) Rs 5 crore.** Rs 10 crore FY 2022-23 se.

Q7. 44AD presumptive opt karne par 44AB kab nahi lagta? (a) Hamesha lagta hai (b) Jab turnover Rs 2 crore se upar na ho (c) Kabhi nahi lagta (d) Sirf companies ko **Ans: (b).** Threshold page ka note: 44AD opted aur turnover Rs 2 crore tak, to 44AB nahi.

Q8. Cash test mein kya check hota hai? (a) Sirf cash receipts (b) Sirf cash payments (c) Dono, alag alag 5 percent (d) Dono ka average **Ans: (c).** Dono conditions alag se 5 percent ke andar honi chahiye.

Q9. Form 3CA kab bhara jaata hai? (a) Jab accounts kisi aur law ke under audited hon (b) Jab koi audit na ho (c) Sirf GST ke liye (d) Sirf companies ke liye **Ans: (a).** Aur 3CB jab kisi aur law ka audit nahi.

Q10. Form 3CD kya hai? (a) Penalty form (b) Particulars ki statement jo 3CA ya 3CB ke saath jaati hai (c) GST return (d) Refund form **Ans: (b).**

Q11. Form 26 kis section/rule ke under hai? (a) 44AB / Rule 6G (b) Section 63 / Rule 47 (c) Section 65 / Rule 80 (d) Section 139 / Rule 12 **Ans: (b).** Income-tax Act 2025, Income-tax Rules 2026.

Q12. Form 26 kab se laagu? (a) 1 April 2025 (b) Tax years commencing on or after 1 April 2026 (c) 1 January 2027 (d) 1 July 2017 **Ans: (b).**

Q13. Form 26 ke kitne parts hain? (a) 2 (b) 3 (c) 4 (d) 6 **Ans: (c) 4:** Part A, B, C, D.

Q14. Form 26 ka Part C kis situation ke liye hai? (a) Accounts kisi aur law ke under audited (b) Koi audit nahi (c) Sirf profession (d) Sirf loss cases **Ans: (a).** Purane 3CA wali situation.

Q15. Form 26 sign kaun karta hai? (a) Assessee ka CA employee (b) Accountant as defined in Section 515(3)(b) (c) Income tax officer (d) Bank manager **Ans: (b).** UDIN mandatory; firm case mein FRN bhi.

Q16. Form 26 filing ka aakhri step: (a) Accountant ka DSC upload (b) Assessee ka electronic accept (c) Speed post (d) Physical sign **Ans: (b).** Assessee accept kare tab filing complete.

Q17. Form 26 mein schedules kab bharte hain? (a) Hamesha sab (b) Sirf jab clause ka jawab Yes ho (trigger-based) (c) Kabhi nahi (d) Sirf loss mein **Ans: (b).**

Q18. Form 26 mein auditor observations ki categories: (a) 2 (b) 3 (c) 5 (d) 7 **Ans: (b) 3:** test-check with materiality, management representation, unable to verify.

Q19. Form 26 ka Clause 36 purane 3CD ke kaun se clause se milta hai? (a) Clause 6 (b) Clause 18 (c) Clause 34 (d) Clause 44 **Ans: (b) Clause 18,** depreciation aur brought forward losses.

Q20. Tax audit report ki normal due date ka formula: (a) Return date se 2 mahine pehle (b) Return date se 1 mahina pehle (c) 31 December (d) 31 March **Ans: (b).** Return 31 October -> report 30 September.

Q21. AY 2026-27 ke liye CBDT Circular 07/2026 ne ITR due date kya ki? (a) 31 October 2026 (b) 21 November 2026 (c) 31 December 2026 (d) 30 September 2026 **Ans: (b) 21 November 2026;** audit report 21 October 2026.

Q22. Purane Section 271B penalty ka formula: (a) Rs 1,000 per day (b) 0.5 percent of turnover, max Rs 1.5 lakh (c) Rs 5 lakh flat (d) 10 percent of tax **Ans: (b).**

Q23. Naye IT Act 2025 ke Section 428(c) ke under ek mahine tak delay par fee (secondary source): (a) Rs 10,000 (b) Rs 25,000 (c) Rs 75,000 (d) Rs 2,00,000 **Ans: (c) Rs 75,000;** zyada delay par Rs 1,50,000. (TaxGuru par based, Act text se verify baaki.)

Q24. GST mein CA se mandatory audit (Section 35(5)) kab se hata? (a) 1 July 2017 (b) 1 April 2021 (c) 1 August 2021 (d) 1 October 2023 **Ans: (c) 1 August 2021,** Finance Act 2021, Notification 29/2021-CT.

Q25. Purane Rule 80(3) ki GSTR-9C limit kya thi? (a) Rs 1 crore (b) Rs 2 crore (c) Rs 5 crore (d) Rs 10 crore **Ans: (b) Rs 2 crore,** CA/CMA certified. Ab Rs 5 crore, self-certified.

Q26. GSTR-9C ab: (a) CA certified (b) Self-certified (c) Department certified (d) Band ho gaya **Ans: (b) Self-certified,** aggregate turnover Rs 5 crore se upar par.

Q27. GSTR-9 ki normal due date: (a) 30 June (b) 30 September (c) 31 December following the FY (d) 31 March **Ans: (c).** Rule 80(1).

Q28. Departmental GST audit ka section: (a) 35 (b) 44 (c) 65 (d) 66 **Ans: (c) Section 65.**

Q29. Section 65 audit ka minimum notice: (a) 7 days (b) 15 working days (c) 30 days (d) 3 months **Ans: (b) 15 working days.**

Q30. Section 65 audit complete hona chahiye: (a) 3 mahine mein, Commissioner ke recorded reasons se 6 mahine aur (b) 1 saal flat (c) 15 din (d) No limit **Ans: (a).** Commencement = records available ya actual start, jo baad mein.

Q31. Section 65 audit ke findings kitne din mein batane hain? (a) 7 din (b) 15 din (c) 30 din (d) 90 din **Ans: (c) 30 din,** rights, obligations aur reasons ke saath.

Q32. Special audit (Section 66) ka order kaun de sakta hai? (a) Koi bhi inspector (b) Assistant Commissioner ya usse upar, Commissioner ki prior approval se (c) Sirf CAG (d) Sirf GST Council **Ans: (b).** Auditor CA/CMA, Commissioner nominate karta hai.

Q33. Special audit report ka period: (a) 30 din (b) 90 din, ek baar 90 din aur extend ho sakta hai (c) 6 mahine flat (d) 1 saal **Ans: (b).**

Q34. Special audit ka kharcha kaun deta hai? (a) Taxpayer (b) Commissioner, aur uska determination final (c) CA khud (d) CAG **Ans: (b).** Section 66(5).

Q35. Section 66(4) taxpayer ko kya deta hai? (a) Tax chhut (b) Special audit material par being heard ka opportunity (c) Refund (d) Immunity **Ans: (b).**

Q36. Annual return ab due date se kitne saal baad file nahi ho sakti? (a) 1 saal (b) 2 saal (c) 3 saal (d) Kabhi bhi ho sakti hai **Ans: (c) 3 saal.** Section 44(2), Finance Act 2023, w.e.f. 1 October 2023.

Q37. Section 47(2): GSTR-9 ki late fee: (a) Rs 100 per day, max State/UT turnover ka 0.25 percent (b) Rs 500 per day no cap (c) Rs 50 per day (d) No late fee **Ans: (a).**

Q38. Aggregate turnover kaise gina jaata hai? (a) Sirf ek GSTIN (b) PAN-wise, all India, sab GSTIN mila kar (c) Sirf taxable sales (d) Sirf exports **Ans: (b).**

Q39. Government departments jinki books CAG audit karta hai, un par Section 44: (a) Poora lagta hai (b) Nahi lagta (c) Aadha lagta hai (d) Sirf GSTR-9C **Ans: (b).** Second proviso to Section 44.

Q40. Audit mein tax short pay ya galat ITC mile to action kin sections ke under? (a) 73 / 74 / 74A (b) 139 / 143 (c) 269SS / 269ST (d) 80C / 80D **Ans: (a).** Sections 65(7) aur 66(6) dono yahi kehte hain.

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24. Extension recap (ek nazar mein)

1. 44AB limits ki history: 40L/10L (1985-86), 60L/15L (2011-12), 1cr/25L (2013-14), 1cr/50L (2017-18), 5cr cash-tested (2021-22), 10cr cash-tested (2022-23 onwards). History table secondary source se, current figures official se.
2. Cash test do taraf: receipts aur payments dono 5 percent ke andar.
3. 3CA (dusre law ka audit hai) / 3CB (nahi hai) + 3CD. Sirf ek jodi.
4. Form 26 = Section 63 + Rule 47, TY 2026-27 se. Parts A/B/C/D. UDIN aur assessee e-accept mandatory.
5. Due date formula: return due date minus ek mahina. AY 2026-27 extension: report 21 Oct 2026, ITR 21 Nov 2026 (Circular 07/2026).
6. Late hone par: purana 271B (0.5 percent turnover, cap Rs 1.5 lakh); naya 428(c) fee (Rs 75,000 / Rs 1,50,000, secondary source).
7. GST: CA audit khatam (1 Aug 2021). GSTR-9C ab self-certified, Rs 5 crore+.
8. Section 65: 15 working days notice, 3+6 mahine, findings 30 din, phir 73/74/74A.
9. Section 66: AC+ rank, Commissioner approval, CA/CMA nominated, 90+90 din, kharcha Commissioner ka, hearing ka right.
10. Section 44(2): 3 saal ke baad annual return band. Section 47(2): Rs 100/day, cap 0.25 percent of State turnover.
11. Reconciliation ka mantra: har difference ek dabbe mein, timing / non-GST / exempt / error.
12. ITC ka teen-raja check: books vs 3B vs 2B.

Open items for lead and checkers (ch15 ext)

1. 44AB history table (40L/10L se 10cr tak) rests on one secondary source (TaxGuru article by CA Ajit Shah, 2026-07-16). Current limits verified against incometaxindia.gov.in threshold page and Form 26 FAQs. History ke exact Finance Act years ko official source se match karna ho to assign karein; warna table ko "indicative" note ke saath rakha hai.
2. Section 428(c) fee amounts remain secondary-sourced (TaxGuru), same caveat as Part A.
3. GST section texts (35, 44, 47, 65, 66) aur Rule 80 fetched from CBIC taxinformation repository on 2026-11-27; quotes paraphrased, not copied.

4. Worked examples 1-4 use invented teaching numbers; no real company data. No unsourced company figures added. No Investopedia text used.

Episode 16: Big Frauds: Kahani jo har auditor ko yaad rakhni chahiye

Kahani



16.0 Is chapter me kya milega

Pichle chapters me humne seekha audit kaise hota hai. Ab dekhte hain jab audit **fail** hota hai to kya hota hai. Paanch bade cases: Enron (USA), Satyam (India), Wirecard (Germany), Luckin Coffee (China), Toshiba (Japan). Har case me ek hi sawaal: **fraud kahan chhupa tha, aur auditor ko kya dikhna chahiye tha?**

Note: Neeche sirf wahi company numbers hain jinka source tag laga hai. Jahan source nahi mila, number nahi likha.

16.1 Kahani hook: Sharma Sweets

Prabhat ke mohalle me "Sharma Sweets" thi. Sharma ji har mahine bolte, "Beta, is mahine bikri 10 lakh ki hui." Bank me paise dikhte the 4 lakh ke. Baaki? "Udhaar me hain, aa jayenge."

Teen mahine baad Iksha ne poocha, "Kya aapne kabhi un udhaar walon ko phone kiya?" Sharma ji chup. Kuch customers the hi nahi.

Prabhat ne socha: *itni chhoti dukaan me ye ho sakta hai, to badi company me?* Iksha boli, "Badi company me bas zero zyada lagte hain. Chalo, paanch badi kahaniyan sunte hain."

16.2 Chat: Fraud ke paanch chehre

Prabhat
Iksha, itni badi companies, jinke paas hazaaron employees aur bade auditors the, wahan fraud kaise chala?

Iksha
Kyunki auditor "sample" check karta hai, sab kuch nahi. Aur fraud karne wala jaanta hai ki auditor kya check karega.

Prabhat
To auditor kya kare?

Iksha
Professional skepticism. Matlab: "Maan ke chalo ki jhooth ho sakta hai, jab tak saboot na mil jaye."

Prabhat
Ye SA me likha hai?

Iksha
Haan. SA 200 professional skepticism ki baat karta hai aur SA 240 fraud ke liye auditor ki zimmedari batata hai. Yaad rakho: **fraud rokna management ki zimmedari hai. Auditor reasonable assurance deta hai ki financials me material misstatement nahi hai, chahe galti se ho ya fraud se.**

Prabhat
"Reasonable" matlab 100% nahi?

Iksha
Bilkul. 100% guarantee koi nahi deta. Par red flags ignore karna bhi galat hai.

Prabhat
Red flag matlab?

Iksha
Jaise: cash bank me hai bol rahe hain par confirmation nahi aa raha. Ya profit badh raha hai par operating cash flow nahi. Ya ek hi aadmi sab control karta hai.

Prabhat
Ye sab in paanch cases me tha?

Iksha
Lagbhag har case me. Chalo ek ek karke dekhte hain.

Prabhat
Ek baat dil me chubh rahi hai. In companies me hazaaron log the. Kisi ko nahi dikha?

Iksha
Dikha hoga. Bahut logon ko dikha hoga. Par chup rehna aasan tha, aur bolna mehnga. Fraud sirf numbers me nahi hota, darr me bhi palta hai. Isliye auditor ki sabse badi taakat Excel nahi, himmat hai.

Prabhat
Tum bol paogi, jab sab chup honge?

Iksha
(halka sa muskura kar, aankhon me seedha dekhte hue)
Tumhare saamne to bol hi rahi hoon. Baaki duniya se bhi bol lungi.

16.3 Core idea in 3 levels

6 saal ka bachha box Socho tumne kaha "mere paas 100 goli hain." Teacher ne poocha "dikhao." Tumne bola "ghar pe hain." Teacher ko goli dekhne tak maanna nahi chahiye. Auditor bhi yehi karta hai: **dekho, chhuo, poocho.**

Normal explanation Bade frauds me teen cheezein baar baar milti hain:

1. **Fake ya inflated numbers**: revenue, cash ya profit asli se zyada dikhana (Satyam, Luckin, Toshiba, Wirecard).
2. **Chhupa hua karza**: debt ko off-balance-sheet entities me daalna (Enron).
3. **Kamzor audit evidence**: sirf management ke kaagaz par bharosa, bahar se confirmation nahi (Satyam, Wirecard).

PhD box

- Fraud ke do broad prakaar (SA 240): *fraudulent financial reporting* aur *misappropriation of assets*. Ye chapter pehle prakaar par hai.
- Auditor ko engagement team discussion, fraud risk assessment, revenue recognition me presumed fraud risk aur management override of controls par procedures karni hoti hain (SA 240 ke core requirements).
- Audit risk model: AR = IR x CR x DR. In cases me control risk bahut upar tha kyunki top management hi control override kar sakta tha.

- Literature: Beneish M-score, Cressey ka fraud triangle (Ch 17 me detail). Ye cases un models ke real examples hain.
- Edge case: jab fraud collusive ho (management plus third parties), to external confirmation bhi fail ho sakta hai. Wirecard ke trustee/escrow cash ka case yehi sawaal uthata hai.

16.4 Case 1: Enron (USA, 2001)

Kahani

Enron pehle gas pipeline company thi. Phir energy contracts ka trading karne wali bani. Stock bahut chadha. Phir sab gir gaya.

Chat

Prabhat
Enron ne kya galat kiya?

Iksha
Teen cheezein. Pehli: mark-to-market accounting ka galat istemal. Matlab future ke contract ka estimated profit aaj hi income me dikha dena.

Prabhat
Matlab abhi paise nahi aaye aur profit dikha diya?

Iksha
Haan. Doosri: special purpose entities, SPE. Enron apna karza in alag entities me daal deti thi taaki balance sheet saaf dikhe. Teesri: auditor aur management ka rishta. Auditor Arthur Andersen tha.

Prabhat
Phir kya hua?

Iksha

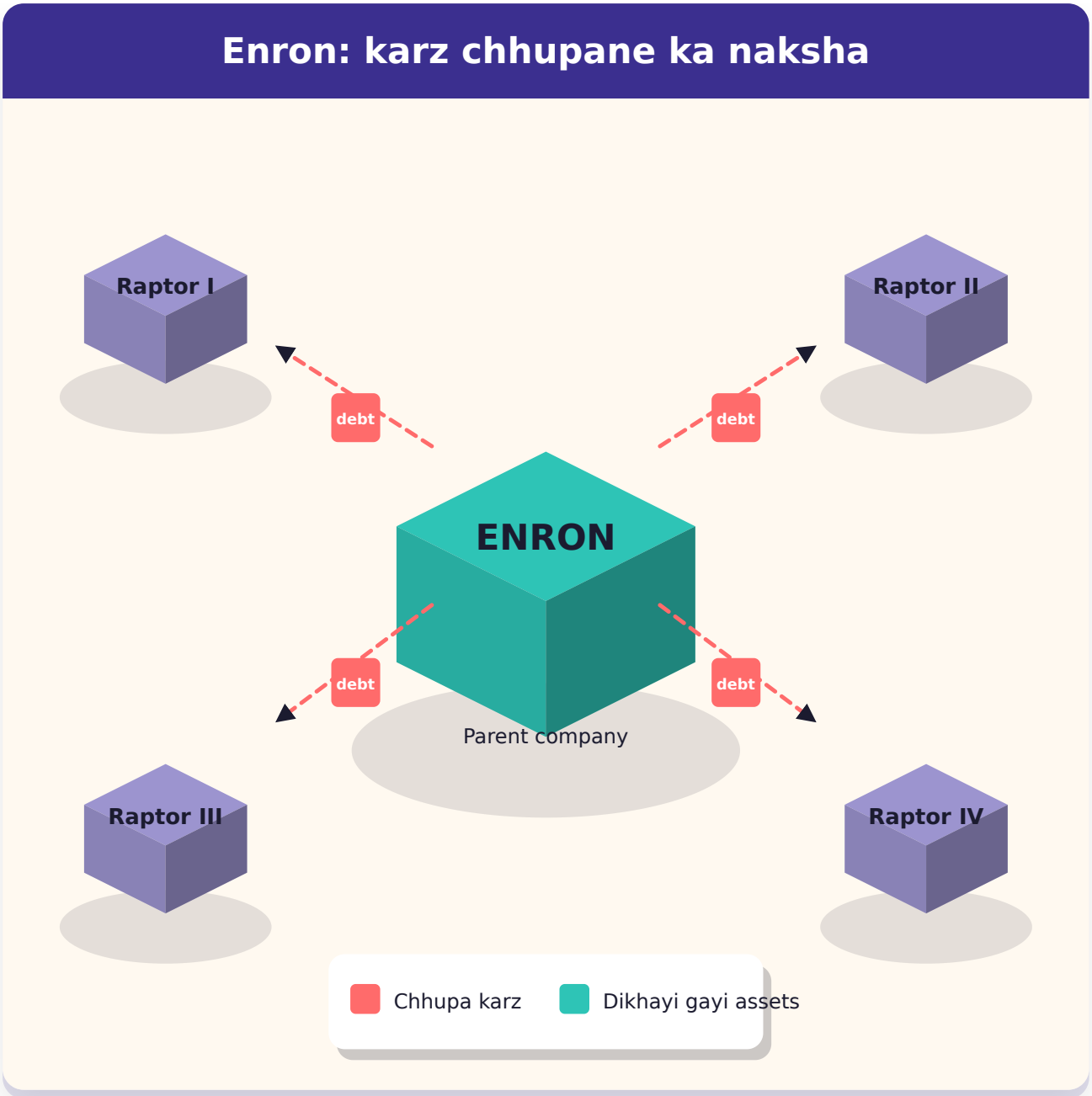
Company bankrupt hui aur Andersen firm bhi khatam ho gayi. Ch 4 me humne independence padha tha, ye uska sabse bada example hai.

Verified facts (apne shabdon me)

- Enron ka 2001 ka bankruptcy us waqt America ka sabse bada corporate bankruptcy tha, assets $63.4 billion ke. [src]
- Stock August 2000 ke US$90.75 ke high se November 2001 ke end tak $1 se neeche aa gaya. [src]
- Shareholders ne $40 billion ka mukadma kiya aur baad me unhe partially $7.2 billion mila. [src]
- 1996 se 2000 ke beech revenue $13.3 billion se badh kar $100 billion se upar report hua (750% se zyada growth). [src]
- Raptor entities me Enron ne $1.2 billion se zyada ke assets transfer kiye. [src] Ek treatment hatane se net shareholders' equity me $1.2 billion ki kami aayi. [src]
- Autumn 2001 me Chewco aur JEDI ka purana accounting treatment band karna pada. Isse 1997 se mid-2001 tak reported earnings $405 million kam hui aur karza $628 million badha. [src]
- Arthur Andersen ko SEC jaanch se jude documents nasht karne ka doshi paya gaya, jisse public companies audit karne ka license gaya. Faisla baad me Supreme Court me palta, par tab tak firm ke zyadatar clients ja chuke the. [src]
- Kenneth Lay convicted hue par sentence se pehle unki mrityu ho gayi; Jeffrey Skilling ko prison ki saza mili. [src]
- Result: Sarbanes-Oxley Act, jisme records nasht ya fabricate karne par saza badhi. [src]

Lessons

1. **Substance over form**: SPE ka ownership aur control dekho, sirf legal form nahi.
2. **Related party transactions**: CFO khud partnerships chala raha tha. Ye conflict of interest hai (SA 550).
3. **Independence**: audit fees ke saath bade consulting fees (Ch 4).
4. **Estimates**: mark-to-market me management ke estimates par pura bharosa nahi.



16.5 Case 2: Satyam (India, 2009)

Kahani

Satyam Computer Services Hyderabad ki badi IT company thi. 7 January 2009 ko chairman ne khud maana ki accounts me jo dikhaya, sab sach nahi tha.

Chat

Prabhat
Iksha, ye to apni India ki baat hai. Kya hua tha?

Iksha
Chairman B. Ramalinga Raju ne resign kiya aur maana ki accounts me hera-pheri thi. Figure Rs 7,000 crore bataya gaya.

Prabhat
Auditor ne bank se cash confirm nahi kiya?

Iksha
Yehi sabse bada sawaal hai. Price Waterhouse auditor tha. Baad me SEBI ne kaha ki firm complicit thi aur auditing standards follow nahi hue. 2018 me do saal ke liye listed companies ka audit karne se bar kiya.

Prabhat
Aur employees?

Iksha
Aarop tha ki payroll me "ghost employees" the. Fake naam, asli paisa nikalna.

Prabhat
Ghost employees kaise pakde jaate hain?

Iksha
Payroll vouching: har employee ka ID, attendance, bank account, PF record, aur physical verification. Ch 7 yaad karo.

Verified facts

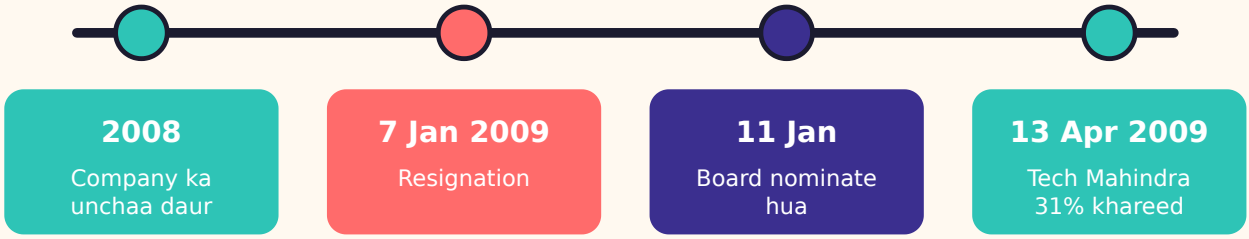
- 7 January 2009 ko chairman Raju ne resign karke maana ki accounts manipulate kiye gaye the; figure Rs 7,000 crore. [src]
- Accounts me aise profit aur bank cash dikhaye gaye jo the hi nahi. [src]
- CID ne court me kaha ki asli employees 40,000 the, 53,000 nahi. Aarop: 13,000 non-existent employees ke naam par har mahine Rs 200 million (Rs 20 crore) nikale gaye. [src]
- 9 January 2009 ko share Rs 6.30 par aa gaya (March 1998 ke baad sabse neecha); 2008 ka high Rs 544 tha. [src]

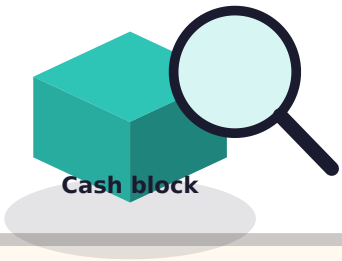
- Sarkar ne Deepak Parekh, Kiran Karnik aur C Achuthan ko board me nominate kiya. [src]
- 13 April 2009 ko public auction se Tech Mahindra ne Satyam ka 31% stake kharida. [src]
- Price Waterhouse India par US SEC ne $6 million ka jurmana lagaya. [src]
- SEBI ne 2018 me Price Waterhouse ko 2 saal ke liye listed companies ke audit se bar kiya. [src]
- 9 April 2015 ko Hyderabad ki special CBI court ne Raju, unke bhai Rama Raju aur 8 anya, yani kul 10 aropiyon ko doshi paaya aur har ek ko 7 saal ki rigorous imprisonment di; Raju aur Rama Raju par Rs 5.5 crore ka jurmana laga. [src] [src]

Lessons

1. **Bank confirmation (SA 505)**: cash ka saboot seedha bank se, auditor ke control me.
2. **Payroll aur headcount**: employee count ko HR, PF, tax records se cross-check.
3. **Cash vs interest**: jab bahut cash dikhe par interest income uske hisaab se na ho, to red flag (analytical procedure, SA 520).
4. **Management override**: ek hi vyakti ke paas bahut control.
5. Satyam ke baad India me corporate governance aur audit regulation sakht hue (jaise Companies Act 2013 me Section 143(12) fraud reporting, Section 447 fraud ki saza, aur NFRA; details ch17 me).

Satyam: 2008 se Tech Mahindra tak





Bank confirmation

Auditor ne bank se seedha confirm karna zaroori

16.6 Case 3: Wirecard (Germany, 2020)

Kahani

Wirecard digital payments company thi, Germany ka fintech star. June 2020 me bataya gaya ki jo EUR 1.9 billion hone chahiye the, wo "missing" hain.

Chat

Prabhat
Cash missing? Ye to Satyam jaisa hi hai.

Iksha
Haan, par ek twist. Wirecard ka bahut sa business "third-party acquirers" ke through tha. Matlab doosri companies unke liye payment process karti thin, aur cash trustee accounts me rehta tha.

Prabhat
Auditor ne kya check kiya?

Iksha
EY auditor tha. Baad me EY ki bhumika par sawaal utthe. Sawaal simple hai: trust account ke cash ka saboot kisse liya, aur wo party kitni independent thi?

Prabhat
To confirmation bhi kaam nahi aayi?

Iksha
Jab confirm karne wala hi collusion me ho, ya auditor sirf documents le aur seedha bank se na le, to fail hota hai. SA 505 kehta hai: confirmation request auditor control kare, aur jawab seedha auditor ko aaye.

Prabhat
Journalists ne pehle pakda?

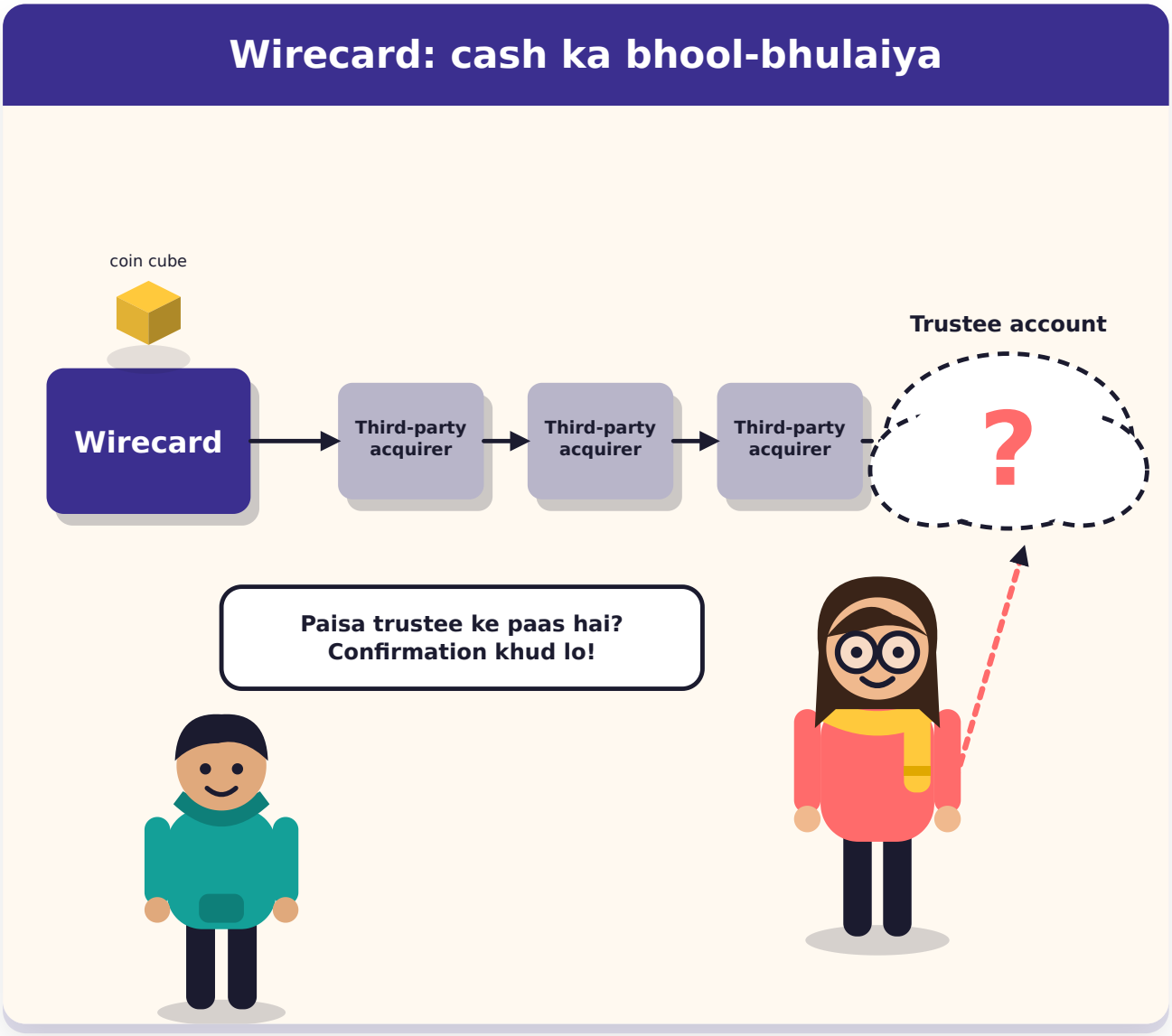
Iksha
Financial Times ne kai saal reports ki. Whistleblowers bhi the. Regulator aur auditor dono par sawaal utthe.

Verified facts

- 25 June 2020 ko Wirecard ne insolvency file ki jab bataya ki EUR 1.9 billion "missing" hain; CEO Markus Braun ki arrest hui. [src]
- German regulator BaFin ki naakami aur auditor Ernst & Young ki possible malpractice par sawaal utthe. [src]
- 2019 ki reports ke mutabik worldwide revenue ka aadha aur lagbhag poora profit teen opaque, kam audit hue third-party processors se aata tha. [src]
- 2015 me ek India payments group EUR 340 million me kharidi gayi; ek jaanch ke mutabik kam se kam EUR 175 million seller ko transfer nahi hue. [src]
- COO Jan Marsalek firing ke baad ghayab ho gaya; wo Europol ki most-wanted list me hai aur Interpol Red Notice bhi hai. [src]

Lessons

1. **Third-party / escrow cash**: confirmation seedha bank se, aur bank ke existence aur license ki alag check.
2. **Acquisitions**: paisa seller tak gaya ya nahi (payment trail, SA 500).
3. **Whistleblower reports** risk assessment me daalo (SA 315).
4. **Complex group**: component auditors aur group audit (SA 600).
5. **Merchants ka existence**: software report nahi, independent verification.



16.7 Case 4: Luckin Coffee (China, 2020)

Kahani

Luckin ne Starbucks se takkar lene ka sapna dekha, bahut tezi se stores khole. April 2020 me company ne khud maana ki sales ke kuch numbers banaye gaye the.

Chat

Prabhat
Sales fake kaise banate hain?

Iksha
Related parties ke through. Wo "customer" ban jaate hain, bills banti hain, paisa ghoom ke wapas aa jaata hai. Revenue badh gaya, asli customer nahi.

Prabhat
Kisne pakda?

Iksha
Muddy Waters naam ke short-seller ki anonymous report me store-level traffic aur video footage ki baat thi. Company ne pehle inkaar kiya. Phir internal investigation me khud maana.

Prabhat
Auditor ko ye dikhna chahiye tha?

Iksha
Revenue ko store-wise, ghante-wise cut karke dekho. Ye data analytics hai, Ch 18 me padhenge.

Verified facts

- 2 April 2020 ko company ne bataya ki COO Jian Liu ne 2019 ki sales around RMB 2.2 billion (US$310 million) fabricate ki thi. [src]
- Short report ne claim kiya ki per-store items sold teesri quarter me kam se kam 69% aur chauthi me 88% inflate the, 11,200 ghante ki video ke aadhar par. [src]
- January 2020 me share placement aur convertible bond se total $821 million jutaye gaye. [src]
- April 2020 me stock 80% se zyada gira. [src]
- September 2020 me China ke regulators ne Luckin aur linked firms par combined $8.98 million ka jurmana lagaya. [src]
- 16 December 2020 ko SEC ne company ke saath $180 million me case settle kiya. [src]

- US class action 30 September 2021 ko $187.5 million me settle hui. [src]

Lessons

1. **Occurrence aur cut-off**: sales sach me hui ya nahi.
2. **Related party identification** (SA 550).
3. **Disaggregated analytics**: store, hour, product level.
4. **Short-seller report** ko risk signal samjho, par verify karo.



16.8 Case 5: Toshiba (Japan, 2015)

Kahani

Toshiba 140 saal purani company. Upar se profit "targets" milte the. Neeche ke log accounts me costs chhupa kar target poora dikhate the. (Is kahani ka scenario illustrative hai; facts neeche sourced hain.)

Chat

Prabhat
Ye fraud kisne kiya? CEO ne?

Iksha
Facts ye hain: investigation ke baad CEO aur 8 aur senior officials ne resign kiya. Pressure ka matlab hamara fraud triangle ka pehla kona. Ch 17 me padhenge.

Prabhat
Auditor ko kya dekhna chahiye?

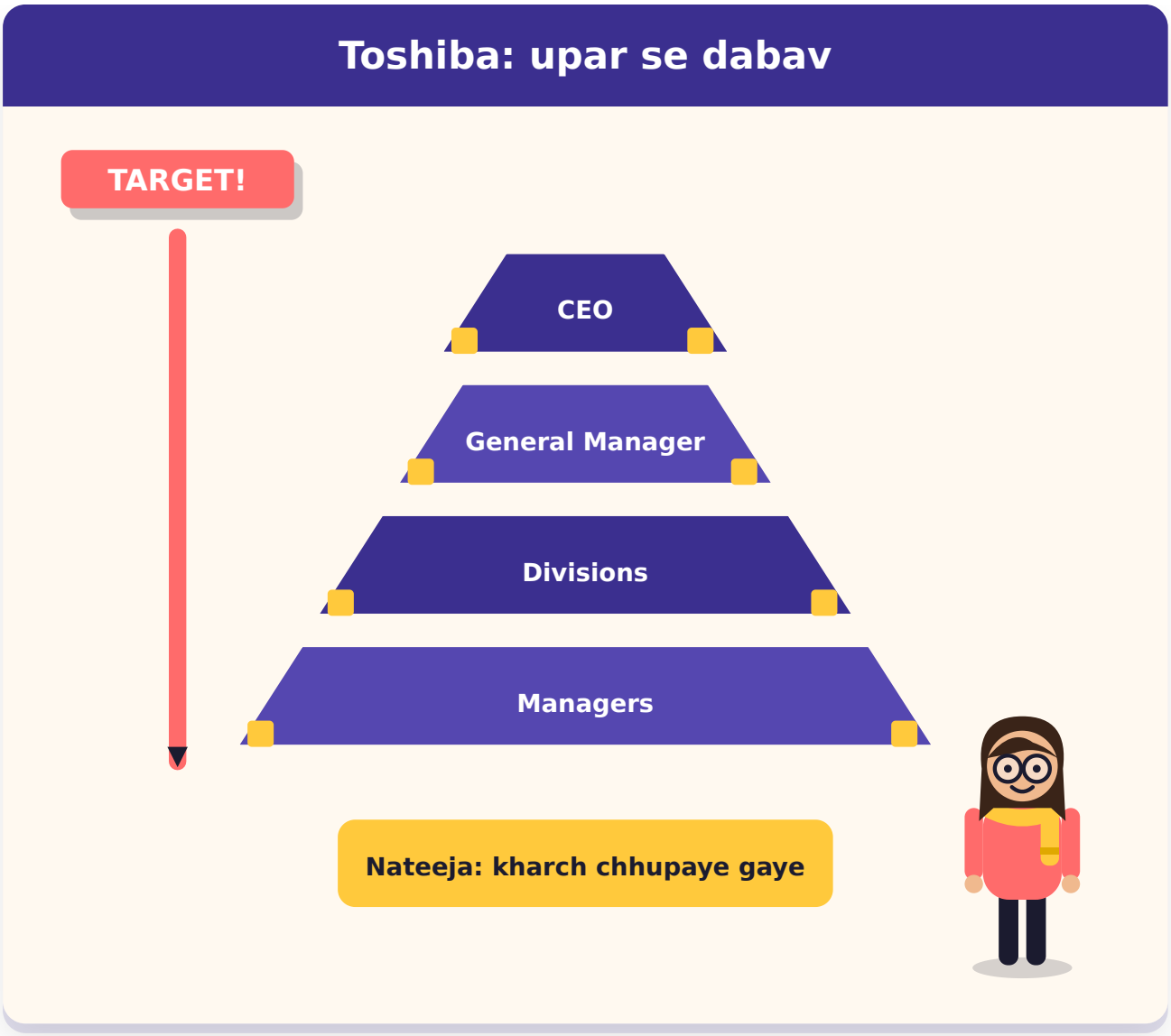
Iksha
Long contracts me estimated costs kam dikhana aasan hota hai. Estimates ke liye hindsight review aur independent technical input chahiye. SA 540.

Verified facts

- May 2015 me Toshiba ne announce kiya ki accounting investigation chal rahi hai aur pichle teen saal ke profit revise karne pad sakte hain. [src]
- 21 July 2015 ko CEO Hisao Tanaka ne resign kiya; 8 aur senior officials ne bhi, jinme do pichle CEO the. [src]
- Profits pichle saat saal me $1.2 billion se inflate hue the. [src]
- Subsidiary Westinghouse 2017 me bankrupt hui. [src]

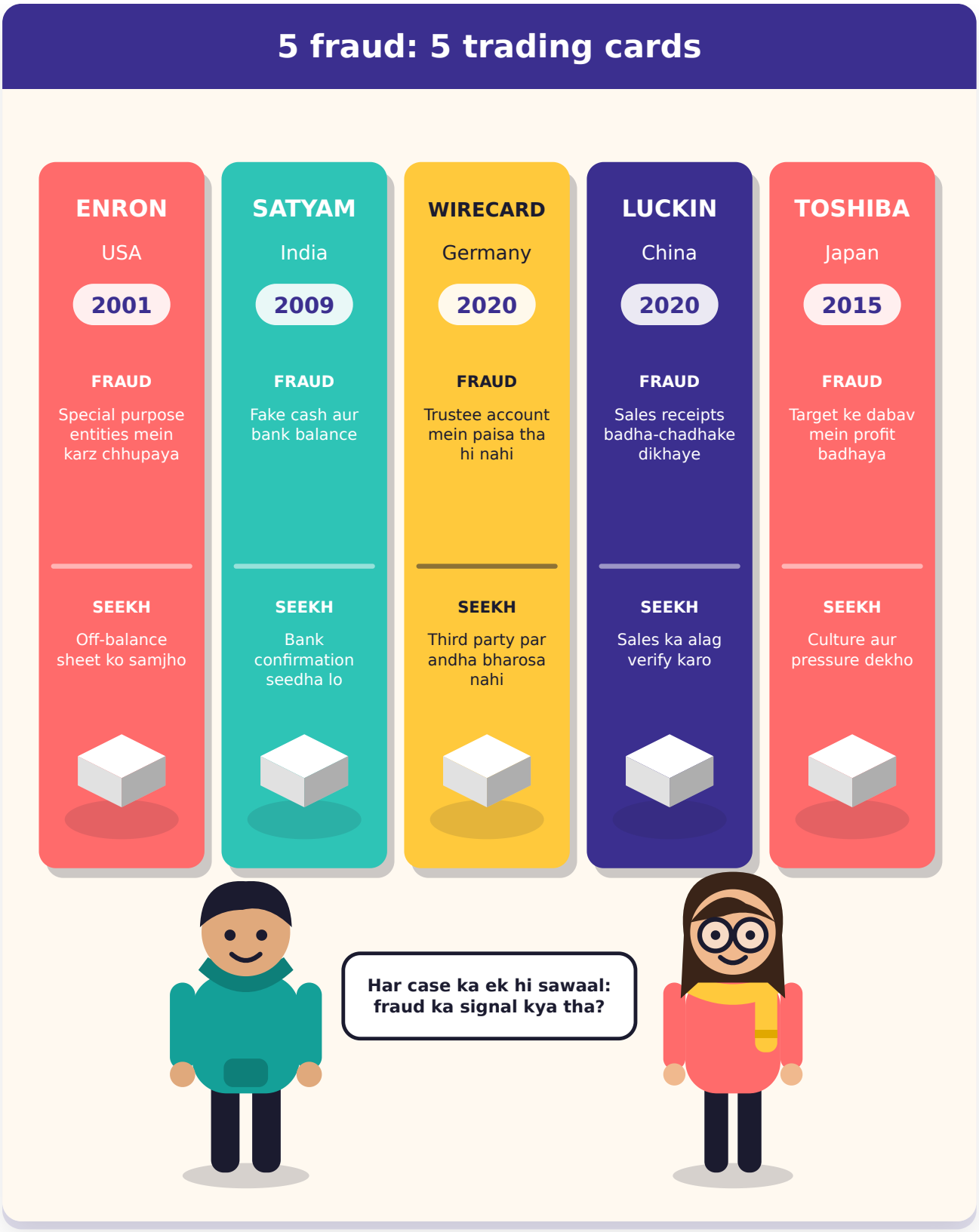
Lessons

1. **Accounting estimates (SA 540)**: management bias test karo.
2. **Tone at the top** aur incentive pressure.
3. **Whistleblower channel** audit committee tak seedha ho.



16.9 Paanchon cases ek table me

Case	Saal	Kya chhupaya	Kaise saamne aaya	Auditor lesson
Enron	2001	Karza (SPE), mark-to-market profit	Bankruptcy, SEC jaanch	Substance over form, independence
Satyam	2009	Fake cash, profit, employees	Chairman ka confession	Bank confirmation, payroll test
Wirecard	2020	EUR 1.9 bn cash (trust accounts)	FT reports, insolvency	Third-party cash, group audit
Luckin	2020	Fake sales	Short-seller report, internal probe	Analytics, related parties
Toshiba	2015	Inflated profits	Accounting investigation 2015	Estimates, pressure, tone at top



16.10 Red flags checklist

1. Profit badhta hai par operating cash flow nahi.
2. Receivables bahut tezi se badhte hain.

3. Ek hi vyakti (CEO/CFO) ke paas sabka control.
4. Related party transactions jinka business reason samajh nahi aata.
5. Bank confirmation ya third-party evidence me deri ya inkaar.
6. Auditor ko access nahi milta ya jaldi deadline.
7. Audit fee se bahut zyada non-audit fee.
8. Complex structure, bahut saari subsidiaries.
9. Whistleblower ya media ke aarop.
10. Bonus aur target ka bahut pressure.

16.11 Exam angle

UPSSSC me lamba case-study kam aata hai, par concepts (fraud, auditor ki duty, internal control, evidence) MCQ me aate hain. 5 practice Q:

Q1. Enron ke baad kaun sa US kanoon aaya? (a) Dodd-Frank (b) Sarbanes-Oxley (c) Glass-Steagall (d) Patriot Act. **Ans: (b).**

Q2. Satyam fraud kis saal public hua? (a) 2001 (b) 2005 (c) 2009 (d) 2015. **Ans: (c) 2009.**

Q3. SA 240 kis vishay par hai? (a) Sampling (b) Fraud ke sandarbh me auditor ki zimmedari (c) Going concern (d) Related parties. **Ans: (b).**

Q4. Bank balance ka sabse bharosemand evidence? (a) Statement ki photocopy (b) Management letter (c) Bank se seedha auditor ko aaya confirmation (d) Cash book. **Ans: (c).**

Q5. Professional skepticism matlab? (a) Sab par shak aur jhagda (b) Questioning mind aur evidence ka critical assessment (c) Sirf management par bharosa (d) Sirf ratio analysis. **Ans: (b).**

16.12 Recap page

1. Bade frauds me teen cheezein: fake numbers, chhupa karza, kamzor evidence.
2. Enron: SPE se debt chhupaya; Andersen khatam; SOX aaya.
3. Satyam: fake cash aur profit; Raju ka confession 7 Jan 2009.

4. Wirecard: EUR 1.9 bn "missing"; third-party aur trust accounts.
5. Luckin: 2019 sales RMB 2.2 bn fabricate; analytics aur short-seller report.
6. Toshiba: $1.2 bn profit inflate; pressure aur estimates.
7. SA 240 fraud; SA 200 skepticism.
8. SA 505 confirmation; SA 550 related parties; SA 520 analytical procedures; SA 540 estimates; SA 600 group audit.
9. Fraud rokna management ka kaam; auditor reasonable assurance deta hai.
10. Red flag dikhe to scope badhao, chup mat raho.

Case	Number (source upar)	Standard
Enron	$63.4 bn assets	SA 550, independence
Satyam	Rs 7,000 crore	SA 505
Wirecard	EUR 1.9 bn	SA 505, SA 600
Luckin	RMB 2.2 bn / $310 m	SA 520, SA 550
Toshiba	$1.2 bn	SA 540

Part B: Case Files (Dus kahaniyan, dus sabak)

16.13 Part B ka mood: raat ka audit

Raat ke gyarah baje the. Library band ho chuki thi, aur Prabhat ne Iksha ke flat ki table par Chapter 16 ke notes phaila diye the. Chai thandi ho gayi thi.

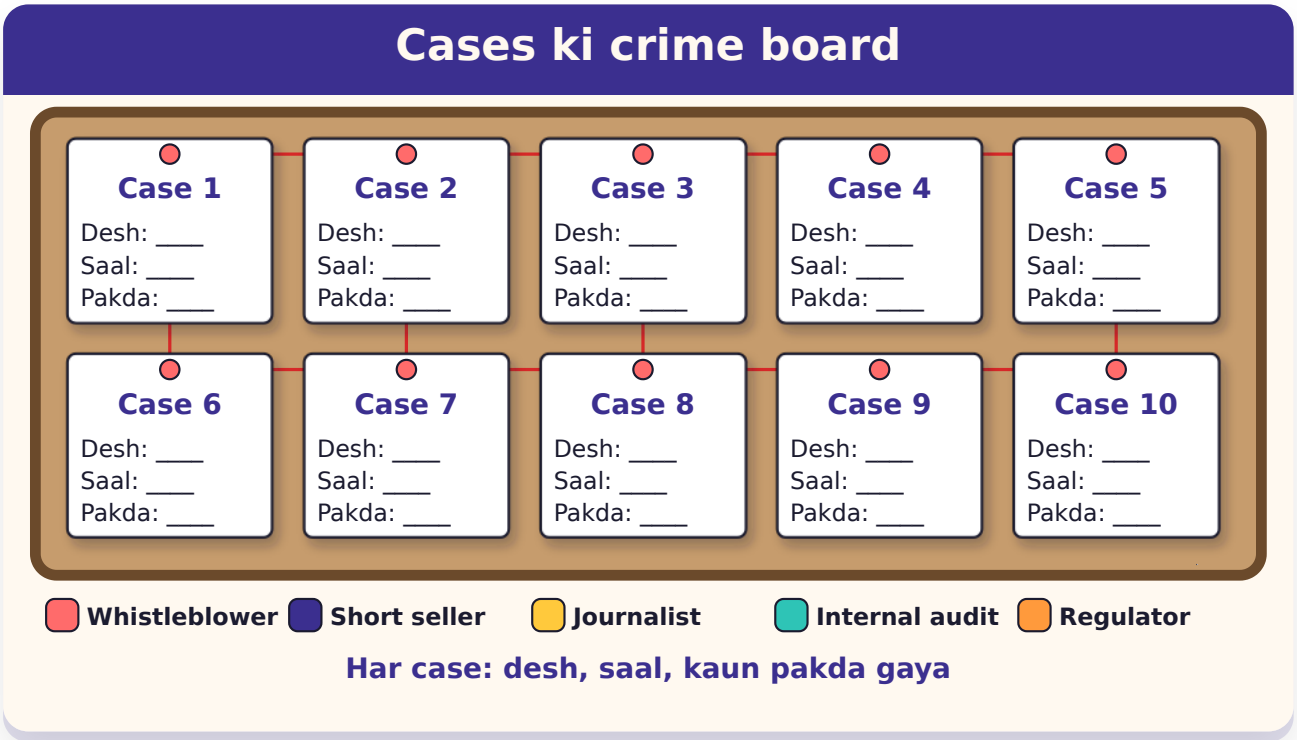
Prabhat
Iksha, pichhle part me paanch cases padhe. Ab bhi lagta hai har fraud me ek aadmi tha jo bola nahi.

Iksha
(laptop se nazar uthaye bina) Bola tha, Prabhat. Kisi ne bola tha. Bas kisi ne suna nahi. Aaj hum dus files kholenge. Har file ek lash ki tarah hai. Hum post-mortem karenge: kya hua, kab hua, auditor kahan chook gaya, aur exam me kaise poochha jayega.

Prabhat
Dark hone wala hai na?

Iksha
(halka sa muskurati hai, scarf theek karti hai) Fraud ki kahaniyan dark hi hoti hain. Par hum dara nahi rahe. Hum seekh rahe hain. Chal, pehle rules: jo number likha hai uska source hai. Jiska source nahi, uska number nahi.

Is part ka naksha
Naye cases: WorldCom, Valeant/Philidor, Carillion, Parmalat, Olympus. Purane paanch (Enron, Satyam, Wirecard, Luckin, Toshiba) ko hum "doosri nazar" se dekhenge: naye angle, naye sourced tathya, naye exam points. Har file ke saath timeline table hai.



16.14 Case File 6: WorldCom (USA, 2002): Raat me chalta internal audit

Kahani

Mississippi ke Clinton shehar me ek chhoti si internal audit team raat ko kaam kar rahi thi. Din me kaam karte to server par load badhta aur upar wale dekh lete. Isliye woh raat ko baithe, data nikala, aur T-account banaye. Yeh koi film ka scene nahi hai. Yeh Wikipedia par likha record hai, jo Cynthia Cooper ki kitaab par based hai. [src]

Chat

Prabhat
WorldCom ne kya kiya tha, 6 saal ke bachhe ko batao.

Iksha
Ek dukaan hai. Roz ka kharcha (bijli, kiraya) copy me "kharcha" likhna padta hai, jisse profit kam dikhta hai. Par agar tum bolo "yeh to dukaan ki cheez hai, gaddi jaisi", to kharcha "property" ban jaata hai aur profit bada dikhta hai. WorldCom ne line costs ke saath yahi kiya.

Prabhat
Matlab expense ko asset bana diya.

Iksha
Haan. Isko capitalisation of expenses kehte hain.

Timeline

Kab	Kya hua
Dec 2000	Financial analyst Kim Emigh se capital expenditure ke naam par labour allocate karne ko kaha gaya; usne objection uthaya, directive nahi chali, par baad me woh laid off ho gaya (March 2001)
Late May 2002	Internal audit capital expenditure audit shuru karti hai (kuch mahine pehle)
10 June 2002	Audit team ko Q3 2001 se Q1 2002 ke "prepaid capacity" entries milte hain
Mid June 2002	CFO Scott Sullivan audit rokne/postpone karne ko kehta hai
20 June 2002	Audit Committee meeting; KPMG kehta hai GAAP me justification nahi
25 June 2002	Myers resign, Sullivan terminated
25-26 June 2002	25 June ko SEC ko briefing mein WorldCom ne pichhle paanch quarters ki earnings restate karne ki baat batayi (income $3.8bn zyada dikhayi); 26 June ko SEC ne civil fraud charges lagaye
21 July 2002	Chapter 11 bankruptcy
2005	Ebbers ko fraud ke liye guilty; 25 saal ki saza

Source text ke neeche: Wikipedia WorldCom scandal page. [src]

Mechanism: "Prepaid capacity"

Internal audit ko 49 prepaid capacity entries mile, total transfers $3.8 billion, saal 2001 aur Q1 2002 ke beech. Line cost expense accounts se paisa balance sheet ki asset accounts me jaata tha. Bina in entries ke, Q1 2002 ka reported $130 million profit $395 million ka loss hota. [src]

Kuch entries par label tha "SS entry", yaani CFO ki seedhi directions. Accounting director Betty Vinson ne entries kar di thi bina supporting documents dekhe, Myers aur Yates ke kehne par. Myers ne mana ki entries "based on what we thought the margins should be" book hui thi, GAAP ka koi basis nahi tha. [src]

Audit failure

- Pehle Arthur Andersen auditor tha. Andersen ke former lead partner Kenny Avery ko "prepaid capacity" term hi samajh nahi aayi; Andersen ne is area ke capital expenditures test hi nahi kiye the. Baad me KPMG ne account liya Andersen ki Jackson practice kharid kar. [src]
- Management ne audit rokne ke emails bheje ("wasteful", "employees tied up").

- Fraud kisne pakda? Auditor ne nahi, internal audit ne. Yeh exam ka favourite point hai.

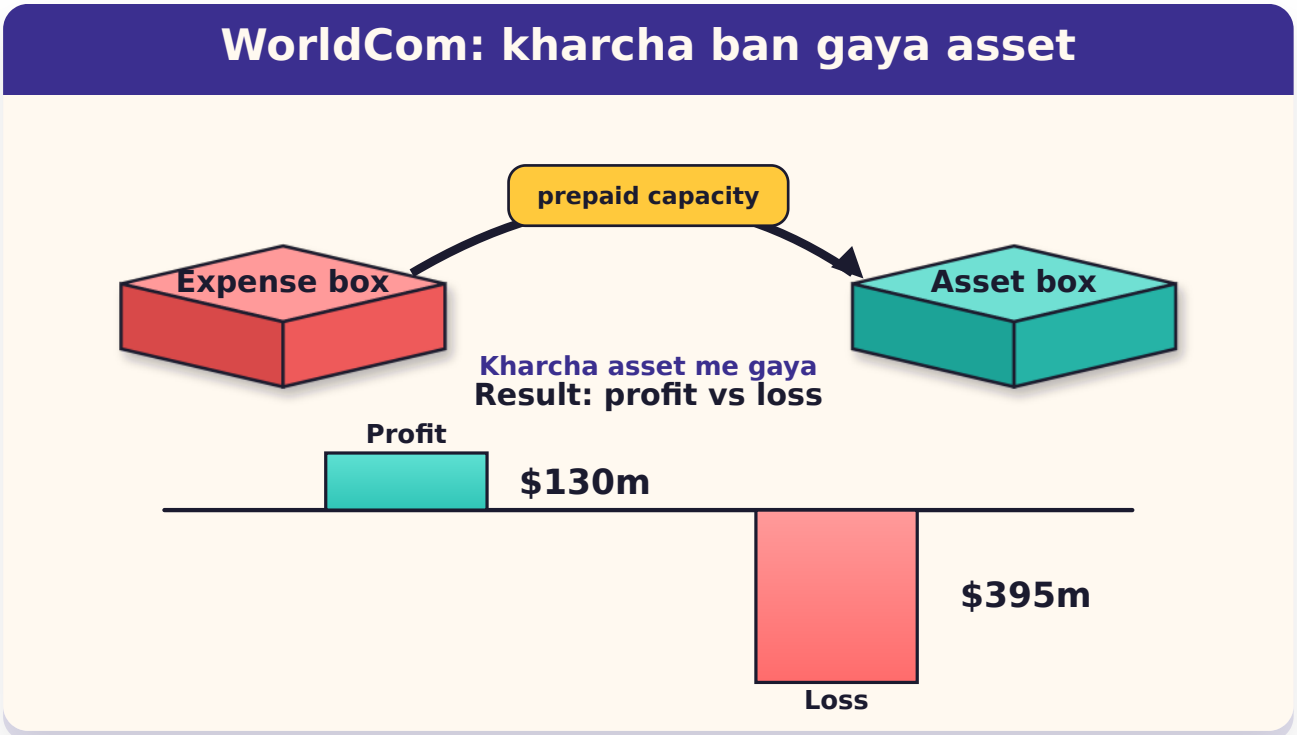
Lesson

1. Journal entry testing. Kaun si entries round numbers, quarter-end, aur "top-side" thi.
2. Capex vs revenue expenditure ka sawaal: kharcha kab asset banta hai?
3. Internal audit ko board ki audit committee tak seedha raasta chahiye.

> **Exam trap**
> "WorldCom me fraud kisne pakda?" Option me "external auditor" jaisa kuch aayega. Sahi: company ki own internal audit unit (Cynthia Cooper ke under). Source: WorldCom scandal page.

Exam angle

Capital vs revenue expenditure, role of internal audit, Audit Committee independence, post-Enron SOX (SOX ka zikr WorldCom aur Enron dono ke baad). [src]



Dark beat. Prabhat ne screen par Betty Vinson ka naam dekha. "Usne bina samjhe entries kar di," usne dheere se kaha. Iksha ne laptop band kiya. "Sabse

khatarnak line yahi hai, Prabhat. 'Mujhe samajh nahi aaya, upar se kaha gaya tha.' Auditor yeh line sunkar aage nahi badh sakta."

16.15 Case File 7: Valeant aur Philidor (Canada/USA, 2015)

Kahani

Ek pharmacy ka naam chess ke ek French master ke naam par tha. Uske marketing partner ka naam Bobby Fischer ki ek chaal par. Wikipedia ke mutabik yeh sab ek ghera tha jisme Valeant ke ilaaj ki dawaiyaan bikti thi. [src]

Chat

Prabhat
Isme audit kahan aata hai? Yeh to pricing ka case lag raha hai.

Iksha
Do cheezein. Pehli: Citron Research ke Andrew Left ne 21 October 2015 ko claim kiya ki Valeant ne Philidor aur affiliates ko false sales record ki. Valeant company ne iska jawab diya ki claim "erroneous" hai. Doosri: Jo company jise kehti hai "yeh hamara customer hai", par customer asal me uske control me ho, to revenue recognition par sawaal uthta hai. [src]

Prabhat
Matlab related party?

Iksha
Related party aur channel stuffing ka milaa-jhula sawaal. Hum "alleged" ko "alleged" hi likhte hain. Court me jo sabit hua woh alag hai: SEC ne 2020 me improper revenue recognition aur misleading disclosures ke aaropon par settlement announce kiya.

Timeline

Kab	Kya hua
2 Jan 2013	Philidor Rx Services founded
May 2014	California non-resident pharmacy permit Philidor ko deny hua
Late 2014	Valeant ne $100 million diye option ke liye (Philidor ko khareedne ka)
1 Apr 2015	Valeant ne Salix $14.5bn me khareeda
21 Oct 2015	Citron ka claim
30 Oct 2015	Valeant ne Philidor se ties cut kiye
Apr 2016	Pearson ki jagah Joseph Papa (Valeant naam, 25 April)
16 Dec 2019	$1.21bn shareholder class action settlement
31 Jul 2020	SEC: Bausch Health $45m penalty

[src] [src]

Mechanism (sourced version)

- Valeant ke employees Philidor me kaam karte, alag email names ke saath. Ek example: ek Valeant manager Philidor me "Peter Parker" naam se email use karta tha. [src]
- Valeant ne 2015 me apni brand-name dawaiyon ke prices 66% badhaye, closest peer se paanch guna zyada (Wikipedia ka claim). Nitropress par 212%, Isuprel par 525% badhotri. [src]
- SEC ne July 2020 me bataya ki Bausch Health ne $45 million penalty pe settle kiya, Pearson ne $250,000 civil penalty; Pearson ne Valeant ko $450,000 reimburse kiya; Schiller $100,000, Carro $75,000. [src]

Audit angle

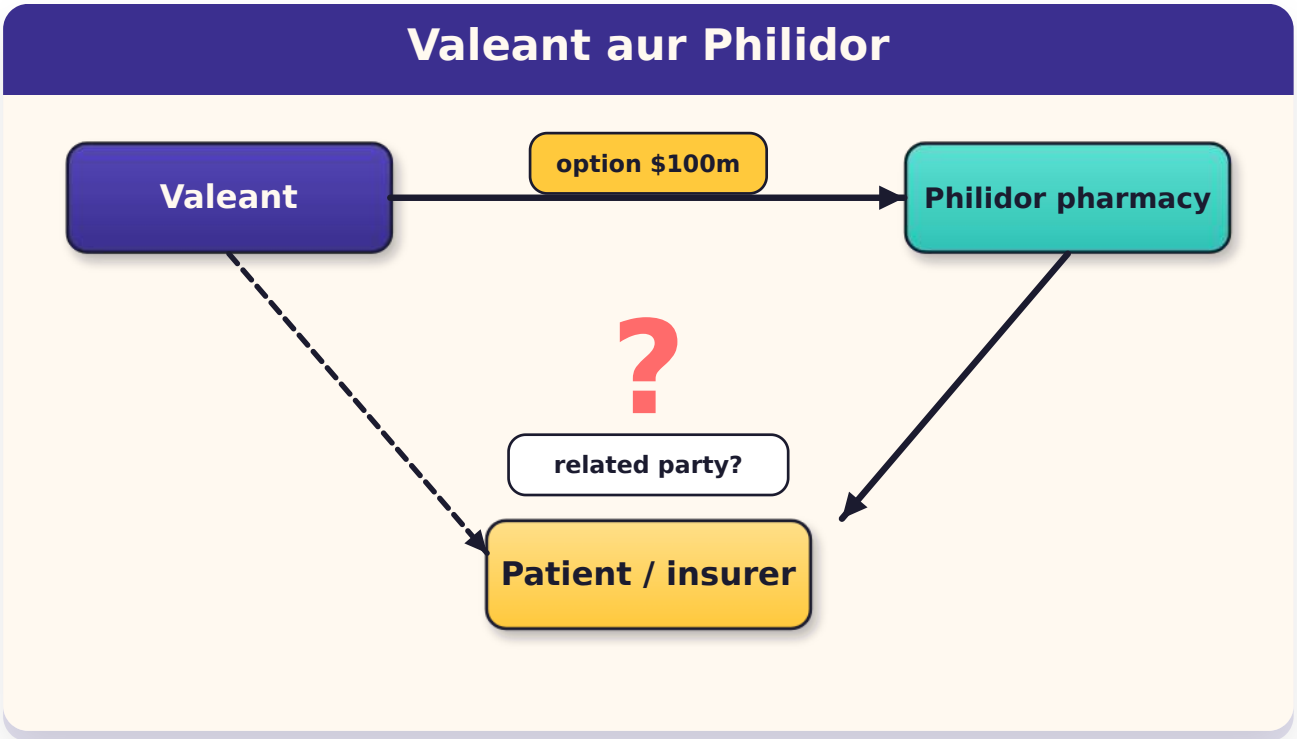
1. Related party / control: option to buy for $100m. Kya yeh "control" tha? Consolidation ka sawaal.
2. Revenue cut-off: sales ko tab hi recognise karo jab sach me customer ko control transfer ho.
3. Disclosure: SEC ne misleading disclosures par bhi penalty lagayi.

Lesson

Jahan seller aur buyer ke bich ki line dhundhli ho, wahan auditor ko sawaal poochhne chahiye: "Yeh party kaun hai? Hamara kya rishta hai? Paisa kahan se aaya?"

Exam trap

"Allegation" aur "finding" mein fark. Citron ka claim = allegation. SEC settlement = regulator ka charge settle hua, company ne admit/deny kya kiya woh alag point hai Reuters ke mutabik company ne SEC ke findings admit ya deny nahi kiye (settlement without admit/deny) [src].



16.16 Case File 8: Carillion (UK, 2018): Jab balance sheet bol nahi sakti

Kahani

Carillion UK ki dusri sabse badi construction company thi. 43,000 log kaam karte the (2016). 15 January 2018 ko wahi company compulsory liquidation me chali gayi. [src]

Chat

Prabhat

Isme fraud hua ya bas bura business?

Iksha
Achha sawaal. Parliamentary report ne kaha ki directors ne financial reality "misrepresent" ki. Baad me FCA ne teen directors par kul £600,000 se zyada fine lagaya, FRC ne do par £280,000 se zyada. Yaani regulators ne misreporting maani.
[src]

Prabhat
Aur auditor?

Iksha
KPMG par parliamentary inquiries ne sawaal uthaye. Big Four ne Carillion ke saalon me kul £72M fees kamaye. Frank Field ne unhe "carcass par feast" kaha. [src]

Timeline

Kab	Kya hua
Jul 1999	Tarmac se demerger me Carillion bani
Mar 2015	UBS analyst ne extended supplier payment terms aur reverse factoring par sawaal uthaya
10 Jul 2017	£845M impairment charge; CEO Howson step down
29 Sep 2017	H1 2017 loss £1.15bn
17 Nov 2017	Covenant breach warning; share 50% se zyada gira
15 Jan 2018	Compulsory liquidation
Apr 2018	Official Receiver: liabilities £6.9bn (2016 accounts se teen guna zyada)
May 2018	Parliamentary report

[src]

Mechanism: reverse factoring ko seedha samjho

6 saal ka bachha: Tum dost se 100 rupaye ke kancha lete ho aur kehte ho "baad me dunga". Bank dost ko abhi paisa de deta hai, aur tum bank ko baad me dete ho. Tumhara karz bada hai, par dikhta "dost ko dena hai" jaise.

Normal: Reverse factoring (supply chain finance) me bank supplier ko jaldi paise deta hai, buyer baad me bank ko deta hai. Agar yeh balance sheet par "trade payables" ke roop me chhupa rahe, to debt kam dikhta hai.

PhD box: Standards ke discussion (disclosure of supplier finance arrangements) aur liquidity risk par research hai. Is chapter me hum sirf yeh dekhenge ki UBS analyst ne 2015 me Carillion ko "more leveraged than it reported" kaha. [src] Aage ki accounting treatment ke liye Standards ki baat: IASB ne May 2023 mein IAS 7 aur IFRS 7 ke amendments (supplier finance arrangements ke disclosures) jaari kiye [src]. Carillion ke apne accounts mein exact treatment is chapter ke sources se verify nahi hua, exam me sirf concept likho..

Audit failure

- Going concern ka sawaal: 2017 me kitni baar warning aayi?
- Pension deficit (reports ke mutabik £580M ke aas paas, ek jagah £587M) ka disclosure.
- Receivables aur contract revenue (Msheireb Doha: Carillion ne £200M owed kaha, Msheireb Properties ne dispute kiya). [src]

Fallout (numbers jo sourced hain)

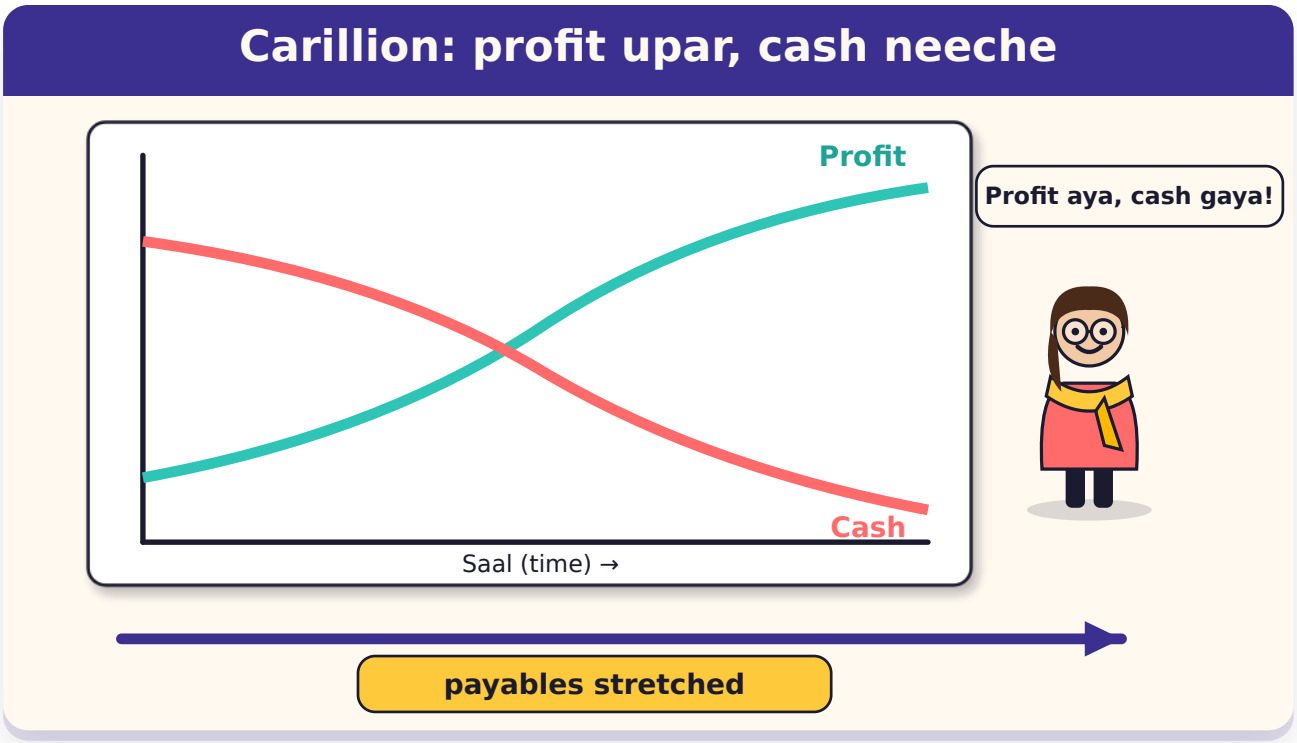
30,000 suppliers lagbhag £1bn ke bakaye par; 27,000 pensioners; 2,787 redundancies (August 2018 tak); 13,945 jobs transfers se bache; Barclays ko £127M ka nuksaan. [src]

Lesson

Cash flow aur profit alag hain. Percentage-of-completion revenue par bharosa tab tak mat karo jab tak cash na aaye.

Exam trap

"Going concern assumption" ka auditor ko kab sawaal uthana chahiye? Jab profit warnings, covenant breach, aur cash outflow, teeno dikhein. Carillion ka pattern yahi tha.



Dark beat. Prabhat ne Carillion ke apprentice wali line padhi aur chup ho gaya. "Chaar sau unnis apprentices abhi bhi bekaar the." Iksha ne uska haath pakda. "Isliye audit sirf numbers nahi hota. Har number ke peechhe ek tankhwah hoti hai."

16.17 Case File 9: Parmalat (Italy, 2003): Doodh ka karz

Kahani

Calisto Tanzi ne 22 saal ki umar me Parma me ek chhota pasteurisation plant khola. Aage chalkar Parmalat 30 deshon me 30,000 se zyada logon ko rozgaar de raha tha. Phir ek forged bank document aaya. [src]

Chat

Prabhat
Bank ne document ko forgery bola?

Iksha
Wikipedia ke mutabik Bank of America ne bataya ki Bonlat (Cayman subsidiary) ke account me €3.95 billion dikhane wala document forgery tha. Yeh woh cash tha jo exist hi nahi karta tha. Yaad kar: Wirecard me bhi €1.9bn cash exist nahi karti thi. [src]

Prabhat
Toh audit me bank confirmation ka kya hua?

Iksha
Sawaal wahi hai. Confirmation kaun bhejta hai, aur jawaab kis raaste se aata hai? Agar auditor khud na bheje aur khud na receive kare, to forgery aasan hai. Parmalat me jo documents Bank of America se related the, unki sachchai bahar aayi to company gir gayi.

Timeline

Kab	Kya hua
1961	Tanzi ne Parma me plant khola
1990	Milan stock exchange me listing
22 Apr 2002	Share record par, valuation €3.7bn
Feb 2003	CFO Tonna ka achanak €300m bond announce
Sep 2003	€300m fundraising plan dropped
Late Dec 2003	Insolvency; Tanzi arrested; €8bn hole admitted
Baad me	Auditors ke hisab se debt €14.3bn
2008	Tanzi ko 10 saal ki saza

[src]

Mechanism

Ferraris (naya CFO) ko pata chala ki kuch books uske paas nahi hain, chief accounting officer ke paas hain. Usne shak kiya ki total debt balance sheet se do guna zyada hai. Bonlat aur Epicurum fund ke transactions par sawal uthe. Aakhir me debt €14.3bn nikla, jo originally bataye gaye se lagbhag aath guna tha (source ka claim). [src]

Parmalat ne credit-linked notes khud ko bech kar "asset" bana liya, yaani apni hi creditworthiness par daav, jisse hawa se asset ban gaya. [src]

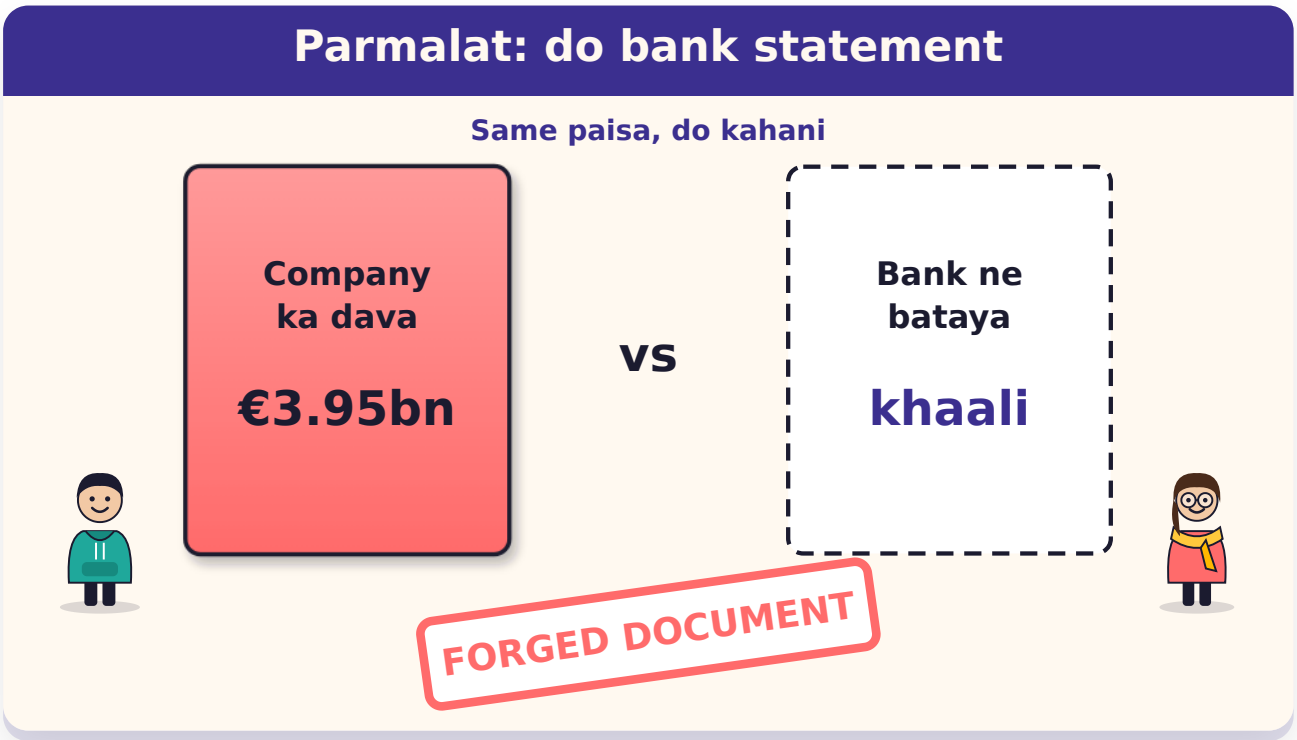
Auditor aur settlements

Deloitte ne 2007 me $149M, Bank of America ne 2009 me $100M, Grant Thornton International ne $4.4M settle kiya. Naye management ne lagbhag $700M recover kiye. [src]

Lesson

1. Bank confirmation par control rakho (auditor bheje, auditor receive kare).
2. Cash aur debt ko do raaston se verify karo: bank statement aur bank ka direct reply.
3. Complex group structure me offshore subsidiary (Cayman) high-risk.

Exam trap
"External confirmation ka best practice?" Auditor ke control me bheji aur wapas aayi. Management ke haath se guzri confirmation ka evidential value kam hai.



16.18 Case File 10: Olympus (Japan, 2011): Tobashi aur ek angrez

Kahani

Michael Woodford ko Olympus ka president banaye 6 mahine hue the. October 2011 me usne ek sawaal poochha, aur do hafte me usse CEO ki kursi se nikaal diya gaya. Board meeting me use bolne ya vote karne nahi diya gaya. [src]

Chat

Prabhat
"Tobashi" kya hota hai?

Iksha
Loss ko ek jagah se doosri jagah "udaa" dena, taaki balance sheet me na dikhe. Japanese me flying/ejecting jaisa. Company bad investments ke losses ko doosri entities me daal deti hai aur baad me acquisition fees ke naam par paisa wapas bhar deti hai.

Prabhat
Acquisition fees?

Iksha
Gyrus acquisition me advisors ko $687 million "success fee" diya gaya. Normally deal ke size se compare karo: Gyrus ka cost $2 billion tha. Fee itni badi ho to sawaal banta hai. [src]

Timeline

Kab	Kya hua
1980s	Zaitech (financial engineering) ka daur
2008	Gyrus acquisition (cost $2bn); teen domestic firms ¥73.5bn me
1 Apr 2011	Woodford president/COO
30 Jul 2011	FACTA article Woodford ke saamne aaya
1 Oct 2011	CEO
14 Oct 2011	Woodford ko hataya gaya
8 Nov 2011	Company ne "inappropriate" accounting maani
Jan 2012	Third-party panel report
Jul 2013	Kikukawa aur Mori ko 3 saal saza (5 saal suspended)

[src]

Mechanism aur size

Wikipedia ke hisab se concealed investment losses aur fees ka figure ¥117.7bn ($1.5bn) se shuru hua. Baad me ek investigators ke memo me ¥481bn ($6.25bn) ka figure aaya. Dono figures alag sources ke hain, isliye exam me "reports ke mutabik" likho. [src]

Audit failure

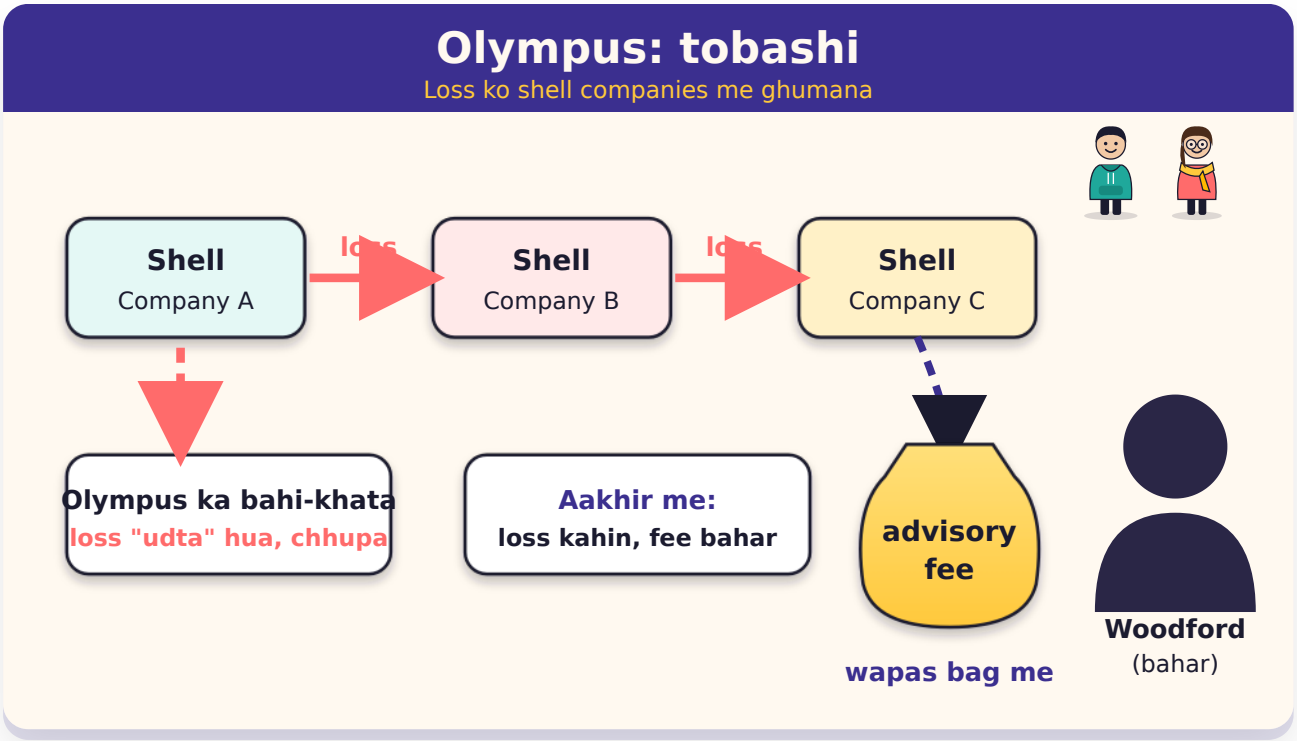
- Auditors ke baare me page kehta hai: KPMG ne Gyrus ke accounting par sawaal uthaye, phir Olympus ne EY ko le aaya. Gyrus ke auditors ne "circumstances connected with our ceasing to hold office" ka letter diya. Yeh auditor change aur resignation ka classic red flag hai. [src]
- Company ke internal panel ne KPMG aur EY ko clear kiya aur kaha scheme "too well concealed". [src]

Lesson

1. Auditor change ya resignation par naya auditor predecessor se baat kare (exam me "predecessor auditor se communication" ke naam se aata hai).
2. Unusually bade advisory fees = fraud red flag.
3. Whistleblower ko protect karo. Woodford ko £10 million damages mile (2012 settlement). [src]

Exam trap

"Auditor ko hatane ya badalne ke baad naya auditor kya kare?" Purane auditor se professional communication, aur reasons samjhna.



16.19 Doosri nazar: Enron (USA, 2001): Auditor ki shredder

Pehle chapter me hum Enron ke numbers dekh chuke hain. Ab naya angle: kaise paisa dikhna band hua.

Chat

Prabhat

Enron me sabse bada audit-lesson kya tha?

Iksha

Teen cheezein. Pehli: mark-to-market. Skilling ne trading business ko mark-to-market par daalne ko kaha, Enron pehli non-financial company thi jo yeh method long-term contracts par use karti thi. [src] Doosri: Special purpose entities (SPE). Chewco aur LJM me Fastow ki double role. Teesri: Auditor ka shredder.

Timeline

Kab	Kya hua
20 Sep 2000	WSJ reporter Jonathan Weil ka mark-to-market article; short-seller Jim Chanos ne 10-K padhi
15 Aug 2001	Sherron Watkins ka anonymous letter Lay ko
22 Oct 2001	Fastow ne bataya ki LJM se $30 million kamaye; share $20.65 (down $5.40)
25 Oct 2001	Fastow CFO se hataye gaye
2 Dec 2001	Chapter 11
10 Jan 2002	Andersen ne Houston me document destruction ka announcement
15 Jun 2002	Andersen obstruction of justice me convicted
31 Aug 2002	Andersen ne CPA licenses surrender kiye
31 May 2005	Supreme Court ne conviction reverse ki

[src] [src]

Numbers jo exam me kaam aate hain

Chewco/JEDI correction: earnings $405m kam, debt $628m zyada. Raptors me $1.2bn assets transfer. 2000 report me swaps par $500m ka gain (portfolio ki value $1.1bn gira tha). [src]

Andersen ka anjaam

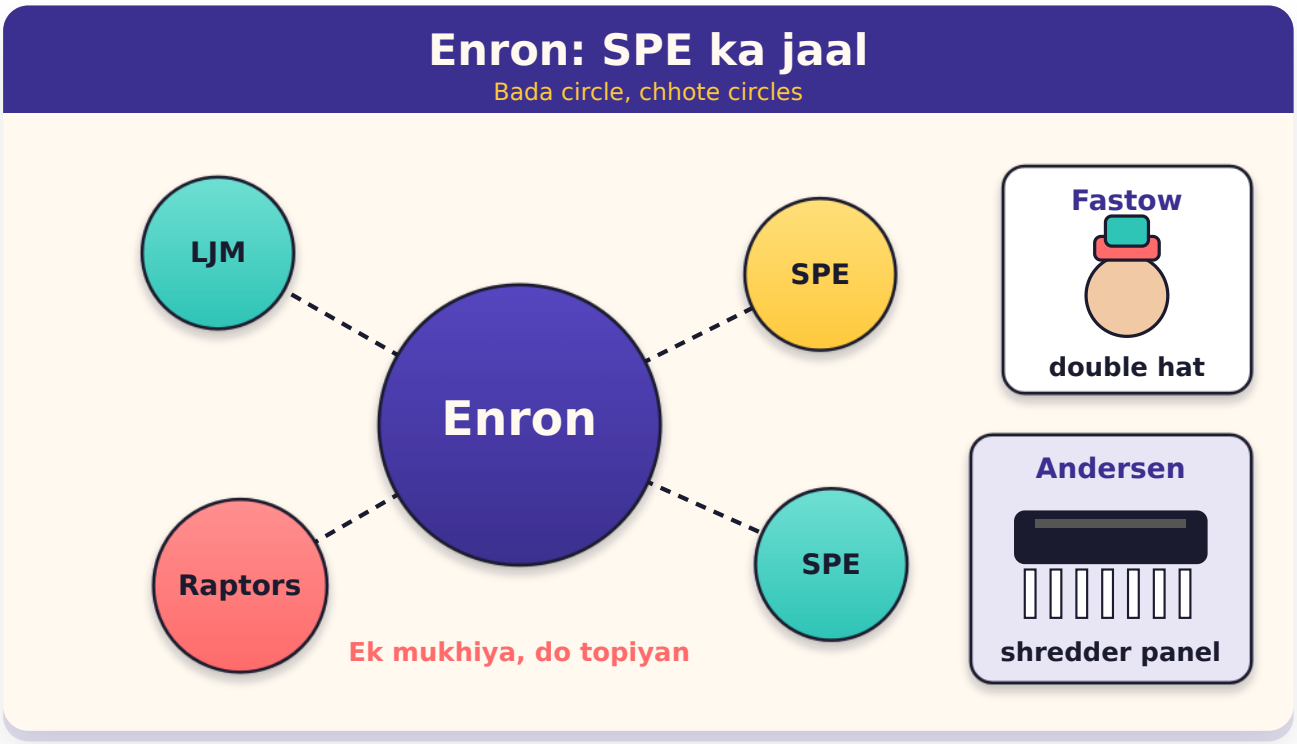
Andersen ke 28,000 employees (2002) ho gaye 2005 tak lagbhag 200. Conviction reverse hui, par firm tab tak khatam ho chuka tha. [src]

Exam trap

"Andersen ki conviction ka final result?" Supreme Court ne 2005 me reverse ki, par SEC license surrender 2002 me ho chuka tha.

Lesson

Audit documentation ko destroy karna criminal hai. SOX Section ka naam: obstruction of an official proceeding, Enron ke jawab me banaya gaya. [src]



16.20 Doosri nazar: Satyam (India, 2009): Auditor, SEBI aur "Rs 7,000 crore"

Chat

Prabhat
Satyam to exam ka sabse likely case hai. Naye points batao.

Iksha
Teen: (1) Auditor ki saza, (2) Non-existent employees, (3) Government ka intervene karna.

(1) PwC India ko US SEC ne $6 million fine kiya; SEBI ne 2018 me Price Waterhouse ko 2 saal ke liye listed companies ka audit karne se roka aur Rs 13 crore se zyada wrongful gains disgorge karne ko kaha. [src] (2) CID ne kaha asal employees 40,000, reported 53,000; 13,000 non-existent employees ke liye Rs 200 million har mahine

nikaale ja rahe the. [src] (3) Company Law Board ne 10 January 2009 ko board ko hataya aur 10 nominal directors appoint kiye; Deepak Parekh, Kiran Karnik, C Achuthan ko board me nominate kiya gaya. [src]

Timeline

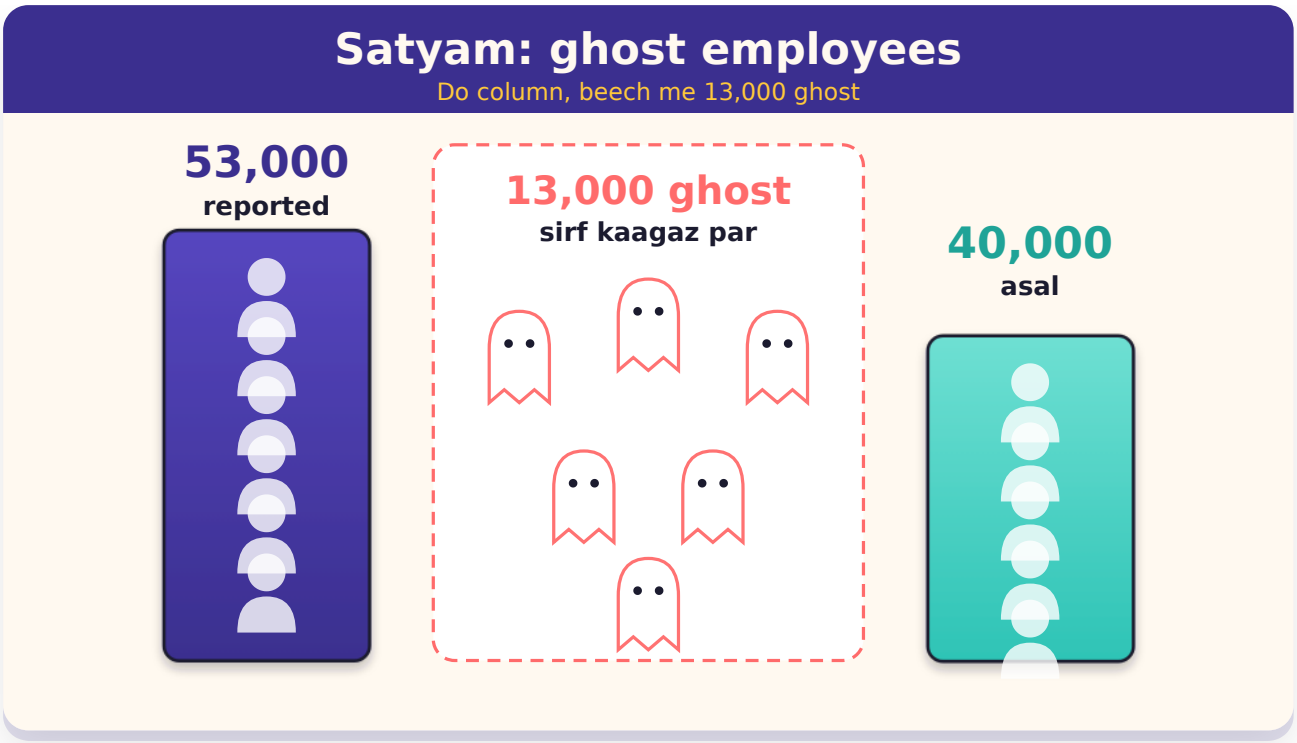
Kab	Kya hua
7 Jan 2009	Raju ka confession; Rs 7,000 crore manipulation
9 Jan 2009	Share Rs 6.30 (2008 high Rs 544)
10 Jan 2009	CLB ne board hataya; CFO Srinivas ko CID ne pakda
14 Jan 2009	PW ne kaha uske audit reports "inaccurate and unreliable" ho sakte hain
13 Apr 2009	Tech Mahindra ne 31% khareeda
9 Apr 2015	Raju aur 9 others ko 7 saal ki saza

[src] Note: Wikipedia ek jagah "10 April 2015" aur "11 members" likhta hai, par usi page ka doosra hissa kehta hai ki 9 April 2015 ko Raju aur nau doosron ko (kul 10) guilty paaya gaya aur 7 saal ki saza hui; user ki tay ki hui date 9 April 2015 hai, wahi use karo.

Audit lesson

- Bank balances aur interest accrued ki independent verification.
- Employee counts (ghost employees) ko payroll aur access-card data se match karo (Chapter 17/18 me test aayega).
- Auditor ke liye "skepticism".

Exam trap
"Satyam kiski audit failure?" Sirf "PwC" nahi likhna; fine SEC ne laga (US) aur SEBI ne bar kiya (India). Dono alag regulators.



16.21 Doosri nazar: Wirecard (Germany, 2020): Journalist aur auditor ke bich

Chat

Prabhat
Wirecard me short sellers aur journalists ne kaam kiya, regulator ne nahi?

Iksha
Wikipedia ka timeline kuch aisa dikhata hai: Financial Times ka FT Alphaville 2015 se; February 2016 me Zatarra report; 30 January 2019 FT article. BaFin ne 18 Feb 2019 ko short selling ban kiya (18 April 2019 tak). Short sellers par hi investigations khuli, jo March 2020 me drop hui. [src]

Timeline

Kab	Kya hua
2002	Markus Braun CEO bana
30 Jan 2019	FT: forged contracts, round-tripping ka shak
28 Apr 2020	KPMG: sufficient documentation nahi mila; share 26% gira
Jun 2020	€1.9bn "missing", share 72% se zyada gira
22 Jun 2020	Braun arrested
25 Jun 2020	Insolvency filing
8 Dec 2022	Trial shuru

[src]

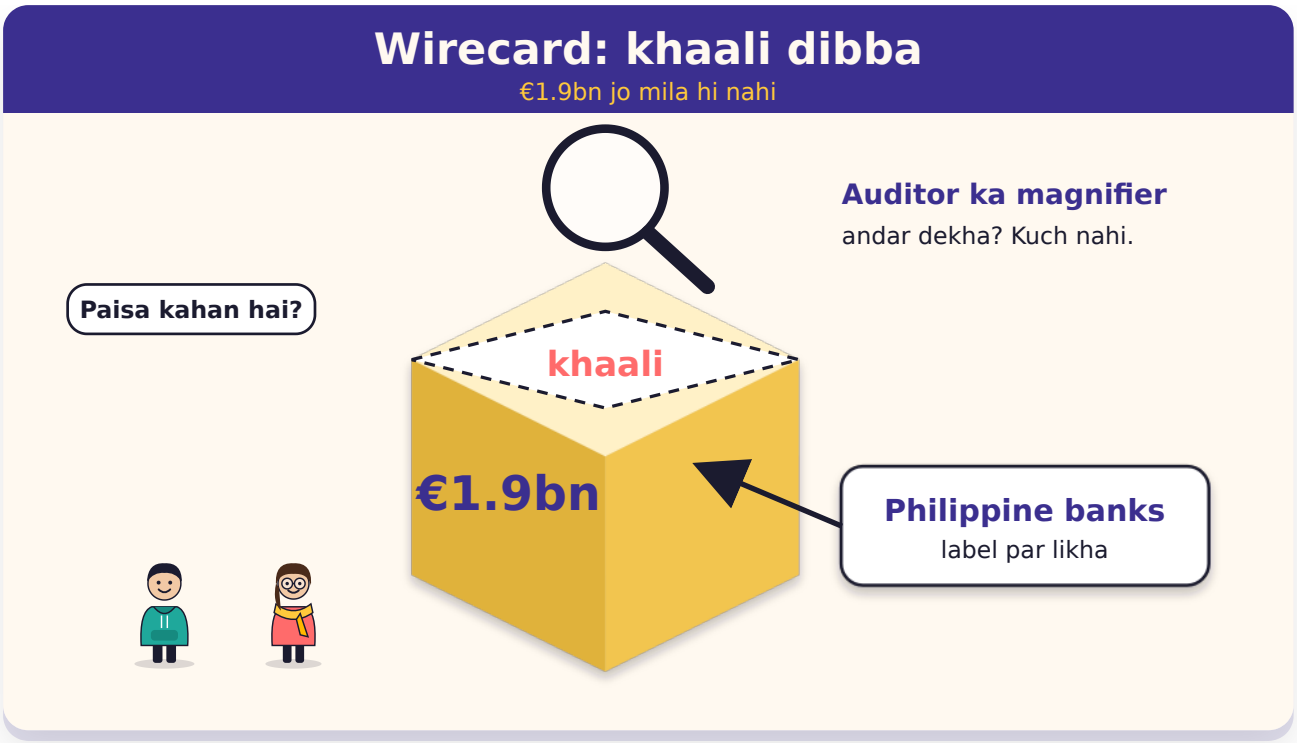
Naye points

- EY ne kaha ki Wirecard ke ek trustee ne auditor ko "deceive" karne ki koshish ki. [src]
- Philippines ke do banks ne kaha ki unke paas yeh paisa kabhi tha hi nahi. [src]
- Pav Gill (Singapore legal counsel) ne 2021 me khud ko whistleblower bataya. [src]

Lesson

Third-party confirmation, trustee/escrow accounts par audit ki direct verification, aur regulator ka short-seller ko dushman maan lena.

Exam trap
KPMG ki "special audit" aur EY ki "statutory audit" alag hain. KPMG ne special investigation kiya (2019-2020), EY statutory auditor tha.



16.22 Doosri nazar: Luckin Coffee (China, 2020): Camera se pakda gaya fraud

Chat

Prabhat
Luckin me kaise pata chala?

Iksha
Muddy Waters ke 89-page report ne claim kiya ki store par bechi gayi items inflated hain. 11,200 ghante ki video footage ka zikr tha. Luckin ne pehle deny kiya (3 Feb 2020). Phir 2 April 2020 ko khud internal investigation me COO Jian Liu ne 2019 ki sales lagbhag RMB 2.2 billion fabricate ki, yeh bataya. [src]

Timeline

Kab	Kya hua
Oct 2018	1,300 stores
May 2019	Nasdaq listing (price $17 pe shuru; pehle din $25.96)
31 Jan 2020	Muddy Waters report
2 Apr 2020	Fabrication admit
8 Apr 2020	Trading halt
29 Jun 2020	Nasdaq se delisting
16 Dec 2020	$180m SEC settlement
Feb 2021	Chapter 15

[src]

Note: IPO May 2019 mein hua (CNBC ke mutabik 16 May 2019 ko $17 par price hua) [src].

Naye points

- Stock April 2020 me 80% se zyada gira.
- Chairman ke Goldman Sachs margin loan ($518 million) ka default; shares bechne ki baat.
- Class action $187.5m settlement; China ne $9 million fine lagaya. [src]
- Aaj Luckin 36,000 se zyada stores ke saath China ki sabse badi coffee chain bataayi jaati hai. [src]

Lesson

Operational data (store traffic, cups) ko financial data se match karo. Analytics ka chapter 18 me demo.



16.23 Doosri nazar: Toshiba (Japan, 2015): Jab pressure culture ban jaaye

Is file me sirf wahi hai jo humne fetch kiya. Wikipedia ke Toshiba page ka accounting scandal section chhota hai. Isliye 500-word target se kam, aur is baat ko chhupaya nahi gaya. Mazeed detail ke liye Toshiba ki official third-party committee report ya SEC/FSA pages padho.

Chat

Prabhat
Toshiba me kya tha?

Iksha
May 2015 me Toshiba ne kaha ki woh accounting scandal investigate kar raha hai aur pichhle teen saal ke profits revise karne pad sakte hain. 21 July 2015 ko CEO Hisao Tanaka ne resign kiya. Profits $1.2 billion se inflate hue the, saat saalon me. Aath senior officials ne resign kiya, jinme pichhle do CEOs the. [src]

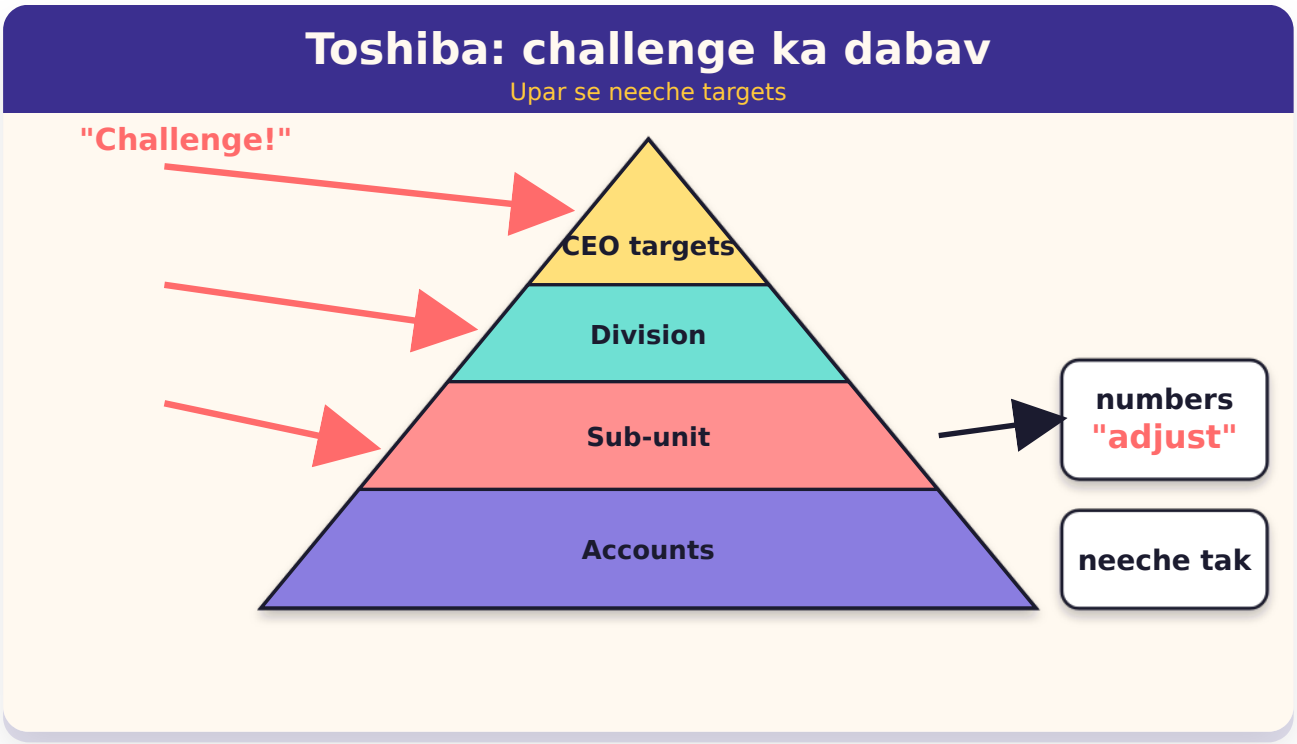
Kab	Kya hua
May 2015	Investigation, 3 saal ke profit revise hone ka shak
21 Jul 2015	Tanaka resign; "140 saal ke itihas ka sabse damaging event"
Baad me	Japan ke best-company stock index se hataya gaya
May 2016	Satoshi Tsunakawa naya CEO

[src]

Lesson

Top-level management override. Jab CEO targets set karte hain aur chhote levels par numbers adjust hote hain, to internal control "paper par" rahta hai.

Exam trap
"Management override of controls" internal control ki inherent limitation hai. Toshiba, Enron, Satyam sab me yeh dikhta hai.



16.24 Das cases ek nazar me (summary table)

#	Company	Desh	Saal	Pakda kisne	Mukhya technique
1	Enron	USA	2001	Short seller / journalist / internal letter	SPE, mark-to-market
2	WorldCom	USA	2002	Internal audit	Expense ko asset banana
3	Satyam	India	2009	Chairman ka confession	Fake cash, fake employees
4	Wirecard	Germany	2020	FT / short sellers / auditor	Missing cash (€1.9bn)
5	Luckin	China	2020	Muddy Waters	Fabricated sales
6	Valeant	Canada/USA	2015	Short seller (Citron)	Channel / related-party concerns
7	Toshiba	Japan	2015	Internal investigation	Profit inflation (pressure)
8	Carillion	UK	2018	Market / liquidation	Hidden leverage, weak cash
9	Parmalat	Italy	2003	CFO / bank	Forged cash document
10	Olympus	Japan	2011	Whistleblower CEO	Tobashi, big fees

Sources: har row ke tathya upar ke case files me tag ke saath hain (Wikipedia pages: Enron_scandal, WorldCom_scandal, Satyam_scandal, Wirecard, Luckin_Coffee, Bausch_Health, Toshiba, Carillion, Parmalat, Olympus_scandal).

16.25 What would you do? (scenarios)

Scenario 1. Tum UP ke ek PSU ke auditor ho. Capital work-in-progress me teen mahine se maintenance ka kharcha jodte jaa rahe hain. Manager kehta hai "ye bhi future asset hai". Tum kya karoge?

Jawab dhaancha: WorldCom wala pattern. Kharcha ka nature dekho, supporting invoice maango, matching principle ka asli test (kya future benefit milega?), aur entry ko un-capitalise karke expense me daalne ka sujhaav do. Agar manager na mane, to audit committee tak escalate karo.

Scenario 2. Client ne kaha "bank confirmation hum bhej denge, aap bas receive kar lena". Tum?

Jawab: Parmalat ka sabak. Confirmation auditor ke control me bheji aur aani chahiye.

Scenario 3. Naye auditor ke taur par tum ek firm ka audit lene wale ho. Pichhla auditor bina saaf wajah ke resign kar gaya hai, aur company bol rahi hai "bas fees ka masla tha".

Jawab: Purane auditor se baat karo (ethical clearance), reasons samjho. Olympus/Gyrus pattern red flag.

Scenario 4. Ek whistleblower tumhe email karta hai ki CFO ne 28 entries bina support ke ki hain. Tum kya karoge?

Jawab: Entries ka sample test, journal-entry analytics, audit committee ko inform, documentation retain, kisi ko bhi shredding ya delete karne se roko.

16.26 20 naye MCQ (answer aur 2-line explanation ke saath)

Q1. WorldCom me fraud sabse pehle kisne pakda? a) KPMG b) SEC c) Company ki internal audit unit d) Ek short seller **Ans: c.** Cynthia Cooper ki team ne capital expenditure audit me prepaid capacity entries dhundhi. External auditors ko yeh area test hi nahi kiya tha.

Q2. WorldCom ke "prepaid capacity" entries ka maqsad tha: a) Tax bachana b) Expense ko asset dikhakar profit badhana c) Cash chhupana d) Dividend dena **Ans: b.** Line costs ko balance sheet par shift kiya gaya. Isse reported profit upar gaya.

Q3. WorldCom ke 49 entries ka total kitna tha (source ke mutabik)? a) $3.8 billion b) $38 million c) $380 million d) $38 billion **Ans: a.** Wikipedia ke mutabik 49 entries, total $3.8bn transfers.

Q4. Q1 2002 me WorldCom ka reported profit aur entries ke bina ka result? a) $130m profit / $395m loss b) $395m profit / $130m loss c) Dono profit d) Dono loss **Ans: a.** Entries hata do to profit loss me badal jata.

Q5. Enron ne mark-to-market accounting kis par use ki? a) Sirf fixed assets b) Long-term contracts c) Inventory d) Dividends **Ans: b.** Enron pehli non-financial company thi jisne complex long-term contracts par yeh method use kiya.

Q6. Chewco/JEDI ke correction se Enron ki earnings aur debt par kya asar hua? a) Earnings $405m kam, debt $628m zyada b) Earnings $628m kam, debt $405m zyada c) Koi nahi d) Dono kam **Ans: a.** Sourced figure. Earnings 1997 se mid-2001 tak reduce.

Q7. Arthur Andersen ki conviction ka akhri hashr? a) Upheld b) Supreme Court ne 2005 me reverse ki c) Pardon d) Retrial **Ans: b.** Par firm 2002 me license surrender kar chuki thi.

Q8. SOX ka enactment date? a) 30 July 2002 b) 1 January 2002 c) 2 Dec 2001 d) 2005 **Ans: a.** Enron aur WorldCom jaise scandals ke baad.

Q9. Satyam me Raju ne kitne ka manipulation maana? a) Rs 700 crore b) Rs 7,000 crore c) Rs 70,000 crore d) Rs 70 crore **Ans: b.** Confession 7 January 2009.

Q10. Satyam me CID ke mutabik kitne employees non-existent the? a) 5,000 b) 13,000 c) 40,000 d) 53,000 **Ans: b.** 53,000 reported, 40,000 actual, 13,000 ghost.

Q11. SEBI ne 2018 me Price Waterhouse par kya bar lagaya? a) 1 saal b) 2 saal listed companies ka audit c) Lifetime d) Koi nahi **Ans: b.** Saath me Rs 13 crore se zyada disgorgement.

Q12. Parmalat me Bank of America ne kis rakam ke document ko forgery bataya? a) €3.95bn b) €1.9bn c) €14bn d) €300m **Ans: a.** Bonlat ke account se jura document.

Q13. Parmalat ka asli debt kitna nikla (auditors ke hisab se)? a) €1.9bn b) €8bn c) €14.3bn d) €3.95bn **Ans: c.** Originally bataye hue se lagbhag aath guna.

Q14. Wirecard me kitna cash "missing" tha? a) €1.9bn b) €19bn c) €190m d) €3.2bn **Ans: a.** €3.2bn uska debt tha.

Q15. Luckin ke fabricated sales ka size? a) RMB 22 million b) RMB 2.2 billion c) RMB 220 billion d) RMB 22 billion **Ans: b.** COO Jian Liu ne fabricate kiye (internal investigation).

Q16. Olympus me Gyrus acquisition par advisers ko kitna "success fee" gaya? a) $687 million b) $6.87 million c) $68.7 million d) $6.87 billion **Ans: a.** Axes America aur Axam ko.

Q17. Olympus ka tobashi kya hota hai? a) Loss ko doosri entities me "udaa" dena b) Naya share jaari karna c) Asset revalue d) Tax planning **Ans: a.** Loss concealment ka tareeka.

Q18. Carillion ke liquidation ke samay UK employees? a) 18,257 b) 43,000 c) 3,000 d) 27,000 **Ans: a.** 43,000 total (2016), 27,000 pension members.

Q19. Carillion ke baare me UBS analyst ne 2015 me kya kaha? a) Zyada leveraged than reported b) Under-leveraged c) Cash rich d) Dividend cut **Ans: a.** Reverse factoring aur extended payment terms ke kaaran.

Q20. Beneish M-score kya detect karne ke liye hai? a) Cash flow b) Earnings manipulation ki probability c) Tax d) Solvency **Ans: b.** Threshold −1.78 (Wikipedia source). Isse upar manipulator ka high probability.

Q21. "Management override of controls" kis cheez ki limitation hai? a) Substantive tests b) Internal control c) CAAT d) Sampling **Ans: b.** Top-level log controls ko bypass kar sakte hain. Enron, Toshiba aur Satyam me yeh dikhta hai.

Q22. Citron Research ka Valeant par 21 Oct 2015 ka claim kya tha? a) Philidor ko false sales record hui b) Tax evasion c) Cash missing d) Employees fake **Ans: a.** Yeh allegation tha, company ne deny kiya.

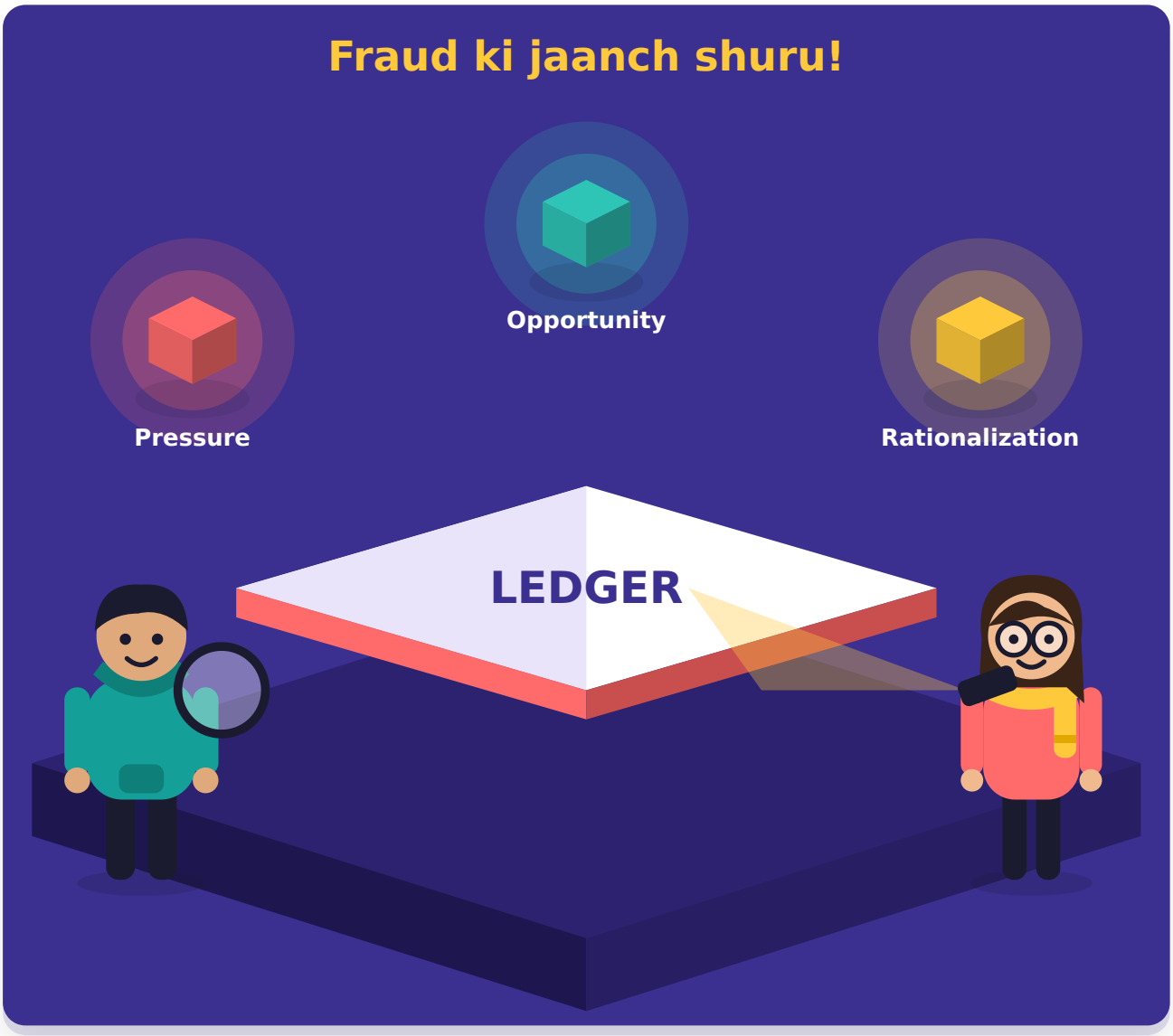
16.27 Recap (Part B)

1. WorldCom: internal audit ne expense-to-asset fraud pakda ($3.8bn entries).
2. Valeant/Philidor: related-party aur channel sawaal; SEC settlement $45m (2020).
3. Carillion: reverse factoring + weak cash + going concern.
4. Parmalat: forged bank document (€3.95bn), real debt €14.3bn.
5. Olympus: tobashi, bada advisory fee, whistleblower.
6. Enron ke SPEs aur Andersen ka shredder.
7. Satyam: fake employees, fake cash, auditor par SEC aur SEBI action.
8. Wirecard: €1.9bn missing; trustee/escrow verification ka sawaal.
9. Luckin: operational vs financial data match.
10. Toshiba: management pressure aur override.

Cheat-sheet: *Cash par shak = bank confirmation. Expense par shak = capex test. Related party par shak = control test. Auditor change par shak = predecessor se baat. Whistleblower = suno.*

Episode 17: Forensic aur Fraud Detection: Chor ko kaise pakdein

Mini kahani: Munim ji



17.1 Kahani hook: Ghaayab pencil box

Prabhat ki class me ek hafte me teen baar pencil box gayab hua. Class teacher ne sabko daantne ki jagah teen sawaal puchhe:

1. Kisko pencil box ki **zaroorat** thi? (pressure)
2. Kiske paas box tak **pahunch** thi? (opportunity)
3. Kaun khud ko samjha sakta hai ki "main to sirf udhaar le raha hoon"? (rationalization)

Jawab milte hi chor pakda gaya. Iksha hansi: "Prabhat, forensic audit bhi yehi hai. Bas pencil box ki jagah crores hote hain."

17.2 Chat: Audit aur forensic audit me fark

Prabhat
Iksha, audit aur forensic audit same hi to hain?

Iksha
Nahi. Normal audit puchta hai: "Financials me material misstatement hai ya nahi?" Forensic audit puchta hai: "Kya fraud hua? Kisne kiya? Kitna? Aur court me kaise sabit karein?"

Prabhat
Matlab detective?

Iksha
Haan. Accounting plus investigation plus law. Aur saboot aise rakhne padte hain ki court me tikein. Isko **chain of custody** kehte hain.

Prabhat
Chain of custody?

Iksha
Saboot kisne kab liya, kahan rakha, kisko diya, sab likha ho. Taaki koi na keh sake ki "ye to badla gaya."

Prabhat
Normal auditor ko fraud dikh jaye to?

Iksha
Companies Act me auditor ke liye fraud reporting ka alag provision hai. Section 143(12). Hum neeche dekhenge.

Prabhat
Aur fraud hota kyun hai?

Iksha
Fraud triangle se samjho. Teen cheezein ek saath chahiye: pressure, opportunity, rationalization.

Prabhat
Matlab har chor ke andar ek kahani hoti hai?

Iksha
Haan. Aur wahi kahani sabse khatarnak hoti hai, kyunki chor khud ko bura nahi maanta. *(thodi der chup, phir dheemi awaaz me)* Raat ko jab sab so jaate hain, tab ye kahaniyan sabse zor se bolti hain. Isliye main din me bhi chaukanni rehti hoon.

Prabhat
Aur mere liye?

Iksha
Tumhare liye sirf ek rule: kabhi mat sochna ki "thoda sa to chalta hai." Wahi pehla kadam hota hai.

17.3 Core idea in 3 levels

6 saal ka bachha box Chori ke liye teen cheezein chahiye: *mann karna*, *mauka milna*, aur *khud ko sahi batana*. Teeno me se ek bhi hata do to chori mushkil ho jaati hai.

Normal explanation

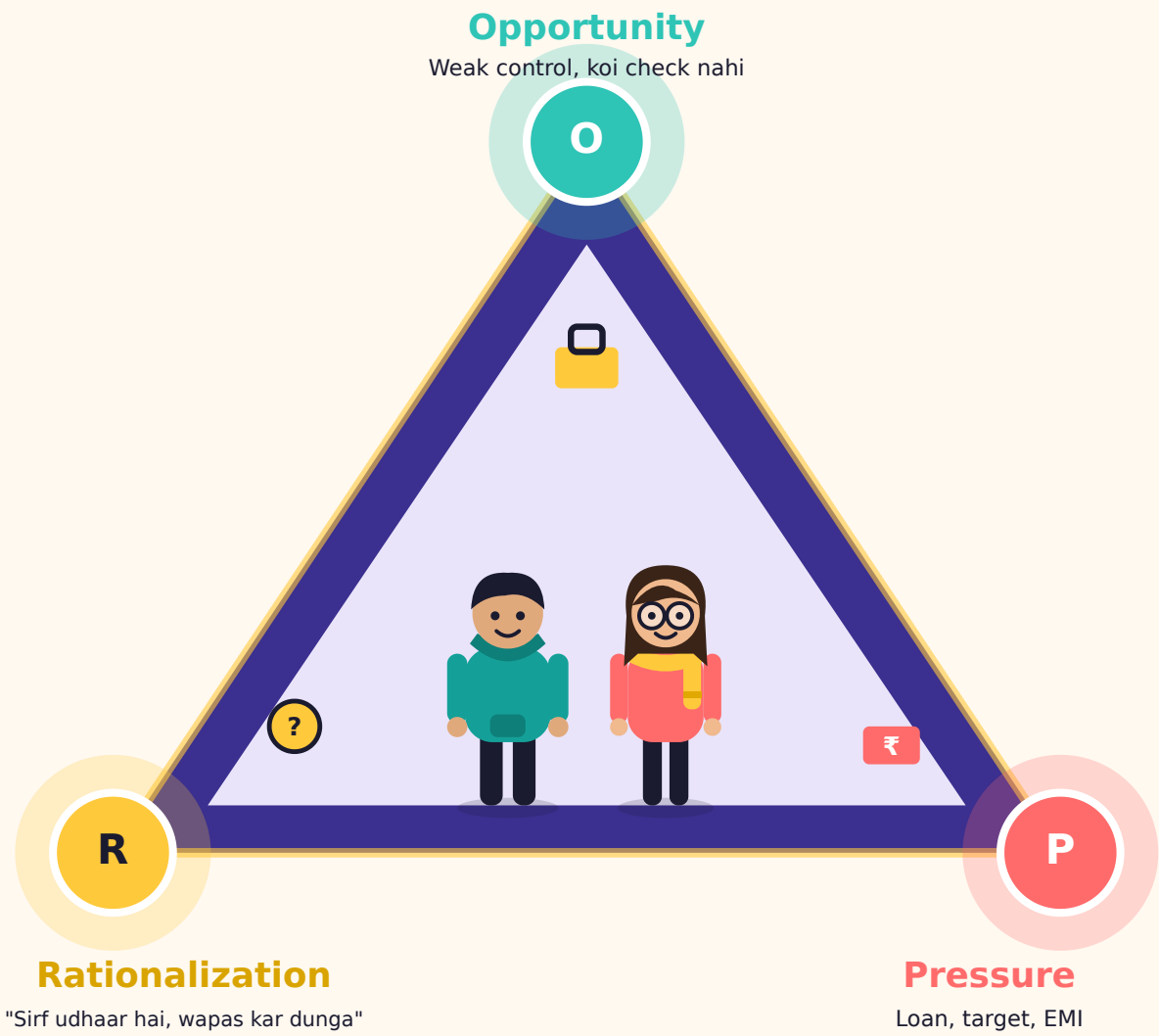
- **Fraud triangle** (Donald Cressey ke kaam se jud kar jana jaata hai): Pressure, Opportunity, Rationalization. Cressey American criminologist the aur unhone embezzlement par "Other People's Money" likhi. [src] Wikipedia ke mutabik Cressey ne khud "fraud triangle" shabd nahi use kiya.
- Auditor sabse zyada **opportunity** ko control karta hai (internal control, Ch 6). Pressure aur rationalization dekhna mushkil hai, par signs milte hain (lifestyle, targets, attitude).
- **Fraud ke teen bade prakaar** (ACFE ke "occupational fraud tree" ka classification): asset misappropriation, corruption, aur fraudulent financial statements.

PhD box

- **Fraud diamond** (David Wolfe aur Dana Hermanson ne 2004 me, CPA Journal me): triangle me "capability" jodta hai.
- **Beneish M-score**: 8 ratios se earnings manipulation ki probability. Formula neeche, source tagged.
- **Benford's law**: natural numbers me pehla digit chhota hone ki zyada sambhavna. First digit 1 ke liye lagbhag 30.1%, kyunki P(d) = log10(1 + 1/d). Ye pure math hai, source ki zaroorat nahi, par audit use ke liye Wikipedia page dekho.
- **Limits**: Benford sab data par lagu nahi hota. Wikipedia ke mutabik tightly bounded data (jaise sankhya ek chhoti range me) par galat alarm aa sakta hai; election data ka misuse isi se hua. [src]
- **Data-driven sampling**: forensic work me full population test hota hai, sample nahi. Ye Ch 18 se judta hai.

17.4 Fraud triangle ko detail me

Fraud triangle: 3 wajah



Kona	Matlab	Examples	Auditor kya kare
Pressure (dabav)	Paise ya target ka tension	Karza, bonus target, lifestyle, gambling	Management targets padho, incentive structure samjho
Opportunity (mauka)	Control ki kamzori	Ek hi aadmi cash aur record dono sambhale; koi review nahi	Internal control test (Ch 6), segregation of duties
Rationalization (khud ko sahi batana)	"Main to chhoda hua paisa wapas kar dunga"	"Company ne mujhe kam diya", "sab karte hain"	Attitude, tone at the top, disputes with auditor

Yaad rakhne ka trick: P-O-R (Por).

Mini kahani: Munim ji

Gupta Traders ke munim Ramesh ji cash bhi sambhalte, cash book bhi likhte, aur bank me jama bhi karte. Unke bete ki fees ka tension tha (pressure). Koi check karne wala nahi tha (opportunity). Ramesh ji ne socha, "Salary kam hai, thoda le leta hoon, Diwali pe wapas kar dunga" (rationalization). Teen saal me lakhon ka gabban. **Fix**: ek aadmi cash rakhe, doosra record likhe, teesra bank reconciliation kare. Isko **segregation of duties** kehte hain.

17.5 Red flags: kahan dhyaan dena hai

Accounting red flags

1. Round figure entries (Rs 5,00,000 exactly).
2. Weekend ya holiday ke journal entries.
3. Month-end/year-end par badi manual entries.
4. Invoice numbers me gap ya duplicate.
5. Profit up, cash flow flat.
6. Receivables ka tezi se badhna (DSO badhna).
7. Debit/credit ek hi vendor ko baar-baar chhoti amounts jo approval limit ke neeche hain.

Behaviour red flags

1. Employee kabhi chhutti nahi leta (taaki koi uska kaam na dekhe).
2. Lifestyle income se zyada.
3. Auditor ko documents dene me deri.
4. Ek hi vyakti sab approve karta hai.

Vendor red flags

1. Vendor ka address employee ke address se match.
2. PO box, ya vendor jiska GST/PAN verify nahi hota.
3. Ek hi bank account kai vendors ke naam.

17.6 Forensic tools: tareeke

17.6.1 Ratio / trend analysis

Pichle saalon se tulna. Revenue +40% par receivables +120%? Kuch to gadbad.

17.6.2 Beneish M-score

Formula (Wikipedia ke mutabik, 8 variables): [src]

Matlab: agar M-score **-1.78 se zyada** (jaise -1.2) aaye to manipulation ka risk zyada. -1.78 se kam (jaise -2.5) to kam sambhavna. [src]

Wikipedia ke mutabik Cornell ke students ne 1998 me M-score se Enron ko earnings manipulator pehchana tha, jabki Wall Street analysts tab bhi "buy" ki salah de rahe the. [src]

Sabse pehla variable DSRI (Days Sales in Receivables Index): DSRI = (Receivables_t / Sales_t) / (Receivables_t-1 / Sales_t-1)

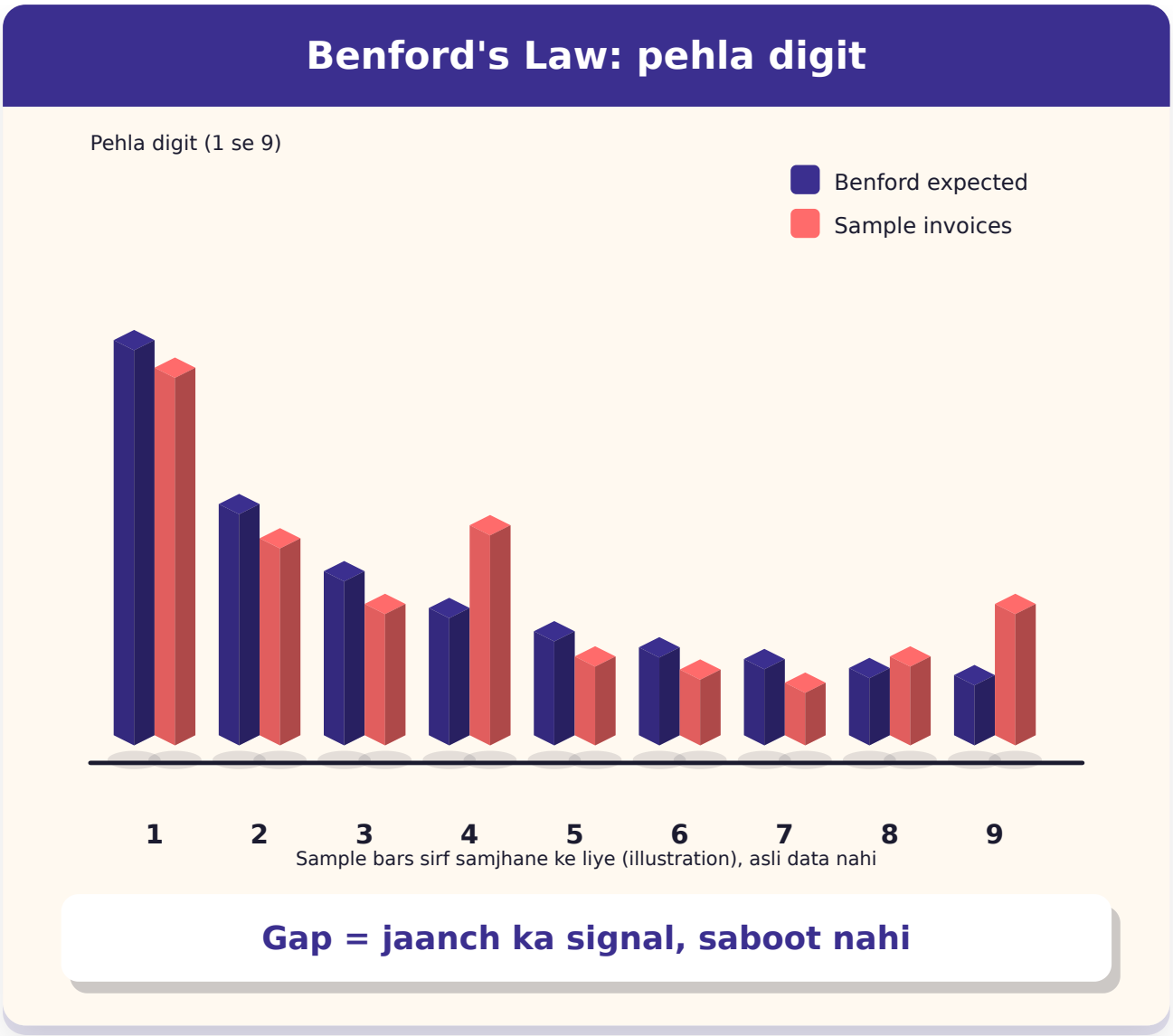
Kalpanik (illustrative) example, asli company nahi: Pichle saal Receivables 10, Sales 100. Is saal Receivables 30, Sales 120. DSRI = (30/120) / (10/100) = 0.25 / 0.10 = **2.5**. Matlab sales par receivables ka ratio 2.5 guna ho gaya. Ye red flag hai.

17.6.3 Benford's law

Pehle digit ki expected frequency (calculated, formula log10(1 + 1/d)):

Digit	1	2	3	4	5	6	7	8	9
Expected %	30.1	17.6	12.5	9.7	7.9	6.7	5.8	5.1	4.6

Agar invoice amounts me "9" ya "5" bahut zyada hai, ya limit ke theek neeche (jaise approval limit Rs 50,000 aur bahut saare Rs 49,900), to investigate karo.



Dhyan rahe: Benford sirf signal deta hai, saboot nahi. Jab data tightly bounded ho (jaise sabhi invoices Rs 100 se Rs 200 ke beech), to ye law lagu hi nahi.

17.6.4 Duplicate aur gap testing

- Same vendor, same amount, same date: duplicate payment.
- Cheque numbers ya invoice numbers me gap: gayab documents.

17.6.5 Three-way match

Purchase Order = Goods Received Note = Invoice. Teeno match na ho to payment mat rokna, rukna chahiye.

17.6.6 Ghost employee test

Payroll list ko HR, attendance, PF aur bank details se match karo. (Satyam ka alleged ghost employee case Ch 16 me.)

17.6.7 Surprise cash count aur bank confirmation

Cash ki surprise gintee aur seedhe bank se confirmation (SA 505).

17.6.8 Lapping aur kiting

- **Lapping**: kal ke customer ka paisa rakh liya, aaj ke customer ka paisa kal wale ke account me jama kar diya. Chain chalti rehti hai.
- **Kiting**: ek bank account se doosre me cheque daal ke "float" ka faayda.
- Pakadne ka tareeka: customer ledger me payment dates aur bank deposit dates ka match, aur customers ko balance confirmation (SA 505).

17.7 Real example: Enron aur M-score ka sabak (sourced)

Ch 16 me humne dekha ki Enron ke SPE ko consolidate karne par reported earnings (1997 se mid-2001) $405 million kam hui aur karza $628 million badha. [src] Isne dikhaya ki **hidden karza** aur **inflated profit** saath chalte hain. Cornell ke students ne M-score se 1998 me hi shak jataya tha (upar sourced). Seekh: ratio-based screening ek early warning ho sakti hai, par akeli kaafi nahi. Auditor ko evidence chahiye.

17.8 Fraud ki zimmedari: Companies Act aur SA

Neeche ke points official text se verify kiye gaye (Companies (Audit and Auditors) Rules 2014 Rule 13, Section 447 text, ICAI SA list), 2026-11-27.

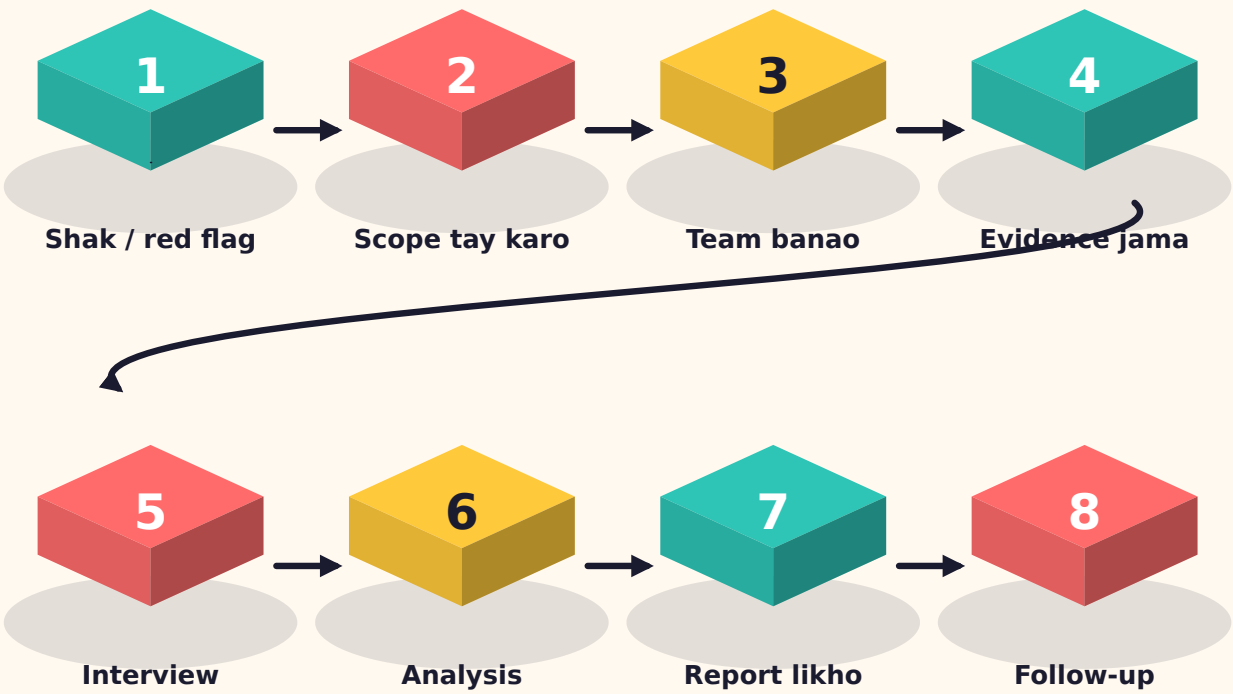
- **Section 143(12), Companies Act 2013**: agar auditor ko lage ki company ke against officers ya employees ne fraud kiya hai ya kar rahe hain, to wo report karta hai. Rule 13 (Companies (Audit and Auditors) Rules, 2014): fraud Rs 1 crore ya usse zyada ka ho to auditor 2 din ke andar Board ya Audit Committee ko batata hai (45 din me reply maangta hai), phir 15 din ke andar Central Government ko report bhejta hai (Form ADT-4, electronically). Rs 1 crore se kam ke liye auditor 2 din ke andar Audit Committee ya Board ko report karta hai, aur company Board's Report me uski details batati hai. [src]

- **Section 447**: fraud ki saza. Kam se kam 6 mahine, zyada se zyada 10 saal ki jail, aur fine jo fraud ki amount se kam nahi, par amount ka 3 guna tak ho sakta hai. Agar fraud public interest se jura ho to jail kam se kam 3 saal. Chhoti fraud (Rs 10 lakh ya company turnover ka 1% me se jo kam ho, usse kam, aur public interest nahi) me 5 saal tak jail ya Rs 50 lakh tak fine ya dono. [src]
- **SA 240**: fraud me auditor ki zimmedari. **SA 315 (Revised)**: risk identification. **SA 330**: assessed risks par response. **SA 505**: external confirmations. **SA 550**: related parties. **SA 580**: written representations. **SA 250**: laws aur regulations ka compliance. [src]

17.9 Forensic investigation ke steps (flow)

1. **Shak/allegation** milna (whistleblower, red flag).
2. **Scope** tay karna aur authority lena.
3. **Evidence secure karna** (emails, ledgers, devices ki copy; chain of custody).
4. **Analysis** (data analytics, interviews, document review).
5. **Interview**: pehle chhote logon se, anth me suspect se.
6. **Quantify**: kitna nuksan.
7. **Report**: tathya (facts), kaise, kitna, kisne, aur recommendations.
8. **Follow-up**: kanooni karyavahi aur control sudhar.

Fraud jaanch: 8 kadam





17.10 Interview ke niyam (simple)

1. Pehle open sawaal: "Process batao."
2. Phir specific sawaal.

3. Dhamki ya laalach nahi.
4. Likhit record aur do log maujood.
5. Jhooth pakda jaye to turant mat bhidho, details note karo.

17.11 Prevention: fraud hone se pehle

1. Segregation of duties.
2. Mandatory leave aur job rotation.
3. Whistleblower hotline.
4. Surprise audits.
5. Approval limits aur dual authorisation.
6. Tone at the top: ethics code, sakht kaarvai.
7. Background check hiring ke time.

17.12 Exam angle: 5 PYQ-style questions

Q1. Fraud triangle ke teen elements me kaun shamil NAHI hai? (a) Pressure (b) Opportunity (c) Rationalization (d) Audit fee. **Ans: (d).**

Q2. Ek hi karmchari cash bhi sambhale aur cash book bhi likhe, ye kis kamzori ko dikhata hai? (a) Pressure (b) Segregation of duties ki kami (c) Overstatement (d) Going concern. **Ans: (b).**

Q3. Lapping kya hai? (a) Bank charges ka hisab (b) Ek customer ka paisa rakh kar doosre customer ke paise se uska account chhupana (c) Stock ki valuation (d) Depreciation method. **Ans: (b).**

Q4. Benford's law ke mutabik pehla digit "1" ki expected frequency lagbhag kitni hai? (a) 11% (b) 30% (c) 50% (d) 9%. **Ans: (b) 30.1% (log10(2)).**

Q5. Three-way match me kaun se teen documents milaye jaate hain? (a) PO, GRN, Invoice (b) Bank statement, cash book, ledger (c) Balance sheet, P&L, cash flow (d) Voucher, receipt, journal. **Ans: (a).**

17.13 Recap page

1. Forensic audit: fraud ka kisne, kaise, kitna, aur court me saboot.
2. Fraud triangle: Pressure, Opportunity, Rationalization.
3. Auditor sabse zyada Opportunity ko control se rokne me madad karta hai.
4. Chain of custody: saboot ka poora record.
5. M-score: 8 ratios, threshold -1.78 (sourced), -1.78 se upar = zyada risk.
6. Benford's law: pehle digit 1 lagbhag 30.1%; tightly bounded data par lagu nahi.
7. Duplicate, gap, three-way match, ghost employee tests.
8. Lapping aur kiting: purane fraud ke classic tareeke.
9. Section 143(12) aur SA 240 fraud reporting ke liye.
10. Prevention: segregation of duties, mandatory leave, hotline.

Tool	Kya pakdta hai	Limit
M-score	Earnings manipulation	Sirf signal
Benford	Banaye hue numbers	Bounded data par fail
Three-way match	Fake purchases	Collusion me fail
Surprise count	Cash chori	Snapshot hai
Bank confirmation	Fake cash	Collusion me fail

Fact-check 2026-11-27: Fraud diamond authorship (Wolfe and Hermanson 2004), ACFE taxonomy, Section 143(12)/447 and SA numbers verified; see checks/ch17.md.

Part B: Forensic Lab (6 worked exercises)

Note on numbers. Is part ke Exercise 1 se 6 me jo numbers hain woh **kalpanik practice data** hain (Kalpana Traders, Maya Pvt Ltd, Dhruv Mills). Yeh kisi asli company ke figures nahi hain. Asli companies ke numbers sirf [[SRC]] ke saath aaye hain.

17.14 Part B ka mood: raat 1 baje ka lab

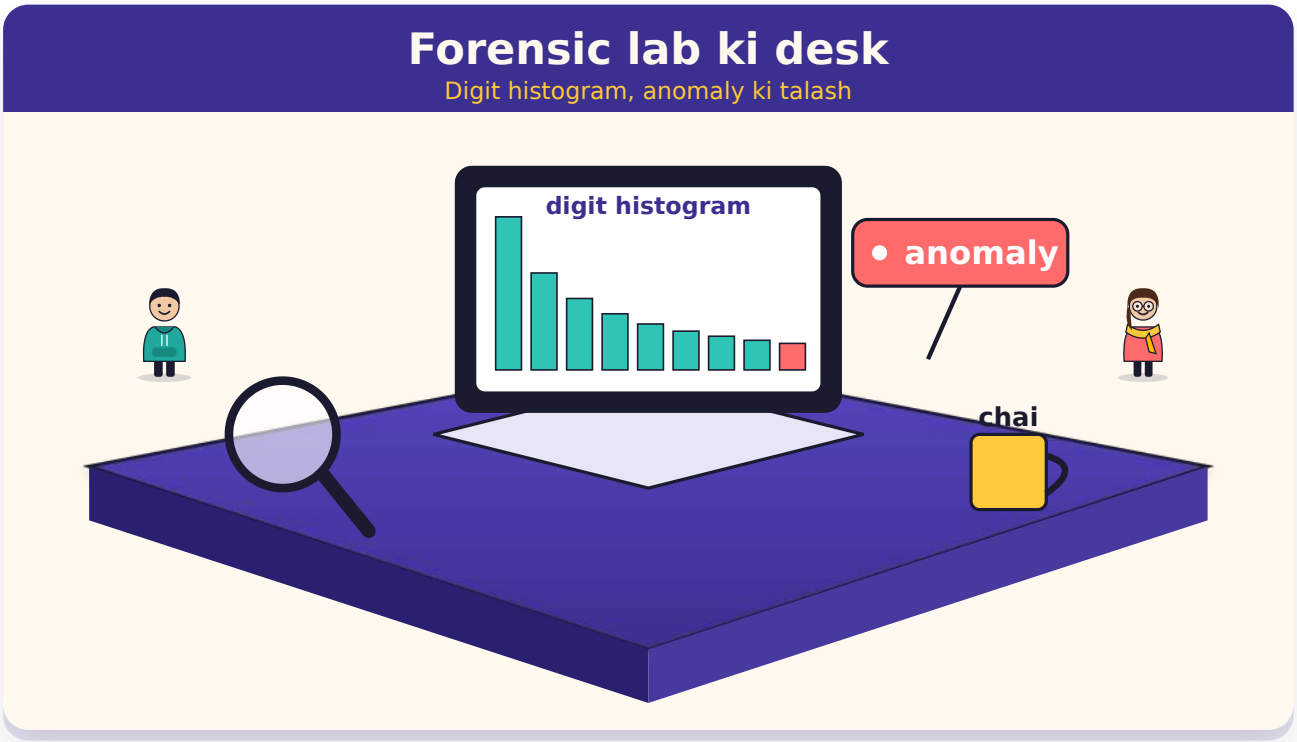
Iksha ne laptop ke saamne chashma upar chadhaya. Prabhat uske kandhe ke peechhe se spreadsheet dekh raha tha.

Prabhat
Yeh numbers to normal lag rahe hain.

Iksha
Normal lagna hi to chaal hai. Chor numbers ko "ache" dikhata hai. Par chor ek cheez nahi sambhal pata: number ki aadat. Insaan jab number banata hai to uski ungliyan kuch digits ko zyada pasand karti hain.

Prabhat
Aadat se pakda jaayega?

Iksha
(dheemi awaaz me) Aksar. Chalo, dikhati hoon.



17.15 Exercise 1: Benford's law, step by step

Step 0: Benford kya hai (3 levels)

6 saal ka bachha: Ek lambi seedhi (ladder) hai. Pehle steps chhote-chhote paas paas hain, upar ke steps door door. Number "1" se shuru hone wale bahut hain, "9" se shuru hone wale kam.

Normal: Bahut se asli datasets me pehla digit 1 lagbhag 30% baar aata hai, aur 9 lagbhag 5% se kam. Agar sab digits barabar hote to har digit lagbhag 11.1% hota. Isliye jab data apne aap bana ho (invoices, bills), to digits ki yeh shape expected hoti hai. [src]

PhD box: Formula: P(d) = log10(1 + 1/d). Yeh tab maanta hai ki data logarithmic scale par uniform hai. Law tab sabse theek chalta hai jab values kai orders of magnitude me phailay hon. Naam Frank Benford (1938) ka hai, par Simon Newcomb ne 1881 me pehle kaha tha. [src]

Expected table (sourced)

Pehla digit	1	2	3	4	5	6	7	8	9
Expected %	30.1	17.6	12.5	9.7	7.9	6.7	5.8	5.1	4.6

Source: Wikipedia Benford's law page. [src]

Practice data: Kalpana Traders, 100 purchase invoices (saal bhar)

Invoice ke pehle digit ki ginti:

Digit	1	2	3	4	5	6	7	8	9
Observed (100)	28	19	11	10	8	7	6	6	5
Expected (100 par)	30.1	17.6	12.5	9.7	7.9	6.7	5.8	5.1	4.6
(O minus E) squared / E	0.15	0.11	0.18	0.01	0.00	0.01	0.01	0.15	0.04

Chi-square ka jod = 0.66 (har column ka (O minus E) squared divided by E, phir jodo; hamne Python se verify kiya).

Chat

Prabhat
0.66 matlab?

Iksha

Bahut chhota. Observed aur expected lagbhag same hain. Yahan 9 digits hain, to degrees of freedom 8 hote hain. Chi-square critical value df=8 par 15.51 (5% level) aur 20.09 (1% level) hai. 0.66 in dono se bahut neeche hai, to koi shak nahi. (Critical values humne Python se nikaale: 15.507 aur 20.090. Exam me "table se compare" likho. Exercise 2 ka 81.6 in dono se kaafi upar hai.)

Prabhat

Toh Kalpana Traders saaf?

Iksha

Sirf is test se. Benford ek shak ka signal hai, saboot nahi. Isliye hum "clean" nahi, "is test me anomaly nahi mili" likhte hain.

Exam trap

Benford ka test hamesha "red flag" deta hai, "fraud ka proof" nahi. Wikipedia bhi bataata hai ki Benford tab sabse theek lagta hai jab data kai orders of magnitude me phailay; tight range me nahi. [src]

17.16 Exercise 2: Benford, jab 9 zyada aaye (approval limit ke neeche)

Kahani

Dhruv Mills me Rs 50,000 se upar ke payment par GM ki approval chahiye. Ek clerk ne kuch bills ko Rs 49,000 ke aas paas tod diya, taaki approval na mange. Yeh "splitting" kehlata hai.

Practice data: 100 payment vouchers

Digit	1	2	3	4	5	6	7	8	9
Observed	8	10	9	10	9	11	12	13	18
Expected	30.1	17.6	12.5	9.7	7.9	6.7	5.8	5.1	4.6
(O minus E) squared / E	16.23	3.29	0.98	0.01	0.15	2.77	6.63	12.15	39.38

Chi-square total lagbhag 81.6 (Python se 81.59), df=8, critical value 15.51 (5%) se bahut upar. Digit 9 aur digit 1 ke kaaran.

Chat

Prabhat
18 vouchers 9 se shuru? Expected to 4.6 the.

Iksha
Aur 1 se sirf 8, jabki 30 hone chahiye. Yeh curve "ulti" ho gayi. Ab kya karte hain?

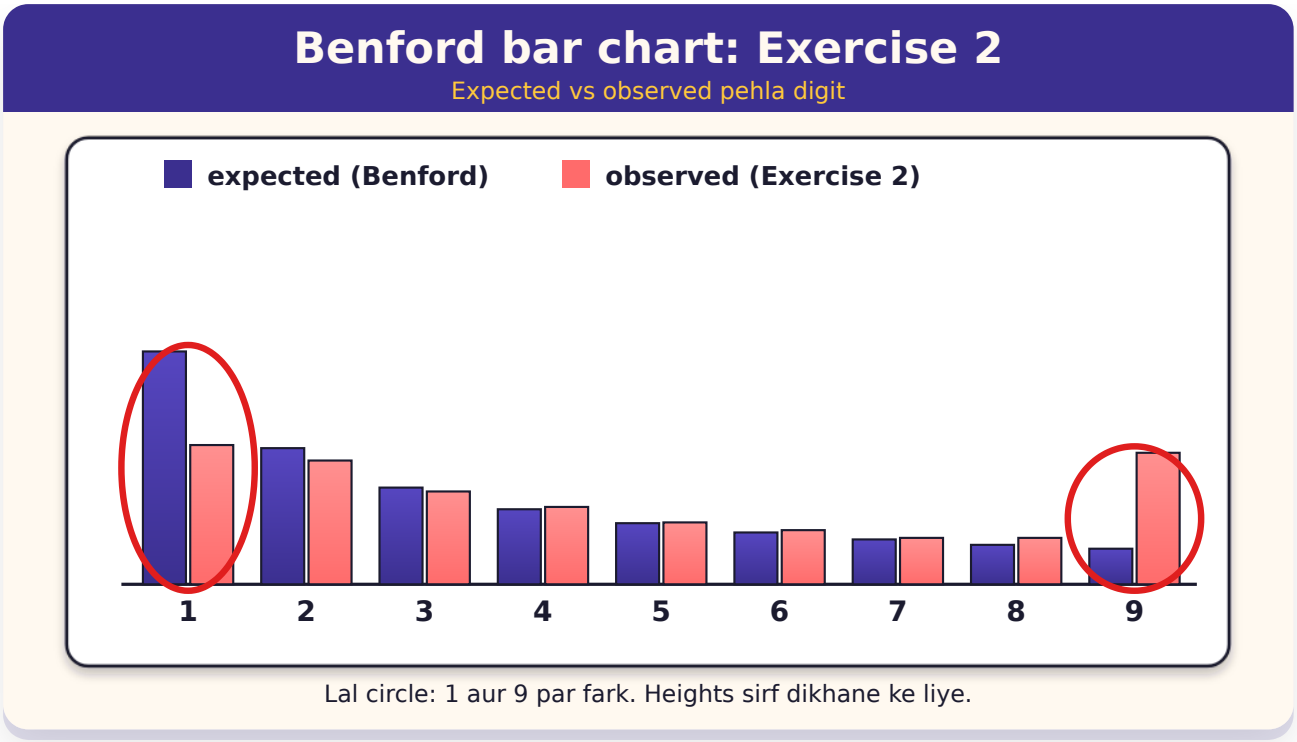
Prabhat
Un 9 aur 8 wale vouchers ko alag nikaalte hain.

Iksha
Sahi. Ab drill-down: 9 se shuru wale 18 vouchers me se kitne Rs 45,000 se Rs 49,999 ke beech hain? Kitne same vendor ke hain? Kitne same date ke aas paas?

Drill-down steps

1. 9-wale (aur 4, 8 wale jo limit ke paas) vouchers filter karo.
2. Vendor-wise group karo.
3. Same vendor ke ek hi hafte ke payments jodo. Agar jod kar limit paar hoti hai, to splitting.
4. Approval record dekho.
5. Result ko "exception report" me daalo.

Observed vs expected ka chart



Lal circle: 1 aur 9 par fark. Heights sirf dikhane ke liye.

Exam trap

Benford ek "pehla digit" test hai, par "last two digits" aur "second digit" tests bhi hote hain. Wikipedia batata hai ki second-digit test election forensics me use hua. [src] Accounting ke liye pehle digit se shuru karo.

17.17 Exercise 3: Ratio aur trend analysis (3 saal ka hisaab)

Setup

Maya Pvt Ltd ka practice data:

Item (Rs lakh)	Year 1	Year 2	Year 3
Sales	1,000	1,200	1,500
Receivables	100	180	330
Cost of goods sold	700	840	1,080
Operating cash flow	105	60	10
Net profit	110	140	175

Step 1: Days Sales Outstanding (DSO)

DSO = Receivables / Sales x 365. Year 1: 100/1,000 x 365 = 36.5 din. Year 2: 180/1,200 x 365 = 54.75 din. Year 3: 330/1,500 x 365 = 80.3 din (lagbhag).

Step 2: Gross margin

Year 1: (1,000 - 700)/1,000 = 30%. Year 2: (1,200 - 840)/1,200 = 30%. Year 3: (1,500 - 1,080)/1,500 = 28%.

Step 3: Profit vs cash

Net profit badh raha hai (110 to 175), par operating cash flow gir raha hai (105 to 10). Accruals badh rahe hain.

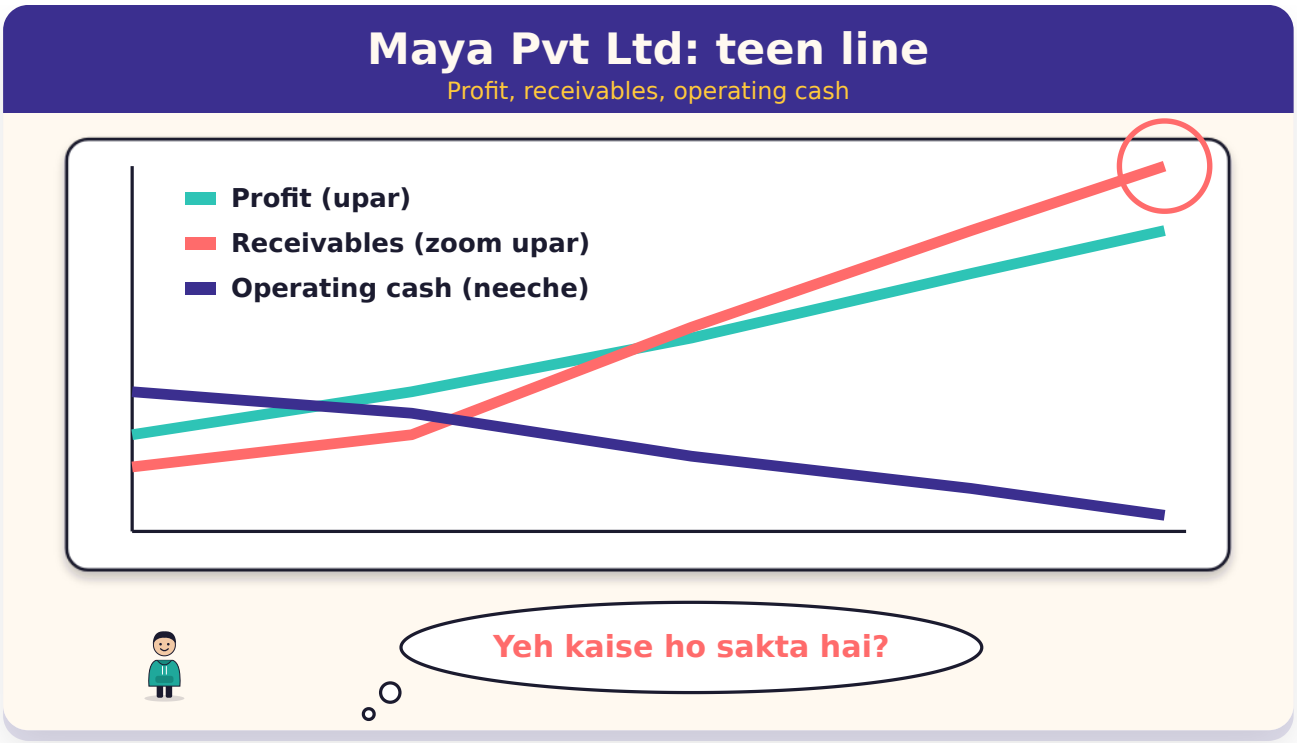
Chat

Prabhat
Sales 50% badhi, par receivables 3 guna se bhi zyada (100 se 330). Yeh normal hai?

Iksha
Nahi. DSO 36 se 80 din. Ya to customers der se pay kar rahe hain, ya sales asli nahi hain. Fraud ka symptom aur business ki kamzori ka symptom, dono ek jaise dikhte hain. Isliye hum "kyun?" poochhte hain.

Prabhat
Kya poochhein?

Iksha
Teen cheezein: (1) top 10 receivables ka confirmation, (2) year-end ke aas paas ki sales ka cut-off, (3) credit notes jo baad me aayi. Luckin jaise cases me bhi sabse pehle sales ke figures par hi sawaal utha tha (Muddy Waters ki report, Chapter 18 mein).



Exam trap

Sirf ek ratio se faisla nahi hota. Ratio ek "sawaal" deta hai, "jawab" nahi.

17.18 Exercise 4: Beneish M-score, poora hisaab

Formula (sourced)

Beneish model 8 ratios use karta hai. M-score = −4.84 + 0.92 DSRI + 0.528 GMI + 0.404 AQI + 0.892 SGI + 0.115 DEPI − 0.172 SGAI + 4.679 TATA − 0.327 LVGI. Threshold −1.78: usse kam to unlikely manipulator, usse zyada likely manipulator. [src]

Yeh model probabilistic hai, 100% accurate nahi, aur financial institutions par lagu nahi hota. [src]

Practice data: Dhruv Mills (Rs crore, kalpanik)

Item	Year t-1	Year t
Net receivables	100	180
Sales	1,000	1,200
COGS	700	840
Current assets	600	700
PP&E	450	500
Securities	0	0
Total assets	1,300	1,500
Depreciation	50	60
SG&A	100	120
Current liabilities	380	400
Long-term debt	290	300
Income from continuing ops	110	140
Cash flow from operations	105	60

Step-by-step

DSRI = (180/1,200) / (100/1,000) = 0.15 / 0.10 = **1.50 GMI** = [(1,000 - 700)/1,000] / [(1,200 - 840)/1,200] = 0.30 / 0.30 = **1.00 AQI** = [1 - (700+500+0)/1,500] / [1 - (600+450+0)/1,300] = 0.2 / 0.1923 = **1.04** (lagbhag) **SGI** = 1,200/1,000 = **1.20 DEPI** = [50/(450+50)] / [60/(500+60)] = 0.10 / 0.1071 = **0.933 SGAI** = (120/1,200) / (100/1,000) = 0.10/0.10 = **1.00 LVGI** = [(400+300)/1,500] / [(380+290)/1,300] = 0.4667 / 0.5154 = **0.905 TATA** = (140 - 60)/1,500 = **0.0533**

Final

Terms: 0.92 x 1.50 = 1.380; 0.528 x 1.00 = 0.528; 0.404 x 1.04 = 0.420; 0.892 x 1.20 = 1.070; 0.115 x 0.933 = 0.107; −0.172 x 1.00 = −0.172; 4.679 x 0.0533 = 0.250; −0.327 x 0.905 = −0.296. Jod: 1.380 + 0.528 + 0.420 + 1.070 + 0.107 − 0.172 + 0.250 − 0.296 = 3.287. M = −4.84 + 3.287 = **−1.55** (lagbhag).

(−1.55) > (−1.78) to **flag**. Dhruv Mills "likely manipulator" zone me hai.

Chat

Prabhat
Matlab fraud?

Iksha

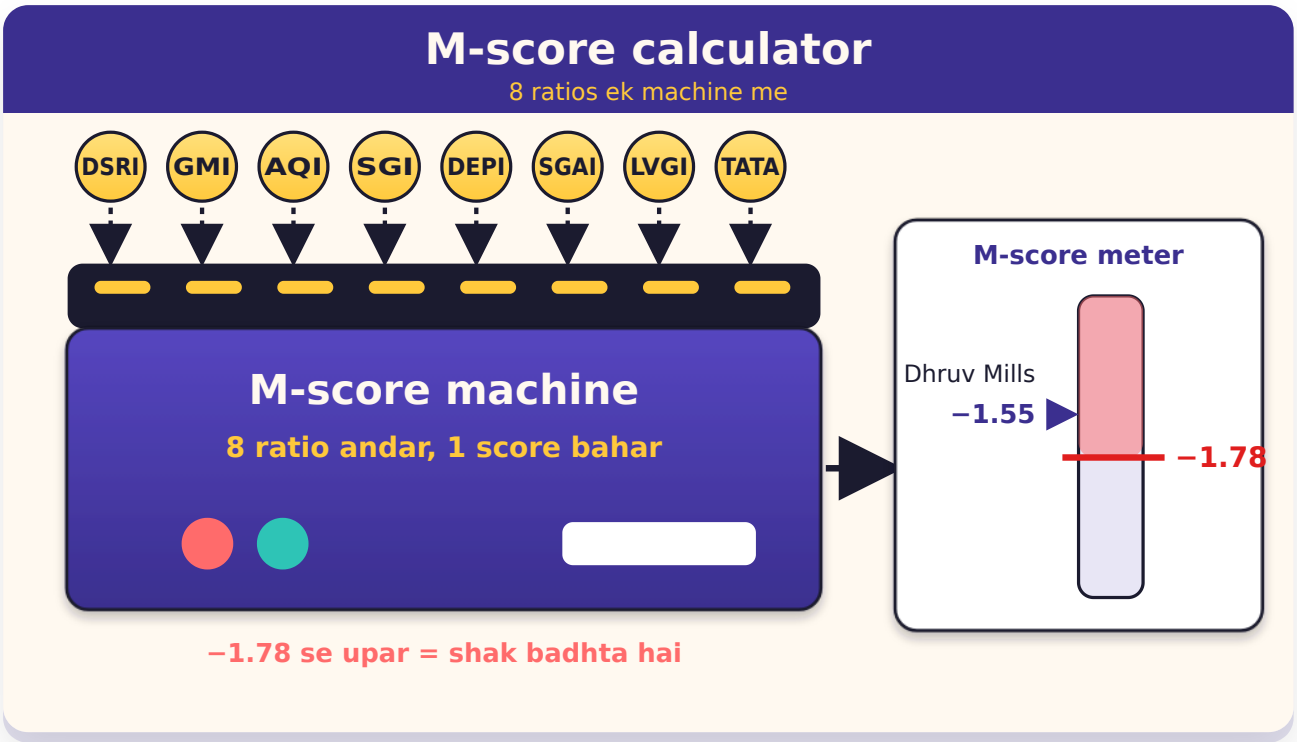
Nahi. Matlab zyada jaanch. Kaunsa ratio sabse zyada gaya? DSRI (1.50), jiska contribution 1.38 hai. Yaani receivables ka sales se bada growth. Chal, us par focus: confirmation, ageing, credit notes.

Prabhat

Yeh Enron me bhi chala tha na?

Iksha

Wikipedia ke mutabik Cornell ke students ne 1998 me Enron ko M-score se "earnings manipulator" mana tha, jabki Wall Street analysts tab bhi buy recommend kar rahe the. [src]



Exam trap

−1.78 ka "less than" aur "greater than" ulta mat kar dena. −2.50 safe taraf (kam), −1.50 danger taraf (zyada).

17.19 Exercise 5: Duplicate, gap aur three-way match (invoice testing)

Practice data: Kalpana Traders ke purchase invoices (sample 12)

Inv No	Vendor	Date	Amount (Rs)	PO?	GRN?
1041	Shree Pipes	02 Apr	38,000	Yes	Yes
1042	Om Traders	03 Apr	12,500	Yes	Yes
1043	Shree Pipes	05 Apr	38,000	Yes	Yes
1044	Ravi Sales	06 Apr	49,500	No	Yes
1046	Om Traders	08 Apr	12,500	Yes	No
1047	Shree Pipes	09 Apr	38,000	Yes	Yes
1048	Ravi Sales	10 Apr	49,500	No	No
1049	Om Traders	11 Apr	7,200	Yes	Yes
1050	Sunil Store	12 Apr	9,800	Yes	Yes
1051	Sunil Store	12 Apr	9,800	Yes	Yes
1052	Ravi Sales	13 Apr	49,500	No	No
1053	Om Traders	14 Apr	7,200	Yes	Yes

Test A: Gap test

Sequence me 1045 missing. Poochho: cancelled? Voided? Ya kisi ne hata diya? Missing document ka explanation lo.

Test B: Duplicate test (vendor + amount)

- Shree Pipes: 38,000 teen baar (1041, 1043, 1047). Kya teen alag deliveries thi?
- Om Traders: 12,500 do baar (1042, 1046), 7,200 do baar (1049, 1053).
- Sunil Store: 9,800, **same date**, do consecutive invoice numbers (1050, 1051). Strong duplicate shak.
- Ravi Sales: 49,500 teen baar (1044, 1048, 1052).

Test C: Three-way match

PO + GRN + Invoice teeno hone chahiye.

- 1044: PO nahi.
- 1046: GRN nahi.

- 1048 aur 1052: na PO na GRN. Red flag: Ravi Sales ke teen invoice, teeno Rs 49,500. Agar Rs 50,000 se upar approval ka limit ho, to yeh limit ke neeche rakhe gaye.

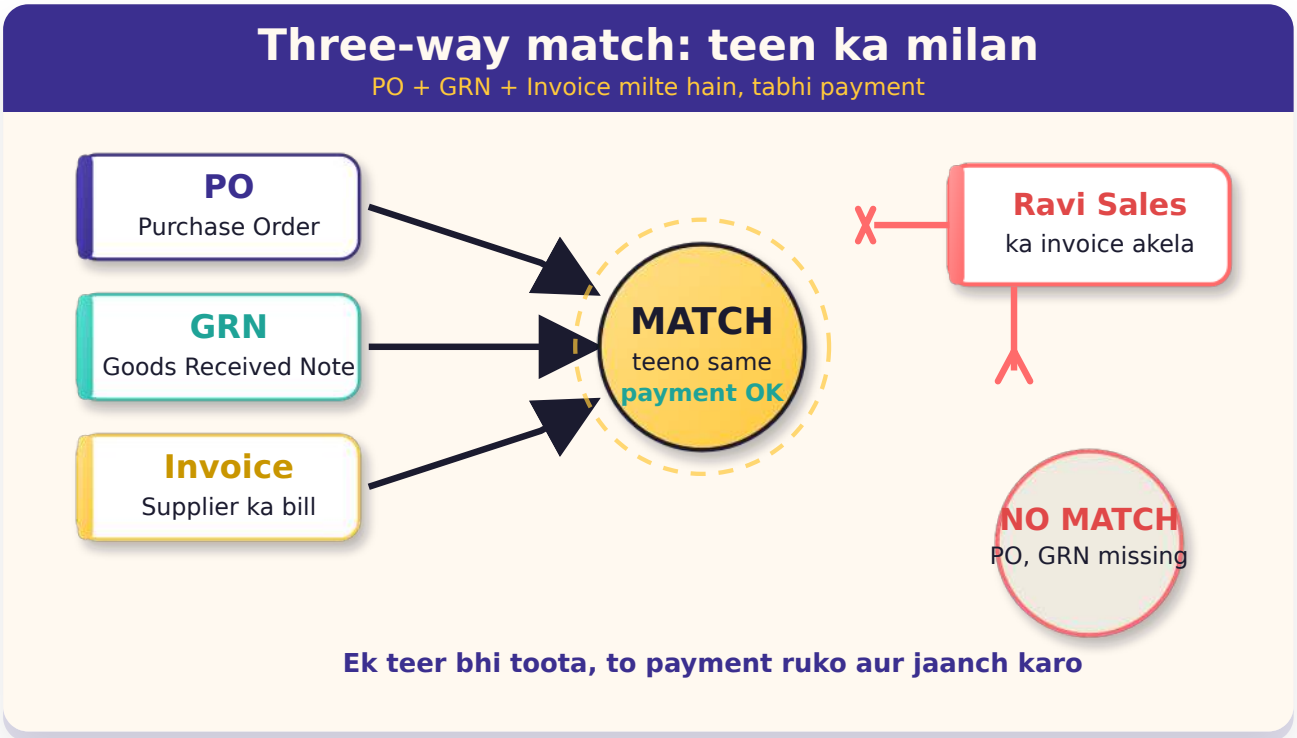
Chat

Prabhat
Ravi Sales me kaun sa pattern hai?

Iksha
Teen cheezein ek saath: round-ish amount limit ke neeche, PO nahi, GRN nahi. Yeh fictitious vendor ka classic pattern hai. Ab vendor master me jao: address, bank account, GST number (practice data me GST number nahi diya, par asli audit me dekhte hain).

Exception summary

Test	Exceptions
Gap	1 (1045)
Duplicate suspects	1050/1051 (same date), plus repeated amounts
No PO	1044, 1048, 1052
No GRN	1046, 1048, 1052



Exam trap

Duplicate payment aur fictitious vendor dono me "same amount" dikh sakta hai, par jaanch alag hai: pehle me bank detail same hoti hai, doosre me vendor ka existence hi nahi hota.

17.20 Exercise 6: Ghost employee aur "kitne asli, kitne kaagzi"

Satyam ka sabak (sourced)

Satyam ke case me CID ne kaha asli employees 40,000, reported 53,000. 13,000 non-existent employees par Rs 200 million har mahine nikaalne ka aarop tha. [src]

Practice data: Dhruv Mills payroll (Rs)

Emp ID	Naam	Bank A/c ending	Access-card swipes (maah)	Leave records	Salary
201	A. Verma	4412	22	2	28,000
202	B. Khan	5530	21	1	31,000
203	C. Rao	7781	0	0	26,000
204	D. Das	7781	0	0	26,000
205	E. Iyer	1129	20	3	29,000
206	F. Nair	9942	0	0	33,000

Test steps

1. **Bank match:** 203 aur 204 ka same account (7781). Do alag log, ek account. Flag.
2. **Access vs payroll:** 203, 204, 206 ke swipes 0, leave 0. Salary milti hai par office me nahi dikhte. Flag.
3. **Master data:** HR file me joining date aur supervisor check karo. Kya 206 ka koi supervisor sign karta hai?
4. **Physical verification:** Surprise muster (ek din kuch employees ko dekh kar paisa do).

Chat

Prabhat
0 swipe matlab ghost?

Iksha
Nahi, ho sakta hai woh work-from-field ho ya sabbatical par. Hum "exception" kehte hain, "ghost" nahi. Phir confirm karte hain.

Prabhat
Aur jo upar wala 7781 hai?

Iksha
Wahi to catch. Do alag employees ka ek account aam taur par sirf parivaar ke sadasyon me hota hai. Agar dono alag-alag department me hon aur dono ke swipe zero, to shak gehra.

Dark beat. Prabhat ne HR sheet band ki. "Ek insaan kaagaz par jee raha hai aur uski tankhwah kisi aur ke jeb me," usne kaha. Iksha ne chashma utaara. "Isliye hum sawaal poochhte hain. Kisi ko behtar jeevan nahi dena, bas jhooth ko pakadna hai."



Exam trap

Ghost employee test ka sabse achha evidence "independent": access card, bank, aur direct payment verification, HR ke apne register se bahar.

17.21 Mini case: Cressey aur fraud triangle ka asli aadmi

Kahani

Fraud triangle ke piche ek insaan tha jisne "Other People's Money" naam ki kitaab embezzlement par likhi. Donald Cressey (1919 se 1987) ek American criminologist the, UC Santa Barbara me padhaya. [src]

Chat

Prabhat

Triangle ke teen kone yaad rakhne ka tareeka?

Iksha

Pressure, Opportunity, Rationalisation. (Is chapter ke pehle part me detail me hain.) Aaj naya: auditor sirf Opportunity ko control kar sakta hai. Pressure aur rationalisation ko sirf dekh sakta hai. Isliye internal control opportunity ghataata hai.

Lesson

Cressey ka kaam embezzlers par tha. Isse chhote embezzlement ke case samajhne me madad milti hai. Bade corporate frauds (Enron, WorldCom) me pressure "Wall Street targets" ka hota hai. WorldCom me audit committee aur KPMG ka nateeja tha ki amounts "solely to meet Wall Street targets" transfer hue. [src]

17.22 Mini case: Check kiting aur "hawa me udti patang"

Chat

Prabhat
Kiting kya hai?

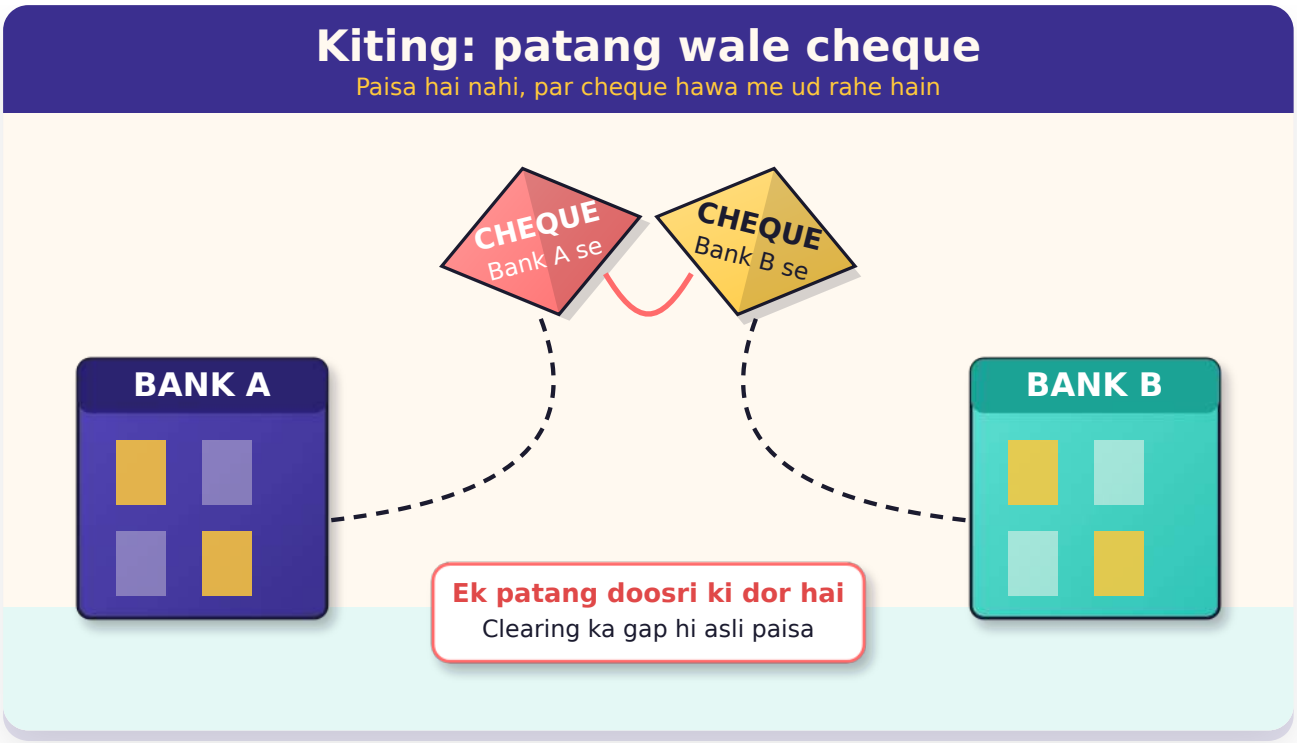
Iksha
Do banks, do accounts. Ek account se aise cheque likho jisme paise nahi. Doosre bank ke cheque se pehle wale ko cover karo, jisme bhi paise nahi. Beech me jo "float" ka time hota hai, wahi tumhara paisa ban jaata hai. [src]

Prabhat
"Kite" naam kyun?

Iksha
19th century ki IOU practice se, jisme koi collateral nahi hota tha. "Flying a kite" matlab hawa ke bharose. Term 1920s me aam hua. [src]

Audit test

- Bank reconciliation me bahut saare cheque deposits jo agle hi din clear nahi hue.
- Year-end ke aas paas do accounts ke beech bade transfers.
- "Cash in transit" ka unusually bada hona.



17.23 Mini case: WorldCom ka journal entry test (analytics ka asli hero)

Kahani

WorldCom ki internal audit ne basic T-accounts se income statement se balance sheet me movement dekhi. [src]

Is se bana journal entry test (JET)

1. Sab manual journal entries nikalo (ERP se).
2. Filter: quarter-end ke aas paas, round amounts, "top-side" entries, jin par supporting document nahi.
3. Debit: asset account; Credit: expense account. Yeh direction sabse sensitive hai.
4. Entry banane wale ka user ID aur approver check karo.
5. 49 jaisi entries ek pattern me bhi aa sakti hain, isliye "SS entry" label jaisi cheezein dekho.

Chat

Prabhat
Kya yeh sab manually ho paata?

Iksha
Tab to nahi. Isliye next chapter (18) me CAAT dekhenge: har transaction, sirf sample nahi.

17.24 What would you do? (scenarios)

Scenario 1. Ek vendor ka bank account employee ke bank account se match karta hai. Tum? *Jawab dhaancha:* Related-party/conflict of interest. Vendor master history, kaun approve karta hai, aur payments ka total. Management ko inform karo, evidence preserve karo, aur interview ke niyam follow karo (chapter ke pehle part me).

Scenario 2. Benford test me digit 5 bahut zyada. Kya tum fraud likhoge? *Jawab:* Nahi. Pehle data ki prakriti dekho: kya yeh fixed-price items hain? Phir drill-down. Benford sirf flag deta hai.

Scenario 3. M-score −1.40 aaya, par company bank hai. *Jawab:* Model financial institutions ke liye design nahi hua. [src] Doosre tools use karo.

Scenario 4. Interview ke dauraan suspect ne kaha "mera vakil bulao". *Jawab:* Interview rok do. Aap police nahi ho. Legal team ko batao.

17.25 20 naye MCQ

Q1. Benford's law ke hisab se digit 1 lagbhag kitne % baar pehla digit hota hai? a) 11% b) 30% c) 50% d) 5% **Ans: b.** Uniform hone par 11.1% hota. Real data me ~30.1%.

Q2. Benford's law me 9 kitni baar aata hai? a) 4.6% b) 11% c) 30% d) 17.6% **Ans: a.** Table ke hisab se 4.6%.

Q3. Benford ka formula? a) P(d)=log10(1+1/d) b) P(d)=1/9 c) P(d)=d/45 d) P(d)=d squared **Ans: a.** Log scale par uniform data se nikla.

Q4. Benford ki law sabse accurate kab? a) Tight range data b) Kai orders of magnitude me data c) 5 values d) Sirf cheques **Ans: b.** Tight range me misapplication hota hai.

Q5. Benford ke abhi ke exercise me chi-square 81.6 aaya. Matlab? a) Fraud proved b) Bahut bada deviation, drill-down chahiye c) Koi shak nahi d) Data kharab **Ans: b.** Flag hai, proof nahi.

Q6. M-score threshold? a) −1.78 b) 1.78 c) 0 d) −4.84 **Ans: a.** −1.78 se upar manipulator ka zyada chance.

Q7. M-score ke kitne variables? a) 5 b) 8 c) 10 d) 3 **Ans: b.** DSRI, GMI, AQI, SGI, DEPI, SGAI, LVGI, TATA.

Q8. TATA ka formula? a) (Income from continuing ops minus CFO) / total assets b) Sales/assets c) Debt/equity d) COGS/sales **Ans: a.** Accruals ka measure.

Q9. DSRI badhne ka matlab? a) Receivables sales ke mukable zyada badhe b) Cash badha c) Debt ghata d) Tax kam **Ans: a.** Revenue inflation ka sanket.

Q10. Kisne M-score se 1998 me Enron ko flag kiya (Wikipedia ke mutabik)? a) SEC b) Cornell ke students c) KPMG d) FBI **Ans: b.** Wall Street tab bhi buy bol raha tha.

Q11. M-score kin par lagu nahi hota? a) Manufacturing b) Financial institutions c) IT d) Retail **Ans: b.** Unke paas sales aur receivables jaise main inputs nahi.

Q12. Ghost employee ka best evidence? a) HR register b) Access card + bank + muster ka milan c) Manager ki mauthik baat d) Sirf payroll **Ans: b.** Independent sources chahiye.

Q13. Gap test kya dhoondta hai? a) Missing sequence numbers b) Duplicate c) Wrong rate d) Late payments **Ans: a.** Jaise 1045 missing.

Q14. Three-way match me teen documents? a) PO, GRN, Invoice b) PO, Bank, Cheque c) Invoice, Cheque, Voucher d) GRN, Ledger, Bill **Ans: a.** Teeno milna zaroori.

Q15. Kiting ka kaaran? a) Float b) Tax c) Interest d) Inflation **Ans: a.** Bank clearing delay ka misuse.

Q16. Fraud triangle kisne diya (is chapter ke hisab se)? a) Donald Cressey b) Benford c) Beneish d) Cynthia Cooper **Ans: a.** Cressey embezzlement par research karta tha. Wikipedia ka Cressey page "fraud triangle" naam nahi leta. Ek journal

article (doi.org/10.1108/jfc-10-2020-0204) ke mutabik pressure, opportunity, rationalisation Cressey ke PhD research se nikle, par Cressey ne khud kabhi "fraud triangle" shabd apne published kaam mein use nahi kiya. Exam mein "Cressey" hi likho; ye shabd baad ka hai. [src]

Q17. WorldCom me audit team ne kaunsa basic tool use kiya? a) T accounts b) Benford c) M-score d) Polygraph **Ans: a.** Raat me data nikaal kar.

Q18. "Fraud ka proof" ya "flag"? Benford? a) Proof b) Flag c) Law d) Decision **Ans: b.** Hamesha drill-down.

Q19. Splitting kya hai? a) Bill ko limit ke neeche todna b) Shares ko todna c) Loss ko hatana d) Dividend **Ans: a.** Approval limit bypass.

Q20. Satyam me ghost employees ka estimate (CID)? a) 13,000 b) 1,300 c) 130 d) 53,000 **Ans: a.** 53,000 reported, 40,000 asal.

17.26 Recap (Part B)

1. Benford: digit 1 lagbhag 30%, 9 lagbhag 4.6%. Flag, proof nahi.
2. Exercise 1: chi-square 0.66 (kuch shak nahi). Exercise 2: 81.6 (drill-down).
3. Ratios: DSO 36.5 se 80 din, profit up, cash down.
4. Beneish: −1.55 vs threshold −1.78, flag.
5. Duplicate/gap/three-way match se fictitious vendor pakda.
6. Ghost employee: bank + swipe + leave + muster.
7. Kiting = float ka misuse.
8. WorldCom ka JET manual T-accounts se shuru hua.
9. Cressey: fraud triangle ka research base.
10. M-score aur Benford dono probabilistic hain.

Cheat sheet: *Digit test = Benford. Probability test = Beneish. Existence test = three-way match + ghost employee. Timing test = kiting/cut-off.*

Episode 18: IT Audit aur Data Analytics: Computer ke andar ka audit

Chat: Segregation of duties in IT



18.1 Kahani hook: Diwali ka offer

Ek online dukaan ne Diwali par "50% off" offer chalaya. Raat ke 2 baje kisi ne chupke se software me price badal diya aur apne dost ke liye Rs 100 ki cheez Rs 1 me bik gayi. Subah kisi ko pata nahi chala, kyunki register koi haath se nahi likhta, sab computer me hota hai.

Prabhat ne poocha, "Iksha, ye kaun pakdega?" Iksha boli, "Wo jo computer ke log (logs), access aur changes dekhna jaanta ho. Aaj ka chapter wahi sikhata hai."

18.2 Chat: Computer me audit kaise hota hai

Prabhat
Iksha, ab to sab kuch computer me hota hai. Auditor ko ab kya check karna hai?

Iksha
Do cheezein. Pehli: **system par bharosa kar sakte hain ya nahi** (IT controls). Doosri: **system ke data se hum kya jaanch kar sakte hain** (data analytics).

Prabhat
Pehle wali?

Iksha
Jaise paper office me tala, register aur signature hota hai, waise computer me **password, access rights, backup, change approval** hota hai. Wikipedia ke hisaab se IT audit ka maksad hai ki system ke internal control ka design aur effectiveness dekha jaaye, jaise security, development process, aur IT governance. [src]

Prabhat
Aur doosri?

Iksha
Pehle auditor sample leta tha, 50 invoice. Ab computer se **saare** 5 lakh invoice check kar sakte hain. Duplicate, gap, weekend entries, sab. Isko CAAT bolte hain, Computer Assisted Audit Techniques.

Prabhat
Fir sample ki zaroorat hi nahi?

Iksha
Kai tests me nahi. Par judgment aur evidence ki zaroorat phir bhi rehti hai. Computer sirf "yahan dekho" batata hai.

Prabhat
Aur agar system hi ghalat ho?

Iksha
Isiliye pehle IT general controls, phir application controls, phir analytics. Order yaad rakho.

Prabhat
Iksha, ek dar lagta hai. Jis system ko hum check karte hain, usme koi chupke se ghus jaye, log mita de, to?

Iksha
(laptop ki screen ki roshni me uska chehra thoda sakht) Tab andhere me kaam hota hai. Isiliye logs ko hum tijori ki tarah maante hain. Jo mita diya jaye, wo bhi ek saboot hai: "yahan kisi ko kuch chhupana tha."

Prabhat
Tumhe kabhi dar nahi lagta?

Iksha
Lagta hai. *(ek pal ruk kar, dheemi awaaz me)* Par jab tum paas hote ho to main apna dar bhi audit kar leti hoon, aur wo chhota nikalta hai.

18.3 Core idea in 3 levels

6 saal ka bachha box Socho ek bada khilauna-ghar hai. Gate par guard (access control). Har khilaune ka register (data). Kisi ne khilauna badla to likha jaye (change log). Auditor guard, register aur log, teeno dekhta hai.

Normal explanation

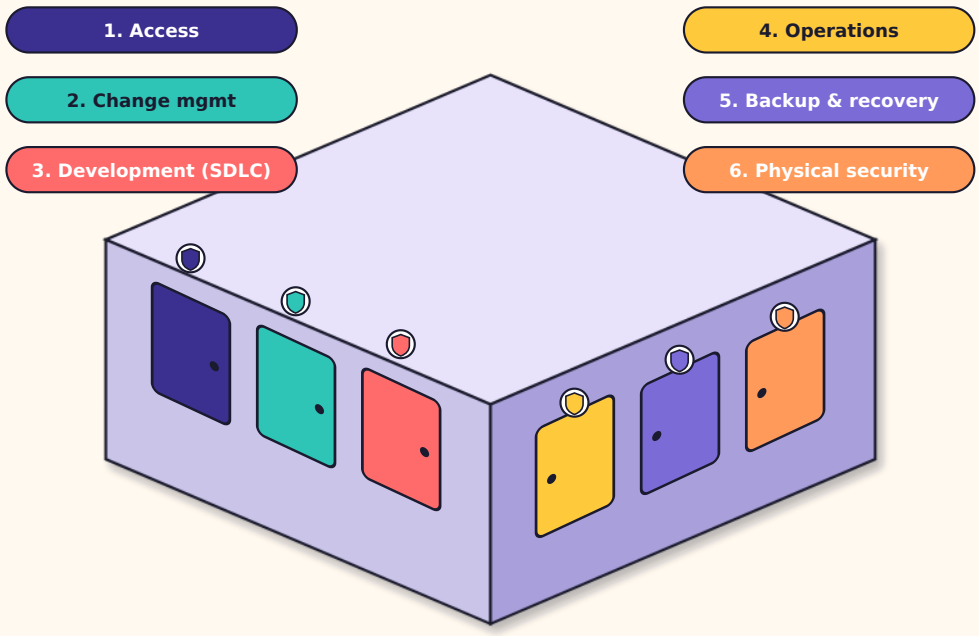
- **IT General Controls (ITGC)**: poore IT system par lagu hone wale controls. Wikipedia ke mutabik common ITGC: logical access, system development life cycle, program change management, data center physical security, backup aur recovery, computer operations. [src]
- **Application controls**: ek specific software ke andar ke controls (input, processing, output). Jaise invoice me negative quantity allow nahi, ya payment tabhi jaaye jab PO match ho.
- **Data analytics / CAAT**: data par programs chala kar exceptions nikalna.

PhD box

- IT audit ko do broad prakaar me bhi baanta jaata hai: general control review aur application control review. [src]
- Hierarchy: ITGC effective ho to auditor automated application controls par *rely* kar sakta hai aur testing kam kar sakta hai. ITGC ineffective ho to automated controls par reliance nahi, aur substantive/analytics ka weight badhta hai.
- **Information Produced by the Entity (IPE)**: management ki report/data ki completeness aur accuracy ka test, taaki analytics ka base data sahi ho. (Standards: SA 500 evidence; SA 315 me IT environment ki samajh;)
- **Population completeness**: data extract poora hai, iska reconciliation GL total se.
- **Edge cases**: cloud/SaaS systems me service organisation ka control (SOC reports), jisse auditor reliance karta hai (SA 402;). Journal entry testing me manual entries, post-closing entries aur unusual combinations dekhna (SA 240 requirement).

18.4 IT General Controls: chhe darwaze

IT General Controls: chhe darwaze



Ek bhi darwaza khula = poora building risk me

Control	Matlab	Example	Auditor ka test
Logical access	Kaun kya dekh/badal sakta hai	Unique ID, strong password, MFA	User list vs HR list, leavers ka access band?
Program change	Software me badlav approve ho kar jaye	Change ticket, test, approval	Sample changes ka ticket aur approval dekho
SDLC	Naya software theek se bana	Requirement, testing, UAT	Documentation aur sign-off
Operations	Jobs time par aur sahi chale	Job scheduling, monitoring	Failed jobs ka follow-up
Backup / recovery	Data kho jaye to wapas aa sake	Daily backup, restore test	Restore test ka saboot
Physical security	Server room safe	Lock, CCTV, visitor log	Walkthrough

Chat: Segregation of duties in IT

Prabhat

Iksha, ek hi aadmi ko naya vendor bhi banane aur payment bhi approve karne ka access diya to?

Iksha
Wahi segregation of duties ka issue. Wikipedia isko duty split karne ka principle batata hai taaki ek hi vyakti poori process control na kare. [src]

18.5 Application controls

Input controls

- Mandatory fields, format check (PAN ka format), range check (quantity 1 se 10,000).
- Duplicate check (same invoice number dobara nahi).

Processing controls

- Automatic calculation (GST, discount).
- Batch totals match.

Output controls

- Reports ka distribution sirf authorised logo ko.
- Exception reports ka review.

Interface controls

- Ek system se doosre me data jaye to total match (jaise sales system se GL).

Example: Sales system me discount 20% se zyada allow tab hi jab manager approve kare. Auditor test karega: ek 25% discount ka invoice banane ki koshish (ya system config dekhna). Agar system chhodh de bina approval ke, control fail.

18.6 Data analytics: CAAT ki toolbox

Kaunse tests?

1. **Duplicate payments**: same vendor + same amount + same date.

2. **Gaps**: invoice/cheque numbers me chhoot.
3. **Weekend / holiday entries**: journal entries jinke dates non-working din hain.
4. **Round numbers**: Rs 1,00,000 exactly.
5. **Just below limit**: approval limit Rs 50,000 ho aur bahut saari entries Rs 49,xxx.
6. **Benford's law** (Ch 17).
7. **Ageing**: receivables 180 din se upar.
8. **Joins**: vendor bank account = employee bank account.
9. **Outliers**: z-score ya box plot.
10. **Stratification**: amounts ko groups me baant kar dekhna.

Simple SQL example (Hinglish comments)

Maan lo table `payments(vendor_id, invoice_no, amount, pay_date)` hai.

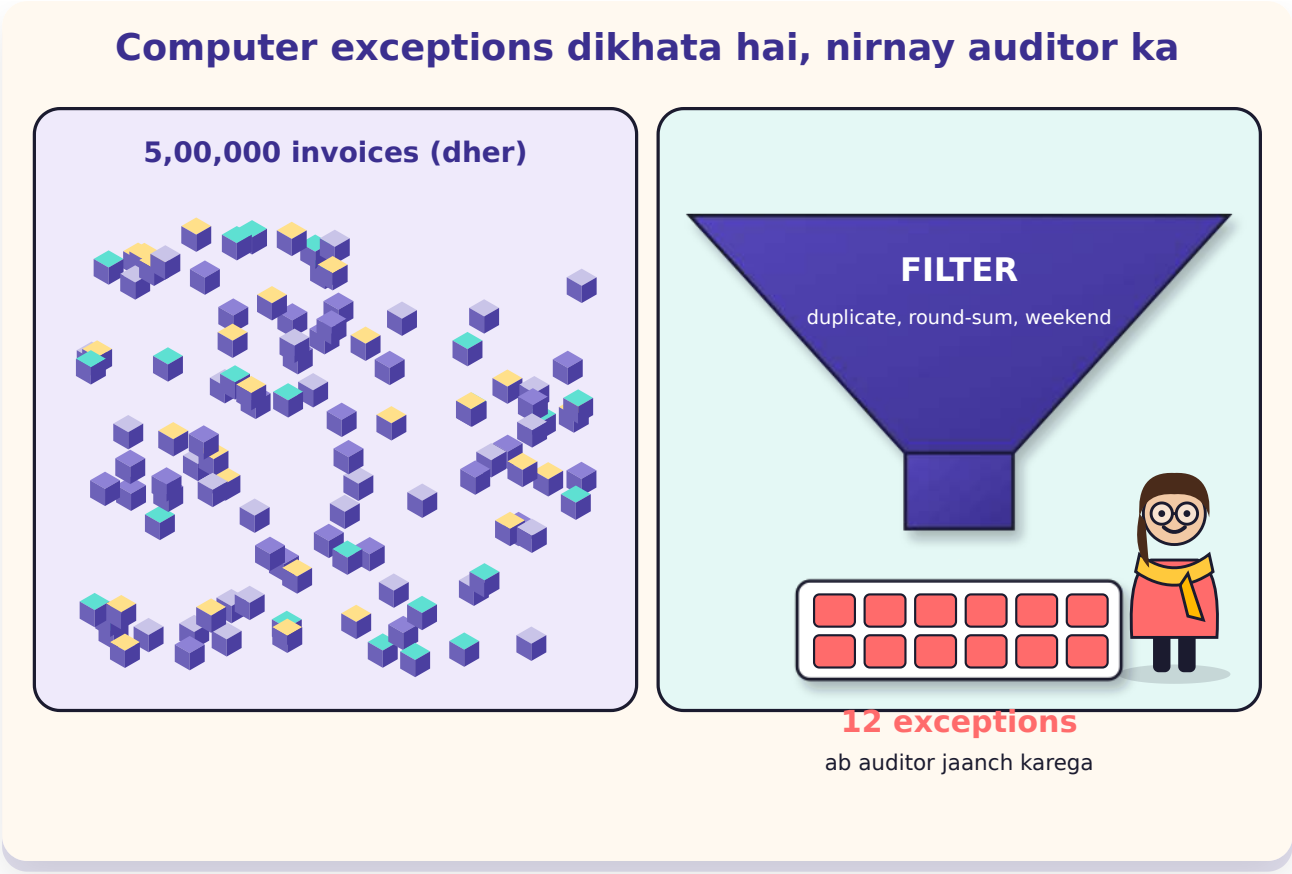
```sql
-- Duplicate payments: same vendor, same amount, same date
SELECT vendor_id, amount, pay_date, COUNT(*) AS kitni_baar
FROM payments
GROUP BY vendor_id, amount, pay_date
HAVING COUNT(*) > 1;

-- Limit ke neeche ki entries (limit = 50000)
SELECT * FROM payments
WHERE amount BETWEEN 49000 AND 49999;

-- Ghost employee clue: employee aur vendor ka bank account same
SELECT e.emp_id, v.vendor_id, e.bank_acc
FROM employees e JOIN vendors v ON e.bank_acc = v.bank_acc;
```

Excel me kaise

- Duplicates: `COUNTIFS(vendor, A2, amount, B2, date, C2) > 1`
- Weekend: `WEEKDAY(date, 2) > 5`
- Round figure: `MOD(amount, 1000) = 0`

Python (agar aap code seekh rahe hain)

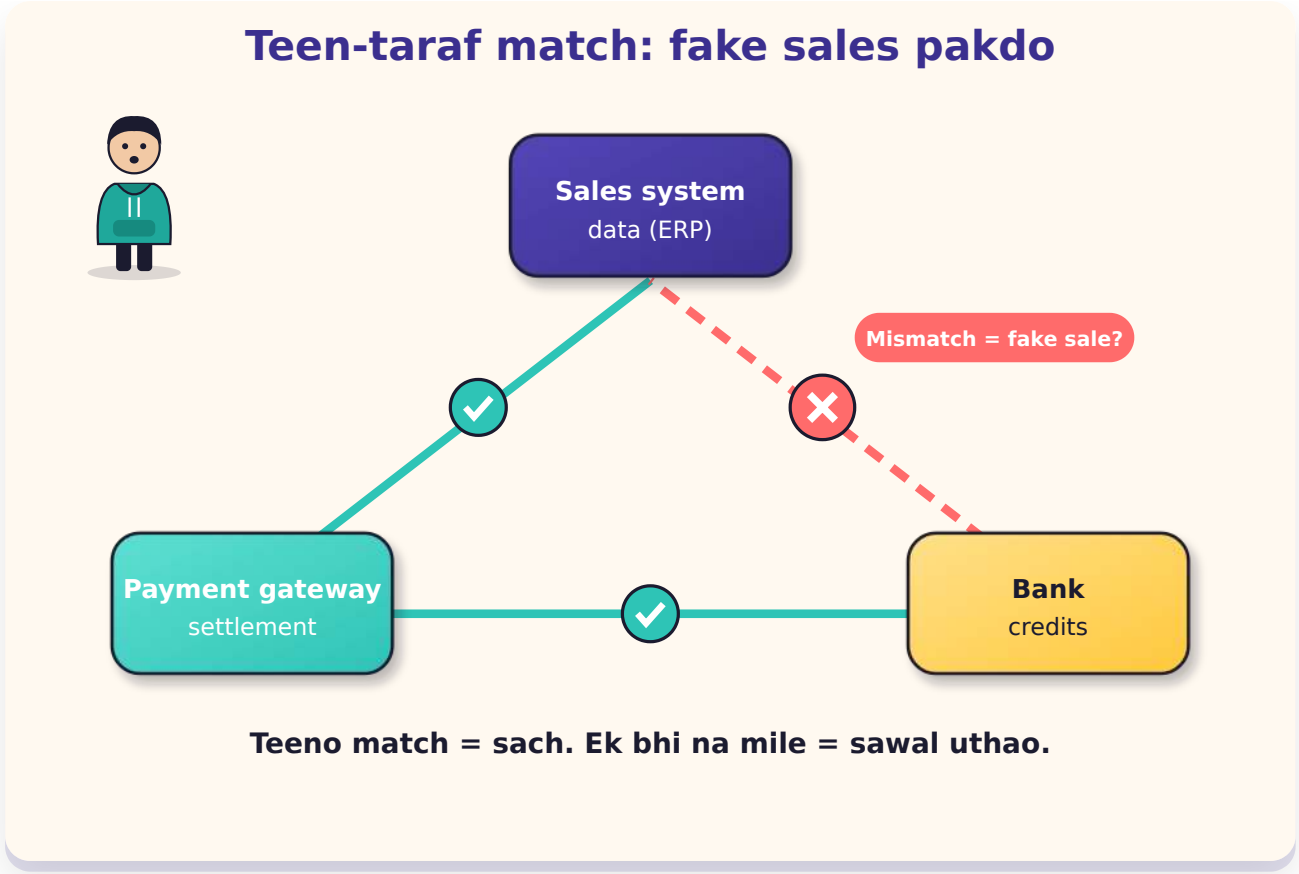
```python
import pandas as pd
df = pd.read_csv("payments.csv")
dups = df[df.duplicated(["vendor_id", "amount", "pay_date"], keep=False)]
weekend = df[pd.to_datetime(df["pay_date"]).dt.weekday >= 5]
print(len(dups), len(weekend))
```



18.7 Real example: Luckin Coffee aur analytics

Ch 16 me dekha tha: short-seller report ne store-level analysis ke aadhar par kaha ki teesri quarter me per-store items sold kam se kam 69% aur chauthi me 88% inflate the, 11,200 ghante ki video ke saath. [src] Company ne baad me khud maana ki COO ne 2019 ki sales around RMB 2.2 billion (US$310 million) fabricate ki. [src]

Auditor ke liye seekh: revenue ko store, din, ghanta, product, payment method se tod kar dekho. Jahan numbers asli footfall, payment gateway settlement aur bank credit se na milein, wahan exception hai. Ye wahi analytics hai jo is chapter me dikhai gayi. Tumhe external data (jaise settlement) se match karna hota hai, sirf company system ke data se nahi. Kyunki fraud company system ke andar bhi ho sakta hai.



18.8 IT audit ke steps

1. **Samajh**: system, data flow, kaun sa software kya karta hai.
2. **Risk**: kaun sa IT risk financial reporting ko hit karta hai.
3. **ITGC test**: access, change, operations, backup.
4. **Application control test**: input, processing, output, interface.
5. **Data analytics**: population complete, phir tests.
6. **Exceptions follow-up**: explanation, saboot, adjustment.
7. **Documentation aur report**: findings, severity, recommendations.

18.9 Cyber aur emerging risks (short)

- **Ransomware**: data lock, paise ki maang.
- **Phishing**: nakli email se password chori.
- **Insider threat**: karmchari ka galat access.
- **Cloud**: vendor ke control par bharosa; SOC report padho.

- **AI/automation**: Wikipedia ke mutabik bade audit firms ne emerging technologies me bahut nivesh kiya hai aur AI general ledger review jaise kaam me use ho raha hai. [src] Par AI ka output auditor ki judgment ka replacement nahi; verify karna padta hai.

18.10 Exam angle: 5 PYQ-style questions

Q1. IT general controls me kaun shamil NAHI hai? (a) Logical access (b) Program change management (c) Backup aur recovery (d) Sales discount calculation in one application. **Ans: (d)**, wo application control hai.

Q2. CAAT ka full form? (a) Computer Assisted Audit Techniques (b) Central Audit and Accounting Tool (c) Computerised Accounting and Tax (d) Cash Audit And Tally. **Ans: (a).**

Q3. Invoice entry me PAN ka format galat hone par system entry reject kare, ye kaun sa control hai? (a) Output (b) Input (application control) (c) Physical (d) Backup. **Ans: (b).**

Q4. Ek karmchari vendor create bhi kare aur payment approve bhi, ye kiska ullanghan hai? (a) Going concern (b) Segregation of duties (c) Cut-off (d) Materiality. **Ans: (b).**

Q5. Duplicate payment test ke liye kin fields ka match dekha jaata hai? (a) Vendor, amount, date (b) Sirf date (c) Sirf amount (d) Auditor ka naam. **Ans: (a).**

18.11 Recap page

1. IT audit system ke controls dekhta hai; financial audit financials dekhta hai. Dono jude hain.
2. ITGC: access, change, SDLC, operations, backup, physical.
3. Application controls: input, processing, output, interface.
4. ITGC kamzor to automated controls par reliance nahi.
5. CAAT: puri population par tests.
6. Tests: duplicate, gap, weekend, round numbers, just-below-limit, Benford.
7. Data ka completeness check pehle, analytics baad me.

8. External data se triangulate karo (bank, gateway).
9. Analytics exception batata hai, fraud sabit nahi karta.
10. Cyber/cloud risks: SOC report, access, backup.

Control type	Level	Example
ITGC	Poora IT	Password policy, change approval
Application	Ek software	Duplicate invoice rejection
Detective analytics	Data	Weekend journal entries
Preventive	Pehle	MFA
Corrective	Baad me	Backup restore

Fact-check 2026-11-27: SA 500, 315, 402, 240 references verified against ICAI numbering; see checks/ch18.md. Code snippets and the CAAT definition are the writer's own.

Part B: IT Audit Lab (controls aur CAAT demos)

Note. Jo invoice/payroll/log data aage hai woh **kalpanik practice data** hai (Kalpana Traders aur Dhruv Mills). Asli companies ke figures sirf [[SRC]] ke saath hain. SQL aur Python outputs humne chalakar verify kiye.

18.11 Part B ka mood: server room ki thandi hawa

Server room me AC ki awaaz thi, aur LED ki hari-peeli roshni. Iksha ne laptop kholi, Prabhat ne uska scarf thoda theek kiya jo uske kandhe se phisal gaya tha.

Prabhat
Yahan sab kuch kaala dabba hai. Paper hota to dekh leta.

Iksha
Isliye to IT audit hai. Paper nahi, par har click ka nishaan hota hai. Jisne gunaah kiya, uske peechhe log (log) hoti hai. Bas sawaal yeh hai: kaun log dekh raha hai, aur kya wo log khud badal to nahi sakta?

Prabhat
(halka sa muskurakar) Tum jab "gunaah" bolti ho to detective lagti ho.

Iksha
Auditor aur detective me ek hi fark hai: detective ko saboot chahiye, auditor ko control chahiye. Chal shuru karte hain.



18.12 IT audit ki neev: CIA aur COBIT (naye sourced points)

3 levels

6 saal ka bachha: Ek tijori me khilaune hain. Teen niyam: (1) sirf ghar waale kholein (confidentiality), (2) khilaune toote na hon aur jo rakhe wahi milein (integrity), (3) jab chahiye tab tijori khul jaye (availability).

Normal: IT audit ka kaam system ke internal control design aur effectiveness ko check karna hai: security, development process, IT governance. Wikipedia ke mutabik yeh financial statement audit se alag hai, jo ye dekhta hai ki financial

statements fair present hue ya nahi. [src] Teen requirements: confidentiality, integrity, availability. [src]

PhD box: Page ke hi hisaab se controls "installed" hona kaafi nahi: dekhna padta hai ki woh as intended installed hain ya nahi, effective hain ya nahi, aur koi breach hua ya nahi. [src] Isliye test of design aur test of operating effectiveness alag hote hain.

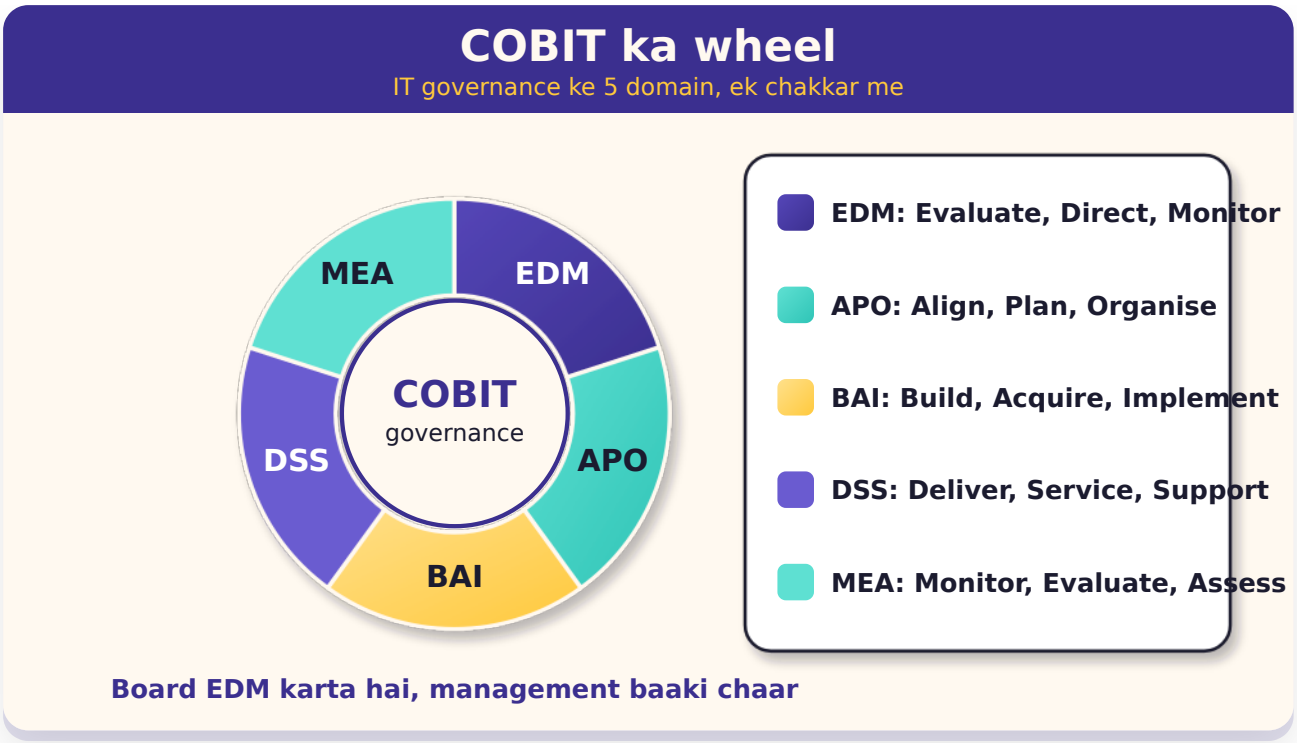
COBIT

COBIT (Control Objectives for Information and Related Technologies) ISACA ka framework hai, IT management aur IT governance ke liye. Paanch process domains: EDM, APO, BAI, DSS, MEA. [src]

Code	Poora naam	Hinglish me
EDM	Evaluate, Direct and Monitor	Board ka kaam: dekho, disha do, nigrani
APO	Align, Plan and Organize	Plan aur structure
BAI	Build, Acquire and Implement	Banao, khareedo, lagao
DSS	Deliver, Service and Support	Chalao aur sahayata do
MEA	Monitor, Evaluate and Assess	Naapo aur maapo

Exam trap

COBIT 2019 me EDM governance objectives ka domain hai (boards aur executive management accountable), aur APO, BAI, DSS, MEA management objectives ke domains hain (senior aur middle management). [src] (Ye copy COBIT 2019 framework ki hai; Wikipedia ka page sirf paanch process ke naam deta hai.)



18.13 Exercise A: Access control aur Segregation of Duties (SoD) matrix

SoD kya hai (sourced)

Ek kaam ko pura karne ke liye ek se zyada insaan chahiye. Cheque par do signature classic example hai. Four functions: authorisation, custody, record keeping, reconciliation. Perfect system me ek aadmi in chaaron me se ek se zyada na kare. [src]

Practice data: Dhruv Mills ERP user rights

User	Create vendor	Approve PO	Post invoice	Release payment	Edit bank master
Anil (Purchase)	Yes	Yes	No	No	No
Bhavna (Accounts)	No	No	Yes	Yes	No
Chetan (Accounts)	Yes	No	Yes	Yes	Yes
Divya (IT admin)	No	No	No	No	Yes

Conflict rules (auditor ne banaye)

1. Vendor create + Release payment = conflict.

2. Post invoice + Release payment = conflict.
3. Edit bank master + Release payment = conflict.
4. Approve PO + Create vendor = conflict.

Test

- **Anil:** Create vendor + Approve PO = rule 4. Conflict.
- **Bhavna:** Post invoice + Release payment = rule 2. Conflict.
- **Chetan:** Create vendor, Post invoice, Release payment, Edit bank master. Rules 1, 2, 3 teeno todta hai. **Critical.**
- **Divya:** Sirf bank master edit. Ek rule nahi todti, par IT admin ka bank master edit karna khud ek red flag (IT admin ko business data change nahi karna chahiye).

Chat

Prabhat
Chetan to akele hi pura chakra chala sakta hai.

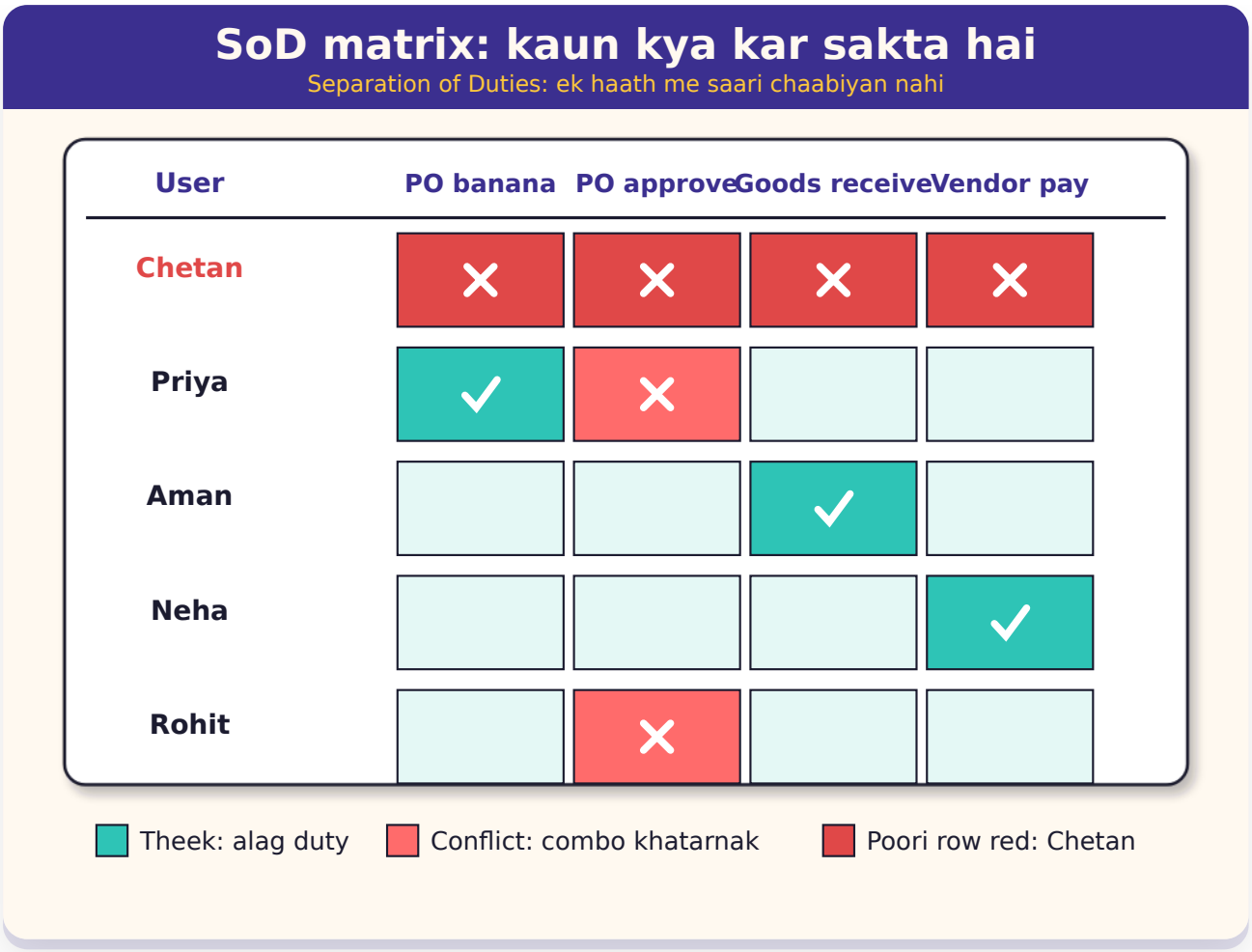
Iksha
Haan: vendor banao, invoice post karo, payment release karo, aur bank account change kar do. Fictitious vendor ki recipe. Ab auditor kya karega?

Prabhat
Chetan ke rights ka transaction log check karunga: usne kaun se vendor create kiye, kitna paisa nikla.

Iksha
Aur recommendation: rights split karo, ya compensating control: ek independent reviewer har hafte Chetan ke created vendors par report dekhe.

Cost aur balance

SoD ka cost hota hai (zyada log, zyada time). Isliye chhoti companies me compensating controls dete hain. Wikipedia kehta hai ki fraud aur errors se suraksha ko cost/effort ke saath balance karna padta hai. [src]



Exam trap

SoD ka asli udeshya fraud aur errors rokna hai, speed badhana nahi.

18.14 Exercise B: Change management aur audit trail (log review)

Audit trail kya hai (sourced)

Audit trail (audit log) ek chronological record hai jo documentary evidence deta hai ki kisne kab kya kiya. Process privileged mode me chalni chahiye aur normal user ise stop ya change na kar sake. [src]

Practice log: Kalpana Traders ERP

Time	User	Event	Object	Old value	New value
22 Apr 23:41	Chetan	Edit	Vendor 77 bank a/c	4421	9958
22 Apr 23:44	Chetan	Post	Invoice 1048		49,500
22 Apr 23:47	Chetan	Release	Payment run		49,500
22 Apr 23:52	Chetan	Edit	Vendor 77 bank a/c	9958	4421
22 Apr 23:55	Chetan	Delete	Log entry #31		

Audit questions

1. Raat 11:41 baje kyun? Normal office hours ke baahar.
2. Bank account badla, payment hua, wapas badla: 11 minute me. Yeh "swap and restore" pattern hai.
3. Log entry delete kaun kar sakta hai? Chetan ke paas yeh right nahi hona chahiye. Agar tha, to audit trail ki integrity toot gayi.
4. Test: Kya log database me hash ya read-only copy hai?

Chat

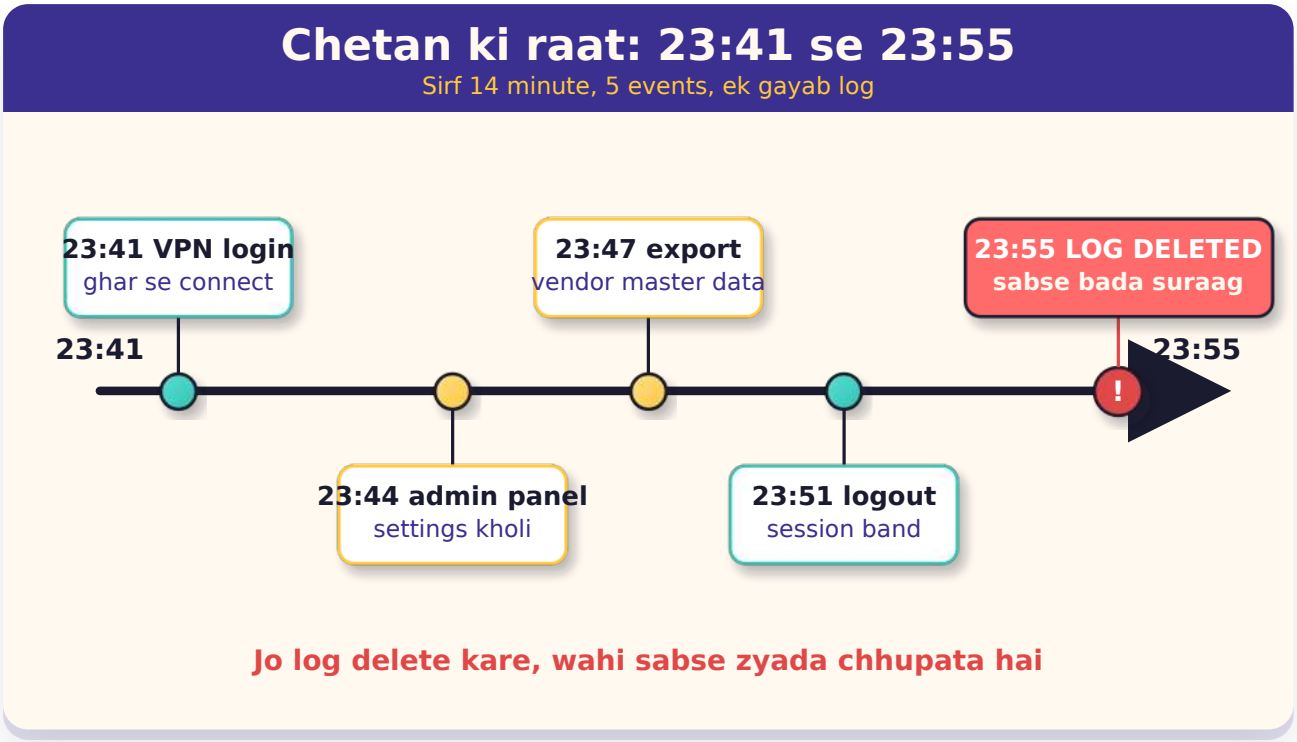
Prabhat
Chetan ne log delete bhi kar diya?

Iksha
Sawaal yeh hai ki system ne use delete karne diya. Agar log ko sirf privileged process bana sakti ho aur normal user na badal sake, to yeh delete hoti hi nahi. Isliye hum pehle log ki apni protection dekhte hain, phir log ka content.

Dark beat. Prabhat ne screen ki taraf dekha. "Gyarah minute," usne kaha. "Gyarah minute me ek aadmi kaagaz par kisi ka paisa le gaya." Iksha ne bas itna kaha: "Isliye hum raat ko bhi log dekhte hain. Chor raat ko kaam karta hai. Auditor ko bhi."

Evidence aur preservation

Jaise WorldCom me audit team ne raat me kaam kiya taaki server activity se dikhe nahi, waise hi aap log ko preserve karo bina shor kiye, par senior ko report karte hue. [src]



Exam trap

"Change management" ka test: har change ke liye request, approval, testing aur migration ka record dekho. Production me direct change = control weakness.

18.15 CAAT demo 1: SQL se duplicate, gap aur three-way match

Kya hai CAAT (sourced)

CAATs (computer-assisted audit tools and techniques) matlab audit ko automate karne ke liye computer ka use. Isme spreadsheets bhi aa sakte hain aur specialised software bhi. Traditional audit sample par chalta hai, CAATTs poori population test kar sakte hain. [src]

Audit software ke functions: data queries, stratification, sample extraction, missing sequence identification, statistical analysis, duplicate transaction identification, pivot tables. Yeh read-only copy par kaam karta hai taaki original data corrupt na ho. [src]

Table (Exercise 5 of Chapter 17 wahi data)

`sql -- Table: inv(inv_no, vendor, dt, amt, po, grn) -- Test 1: Duplicate (vendor + amount) SELECT vendor, amt, COUNT(*) AS n, GROUP_CONCAT(inv_no) AS invoices FROM inv GROUP BY vendor, amt HAVING COUNT(*) > 1;` **Output (humne chalaya):**

- Om Traders, 7200, 2, 1049 aur 1053
- Om Traders, 12500, 2, 1042 aur 1046
- Ravi Sales, 49500, 3, 1044 1048 1052
- Shree Pipes, 38000, 3, 1041 1043 1047
- Sunil Store, 9800, 2, 1050 aur 1051

`sql -- Test 2: Gap test (missing invoice number) SELECT a.inv_no + 1 AS missing_no FROM inv a LEFT JOIN inv b ON b.inv_no = a.inv_no + 1 WHERE b.inv_no IS NULL AND a.inv_no < (SELECT MAX(inv_no) FROM inv);` **Output:** 1045.

`sql -- Test 3: Three-way match exceptions SELECT inv_no, vendor FROM inv WHERE po = 0 OR grn = 0;` **Output:** 1044 Ravi Sales, 1046 Om Traders, 1048 Ravi Sales, 1052 Ravi Sales.

`sql -- Test 4: Same vendor, same amount, same date (strong duplicate) SELECT a.inv_no, b.inv_no FROM inv a JOIN inv b ON a.vendor = b.vendor AND a.amt = b.amt AND a.dt = b.dt AND a.inv_no < b.inv_no;` **Output:** 1050, 1051.

`sql -- Test 5: Just below approval limit (assume limit 50,000) SELECT vendor, COUNT(*) n, SUM(amt) total FROM inv WHERE amt BETWEEN 45000 AND 49999 GROUP BY vendor;` **Output:** Ravi Sales, 3 invoices, total Rs 148,500.

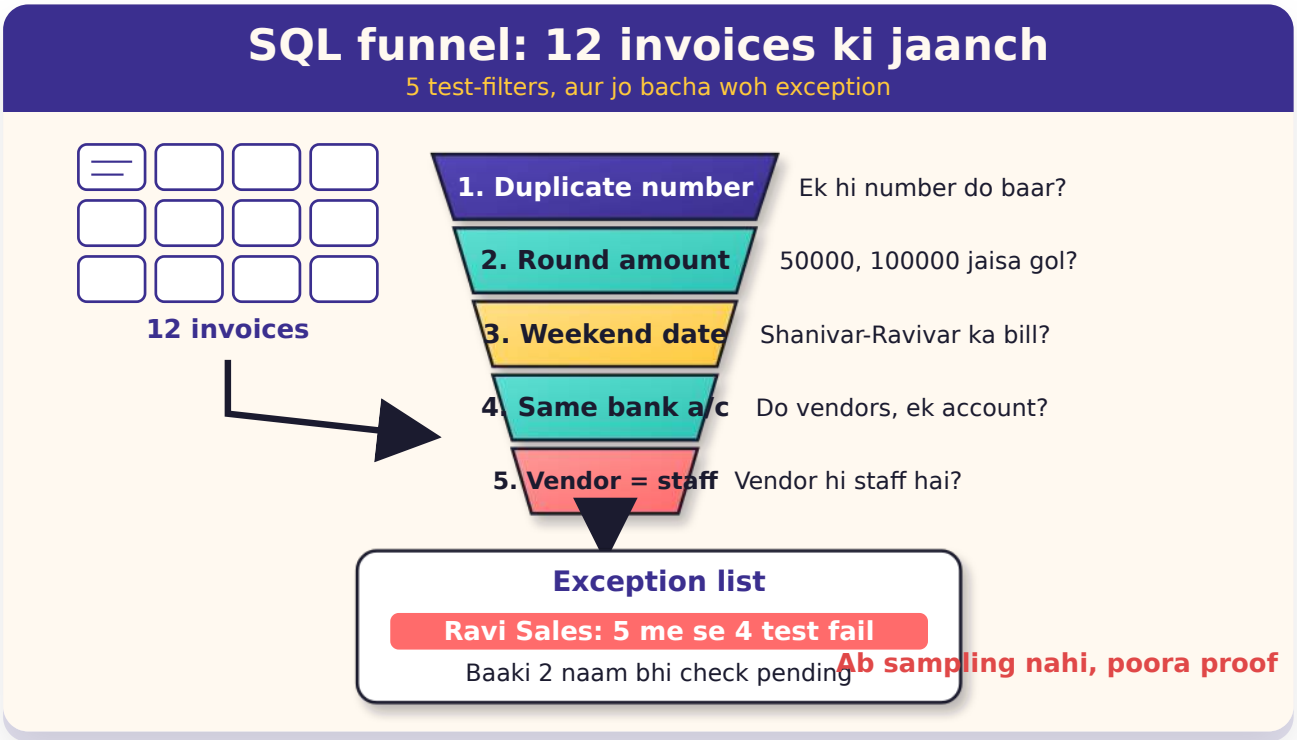
Chat

Prabhat
SQL itna chhota? Ye to 5 line me ho gaya.

Iksha
Haan, aur 12 rows ki jagah 12 lakh rows par bhi wahi 5 line chalegi. Yahi CAAT ki taakat. Sample me Ravi Sales ke teen invoice miss ho jaate, poori population me nahi.

Prabhat
Par kya yeh "proof" hai?

Iksha
Nahi. Exception list hai. Ab inhe vouch karna padega: vendor ka wajood, GRN, delivery challan.



Exam trap
CAAT ka output "exception report" hai. Auditor ko har exception ko manually/substantively verify karna padta hai.

18.16 CAAT demo 2: Python me Benford test

Code (chhota, samajhne layak)

```python import math from collections import Counter

amounts = [38000, 12500, 38000, 49500, 12500, 38000, 49500, 7200, 9800, 9800, 49500, 7200]

first = [int(str(a)[0]) for a in amounts] count = Counter(first) n = len(first)
```

print("digit observed% expected%") for d in range(1, 10): obs = 100 * count.get(d, 0) / n exp = 100 * math.log10(1 + 1 / d) print(d, round(obs, 1), round(exp, 1)) ``` Output ka pehla digit count (humne verify kiya): digit 1 ke 2, digit 3 ke 3, digit 4 ke 3, digit 7 ke 2, digit 9 ke 2. Baaki zero.

Important

Sirf 12 invoices par Benford **kaam nahi karta**. Sample bahut chhota hai aur data ek tight range me hai. Wikipedia bhi batata hai ki Benford tab best hai jab data kai orders of magnitude me phailay. [src] Yeh demo sirf code seekhne ke liye hai. Asli audit me lakhon rows par chalao.

Exam trap
Benford ko chhote sample par lagao to false positive milega. "Sample size aur range" test ki pehli shart hai.

Chat

Prabhat
Toh 12 par kyun dikhaya?

Iksha
Kyunki code seekhna hai. Par ek rule: "Right tool, right data." Jaise stethoscope se X-ray nahi hota.

18.17 CAAT demo 3: Journal entry testing (JET) ka pseudo-script

Idea

WorldCom ka pattern: income statement se balance sheet me movement (expense credit, asset debit), supporting document ke bina. [src]

Steps (spreadsheet ya SQL dono me)

1. ERP se sab journal entries ka export lo (entry id, date, user, debit account, credit account, amount, description, support flag).

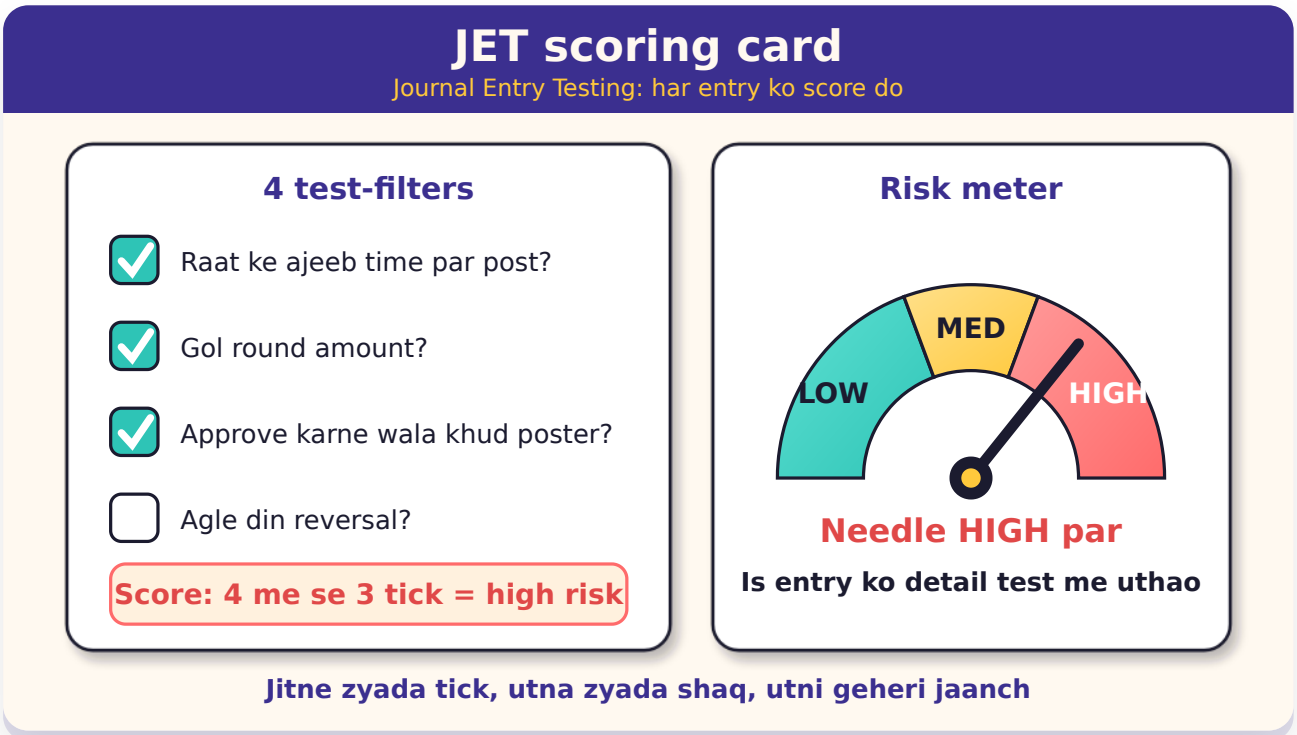
2. Filter A: Debit account = asset (jaise "Fixed assets / CWIP") **aur** Credit account = expense (jaise "Line cost / Repairs").
3. Filter B: Posting date quarter-end ke last 3 din.
4. Filter C: Support flag = No.
5. Filter D: Amount round (multiple of 1,00,000).
6. Score: jitne filter match, utna zyada risk. 3 ya 4 match = pehle jaanch.

`sql SELECT je_id, post_date, user_id, amount FROM journal WHERE dr_acct_type = 'ASSET' AND cr_acct_type = 'EXPENSE' AND support_flag = 'N' AND post_date >= quarter_end - 3 ORDER BY amount DESC;` Note: yeh pseudo-SQL hai. `quarter_end` ek placeholder hai (aur date arithmetic database ke hisaab se badlega), asli ERP column names alag honge. Yeh script humne chalayi nahi, isliye iska output nahi diya.

Chat

Prabhat
Yahi script WorldCom me kaam aati?

Iksha
Wikipedia ke mutabik 49 entries thi, aur kuch par "SS entry" label tha. Aisa label ya user ID ek aur filter ban jaata. [src]



18.18 Mini case: Wirecard aur "bank/trustee confirmation" ka IT angle

Kahani

€1.9 billion ki cash "missing" thi. Philippines ke do banks ne kaha ki unke paas yeh sum kabhi nahi thi. [src]

IT audit ke sawaal

1. Bank balance ka evidence kahan se aaya: bank portal screenshot ya system generated statement, ya direct confirmation?
2. Trustee ne auditor ko "deceive" karne ki koshish ki (EY ke mutabik). [src] Isliye PDF statement, screen share, aur email attachment ko "client-provided" evidence maano, independent nahi.
3. Third-party acquiring (partner) ke revenue ka data kahan se? System-generated report par bharosa tabhi karo jab report ka source aur completeness test ho (IPE: Information Produced by the Entity).

Lesson

"Information Produced by the Entity" ka test: report parameters, source tables, aur completeness. ISA 500 ke para 9 ke mutabik "information produced by the entity" use karte waqt auditor ko dekhna hota hai ki woh kaafi reliable hai ya nahi, jisme uski accuracy aur completeness ka audit evidence lena shamil hai. "IPE" short form firms ka hai. [src]

Exam trap
Client ka system-generated report bhi tab tak "management representation" ke jaisa hai jab tak aap uski completeness aur accuracy test na karo.

18.19 Mini case: Luckin aur "operational data" analytics

Chat

Prabhat
Muddy Waters ne 11,200 ghante video dekhi?

Iksha
Haan. Report ka claim tha ki items per store inflated hain: Q3 2019 me kam se kam 69% aur Q4 me 88%. [src] Yeh ek analytics ka kaam tha: store ke camera ka count vs system ke order count.

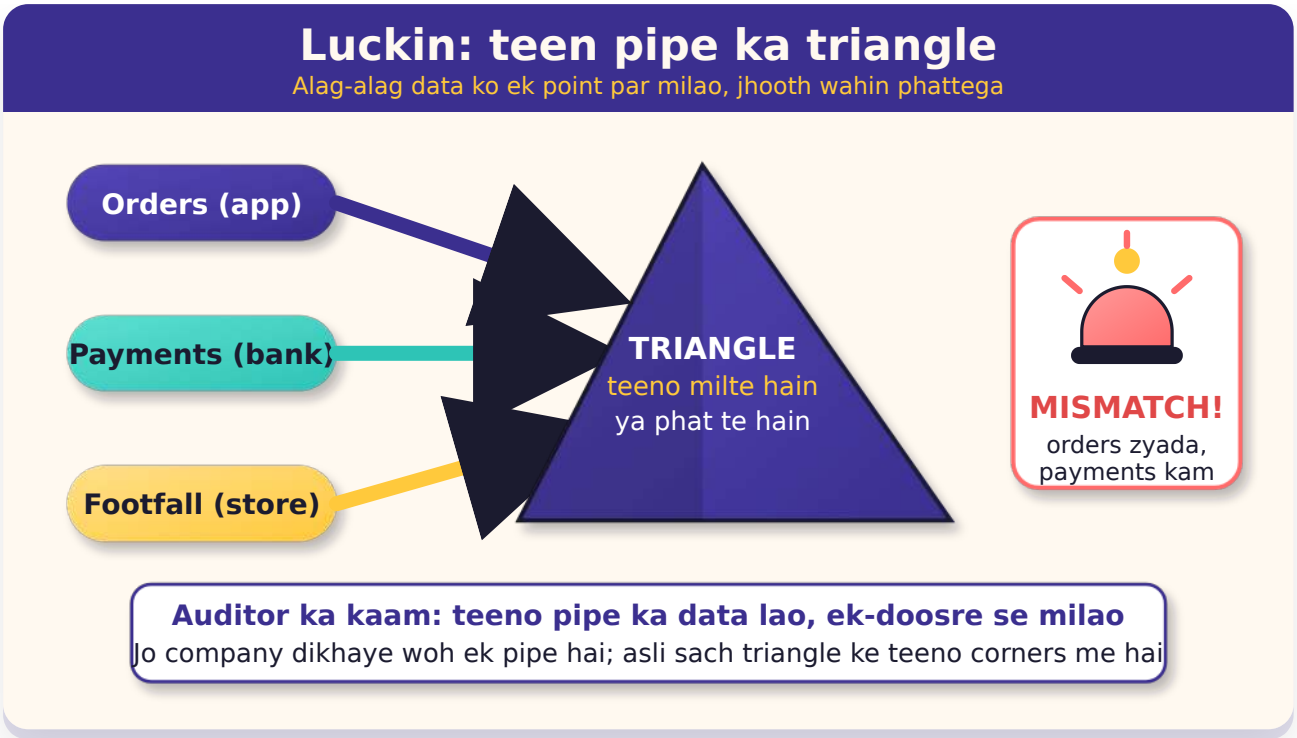
Auditor ka version (CAAT)

1. Order system export: har store ka daily orders.
2. Independent data: payment gateway settlement, store footfall sensor, delivery-app orders.
3. Match: orders / footfall ratio. Agar ratio store dar store same ho aur dusre stores se bahut upar ho, to red flag.
4. Duplicate order IDs, orders without payment, orders at odd hours.

Result jo company ne maana

Internal investigation ke baad company ne bataya ki COO ne 2019 ki sales lagbhag RMB 2.2 billion fabricate ki. [src]

Exam trap
Revenue ko ek aur data source se corroborate karna analytical procedure aur CAAT dono ka milan hai.



18.20 SOX aur IT controls (sourced)

SOX 2002 ke baad CEO/CFO ko financial information ki accuracy ka individual certification dena padta hai. SOX ne PCAOB banaya (public company auditors ki oversight). [src] Title VIII (Corporate and Criminal Fraud Accountability Act) records ke destruction aur alteration par criminal penalties lagata hai aur whistleblower ko protection deta hai. [src]

IT audit se link: financial reporting ke system me jo access, change aur log controls hain, unka test SOX compliance ka hissa ban gaya. SEC staff ke statement me general IT controls (program development, program changes, computer operations, access to programs and data) ko management ke internal control over financial reporting assessment ka hissa mana gaya hai (Section 404 ke tahat). [src]

Iske baad kai deshon me SOX-type laws aaye, jisme India (2005) ka bhi naam page par hai. [src]

18.21 What would you do? (scenarios)

Scenario 1. IT head ek hi insaan hai jo production par code push kare aur database admin bhi hai. *Jawab dhaancha:* SoD violation. Compensating control: change log ka independent review, aur access recertification. Recommendation: roles alag karo.

Scenario 2. Client ka CFO kehta hai "ERP ka report main apne Excel me bana ke deta hoon." *Jawab:* Report ka source data khud ERP se nikalo (read-only), ya CFO ki query ka code check karo. IPE test.

Scenario 3. Audit log me ek ghante ka gap hai. Server maintenance ka kaaran bataya. *Jawab:* Maintenance ticket, system downtime log aur backup se match karo. Agar match na ho, to log tampering ka shak.

Scenario 4. CAAT se 4 lakh exceptions aaye. *Jawab:* Materiality aur risk ke hisaab se stratify karo: top-value, high-risk vendors, repeated patterns. Sab par nahi, targeted par jao.

18.22 20 naye MCQ

Q1. IT audit ka mukhya focus? a) Sirf hardware b) Internal control design aur effectiveness c) Sirf software license d) Tax **Ans: b.** Wikipedia ke mutabik yeh financial statement audit se alag hai.

Q2. CIA triad me "I" kya hai? a) Integrity b) Inspection c) Internet d) Income **Ans: a.** Data accurate aur authorised tareeke se hi badle.

Q3. COBIT kisne banaya? a) ISACA b) ICAI c) SEBI d) CAG **Ans: a.** IT governance framework.

Q4. COBIT ke paanch process me "DSS" ka matlab? a) Deliver, Service and Support b) Data Security System c) Design, Set, Sign d) Direct, Scan, Store **Ans: a.** Operations aur support.

Q5. SoD ke chaar functions? a) Authorisation, custody, record keeping, reconciliation b) Plan, do, check, act c) Buy, sell, hold, pay d) Input, process, output, store **Ans: a.** Ek aadmi ek se zyada na kare.

Q6. SoD ka classic example? a) Cheque par do signature b) Ek hi manager sab c) Cash hi cash d) Online only **Ans: a.** Wikipedia ka example.

Q7. Audit trail ko kaun badal sake? a) Koi bhi user b) Sirf privileged process c) Auditor d) Client **Ans: b.** Normal user ko nahi.

Q8. CAAT ka sabse bada fayda? a) Poori population test b) Sirf sample c) Kam time hamesha d) Kam cost hamesha **Ans: a.** Sample ki limitation hatati hai.

Q9. Audit software read-only copy kyun use karta hai? a) Speed b) Original data corrupt na ho c) License d) Colour **Ans: b.** Source: CAAT page.

Q10. Gap test kya dhoondta hai? a) Missing sequence b) Duplicate c) Late bill d) Round amount **Ans: a.** Jaise 1045.

Q11. Sunil Store ke 1050 aur 1051 par kaunsa test lagega? a) Duplicate same-date test b) Gap test c) Benford d) Ratio **Ans: a.** Same vendor, amount aur date.

Q12. Ravi Sales ke teen 49,500 invoice, Rs 50,000 limit? a) Splitting / just-below-limit b) Normal c) Tax d) Gap **Ans: a.** Aur PO/GRN bhi nahi.

Q13. Chetan ke rights (vendor+invoice+payment+bank edit) ka asli risk? a) Fictitious vendor fraud b) Late reports c) Slow system d) Licence **Ans: a.** SoD ka bada violation.

Q14. IT admin jo business data (bank master) edit kare? a) Theek b) Red flag c) Mandatory d) Faster **Ans: b.** IT aur business duties alag.

Q15. Benford 12 values par? a) Reliable b) Unreliable, sample chhota c) Proof d) Law of audit **Ans: b.** Kai orders of magnitude aur bada data chahiye.

Q16. WorldCom me discovery ke time audit team ne raat me kaam kyun kiya? a) Server activity se bachne ke liye b) Bonus c) Light d) Training **Ans: a.** Data extraction se server load badhta tha.

Q17. SOX ne kaunsi body banayi? a) PCAOB b) SEBI c) ICAI d) CAG **Ans: a.** Public company auditors ki oversight.

Q18. SOX Title VIII kis par? a) Criminal penalties for destruction of records aur whistleblower protection b) Tax c) Dividend d) Banking **Ans: a.** Enron/Andersen shredding ke baad.

Q19. Wirecard me €1.9bn ke baare me kaunsa evidence weak tha? a) Client/trustee provided evidence b) Direct bank reply c) Cash count d) Independent statement **Ans: a.** Trustee ne auditor ko deceive karne ki koshish ki (EY).

Q20. CAAT output ko kya kehte hain? a) Exception report b) Final opinion c) Management letter d) Tax return **Ans: a.** Isko vouch karna padta hai.

18.23 Recap (Part B)

1. IT audit = controls ke design aur operating effectiveness ka test.
2. CIA: confidentiality, integrity, availability.
3. COBIT: EDM, APO, BAI, DSS, MEA.
4. SoD: authorisation, custody, record keeping, reconciliation.
5. Audit log ko normal user badal na sake.
6. CAAT = poori population, read-only copy, exception report.
7. SQL: duplicate, gap, three-way match, just-below-limit.
8. Benford ko bade data par lagao.
9. JET: expense se asset, round amount, quarter-end, no support.
10. SOX: PCAOB, certification, Title VIII.

Cheat sheet: *Access = kaun kar sakta hai. Change = kisne badla. Log = kya hua. CAAT = poora data. Exception = jaanch ki shuruaat, nateeja nahi.*

Episode 19: UPSSSC Auditor Exam: PYQs, Trends aur 300 Practice Questions

Negative marking ka maths



19.1 Kahani hook: 90/100 ka target

Prabhat ne apne notebook ke pehle page par bada likha: **90/100**. Iksha ne dekha aur muskuraayi. "Number likhna aasan hai. Rasta likho."

"Rasta kya hai?"

"Teen cheezein. Pehli: exam ko jaano. Doosri: purane paper se pattern pakdo. Teesri: roz practice, galtiyon ki list banao."

Aaj ka chapter yehi teen cheezein hai.

Raat ke 1 baje library band ho chuki thi. Bahar halki baarish, andar sirf ek tube light jal rahi thi. Prabhat ne kaha, "Agar main fail hua to?" Iksha ne uski taraf dekha, bina muskuraye. "Dar ko dushman mat banao. Use deadline bana lo." Phir usne dheere se uska haath apne haath me liya. "Main yahin hoon. Chalo, pehla paper kholo."

19.2 Exam ko jaano (pattern)

Ye details Prabhat ke official syllabus PDF aur syllabus notes ke mutabik hain (user ne bheji PDF se). Final confirmation ke liye hamesha upsssc.gov.in ka latest notice dekho.

Cheez	Jaankari (source: user ke bheje UPSSSC syllabus PDF, syllabus notes)
Exam	UPSSSC Auditor aur Assistant Accountant Mains
Date	20 Dec 2026 (UPSSSC proposed calendar ke hisaab se tentative, abhi confirm nahi)
Format	OMR, 100 questions, 100 marks
Time	120 minute
Negative marking	0.25 per galat
Weightage (approx)	~65 accounting (audit, final accounts, double entry, BRS, GFR, taxation, advanced accountancy), ~15 computer/IT, ~20 UP GK (UP current affairs shamil)

Negative marking ka maths

Har galat par 0.25 kat-ta hai. Agar tum 4 options me se random guess karo, expected value: (1/4 x 1) - (3/4 x 0.25) = 0.25 - 0.1875 = **+0.0625**. Matlab blind guess thoda positive hai. Par agar 2 option kaat sako, to guess zaroor lagao. Agar ek bhi option na kaat sako aur topic bilkul anjaan ho, to risk sirf thoda-sa fayda deta hai.

19.3 Chat: PYQ kaise padhein

Prabhat
Iksha, PYQ itna important kyun hai?

Iksha
Kyunki commission ki soch dikhti hai. Kaunsa topic baar baar aata hai, kitna depth, kaise options banate hain.

Prabhat
Mere paas 201 PYQ ka bank hai. Kaise padhun?

Iksha
Teen round. Round 1: sab solve karo, bina dekhe. Round 2: galat wale alag likho aur wajah likho: concept, calculation, ya padhne me galti. Round 3: wahi galat wale 3 din baad fir se.

Prabhat
Aur agar answer key me galti ho?

Iksha
Official answer key ko base maano. Par agar shak ho to textbook ya standard (ICAI/Companies Act) se verify karo. Aur note rakho.

Prabhat
Time kaise manage karun? 120 minute me 100 Q.

Iksha
Ek Q par ~1 minute 12 second. Pehle round me jo aasan hain solve karo. Calculation wale baad me. Aakhri 10 minute OMR check aur doubtful Q ke liye.

Prabhat
Aur guess?

Iksha
Upar maths dekha na? Do option kaat sako to guess lagao.

Prabhat
Aur agar exam hall me dimaag khali ho gaya?

Iksha
Tab ek gehri saans lo aur yaad karo, main tumhare peeche baithi hoon. Andhera lage to bhi sawaal ek hi hota hai: "Is option ke paas saboot kya hai?" Auditor ki tarah socho.

19.4 Core idea in 3 levels

6 saal ka bachha box Exam ek bada game hai. Purane game ke levels dekh lo to naye level ka andaza ho jata hai. Jo level baar baar aata hai, usko pehle seekho.

Normal explanation Prabhat ke notes ke mutabik pichle Mains papers (5 Jan 2025 aur 16 Feb 2025 ki official answer keys) me in topics ka trend dikha: depreciation methods, cheque aur NI Act, store documents, hire purchase, GST aur Income Tax sections, UP districts, aur 1857 ke leaders. (source: Prabhat ke apne notes aur official answer keys) (Ye internal memory note hai, aur user ki do answer key PDFs ka summary hai; checker original PDFs se milaye.)

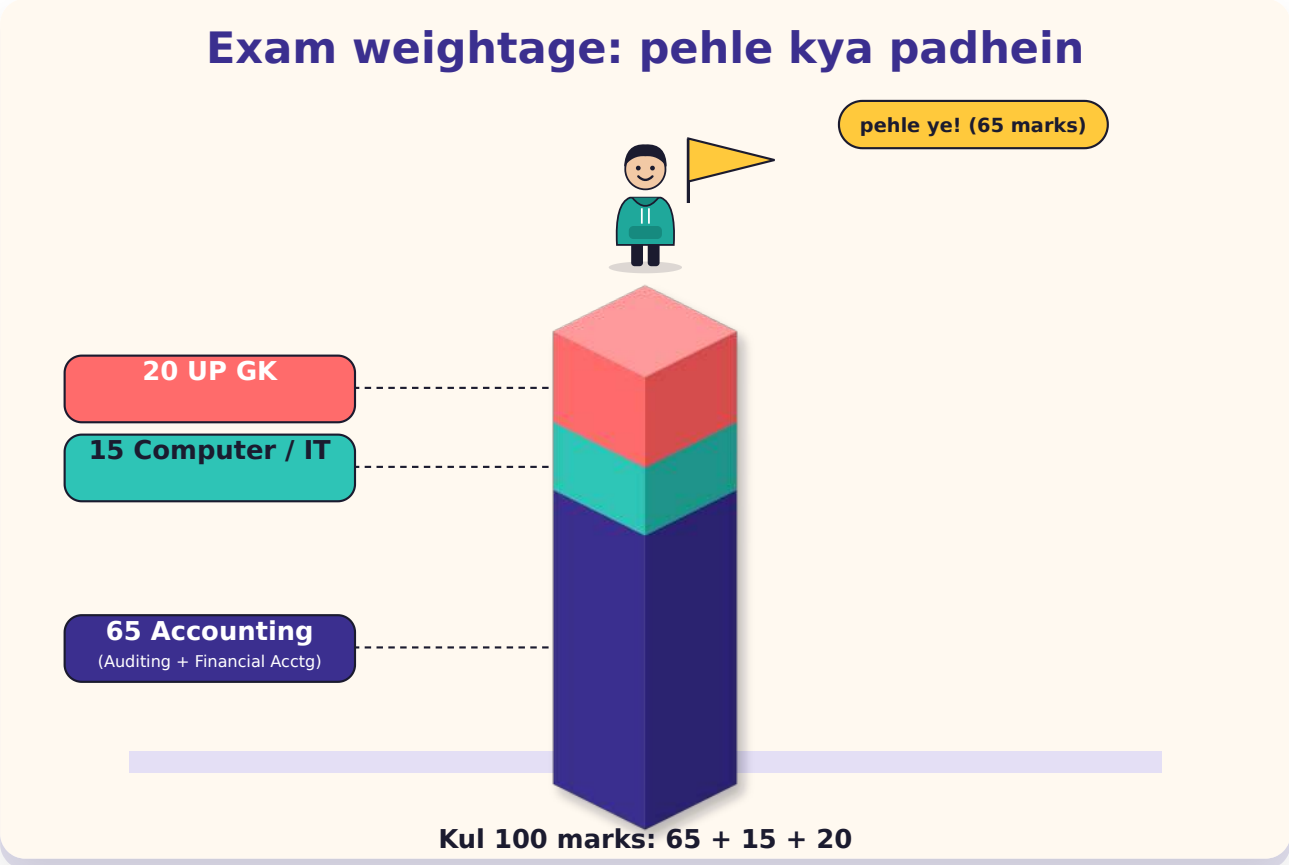
PhD box

- Trend analysis ka sahi tareeka: har PYQ ko (topic, sub-topic, difficulty, type: concept/numeric/section-number) se tag karo, phir frequency table banao. Chhote sample (2 papers, ~200 Q) se strong conclusion mat nikalo. Trend ek *prior* hai, guarantee nahi.
- Bayesian soch: purane paper me jo topic bar-bar aaya, uski probability thodi upar; par commission naye topics bhi daalta hai. Isliye syllabus ka poora coverage zaroori hai.
- Difficulty calibration: numeric Q me time zyada lagta hai, to unko "marks per minute" ke hisaab se prioritise karo.

19.5 Trend table: kis topic ko kitna time

(Weightage approx user ke notes se; approximate hai. Actual PYQ ka topic-wise count tab bharna hai jab user ke 201 PYQ ka tagged data milega.)

Unit	Approx weight	Preparation priority
Final accounts, double entry, rectification, BRS	High	1
Depreciation (SLM, WDV), hire purchase	High	1
Auditing basics: vouching, verification, internal control, audit report	High	1
Companies Act: audit provisions, auditor appointment	Medium	2
GFR, CAG, PAC, govt audit	Medium	2
GST, Income Tax basics	Medium	2
Computer / IT (MS Office, internet, e-banking, RTGS)	Medium (~15)	2
UP GK, current affairs, Arthik Samiksha	~20	2



PYQ insertion point:

PYQ bank: 201 official Mains questions (UPSSSC Auditor and Assistant Accountant), unit-wise.

Source: UPSSSC Mains 5 Jan 2025 (P1, official key) and 16 Feb 2025 (P2, revised official key), as carried on Prabhat's quiz site (https://clock-quiz.netlify.app). Question text is in English here; the Hindi versions are on the quiz site. Each answer follows the key used on the site. Fact-check 2026-11-27: spot-checked by subject knowledge and statute text. Official key PDFs were not accessible to the

checker, so keys are still to be matched by the lead against the user's PDFs. See checks/ch19.md for items to confirm.

Unit 1: Audit (13 Qs)

- **[P1-1]** "Auditing is a systematic examination of the books and records of a business... to ascertain or verify, and to report upon the facts" - this definition is given by
  Options: Montgomery (correct); Spicer and Pegler; Dicksee; Kohler
  Answer: Montgomery.

- **[P1-2]** A compulsory audit carried out every year by an auditor is called the ___ audit
  Options: Statutory (correct); Internal; Cost; Continuous
  Answer: Statutory.

- **[P1-3]** Which Section of the Companies Act, 1956 restricts relatives/partners of a director from holding an office of profit in the company?
  Options: Section 314 (correct); Section 227; Section 292; Section 143
  Answer: Section 314.

- **[P1-4]** Under Section ___ of the Companies Act, 1956 the company auditor makes specific comments on matters covered by an order notified by the Central Government
  Options: 227-4A (correct); 314; 233; 185
  Answer: 227-4A.

- **[P1-5]** Under which Article does the President appoint the Comptroller and Auditor General of India?
  Options: Article 148 (correct); Article 112; Article 266; Article 280
  Answer: Article 148.

- **[P1-6]** To whom does the CAG submit the audit report?
  Options: The President (correct); Prime Minister; Finance Minister; Speaker of Lok Sabha
  Answer: The President.

- **[P1-7]** ___ stock is valued at cost or realisable price, whichever is less
  Options: Closing (correct); Opening; Dead; Buffer
  Answer: Closing.

- **[P1-8]** ___ losses, like cash defalcation or stock destroyed by fire not covered by insurance, are
  Options: Abnormal (correct); Normal; Operating; Deferred
  Answer: Abnormal.

- **[P1-11]** Gross profit Rs 4,88,000 and sales Rs 21,80,000. Gross profit ratio is
  Options: 22.39% (correct); 20.39%; 24.59%; 18.65%
  Answer: 22.39%. (4,88,000 / 21,80,000) x 100 = 22.39%.

- **[P1-14]** A ___ liability is not an actual liability but becomes one on the happening of an uncertain event
  Options: Contingent (correct); Current; Long-term; Fixed
  Answer: Contingent.

- **[P2-1]** The book "An Introduction to Indian Government Accounts and Audit" (3rd ed.) is issued by
  Options: Comptroller and Auditor General of India (correct); Reserve Bank of India; Ministry of Finance; ICAI
  Answer: Comptroller and Auditor General of India.

- **[P2-2]** The Banking Regulation Act, 1949 deals with the audit of ___ companies
  Options: Banking (correct); Insurance; Electricity; Manufacturing
  Answer: Banking.

- **[P2-3]** Who acts as a watch-dog for the directors, while the statutory auditor acts as a watch-dog for shareholders?
  Options: Internal auditor (correct); Cost auditor; Tax auditor; Registrar of Companies
  Answer: Internal auditor.

Unit 2: Fundamentals of accounting (24 Qs)

- **[P1-9]** If assets exceed liabilities, the firm is called
  Options: Solvent (correct); Insolvent; Bankrupt; Liquid
  Answer: Solvent.

- **[P1-10]** Goods distributed as free samples are debited to
  Options: Advertisement Account (correct); Purchases Account; Sales Account; Drawings Account
  Answer: Advertisement Account.

- **[P1-12]** ___ are guidelines establishing standards for sound accounting practices and reporting
  Options: Accounting Principles (correct); Accounting Vouchers; Audit Programmes; Trial Balances
  Answer: Accounting Principles.

- **[P1-13]** The word "Journal" is derived from the ___ word "Jour", meaning a day
  Options: French (correct); Latin; Greek; German
  Answer: French.

- **[P1-15]** After rectification of last year's errors, the balance of the Profit and Loss Adjustment Account is transferred to the
  Options: Capital Account (correct); Drawings Account; Suspense Account; Reserve Account
  Answer: Capital Account.

- **[P1-16]** Depreciable amount of an asset is historical cost less the estimated ___ value
  Options: Residual (correct); Market; Book; Replacement
  Answer: Residual.

- **[P1-17]** Under which depreciation method is a fixed percentage of the original cost written off every year?
  Options: Fixed Instalment (Straight Line) (correct); Diminishing Balance; Annuity; Sum of Years' Digits
  Answer: Fixed Instalment (Straight Line).

- **[P1-18]** ___ relates to cost allocation for intangible assets such as patents and leaseholds
  Options: Amortisation (correct); Depletion; Appreciation; Revaluation
  Answer: Amortisation.

- **[P1-19]** Under which method is depreciation charged each year at a fixed percentage on the balance brought forward from the previous year?
  Options: Diminishing balance (correct); Straight line; Revaluation; Annuity
  Answer: Diminishing balance.

- **[P1-20]** Which Accounting Standard requires disclosure of all material items that could influence users' decisions?
  Options: Accounting Standard 1 (correct); Accounting Standard 2; Accounting

Standard 6; Accounting Standard 10
Answer: Accounting Standard 1. AS-1 is "Disclosure of Accounting Policies".

- **[P1-44]** Types of vouchers are
  Options: All of these (receipt, payment, journal, contra etc.) (correct); Only receipt vouchers; Only payment vouchers; Only journal vouchers
  Answer: All of these (receipt, payment, journal, contra etc.).

- **[P1-94]** Wear and tear or depletion of capital stock over time is
  Options: Depreciation (correct); Amortisation of goodwill; Appreciation; Inflation
  Answer: Depreciation.

- **[P2-4]** Which entries are passed at the end of each accounting period to close nominal accounts?
  Options: Closing entries (correct); Opening entries; Rectifying entries; Contra entries
  Answer: Closing entries.

- **[P2-5]** Liabilities not payable within the next accounting period but payable in the next five to ten years are
  Options: Long-term liabilities (correct); Current liabilities; Contingent liabilities; Fictitious liabilities
  Answer: Long-term liabilities.

- **[P2-6]** Which tax charged from customers on sale of goods is not part of sales revenue?
  Options: Sales tax (correct); Income tax; Property tax; Wealth tax
  Answer: Sales tax.

- **[P2-7]** Which account is prepared from nominal accounts?
  Options: Profit and Loss Account (correct); Balance Sheet; Cash Book; Trial Balance
  Answer: Profit and Loss Account.

- **[P2-8]** Which accounting concept means information is reliable and verifiable with some evidence?
  Options: Objective evidence concept (correct); Going concern concept; Dual aspect concept; Money measurement concept
  Answer: Objective evidence concept.

- **[P2-9]** Cash or goods taken from the business by the proprietor for personal use is called
  Options: Drawings (correct); Capital; Loan; Bad debt
  Answer: Drawings.

- **[P2-10]** If a nominal account is wrongly debited, ___ will reduce or loss will increase
  Options: Profit (correct); Capital; Liability; Asset
  Answer: Profit.

- **[P2-11]** Which discount is allowed by a creditor to a debtor for prompt payment?
  Options: Cash discount (correct); Trade discount; Quantity discount; Bonus
  Answer: Cash discount.

- **[P2-12]** Permanent, continuing and gradual shrinkage in the book value of a fixed asset is
  Options: Depreciation (correct); Appreciation; Fluctuation; Impairment of stock
  Answer: Depreciation.

- **[P2-13]** Which system of accounting distributes cost less salvage over the estimated useful life of a tangible asset?
  Options: Depreciation accounting (correct); Inflation accounting; Cash accounting; Social accounting
  Answer: Depreciation accounting.

- **[P2-14]** Under which depreciation method is the amount spent on buying an asset treated as an investment earning interest at a fixed rate?
  Options: Annuity method (correct); Straight line method; Insurance policy method; Machine hour method
  Answer: Annuity method.

- **[P2-15]** Under which method is the asset revalued at year end and compared with its value at the start of the year?
  Options: Revaluation method (correct); Annuity method; Depletion method; Written down value method
  Answer: Revaluation method.

Unit 3: Double entry, GFR (26 Qs)

- **[P1-21]** Under which Section of the Negotiable Instruments Act, 1881 is a cheque defined?
  Options: Section 6 (correct); Section 4; Section 5; Section 31
  Answer: Section 6.

- **[P1-22]** Under which Section must a banker having sufficient funds of the drawer pay a duly presented cheque, or compensate for loss?
  Options: Section 31 (correct); Section 6; Section 138; Section 85
  Answer: Section 31.

- **[P1-23]** Under which system are separate accounts of capital and revenue receipts and payments prepared?
  Options: Double Account System (correct); Single Entry System; Cash Basis System; Mercantile System
  Answer: Double Account System.

- **[P1-24]** Since 1 April 1979, which depreciation method can be charged under the double account system?
  Options: Straight Line Method (correct); Diminishing Balance Method; Annuity Method; Depletion Method
  Answer: Straight Line Method.

- **[P1-25]** Under the double account system, the company appropriates to contingency reserve not less than 1/4% and not more than 1/2% of original cost of fixed assets until it reaches ___ of that cost
  Options: 5% (correct); 10%; 15%; 2%
  Answer: 5%.

- **[P1-26]** Under the double account system, development reserve is based on income tax saved on development rebate under which year's Income Tax Act?
  Options: 1961 (correct); 1922; 1991; 2005
  Answer: 1961.

- **[P1-27]** The purchase requisition prepared by the storekeeper is generally in
  Options: Triplicate (correct); Single copy; Duplicate; Five copies
  Answer: Triplicate.

- **[P1-28]** Regular purchase requisitions are prepared when stores reach the ___ level
  Options: Re-ordering (correct); Maximum; Danger; Minimum
  Answer: Re-ordering.

- **[P1-29]** Which tender method invites quotations from many parties through advertisement?
  Options: Open tender (correct); Limited tender; Single tender; Negotiated tender
  Answer: Open tender.

- **[P1-30]** Depending on the organisation's size, how many copies of a purchase order are prepared?
  Options: Three to five (correct); One; Two only; Ten
  Answer: Three to five.

- **[P1-31]** After inspection, the goods receiving clerk records the materials received in a ___ note
  Options: Goods received (correct); Credit; Debit; Delivery
  Answer: Goods received.

- **[P1-32]** Which card records receipts and issues of material and is kept for each item of stores?
  Options: Bin card (correct); Job card; Time card; Debit card
  Answer: Bin card.

- **[P2-16]** Which reserve is created from profits above the reasonable return earned by an electric undertaking?
  Options: Tariffs and Dividends Control Reserve (correct); General reserve; Capital reserve; Secret reserve
  Answer: Tariffs and Dividends Control Reserve.

- **[P2-17]** In the double account system, assets are shown in the capital account at their
  Options: Original value (correct); Market value; Scrap value; Written down value
  Answer: Original value.

- **[P2-18]** Which account system is only a method of presentation of final accounts?
  Options: Double account system (correct); Double entry system; Single entry system; Cost accounting
  Answer: Double account system.

- **[P2-19]** Which depreciation method is compulsorily used and invested in securities in the double account system?

Options: Depreciation fund method (correct); Straight line method; Diminishing balance method; Sum of digits method
Answer: Depreciation fund method.

- **[P2-20]** Which cheque is payable to the person named in it, or to the bearer?
  Options: Bearer cheque (correct); Order cheque; Crossed cheque; Stale cheque
  Answer: Bearer cheque.

- **[P2-21]** Which cheque is payable to the person named in it, or to his order?
  Options: Order cheque (correct); Bearer cheque; Post-dated cheque; Traveller's cheque
  Answer: Order cheque.

- **[P2-22]** Under which section of the Negotiable Instruments Act is the amount stated in words given priority over figures?
  Options: Section 18 (correct); Section 6; Section 31; Section 138
  Answer: Section 18.

- **[P2-23]** Which requisition is sent to the purchase department when stock reaches the re-order level?
  Options: Purchase requisition (correct); Material requisition; Bill of materials; Credit note
  Answer: Purchase requisition.

- **[P2-24]** Which document authorises and records issue of materials from the store?
  Options: Material requisition (correct); Purchase requisition; Goods received note; Invoice
  Answer: Material requisition.

- **[P2-25]** A list of standard quantities of all materials required for a job, work order or process is
  Options: Bill of materials (correct); Bin card; Stores ledger; Job card
  Answer: Bill of materials.

- **[P2-26]** Direct transfer of materials between departments should be done through a ___ note
  Options: Material transfer (correct); Debit; Credit; Delivery
  Answer: Material transfer.

- **[P2-27]** The system of finding quantity and value of inventory by actual physical count at end of the period is
  Options: Periodic inventory system (correct); Perpetual inventory system; ABC analysis; Just-in-time
  Answer: Periodic inventory system.

- **[P2-28]** Which card shows maximum level, minimum level and re-order level?
  Options: Bin card (correct); Job card; Time card; ATM card
  Answer: Bin card.

- **[P2-30]** Which pay certificate is also necessary before the first payment of pension to a retired government servant?
  Options: Last pay certificate (correct); First pay certificate; Average pay certificate; Bonus certificate
  Answer: Last pay certificate.

Unit 4: E-banking (16 Qs)

- **[P1-33]** RTGS stands for
  Options: Real Time Gross Settlement (correct); Rapid Transfer of Gross Savings; Real Transaction Gateway System; Regional Transfer and Gross Settlement
  Answer: Real Time Gross Settlement.

- **[P1-35]** A ___ is a detailed statement of forecast resulting from joint action of a number of planned operations
  Options: Budget (correct); Balance Sheet; Voucher; Ledger
  Answer: Budget.

- **[P1-36]** ___ is a technique of managerial control through budgets
  Options: Budgetary control (correct); Standard costing; Cost audit; Marginal costing
  Answer: Budgetary control.

- **[P1-37]** Which budget is the most important and of primary importance?
  Options: Sales budget (correct); Cash budget; Production budget; Purchase budget
  Answer: Sales budget.

- **[P1-38]** Which budget is established on a long-term basis?
  Options: Research and Development Cost Budget (correct); Cash budget;

Sales budget; Material usage budget
Answer: Research and Development Cost Budget.

- **[P1-39]** ___ budgets are prepared mainly on past performance and actual costs
  Options: Conventional (correct); Zero-based; Flexible; Performance
  Answer: Conventional.

- **[P1-42]** In computerised accounting, ___ is described by a definite relationship between super group and sub-group
  Options: Hierarchy of accounts (correct); Trial balance; Voucher series; Audit trail
  Answer: Hierarchy of accounts.

- **[P1-43]** In which coding system are identifying characters letters of an alphabet?
  Options: Mnemonic coding (correct); Numeric coding; Block coding; Sequential coding
  Answer: Mnemonic coding.

- **[P1-45]** ___ is a way of conducting business electronically with the help of internet technology
  Options: E-commerce (correct); E-learning; E-mail; Telex
  Answer: E-commerce.

- **[P1-46]** ___ cards allow users to borrow money up to a certain limit
  Options: Credit (correct); Debit; Prepaid; Smart
  Answer: Credit.

- **[P1-74]** Which of the following is not an E-Government model?
  Options: Business-to-Business (B2B) (correct); Government-to-Citizen (G2C); Government-to-Business (G2B); Government-to-Government (G2G)
  Answer: Business-to-Business (B2B).

- **[P1-75]** IMPS stands for
  Options: Immediate Payment Service (correct); Instant Money Payment System; Internet Mobile Payment Service; Immediate Postal Money Service
  Answer: Immediate Payment Service.

- **[P1-76]** Payment with identification and authentication through the Aadhaar database is called

Options: AePS (correct); NEFT; BBPS; ECS
Answer: AePS. AePS = Aadhaar Enabled Payment System.

- **[P2-32]** The consolidated summary of the various functional budgets is the
Options: Master budget (correct); Cash budget; Sales budget; Capital budget
Answer: Master budget.

- **[P2-34]** Networking of bank branches so that customers can operate accounts from any branch is
Options: Core banking (correct); Mobile banking; Telebanking; Branch banking
Answer: Core banking.

- **[P2-36]** Which is an instant inter-bank electronic fund transfer system in India that works 24x7?
Options: IMPS (Immediate Payment Service) (correct); NEFT batch only; Cheque clearing; Demand draft
Answer: IMPS (Immediate Payment Service).

Unit 5: Advanced accounts (21 Qs)

- **[P1-34]** An ___ is one who cannot pay his liabilities as and when claimed
Options: Insolvent (correct); Solvent; Liquidator; Receiver
Answer: Insolvent.

- **[P1-47]** Under which system does the buyer get possession immediately and pay the total price in instalments, ownership passing on the last instalment?
Options: Hire purchase (correct); Credit sale; Consignment; Cash sale
Answer: Hire purchase.

- **[P1-48]** Which equation is correct?
Options: Hire Purchase Price - Cash Price = Total Interest (correct); Hire Purchase Price + Cash Price = Total Interest; Cash Price - Down Payment = Total Interest; Hire Purchase Price x Cash Price = Total Interest
Answer: Hire Purchase Price - Cash Price = Total Interest.

- **[P1-49]** On default of an instalment, the vendor may repossess the goods and forfeit the amount received, treating it as
Options: Hire charge (correct); Capital; Loan; Penalty fine
Answer: Hire charge.

- **[P1-50]** Goods sold with a guarantee of free maintenance: the maintenance charge is credited to a separate account called
  Options: Maintenance Suspense account (correct); Reserve account; Sales return account; Provision account
  Answer: Maintenance Suspense account.

- **[P1-51]** For hire purchase sales, the rate of gross profit is ___ on cost (as given in the paper)
  Options: 32% (correct); 25%; 20%; 40%
  Answer: 32%.

- **[P1-52]** Goods sent by head office to branches at wholesale price: unsold goods at the branch must be reduced to ___ price
  Options: Cost (correct); Market; Retail; Invoice
  Answer: Cost.

- **[P1-53]** Under departmental accounts, depreciation is allocated among departments on the basis of
  Options: Assets employed (correct); Sales of each department; Number of employees; Floor area
  Answer: Assets employed.

- **[P1-54]** The Presidency Towns Insolvency Act, applicable to Mumbai, Kolkata and Chennai, was enacted in
  Options: 1909 (correct); 1920; 1881; 1932
  Answer: 1909.

- **[P1-55]** The excess of minimum rent over actual royalty (based on output or sales) is called
  Options: Short workings (correct); Recoupment; Surplus royalty; Landlord's share
  Answer: Short workings.

- **[P1-56]** A fire insurance policy usually includes an average clause to discourage ___ insurance of stock
  Options: Under (correct); Over; Double; Full
  Answer: Under.

- **[P2-29]** Under which system can the seller sue for the price in court if the buyer defaults in an instalment?
  Options: Instalment purchase system (correct); Hire purchase system; Cash

sale system; Consignment system
Answer: Instalment purchase system. In hire purchase the seller can only repossess; in instalment purchase ownership passes at once and he can sue for the price.

- **[P2-37]** The amount paid at the time of taking delivery of goods under hire purchase is the
  Options: Down payment (correct); Hire charge; Last instalment; Interest
  Answer: Down payment.

- **[P2-38]** Who closes the hire purchaser's account by transferring its balance to Goods Repossessed account?
  Options: Vendor (seller) (correct); Hire purchaser; Bank; Auditor
  Answer: Vendor (seller).

- **[P2-39]** Under which branch accounting system does head office open a separate account for each branch to find profit or loss?
  Options: Debtors system (correct); Final accounts system; Stock and debtors system; Wholesale system
  Answer: Debtors system.

- **[P2-40]** In departmental accounts, goods transferred from one department to another are usually transferred at ___ price
  Options: Selling (or cost plus agreed margin) (correct); Scrap; Face value; Zero
  Answer: Selling (or cost plus agreed margin).

- **[P2-41]** If a competent court passes an order of adjudication against a person, he is called
  Options: Insolvent (correct); Solvent; Trustee; Official receiver
  Answer: Insolvent.

- **[P2-42]** After the order of adjudication, interest is paid to creditors at (as per the paper)
  Options: 6% per annum (correct); 12% per annum; 9% per annum; 3% per annum
  Answer: 6% per annum. As keyed by UPSSSC; check the Act for the current rate.

- **[P2-43]** A periodic payment based on output or sales for use of a certain asset is

Options: Royalty (correct); Rent; Salary; Commission on sales
Answer: Royalty.

- **[P2-44]** Credit balance of Short-workings Suspense account, if recoverable later, is carried forward and shown as a liability in the
  Options: Balance sheet (correct); Trading account; Profit and loss account; Cash book
  Answer: Balance sheet.

- **[P2-45]** Under a loss-of-profit insurance claim, "annual turnover" means turnover during the ___ months immediately before the damage
  Options: 12 (correct); 3; 6; 24
  Answer: 12.

Unit 6: Tax and arithmetic (18 Qs)

- **[P1-57]** Under which Section of the Income Tax Act is the rebate available only to a resident individual?
  Options: Section 87A (correct); Section 80C; Section 80D; Section 44AD
  Answer: Section 87A.

- **[P1-58]** Under which Section is leave encashment received while still in service taxable in full?
  Options: Section 10(10AA) (correct); Section 10(10); Section 80C; Section 16
  Answer: Section 10(10AA).

- **[P1-59]** For a building acquired/constructed with borrowed capital, the maximum interest deduction limit (as per the paper) is
  Options: Rs 30,000 (correct); Rs 1,50,000; Rs 2,00,000; Rs 50,000
  Answer: Rs 30,000. As keyed by UPSSSC; limits change by law, so verify current rules before relying on it.

- **[P1-60]** Under which Section are specified preliminary expenses of an Indian company allowed?
  Options: Section 35D (correct); Section 32; Section 37; Section 43B
  Answer: Section 35D.

- **[P1-61]** GST was introduced in India from
  Options: 1 July 2017 (correct); 1 April 2017; 1 January 2018; 1 July 2016
  Answer: 1 July 2017.

- **[P1-62]** Which Section of the CGST Act, 2017 deals with the procedure for registration?
  Options: Section 25 (correct); Section 22; Section 16; Section 39
  Answer: Section 25.

- **[P1-63]** Under which Section of the CGST Act is "electronic commerce operator" defined?
  Options: Section 2(45) (correct); Section 2(17); Section 9; Section 24
  Answer: Section 2(45).

- **[P1-64]** If the person furnishes the return within ___ days of the assessment order, the assessment order is withdrawn (as per the paper)
  Options: 30 (correct); 15; 60; 90
  Answer: 30.

- **[P1-65]** Per the paper, a supplier must register under GST if aggregate turnover in a financial year exceeds Rs
  Options: 20 lakh (correct); Rs 10 lakh; Rs 40 lakh; Rs 1 crore
  Answer: 20 lakh. As keyed by UPSSSC (general threshold for services; goods and special-category states differ, check current law).

- **[P2-46]** Under which Income Tax section is expenditure on current repairs of machinery, plant or furniture allowed?
  Options: Section 31 (correct); Section 35D; Section 80C; Section 10(10AA)
  Answer: Section 31.

- **[P2-47]** Under which section can an assessee claim a deduction for donations to charitable institutions and relief funds?
  Options: Section 80G (correct); Section 80C; Section 80D; Section 87A
  Answer: Section 80G.

- **[P2-48]** A person liable to register under GST must apply within ___ days of becoming liable
  Options: 30 (correct); 15; 45; 90
  Answer: 30.

- **[P2-49]** Which commercial document is issued by a seller to a buyer to reduce the buyer's dues, for example on goods returned?
  Options: Credit note (correct); Debit note; Delivery challan; Quotation
  Answer: Credit note.

- **[P2-50]** Under which section of the CGST Act is the electronic cash ledger defined/maintained for each registered person?
  Options: Section 49(1) (correct); Section 25; Section 39; Section 16
  Answer: Section 49(1).

- **[P2-51]** A long-term capital asset is held for more than ___ months before transfer (general rule as keyed)
  Options: 36 (correct); 12; 24; 60
  Answer: 36. The holding period has changed for some assets (12 or 24 months) after 2024. Check current law.

- **[P2-52]** Men and women workers are in the ratio 5:3, daily wages in the ratio 3:2. The ratio of total weekly wages is
  Options: 105 : 42 (correct); 15 : 7; 25 : 9; 5 : 2
  Answer: 105 : 42. Daily wages = 5x3 : 3x2 = 15 : 6 = 5 : 2. The key (105:42) multiplies by 7 days. As keyed by UPSSSC.

- **[P2-53]** The fourth proportional to 5, 8 and 16 is
  Options: 25.6 (correct); 10; 20; 32
  Answer: 25.6. 5 : 8 = 16 : x so x = 8 x 16 / 5 = 25.6.

- **[P2-54]** Simple interest on Rs 1600 for one year at 10% p.a. is
  Options: Rs 160 (correct); Rs 16; Rs 1,760; Rs 320
  Answer: Rs 160. SI = 1600 x 10 x 1 / 100 = 160.

Unit 7: Computer/IT (35 Qs)

- **[P1-40]** ___ is a system computers use to achieve orderly storage of data
  Options: Database Management System (correct); Operating System; Network Protocol; Compiler
  Answer: Database Management System.

- **[P1-41]** ___ is one of the most effective hardware controls enabling timely detection of errors
  Options: Parity bit (correct); Header label; Cache; Bus
  Answer: Parity bit.

- **[P1-66]** Who is the Father of the Computer?
  Options: Charles Babbage (correct); Alan Turing; Bill Gates; Steve Jobs
  Answer: Charles Babbage.

- **[P1-67]** Arithmetic and logical operations are performed by
  Options: Arithmetic and Logical Unit (ALU) (correct); Control Unit; Memory Unit; Input Unit
  Answer: Arithmetic and Logical Unit (ALU).

- **[P1-68]** PCI stands for
  Options: Peripheral Component Interconnect (correct); Personal Computer Interface; Program Control Instruction; Primary Core Input
  Answer: Peripheral Component Interconnect.

- **[P1-69]** A program in execution is called
  Options: Process (correct); Thread library; Compiler; File
  Answer: Process.

- **[P1-70]** The fundamental language of a computer is
  Options: Machine level language (correct); High level language; Assembly language; Fourth generation language
  Answer: Machine level language.

- **[P1-71]** Shortcut key for Paste
  Options: Ctrl + V (correct); Ctrl + C; Ctrl + X; Ctrl + Z
  Answer: Ctrl + V.

- **[P1-72]** The act of breaking into computer security is
  Options: Hacking (correct); Debugging; Compiling; Formatting
  Answer: Hacking.

- **[P1-73]** Which is a physical thing appearing on an Ethernet or some wire?
  Options: Packet (correct); Protocol; Domain; Cookie
  Answer: Packet.

- **[P1-77]** Which is real-time communication between two users via computer?
  Options: Chat (correct); E-mail; Blog; Newsgroup
  Answer: Chat.

- **[P1-78]** DNS stands for
  Options: Domain Name System (correct); Digital Network Service; Data Name Server; Dynamic Network System
  Answer: Domain Name System.

- **[P1-79]** Algorithms are tested by
  Options: Data (correct); Printers; Compilers only; Scanners

Answer: Data.

- **[P1-80]** Human-resembling robots are called
  Options: Humanoids (correct); Androids only; Cyborgs; Drones
  Answer: Humanoids.

- **[P2-31]** Which computers deal with actual numbers and obtain the answer by counting?
  Options: Digital (correct); Analog; Hybrid; Mechanical
  Answer: Digital.

- **[P2-33]** The set of programs that make the computer perform the desired work is
  Options: Software (correct); Hardware; Firmware only; Peripheral
  Answer: Software.

- **[P2-35]** The Information Technology Act, 2000 came into force on
  Options: 17 October 2000 (correct); 9 June 2000; 15 August 2000; 1 January 2001
  Answer: 17 October 2000.

- **[P2-55]** How many bits of data are sent at one time in a parallel port?
  Options: 8 bits (correct); 1 bit; 4 bits; 64 bits
  Answer: 8 bits.

- **[P2-56]** Which channel sends signals in one direction only?
  Options: Simplex (correct); Half-duplex; Full-duplex; Multipoint
  Answer: Simplex.

- **[P2-57]** Which channel sends signals in one direction at a time, like a walkie-talkie?
  Options: Half-duplex (correct); Simplex; Full-duplex; Point-to-point
  Answer: Half-duplex.

- **[P2-58]** Which channel sends signals in both directions simultaneously?
  Options: Full-duplex (correct); Simplex; Half-duplex; Broadcast only
  Answer: Full-duplex.

- **[P2-59]** A HALT instruction
  Options: stops the program and halts the computer (correct); starts a new program; clears the screen; prints a file
  Answer: stops the program and halts the computer.

- **[P2-60]** Running multiple programs at once in memory is called
  Options: Concurrent program execution (correct); Program loading; Halting; Booting
  Answer: Concurrent program execution.

- **[P2-61]** An equation that performs operations on worksheet data is a
  Options: Formula (correct); Chart; Macro; Filter
  Answer: Formula.

- **[P2-62]** Which is a layered set of protocols?
  Options: TCP/IP (correct); HTML; URL; JPEG
  Answer: TCP/IP.

- **[P2-63]** What was the first protocol for relaying IP packets over dial-up lines?
  Options: Serial Line IP (SLIP) (correct); FTP; SMTP; HTTP
  Answer: Serial Line IP (SLIP).

- **[P2-64]** Which device lets your computer connect to the telephone system?
  Options: Modem (correct); Scanner; Plotter; Monitor
  Answer: Modem.

- **[P2-65]** Which is a precursor of the Internet, funded by the US Department of Defense in 1969?
  Options: ARPANET (correct); Ethernet; X.25; Wi-Fi
  Answer: ARPANET.

- **[P2-66]** Who developed the standard "username@hostname" email format in 1971?
  Options: Ray Tomlinson (correct); Tim Berners-Lee; Vint Cerf; Bob Metcalfe
  Answer: Ray Tomlinson.

- **[P2-67]** Who developed the concept of the World Wide Web in 1991?
  Options: Tim Berners-Lee (correct); Ray Tomlinson; Charles Babbage; Bill Gates
  Answer: Tim Berners-Lee.

- **[P2-68]** Ethernet protocol was developed in 1973 at
  Options: Xerox PARC (correct); Bell Labs; IBM; Microsoft
  Answer: Xerox PARC.

- **[P2-69]** Which technology lets you connect to the internet without a direct line from your PC to the ISP?

Options: Wi-Fi (correct); Dial-up modem; Leased line; Coaxial cable
Answer: Wi-Fi.

- **[P2-70]** Software made available with the right to redistribute copies is
  Options: Shareware (correct); Firmware; Spyware; Malware
  Answer: Shareware.

- **[P2-71]** Machine learning comprises ___ that use data to learn
  Options: Algorithms (correct); Printers; Cables; Spreadsheets only
  Answer: Algorithms.

- **[P2-72]** In big data, "veracity" refers to
  Options: trustworthiness (accuracy) of the data (correct); speed of data; size of data; variety of data
  Answer: trustworthiness (accuracy) of the data.

Unit 8: UP GK (48 Qs)

- **[P1-81]** Which gharana is a blend of Khayal gayaki and Dhrupad-Dhamar?
  Options: Agra Gharana (correct); Gwalior Gharana; Kirana Gharana; Patiala Gharana
  Answer: Agra Gharana.

- **[P1-82]** In 1858 the Delhi division was separated from the North-Western Region and the capital was shifted from Agra to
  Options: Allahabad (correct); Lucknow; Kanpur; Varanasi
  Answer: Allahabad.

- **[P1-83]** Which folk song/dance of Uttar Pradesh is performed before the arrival of monsoons?
  Options: Kajari (correct); Chaiti; Birha; Nautanki
  Answer: Kajari.

- **[P1-84]** Which of the following is not a form of Khayal?
  Options: Diwari Khayal (correct); Bada Khayal; Chhota Khayal; Tarana
  Answer: Diwari Khayal.

- **[P1-85]** The Kalinjar fair of Uttar Pradesh is held annually at
  Options: Banda (correct); Jhansi; Mirzapur; Sitapur
  Answer: Banda.

- **[P1-86]** The climate of Uttar Pradesh is
  Options: Tropical monsoon (correct); Mediterranean; Equatorial; Tundra
  Answer: Tropical monsoon.

- **[P1-87]** Which district of UP is famous for the lock industry?
  Options: Aligarh (correct); Firozabad; Moradabad; Bhadohi
  Answer: Aligarh.

- **[P1-88]** In which city of Uttar Pradesh is the Raza Library situated?
  Options: Rampur (correct); Bareilly; Lucknow; Meerut
  Answer: Rampur.

- **[P1-89]** Uttar Pradesh is divided into how many agro-climatic zones?
  Options: 9 (correct); 5; 7; 12
  Answer: 9.

- **[P1-90]** Bundelkhand soil is found in the
  Options: Southern plateau (correct); Terai region; Ganga plain; Himalayan foothills
  Answer: Southern plateau.

- **[P1-91]** The colour extracted from the bark of Gum Acacia (babul) is used for
  Options: Dyeing leather items (correct); Colouring sweets; Painting walls; Printing newspapers
  Answer: Dyeing leather items.

- **[P1-92]** The White Revolution in India is associated with
  Options: Milk production (correct); Wheat production; Egg production; Fish production
  Answer: Milk production.

- **[P1-93]** GDP deflator is the ratio of
  Options: Nominal GDP to real GDP (correct); Real GDP to nominal GDP; GDP to population; Exports to imports
  Answer: Nominal GDP to real GDP.

- **[P1-95]** Which of the following is the state animal of Uttar Pradesh?
  Options: Swamp deer (Barasingha) (correct); Tiger; Blackbuck; Elephant
  Answer: Swamp deer (Barasingha).

- **[P1-96]** Where has India's first multi-modal terminal been built?
  Options: Varanasi (correct); Kolkata; Kanpur; Prayagraj

Answer: Varanasi. On the Ganga (National Waterway-1) at Varanasi.

- **[P1-97]** How many times has the UP Legislative Assembly been constituted till date (as per the paper)?
  Options: Eighteen (correct); Sixteen; Fifteen; Twenty
  Answer: Eighteen. As keyed in Jan 2025.

- **[P1-98]** In which year was Chaudhary Charan Singh awarded the Bharat Ratna?
  Options: 2024 (correct); 2019; 2022; 2000
  Answer: 2024.

- **[P1-99]** Shri Radhey Shyam Khemka was awarded the Padma Vibhushan 2022 in which field?
  Options: Literature and Education (correct); Medicine; Sports; Trade and Industry
  Answer: Literature and Education.

- **[P1-100]** How many GI-tagged products does UP have, the most of any state (as per the paper)?
  Options: 75 (correct); 45; 60; 100
  Answer: 75. As keyed in Jan 2025; the count changes as new GI tags are granted.

- **[P2-73]** Bhadohi in Uttar Pradesh is famous for
  Options: Carpet making (correct); Brassware; Locks; Glass bangles
  Answer: Carpet making.

- **[P2-74]** Which is the only open university of the UP state government?
  Options: Rajarshi Tandon Open University, Prayagraj (correct); IGNOU; BHU; Allahabad University
  Answer: Rajarshi Tandon Open University, Prayagraj.

- **[P2-75]** Teerthanker Mahaveer University is located in
  Options: Moradabad (correct); Meerut; Agra; Aligarh
  Answer: Moradabad.

- **[P2-76]** Which is the largest residential university in UP and Asia (as keyed)?
  Options: Banaras Hindu University (BHU) (correct); Allahabad University; Aligarh Muslim University; Lucknow University
  Answer: Banaras Hindu University (BHU).

- **[P2-77]** Allahabad University was established in which year?
  Options: 1887 (correct); 1857; 1916; 1920
  Answer: 1887.

- **[P2-78]** Mirza Ghalib and Firaq Gorakhpuri are famous for
  Options: Ghazal (correct); Thumri; Kathak; Qawwali only
  Answer: Ghazal.

- **[P2-79]** Harivansh Rai Bachchan was a prominent figure in which literary movement (as keyed)?
  Options: Nayi Kavita (correct); Bhakti movement; Chhayavad only; Dalit literature
  Answer: Nayi Kavita. Bachchan is best known for Madhushala and the Halavad (Pre-Nayi Kavita) period. This is the UPSSSC key, so treat it as exam-specific.

- **[P2-80]** Which of these is NOT a work of Rahul Sankrityayan (as keyed)?
  Options: Shanti Dharma (correct); Volga se Ganga; Madhya Asia ka Itihas; Ghumakkad Shastra
  Answer: Shanti Dharma.

- **[P2-81]** Which statement about Buland Darwaza is incorrect?
  Options: It was built to commemorate Akbar's victory over Peshawar (correct); It is at Fatehpur Sikri; It was built by Akbar; It commemorates Akbar's Gujarat victory
  Answer: It was built to commemorate Akbar's victory over Peshawar.

- **[P2-82]** Which soil is found in the entire central region of UP (as keyed)?
  Options: Sandy loam (correct); Black soil; Laterite; Peaty soil
  Answer: Sandy loam.

- **[P2-83]** Who founded the Gupta dynasty (Maharaja title as first king)?
  Options: Srigupta (correct); Samudragupta; Chandragupta II; Skandagupta
  Answer: Srigupta.

- **[P2-84]** Who is called the "Napoleon of India"?
  Options: Samudragupta (correct); Ashoka; Kanishka; Harshavardhana
  Answer: Samudragupta.

- **[P2-85]** The Fourth Buddhist Council was held under which ruler?
  Options: Kanishka (correct); Ashoka; Ajatashatru; Kalashoka
  Answer: Kanishka.

- **[P2-86]** The Chinese traveller Fa-hien visited India during the reign of
  Options: Chandragupta II (correct); Ashoka; Harsha; Akbar
  Answer: Chandragupta II.

- **[P2-87]** Who led the Revolt of 1857 at Lucknow?
  Options: Begum Hazrat Mahal (correct); Rani Lakshmibai; Kunwar Singh; Nana Sahib
  Answer: Begum Hazrat Mahal.

- **[P2-88]** Who led the Revolt of 1857 at Allahabad?
  Options: Maulvi Liyaquat Ali (correct); Begum Hazrat Mahal; Tantia Tope; Bahadur Shah Zafar
  Answer: Maulvi Liyaquat Ali.

- **[P2-89]** Who led the Revolt of 1857 at Meerut region (as keyed)?
  Options: Kadam Singh (correct); Devi Singh; Maulvi Liyaquat Ali; Begum Hazrat Mahal
  Answer: Kadam Singh.

- **[P2-90]** Who led the Revolt of 1857 at Mathura (as keyed)?
  Options: Devi Singh (correct); Kadam Singh; Kunwar Singh; Nana Sahib
  Answer: Devi Singh.

- **[P2-91]** Which sanctuary in UP is renowned for gharial conservation?
  Options: National Chambal Sanctuary (correct); Dudhwa National Park; Sohagi Barwa; Kaimur Sanctuary
  Answer: National Chambal Sanctuary.

- **[P2-92]** Which is correct about Rakar soil of UP?
  Options: Crops like sesame and gram are grown here (correct); It is the most fertile soil for rice; It is found in the Terai; It is a saline soil
  Answer: Crops like sesame and gram are grown here.

- **[P2-93]** UP's rank in rapeseed and mustard production per Economic Survey 2023-24 (as keyed)
  Options: 2nd (correct); 1st; 4th; 6th
  Answer: 2nd. As keyed by UPSSSC. Rankings change yearly.

- **[P2-94]** Members nominated by the Governor in the UP Legislative Council
  Options: 10 (correct); 8; 36; 38
  Answer: 10.

- **[P2-95]** Members of the UP Legislative Council elected by local bodies
  Options: 36 (correct); 10; 8; 38
  Answer: 36.

- **[P2-96]** Members of the UP Legislative Council elected by the Legislative Assembly
  Options: 38 (correct); 36; 10; 8
  Answer: 38.

- **[P2-97]** Members of the UP Legislative Council elected by teachers
  Options: 8 (correct); 10; 36; 38
  Answer: 8. Total 100 = 38 + 36 + 10 (nominated) + 8 (graduates) + 8 (teachers).

- **[P2-98]** The Obra thermal power station is in which district?
  Options: Sonbhadra (correct); Mirzapur; Lalitpur; Raebareli
  Answer: Sonbhadra.

- **[P2-99]** Lalitpur district is part of which division?
  Options: Jhansi (correct); Chitrakoot; Kanpur; Agra
  Answer: Jhansi.

- **[P2-100]** Kaushambi district is part of which division?
  Options: Prayagraj (correct); Varanasi; Ayodhya; Lucknow
  Answer: Prayagraj.

- **[P2-101]** Which railway station in UP has been renamed Swami Paramhans?
  Options: Bani (correct); Gonda; Basti; Mankapur
  Answer: Bani.

19.6 90/100 ka plan (28 din)

Din	Kaam
1-7	Accounting core (journal se final accounts, BRS, depreciation, hire purchase), roz 30 numeric Q
8-12	Auditing basics aur Companies Act (is book ke Ch 1-13)
13-16	Govt audit, GFR, CAG, PAC (Ch 14), tax basics (Ch 15)
17-19	Computer/IT aur e-banking, RTGS
20-22	UP GK aur Arthik Samiksha
23-26	Full mock (100 Q, 120 min), analysis
27	Sirf galat Q ki notebook
28	Halka revision aur neend

19.7 Exam strategy cheat sheet

1. Pehle 60 minute me sab aasan Q.
2. Numeric Q me units aur sign check (Dr/Cr, loss/profit).
3. Negative marking: 0.25, to blind guess nahi, par 2-option elimination par guess.
4. Section number wale Q yaad se, isliye cheat sheet banao (Ch 20).
5. Aakhri 10 minute OMR bubble check.

19.8 Exam angle: 5 PYQ-style questions (warm-up)

Q1. Straight Line Method me annual depreciation = ? (a) (Cost - Scrap)/Life (b) Cost x rate on book value (c) Cost/Scrap (d) Cost x Life. **Ans: (a).**

Q2. Vouching ka matlab? (a) Transactions ko documentary saboot se verify karna (b) Assets ki physical check (c) Ledger ka total (d) Tax return. **Ans: (a).**

Q3. Companies Act 2013 me statutory auditor ki appointment ka section? (a) 139 (b) 140 (c) 141 (d) 142. **Ans: (a).** (CHECKER verify)

Q4. BRS kis do balances ko milata hai? (a) Cash book aur pass book (b) Trial balance aur ledger (c) Purchase aur sales (d) Debtor aur creditor. **Ans: (a).**

Q5. UP ki rajdhani? (a) Prayagraj (b) Lucknow (c) Varanasi (d) Kanpur. **Ans: (b).**

19.9 Recap page

1. Pattern: 100 Q, 100 marks, 120 min, -0.25 (user ke syllabus notes ke mutabik).
2. Weight: ~65 accounting, ~15 computer, ~20 UP GK.
3. Blind guess ka expected value +0.0625; 2-option elimination par guess lagao.
4. PYQ ke 3 round: solve, galti ki wajah, 3 din baad dobara.
5. Trend: depreciation, cheque/NI Act, store documents, hire purchase, GST/IT sections, UP districts, 1857 leaders.
6. Chhote sample se pakka nishkarsh nahi.
7. Numeric Q baad me, aasan Q pehle.
8. Roz galat-Q notebook.
9. Full mock 100 Q ko 120 min me.
10. Last day: halka revision.

Phase	Kya karna	Output
Learn	Chapters 1-18	Notes
Practice	300 Q (neeche)	Score sheet
Mock	Full length	Time aur accuracy
Review	Galat Q notebook	Weak list

19.10 300 Practice Questions

Rules: Har Q ek mark. Pehle khud solve karo, phir answer key dekho. Section 19.11 me answer key hai. Sirf original practice questions hain; official PYQ nahi. Jahan "(verify)" likha ho, ye law ya number checker ko confirm karna hai before publish.

Format: har question ke baad Ans : likha hai. Builder (PDF/site) chaahe to answers ko alag answer-key page par ya "tap to reveal" me shift kar sakta hai. Marks: 1 each.

Set A: Accounting basics (Q1-Q60)

1. Accounting equation: Assets = ? (a) Capital - Liabilities (b) Income + Expenses (c) Liabilities - Capital (d) Capital + Liabilities. **Ans: d**

2. Owner ne dukaan se goods apne ghar ke liye liye. Debit hoga? (a) Purchases (b) Sales (c) Capital (d) Drawings. **Ans: d**
3. Real account ka golden rule: (a) Debit what comes in (b) Debit the receiver (c) Credit what comes in (d) Debit all expenses. **Ans: a**
4. Nominal account ka rule: (a) Debit the giver (b) Debit incomes (c) Debit expenses and losses, credit incomes and gains (d) Credit expenses. **Ans: c**
5. Personal account ka rule: (a) Debit the giver (b) Debit what goes out (c) Debit the receiver, credit the giver (d) Credit receiver. **Ans: c**
6. Machinery credit par X se kharidi. Entry: (a) Dr Cash, Cr Machinery (b) Dr Purchases, Cr X (c) Dr Machinery, Cr X (d) Dr X, Cr Machinery. **Ans: c**
7. Trial balance ke dono taraf ka total barabar hone se kya sabit hota hai? (a) Arithmetical accuracy (b) Profit sahi (c) Koi error nahi (d) Accounts poori tarah sahi. **Ans: a**
8. Kaun si galti trial balance se pakadi NAHI jaati? (a) Complete omission of a transaction (b) Wrong posting amount ek side (c) Extra credit (d) Sirf debit side ki galat jodna. **Ans: a**
9. Trial balance na mile to temporary rakhne ka account: (a) Reserve (b) Suspense (c) Drawings (d) Contra. **Ans: b**
10. Purchase return book me kya likhte hain? (a) Cash sales (b) Cheque (c) Customer se aaye goods (d) Suppliers ko lautaye goods. **Ans: d**
11. Sales book me kya likha jaata hai? (a) Cash only (b) Sab sales (c) Asset sale (d) Credit sales of goods. **Ans: d**
12. Imprest system kis se judi hai? (a) Petty cash (b) Stock (c) Bank (d) Debtors. **Ans: a**
13. Bill of exchange me likhne wala (jo order deta hai) kehlata hai: (a) Drawer (b) Endorsee (c) Payee (d) Drawee. **Ans: a**
14. Cash book me bank overdraft kis taraf dikhta hai? (a) Kisi me nahi (b) Debit (c) Dono (d) Credit. **Ans: d**
15. Cash book balance Rs 10,000 (Dr). Issued cheques not yet presented Rs 2,000; deposited cheques not yet collected Rs 1,500. Pass book balance? (a) 13,500 (b) 10,500 (c) 6,500 (d) 9,500. **Ans: b**
16. Bank ne charges kaate par cash book me nahi hai. Cash book balance se kya karein? (a) Ignore (b) Double (c) Add (d) Deduct. **Ans: d**
17. Closing stock ki valuation: (a) Market high (b) Selling price (c) Cost ya NRV, jo zyada (d) Cost ya NRV, jo kam. **Ans: d**
18. Accrual concept: (a) Sirf bank (b) Sirf profit (c) Cash aane par hi (d) Income aur expense jab hote hain tab record. **Ans: d**
19. Going concern concept ka matlab: (a) Sirf partnership (b) Business band hoga (c) Sirf loss (d) Business aage bhi chalega. **Ans: d**

20. Matching concept: (a) Revenue ke saath uske expenses match (b) Debit credit match (c) Bank match (d) Stock match. **Ans: a**
21. Prepaid expense: (a) Capital (b) Income (c) Asset (d) Liability. **Ans: c**
22. Outstanding rent: (a) Income (b) Asset (c) Drawings (d) Liability. **Ans: d**
23. Capital expenditure ka example: (a) Salary (b) Machine ki kharid (c) Machine ki repair (d) Rent. **Ans: b**
24. Gross Profit = ? (a) Purchases - Sales (b) Sales - all expenses (c) Sales - COGS (d) COGS - Sales. **Ans: c**
25. COGS = ? (a) Opening stock + Purchases - Closing stock (b) Sales - Opening stock (c) Opening stock + Closing stock - Purchases (d) Purchases - Sales. **Ans: a**
26. Opening stock 5,000; purchases 40,000; closing stock 8,000. COGS? (a) 43,000 (b) 37,000 (c) 53,000 (d) 47,000. **Ans: b**
27. Sales 60,000, COGS 37,000. Gross profit? (a) 23,000 (b) 97,000 (c) 37,000 (d) 13,000. **Ans: a**
28. Net profit = ? (a) Sales - purchases (b) Gross profit - indirect expenses + indirect incomes (c) GP - drawings (d) GP + expenses. **Ans: b**
29. Bad debt ki entry: (a) Dr Cash, Cr Debtors (b) Dr Debtors, Cr Bad debts (c) Dr Sales, Cr Debtors (d) Dr Bad debts, Cr Debtors. **Ans: d**
30. Debtors 80,000; provision for doubtful debts 5%. Provision? (a) 40,000 (b) 400 (c) 4,000 (d) 8,000. **Ans: c**
31. Discount allowed customers ko: (a) Liability (b) Asset (c) Income (d) Expense/loss. **Ans: d**
32. Carriage inwards kis account me jaata hai? (a) Balance sheet (b) P&L (c) Capital (d) Trading. **Ans: d**
33. Machine lagane ke liye wages: (a) P&L expense (b) Reserve (c) Machine ki cost me add (d) Drawings. **Ans: c**
34. Interest on capital (jab allow ho) business ke liye: (a) Asset (b) Reserve (c) Expense (d) Income. **Ans: c**
35. Drawings ka effect capital par: (a) Double (b) Kam (c) Zyada (d) None. **Ans: b**
36. Single entry system ko kehte hain: (a) Incomplete records (b) Cost accounting (c) Double entry (d) Perfect records. **Ans: a**
37. Receipts and Payments account kisi organisation ka? (a) Partnership (b) Bank (c) Company only (d) Non-profit. **Ans: d**
38. Income and Expenditure account kis type ka hai? (a) Personal (b) Real (c) Cash only (d) Nominal account type, accrual basis. **Ans: d**
39. Subscription advance me mili hui: (a) Expense (b) Asset (c) Income (d) Liability. **Ans: d**

40. Debenture interest: (a) Drawings (b) Dividend (c) Profit se pehle ka charge (d) Reserve. **Ans: c**
41. Rent paid galti se landlord ke personal account me debit. Sahi entry: (a) Dr Landlord, Cr Rent (b) No entry (c) Dr Rent, Cr Landlord (d) Dr Cash, Cr Rent. **Ans: c**
42. Error of principle ka example: (a) Math galti (b) Capital expenditure ko revenue expense maanna (c) Posting reversal (d) Omission. **Ans: b**
43. Compensating errors ka TB par asar: (a) Debit zyada (b) Mismatch (c) Credit zyada (d) None. **Ans: d**
44. Transposition error (jaise 12 ki jagah 21) se TB difference: (a) 5 se divisible (b) 9 se divisible (c) 7 (d) Koi pattern nahi. **Ans: b**
45. Current ratio = ? (a) CA/CL (b) CL/CA (c) Debt/Equity (d) Stock/CL. **Ans: a**
46. Quick ratio = ? (a) (CA - Stock)/CL (b) CA/CL (c) Cash/Capital (d) Stock/Sales. **Ans: a**
47. CA 60,000, CL 30,000. Current ratio? (a) 3:1 (b) 2:1 (c) 1:2 (d) 1:1. **Ans: b**
48. Debt-equity ratio: (a) Profit/Debt (b) Debt/Sales (c) Debt/Equity (d) Equity/Debt. **Ans: c**
49. Stock turnover = ? (a) Sales/Debtors (b) Purchases/Creditors (c) COGS/Average stock (d) Stock/Sales. **Ans: c**
50. Debtors turnover: (a) Credit sales/Average debtors (b) Cash sales/Debtors (c) Debtors/Sales (d) COGS/Debtors. **Ans: a**
51. Working capital = ? (a) CA - CL (b) CL - CA (c) CA + CL (d) Fixed assets - CL. **Ans: a**
52. Fixed asset kharid cash flow me: (a) Koi nahi (b) Investing (c) Operating (d) Financing. **Ans: b**
53. Dividend paid cash flow me: (a) Investing (b) Financing (c) Operating (d) Koi nahi. **Ans: b**
54. Deed silent ho to partnership profit ka batwara: (a) Age ke hisaab (b) Barabar (c) Capital ratio (d) Ek partner. **Ans: b** (Indian Partnership Act, 1932; verify)
55. Deed silent ho to partner ke loan par interest: (a) 9% (b) 12% (c) 6% p.a (d) 0%. **Ans: c** (Partnership Act s.13(d); verify)
56. Sacrificing ratio = ? (a) Old ratio - New ratio (b) Old + New (c) New - Old (d) Old x New. **Ans: a**
57. Gaining ratio = ? (a) New x Old (b) Old - New (c) New ratio - Old ratio (d) Old + New. **Ans: c**
58. Free samples ka kharcha: (a) Asset (b) Advertisement expense (c) Drawings (d) Purchase. **Ans: b**
59. Contingent liability kahan dikhate hain? (a) P&L (b) Notes to accounts (c) Nahi dikhate (d) Balance sheet liabilities me. **Ans: b**

60. Accounting standard (Indian GAAP) AS 2 kis vishay par hai? (a) Revenue (b) Leases (c) Inventories (d) Cash flow. **Ans: c** (verify)

Set B: Depreciation, Hire Purchase, Final Accounts, Ratios (Q61-Q120)

1. Cost 1,00,000; scrap 10,000; life 5 saal. SLM depreciation per year: (a) 20,000 (b) 22,000 (c) 16,000 (d) 18,000. **Ans: d**
2. WDV 10% par cost 1,00,000, pehle saal depreciation: (a) 11,000 (b) 9,000 (c) 8,100 (d) 10,000. **Ans: d**
3. Upar wala, doosre saal depreciation: (a) 10,000 (b) 11,000 (c) 8,100 (d) 9,000. **Ans: d**
4. Teesre saal depreciation: (a) 9,000 (b) 10,000 (c) 8,100 (d) 7,290. **Ans: c**
5. Cost 1,20,000; scrap 0; life 8 saal; SLM. Annual depreciation: (a) 12,000 (b) 20,000 (c) 15,000 (d) 10,000. **Ans: c**
6. Upar ka rate of depreciation (cost par): (a) 15% (b) 12.5% (c) 8% (d) 10%. **Ans: b**
7. Depreciation ka purpose: (a) Cash bachana (b) Tax chori (c) Cost ko useful life me allocate karna (d) Asset badhana. **Ans: c**
8. Depreciation hai: (a) Non-cash expense (b) Income (c) Cash outflow (d) Liability. **Ans: a**
9. Machine 2,00,000 ki 1 October ko kharidi; saal 31 March ko khatam; SLM 10% p.a., scrap nil. Is saal depreciation: (a) 5,000 (b) 10,000 (c) 15,000 (d) 20,000. **Ans: b**
10. Machine 2,00,000, WDV 20%. Saal 2 ka depreciation: (a) 36,000 (b) 32,000 (c) 28,800 (d) 40,000. **Ans: b**
11. Machine ka book value 50,000, bika 60,000. Result: (a) No effect (b) Profit 10,000 (c) Loss 10,000 (d) Profit 60,000. **Ans: b**
12. Book value 50,000, bika 45,000. Result: (a) Loss 45,000 (b) Loss 5,000 (c) Profit 5,000 (d) No effect. **Ans: b**
13. Mines ke liye depreciation method: (a) SLM only (b) Revaluation (c) Depletion (d) Annuity. **Ans: c**
14. Loose tools ke liye aksar method: (a) Sum of years (b) None (c) Depletion (d) Revaluation. **Ans: d**
15. Hire purchase me ownership kab milti hai? (a) Aakhri kist ke baad (b) Pehli kist par (c) Delivery par hamesha (d) Kabhi nahi. **Ans: a**
16. HP price 1,20,000; cash price 1,00,000. Interest: (a) 20,000 (b) 1,20,000 (c) 1,00,000 (d) 2,20,000. **Ans: a**

17. Cash price 90,000; HP: down 30,000 + 3 kist x 25,000. Total interest: (a) 10,000 (b) 5,000 (c) 25,000 (d) 15,000. **Ans: d**
18. Baaki 80,000 par 10% p.a. byaj, pehle saal: (a) 80,000 (b) 10,000 (c) 800 (d) 8,000. **Ans: d**
19. HP me hirer depreciation: (a) Vendor charge karta hai (b) Charge karta hai (c) Bank (d) Koi nahi. **Ans: b**
20. Hire purchase aur installment system me fark: (a) Dono me nahi milti (b) Ulta (c) Koi nahi (d) HP me ownership last kist par, installment me delivery par. **Ans: d**
21. Finance lease ka lakshan: (a) Ek saal ka (b) Almost sab risk aur reward lessee ko (c) Ownership kabhi nahi (d) Sirf rent. **Ans: b**
22. Consignment me goods ka owner kaun? (a) Bank (b) Consignor (c) Customer (d) Consignee. **Ans: b**
23. Consignee ka commission, consignor ke liye: (a) Asset (b) Income (c) Expense (d) Capital. **Ans: c**
24. Consignment me abnormal loss ki valuation: (a) Market (b) Cost par (c) Selling price (d) Zero. **Ans: b**
25. Del credere commission kis ke liye? (a) Freight (b) Rent (c) Insurance (d) Bad debt risk. **Ans: d**
26. Joint venture me profit: (a) Loss me nahi (b) Tax free (c) Sab ek ko (d) Agreed ratio me. **Ans: d**
27. Royalty me minimum rent: (a) Tax (b) Maximum (c) Kam se kam rakam jo hamesha dena (d) Discount. **Ans: c**
28. Branch accounting me debtors system: (a) Branch ka debtors account (b) Share (c) Bank (d) Stock. **Ans: a**
29. Share capital me authorised capital: (a) Issued (b) Paid (c) Called (d) Maximum jo company issue kar sakti hai. **Ans: d**
30. Calls in arrears: (a) Premium (b) Called par abhi tak na mile paise (c) Discount (d) Advance. **Ans: b**
31. Securities premium ka ek upyog: (a) Bonus shares (b) Dividend (c) Rent (d) Salary. **Ans: a** (Companies Act s.52; verify)
32. Shares ki forfeiture: (a) Buyback (b) Dividend par (c) Calls na dene par (d) Transfer par. **Ans: c**
33. Debenture discount par issue ka loss: (a) Income (b) Capital (c) Deferred/ amortised (d) Reserve. **Ans: c**
34. Preference shares ka redemption: (a) Rent (b) Loan only (c) Nahi hota (d) Profits ya fresh issue se. **Ans: d**
35. CRR ka full form: (a) Cash Reserve Ratio (b) Capital Ratio Reserve (c) Company Reserve Rate (d) Capital Redemption Reserve. **Ans: d** (company accounts me;

banking me bhi CRR hota hai)

36. Companies Act 2013 ka Schedule III kis vishay par? (a) Depreciation (b) Audit report (c) Financial statements ka format (d) Meetings. **Ans: c** (verify)
37. Schedule II kis par? (a) Tax (b) Directors (c) Format (d) Useful life aur depreciation. **Ans: d** (verify)
38. Trade payables hain: (a) Current liability (b) Income (c) Non-current asset (d) Equity. **Ans: a**
39. Reserve aur provision: (a) Same (b) Dono income (c) Reserve profit ka appropriation, provision known liability/loss ke liye charge (d) Ulta. **Ans: c**
40. Final dividend kaun declare karta hai? (a) Tax officer (b) Auditor (c) Bank (d) Shareholders AGM me. **Ans: d**
41. Interim dividend: (a) SEBI (b) Govt (c) Board declare karta hai (d) Auditor. **Ans: c**
42. Cash flow statement ke liye standard (Indian GAAP): (a) AS 3 (b) AS 9 (c) AS 1 (d) AS 12. **Ans: a** (verify)
43. Revenue recognition standard: (a) AS 2 (b) AS 3 (c) AS 9 (d) AS 14. **Ans: c** (verify; naye Ind AS me alag)
44. Net profit 20,000; sales 2,00,000. Net profit ratio: (a) 1% (b) 5% (c) 20% (d) 10%. **Ans: d**
45. GP ratio 25%, sales 1,00,000. COGS: (a) 75,000 (b) 25,000 (c) 50,000 (d) 1,25,000. **Ans: a**
46. CA 90,000; stock 30,000; CL 40,000. Quick ratio: (a) 2.25 (b) 3 (c) 1.5 (d) 0.75. **Ans: c**
47. Debtors 40,000; credit sales 3,65,000. Collection period (365 din): (a) 36.5 din (b) 4 din (c) 40 din (d) 91 din. **Ans: c**
48. Creditors 50,000; credit purchases 3,65,000. Payment period: (a) 5 din (b) 73 din (c) 50 din (d) 36.5 din. **Ans: c**
49. EBIT 1,00,000; interest 20,000. Interest coverage: (a) 8 (b) 4 (c) 5 times (d) 0.2. **Ans: c**
50. Capital 2,00,000; profit 50,000; drawings 10,000. Closing capital: (a) 1,40,000 (b) 2,40,000 (c) 2,50,000 (d) 2,60,000. **Ans: b**
51. Opening capital 1,00,000; closing capital 1,50,000; drawings 20,000; additional capital 10,000. Profit: (a) 80,000 (b) 60,000 (c) 50,000 (d) 40,000. **Ans: b** (150-100 = 50; +20 drawings - 10 additional = 60)
52. Sales 5,00,000; sales return 20,000. Net sales: (a) 4,80,000 (b) 4,20,000 (c) 5,00,000 (d) 5,20,000. **Ans: a**
53. Purchases 3,00,000; returns 10,000; carriage inwards 5,000. Net cost of purchases: (a) 3,15,000 (b) 2,85,000 (c) 2,95,000 (d) 3,05,000. **Ans: c**

54. Prepaid insurance 2,000 hai. Adjustment: (a) Ignore (b) Insurance expense me se ghatao (c) Add (d) Capital me. **Ans: b**
55. Outstanding salary 5,000: (a) Ghatao (b) Expense me add, liability banao (c) Asset (d) Ignore. **Ans: b**
56. Accrued income: (a) Capital (b) Expense (c) Asset (d) Liability. **Ans: c**
57. Income received in advance: (a) Liability (b) Reserve (c) Asset (d) Income. **Ans: a**
58. Trial balance me kaun sa item aam taur par NAHI hota agar closing stock adjustment me diya ho? (a) Capital (b) Debtors (c) Closing stock (d) Bank. **Ans: c**
59. Trading account ka natija: (a) Net profit (b) Gross profit/loss (c) Capital (d) Cash. **Ans: b**
60. Balance sheet kab ka statement? (a) Ek date par (b) Poore saal ka (c) Mahine ka (d) Sirf profit. **Ans: a**

Set C: Auditing basics (Q121-Q180)

1. Audit ka matlab: (a) Books ki jaanch aur raay dena (b) Stock rakhna (c) Books likhna (d) Tax bharna. **Ans: a**
2. Company ka auditor report kisko deta hai? (a) Police (b) Customers (c) Members/shareholders (d) Staff. **Ans: c**
3. Statutory auditor aam taur par kaun appoint karta hai? (a) Shareholders (AGM) (b) Tax officer (c) Staff (d) Customers. **Ans: a** (first auditor Board; verify s.139)
4. Vouching ka kendra: (a) Total (b) Ratio (c) Transaction ka documentary saboot (d) Asset ki physical. **Ans: c**
5. Verification ka matlab: (a) Tax (b) Ledger posting (c) Asset/liability ki existence, ownership, valuation confirm (d) Entries ka total. **Ans: c**
6. Valuation kya check karta hai? (a) Signature (b) Rate of tax (c) Entry ki date (d) Asset ki sahi keemat. **Ans: d**
7. Internal check ka matlab: (a) Kaam ka batwara taaki ek doosre ko check kare (b) Tax (c) Audit report (d) Stock. **Ans: a**
8. Internal audit kaun karta hai? (a) Customers (b) Statutory auditor only (c) CAG (d) Company ke andar/ appointed internal auditor. **Ans: d**
9. Test checking ka matlab: (a) Sab check (b) Koi check nahi (c) Ratio (d) Sample le kar jaanch. **Ans: d**
10. Audit programme: (a) Letter (b) Report (c) Procedures ki detailed plan (d) Bill. **Ans: c**
11. Working papers ka malik: (a) Govt (b) Auditor (c) Client (d) Bank. **Ans: b**

12. Audit evidence kaisa hona chahiye (SA 500)? (a) Sirf client ka (b) Sirf zyada (c) Sufficient aur appropriate (d) Sirf verbal. **Ans: c**
13. Sabse bharosemand evidence: (a) External, written, original (b) Hearsay (c) Verbal internal (d) Photocopy. **Ans: a**
14. Qualified opinion kab? (a) Misstatement material par pervasive nahi (b) Pervasive (c) Kuch nahi (d) Evidence zero. **Ans: a**
15. Adverse opinion kab? (a) Chhoti galti (b) Material aur pervasive misstatement (c) Sab sahi (d) Sirf delay. **Ans: b**
16. Disclaimer of opinion kab? (a) Rate galat (b) Evidence nahi mila aur effect pervasive ho sakta hai (c) Chhoti galti (d) Sab sahi. **Ans: b**
17. Unmodified (clean) opinion ka matlab: (a) Fraud nahi hua guarantee (b) Tax nahi (c) Financials true and fair (framework ke hisaab se) (d) Profit pakka. **Ans: c**
18. Emphasis of matter paragraph: (a) Opinion modify (b) Hataata hai (c) Adverse (d) Disclosed matter par dhyaan dilata hai, opinion modify nahi. **Ans: d**
19. Going concern ka standard: (a) SA 240 (b) SA 500 (c) SA 570 (d) SA 230. **Ans: c** (verify)
20. Materiality ka matlab: (a) Wo misstatement jo users ke decision ko badal sake (b) Profit (c) Kul amount (d) Tax. **Ans: a**
21. Audit risk = ? (a) Inherent x Control x Detection risk (b) IR + CR (c) Sirf inherent (d) Sales x Risk. **Ans: a**
22. Inherent risk: (a) Control ki kamzori (b) Auditor ki galti (c) Controls se pehle misstatement ki sambhavna (d) Tax. **Ans: c**
23. Continuous audit: (a) Sirf stock (b) Saal bhar chalta (c) Saal ke ant par (d) Sirf interim. **Ans: b**
24. Cash receipts vouch: (a) Tax return (b) Receipt counterfoil aur cash book (c) Photo (d) Bank statement only. **Ans: b**
25. Wages vouch: (a) Wage sheet aur attendance (b) Ledger only (c) Balance sheet (d) PAN. **Ans: a**
26. Purchases vouch: (a) Bank (b) Invoice, GRN, order (c) Sales invoice (d) Payroll. **Ans: b**
27. Sales vouch: (a) Tax (b) Sales invoice aur dispatch note (c) PO (d) GRN. **Ans: b**
28. Purchase return ke liye document: (a) Debit note (b) Receipt (c) Credit note (d) Voucher none. **Ans: a**
29. Sales return ke liye: (a) PO (b) GRN (c) Debit note (d) Credit note. **Ans: d**
30. Investments verify: (a) Tax (b) Certificates ki physical inspection (c) Verbal (d) Ignore. **Ans: b**
31. Inventory verify: (a) Ratio (b) Physical count mein attend aur records match (c) Ignore (d) Sirf management letter. **Ans: b** (SA 501)

32. Debtors verify: (a) Tax return (b) Ignore (c) Balance confirmation (d) Staff opinion. **Ans: c** (SA 505)
33. Creditors me kaun sa risk zyada? (a) Understatement/unrecorded liabilities (b) Koi nahi (c) Overstatement (d) Rate. **Ans: a**
34. Fixed assets ownership ka saboot: (a) Tax (b) Title deeds/invoice (c) Photo only (d) Verbal. **Ans: b**
35. Cut-off test: (a) Total (b) Transactions sahi period me record (c) Rate (d) Sign. **Ans: b**
36. Management representation letter: (a) Management ki written confirmations (b) Tax (c) Court order (d) Auditor report. **Ans: a** (SA 580)
37. NPO audit me sabse pehle: (a) Trust deed/rules dekhna (b) Tax (c) Stock (d) Balance sheet. **Ans: a**
38. Auditor ka fraud par duty: (a) Prevention (b) Guarantee (c) Reasonable assurance (d) Koi nahi. **Ans: c**
39. Audit committee kis section me hai? (a) 143 (b) 139 (c) 177 (d) 141. **Ans: c** (verify)
40. Auditor ke report ka sambodhan: (a) Bank (b) Members (c) Police (d) Customers. **Ans: b**
41. Auditor ko books dekhne ka adhikaar: (a) Sirf saal ant (b) Nahi (c) Sirf AGM (d) Kisi bhi samay. **Ans: d** (s.143(1); verify)
42. Auditor ko company ki baithak me: (a) Aane ka adhikaar (b) Sirf bank (c) Nahi (d) Sirf board. **Ans: a**
43. Companies Act me auditor ka pehla term: (a) 5 saal (b) 3 saal (c) 10 saal (d) 1 saal. **Ans: a** (s.139(1); verify)
44. Listed company me individual auditor kitne term (5-5 saal)? (a) Do term (b) Ek term (c) Koi limit nahi (d) Teen term. **Ans: b** (s.139(2); verify)
45. Audit firm kitne term tak? (a) Limit nahi (b) Teen term (c) Ek term (d) Do term. **Ans: d** (verify)
46. Cooling-off ke baad kitne saal wapas nahi? (a) 10 saal (b) 1 saal (c) 3 saal (d) 5 saal. **Ans: d** (verify)
47. Auditor ke liye kaun si service prohibited hai (s.144)? (a) Internal audit jaise kuch services (b) None (c) Statutory audit (d) Tax audit. **Ans: a** (verify)
48. Auditor ki fees kaun tay karta hai? (a) Members (ya unke dwara tay tarika) (b) Police (c) Tax officer (d) Auditor khud. **Ans: a** (s.142; verify)
49. Companies (Auditor's Report) Order ka short naam: (a) CARO (b) CAG (c) CIN (d) CAAT. **Ans: a**
50. Internal financial controls par auditor ki reporting kis sub-section me? (a) 143(12) (b) 141 (c) 143(3)(i) (d) 139. **Ans: c** (verify)

51. Auditor ko fraud ka shak ho (limit se upar), to kaise report? (a) Bank (b) Sirf client (c) Central Govt ko (d) Media. **Ans: c** (s.143(12) ke hisaab se; limit aur process verify)
52. Auditor ko ek saath kitni companies ke audit ki limit? (a) 10 (b) 5 (c) 20 (d) 50. **Ans: c** (s.141(3)(g); verify)
53. Auditor disqualification: (a) Experience (b) Company ke officer ya employee ban jaye (c) Chartered Accountant hona (d) Age. **Ans: b**
54. SA 700 kis par? (a) Planning (b) Fraud (c) Sampling (d) Financial statements par opinion banana aur report. **Ans: d**
55. SA 705 kis par? (a) Opinion me modification (b) Sampling (c) Documentation (d) Planning. **Ans: a**
56. SA 706 kis par? (a) Going concern (b) Sampling (c) Emphasis of Matter aur Other Matter paragraphs (d) Fraud. **Ans: c**
57. SA 230 kis par? (a) Fraud (b) Planning (c) Audit documentation (d) Sampling. **Ans: c**
58. SA 320 kis par? (a) Fraud (b) Materiality in planning and performing an audit (c) Group (d) Estimates. **Ans: b**
59. SA 530 kis par? (a) Audit sampling (b) Evidence (c) Going concern (d) Fraud. **Ans: a**
60. SA 560 kis par? (a) Subsequent events (b) Sampling (c) Fraud (d) Planning. **Ans: a**

Set D: Govt audit, CAG, GFR, Constitution and standards (Q181-Q230)

1. CAG ka sambandh kis anuchhed se? (a) 324 (b) 148 (c) 280 (d) 124. **Ans: b**
2. CAG ko kaun appoint karta hai? (a) President (b) CJI (c) PM (d) Parliament. **Ans: a**
3. CAG ko hatane ki prakriya kiske barabar? (a) Minister (b) Governor (c) PM (d) Supreme Court ke judge. **Ans: d**
4. CAG ka karyakaal: (a) 6 saal ya 65 saal ki umra (jo pehle) (b) 4 saal (c) 10 saal (d) 5 saal. **Ans: a** (verify)
5. Union ke accounts par CAG report kisko deta hai? (a) PM (b) CJI (c) Speaker (d) President (laid before Parliament). **Ans: d**
6. State accounts par CAG report kisko? (a) President (b) Speaker (c) CM (d) Governor. **Ans: d**
7. CAG reports kis committee dwara jaanchi jaati hain? (a) PAC (b) Estimates (c) Rules (d) Privileges. **Ans: a**
8. PAC ka sadasya sankhya (LS 15 + RS 7): (a) 25 (b) 30 (c) 22 (d) 15. **Ans: c** (verify)

9. Estimates Committee ke sadasya: (a) 25 (b) 15 (c) 30, sirf Lok Sabha (d) 22. **Ans: c** (verify)
10. Consolidated Fund of India ka anuchhed: (a) 266 (b) 267 (c) 268 (d) 265. **Ans: a**
11. Contingency Fund of India: (a) 267 (b) 280 (c) 270 (d) 266. **Ans: a**
12. Vote on account ka anuchhed: (a) 110 (b) 112 (c) 116 (d) 114. **Ans: c**
13. Money bill ki paribhasha: (a) 116 (b) 110 (c) 112 (d) 148. **Ans: b**
14. Annual Financial Statement (budget): (a) 110 (b) 148 (c) 112 (d) 151. **Ans: c**
15. CAG report ko Parliament me rakhne ka anuchhed: (a) 148 (b) 150 (c) 151 (d) 266. **Ans: c**
16. Fiscal deficit = ? (a) Total expenditure - total receipts (excluding borrowings) (b) Borrowing only (c) Revenue - expenditure (d) Tax - spending. **Ans: a**
17. Revenue deficit = ? (a) Tax - non tax (b) Capital - revenue (c) Fiscal - borrowing (d) Revenue expenditure - revenue receipts. **Ans: d**
18. FRBM Act kis saal? (a) 2003 (b) 2013 (c) 2017 (d) 1991. **Ans: a**
19. GFR ka puura naam: (a) Government Fund Rules (b) General Financial Rules (c) General Fund Register (d) None. **Ans: b**
20. GFR 2017 kis ministry ke dwara? (a) Home (b) Defence (c) Finance (Dept of Expenditure) (d) Law. **Ans: c** (verify)
21. Appropriation audit ka matlab: (a) Kharch sanctioned grant ke andar hua ya nahi (b) Stock (c) Tax check (d) Ratio. **Ans: a**
22. Propriety audit: (a) Kharch ki wisdom aur sahi hone ki jaanch (b) Payroll (c) Cash count (d) Tax. **Ans: a**
23. Government companies ke auditor ki appointment: (a) SEBI (b) CAG (c) PM (d) Board. **Ans: b** (s.139(5); verify)
24. CAG ka supplementary audit kis section me? (a) 142 (b) 139 (c) 143(6) (d) 177. **Ans: c** (verify)
25. NFRA kiske tahat? (a) Income Tax (b) RBI Act (c) Companies Act 2013 s.132 (d) GST. **Ans: c** (verify)
26. ICAI kis Act se bana? (a) SEBI Act (b) RBI Act (c) Chartered Accountants Act 1949 (d) Companies Act. **Ans: c** (verify)
27. NFRA ka full form: (a) New Financial Rules Act (b) National Financial Reporting Authority (c) National Fund Reserve Authority (d) None. **Ans: b**
28. SEBI ka kaam: (a) Tax (b) Court (c) Securities market regulate (d) Currency. **Ans: c**
29. RBI ka kaam: (a) Audit (b) Police (c) Tax (d) Monetary policy aur banks regulate. **Ans: d**
30. Government accounting me cash basis ka matlab: (a) Cash aane jaane par record (b) Estimate (c) Accrual (d) Bank. **Ans: a**

31. Treasury kya hai? (a) School (b) Tax (c) Court (d) Govt ke paise jama aur nikalne ka sthan. **Ans: d**
32. Public Account of India: (a) 266(1) (b) 112 (c) Art. 266(2) (d) 267. **Ans: c**
33. Audit Board kya karta hai? (a) CAG ke tahat audit kaam (b) Tax (c) Police (d) Court. **Ans: a** (verify)
34. Lok Sabha me budget presented by: (a) Speaker (b) PM only (c) President (d) Finance Minister. **Ans: d**
35. Finance Bill kab pesh? (a) Saal ke ant (b) Court me (c) Budget ke saath (d) Kabhi nahi. **Ans: c**
36. Expenditure ka sanction kisse? (a) Clerk (b) Competent authority (c) Police (d) Bank. **Ans: b**
37. Surrender of savings: (a) Kharch badhana (b) Bachi hui grant lauta dena (c) Tax (d) Loan. **Ans: b**
38. Re-appropriation: (a) Loan (b) Tax (c) Audit (d) Ek head se doosre me funds shift. **Ans: d**
39. Imprest in govt: (a) Tax (b) Advance for petty expenses (c) Loan (d) Salary. **Ans: b**
40. Contingent bill (DCC): (a) Tax (b) Salary (c) Chhote kharch ke liye (d) Loan. **Ans: c** (verify)
41. Utilisation certificate kis ko? (a) Tax (b) Salary (c) Report (d) Grant ke upyog ka saboot. **Ans: d**
42. Stock register kis ke liye? (a) Tax (b) Salary (c) Court (d) Store items ka record. **Ans: d**
43. Store receipt: GRN. Full form: (a) Goods Received Note (b) Goods Return Note (c) Grand Record (d) General Register. **Ans: a**
44. Indent kya hai? (a) Bill (b) Order (c) Stock (d) Store se maal ki maang. **Ans: d**
45. Bin card kiske liye? (a) Cash (b) Tax (c) Ledger (d) Store ke stock ka quantity record. **Ans: d**
46. Tender ka matlab: (a) Supplier se boli/quotation (b) Audit (c) Tax (d) Salary. **Ans: a**
47. GeM kya hai? (a) Government e-Marketplace (b) Tax portal (c) Court (d) Bank. **Ans: a**
48. Audit objections ka reply kis ko? (a) Bank (b) Audit party/office ko (c) Police (d) Media. **Ans: b**
49. Draft paragraph (DP) kya hai? (a) Order (b) Tax (c) Final report (d) CAG audit ka initial observation. **Ans: d** (verify)
50. Action Taken Note (ATN) kiska? (a) Police (b) CAG/PAC recommendations par sarkar ka jawab (c) Bank (d) Court. **Ans: b**

Set E: GST aur Income Tax (concepts) (Q231-Q260)

Note: Income-tax Act 2025 naya kanoon hai aur section numbers badle hain (verify before using section numbers). Isliye yahan concept par Qs hain.

1. GST kab se lagu? (a) 1 Jan 2018 (b) 1 April 2017 (c) 1 Oct 2016 (d) 1 July 2017. **Ans: d** (verify)
2. GST Council kaun si article me? (a) 279A (b) 148 (c) 266 (d) 280. **Ans: a** (verify)
3. Intra-state supply par kaun se GST? (a) Excise (b) IGST (c) Customs (d) CGST + SGST. **Ans: d**
4. Inter-state supply par: (a) Excise (b) VAT (c) CGST + SGST (d) IGST. **Ans: d**
5. GSTIN me kitne characters? (a) 15 (b) 16 (c) 12 (d) 10. **Ans: a**
6. Input Tax Credit (ITC) ka matlab: (a) Penalty (b) Fee (c) Khareed par chuka GST output tax se adjust (d) Refund only. **Ans: c**
7. GSTR-1 me kya? (a) Outward supplies ki details (b) Audit (c) Annual (d) Inward. **Ans: a**
8. GSTR-3B: (a) Annual return (b) Refund (c) Summary return aur tax payment (d) Audit. **Ans: c**
9. Composition scheme kis ke liye? (a) Sab (b) Export (c) Chhote taxpayers ko saral compliance (d) Bade. **Ans: c**
10. E-way bill kya hai? (a) Maal ke transport ka electronic document (b) Refund (c) Return (d) Audit. **Ans: a**
11. HSN code kis ke liye? (a) Goods ka classification (b) Bank (c) Services only (d) Tax rate only. **Ans: a**
12. SAC kis ke liye? (a) Audit (b) Services classification (c) Tax (d) Goods. **Ans: b**
13. Export par GST: (a) Double tax (b) Zero-rated (c) Exempt always (d) Nahi lagta kabhi. **Ans: b**
14. Reverse charge: (a) Nahi (b) Recipient tax deta hai (c) Govt (d) Supplier. **Ans: b**
15. Tax invoice me kya hona zaroori? (a) Supplier GSTIN, date, value, tax (b) Sirf naam (c) Nahi (d) Photo. **Ans: a**
16. PAN me kitne characters? (a) 10 (b) 16 (c) 12 (d) 8. **Ans: a**
17. Income ke kitne heads (traditional)? (a) 4 (b) 5 (c) 7 (d) 3. **Ans: b**
18. Kaun sa income ka traditional head NAHI hai? (a) Other sources (b) Salary (c) Capital expenditure (d) Capital gains. **Ans: c**
19. TDS ka matlab: (a) Tax dues (b) Source par tax kaatna (c) Total deduction (d) Tax deposit slip. **Ans: b**
20. Advance tax: (a) Penalty (b) Refund (c) Saal ke dauran kisht me tax (d) Saal ke baad. **Ans: c**

21. Previous year kya hai? (a) Jis saal income hui (b) Koi nahi (c) Agla saal (d) Jis saal tax bharna. **Ans: a**
22. Assessment year: (a) Pehle ka (b) Previous year ke baad ka saal (c) Same (d) 5 saal. **Ans: b**
23. Tax audit (concept): (a) Statutory audit (b) Internal (c) Tax law ke compliance ke liye audit (d) Cost. **Ans: c**
24. Tax audit report ka form (purana kanoon): (a) 3CD/3CB (b) 16 (c) 15G (d) 26AS. **Ans: a** (verify, naye Act me badal sakta hai)
25. Form 16: (a) PAN (b) Salary par TDS certificate (c) Audit (d) ITR. **Ans: b**
26. Form 26AS/AIS: (a) Salary (b) Audit (c) Tax credit statement (d) Refund. **Ans: c**
27. Tax evasion vs avoidance: (a) Dono illegal (b) Ulta (c) Evasion illegal, avoidance legal planning (d) Dono legal. **Ans: c**
28. Capital gain kab banta hai? (a) Capital asset ke transfer par (b) Gift (c) Rent (d) Salary. **Ans: a**
29. Exempt income ka example: (a) Agricultural income (b) Interest (c) Business (d) Salary. **Ans: a**
30. Penalty ka matlab: (a) Niyam todne par jurmana (b) Tax (c) Fees (d) Refund. **Ans: a**

Set F: Computer aur IT (Q261-Q280)

1. RAM hai: (a) Volatile memory (b) Permanent (c) Optical (d) Non-volatile. **Ans: a**
2. ROM hai: (a) Cache (b) Volatile (c) Non-volatile memory (d) Temporary. **Ans: c**
3. CPU ke do bhaag (control aur arithmetic): (a) RAM aur ROM (b) CU aur ALU (c) Disk aur Tape (d) Input aur Output. **Ans: b**
4. 1 Byte = ? (a) 4 bits (b) 16 bits (c) 2 bits (d) 8 bits. **Ans: d**
5. 1 KB = ? (a) 8 bytes (b) 1000 bits (c) 100 bytes (d) 1024 bytes. **Ans: d**
6. Excel me total ka function: (a) PLUS (b) SUM (c) ADD (d) TOTAL. **Ans: b**
7. Excel me kisi table se value dhoondhne ka function: (a) SUM (b) VLOOKUP (c) IF only (d) COUNT. **Ans: b**
8. Undo ka shortcut: (a) Ctrl+Z (b) Ctrl+X (c) Ctrl+S (d) Ctrl+Y. **Ans: a**
9. Copy ka shortcut: (a) Ctrl+X (b) Ctrl+P (c) Ctrl+V (d) Ctrl+C. **Ans: d**
10. Save ka shortcut: (a) Ctrl+N (b) Ctrl+S (c) Ctrl+A (d) Ctrl+P. **Ans: b**
11. URL ka full form: (a) User Resource Locator (b) Unit Resource Line (c) Universal Record Link (d) Uniform Resource Locator. **Ans: d**
12. HTTP ka full form: (a) Hyper Transfer Text Process (b) HyperText Transfer Protocol (c) None (d) High Text Transfer Program. **Ans: b**
13. IP address kis ke liye? (a) Bank (b) Tax (c) Network par device ki pehchaan (d) Email only. **Ans: c**

14. Firewall kya karta hai? (a) Network ko unauthorized access se bachata (b) Tax (c) Speed badhata (d) Data delete. **Ans: a**
15. Phishing: (a) Network cable (b) Nakli message se password/information churana (c) Backup (d) Printer. **Ans: b**
16. RTGS me minimum amount: (a) Rs 50,000 (b) Rs 2 lakh (c) Rs 1 lakh (d) Koi nahi. **Ans: b** (RBI; verify latest)
17. NEFT kab available? (a) Nahi (b) 24x7 (c) Sirf Monday (d) Sirf working hours. **Ans: b** (verify)
18. UPI ko kaun manage karta hai? (a) NPCI (b) CAG (c) ICAI (d) SEBI. **Ans: a**
19. IFSC code me kitne characters? (a) 12 (b) 8 (c) 10 (d) 11. **Ans: d**
20. CBS ka full form: (a) Cash Bank Service (b) Core Banking Solution (c) Central Bank System (d) Core Bill System. **Ans: b**

Set G: UP GK (Q281-Q300)

1. UP ki rajdhani: (a) Lucknow (b) Agra (c) Kanpur (d) Prayagraj. **Ans: a**
2. UP me kitne zile (district)? (a) 72 (b) 75 (c) 70 (d) 80. **Ans: b** (verify latest)
3. UP Vidhan Sabha ki sadasya sankhya: (a) 400 (b) 403 (c) 300 (d) 250. **Ans: b**
4. UP se Lok Sabha seats: (a) 80 (b) 75 (c) 543 (d) 60. **Ans: a**
5. UP se Rajya Sabha seats: (a) 40 (b) 25 (c) 31 (d) 28. **Ans: c** (verify)
6. Taj Mahal kis shahar me? (a) Varanasi (b) Jhansi (c) Agra (d) Lucknow. **Ans: c**
7. Sarnath kis liye prasiddh? (a) Fort (b) Buddha ka pehla updesh (c) Port (d) Taj. **Ans: b**
8. Rani Lakshmibai kis riyasat ki? (a) Jhansi (b) Awadh (c) Agra (d) Kanpur. **Ans: a**
9. 1857 me Kanpur me kaun neta? (a) Raja Ram (b) Bahadur Shah (c) Tipu (d) Nana Sahib. **Ans: d**
10. 1857 me Lucknow me kaun? (a) Nana Sahib (b) Begum Hazrat Mahal (c) Lakshmibai (d) Kunwar Singh. **Ans: b**
11. 1857 ka vidroh kahan se shuru? (a) Meerut (b) Jhansi (c) Kanpur (d) Delhi. **Ans: a**
12. Chauri Chaura kand kis jile me? (a) Agra (b) Meerut (c) Gorakhpur (d) Lucknow. **Ans: c**
13. Kakori kand kis saal? (a) 1942 (b) 1925 (c) 1930 (d) 1922. **Ans: b**
14. Uttarakhand UP se kab alag? (a) 2000 (b) 1950 (c) 2010 (d) 1990. **Ans: a**
15. UP ka rajya pakshi: (a) Peacock (b) Parrot (c) Sparrow (d) Sarus crane. **Ans: d**
16. UP ka rajya pushp: (a) Lotus (b) Rose (c) Palash (d) Jasmine. **Ans: c** (verify)
17. UP ka rajya pashu: (a) Elephant (b) Barasingha (c) Tiger (d) Lion. **Ans: b** (verify)
18. Sangam kahan hai? (a) Prayagraj (b) Kanpur (c) Lucknow (d) Agra. **Ans: a**

19. Ganga aur Yamuna ka milan: (a) Mathura (b) Varanasi (c) Kanpur (d) Prayagraj. **Ans: d**
20. Uttar Pradesh ka high court: (a) Prayagraj (Allahabad) (b) Agra (c) Lucknow (d) Kanpur. **Ans: a** (principal seat Prayagraj, bench Lucknow)

19.11 Part B: PYQ ki gehraai, naye practice sets aur full mocks

Raat ke saade gyarah baje the. Prabhat ne 201 PYQ wali file band ki aur kaha, "Answers yaad ho gaye. Par Iksha, agar exam me yahi sawaal ghoom kar aaye to?"

Iksha ne apni chair ghumayi. "Tab tujhe answer nahi, answer ke peeche ki wajah yaad honi chahiye. Chalo, ab hum har PYQ ke neeche ek ek line likhenge. Us line me wajah hogi. Wajah yaad hai to sawaal kitna bhi ghoom jaye, tu pakad lega."

"Aur agar ek line me na aaye?"

"To wohi tera weak point hai. Wahi se chapter kholo." Usne pencil se table par teen baar knock kiya. "Aur phir, jab sab PYQ saaf ho jayein, to naye sawaal. Mere banaye hue. Chhe poori mock tests. OMR wali feeling ke saath."

Prabhat muskuraaya. "Itna pyaar se padhati ho to lagta hai exam kya, duniya jeet lunga."

Iksha ne light thodi aur kam ki. "Duniya baad me. Pehle Unit 1."

19.12 Har PYQ ka jawaab: ek line ki wajah + chapter link

Kaise padhein: Neeche har PYQ ke liye teen cheezein hain: key ka answer, ek line me wajah, aur is book ka chapter jahan ye concept detail me hai. Jahan topic ka koi chapter nahi hai (e-banking, advanced accounts, UP GK), wahan "—" likha hai; unke liye wahi ek line hi tumhara revision note hai. Jahan answer key par shak tha (checker ne 8 items flag kiye hain), wahan ⚠ laga hai aur wajah me poori sachchai

likhi hai. In 8 ko tab tak "as keyed" maano jab tak tum apni official answer key PDF se match na kar lo.

Unit 1: Audit (13 Qs)

PYQ	Answer	Ek line me wajah	Link
P1-1	Montgomery	"Systematic examination... to report upon the facts" wali classic definition Montgomery ki hai; baaki authors ki wording alag hai	ch1
P1-2	Statutory	Jo audit kanoon ne har saal compulsory kar diya, wo statutory audit	ch3
P1-3 ⚠	Section 314	Office of profit wali restriction Companies Act **1956** ke s.314 me thi; 2013 Act me related-party transactions s.188 me hain — as keyed, question me "1956" hona chahiye	ch12
P1-4 ⚠	227-4A	1956 Act ke s.227(4A) me auditor Central Govt ke notified order (CARO) par comment karta tha; ab 2013 Act s.143(11) ke saath CARO 2020 — as keyed	ch12
P1-5	Article 148	CAG ki niyukti President karta hai, Article 148 ke tahat	ch14
P1-6	The President	CAG Union ki audit report President ko deta hai, jo use Parliament me rakhwata hai (Art 151)	ch14
P1-7	Closing	Closing stock cost ya net realisable value, jo kam ho, par likha jaata hai (conservatism)	ch2, ch10
P1-8	Abnormal	Cash defalcation ya uninsured fire jaisa aakasmik nuksan normal business loss nahi, abnormal loss hai	—
P1-11	22.39%	GP ratio = GP / Sales x 100 = 4,88,000 / 21,80,000 x 100 = 22.39%	ch2
P1-14	Contingent	Jo liability kisi uncertain event ke hone par hi bane, wo contingent liability	ch10
P2-1	CAG of India	"An Introduction to Indian Government Accounts and Audit" CAG hi jaari karta hai	ch14
P2-2	Banking	Banking Regulation Act, 1949 banking companies ke accounts/audit ka kanoon hai	ch3
P2-3	Internal auditor	Internal auditor directors (management) ki taraf, statutory auditor shareholders ki taraf watchdog	ch6

Companies Act ke current audit sections (s.139 se s.148, CARO 2020) ke liye: [src]. CAG ke Articles 148-151 ke liye: [src].

Exam trap

P1-3 aur P1-4 jaise purane section-number sawaal exam me waise ke waise aa sakte hain kyunki commission ke question bank purane hote hain. Key 1956 Act ka number maanti hai to wahi tick karo, par dimaag me rakhna ki chalta kanoon 2013 Act hai. Dono me confuse mat hona: paper me key, real life me 2013.

Unit 2: Fundamentals of accounting (24 Qs)

PYQ	Answer	Ek line me wajah	Link
P1-9	Solvent	Assets > liabilities to firm solvent; ulta ho to insolvent ki taraf	ch2
P1-10	Advertisement Account	Free samples business ko badhane ke liye hain, isliye advertisement expense	ch2
P1-12	Accounting Principles	Sound accounting ke liye jo guidelines hain, unhe accounting principles kehte hain	ch2
P1-13	French	Journal ka mool French "jour" (din) hai — roz ka record	ch2
P1-15	Capital Account	Pichhle saal ke errors ki rectification P&L Adjustment se hoti hai, jo seedha Capital me jaata hai	ch2
P1-16	Residual	Depreciable amount = historical cost - estimated residual (scrap) value	ch2
P1-17	Fixed Instalment (SLM)	SLM me har saal original cost ka fixed percentage kat-ta hai	ch2
P1-18	Amortisation	Intangible assets (patent, leasehold) par cost allocation ko amortisation kehte hain	ch2
P1-19	Diminishing balance	WDV me har saal brought-forward balance par fixed rate lagta hai	ch2
P1-20	AS 1	AS 1 "Disclosure of Accounting Policies" material items ki disclosure maangta hai	ch2
P1-44	All of these	Voucher receipt, payment, journal, contra sab type ke hote hain	ch2
P1-94	Depreciation	Time ke saath capital stock ka wear and tear = depreciation	ch2
P2-4	Closing entries	Saal ke end me nominal accounts band karne ke liye closing entries	ch2
P2-5	Long-term liabilities	Agle 5-10 saal me deni liabilities long-term hain; ek saal me deni current	ch2
P2-6	Sales tax	Customer se liya sales tax seller ka revenue nahi, government ka collect hua tax hai	ch15
P2-7	Profit and Loss Account	P&L nominal accounts (income/expense) se banta hai	ch2
P2-8	Objective evidence concept	Information reliable aur saboot se verifiable ho — objective evidence	ch2 (concept), ch9 (evidence)
P2-9	Drawings	Owner ka personal use ke liye cash/goods nikaalna = drawings	ch2
P2-10	Profit	Nominal account galat debit = expense zyada = profit kam (ya loss zyada)	ch2
P2-11	Cash discount	Jaldi payment par creditor jo chhoot deta hai wo cash discount; trade discount list price par	ch2
P2-12	Depreciation	Fixed asset ki book value me permanent, gradual shrinkage = depreciation	ch2

PYQ	Answer	Ek line me wajah	Link
P2-13	Depreciation accounting	Tangible asset ki cost minus salvage ko useful life me baantne ka system	ch2
P2-14	Annuity method	Is method me asset ki cost ek investment maani jaati hai jo fixed rate se interest kamati	ch2
P2-15	Revaluation method	Saal ke end par asset ko dobara value karke shuru se compare	ch2

Accounting Standards (AS 1, AS 2 aur baaki) ICAI dwara jaari hote hain: [src].

Exam trap

Depreciation ke paanch method (SLM, WDV, annuity, revaluation, depletion) ek hi paper me poochhe gaye hain (P1-16 se P1-19, P2-12 se P2-15). Commission ka favourite trap hai: "fixed percentage of **original cost**" = SLM, "fixed percentage of **balance brought forward**" = WDV. Do shabd padhna mat bhoolna.

Unit 3: Double entry, GFR (26 Qs)

PYQ	Answer	Ek line me wajah	Link
P1-21	Section 6	NI Act 1881 ke s.6 me cheque defined hai: bill of exchange on a banker, payable on demand	— (NI Act; ch7 me cheque ka vouching)
P1-22	Section 31	s.31 banker par duty daalta hai: funds hote hue sahi cheque pay kare, warna compensate kare	—
P1-23	Double Account System	Capital aur revenue receipts/payments ke alag alag accounts = double account system (bijli companies)	—
P1-24	Straight Line Method	1 April 1979 se double account system me SLM hi allowed hai (Electricity Supply Act change ke baad)	—
P1-25	5%	Contingency reserve original cost ke 1/4% se 1/2% saalana banta hai, jab tak 5% na pahunche	—
P1-26	1961	Development reserve, Income-tax Act 1961 ke development rebate par bache tax se juda hai	ch15
P1-27	Triplicate	Storekeeper ka purchase requisition aam taur par teen copies me banta hai	ch14 (stores)
P1-28	Re-ordering	Stock re-order level par pahunche tab regular purchase requisition uthta hai	ch14
P1-29	Open tender	Advertisement se sab parties se quotation mangwana = open tender	ch14
P1-30	Three to five	Organisation ke size ke hisaab se purchase order ki 3 se 5 copies banti hain	ch14
P1-31	Goods received	Inspection ke baad receiving clerk goods received note (GRN) me record karta hai	ch14
P1-32	Bin card	Har store item ki receipts/issues bin card par hoti hain	ch14
P2-16	Tariffs and Dividends Control Reserve	Reasonable return se upar ka profit is reserve me jaata hai (bijli undertaking)	—
P2-17	Original value	Double account system me assets capital account me original value par dikhte hain	—
P2-18	Double account system	Ye double entry nahi, sirf final accounts dikhane ka presentation method hai	—
P2-19	Depreciation fund method	Is method me depreciation ki rakam securities me invest hoti hai, double account system me compulsory	—
P2-20	Bearer cheque	Jo named person ya bearer ko pay ho, wo bearer cheque	—
P2-21	Order cheque	Jo named person ya uske order ko pay ho, wo order cheque	—
P2-22	Section 18	NI Act s.18: amount words aur figures me alag ho to words wali raqam maani jayegi	—
P2-23	Purchase requisition	Re-order level par store purchase department ko purchase requisition bhejta hai	ch14
P2-24	Material requisition	Store se material issue karne ka authorisation = material requisition note	ch14

PYQ	Answer	Ek line me wajah	Link
P2-25	Bill of materials	Job ke liye zaroori sab materials ki standard quantity list = bill of materials	ch14
P2-26	Material transfer	Departments ke beech direct transfer material transfer note se hota hai	ch14
P2-27	Periodic inventory system	Period ke end me physical count se quantity/value nikaalna = periodic system	ch10
P2-28	Bin card	Bin card par maximum, minimum aur re-order level teeno likhe hote hain	ch14
P2-30	Last pay certificate	Retired govt servant ki pehli pension payment se pehle LPC zaroori hai	ch14

NI Act sections (s.6, s.18, s.31) ke liye: [src]. Government stores, tender aur GFR processes ke liye: [src].

Exam trap

"Purchase requisition" aur "material requisition" me mat uljhna. Stock **kharidna** ho to purchase requisition (store se purchase department ko); stock **nikalna** ho to material requisition (department se store ko). Ek khareed ki maang hai, doosra jaari karne ka order.

Unit 4: E-banking, budgets aur computerised accounting (16 Qs)

PYQ	Answer	Ek line me wajah	Link
P1-33	Real Time Gross Settlement	RTGS = har transaction turant (real time), alag alag (gross) settle hota hai	— (e-banking; ch18 me IT controls)
P1-35	Budget	Planned operations ke joint action ka detailed forecast = budget	—
P1-36	Budgetary control	Budgets ke zariye managerial control ki technique = budgetary control	—
P1-37	Sales budget	Sabse pehle aur primary budget sales budget hota hai; baaki sab isi par tike hain	—
P1-38	Research and Development Cost Budget	R&D lambe horizon ka hota hai, isliye long-term budget wahi	—
P1-39	Conventional	Past performance aur actual costs par bane budgets conventional hain	—
P1-42	Hierarchy of accounts	Computerised accounting me super group/sub-group ka definite relation = hierarchy	ch18
P1-43	Mnemonic coding	Letters of alphabet ko code banane wali coding mnemonic hai (jaise DL = Delhi)	ch18
P1-45	E-commerce	Internet technology se business chalana = e-commerce	—
P1-46	Credit	Credit card limit tak udhaar deta hai; debit apne paise se kat-ta hai	—
P1-74	B2B	E-Government models G2C, G2B, G2G hain; B2B business ka model hai, government ka nahi	—
P1-75	Immediate Payment Service	IMPS = Immediate Payment Service, NPCI ka 24x7 instant transfer	—
P1-76	AePS	Aadhaar database se identification + authentication wala payment = AePS	—
P2-32	Master budget	Sab functional budgets ka consolidated summary = master budget	—
P2-34	Core banking	Branches ki networking se kahin se bhi account operate = core banking (CBS)	—
P2-36	IMPS	24x7 instant inter-bank transfer IMPS hai; NEFT bhi ab 24x7 hai par IMPS instant hai	—

E-banking terms (RTGS, IMPS, AePS) ke exam me aane ka trend is book ke PYQ bank ke Unit 4 se saaf hai; inka koi alag chapter nahi, isliye ye table aur 19.16 ki revision sheet hi inki taiyari hai.

Exam trap

"Budget sabse pehle kaun sa?" me cash budget mat tick karna. Cash budget zaroori lagta hai, par sequence sales budget se shuru hota hai: pehle bikri ka andaza, phir production, phir cash.

Unit 5: Advanced accounts (21 Qs)

PYQ	Answer	Ek line me wajah	Link
P1-34	Insolvent	Jo apni liabilities demand par na chuka sake, wo insolvent	—
P1-47	Hire purchase	Possession turant, payment kiston me, ownership aakhri kist par = hire purchase	—
P1-48	HP Price - Cash Price = Total Interest	HP price me cash price + poora interest shamil hai, isliye difference hi total interest	—
P1-49	Hire charge	Default par vendor goods wapas le kar mile hue paise ko hire charge (kiraaya) maan sakta hai	—
P1-50	Maintenance Suspense account	Free maintenance wali sale me maintenance charge alag suspense account me credit	—
P1-51 ⚠	32% on cost	Question text adhoora hai (kisi specific numerical ka hissa); key 32% hai — as keyed, apni answer key PDF se confirm karo	—
P1-52	Cost	Wholesale price par bheje gaye unsold branch goods ko cost par laana padta hai (loading hatane ke liye)	—
P1-53	Assets employed	Departmental depreciation us department ke assets ke hisaab se baantte hain	—
P1-54	1909	Presidency Towns Insolvency Act (Mumbai, Kolkata, Chennai) 1909 ka hai; baaki UP ke liye Provincial Insolvency Act 1920	—
P1-55	Short workings	Minimum rent jo actual royalty se zyada ho, wo farak = short workings	—
P1-56	Under	Average clause under-insurance rokne ke liye hai: kam insurance to claim bhi proportionate kam	—
P2-29	Instalment purchase system	Instalment system me ownership turant jaati hai, isliye seller price ke liye court ja sakta hai; HP me sirf repossession	—
P2-37	Down payment	Delivery lete waqt jo rakam dete hain, wo down payment	—
P2-38	Vendor (seller)	Hirer ka account band karke balance Goods Repossessed me vendor hi transfer karta hai	—
P2-39	Debtors system	Head office har branch ka alag account kholkar profit/loss nikaale = debtors system	—
P2-40	Selling (cost + margin)	Inter-department transfer aam taur par selling price ya cost plus margin par hota hai	—
P2-41	Insolvent	Competent court ka adjudication order milte hi vyakti insolvent kehlata hai	—
P2-42 ⚠	6% per annum	Adjudication ke baad creditors ko interest key ke mutabik 6%; Act ke current text se verify karna baaki — as keyed	—
P2-43	Royalty	Output/sales par based periodic payment (mine, patent ke use ka) = royalty	—
P2-44	Balance sheet	Short-workings Suspense ka credit balance, agar aage recoverable, to liability ki tarah balance sheet me	—
P2-45	12	Loss-of-profit claim me "annual turnover" damage se theek pehle ke 12 mahine ka turnover	—

Hire purchase, branch/departmental accounts, insolvency aur royalty ke numericals ka koi alag chapter nahi; inke step-by-step examples is extension ke 19.14 aur mocks me diye hain.

Exam trap

Hire purchase vs instalment system sabse zyada ghumane wala topic hai. Teen fark yaad rakho: (1) ownership kab jaati hai (HP: aakhri kist; instalment: turant), (2) default par seller kya kar sakta hai (HP: repossess; instalment: price ke liye suit), (3) hirer buyer hai ya baad me banega (HP me wo "hirer" hai, buyer tab banta hai jab last kist de).

Unit 6: Tax and arithmetic (18 Qs)

PYQ	Answer	Ek line me wajah	Link
P1-57	Section 87A	Rebate (tax kam karne wali) sirf resident individual ko milti hai, s.87A me	ch15
P1-58	Section 10(10AA)	Service ke dauran mila leave encashment fully taxable; retirement par hi s.10(10AA) ki exemption	ch15
P1-59 ⚠	Rs 30,000	Home-loan interest ki Rs 30,000 limit sirf khaas cases ki hai (purane/repair wale loans); self-occupied ke liye general limit alag hai — as keyed, general rule mat samajhna	ch15
P1-60	Section 35D	Specified preliminary expenses Indian company ko s.35D me amortisation ke roop me milte hain	ch15
P1-61	1 July 2017	GST desh me 1 July 2017 se lagu hua	ch15
P1-62	Section 25	CGST Act me registration ki procedure s.25 me hai (liability s.22 me)	ch15
P1-63	Section 2(45)	"Electronic commerce operator" ki definition CGST s.2(45) me hai	ch15
P1-64	30	Best-judgment assessment order ke 30 din ke andar return de do to order withdraw ho jaata hai (s.62)	ch15
P1-65 ⚠	Rs 20 lakh	Registration threshold services ke liye Rs 20 lakh; goods ke liye Rs 40 lakh, special category states me kam — as keyed	ch15
P2-46	Section 31	Machinery, plant, furniture ki current repairs ka kharcha s.31 me allowed	ch15
P2-47	Section 80G	Charitable donations ki deduction s.80G me	ch15
P2-48	30	GST registration ki liability bante hi 30 din me apply karna hai	ch15
P2-49	Credit note	Buyer ki dues kam karne ke liye (goods returned par) seller credit note deta hai	ch2, ch15
P2-50	Section 49(1)	Electronic cash ledger har registered person ke liye s.49(1) me maintain hota hai	ch15
P2-51	36	Key ke mutabik general long-term holding period 36 months; 2024 ke baad kuch assets par 12/24 ho gaya — current law check karo	ch15
P2-52	105 : 42	Roz ki wages 5x3 : 3x2 = 15:6; hafte (7 din) me 105:42 — key weekly maangti hai	— (arithmetic)
P2-53	25.6	5 : 8 = 16 : x, to x = 8 x 16 / 5 = 25.6	—
P2-54	Rs 160	SI = 1600 x 10 x 1 / 100 = 160	—

Income-tax sections (87A, 10(10AA), 35D, 31, 80G) Income-tax Act 1961 ke hain; naya Income-tax Act 2025 section numbers badal chuka hai, isliye exam tak key wale purane numbers hi yaad rakho: [src]. GST ke sections (22, 25, 2(45), 49, 62) CGST Act 2017 ke hain: [src].

Exam trap

Tax ke section-number sawaal key ke hisaab se do, current law ke hisaab se nahi, jab dono takra rahe hon (jaise P2-51). Par jab key hi galat lag rahi ho aur option me current law ka answer ho, to pehle official notice/errata dekho; warna key hi follow karo. Is book me humne har aisi jagah ⚠ laga di hai.

Unit 7: Computer/IT (35 Qs)

PYQ	Answer	Ek line me wajah	Link
P1-40	DBMS	Data ki orderly storage ke liye system = Database Management System	ch18
P1-41	Parity bit	Parity bit hardware control hai jo transmission errors jaldi pakadta hai	ch18
P1-66	Charles Babbage	Analytical Engine ke concept ke liye Babbage "Father of the Computer"	ch18
P1-67	ALU	Arithmetic aur logical operations ALU me hote hain; CU control karta hai	ch18
P1-68	Peripheral Component Interconnect	PCI expansion bus standard hai	ch18
P1-69	Process	Chalta hua program = process	ch18
P1-70	Machine level language	Computer ki mool bhasha machine language (0/1) hai	ch18
P1-71	Ctrl + V	Paste ka shortcut Ctrl+V	ch18
P1-72	Hacking	Computer security todna = hacking	ch18
P1-73	Packet	Network wire par physical unit jo dikhayi deta hai = packet	ch18
P1-77	Chat	Do users ke beech real-time communication = chat	ch18
P1-78	Domain Name System	DNS naam ko IP address me badalta hai	ch18
P1-79	Data	Algorithms ko data se test kiya jaata hai	ch18
P1-80	Humanoids	Insaan jaisi shakal ke robots = humanoids	ch18
P2-31	Digital	Digital computers count karke jawab dete hain; analog measure karte hain	ch18
P2-33	Software	Desired kaam karane wale programs ka set = software	ch18
P2-35	17 October 2000	IT Act 2000 (President ki assent 9 June 2000) 17 October 2000 ko lagu hua	ch18
P2-55	8 bits	Parallel port ek saath 8 bits (1 byte) bhejta hai	ch18
P2-56	Simplex	Ek hi disha me signal = simplex (radio broadcast)	ch18
P2-57	Half-duplex	Ek samay par ek disha, baari baari = half-duplex (walkie-talkie)	ch18
P2-58	Full-duplex	Dono disha ek saath = full-duplex (telephone)	ch18

PYQ	Answer	Ek line me wajah	Link
P2-59	Stops the program	HALT instruction program aur computer ko rok deta hai	ch18
P2-60	Concurrent program execution	Ek saath memory me kai programs chalna = concurrent execution	ch18
P2-61	Formula	Worksheet data par operation karne wala equation = formula	ch18
P2-62	TCP/IP	TCP/IP protocols ka layered set hai	ch18
P2-63	Serial Line IP (SLIP)	Dial-up lines par IP packets relay karne ka pehla protocol SLIP tha	ch18
P2-64	Modem	Computer ko telephone line se jodne ka device = modem	ch18
P2-65	ARPANET	1969 me US DoD ka ARPANET internet ka precursor hai	ch18
P2-66	Ray Tomlinson	1971 me username@hostname email format Ray Tomlinson ne diya	ch18
P2-67	Tim Berners-Lee	1991 me World Wide Web ka concept Tim Berners-Lee ka	ch18
P2-68	Xerox PARC	1973 me Ethernet Xerox PARC me bana	ch18
P2-69	Wi-Fi	Bina direct line ke internet = Wi-Fi (wireless)	ch18
P2-70 ⚠	Shareware	Key shareware maanti hai; vaastav me "redistribute copies" wali definition free/open-source software ki zyada hai — as keyed, apni key PDF se confirm karo	ch18
P2-71	Algorithms	Machine learning me data se seekhne wale algorithms hote hain	ch18
P2-72	Trustworthiness (accuracy)	Big data ke V's me veracity = data ki vishwasniyata/accuracy	ch18

IT Act 2000 ki date aur cyber terms ke liye: [src].

Exam trap

IT Act ke sawaal me do dates hoti hain: President ki assent (9 June 2000) aur lagu hone ki date (17 October 2000). Paper "came into force" poochhe to 17 October; "passed/assent" poochhe to 9 June. Wahi simplex/half/full-duplex wala trio bhi har do saal me ek baar zaroor aata hai.

Unit 8: UP GK (48 Qs)

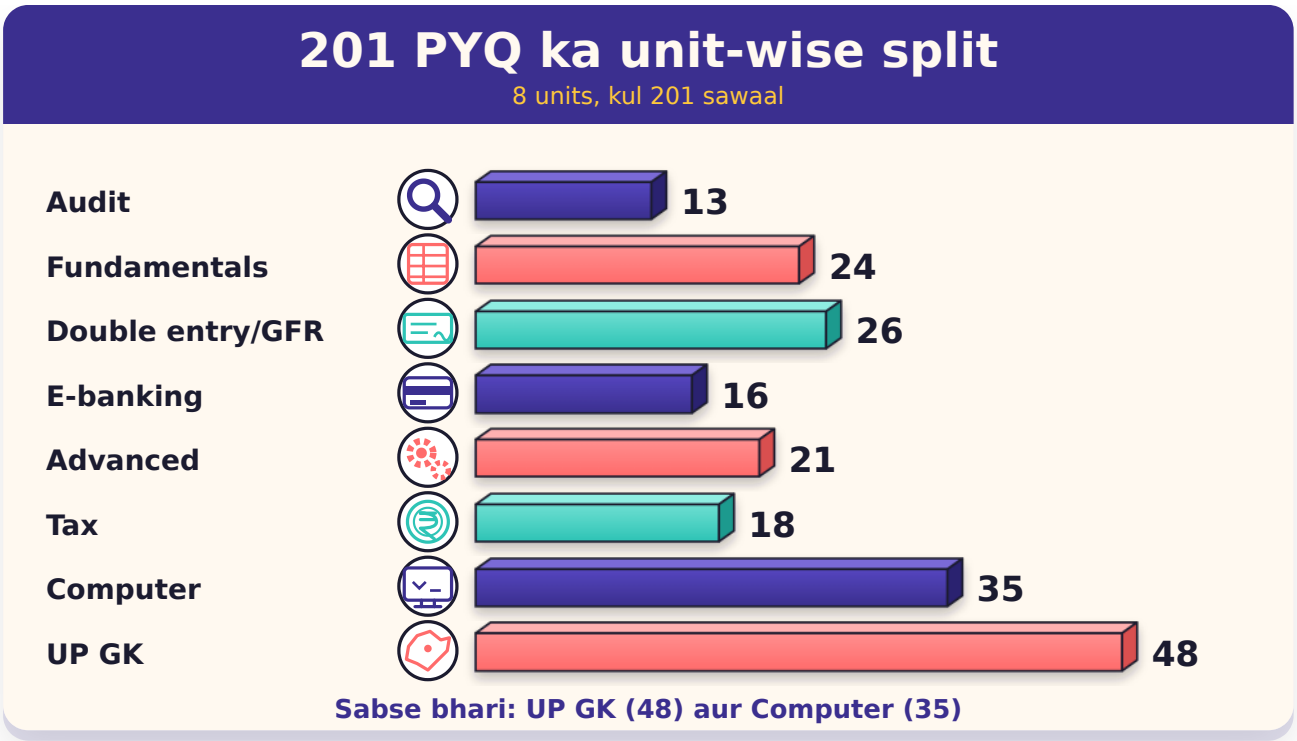
PYQ	Answer	Ek line me wajah	Link
P1-81	Agra Gharana	Agra gharana Khayal aur Dhrupad-Dhamar ka blend hai	—
P1-82	Allahabad	1858 me capital Agra se Allahabad (Prayagraj) shift hua	—
P1-83	Kajari	Monsoon se pehle gaaya jaane wala lok geet Kajari	—
P1-84	Diwari Khayal	Bada, Chhota, Tarana Khayal ke roop hain; "Diwari Khayal" nahi	—
P1-85	Banda	Kalinjar ka mela Banda (jile me Kalinjar fort) me lagta hai	—
P1-86	Tropical monsoon	UP ki jalvayu tropical monsoon type hai	—
P1-87	Aligarh	Taala (lock) industry Aligarh ki pehchaan	—
P1-88	Rampur	Raza Library Rampur me hai	—
P1-89	9	UP ke 9 agro-climatic zones hain	—
P1-90	Southern plateau	Bundelkhand ki mitti dakshin ke plateau (pathar) region me milti hai	—
P1-91	Dyeing leather items	Babul ki chhaal se nikla rang chamde ko dye karne me kaam aata hai	—
P1-92	Milk production	White Revolution = doodh (Operation Flood)	—
P1-93	Nominal GDP / Real GDP	GDP deflator nominal ko real se divide karke milta hai (price level ka map)	—
P1-95	Swamp deer (Barasingha)	UP ka state animal Barasingha hai	—
P1-96	Varanasi	Desh ka pehla multi-modal terminal Ganga (NW-1) par Varanasi me bana	—
P1-97 ⚠(time-bound)	Eighteen	Jan 2025 ki key ke mutabik 18वीं Vidhan Sabha; nayi assembly banne par badlega	—
P1-98	2024	Chaudhary Charan Singh ko Bharat Ratna 2024 me mila	—
P1-99	Literature and Education	Radhey Shyam Khemka (Gita Press) ko Padma Vibhushan 2022 sahitya/shiksha me	—
P1-100 ⚠(time-bound)	75	Jan 2025 key: 75 GI-tagged products (sabse zyada); naye tags se badhta rahega	—
P2-73	Carpet making	Bhadohi carpets ke liye mashhoor	—
P2-74	Rajarshi Tandon Open University	UP sarkar ka ekmaatr open university, Prayagraj	—
P2-75	Moradabad	Teerthanker Mahaveer University Moradabad me hai	—
P2-76	BHU	Key ke mutabik sabse badi residential university BHU	—
P2-77	1887	Allahabad University 1887 me sthaapit	—
P2-78	Ghazal	Ghalib aur Firaq dono ghazal ke ustad	—
P2-79 ⚠	Nayi Kavita	Key Nayi Kavita maanti hai; Bachchan ko aksar Chhayavad ke baad ke Halavad/Madhushala daur se joda jaata hai — exam-specific, apni key se confirm karo	—
P2-80	Shanti Dharma	Sankrityayan ki rachnaon me "Shanti Dharma" nahi hai	—

PYQ	Answer	Ek line me wajah	Link
P2-81	Peshawar victory wali statement	Buland Darwaza Akbar ki Gujarat victory (1573) ki yaad me bana, Peshawar nahi	—
P2-82	Sandy loam	Key ke mutabik central UP ki mitti sandy loam	—
P2-83	Srigupta	Gupta vansh ka sansthapak (pehla Maharaja) Srigupta	—
P2-84	Samudragupta	Prayag Prashasti ke vijayon ke kaaran use "Napoleon of India" kaha gaya	—
P2-85	Kanishka	Fourth Buddhist Council Kanishka ke kaal me (Kashmir) hui	—
P2-86	Chandragupta II	Fa-hien Chandragupta II (Vikramaditya) ke samay aaya	—
P2-87	Begum Hazrat Mahal	1857 Lucknow ki netritva Begum Hazrat Mahal ne kiya	—
P2-88	Maulvi Liyaquat Ali	Allahabad me Maulvi Liyaquat Ali	—
P2-89	Kadam Singh	Meerut region me key ke mutabik Kadam Singh	—
P2-90	Devi Singh	Mathura me key ke mutabik Devi Singh	—
P2-91	National Chambal Sanctuary	Gharial conservation ke liye National Chambal Sanctuary	—
P2-92	Sesame aur gram wali	Rakar mitti par til aur chana jaise faslein hoti hain	—
P2-93	2nd	Economic Survey 2023-24 key: rapeseed/mustard me UP 2nd; rankings har saal badalti hain	—
P2-94	10	Vidhan Parishad me Governor 10 members nominate karta hai	—
P2-95	36	Local bodies 36 members chunti hain	—
P2-96	38	Vidhan Sabha 38 members chunti hai	—
P2-97	8	Teachers 8, graduates 8; total 100 = 38+36+10+8+8	—
P2-98	Sonbhadra	Obra thermal power station Sonbhadra me hai	—
P2-99	Jhansi	Lalitpur Jhansi mandal ka hissa	—
P2-100	Prayagraj	Kaushambi Prayagraj mandal me hai	—
P2-101	Bani	Bani station ka naya naam Swami Paramhans	—

UP GK ke time-bound facts (GI count, assembly number, rankings) "as keyed" hain; exam se pehle latest UP current affairs aur Arthik Samiksha se update kar lena.

Exam trap

Vidhan Parishad ki composition (38+36+10+8+8=100) ek hi paper me chaar alag sawaalon me poochhi gayi (P2-94 se P2-97). Yaani ek table yaad karo, chaar marks pakke. Aise hi 1857 ke leaders (Lucknow, Allahabad, Meerut, Mathura, Kanpur, Jhansi) ek list me yaad karo.



19.13 Trend tables: 201 PYQ se nikle asli pattern

Ye tables is book ke PYQ bank (P1: 5 Jan 2025, P2: 16 Feb 2025, total 201 questions) ke andar ke count se bani hain. Bahar ka koi anumaan nahi. Count chhota hai (do hi papers), isliye ise "pakka niyam" nahi, sirf direction ki tarah padho.

Table 1: Paper ke andar ka mix

Unit	P1 me Qs	P2 me Qs	Total	PYQ bank ka share
Audit	11	3	14*	~7%
Fundamentals of accounting	12	12	24	~12%
Double entry, GFR, stores	12	14	26	~13%
E-banking, budgets, computerised accounting	13	3	16	~8%
Advanced accounts	11	10	21	~10%
Tax and arithmetic	9	9	18	~9%
Computer/IT	14	21	35	~17%
UP GK	20	28	48	~24%

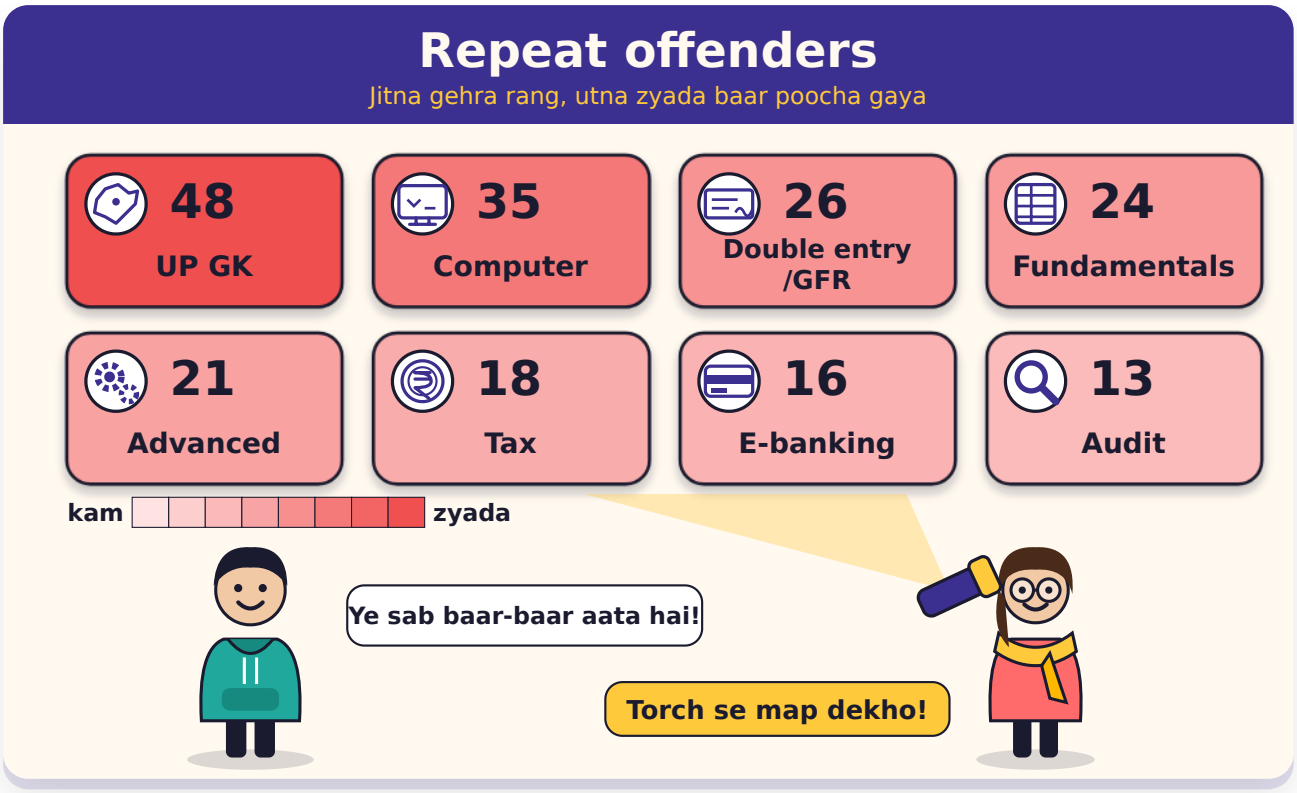
*Unit 1 ke 13 listed questions me P1-11 GP ratio accounting ka hai par paper ne audit section me diya; isliye 13+1 ka farak table me dikhta hai. Totals chapter ke unit headings se liye gaye hain.

Table 2: Repeat offenders (jo sub-topics dono papers me aaye)

Sub-topic	P1	P2	Seekh
Depreciation methods	P1-16, 17, 18, 19, 94	P2-12, 13, 14, 15	5 methods ka fark ratta nahi, samajh
Cheque / NI Act	P1-21, 22	P2-20, 21, 22	s.6, s.18, s.31 + bearer/order
Store documents	P1-27, 28, 29, 30, 31, 32	P2-23, 24, 25, 26, 28	GRN, bin card, requisitions, tender
Hire purchase	P1-47, 48, 49, 50, 51	P2-29, 37, 38	HP vs instalment system pakka
GST / Income Tax sections	P1-57 se 65	P2-46 se 51	Section-number ratta zaroori
Computer history	—	P2-63, 65, 66, 67, 68	ARPANET, email, WWW, Ethernet, SLIP
1857 leaders	—	P2-87, 88, 89, 90 (+P1 me nahi)	Ek list, chaar marks
UP Vidhan Parishad	—	P2-94, 95, 96, 97	38+36+10+8+8 = 100

Table 3: Kahan time lagana hai (difficulty x frequency)

Priority	Kya	Kyun
1	Accounting concepts + depreciation + ratios	Dono papers me sabse steady, numeric bhi
1	Store documents / GFR basics	11+ Qs, ek din ka topic, guaranteed marks
1	Computer basics + history	35 Qs, sabse bada unit, mostly ratta
2	UP GK (districts, awards, 1857, councils)	48 Qs par bahut phaila; roz thoda
2	Tax sections	9-10 sections hi repeat hote hain
2	Advanced accounts (HP, branch, insolvency)	Concepts limited, numerical thoda lamba
3	E-banking / budgets	16 Qs, 2 ghante ka revision kaafi



19.14 120 naye practice MCQs (topic-wise, 2-line explanation ke saath)

Ye sawaal 19.10 ke 300 practice questions se **alag** hain aur PYQ bank ka hissa bhi nahi. Numbering N1 se N120 tak. Har answer ke saath do line ki wajah hai kyunki wajah hi cheez hai jo exam me ghooma-hua sawaal pakadti hai.

Topic 1: Audit basics (N1-N15)

N1. Audit ka sabse pehla kadam kaun sa hai? (a) Report likhna (b) Engagement accept karna aur terms tay karna (c) Stock ginna (d) Opinion dena. **Ans: b.** Kaam shuru hone se pehle auditor aur client ke beech terms likhit me tay hote hain (engagement letter). Iske bina scope, fees aur zimmedari par baad me jhagda hota hai. (ch5)

N2. "Auditor is a watchdog, not a bloodhound" ka matlab? (a) Auditor fraud dhoondhe hi nahi (b) Auditor ko reasonable care rakhni hai, har fraud pakadna uski guarantee nahi (c) Auditor police hai (d) Auditor kutta hai. **Ans: b.** Ye classic principle hai: auditor ko professional skepticism ke saath kaam karna hai, par detection ki absolute guarantee nahi. Fraud rokna management ka kaam hai. (ch1, ch17)

N3. Interim audit kab hota hai? (a) Saal ke beech me, final audit se pehle (b) Sirf saal ke end par (c) Har roz (d) Kabhi nahi. **Ans: a.** Interim audit accounting period ke dauran hota hai aur final audit ka bojh kam karta hai. Continuous audit se fark: continuous saal bhar lagatar chalta hai. (ch3)

N4. Audit me "professional skepticism" ka matlab? (a) Client par kabhi bharosa na karna (b) Sab kuch maan lena (c) Sawal poochhte rehna aur evidence maangna (d) Fees badhana. **Ans: c.** Skepticism ka matlab alert dimaag: na andha-vishwas, na andha-shak. Har assertion ke peeche saboot maangna auditor ki aadat hai. (ch5, ch9)

N5. Kaun sa audit shareholders ki requirement nahi, management ki ichha se hota hai? (a) Statutory audit (b) Internal audit (c) Govt audit (d) Tax audit. **Ans: b.** Internal audit management ke liye hota hai, scope bhi management tay karta hai. Statutory aur tax audit kanoon ki maang hain. (ch3, ch6)

N6. Cost audit kis par focus karta hai? (a) Sirf tax (b) Cost records aur cost accounting ki accuracy (c) CSR (d) Salary. **Ans: b.** Cost audit me check hota hai ki company ne cost records sahi banaye hain ya nahi. Specified companies par Companies Act ke tahat lagta hai. (ch3, ch12)

N7. Management audit ka uddeshya? (a) Sirf fraud pakadna (b) Management ki efficiency aur decisions ka review (c) Tax bachana (d) Share price badhana. **Ans: b.** Management audit me dekha jaata hai ki organisation ke goals ke liye management kitna effective hai. Ye books se aage, performance ka audit hai. (ch3)

N8. Secret reserves banane se kya dikhayi deta hai? (a) Profit hamesha sahi (b) Financial position actual se kamzor ya majboot dikh sakti hai (c) Tax zero (d) Koi fark nahi. **Ans: b.** Secret reserves (jaise assets ko knowingly undervalue karna) true and fair view bigaadte hain. Isliye auditor ko unhe pakadna aur report karna padta hai. (ch10, ch11)

N9. Window dressing ka matlab? (a) Khidki saaf karna (b) Balance sheet ko asli se behtar dikhana (c) Naya software (d) Audit programme. **Ans: b.** Saal ke end ke aas-pas entries ghuma kar position sundar dikhana window dressing hai. Auditor ka cut-off testing isi ko pakadti hai. (ch11, ch17)

N10. Teeming and lading (cash chori ka method) me kya hota hai? (a) Stock churana (b) Ek customer ke paise se doosre ki receipt adjust karte rehna (c) Salary badhana (d) Loan lena. **Ans: b.** Cashier aaj ki collection chura kar kal ki collection

se aaj ka gap bharta hai, aur ye chain chalti rehti hai. Cash receipts ki timely banking aur surprise cash count se pakda jaata hai. (ch7, ch17)

N11. Audit notebook me kya likha jaata hai? (a) Sirf final report (b) Audit ke dauran uthe doubts, queries aur unke jawab (c) Client ka personal data (d) Tax return. **Ans: b.** Audit notebook staff ki queries aur observations ka roz ka record hai. Baad me ye report banane aur yaad taza rakhne me kaam aata hai. (ch9)

N12. Kaun si galti "error of omission" hai? (a) Galat account me likhna (b) Transaction ko bilkul hi record na karna (c) 12 ko 21 likhna (d) Principle todna. **Ans: b.** Transaction books me aaya hi nahi to omission hai. Trial balance se nahi pakdi jaati kyunki debit-credit dono gayab hain. (ch2)

N13. Compensating error kab hoti hai? (a) Jab do galtiyan ek doosre ka asar kaat dein (b) Jab TB na mile (c) Jab ek entry do baar ho (d) Kabhi nahi. **Ans: a.** Ek galti debit side me, dusri utni hi credit side me, to TB mil jaata hai par accounts galat rehte hain. Isliye TB milna perfect accounts ka saboot nahi. (ch2)

N14. Final audit ka ek nuksan? (a) Saal ke end me ek saath kaam ka dher aur delay (b) Kabhi hota hi nahi (c) Bahut mehenga nahi (d) Fraud zero. **Ans: a.** Final audit saal khatam hone ke baad hota hai, to kaam ek jagah jama ho jaata hai aur report der se banti hai. Interim/continuous audit isi ka ilaaj hai. (ch3)

N15. Auditor ko "reasonable assurance" hi kyun dena padta hai, absolute kyun nahi? (a) Aalas (b) Testing, sampling, estimates aur fraud ki chhipi fitrat ki wajah se (c) Kanoon mana karta hai (d) Fees kam hai. **Ans: b.** Audit sampling par chalta hai, management estimates par, aur designed fraud chhip sakta hai. Isliye assurance high hota hai par 100% nahi. (ch5, ch8)

Topic 2: Accounting fundamentals (N16-N30)

N16. Kaun sa account "representative personal account" hai? (a) Cash account (b) Outstanding salary account (c) Machinery account (d) Sales account. **Ans: b.** Outstanding salary kisi insaan ka account nahi par insaanon ka pratinidhitva karta hai. Isliye personal account ka rule lagta hai. (ch2)

N17. Goods Rs 5,000 ke cash me bechne par kya credit hoga? (a) Cash (b) Sales account (c) Purchases (d) Capital. **Ans: b.** Sale par income badhti hai, aur nominal rule me income credit hoti hai. Cash debit hoga kyunki asset aaya. (ch2)

N18. Capital account ka balance normally kis taraf hota hai? (a) Debit (b) Credit (c) Dono (d) Koi nahi. **Ans: b.** Capital business ki owner ke prati liability hai, aur liabilities ka normal balance credit hota hai. (ch2)

N19. Journal proper me kaun si entry NAHI aati? (a) Credit purchase of goods (b) Opening entry (c) Credit purchase of asset (d) Rectification entry. **Ans: a.** Goods ki credit purchase purchase book me jaati hai. Journal proper me wahi aata hai jiske liye koi subsidiary book na ho. (ch2)

N20. Ledger aur journal ka mool fark? (a) Dono same (b) Journal chronological record hai, ledger account-wise classification (c) Ledger pehle banta hai (d) Journal optional hai. **Ans: b.** Pehle journal me date-wise likhte hain, phir posting karke ledger me account-wise jama karte hain. (ch2)

N21. Sales Rs 2,00,000, COGS Rs 1,20,000, expenses Rs 50,000. Net profit? (a) 80,000 (b) 30,000 (c) 50,000 (d) 1,30,000. **Ans: b.** Pehle GP = 2,00,000 - 1,20,000 = 80,000. Phir NP = 80,000 - 50,000 = 30,000. Do step ka sawaal hai, seedha mat nikaalna. (ch2)

N22. Kaun sa item Trading account me NAHI aata? (a) Carriage inwards (b) Opening stock (c) Office rent (d) Purchases. **Ans: c.** Office rent indirect expense hai, P&L me jaata hai. Trading me sirf direct kharch (maal banane/khareedne tak ke). (ch2)

N23. Provision for discount on debtors kis par lagta hai? (a) Total debtors (b) Debtors minus provision for doubtful debts (c) Cash (d) Creditors. **Ans: b.** Discount sirf unhi debtors par diya jayega jo waqai pay karenge. Isliye pehle doubtful nikaalo, phir baaki par discount ka provision. (ch2)

N24. Interest on drawings kiske liye income hai? (a) Owner (b) Business (c) Bank (d) Employee. **Ans: b.** Owner ne jab paise nikaale to business ne use byaj dene par majboor kiya. Business ke liye income, owner ke liye expense. (ch2)

N25. Trial balance me discount received kis taraf? (a) Debit (b) Credit (c) Koi nahi (d) Dono. **Ans: b.** Discount received income hai, isliye credit. Discount allowed expense hai, debit. Yaad rakho: "mila to credit, diya to debit". (ch2)

N26. Machinery 1,00,000 ki kharidi, installation 10,000, repair 2,000. Capitalise kitna hoga? (a) 1,00,000 (b) 1,10,000 (c) 1,12,000 (d) 2,000. **Ans: b.** Asset ko working condition me laane tak ka har kharcha cost me judta hai, isliye installation judega. Baad ki repair revenue expense hai. (ch2)

N27. Kaun sa concept kehta hai ki business aur owner alag hain? (a) Going concern (b) Business entity concept (c) Matching (d) Accrual. **Ans: b.** Isi liye owner ke nikale paise drawings ban jaate hain, expense nahi. (ch2)

N28. Dual aspect concept ka seedha matlab? (a) Har transaction ke do asar, debit = credit (b) Do business (c) Do owner (d) Do saal. **Ans: a.** Isi par accounting equation Assets = Liabilities + Capital tiki hai. (ch2)

N29. Cash discount aur trade discount me fark? (a) Koi nahi (b) Trade discount list price par diya jaata hai aur books me record nahi hota; cash discount prompt payment par milta hai aur record hota hai (c) Dono record nahi hote (d) Trade discount jaldi payment par. **Ans: b.** Invoice trade discount kaat kar banta hai, isliye books me sirf net amount aata hai. Cash discount baad me milta hai, isliye entry banti hai. (ch2)

N30. Cost 80,000, life 10 saal, scrap 8,000, SLM. Saal 5 ke end tak accumulated depreciation? (a) 7,200 (b) 36,000 (c) 40,000 (d) 8,000. **Ans: b.** Saalana depreciation = (80,000 - 8,000)/10 = 7,200. Paanch saal me 7,200 x 5 = 36,000. (ch2)

Topic 3: Double entry, GFR aur stores (N31-N45)

N31. Crossed cheque ko cash counter par kaun nikaal sakta hai? (a) Koi bhi (b) Sirf banker ke through account me (c) Drawer (d) Bearer. **Ans: b.** Crossing ka matlab payment sirf bank account ke raaste hogi, counter par cash nahi. Ye fraud rokne ka sabse aasan tareeka hai. (—; NI Act)

N32. Cheque ki validity (stale hone se pehle) aam taur par kitni hai? (a) 6 mahine (b) 3 mahine (c) 1 saal (d) 1 mahina. **Ans: b.** RBI ke mutabik cheque 3 mahine me present karna chahiye, warna stale ho jaata hai. (—; RBI practice; verify latest)

N33. Account payee crossing ka matlab? (a) Sirf named payee ke account me jama (b) Cash milega (c) Koi bhi transfer kare (d) Cheque cancel. **Ans: a.** "A/c payee only" likhne se proceeds sirf usi vyakti ke account me jaate hain jiske naam cheque hai. Sabse safe crossing. (—)

N34. GFR me purchase ke liye "competent authority" ka matlab? (a) Koi bhi clerk (b) Jise us rakam ka sanction karne ka adhikaar delegated ho (c) CAG (d) Vendor. **Ans: b.** General Financial Rules me har sanction usi authority se hota hai jise wo power mili ho. Bina competent sanction ka kharch audit objection khata hai. (ch14)

N35. Limited tender kab bulaya jaata hai? (a) Hamesha (b) Jab suppliers limited/known hon ya urgency ho, niyam ke tahat (c) Kabhi nahi (d) Sirf import me. **Ans: b.** Open tender default hai, par jab maal specialized ho ya samay kam, to GFR conditions ke andar limited tender allowed hai. Emergency me single tender bhi conditions ke saath. (ch14)

N36. Earnest Money Deposit (EMD) kyun liya jaata hai? (a) Tax ke liye (b) Bidder ki seriousness pakki karne ke liye (c) Salary ke liye (d) Discount ke liye. **Ans: b.** EMD ensure karta hai ki bidder mazaak me bid na kare ya beech me bhaag na jaye. Successful bidder ka EMD aam taur par lautaya jaata hai ya security me adjust hota hai. (ch14)

N37. Performance security kab li jaati hai? (a) Bid ke pehle (b) Contract milne par, kaam sahi se karane ki guarantee ke liye (c) Kabhi nahi (d) Sirf loan par. **Ans: b.** Contract award ke baad supplier se performance guarantee/security li jaati hai taaki default par sarkar ko nuksan na ho. (ch14)

N38. Store ledger aur bin card me fark? (a) Dono same (b) Bin card store me quantity record karta hai, ledger value ke saath quantity accounts me rakhta hai (c) Ledger sirf cash (d) Bin card value rakhta hai. **Ans: b.** Bin card storekeeper ke paas (sirf quantity), stores ledger accounts section me (quantity + value). Dono ka milan ek internal check hai. (ch14, ch6)

N39. Perpetual inventory system me physical verification ki zaroorat kyun rehti hai? (a) Zaroorat nahi (b) Book balance aur actual stock ka difference (theft, shrinkage) pakadne ke liye (c) Sirf formality (d) Tax ke liye. **Ans: b.** Records kitne bhi acche hon, chori aur waste records me nahi dikhti. Isliye periodic physical verification compulsory rehti hai. (ch10, ch14)

N40. Re-order level ka formula (basic)? (a) Maximum usage x maximum lead time (b) Minimum usage (c) Average stock (d) Zero. **Ans: a.** Re-order level utna rakhte hain ki naya maal aane tak kaam na ruke: sabse zyada consumption x sabse lamba lead time. (ch14)

N41. Government me "audit para" kya hai? (a) Report ka decoration (b) Audit dwara uthaya hua objection jo report me paragraph ban kar aata hai (c) Bill (d) Budget head. **Ans: b.** Audit me mili irregularity ko department se jawab maang kar para ke roop me report me dala jaata hai. Upar se compliance/ATN ka process chalta hai. (ch14)

N42. Voucher ke bina payment ka kya hoga? (a) Kuch nahi (b) Audit me disallowance/objection ki gunjaish (c) Discount (d) Promotion. **Ans: b.** Govt accounts me har payment ka saboot (voucher) mandatory hai. Bina voucher ka kharch audit me tikta nahi. (ch7, ch14)

N43. "Non-plan" aur "plan" expenditure ka fark aaj kis roop me hai? (a) Wahi purana (b) 2017-18 se ye vibhajan khatam, ab revenue aur capital expenditure ka vargikaran (c) Kabhi tha hi nahi (d) Sirf states me. **Ans: b.** Budget me plan/non-plan ka classification hata diya gaya hai; ab revenue aur capital heads me baata jaata hai. Exam me purana term aaye to samajh jao, naya classification yaad rakho. (ch14)

N44. Advance di gayi rakam ka adjustment kab hota hai? (a) Kabhi nahi (b) Kaam/samaan milne ke baad bill ke through (c) Turant cancel (d) Sirf saal end me. **Ans: b.** Govt advances ko second advance tabhi diya jaata hai jab pehle ka adjustment aa jaye (GFR principle). Advance ka lambi udhaari audit objection hai. (ch14)

N45. Cash book aur pass book me farak ki wajah se bana statement? (a) Trial balance (b) Bank Reconciliation Statement (c) P&L (d) Ledger. **Ans: b.** BRS dono balances ke beech ke difference ko item-wise milata hai: unpresented cheques, uncredited deposits, bank charges, direct credits. (ch2, ch7)

Topic 4: E-banking, budgets aur e-governance (N46-N60)

N46. NEFT aur RTGS ka mool fark? (a) Dono same (b) RTGS real-time aur gross (ek ek transaction turant), NEFT batches me net settlement (ab dono 24x7) (c) NEFT sirf gaon me (d) RTGS band ho gaya. **Ans: b.** RTGS bade amounts ke liye, instant, per-transaction settle. NEFT near-real-time batch settlements me kaam karta hai. (—)

N47. UPI ka full form? (a) Unified Payments Interface (b) Universal Payment Instrument (c) Union Pay India (d) Unified Processing Interface. **Ans: a.** UPI NPCI dwara chalaya jaata hai aur bank accounts ko mobile se instant jodta hai. (—)

N48. BBPS kis ke liye hai? (a) Share trading (b) Bill payments ka bharosamand interoperable system (c) Railway ticket (d) Income tax. **Ans: b.** Bharat Bill Payment System se bijli, paani, DTH jaise bills ek jagah se bhare ja sakte hain. (—)

N49. Mobile wallet (PPI) me "KYC" ka matlab? (a) Know Your Customer (b) Keep Your Cash (c) Key Yield Certificate (d) Kisan Yojana Card. **Ans: a.** KYC me customer

ki pehchaan verify hoti hai. Bina full KYC ke wallet ki limits aur features restricted rehte hain. (—)

N50. Zero-based budgeting ka matlab? (a) Zero kharcha (b) Har activity ko scratch se justify karna, pichhle saal ke figures ko base na maanna (c) Sirf deficit (d) Sirf profit. **Ans: b.** ZBB me har kharch naye sire se apna wajood saabit karta hai. Conventional budgeting pichhle saal par tiki hoti hai. (—)

N51. Flexible budget kya karta hai? (a) Fix rehta hai (b) Activity level ke hisaab se badalta hai (c) Sirf cash (d) Sirf sales. **Ans: b.** Jab output badalta hai to flexible budget us level ke hisaab se costs adjust karta hai, jisse comparison meaningful banta hai. (—)

N52. Performance budget ka focus? (a) Sirf paise (b) Output/result aur uska kharch dono (c) Sirf staff (d) Sirf tax. **Ans: b.** Performance budgeting me yojana ka parinaam (roads, schools, output) aur uska cost saath dekha jaata hai. (—, ch14)

N53. G2C model ka example? (a) Online railway ticket nagrik ke liye (b) Do companies ka vyapaar (c) Do departments ki file (d) Company ka sarkar ko saman. **Ans: a.** Government-to-Citizen me sarkar seedhe nagrik ko seva deti hai. B2B e-commerce hai, e-governance nahi. (—)

N54. Digital signature ka base kya hai? (a) Handwriting scan (b) Public key cryptography (c) Photo (d) OTP only. **Ans: b.** Digital signature public-private key pair par kaam karta hai aur IT Act 2000 me isse legal mannayata mili. (ch18)

N55. NEFT/RTGS me IFSC ka kaam? (a) Tax kaatna (b) Branch ki unique pehchaan (c) PIN (d) Balance. **Ans: b.** IFSC ka pehla hissa bank, aakhri hissa branch batata hai. Bina sahi IFSC ke transfer route nahi hota. (—)

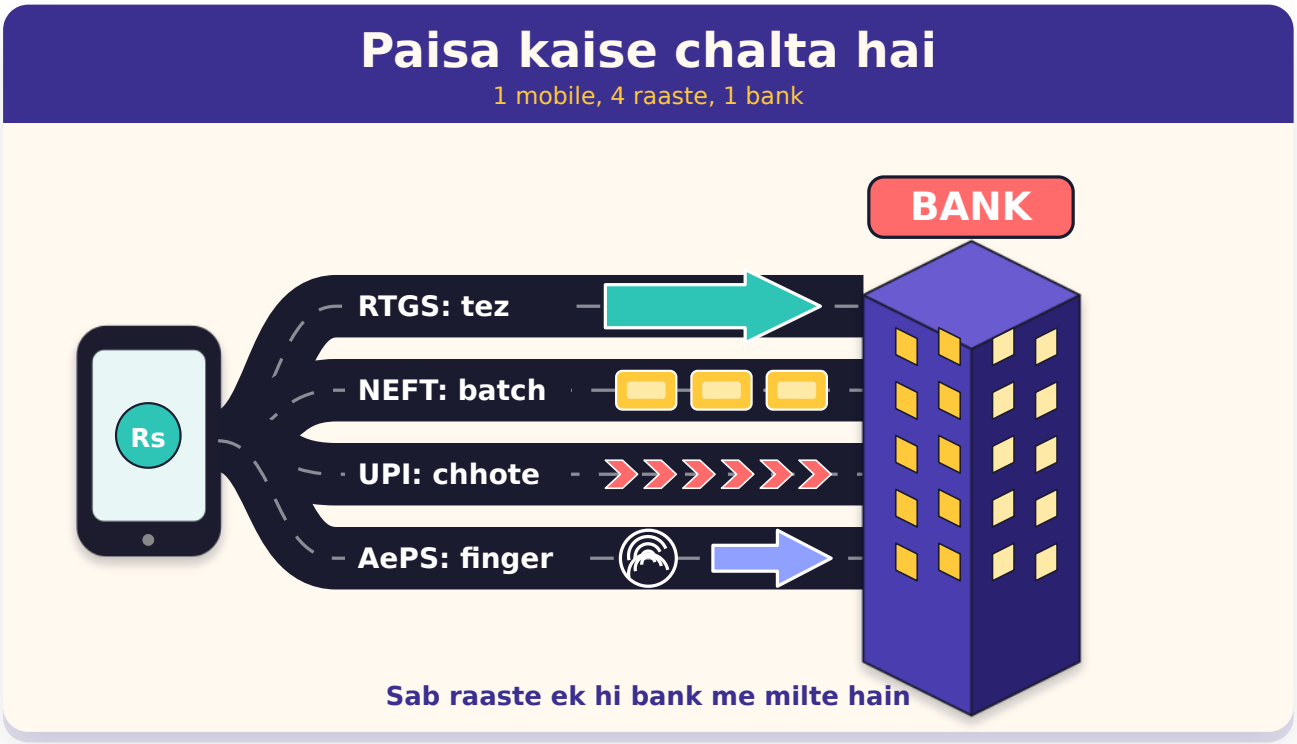
N56. E-banking me "two-factor authentication" ka example? (a) Sirf password (b) Password + OTP (c) Sirf photo (d) Sirf card. **Ans: b.** 2FA me do alag prakaar ke pramaan lagte hain: jo tumhe yaad hai (password) + jo tumhare paas hai (OTP/device). (ch18)

N57. Budget manual kya hai? (a) Budget ki tayyari ki written instructions aur responsibilities (b) Balance sheet (c) Audit report (d) Ledger. **Ans: a.** Budget manual me hota hai kaun kab kya estimate bhejega, format kya hoga. (—)

N58. Sales budget banate waqt sabse pehle kya chahiye? (a) Sales forecast (b) Cash balance (c) Salary list (d) Tax rate. **Ans: a.** Sales budget ka aadhar sales forecast hai: kitna, kab, kahan bikega. Baaki budgets isi se nikalte hain. (—)

N59. Master budget me kaun sa NAHI aata? (a) Cash budget (b) Production budget (c) Audit report (d) Budgeted P&L. **Ans: c.** Master budget sab functional budgets + budgeted financial statements ka set hai. Audit report uska hissa nahi. (—)

N60. AePS me paise nikaalne ke liye kya kaafi hai? (a) Sirf card (b) Aadhaar number + biometric authentication (c) Cheque (d) Passbook. **Ans: b.** AePS Aadhaar aur fingerprint/iris se kaam karta hai, micro-ATM/business correspondent ke through. (—)



Topic 5: Advanced accounts (N61-N75)

N61. Hire purchase me hirer apni books me asset kab record karta hai? (a) Aakhri kist par (b) Agreement/delivery par hi, poori cash price par (c) Kabhi nahi (d) Aadhi price par. **Ans: b.** Substance ke hisaab se hirer asset use kar raha hai, isliye delivery par hi uski books me asset (cash price par) aur vendor ki liability banti hai. Ownership baad me aaye, record pehle. (—)

N62. HP interest ko allocate karne ka common method? (a) Hamesha barabar (b) Sum-of-digits / actuarial method jaisa time ke hisaab se (c) Random (d) Pehle saal poora. **Ans: b.** Interest baaki principal par lagta hai, isliye shuru ki kiston me zyada, baad me kam. Sum-of-years-digits isi ko approx karta hai. (—)

N63. Cash price 60,000; HP: down 15,000 + 3 saalana kist 20,000. Total interest? (a) 15,000 (b) 20,000 (c) 75,000 (d) 10,000. **Ans: a.** HP price = 15,000 + 60,000 = 75,000.

Interest = 75,000 - 60,000 = 15,000. (—)

N64. Repossession ke baad vendor "Goods Repossessed" account kis value par kholta hai? (a) Original cost (b) Estimated realisable/valued amount par (c) Zero (d) HP price. **Ans: b.** Wapas liye goods ki dusri baar bikri unki realisable value par hoti hai, isliye wahi value record hoti hai. (—)

N65. Branch ko goods invoice price par bheje jayein to "loading" kahan adjust hota hai? (a) Kabhi nahi (b) Branch stock reserve / stock adjustment account me (c) Sales me (d) Capital me. **Ans: b.** Invoice price me profit jama hota hai; unsold stock ka loading nikaalne ke liye stock reserve banta hai taaki profit sahi nikle. (—)

N66. Departmental accounts ka maqsad? (a) Sirf tax (b) Har department ka alag profit/loss jaanna (c) Staff kam karna (d) Audit se bachna. **Ans: b.** Isse pata chalta hai kaun sa department ghata de raha hai aur kaun chala raha hai. Common expenses fair basis par baantte hain. (—)

N67. Rent department me kis basis par baanta jaata hai? (a) Sales (b) Floor area (c) Profit (d) Staff count hamesha. **Ans: b.** Jagah ke hisaab se lagne wala kharch (rent, lighting ka hissa) area ke proportion me baantte hain. Sales-based allocation advertisement jaise kharchon ke liye behtar hai. (—)

N68. Royalty 2/unit, minimum rent 10,000. Output 4,000 units. Landlord ko kitna milega? (a) 8,000 (b) 10,000 (c) 12,000 (d) 4,000. **Ans: b.** Actual royalty 8,000 minimum rent 10,000 se kam hai, to landlord ko minimum rent milega. 2,000 short workings ke roop me recoup ho sakta hai (agar clause ho). (—)

N69. Short workings recoup karne ka matlab? (a) Dobara dena (b) Aane wale saalon ke surplus royalty se adjust kar lena (c) Maaf karna (d) Tax kaatna. **Ans: b.** Jo saal royalty minimum se kam rahi, wo farak baad ke saalon me royalty minimum se upar jaane par wasool kar liya jaata hai, agreement me fixed/floating period ke mutabik. (—)

N70. Insolvency me "preferential creditors" kaun hote hain? (a) Sab creditors (b) Wages, tax jaise kanoon dwara pehle dene wale claims (c) Sirf bank (d) Shareholders. **Ans: b.** Insolvency ke distribution me kuch claims (worker wages, government dues) secured/unsecured se pehle chukaye jaate hain. (—)

N71. Statement of affairs kis me banta hai? (a) Company AGM (b) Insolvency proceedings me assets/liabilities ka summary (c) Budget (d) Audit report. **Ans: b.** Ye insolvent ki financial position ka snapshot hota hai: assets, secured/preferential/unsecured creditors aur expected deficiency/surplus. (—)

N72. Fire claim me "average clause" ka asar kya hai? (a) Poora claim hamesha (b) Agar stock kam value par insured hai to claim usi ratio me kat-ta hai (c) Claim double (d) Koi asar nahi. **Ans: b.** Stock 2,00,000 ka, policy 1,00,000 ki (50%), to 40,000 ke nuksan par sirf 20,000 milega. Isliye poora insurance karwana chahiye. (—)

N73. Loss of profit policy me indemnity period ka matlab? (a) Policy ki poori avadhi (b) Wo period jiske liye business interruption ka loss cover hoga (c) Sirf ek din (d) Claim process. **Ans: b.** Fire ke baad business jitne time me normal hota hai, usi indemnity period ka profit loss milta hai. (—)

N74. Consignment aur sale me mool fark? (a) Koi nahi (b) Consignment me ownership consignor ke paas rehti hai jab tak consignee bech na de (c) Consignment me consignee owner (d) Sale me risk seller ki. **Ans: b.** Consignee sirf agent hai. Isi liye unsold stock consignor ka asset bana rehta hai. (—)

N75. Joint venture aur partnership me pramukh fark? (a) Koi nahi (b) JV aam taur par ek specific kaam ke liye temporary hota hai (c) JV kabhi profit nahi (d) Partnership illegal hai. **Ans: b.** Venture khatam, JV khatam. Partnership continuing business relationship hoti hai. (—)

Topic 6: Tax aur arithmetic (N76-N90)

N76. GST me "supply" ka matlab? (a) Sirf bikri (b) Sale, transfer, barter, exchange, lease, import jaise sab roop (c) Sirf gift (d) Sirf import. **Ans: b.** GST ka charge "supply" par lagta hai, aur supply ki definition bahut chaudi hai. (ch15)

N77. Composition scheme ka ek bada pratibandh? (a) Inter-state supply nahi kar sakte (general rule) (b) Kuch nahi (c) GSTIN nahi milta (d) Audit nahi hota. **Ans: a.** Composition dealer ki inter-state outward supply par pratibandh hai aur wo ITC bhi nahi le sakta. Chhote business ke liye aasaan, par simit. (ch15)

N78. ITC lene ki ek jaroori shart? (a) Sirf chahat (b) Sahi tax invoice aur supplier dwara tax jama hona (c) Cash payment hamesha (d) GSTIN na hona. **Ans: b.** Bina valid invoice/document ke ITC nahi milta, aur supplier ka tax bharna/return dena bhi conditions me hai. (ch15)

N79. GST me "place of supply" kyun zaroori hai? (a) Sajawat ke liye (b) Ye tay karta hai CGST+SGST lagega ya IGST (c) Sirf records (d) Discount ke liye. **Ans: b.** Same state me supply to CGST+SGST, doosre state me to IGST. Galat tax bharne par refund/credit ka chakkar padta hai. (ch15)

N80. Income tax me "person" me kaun NAHI aata? (a) Individual (b) HUF (c) Company (d) Koi nahi, teeno aate hain. **Ans: d.** Act me person ki definition chaudi hai: individual, HUF, company, firm, AOP/BOI, local authority, artificial juridical person. (ch15)

N81. Residential status kis basis par tay hota hai? (a) Nagrikta (b) India me bitaye din (c) Income ki rashi (d) Dharma. **Ans: b.** Citizenship se koi lena dena nahi; previous year me India me kitne din raha, wahi matter karta hai. (ch15)

N82. Salary me HRA exemption ka base kaun sa section hai (1961 Act)? (a) 80C (b) 10(13A) (c) 44AD (d) 87A. **Ans: b.** HRA ki exemption s.10(13A) me rule 2A ke formula se milti hai. (ch15)

N83. 80C ki combined limit (key wali, 1961 Act) kitni hai? (a) Rs 1,00,000 (b) Rs 1,50,000 (c) Rs 2,00,000 (d) Rs 50,000. **Ans: b.** PPF, LIC, ELSS jaise investments ki combined deduction Rs 1.5 lakh (80C/80CCC/80CCD(1) mila kar). (ch15; as per Act, verify latest)

N84. Presumptive taxation s.44AD kiske liye? (a) Sirf companies (b) Eligible chhote businesses jo estimated profit dikha sakein (c) Sirf salaried (d) Sab. **Ans: b.** Chhote eligible business turnover ke fixed percentage ko income maan kar books ka bojh kam kar sakte hain. (ch15)

N85. Capital asset me kaun sa NAHI aata (general)? (a) Shares (b) Personal jewellery (c) Business ka stock-in-trade (d) Zameen. **Ans: c.** Stock-in-trade capital asset ki definition se bahar hai; uski sale business income banti hai, capital gain nahi. (ch15)

N86. TDS salary par kis section me kat-ta hai (1961 Act)? (a) 192 (b) 194A (c) 80G (d) 10(10). **Ans: a.** s.192 salary par, s.194A interest par (non-security) TDS se juda hai. (ch15)

N87. Simple interest Rs 2,500 par 12% p.a., 8 mahine? (a) 200 (b) 250 (c) 300 (d) 240. **Ans: a.** SI = 2500 x 12 x (8/12) / 100 = 200. Mahine ho to time years me badalna mat bhoolo. (—)

N88. Compound interest Rs 10,000 par 10% p.a., 2 saal (annual)? (a) 2,000 (b) 2,100 (c) 2,200 (d) 1,000. **Ans: b.** Pehle saal 1,000; doosre saal 11,000 ka 10% = 1,100; total 2,100. CI me interest par interest. (—)

N89. A:B = 2:3 aur B:C = 4:5, to A:C = ? (a) 8:15 (b) 2:5 (c) 5:8 (d) 3:4. **Ans: a.** A:B:C = 8:12:15, to A:C = 8:15. B ko common banane ke liye ratios multiply karo. (—)

N90. 12 workers 15 din me kaam karte hain, to 10 workers kitne din me? (a) 18 (b) 12 (c) 20 (d) 15. **Ans: a.** Inverse proportion: 12 x 15 = 10 x D, D = 18. Workers kam to din zyada. (—)

Topic 7: Computer aur IT (N91-N105)

N91. Operating system ka mool kaam? (a) Game chalana (b) Hardware aur programs ke beech resource manager banana (c) Internet dena (d) Printing. **Ans: b.** OS memory, CPU, devices allocate karta hai taaki applications kaam kar sakein. Windows, Linux, Android sab OS hain. (ch18)

N92. Compiler aur interpreter me fark? (a) Koi nahi (b) Compiler poora program ek saath translate karta hai, interpreter line-by-line (c) Interpreter fast hamesha (d) Compiler sirf hardware. **Ans: b.** Compile hone ke baad executable chalta hai; interpreter har run par line line translate karta rehta hai. (ch18)

N93. Cache memory kyun hoti hai? (a) Backup ke liye (b) CPU aur RAM ki speed ka gap kam karne ke liye (c) Virus ke liye (d) Storage badhane. **Ans: b.** Cache bahut tez (aur mehngi) memory hai jo frequently used data CPU ke paas rakhti hai. (ch18)

N94. SSD aur HDD me mool fark? (a) Koi nahi (b) SSD me moving parts nahi, isliye tez aur shock-resistant (c) HDD tez (d) SSD volatile hai. **Ans: b.** SSD flash memory par kaam karta hai, HDD magnetic spinning disks par. Dono non-volatile hain. (ch18)

N95. IPv4 address kitne bits ka hota hai? (a) 16 (b) 32 (c) 64 (d) 128. **Ans: b.** IPv4 ke 32 bits (4 octets, jaise 192.168.1.1); IPv6 ke 128 bits. (ch18)

N96. LAN, WAN, MAN ka sahi kram (chhote se bade)? (a) LAN, MAN, WAN (b) WAN, LAN, MAN (c) MAN, LAN, WAN (d) LAN, WAN, MAN. **Ans: a.** LAN ek building/campus, MAN ek shahar, WAN desh/duniya tak. (ch18)

N97. Excel me absolute cell reference ka symbol? (a) # (b) $ (c) @ (d) %. **Ans: b.** A1 likhne se copy karne par reference nahi badalta. Relative reference (A1) copy par shift ho jaata hai. (ch18)

N98. Mail merge kis ke liye? (a) Email delete (b) Ek template se kai personalized letters/labels banana (c) Photo edit (d) Backup. **Ans: b.** Data source (jaise Excel list) + template = har vyakti ke naam ka alag document. (ch18)

N99. PowerPoint me slide show shuru karne ki common shortcut? (a) F5 (b) Ctrl+P (c) Alt+Tab (d) F1. **Ans: a.** F5 se show shuru, Esc se band. (ch18)

N100. Ransomware kya karta hai? (a) Speed badhata hai (b) Files encrypt karke paise maangta hai (c) Backup banata hai (d) Anti-virus hai. **Ans: b.** Isse bachne ke do niyam: regular offline backup aur unknown attachments na kholna. Audit me iska risk IT controls me aata hai. (ch18)

N101. Two-tier aur three-tier client-server me fark? (a) Koi nahi (b) Three-tier me beech me application server layer aati hai (c) Two-tier me server nahi (d) Dono same. **Ans: b.** Two-tier: client seedha database se. Three-tier: client -> application server -> database, zyada scalable aur secure. (ch18)

N102. Digital signature aur digital certificate ka sambandh? (a) Dono same (b) Certificate public key ki ownership pramaanit karta hai (CA dwara), signature usi key pair se banta hai (c) Certificate photo hai (d) Koi sambandh nahi. **Ans: b.** IT Act 2000 me Certifying Authorities digital certificates jaari karti hain jin par digital signature ka bharosa tika hai. (ch18)

N103. Data aur information me fark? (a) Koi nahi (b) Data raw facts, information processed/meaningful roop (c) Information raw hai (d) Data hamesha digital. **Ans: b.** 100, 200, 300 raw data hai; "sales 50% badhi" information. Audit me dono ka evidence ke roop me role hai. (ch18)

N104. Audit ke liye CAAT ka matlab? (a) Computer Assisted Audit Techniques (b) Central Audit and Tax (c) Computer Aided Accounting Training (d) None. **Ans: a.** CAAT (jaise IDEA, ACL, Excel analytics) se auditor poore data ko test kar sakta hai, sirf sample ko nahi. (ch18)

N105. Data analytics me "Benford's Law" kis kaam aata hai? (a) Speed (b) Fraud ke liye numbers ke unnatural patterns pakadne me (c) Printing (d) Tax rate. **Ans: b.** Asli numbers me pehle digit ka distribution ek pattern follow karta hai; banaye gaye numbers aksar us pattern se hatke hote hain. Forensic analytics ka classic tool. (ch17, ch18)

Topic 8: UP GK (N106-N120)

N106. UP ka sabse bada jila (kshetra me)? (a) Lakhimpur Kheri (b) Agra (c) Varanasi (d) Gorakhpur. **Ans: a.** Area ke hisaab se Lakhimpur Kheri sabse bada hai. (—; verify latest)

N107. UP me kitne mandal (divisions) hain (key wala count)? (a) 18 (b) 75 (c) 21 (d) 17. **Ans: a.** 18 divisions aur 75 districts — dono numbers ek saath yaad rakho. (—; verify latest)

N108. Dudhwa National Park kis jile me hai? (a) Lakhimpur Kheri (b) Pilibhit (c) Bahraich (d) Barabanki. **Ans: a.** Dudhwa Lakhimpur Kheri me hai; Pilibhit ka apna tiger reserve alag hai. (—)

N109. UP ki sabse lambi gufa/pathar chitr wali sthal kahan mashhoor hai? (a) Sonbhadra (b) Agra (c) Noida (d) Etawah. **Ans: a.** Sonbhadra aur aas-paas ke Kaimur kshetra ki cave paintings (rock art) ke liye jana jaata hai; saath hi Obra/Rihand power hub bhi yahin hai. (—)

N110. "Purvanchal" kaun sa kshetra hai? (a) Poorvi UP (Varanasi, Gorakhpur aadi) (b) Paschimi UP (c) Madhya UP (d) Bundelkhand. **Ans: a.** UP ke cultural kshetra: Purvanchal (poorv), Madhyanchal/Awadh (beech), Paschimanchal (pachhim), Bundelkhand (dakshin). (—)

N111. UP me Ganga ki sabse badi sahayak nadi kaun si hai (UP ke andar)? (a) Yamuna (b) Ghaghara (c) Betwa (d) Ken. **Ans: b.** Ghaghara (Karnali) discharge (paani ki matra) me Ganga ki sabse badi sahayak nadi hai aur UP me bahti hai; Yamuna lambai aur basin me badi hai par Prayagraj par hi milti hai. Exam me "discharge" ya "UP ke andar" likha ho to Ghaghara, "lambai" likha ho to Yamuna. (—)

N112. UP ka pehla GIS/GPS based census of cattle kis vibhag se juda tha? (a) Pashudhan vibhag (b) Shiksha (c) PWD (d) IT. **Ans: a.** Aise current-affairs sawaal Arthik Samiksha aur latest survey se aate hain; exam se pehle update zaroor karo. (—; time-bound)

N113. 2019 ka Ardh Kumbh kis shahar me hua? (a) Prayagraj (b) Haridwar (c) Nashik (d) Ujjain. **Ans: a.** 2019 ka Ardh Kumbh Prayagraj me tha (2025 ka Maha Kumbh bhi wahin). Prayagraj, Haridwar, Nashik, Ujjain chaar Kumbh sthal hain. (—)

N114. UP ki mukhya fasal (area me sabse zyada)? (a) Gehu (b) Dhaan (c) Ganna (d) Jowar. **Ans: a.** Area aur production dono me gehu aage hai; ganne me UP desh me pehle number par hai. (—)

N115. UP Expressway me sabse lamba (operational) kaun sa hai (key trend)? (a) Ganga Expressway (b) Purvanchal Expressway (c) Yamuna Expressway (d) Agra-Lucknow. **Ans: a.** Ganga Expressway (Meerut-Prayagraj, 594 km) ka 29 April 2026

ko udghatan hua aur ye UP ka sabse lamba expressway hai; Purvanchal (~341 km) ab doosre number par hai. Time-bound fact — exam ke mahine ka current affairs dekho. [src] (—; verify latest)

N116. UP ka state tree? (a) Neem (b) Ashoka (c) Mango (d) Banyan. **Ans: b.** UP ka rajya vriksha Ashoka hai. Rajya pakshi Sarus crane, pushp Palash, pashu Barasingha — ye chaaron ek saath yaad karo. (—; verify)

N117. Jhansi ki Rani ka janam naam kya tha? (a) Manikarnika (b) Ahilya (c) Jijabai (d) Razia. **Ans: a.** Manikarnika Tambe (Manu) — 1857 ki nayika, Varanasi me janmi. (—)

N118. "Ganga-Jamuni tehzeeb" kis shahar se sabse zyada jodi jaati hai? (a) Lucknow (b) Noida (c) Jhansi (d) Chitrakoot. **Ans: a.** Awadh ki ganga-jamuni sanskriti Lucknow ki pehchaan hai: nawabi, adab, kathak, kabab. (—)

N119. UP me panchayati raj ke kitne star hain? (a) 2 (b) 3 (c) 4 (d) 1. **Ans: b.** Gram, kshetra (block), zila — teen star. 73va constitutional amendment isi ka aadhar hai. (—)

N120. UP ki Arthik Samiksha (Economic Survey) kaun jaari karta hai? (a) RBI (b) UP sarkar ka finance/planning vibhag (c) CAG (d) NITI Aayog. **Ans: b.** Har saal budget se pehle state apni Economic Survey jaari karti hai; UP GK ke current figures yahin se aate hain. (—)



Exam trap (saare N-sets par)
Jo option "sabse zyada logical" lagta hai wahi trap hota hai. N111 jaisa sawaal: "sabse badi sahayak nadi" me Yamuna aur Ghaghara dono options honge, aur sawaal ke andar chhupa shabd ("UP ke andar") faisla karega. Sawaal ko aakhri shabd tak padhna auditor ki verification jaisa hai.

19.15 Chhe full mock tests (50 Qs each, answer keys ke saath)

Niyam (har mock ke liye same): 50 questions, 50 marks, time 60 minute (asli exam 100 Q / 120 min ka aadha pressure practice). Har galat par -0.25 maan kar apna score nikaalo: Score = sahi - (0.25 x galat). Pehle poora mock do, phir key kholo. 35+ ka score achha, 40+ bahut achha.

Mock Test 1

1. Audit report me "true and fair view" ka matlab? (a) 100% error-free guarantee (b) Framework ke hisaab se fair presentation (c) Tax free (d) Profit guarantee
2. Pehle auditor (first auditors) ko company me kaun appoint karta hai? (a) Shareholders (b) Board of Directors (c) CAG (d) ROC
3. Audit evidence me external confirmation kis SA se judi hai? (a) SA 505 (b) SA 230 (c) SA 700 (d) SA 240
4. Audit me "assertion" ka matlab? (a) Auditor ka opinion (b) Management ki representation jise auditor test karta hai (c) Tax claim (d) Court order
5. Internal control ka ek component? (a) Control environment (b) Dividend (c) Sales budget (d) Share capital
6. Surprise cash count kis liye? (a) Time pass (b) Cash ki existence aur teeming-lading pakadne ke liye (c) Tax ke liye (d) Bonus ke liye
7. Qualified aur adverse opinion me fark? (a) Koi nahi (b) Adverse me misstatement material + pervasive hota hai (c) Qualified me evidence nahi (d) Dono same
8. Audit working papers ka maalik? (a) Client (b) Auditor (c) ROC (d) Bank
9. Debit note kab issue hota hai? (a) Sales return par (b) Purchase return par (c) Cash sale par (d) Capital par

10. Journal me narration kyun likhte hain? (a) Sajawat (b) Entry ka kaaran samjhane ke liye (c) Kanooni majboori nahi (d) Tax ke liye
11. Cash book ka balance hamesha hota hai? (a) Credit (b) Debit (agar overdraft na ho) (c) Zero (d) Koi nahi
12. Contra entry kahan hoti hai? (a) Sales book (b) Cash book ke dono taraf (cash-bank transaction) (c) Purchase book (d) Ledger nahi
13. Closing stock Trial balance ke andar ho to Balance sheet me kahan jayega? (a) Sirf assets (b) Assets me hi (trading me nahi, kyunki adjust ho chuka) (c) Liabilities (d) Kahin nahi
14. 2,000 ki bad debt provision 10% par naye debtors 30,000. Naya provision? (a) 3,000 (b) 2,000 (c) 3,200 (d) 1,000
15. Capital 5,00,000, liabilities 3,00,000. Assets? (a) 8,00,000 (b) 2,00,000 (c) 5,00,000 (d) 3,00,000
16. Goods destroyed by fire (uninsured) kis account me? (a) Trading me credit, loss P&L me (b) Capital (c) Sales (d) Drawings
17. Outstanding expense Trial balance me kis taraf? (a) Debit (b) Credit (c) Koi nahi (d) Dono
18. Kaun sa error suspense account se rectified nahi hota? (a) One-sided error (b) Two-sided complete omission (c) Wrong amount ek taraf (d) Extra posting ek taraf
19. Maximum stock level ka formula me minimum consumption x minimum lead time ka role? (a) Ghataya jaata hai re-order level se (b) Joda jaata hai (c) Koi role nahi (d) Multiply
20. Tender me "technical bid" aur "financial bid" alag rakhne ka fayda? (a) Koi nahi (b) Pehle quality judge hoti hai, price se prabhavit hue bina (c) Sasta milta hai hamesha (d) Tax bachta hai
21. GFR me kaun sa principle kehta hai ki sarkari paise se utna hi kharch ho jitna zaroori? (a) Economy principle (b) Luxury principle (c) Speed principle (d) None
22. Hire purchase me hirer ke books me interest kab likha jaata hai? (a) Sirf aakhri saal (b) Har period me baaki principal ke hisaab se (c) Kabhi nahi (d) Pehle din poora
23. Departmental accounts me advertisement ka allocation aam taur par? (a) Area (b) Sales (c) Assets (d) Time
24. Insolvency me secured creditor ka haq? (a) Sabse aakhir me (b) Apne security ke proceeds me pehle (c) Kabhi nahi (d) Sirf wages ke baad
25. Royalty agreement me minimum rent ka uddeshya? (a) Lessee ko nuksan (b) Landlord ko kam se kam pakki aamdani (c) Tax (d) Bonus

26. Branch accounts me goods sent at cost ho to closing stock adjust karna zaroori? (a) Haan, sirf quantity (b) Haan, value sahi lane ke liye (c) Nahi (d) Kabhi nahi
27. GST me exempt aur zero-rated supply me fark? (a) Koi nahi (b) Zero-rated (exports) par ITC/refund milta hai, exempt par nahi (c) Dono par ITC (d) Exports exempt hain
28. Income tax me belated return par kya ho sakta hai? (a) Kuch nahi (b) Late fee aur interest (c) Reward (d) Exemption badh jaati hai
29. GST ka dual model matlab? (a) Do baar tax (b) Centre aur state dono ka tax ek hi supply par (CGST+SGST) (c) Do GSTIN (d) Do returns hamesha
30. TDS certificate deductee ko kaun deta hai? (a) Deductor (b) RBI (c) CAG (d) Bank hamesha
31. Compound interest Rs 5,000 par 10% p.a., 2 saal? (a) 1,000 (b) 1,050 (c) 1,100 (d) 500
32. Ratio 3:4 ka fourth proportional 24 ke saath (3:4 = 24:x)? (a) 32 (b) 18 (c) 28 (d) 36
33. GUI ka full form? (a) Graphical User Interface (b) General User Internet (c) Global Utility Index (d) Graph Utility Interface
34. Kaun sa input device hai? (a) Monitor (b) Scanner (c) Printer (d) Speaker
35. Operating system ka example? (a) Linux (b) Oracle (c) MS Word (d) Tally
36. Backup ka 3-2-1 rule? (a) 3 copies, 2 media, 1 offsite (b) 3 password (c) 2 computer (d) 1 file
37. CPU ki speed kin me maapi jaati hai? (a) GHz (b) GB (c) DPI (d) Mbps
38. Spam ka matlab? (a) Anchahe bulk messages (b) Fast mail (c) Secure mail (d) Virus file only
39. Sarnath kis nadi ke paas hai? (a) Ganga (Varanasi ke paas) (b) Yamuna (c) Gomti (d) Betwa
40. UP me IIM kahan hai? (a) Lucknow (b) Kanpur (c) Agra (d) Jhansi
41. UP ka sabse bada saahar jansankhya me? (a) Lucknow (b) Kanpur (c) Varanasi (d) Agra
42. "Sangam" me kaun si teen nadiyan maani jaati hain? (a) Ganga, Yamuna, Saraswati (b) Ganga, Gomti, Yamuna (c) Ganga, Kosi, Yamuna (d) Ganga, Chambal, Betwa
43. UP Vidhan Sabha ka pehla sitting city? (a) Lucknow (b) Prayagraj (c) Agra (d) Kanpur
44. Rani Lakshmibai ka sambandh kis battle/centre se? (a) Jhansi (b) Meerut (c) Delhi (d) Bareilly
45. UP me "Mandala" system kis sthar ka prashasan hai? (a) Zila aur sambhag ke beech ka (b) Gaon (c) Ward (d) Tehsil hi

46. RTGS ka sabse bada fayda? (a) Turant, final, bade transfers (b) Free hamesha (c) Chhote amounts (d) International only
47. Digital India ka kendra kya hai? (a) Sirf mobile (b) Services ka digital delivery (c) Sirf email (d) Sirf gaming
48. Audit me "cut-off" kis assertion se juda hai? (a) Sahi period me recording (b) Valuation (c) Rights (d) Presentation only
49. Vouching ke dauran invoice par kya dekhte hain? (a) Sirf amount (b) Date, party, amount, authorisation, goods ka description (c) Sirf signature (d) Kuch nahi
50. Working capital ka matlab? (a) CA - CL (b) FA - CA (c) Capital + profit (d) Cash only

Answer key Mock 1: 1-b 2-b 3-a 4-b 5-a 6-b 7-b 8-b 9-b 10-b 11-b 12-b 13-b 14-a 15-a 16-a 17-b 18-b 19-a 20-b 21-a 22-b 23-b 24-b 25-b 26-b 27-b 28-b 29-b 30-a 31-b 32-a 33-a 34-b 35-a 36-a 37-a 38-a 39-a 40-a 41-b 42-a 43-a 44-a 45-a 46-a 47-b 48-a 49-b 50-a

Score guide: 45-50: exam ready. 38-44: chhinne wale topics ke chapters dohrao. 30-37: pehle 19.12 ki PYQ tables phir se. 30 se kam: ruko mat, par aaj se roz 2 chapter + 1 set.

Mock Test 2

1. Statutory audit ka aadhar? (a) Bank (b) Kanoon (c) Staff (d) Management ki marzi
2. Auditor ki independence sabse zyada kis se khatre me? (a) Office size (b) Staff (c) Fees ka ek hi client se zyada aana (d) Travel
3. Internal check system ka lakshya? (a) Discount (b) Speed (c) Kaam ka aisa vibhajan ki koi ek vyakti poori transaction na sambhale (d) Tax
4. Test checking ka sahi use kab? (a) Sirf fraud me (b) Kabhi nahi (c) Controls strong hon aur volume zyada ho (d) Hamesha 100%
5. Audit me "materiality" kis par nirbhar? (a) Size aur nature dono (b) Sirf size (c) Sirf nature (d) Auditor ke mood
6. Fraud rokna primary zimmedari kiski? (a) Bank (b) Management/those charged with governance (c) CAG (d) Auditor
7. Emphasis of Matter paragraph opinion ko? (a) Modify nahi karta (b) Disclaimer hai (c) Modify karta hai (d) Report radd karta hai
8. Company auditor ko hatane (remove) ka process kis section me? (a) 141 (b) 140 (c) 148 (d) 139

9. Balance sheet me "contingent liabilities" dikhati hain? (a) P&L me (b) Kahin nahi (c) Notes to accounts me (d) Assets me
10. Drawings account ka closing transfer? (a) Trading (b) P&L (c) Capital account me (d) Suspense
11. Bank overdraft balance sheet me? (a) Current liability (b) Reserve (c) Capital (d) Asset
12. Cash 4,000, bank 6,000, stock 10,000, creditors 8,000. Working capital? (a) 8,000 (b) 12,000 (c) 28,000 (d) 20,000
13. Depreciation na lagane se kya hoga? (a) Koi asar nahi (b) Liability badhegi (c) Profit kam (d) Profit zyada aur asset overvalue
14. Purchase day book ka source document? (a) Receipt (b) Supplier invoice (c) GRN only (d) Payslip
15. Suspense account ka balance aakhir me? (a) Hamesha rehta hai (b) Capital me hamesha (c) P&L me hamesha (d) Rectification ke baad zero hona chahiye
16. Accrued commission (milna baaki) balance sheet me? (a) Asset (b) Reserve (c) Liability (d) Income nahi
17. Trial balance ka purpose? (a) Tax (b) Profit pakka karna (c) Fraud pakadna (d) Arithmetical accuracy ki prathamik jaanch
18. Error of principle pakdi jaati hai TB se? (a) Kabhi kabhi haan (b) Haan (c) Hamesha (d) Nahi
19. Store me "lead time" ka matlab? (a) Order se delivery tak ka samay (b) Shelf life (c) Payment time (d) Audit time
20. Purchase order kis ko jaata hai? (a) Customer ko (b) Auditor ko (c) Supplier ko (d) Storekeeper ko
21. Govt me "vote on account" kab? (a) Sirf deficit me (b) Jab poora budget pass hone me samay lage aur interim kharch chahiye (c) Kabhi nahi (d) Har roz
22. HP agreement me "option to purchase" ka matlab? (a) Kabhi bhi cancel (b) Aakhri kist ke baad maalik banne ka adhikaar (c) Bechne ka adhikaar turant (d) Rent hi
23. Branch debtors system me branch account kis tarah ka account hai? (a) Contra (b) Nominal (c) Personal type (branch ka hisaab) (d) Real only
24. Insolvent ke liye "adjudication order" kaun deta hai? (a) Bank (b) Court (c) Auditor (d) Police
25. Fire insurance me salvage ka matlab? (a) Claim form (b) Bache hue maal ki value (c) Premium (d) Policy
26. Departmental trading account banane ka pehla kadam? (a) Direct income/expense department-wise chhaantna (b) Loan (c) Audit (d) Tax bharna
27. GST me ITC ka time limit jaisa provision kis section parivar me hai? (a) s.16 (b) s.25 (c) s.2 (d) s.122

28. Form 26AS kya dikhata hai? (a) TDS/TCS aur tax credits (b) ITR form (c) Bank balance (d) Salary slip
29. Advance tax kab dena hota hai? (a) Kabhi nahi (b) Sirf companies (c) Jab tax liability threshold se upar ho, saal ke dauran kiston me (d) Sirf saal ke baad
30. Income tax me previous year aur assessment year ka fark? (a) PY me income hoti hai, AY me assess (b) Dono same (c) AY pehle (d) Koi fark nahi
31. 15% p.a. SI par 2 saal me interest 600. Principal? (a) 4,000 (b) 3,000 (c) 5,000 (d) 2,000
32. A ka B se 20% zyada. B = 500. A? (a) 550 (b) 400 (c) 600 (d) 520
33. MICR cheque me kahan hota hai? (a) Neeche ki band me (b) Peeche (c) Beech me (d) Upar
34. Kaun sa output device hai? (a) Plotter (b) Mouse (c) Scanner (d) Keyboard
35. HTML ka use? (a) Database (b) OS (c) Network (d) Web page structure
36. Phishing email pakadne ka ek lakshan? (a) Acchi grammar (b) Known sender (c) Kuch nahi (d) Urgency + suspicious link/attachment
37. 1 GB = ? (a) 1024 MB (b) 1000 KB (c) 100 MB (d) 10 MB
38. Volatile memory ka example? (a) SSD (b) ROM (c) RAM (d) DVD
39. UP ka high court bench kahan hai? (a) Agra (b) Kanpur (c) Meerut (d) Lucknow
40. Taj Mahotsav kis shahar me? (a) Mathura (b) Lucknow (c) Varanasi (d) Agra
41. UP me IIT kahan-kahan hain (key trend)? (a) Kanpur aur BHU-Varanasi (b) Jhansi (c) Agra (d) Sirf Lucknow
42. Kathak ka gharana kis shahar se juda? (a) Patna (b) Gaya (c) Surat (d) Lucknow gharana
43. UP ki rajbhasha? (a) Awadhi (b) Hindi (c) Bhojpuri (d) Urdu
44. 1857 me Bareilly me kaun? (a) Nana Sahib (b) Tantia Tope (c) Khan Bahadur Khan (d) Mangal Pandey
45. Diye gaye options me UP ka sabse chhota jila (area, key trend; asli sabse chhota jila Hapur hai)? (a) Lucknow (b) Sant Ravidas Nagar (Bhadohi) (c) Ghaziabad (d) Varanasi
46. IMPS ki maximum limit aam taur par (trend)? (a) 10,000 (b) 50,000 (c) Limitless (d) 5 lakh tak (verify latest)
47. Cyber security me "patch" ka matlab? (a) Wire (b) Password (c) Software ki vulnerability theek karne ka update (d) Backup
48. Debtors ko verify karne ka sabse strong tareeka? (a) Sirf ledger (b) Direct balance confirmation (c) Verbal (d) Guess
49. Audit me "walkthrough test" kya hai? (a) Interview (b) Office ki sair (c) Ek transaction ko process ke shuru se end tak trace karna (d) Stock count
50. Contingent asset disclose hota hai? (a) P&L me (b) Hamesha (c) Sirf notes me hamesha (d) Nahi, jab tak virtually certain na ho

Answer key Mock 2: 1-b 2-c 3-c 4-c 5-a 6-b 7-a 8-b 9-c 10-c 11-a 12-b 13-d 14-b 15-d 16-a 17-d 18-d 19-a 20-c 21-b 22-b 23-c 24-b 25-b 26-a 27-a 28-a 29-c 30-a 31-d 32-c 33-a 34-a 35-d 36-d 37-a 38-c 39-d 40-d 41-a 42-d 43-b 44-c 45-b 46-d 47-c 48-b 49-c 50-d

Mock Test 3

1. Continuous audit sabse upyukt kis ke liye? (a) Chhote firm (b) Sirf banks nahi (c) Sirf NPO (d) Bade organisation jahan transactions bahut zyada hon
2. Audit programme banane se pehle auditor ko kya samajhna chahiye? (a) Sirf staff (b) Kuch nahi (c) Sirf fees (d) Client ka business, controls aur risk areas
3. Vouching ka prathamik object? (a) Valuation only (b) Tax (c) Speed (d) Transactions ki authenticity aur authority
4. Kaun sa substantive procedure hai? (a) Interview (b) Organisation chart (c) Debtors se confirmation (d) Sirf control walkthrough
5. Audited financial statements ki antim zimmedari kiski? (a) CA firm (b) Auditor (c) Management (d) ROC
6. Joint audit kab hota hai? (a) Do alag years (b) Do ya zyada auditors milkar ek hi assignment (c) Kabhi nahi (d) Sirf govt
7. CARO report kis ke saath attach hoti hai? (a) Auditor's report ke saath (b) Balance sheet alag (c) Tax return (d) Director report nahi
8. "True and fair" ka koi exact kanooni definition hai? (a) Sirf court (b) Sirf ICAI (c) Nahi, concept standards aur practice se banta hai (d) Haan, ek line
9. Purchases 50,000, returns 5,000, opening stock 8,000, closing 6,000. COGS? (a) 43,000 (b) 51,000 (c) 45,000 (d) 47,000
10. Prepaid rent 1,200 Trial balance me kis taraf? (a) Credit (b) Debit (c) Nahi aata (d) Dono
11. Sales return 3,000 ko galti se purchase return book me likh diya. Ye kaun si error? (a) Omission (b) Commission (galat book/account) (c) Compensating (d) Principle
12. Cash discount allowed 500 ka asar? (a) Profit badhe (b) Profit kam (c) Asset badhe (d) Koi nahi
13. Trial balance me "Returns inward" ka balance? (a) Zero (b) Debit (c) Koi nahi (d) Credit
14. Machinery ka sale 80,000, WDV 65,000. Ye kahan dikhega? (a) Profit on sale P&L me (b) Capital me seedha (c) Trading me (d) Kahin nahi
15. Interest on capital ka journal entry? (a) Koi entry nahi (b) Dr Cash Cr Capital (c) Dr P&L nahi pehle Dr Interest, Cr Capital (d) Dr Capital Cr Cash

16. Closing entries ke baad kaun se accounts khule rehte hain? (a) Real aur personal (b) Nominal (c) Sirf cash (d) Sab band
17. 9 se divisible difference ka matlab? (a) Koi sanket nahi (b) Transposition/slide error ka sanket (c) Fraud pakka (d) Rounding
18. Fixed assets revalue karne par increase kahan jaata hai? (a) Sales (b) Revaluation reserve (c) Capital seedha hamesha (d) P&L hamesha
19. Material requisition slip par kaun sign karta hai? (a) Auditor (b) Department head (authorisation) (c) Customer (d) Bank
20. Goods received note ka ek copy kisko? (a) Sirf supplier (b) Sirf godown (c) Accounts department ko bill match ke liye (d) Kisi ko nahi
21. Govt accounting me "contingency fund" kiske adhin hota hai? (a) President/Governor ke discretion par urgent kharch (b) CAG (c) PAC (d) RBI
22. Hire purchase me vendor ki books me "H.P. sales" kab record hoti hai? (a) Kabhi nahi (b) Aadhi (c) Delivery/agreement par (d) Aakhri kist par
23. Minimum rent 20,000, royalty 25,000. Short workings? (a) Zero (5,000 surplus) (b) 45,000 (c) 5,000 (d) 20,000
24. Insolvency me "deficiency account" kya batata hai? (a) Salary (b) Tax (c) Profit (d) Creditors ko kitna kam milega
25. Consignment stock balance sheet me kiski? (a) Consignor ki (b) Consignee ki (c) Dono ki (d) Kisi ki nahi
26. Departmental results bigaadne wala common expense allocation ho to kya karein? (a) Ignore (b) Sab ek department me (c) Fair basis chuno aur disclose karo (d) Band karo
27. GST me credit note kab issue hoti hai? (a) Kabhi nahi (b) Taxable value/tax zyada charge hone ya goods return par (c) Sirf cash sale (d) Sirf export
28. GST me annual return ka form (regular taxpayer)? (a) GSTR-3B (b) GSTR-1 (c) GSTR-2A (d) GSTR-9
29. Income tax me "belated return" ka matlab? (a) Revised return hi (b) Due date ke baad par time ke andar file ki return (c) Advance return (d) Kabhi nahi
30. Section 80D kis ka deduction? (a) Education loan (b) Donation (c) Health insurance premium (d) HRA
31. 20% loss par becha, SP 4,800. CP? (a) 5,760 (b) 5,000 (c) 4,000 (d) 6,000
32. Train 60 km/h se 3 ghante me doori? (a) 180 km (b) 20 km (c) 200 km (d) 63 km
33. Cache clear karne ka ek kaaran? (a) Virus banana (b) Data delete sab (c) Purane/galat stored data se bachne (d) Speed kam
34. Kaun sa programming language high-level hai? (a) Assembly ka binary (b) Binary (c) Python (d) Machine code

35. Firewall kabire me? (a) Traffic filter karta hai rules se (b) Speed badhata (c) Files delete (d) Printer hai
36. Spreadsheet me cell ka address kaisa hota hai? (a) Sirf letter (b) Color (c) Sirf number (d) Column letter + row number
37. Kaunsa ek search engine NAHI hai? (a) HTTP (b) DuckDuckGo (c) Google (d) Bing
38. Cloud storage ka ek fayda? (a) Kahin se bhi access + offsite backup (b) Internet na chahiye (c) Bilkul free hamesha (d) Security guaranteed
39. Chunar ka kila kis jile me? (a) Jhansi (b) Agra (c) Mirzapur (d) Banda
40. UP me kis shahar ko "Manchester of the East" kaha gaya? (a) Kanpur (b) Bareilly (c) Meerut (d) Agra
41. UP ki do pramukh classical dance paramparayein? (a) Odissi (b) Bharatnatyam (c) Bihu (d) Kathak (Lucknow) aur Nautanki (folk)
42. Kushinagar kis liye prasiddh? (a) Lake (b) Taj (c) Fort (d) Buddha ki mahaparinirvana sthali
43. UP ka pashudhan (livestock) ke liye prasiddh breed? (a) Gir (b) Ongole (c) Murrah (nearby region) / Gangatiri (UP) (d) Sahiwal only
44. UP ke kis shahar me "Begum" ka naam juda 1857 me? (a) Agra (b) Kanpur (c) Jhansi (d) Lucknow (Hazrat Mahal)
45. UP me Ramgarh Taal kahan hai? (a) Etawah (b) Gorakhpur (c) Banda (d) Agra
46. NEFT ka settlement ab? (a) Sirf din me (b) Band (c) 24x7 half-hourly batches (d) Weekly
47. Digital locker (DigiLocker) kis ka hissa? (a) Bank locker (b) Tax portal (c) Gaming (d) Digital India initiative
48. Inventory verification me auditor kya kare? (a) Physical count attend karke test counts kare (b) Sirf photo (c) Kuch na kare (d) Sirf management par bharosa
49. Related party transactions ka disclosure kyun zaroori? (a) Sirf listed me hi kabhi nahi (b) Conflict of interest aur pricing ki transparency (c) Sirf tax (d) Zaroori nahi
50. Audit me "subsequent events" kis date tak dekhe jaate hain? (a) 10 saal (b) Audit report date tak (jo report date ke pehle known hon) (c) Kabhi nahi (d) Sirf AGM

Answer key Mock 3: 1-d 2-d 3-d 4-c 5-c 6-b 7-a 8-c 9-d 10-b 11-b 12-b 13-b 14-a 15-c 16-a 17-b 18-b 19-b 20-c 21-a 22-c 23-a 24-d 25-a 26-c 27-b 28-d 29-b 30-c 31-d 32-a 33-c 34-c 35-a 36-d 37-a 38-a 39-c 40-a 41-d 42-d 43-c 44-d 45-b 46-c 47-d 48-a 49-b 50-b

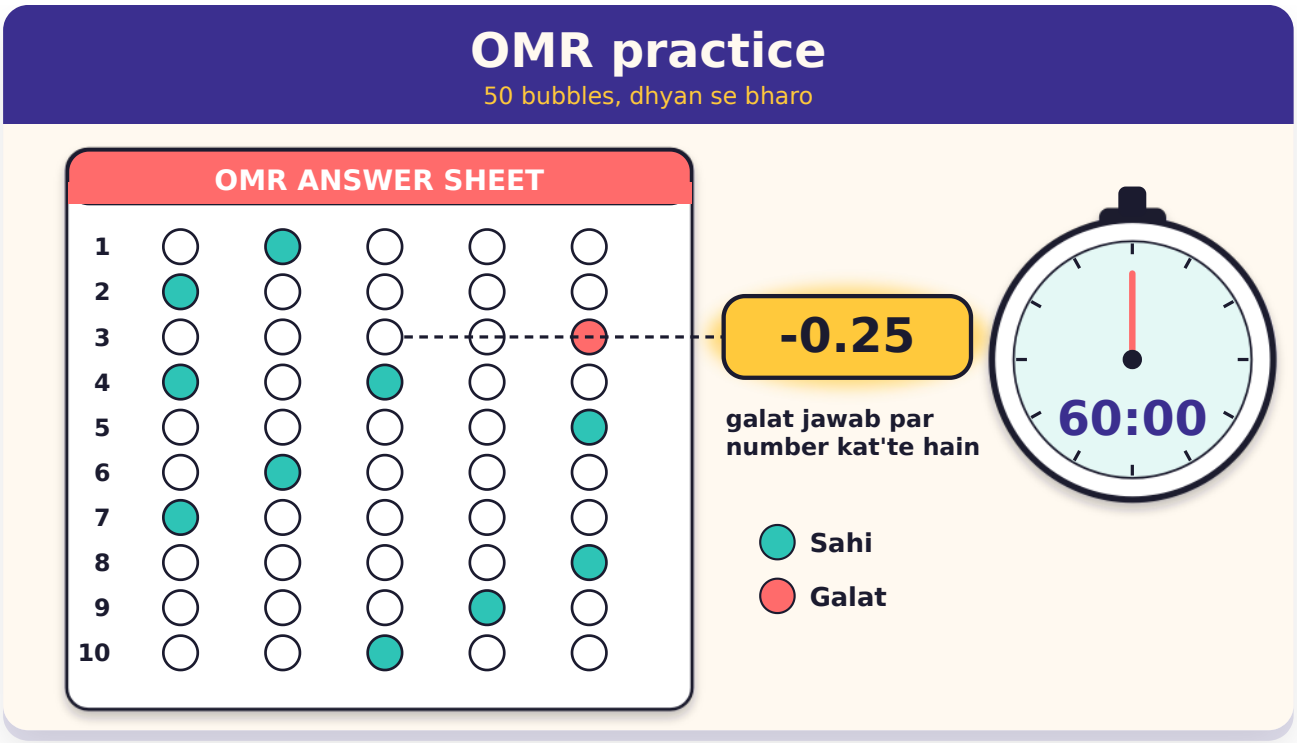
Mock Test 4

1. Audit of accounts ka sabse bada fayda stakeholder ko? (a) Loan pakka (b) Guaranteed profit (c) Reliance/credibility badhti hai (d) Tax mukti
2. "Auditor ki liability for negligence" kab uthti hai? (a) Sirf fraud me (b) Kabhi nahi (c) Jab duty of care ka breach aur usse nuksan ho (d) Hamesha
3. Kaun sa document auditor ko management se milna chahiye audit ke end me? (a) Tax notice (b) PAN (c) Management representation letter (d) Resignation
4. Sampling risk ka matlab? (a) Tax (b) Fraud hi (c) Speed (d) Sample se nikla nishkarsh population se alag ho sakta hai
5. Internal audit report kis ko jaati hai? (a) Sirf govt (b) Sirf shareholders (c) Management/board ko (d) Media
6. Statutory auditor ke removal me kis ki approval chahiye (general)? (a) Shareholders (special resolution process + prescribed approval) (b) Koi nahi (c) Sirf auditor (d) Sirf peon
7. Audit me "professional judgment" kahan use hota hai? (a) Sirf travel (b) Sirf fees (c) Materiality, risk, evidence ki sufficiency me (d) Kabhi nahi
8. Negative (liability) wala opinion kaun sa? (a) Adverse (b) Emphasis (c) Unmodified (d) Clean
9. Sales 3,00,000, GP ratio 30%. COGS? (a) 2,10,000 (b) 90,000 (c) 1,00,000 (d) 3,30,000
10. Capital 1,50,000, net profit 40,000, drawings 25,000. Closing capital? (a) 1,65,000 (b) 1,90,000 (c) 2,15,000 (d) 1,15,000
11. Wages 20,000 galti se machinery me debit. Ye hai? (a) Omission (b) Error of principle (c) Posting error (d) Compensating
12. Debit balance wala expense account? (a) Capital (b) Salary (c) Sales (d) Creditors
13. Bank statement me "unpresented cheque" ka matlab? (a) Cancel (b) Bounce (c) Stale hi (d) Issue hua par bank me abhi tak pay nahi hua
14. Bad debt recovered kahan likha jaata hai? (a) Capital (b) P&L me income ke roop me (c) Trading (d) Asset
15. Consignment me consignee ki entry goods milne par? (a) Capital (b) Purchase debit (c) Sales credit (d) Koi entry nahi uski books me (sirf memo)
16. Provision for doubtful debts badhane ka asar? (a) Profit kam (b) Profit badhe (c) Koi nahi (d) Asset badhe
17. Interest on drawings ka entry? (a) Dr P&L Cr Cash (b) Dr Capital/Drawings, Cr Interest on drawings (c) Dr Cash Cr Capital (d) Koi nahi

18. Cash book ke bank column ka credit balance dikhata hai? (a) Capital (b) Zyada cash (c) Profit (d) Overdraft
19. Re-order level 500 units, lead time 2 weeks, weekly use 200. Safety stock? (a) 100 (b) 200 (c) 400 (d) 500
20. Tender evaluation me "L1" ka matlab? (a) Largest (b) Local (c) Lowest bidder (d) Last
21. Stores me ABC analysis ka matlab? (a) Random (b) Value ke hisaab se items ka vargikaran (A = high value) (c) Alphabetical (d) Tax
22. HP me "hirer" kaun hota hai? (a) Goods use karne wala jo kist deta hai (b) Bank (c) Auditor (d) Vendor
23. Branch accounts me "stock reserve" kyun banaya jaata hai? (a) Bonus (b) Tax (c) Invoice price me jude profit ko adjust karne ke liye (d) Salary
24. Royalty me "recoupment" ka time aam taur par? (a) Kabhi nahi (b) 100 saal (c) Agreement ke mutabik fixed ya floating period (d) Hamesha 1 din
25. Insolvency me garnishee order ka sambandh? (a) Tax refund (b) Bonus (c) Salary (d) Debtor ke debtor se direct wasooli
26. Fire claim me "average clause" ka formula? (a) Claim = Loss x (Policy amount / Actual value) (b) Claim = Loss x 2 (c) Claim = Zero (d) Claim = Premium
27. GST me e-invoicing kis liye? (a) Salary (b) Gaming (c) B2B invoices ka standardized electronic reporting (d) Sirf personal
28. Income tax me "gross total income" kya hai? (a) Sirf business (b) Sab heads ka total deductions se pehle (c) Tax ke baad (d) Sirf salary
29. Section 80E kis ka deduction? (a) Health (b) Rent (c) Donation (d) Higher education loan ka interest
30. Capital gains me indexation ka fayda (jahan applicable; 23 July 2024 se zyadatar assets par indexation hata diya gaya)? (a) Kuch nahi (b) Cost ko inflation ke hisaab se badha kar gain kam dikhana (c) Tax badhana (d) Exemption
31. 250 ka 12% = ? (a) 30 (b) 36 (c) 25 (d) 12
32. A 5 din me 1/3 kaam karta hai. Poora kaam kitne din me? (a) 15 (b) 3 (c) 8 (d) 5
33. Motherboard par "CMOS battery" ka kaam? (a) Speed (b) Internet (c) Sound (d) BIOS settings aur clock banae rakhna
34. Kaun sa web browser hai? (a) Oracle (b) Linux (c) Apache server (d) Firefox
35. Antivirus ka "quarantine" ka matlab? (a) Ignore (b) Rename (c) Delete hamesha (d) Infected file ko alag isolate karna
36. Excel me IF function kya karta hai? (a) Chart (b) Condition ke hisaab se value deta hai (c) Sum (d) Print
37. Kaun sa topology me ek central hub hota hai? (a) Bus (b) Ring (c) Star (d) Mesh

38. Email me CC ka matlab? (a) Close circuit (b) Cancel copy (c) Credit card (d) Carbon copy (baaki ko copy)
39. Prayagraj ka purana naam? (a) Kashi (b) Awadh (c) Allahabad (d) Ayodhya
40. UP me "Noida" kis jile me? (a) Meerut (b) Agra (c) Ghaziabad (d) Gautam Buddha Nagar
41. UP ke kis shahar me "Chikankari" mashhoor hai? (a) Jhansi (b) Banda (c) Lucknow (d) Agra
42. Mathura kis bhagwan ki janmabhoomi ke roop me prasiddh? (a) Ram (b) Krishna (c) Mahavir (d) Buddha
43. UP ka sabse bada river port (multi-modal terminal)? (a) Kanpur (b) Prayagraj (c) Agra (d) Varanasi
44. "Bhartendu" kis sahityik yug ka naam hai? (a) Hindi ka Bhartendu yug (Harishchandra) (b) Modern (c) British (d) Mughal
45. UP me Sur Sarovar (Keetham Lake) kahan? (a) Agra (b) Lucknow (c) Banda (d) Jhansi
46. UPI me "VPA" ka matlab? (a) None (b) Virtual Payment Address (c) Verified PAN (d) Very Personal Account
47. OTP share karne par kya khatra? (a) Speed (b) Kuch nahi (c) Account se paise chori ho sakte hain (d) Bonus
48. Bank reconciliation me bank charges jo pass book me hain par cash book me nahi, unka treatment? (a) Double (b) Cash book me deduct karke update (c) Ignore (d) Add
49. Audit me "analytical procedure" ka example? (a) Signature (b) GP ratio ka saal-dar-saal comparison (c) Sirf counting (d) Stamp
50. Management letter (letter of weakness) kis ko diya jaata hai? (a) Staff (b) Bank (c) Media (d) Management ko control weaknesses batane ke liye

Answer key Mock 4: 1-c 2-c 3-c 4-d 5-c 6-a 7-c 8-a 9-a 10-a 11-b 12-b 13-d 14-b 15-d 16-a 17-b 18-d 19-a 20-c 21-b 22-a 23-c 24-c 25-d 26-a 27-c 28-b 29-d 30-b 31-a 32-a 33-d 34-d 35-d 36-b 37-c 38-d 39-c 40-d 41-c 42-b 43-d 44-a 45-a 46-b 47-c 48-b 49-b 50-d



Mock Test 5

1. External audit aur internal audit me sabse bada fark? (a) Fees (b) Appoint karne wala aur report ka audience (c) Time (d) Language
2. Auditor ka "right of access" kis tak hai? (a) Sirf cash book (b) Sirf vouchers (c) Sab books, records aur information jo audit ke liye maange (d) Sirf balance sheet
3. Audit risk me detection risk kis ke haath me hai? (a) Management (b) Client (c) Auditor (procedures design karke) (d) Bank
4. Kaun sa test of control hai? (a) Purchase invoice par approval sign ka check (b) Debtors confirmation (c) Stock count (d) Ratio analysis
5. Group audit me principal auditor ki zimmedari? (a) Koi nahi (b) Sirf other auditors ki (c) Opinion ke liye wo zimmedar rehta hai (d) Sirf parent company ki
6. Auditor ka fraud report (prescribed limit ke upar) kis section ke tahat? (a) 143(12) (b) 139 (c) 141 (d) 177
7. Audit documentation ka kam se kam retention period (SA 230 ke tahat trend)? (a) 5 saal (b) 1 saal (c) 100 din (d) Koi nahi
8. Disclaimer opinion ka ek kaaran? (a) Thoda misstatement (b) Evidence na milna aur possible effect pervasive (c) Achhe accounts (d) Delay in AGM
9. Journal entry me pehle kya likhte hain? (a) Credit account (b) Debit account (c) Narration (d) Date nahi
10. Sales book ka total kahan jaata hai? (a) Purchases debit (b) Sales account credit (c) Cash debit (d) Capital credit

11. Prepaid insurance ko P&L me kitna dikhate hain? (a) Poora premium (b) Sirf is saal ka hissa (c) Kuch nahi (d) Double
12. Stock 40,000 ka 25% abnormal loss (insured 75%). Insurance claim? (a) 10,000 (b) 7,500 (c) 30,000 (d) 40,000
13. Kaun sa account balance sheet me NAHI jaata? (a) Salary paid (b) Capital (c) Machinery (d) Creditors
14. Trial balance me "bills receivable" ka balance? (a) Credit (b) Debit (c) Zero hamesha (d) Dono
15. Depreciation ka entry? (a) Dr Asset, Cr Depreciation (b) Dr Depreciation, Cr Asset (c) Dr Cash, Cr Asset (d) Koi nahi
16. Goods worth 2,000 donated. Entry? (a) Dr Donation, Cr Purchases (b) Dr Purchases, Cr Donation (c) Dr Cash, Cr Donation (d) Dr Sales, Cr Donation
17. Return outwards book ka source? (a) Credit note received (b) Debit note sent (c) Invoice (d) Receipt
18. Error: 5,400 ko 4,500 likhna. Difference? (a) 900 (b) 9,900 (c) 99 (d) 90
19. Purchase requisition aur purchase order ka kram? (a) PO pehle, PR baad (b) PR pehle, PO baad (c) Dono saath (d) Koi kram nahi
20. Open tender ka ek nuksan? (a) Time zyada lagta hai (b) Kabhi nahi (c) Sasta hamesha (d) Corruption pakka
21. Govt me "demand for grant" kahan vote hoti hai? (a) Rajya Sabha (b) Lok Sabha (c) Supreme Court (d) CAG
22. Hire purchase me aakhri kist me aam taur par kya shamil? (a) Sirf interest (b) Principal + interest + option fee (c) Kuch nahi (d) Penalty
23. Branch ko goods at selling price: branch adjustment account kis liye? (a) Loading/profit track karne ke liye (b) Salary (c) Tax (d) Rent
24. Short workings ka debit balance kya dikhata hai? (a) Landlord ka due (b) Lessee ka recoverable asset (c) Tax (d) Loss pakka
25. Insolvency me "fraudulent preference" ka matlab? (a) Ek creditor ko doosron se pehle chhupa kar khush karna (b) Bonus (c) Salary (d) Tax
26. Loss of profit policy me "standing charges" ka matlab? (a) Band business me bhi lagne wale fixed kharch (b) Sales (c) Stock (d) Debtors
27. GST me reverse charge ka example? (a) Recipient (receiver) tax deta hai specified cases me (b) Supplier hamesha (c) Govt (d) Bank
28. GSTIN ka pehla hissa kya batata hai? (a) State code (b) PAN only (c) Random (d) Year
29. Income tax me HUF ka matlab? (a) Hindu Undivided Family (b) High Unit Fund (c) Housing Union (d) None
30. Section 24(b) kis se juda (1961 Act)? (a) House property loan interest (b) Salary (c) Business (d) Capital gain

31. 450 ka 18% = ? (a) 81 (b) 71 (c) 91 (d) 45
32. Do numbers ka anupat 7:9, yog 64. Chhota number? (a) 28 (b) 36 (c) 32 (d) 24
33. Kaun sa storage device magnetic tape hai? (a) Tape drive (backup archives) (b) SSD (c) RAM (d) CPU
34. Email bhejne ke liye protocol? (a) SMTP (b) FTP (c) HTTP (d) Telnet
35. "Cookie" kya hai? (a) Website ka chhota stored data file (b) Virus hamesha (c) Cable (d) Printer
36. Word processor me mail merge ke liye data source ho sakta hai? (a) Excel sheet (b) Printer (c) Monitor (d) Speaker
37. Kaunsa binary number 5 hai? (a) 101 (b) 111 (c) 100 (d) 110
38. Backup lena kis audit control se juda hai? (a) IT general controls (b) Tax (c) Payroll (d) Sales
39. UP me "Triveni Sangam" kis nagri me? (a) Prayagraj (b) Varanasi (c) Ayodhya (d) Mathura
40. UP ke kis jile me glass industry (Firozabad)? (a) Firozabad (b) Agra (c) Aligarh (d) Moradabad
41. Moradabad kis cheez ke liye mashhoor? (a) Brassware (pital) (b) Locks (c) Carpets (d) Glass
42. UP ki pratham mahila chief minister? (a) Sucheta Kripalani (b) Mayawati (c) Indira Gandhi (d) Anandiben
43. "Doab" ka matlab? (a) Do nadiyon ke beech ki zameen (b) Pahad (c) Registan (d) Jungle
44. UP me kis shahar me "Dhamek Stupa" hai? (a) Sarnath (Varanasi) (b) Mathura (c) Ayodhya (d) Jhansi
45. UP ke kitne seats Rajya Sabha me hain (key wala)? (a) 31 (b) 80 (c) 75 (d) 29
46. Cheque bounce ka section (NI Act)? (a) 138 (b) 6 (c) 31 (d) 18
47. UPI PIN kabhi share karna chahiye? (a) Kabhi nahi (b) Bank ko phone par (c) Dost ko (d) Shopkeeper ko
48. Cash verification ka sahi samay? (a) Surprise, kabhi bhi (b) Sirf AGM (c) Sirf saal end par fixed (d) Kabhi nahi
49. Audit me "directional testing" ka matlab? (a) Overstatement ke liye ek disha se, understatement ke liye doosri disha se test (b) Compass se (c) Random (d) Tax
50. Opinion paragraph audit report me kahan aata hai? (a) Basis ke saath, report ke shuruat ke kareeb (revised format) (b) Aakhir me hamesha (c) Beech me (d) Notes me

Answer key Mock 5: 1-b 2-c 3-c 4-a 5-c 6-a 7-a 8-b 9-b 10-b 11-b 12-b 13-a 14-b 15-b 16-a 17-b 18-a 19-b 20-a 21-b 22-b 23-a 24-b 25-a 26-a 27-a 28-a 29-a 30-a 31-

a 32-a 33-a 34-a 35-a 36-a 37-a 38-a 39-a 40-a 41-a 42-a 43-a 44-a 45-a 46-a 47-a 48-a 49-a 50-a

Mock Test 6

1. Audit ke "inherent limitations" me kaun sa NAHI aata? (a) Management estimates (b) Fraud ki chhipne ki fitrat (c) Auditor ki poori galti pakadne ki guarantee (d) Sampling
2. Cost auditor kaun appoint karta hai? (a) CAG hamesha (b) Shareholders (c) ROC (d) Board of Directors
3. Secret reserve banane ka ek tareeka? (a) Sahi valuation (b) Disclosure (c) Assets ko jaan kar under-value karna (d) Audit
4. Audit committee me majority kis ki honi chahiye (listed companies, trend)? (a) Independent directors (b) Staff (c) Customers (d) Auditors
5. Kaun sa "compliance audit" ka example hai? (a) Rules/procedures follow hue ya nahi ki jaanch (b) Tax hi (c) Speed (d) Ratio
6. Auditor rotation ka uddeshya? (a) Delay (b) Independence aur fresh look (c) Confusion (d) Fees badhana
7. Audit evidence ki hierarchy me sabse kam reliable? (a) Oral internal (b) Original documents (c) Physical inspection (d) Written external
8. Engagement letter sign karne ka maqsad? (a) Scope aur responsibilities likhit me tay karna (b) Tax (c) Salary (d) Bonus
9. Capital expenditure ko revenue expense likh dene se? (a) Profit badhe (b) Asset zyada (c) Profit kam, asset undervalued (d) Koi asar nahi
10. Cash sales 10,000, credit sales 40,000, returns 5,000. Net sales? (a) 55,000 (b) 35,000 (c) 50,000 (d) 45,000
11. Drawings in cash 3,000. Entry? (a) Koi nahi (b) Dr Capital, Cr Sales (c) Dr Drawings, Cr Cash (d) Dr Cash, Cr Drawings
12. Trial balance me "discount allowed" ka balance? (a) Credit (b) Debit (c) Zero (d) Dono
13. Closing stock 20,000, cost of sales 1,00,000, opening 15,000. Purchases? (a) 85,000 (b) 1,05,000 (c) 1,15,000 (d) 95,000
14. Provision for bad debts 4% on debtors 75,000 = ? (a) 30,000 (b) 300 (c) 7,500 (d) 3,000
15. Balance sheet ka doosra naam? (a) Journal (b) Statement of financial position (c) Income statement (d) Cash book
16. Personal account me kaun aata hai? (a) Machinery (b) Ram (customer) (c) Sales (d) Salary

17. Nominal accounts kab band hote hain? (a) Saal ke end me closing entries se (b) Roz (c) Mahine me (d) Kabhi nahi
18. 100 - 13 = 87 ko 78 likhna. Ye hai? (a) Omission (b) Transposition error (c) Sahi (d) Principle
19. Stores me "buffer stock" kyun? (a) Audit (b) Demand/supply ke jhatkon se bachne ke liye (c) Sajawat (d) Tax
20. Single tender kab valid ho sakta hai? (a) Sirf import (b) Kabhi nahi (c) Hamesha (d) Emergency ya monopoly cases me, recorded reasons ke saath
21. PAC ki chairmanship kaun karta hai (convention)? (a) CAG (b) PM (c) Speaker (d) Opposition ka member
22. Hire purchase me depreciation kis asset par lagta hai (hirer ki books)? (a) Sirf interest par (b) Poori cash price par (c) Sirf kiston par (d) Kabhi nahi
23. Departmental accounts me "inter-departmental transfer" ka rate aam taur par? (a) Zero (b) Double selling (c) Cost ya cost plus margin (d) Random
24. Insolvency ke "provable debts" ka matlab? (a) Sirf wages (b) Sirf tax (c) Jo debts insolvency me claim ki ja sakti hain (d) Sirf secured
25. Royalty account me "minimum rent" debit kahan hota hai (lessee ki books, jab royalty kam ho)? (a) Drawings (b) Sales (c) Capital (d) Minimum rent account / landlord account
26. Consignment me "account sales" kya hai? (a) Consignee ka bheja hua bikri ka hisaab (b) Trial balance (c) Ledger (d) Invoice
27. GST me "mixed supply" ka rate kaise? (a) Average (b) Zero (c) Exempt (d) Highest rate wale item ka rate poori supply par
28. Income tax me "assessment" ka matlab? (a) Income aur tax ka determination process (b) Refund (c) Appeal (d) Audit hi
29. Section 80CCD(1B) ka extra deduction kis ke liye? (a) NPS contribution (b) ELSS (c) LIC (d) PPF
30. Revised return kab file hoti hai? (a) 10 saal baad (b) Sirf companies (c) Original me galti ho to, prescribed time ke andar (d) Kabhi nahi
31. 20% profit par SP 7,200. CP? (a) 6,000 (b) 7,000 (c) 6,500 (d) 5,760
32. Ek kaam 12 aur 15 din ke do workers milkar? (a) 7 din (b) 6 2/3 din (c) 13.5 din (d) 27 din
33. Kaun sa pointing device hai? (a) Speaker (b) Monitor (c) Trackball (d) Plotter
34. "Phishing" aur "vishing" me fark? (a) Vishing voice/phone call se hota hai (b) Koi nahi (c) Dono email (d) Dono safe
35. Operating system ka "kernel" kya hai? (a) Core jo hardware se baat karta hai (b) App (c) Game (d) Browser
36. Excel me chart banane ka pehla kadam? (a) Data select karna (b) Save as (c) Print (d) Close

37. Kaun sa network device packets route karta hai? (a) Scanner (b) Keyboard (c) Router (d) Mouse
38. Two-way communication channel ka example? (a) Newspaper (b) Telephone (full-duplex) (c) Radio broadcast (d) TV
39. Ayodhya kis nadi ke kinare? (a) Gomti (b) Yamuna (c) Saryu (d) Ganga
40. UP me "One District One Product" ka lakshya? (a) None (b) Tax (c) Audit (d) Har zile ki khaas craft/industry ko badhava
41. Meerut kis khel ke goods ke liye mashhoor? (a) Locks (b) Sports goods (c) Carpets (d) Glass
42. UP me "Ganga Aarti" ki prasiddh jagah? (a) Etawah (b) Varanasi (Dashashwamedh Ghat) (c) Jhansi (d) Noida
43. UP ki rajkiya bhasha ke alawa doosri bhasha (key trend)? (a) Konkani (b) Maithili (c) Urdu (d) Punjabi
44. UP me "Amroha" kis liye prasiddh? (a) Locks (b) Paper (c) Glass (d) Dholak/musical instruments
45. UP ka kshetrafal Bharat ka lagbhag kitna percent? (a) ~20% (b) ~15% (c) ~2% (d) ~7.3%
46. NEFT ki koi minimum limit? (a) 1 lakh (b) 50,000 (c) 2 lakh (d) Nahi
47. Bank statement me "NACH" ka sambandh? (a) Automated clearing (mandate based debits/credits) (b) Cheque book (c) Cash (d) Loan
48. Debtors ki ageing analysis kya batati hai? (a) Tax (b) Sales (c) Stock (d) Kitne purane dues kitne hain
49. Audit me "reperformance" ka example? (a) Interview (b) Client ki ki hui calculation khud dobara karna (c) Photo (d) Tour
50. Audit report me "key audit matters" kis me aate hain? (a) Kabhi nahi (b) Sirf govt (c) Listed company audits (trend) (d) Sab me

Answer key Mock 6: 1-c 2-d 3-c 4-a 5-a 6-b 7-a 8-a 9-c 10-d 11-c 12-b 13-b 14-d 15-b 16-b 17-a 18-b 19-b 20-d 21-d 22-b 23-c 24-c 25-d 26-a 27-d 28-a 29-a 30-c 31-a 32-b 33-c 34-a 35-a 36-a 37-c 38-b 39-c 40-d 41-b 42-b 43-c 44-d 45-d 46-d 47-a 48-d 49-b 50-c

Iksha ka mock ke baad ka niyam

Mock ka asli fayda score me nahi, us list me hai jo tum galatiyon ki banate ho. Har mock ke baad apni top 3 galtiyon ke topics likho, aur agle din sirf wahi padho. 6 mocks ke baad tumhari notebook tumhe bata degi ki 20 December ko kya poochha jayega.

19.16 Revision sheets: exam se pehle ki raat ke liye

Har sheet ek unit ki hai. Print kar lo ya phone me photo le lo. Har bullet ek possible sawaal hai.

Sheet 1: Audit (ch1, ch3, ch5, ch7, ch11)

- Audit = independent examination + evidence + opinion. Report shareholders ko.
- Statutory (kanoon), internal (management), cost, tax, management, govt, interim, continuous, final — types ke naam aur appoint karne wala yaad.
- Watchdog, not bloodhound: reasonable care, guarantee nahi.
- Vouching = entry se document tak. Verification = asset/liability ki existence, ownership, valuation.
- Opinion ke 4 roop: unmodified, qualified (material, pervasive nahi), adverse (material + pervasive), disclaimer (evidence hi nahi + pervasive doubt).
- Emphasis of Matter = dhyan dilana, opinion modify nahi.
- Working papers auditor ki property. Management letter management ko.
- Audit risk = Inherent x Control x Detection. Detection risk auditor ke haath me.
- Fraud rokna management ka kaam; auditor reasonable assurance deta hai.
- Companies Act: appointment s.139, disqualification s.141, remuneration s.142, powers/duties s.143, prohibited services s.144, NFRA s.132. [src]

Sheet 2: Accounting core (ch2)

- Equation: Assets = Liabilities + Capital. Har debit ka credit.
- Golden rules: Personal (receiver Dr, giver Cr), Real (aaya Dr, gaya Cr), Nominal (expense/loss Dr, income/gain Cr).
- Trial balance sirf arithmetical accuracy; omission, principle, compensating, complete reversal nahi pakadta.
- Transposition difference 9 se divisible.
- SLM = (Cost - Scrap)/Life; WDV = rate x opening book value; annuity me asset = investment; revaluation = year-end compare; depletion = mines.
- GP = Sales - COGS; COGS = Opening + Purchases - Closing; NP = GP - indirect expenses + indirect incomes.
- Current ratio = CA/CL (ideal ~2:1), Quick = (CA-Stock)/CL (~1:1), Debt-equity = Debt/Equity, Stock turnover = COGS/Avg stock, Debtors turnover = Credit

sales/Avg debtors.
- Prepaid = asset; outstanding = liability; accrued income = asset; income in advance = liability.
- Capital vs revenue: laane tak ka kharch capital, chalane ka revenue.
- Errors: omission (poora gayab), commission (galat jagah), principle (capital-revenue ulta), compensating (ek doosre ko kaate).
- AS 1 disclosure, AS 2 inventories, AS 3 cash flow, AS 9 revenue, AS 10 fixed assets.

Sheet 3: NI Act aur stores/GFR (ch14 ke saath)

- Cheque: s.6 (definition), s.18 (words over figures), s.31 (banker ki duty), s.138 (bounce). [src]
- Bearer (naam ya bearer), Order (naam ya order), Crossed (sirf account me), A/c payee (sirf named ke account), Stale (3 mahine purana).
- Stores flow: indent -> purchase requisition (triplicate, re-order level par) -> tender (open/limited/single) -> purchase order (3-5 copies) -> GRN -> bin card + stores ledger -> material requisition se issue -> material transfer note departments ke beech.
- Tender terms: EMD (seriousness), performance security (contract ke baad), L1 (lowest), competent authority (sanction power wali).
- Double account system: assets original value par, SLM (1979 se), contingency reserve 5% tak, depreciation fund method me securities me invest.
- Re-order level = max usage x max lead time.

Sheet 4: Tax quick table (ch15)

- Dhyan: Income-tax Act 2025 1 April 2026 se lagu hai aur 1961 Act repeal ho gaya (purane tax years par 1961 Act hi chalta hai). Neeche ke section numbers 1961 Act ke hain, jo PYQ key me hain; naye Act me numbering alag hai. [src]
- Income-tax Act 1961 (key wale): 87A (rebate, resident individual), 10(10AA) (leave encashment), 10(13A) (HRA), 24(b) (home loan interest), 31 (repairs), 35D (preliminary), 44AD (presumptive), 80C (1.5 lakh), 80D (health), 80E (education loan interest), 80G (donation), 192 (TDS salary), 194A (TDS interest). [src]
- GST: launch 1 July 2017; Council Art 279A; registration s.25 (liability s.22); ECO s.2(45); cash ledger s.49(1); best judgment withdrawal 30 din (s.62); intra-state CGST+SGST, inter-state IGST; exports zero-rated; ITC = input tax ka credit; GSTR-1 outward, GSTR-3B summary, GSTR-9 annual. [src]

- PY me income, AY me assessment. TDS source par, advance tax kiston me. Evasion illegal, avoidance planning.

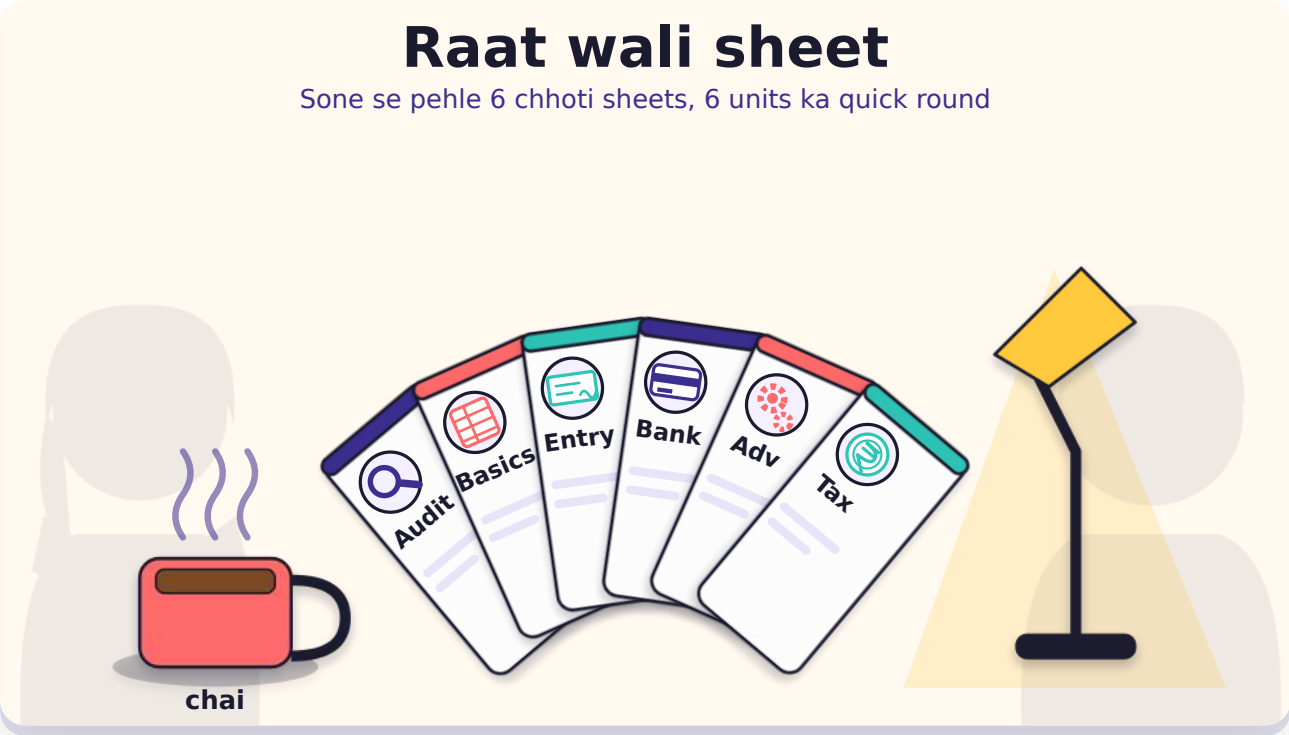
Sheet 5: Computer/IT (ch18)

- Babbage (father), ALU (operations), CU (control), RAM (volatile), ROM (non-volatile), 1 byte = 8 bits, 1 KB = 1024 bytes.
- Ctrl+C copy, Ctrl+V paste, Ctrl+Z undo, Ctrl+S save, F5 slideshow.
- Simplex (ek disha), half-duplex (baari baari), full-duplex (saath saath). Parallel port 8 bits.
- ARPANET (1969), email format Ray Tomlinson (1971), Ethernet Xerox PARC (1973), WWW Tim Berners-Lee (1991), SLIP pehla dial-up IP protocol.
- DNS (naam se IP), URL, HTTP, TCP/IP (layered), modem (telephone se connect), firewall (protection), phishing (nakli message se chori).
- IT Act 2000: assent 9 June 2000, in force 17 October 2000. [src]
- RTGS (real time gross, bade amounts), NEFT (24x7 batches), IMPS (instant, NPCI), UPI (NPCI), AePS (Aadhaar + biometric), IFSC (11 characters), CBS (core banking).

Sheet 6: UP GK lists (koi chapter nahi, yehi sheet hai)

- Symbols: pashu Barasingha, pakshi Sarus crane, pushp Palash, vriksha Ashoka, rajdhani Lucknow, high court Prayagraj (bench Lucknow).
- Numbers: 75 zile, 18 mandal, 403 Vidhan Sabha, 100 Vidhan Parishad (38+36+10+8+8), 80 Lok Sabha, 31 Rajya Sabha. (Time-bound: verify latest.)
- District crafts: Aligarh taala, Moradabad pital, Bhadohi carpet, Firozabad glass, Lucknow chikankari, Meerut sports goods, Varanasi multi-modal terminal.
- 1857: Meerut shuru (Mangal Pandey Barrackpore me pehle), Delhi Bahadur Shah Zafar, Kanpur Nana Sahib, Jhansi Lakshmibai, Lucknow Begum Hazrat Mahal, Allahabad Liyaquat Ali, Bareilly Khan Bahadur Khan, Meerut region Kadam Singh, Mathura Devi Singh.
- Itihaas: Srigupta (founder), Samudragupta (Napoleon of India), Chandragupta II (Fa-hien), Kanishka (4th Buddhist Council), Buland Darwaza (Gujarat victory, Fatehpur Sikri).
- Universities: Allahabad 1887, BHU residential sabse badi (key), Rajarshi Tandon open university Prayagraj, TMU Moradabad.
- Culture: Agra gharana (Khayal+Dhrupad), Kajari (monsoon se pehle), Ghalib/Firaq ghazal, Bachchan (key: Nayi Kavita ⚠), Sankrityayan (Shanti Dharma nahi), Lucknow ganga-jamuni tehzeeb.

- Awards/dates: Charan Singh Bharat Ratna 2024, Khemka Padma Vibhushan 2022 (literature/education), GI tags 75 (key, badhta rahega), Uttarakhand alag 2000, Kakori 1925, Chauri Chaura Gorakhpur.



19.17 Part B ka aakhri scene

Mock 6 ka result aa chuka tha. Prabhat ne pen rakha aur kaha, "41 sahi, 5 galat, 4 chhode. Score 39.75."

Iksha ne galtiyon wali notebook kholi. "Paanch galat. Bata, kitne concept ke, kitne padhne ke?"

"Teen padhne ke. Sawaal aadha padha tha."

"To auditor ban," Iksha boli, "jo sawaal ko poora verify kare bina opinion de hi nahi sakta. Exam me sawaal tera client hai. Uski baat poori sun."

Prabhat ne dheere se uska haath pakda. "Aur tum?"

"Main wahi hoon jo hamesha rahi. Tere score ke peeche nahi, tere saamne." Usne notebook band ki. "Ab so ja. Kal revision sheets. Exam ke din mujhe bharosa chahiye tera, aur tujhe apna."

Bahar raat gehri thi. Par andar, naksha poora ban chuka tha.

Episode 20: Cheat Sheets, Checklists aur Glossary

"Raat ke 2 baje, exam se pehle" (last-minute revision)

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1. Kahani hook

Raat ke do baje the. Exam me bas teen din bache the. Prabhat ki table par chai thandi ho chuki thi, aur wo ek hi line ko chaar baar padh raha tha: "Material misstatement."

Iksha ne kitaab band ki. Light halki karke boli, "Tu thak gaya hai. Par darr mat. Tu jo seekh chuka hai wo ek page me aa jaata hai."

"Ek page?" Prabhat ne aankhein malin. "Itne chapters ek page me?"

"Haan." Iksha ne ek khaali page nikaala. "Main likhti hu, tu bol. Jahan atkega, wahan hum wapas chalenge. Is baar koi bhaag nahi raha, bas hum dono aur ye raat."

Bahar hawa chal rahi thi. Andar, ek ek karke, audit ka naksha ek page par utarne laga.

---

2. Chat dialogue: ek page ka audit

Prabhat
Sab se pehle batao, audit ek line me kya hai?

Iksha
Independent jaanch + saboot + opinion. Bas.

Prabhat
Aur auditor ko sabse zyada kis cheez se bachna hai?

Iksha
Dabav se. Jis din auditor ki independence gayi, us din uski report ki keemat gayi.

Prabhat
Aur agar kuch galat pakda gaya to?

Iksha
To report me likhna padta hai. Kabhi kabhi opinion badalna padta hai. Yaad rakh, chhupana auditor ka kaam nahi.

Prabhat
Tum kabhi darti nahi ho, na?

Iksha
Darti hu. Par sach ka darr, jhooth ke darr se chhota hota hai.

Prabhat ke liye 6 saal ke bachhe wala version: Audit matlab ek dost tera hisaab ginke bolta hai "haan, sab theek hai" ya "yaha gadbad hai."

PhD box: Audit ek assurance engagement hai. Risk ko kam karne ke liye auditor evidence ikattha karta hai aur reasonable assurance deta hai (absolute nahi, kyunki testing, sampling aur inherent limitations hoti hain).

---

3. Cheat sheet 1: Audit ka poora process (ek nazar me)

Step	Kya hota hai	Output
1. Engagement	Client accept, terms tay	Engagement letter
2. Planning	Business samajhna, risk dekhna	Audit plan, materiality
3. Internal control review	Controls kaise chal rahe hain	Control assessment
4. Evidence gathering	Vouching, verification, testing, sampling	Working papers
5. Evaluation	Galtiyan ginna, kitni badi hain	Summary of misstatements
6. Reporting	Opinion banana	Audit report
7. Follow-up	Management se baat, aage ki baatein	Management letter

(Process ki shape standard hai. Exact standard numbers ke liye ch5, ch13 dekho.)

---

4. Cheat sheet 2: Accounting equation aur double entry

- Assets = Liabilities + Capital
- Har transaction me: total Debit = total Credit
- Personal: Receiver Debit, Giver Credit
- Real: Jo aaye Debit, jo jaaye Credit
- Nominal: Kharcha/loss Debit, income/gain Credit

Mini example: Prabhat ne Rs 10,000 lagaye aur Rs 5,000 udhaar liye. Cash Rs 15,000 = Rs 5,000 + Rs 10,000.

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5. Cheat sheet 3: Audit assertions

Assertion	Sawaal	Example test
Existence	Cheez sach me hai?	Stock ko khud ginna
Completeness	Sab kuch likha gaya?	Bills ka sequence check
Rights and obligations	Cheez company ki hai?	Title documents
Valuation	Sahi keemat par?	Market price se milana
Cut-off	Sahi period me?	Saal ke end ki entries dekhna
Presentation	Sahi tarah dikhaya?	Disclosures check

---

6. Cheat sheet 4: Evidence ke tareeke

Inspection, Observation, Inquiry, Confirmation, Recalculation, Reperformance, Analytical procedures.

Yaad rakhne ka trick (Hinglish): "I O I C R R A", yaani "Iksha Ojasvi Ishq Chahti Rahi, Raaz Aise." Mazaak apni jagah, order yaad rakhna kaam aayega.

---

7. Checklist: Audit ke pehle din

- [ ] Client ka business aur industry samjha?
- [ ] Independence ki declaration li?
- [ ] Engagement letter sign?
- [ ] Previous year ki report padhi?
- [ ] Risk areas likhe?
- [ ] Materiality tay?
- [ ] Team aur time tay?

8. Checklist: Fraud ke red flags

- Pressure (targets, loan covenants)
- Opportunity (weak controls, ek aadmi ka sab control)
- Rationalisation ("sab karte hain")
- Round numbers, late-night entries, missing documents

- Management auditor ko records dene me taal-matol kare

(Fraud triangle ka detail ch17 me hai. Real cases ke figures ch16 me sourced hain.)

---

9. Glossary (A se Z, Hinglish)

- **Accrual basis:** Kamai/kharcha tab record jab hua, cash aaya ya gaya tab nahi.
- **Analytical procedures:** Numbers ke patterns se galti ka andaza.
- **Assertion:** Management ka dawa, jaise "cash hai", jise auditor test karta hai.
- **Assurance:** Bharosa jo auditor deta hai.
- **Audit evidence:** Saboot jis par opinion banta hai.
- **Audit trail:** Entry se original document tak ka raasta.
- **Auditor's report:** Opinion wala final document.
- **Cut-off:** Transaction sahi period me gaya ya nahi.
- **Debit/Credit:** Double entry ke do side.
- **Double entry:** Har transaction ka do asar.
- **Engagement letter:** Audit ke terms ka patra.
- **Evidence (sufficient and appropriate):** Kaafi aur kaam ka saboot.
- **Forensic audit:** Fraud khojne wala audit.
- **Fraud:** Jaan boojhkar dhokha.
- **Error:** Anjaane me hui galti.
- **Going concern:** Company aage chalegi ya nahi.
- **Internal audit:** Company ke andar ka audit.
- **Internal control:** Galti/fraud rokne ke niyam.
- **Independence:** Dabav se mukt hona.
- **Materiality:** Kitni badi galti se faisle badal jaate hain.
- **Misstatement:** Financial statements me galat jaankari.
- **Opinion (unmodified/qualified/adverse/disclaimer):** Auditor ka nateeja, 4 type.
- **Reasonable assurance:** Bahut bharosa, par 100% nahi.
- **Sampling:** Poore data me se kuch hisse jaanchna.
- **Substantive procedures:** Seedhe numbers jaanchna.
- **Tests of controls:** Controls chalte hain ya nahi, ye jaanchna.
- **Verification:** Cheez ki maujoodgi aur keemat jaanchna.
- **Vouching:** Entry ko saboot se milana.
- **Working papers:** Auditor ke kaam ke records.
- **Whistleblower:** Andar se galat batane wala.

(Glossary ko baaki chapters ke terms se bhi bharna hai, jaise Companies Act, NFRA, CAG, GFR, PAC, GST audit.)

---

10. Exam angle (UPSSSC)

1. Audit ka output kya hai? **Opinion (audit report)**
2. Vouching kya hai? **Entry ko saboot se milana**
3. Materiality kya batati hai? **Kitni badi galti decision badal degi**
4. Opinion ke kitne type? **4 (unmodified, qualified, adverse, disclaimer)**
5. Fraud aur error me fark? **Fraud jaan boojhkar, error anjaane me**

11. Recap

- Audit = independent jaanch + saboot + opinion
- Process 7 steps
- Assertions 6
- Evidence tareeke: inspection se analytical procedures tak
- Independence, evidence, imandari: teen sabse bade stambh
- Aakhri raat ka dar: kam hota hai jab naksha saaf ho

Aakhri scene: Page bhar gaya. Prabhat ne pen rakha. Iksha ne uski aankhon me dekha, "Kal jo bhi ho, tune mehnat sach me ki hai. Ye saboot mere paas hai."

"Aur tum isse audit karogi?"

"Haan. Aur opinion?" Wo muskuraayi. "Unmodified."

12. Part B: Jeb me rakho, dimaag me rakho

Subah ke 4 baje. Prabhat ne glossary wala page ulta-palta aur bola, "Ye to ruk gayi. 'Whistleblower' ke baad kuch nahi."

Iksha ne chai ki do piyaale uthayi. "Kyunki wahan tak hi likhi gayi thi. Ab hum aage badhte hain. Har woh shabd jo kisi bhi chapter me aaya aur teri zubaan par atakta

hai, wo aaj yahan utrega. Ek ek line. Zyada nahi, par itna ki exam me shabd dekh kar tu kabhi na ruke."

"Aur agar raat me darr lage?"

Iksha ne uski table ke kone par apna haath rakha. "To pehle glossary kholo. Shabd samajh aa gaya to darr aadha kat jaata hai. Shabd hi to teer hain, Prabhat. Auditors shabdon se jung ladte hain, talwaron se nahi."

---

13. Glossary Part 2 (baaki sab shabd, A se Z)

Section 9 (existing) me 30 shabd hain. Neeche baaki sab. Har shabd ek line me, wahi simple Hinglish.

A

- **Account:** Kisi cheez ya vyakti ka hisaab rakhne ka sthan, T-shape me.
- **Accounting equation:** Assets = Liabilities + Capital; balance sheet ki buniyaad.
- **Accounting period:** Jis duration ke liye accounts bante hain, aam taur par 1 April se 31 March.
- **Accounting policies:** Company ke chune hue accounting ke tareeke (AS 1 me disclose hote hain).
- **Adjusting entry:** Saal ke end me accrual/prepaid jaise adjustments ki entry.
- **Adverse opinion:** Jab financial statements bahut galat aur pervasive misstatements se bhare hon.
- **Amortisation:** Intangible assets (patent, goodwill) ki cost ka baantna.
- **Annual report:** Company ka saalana package: financials + reports + notes.
- **Audit committee:** Board ka sub-committee jo audit aur financial reporting par nazar rakhta hai (CA 2013 s.177). [src]
- **Audit plan:** Poori audit strategy ka naksha: kya, kab, kitna.
- **Audit programme:** Step-by-step procedures ki list jo team follow karti hai.
- **Audit risk:** Galat opinion dene ka risk = Inherent x Control x Detection.
- **Authorised capital:** Maximum shares ki value jo company issue kar sakti hai.

B

- **Bad debt:** Wo debtor ka paisa jo ab nahi milega.

- **Balance sheet:** Ek date par assets aur liabilities ka statement (financial position).
- **Bank reconciliation statement (BRS):** Cash book aur pass book ka milan patra.
- **Bearer cheque:** Jo bhi pesh kare, use milne wala cheque.
- **Bill of exchange:** Written order jisme ek party doosri se fixed date par paise maangti hai (NI Act s.5). [src]
- **Bin card:** Store me har item ki quantity ka card.
- **Book value:** Asset ki value books me: cost minus accumulated depreciation.
- **Budget:** Aane wale period ka financial plan.
- **Budgetary control:** Actual ko budget se mila kar control karna.

C

- **CAAT:** Computer Assisted Audit Techniques — software se audit testing (ch18).
- **CAG:** Comptroller and Auditor General of India; sarkari accounts ke supreme auditor (Art 148). [src]
- **Capital:** Business me owner ka laga hua paisa.
- **Capital expenditure:** Lambi life wala kharch (machine, building); balance sheet me jaata hai.
- **CARO:** Companies (Auditor's Report) Order; auditor ko extra points par report karni hoti hai.
- **Cash book:** Cash aur bank transactions ki subsidiary book.
- **Cash flow statement:** Cash kahan se aaya aur kahan gaya (operating, investing, financing).
- **Charge (on profit):** Profit ho ya na ho, pehle dena hi hai (jaise debenture interest).
- **Closing stock:** Saal ke end me bacha hua maal; cost ya NRV, jo kam.
- **Competent authority:** Jise sanction ka adhikaar ho (GFR me har kharch isi se).
- **Compliance audit:** Rules aur procedures follow hue ya nahi, iski jaanch.
- **Contra entry:** Cash book me wahi entry jo debit aur credit dono taraf aaye (cash-bank).
- **Contingency Fund:** Emergency kharch ke liye fund (India: Art 267).
- **Control risk:** Client ke controls ki galti pakadne me fail hone ka risk.
- **Core banking (CBS):** Sab branches ka ek hi network; kahin se bhi account.
- **Creditors:** Jinhne udaar diya hai; liabilities me.

- **Crossed cheque:** Do parallel lines wala cheque; counter cash nahi, sirf account me.
- **Current assets:** Jo 12 mahine me cash ban sakte hain (stock, debtors, cash).
- **Current liabilities:** Jo 12 mahine me chukani hain.

D

- **Debenture:** Company ka udhaar patra; fixed interest, charge on profit.
- **Debtors:** Jinhone udhaar liya hai; assets me.
- **Deferred revenue expenditure:** Bada revenue kharch jo kuch saalon me baanta jaata hai.
- **Depreciation:** Fixed asset ka wear and tear jo expense ban kar har saal kat-ta hai.
- **Detection risk:** Auditor ke procedures misstatement na pakadne ka risk.
- **Digital signature:** Public key cryptography par based electronic signature (IT Act 2000). [src]
- **Disclaimer of opinion:** Jab auditor opinion de hi na sake (evidence hi nahi mila).
- **Dividend:** Profit ka wo hissa jo shareholders ko milta hai; appropriation hai, charge nahi.
- **Double account system:** Capital aur revenue ke alag accounts dikhane ka presentation method (bijli companies).
- **Drawings:** Owner ka business se personal nikaal.

E

- **E-way bill:** GST me maal ke transport ka electronic document.
- **Electronic cash ledger:** GST portal par har taxpayer ka cash hisaab (CGST s.49). [src]
- **Emphasis of Matter:** Report ka paragraph jo disclosed matter par dhyan dilata hai; opinion modify nahi.
- **Equity:** Owners ka share: capital + reserves.
- **Exam trap (kitaab ka term):** Wo jagah jahan commission ghuma kar sawaal karta hai.

F

- **Fictitious assets:** Na asli asset, na bikne layak; sirf write-off hone wala kharch (jaise preliminary expenses).
- **Final audit:** Saal khatam hone ke baad ek saath hone wala audit.

- **Financial statements:** Trading, P&L, balance sheet (aur companies me cash flow, notes).
- **Fiscal deficit:** Total expenditure minus total receipts (borrowings chhod kar).
- **Fixed assets:** Lambe use ke liye rakhe assets (machine, building); bechne ke liye nahi.
- **FRBM Act:** Fiscal Responsibility and Budget Management Act, 2003.

G

- **GAAP:** Generally Accepted Accounting Principles; accounting ke maanye niyam.
- **GFR:** General Financial Rules; sarkari kharch aur kharid ke niyam (Finance Ministry).
- **Goodwill:** Business ki reputation ka intangible asset; kharidne par books me aata hai.
- **Gross profit:** Sales minus cost of goods sold.
- **GSTIN:** 15 character ki GST pehchaan (state code + PAN + entity code).
- **Going concern (dobara yaad):** Assumption ki business aage chalta rahega (SA 570).

H

- **Hire purchase:** Possession turant, payment kiston me, ownership aakhri kist par.
- **Hierarchy of accounts:** Computerised accounting me group/sub-group ka structure.
- **HUF:** Hindu Undivided Family; income tax me alag "person".

I

- **Imprest:** Petty cash ka system: fixed amount, kharch ke baad wapas bharna.
- **Income and expenditure account:** Non-profit ka P&L jaisa account, accrual basis par.
- **Inherent risk:** Controls se pehle hi kisi area me misstatement ki fitri sambhavna.
- **Insolvent:** Jo apni liabilities demand par na chuka sake.
- **Intangible assets:** Bina physical roop ke assets: goodwill, patent, trademark.
- **Interim audit:** Saal ke beech me hone wala audit; final audit ka bojh kam karta hai.
- **Inventory:** Stock: raw material, work-in-progress, finished goods (AS 2).
- **Investing activities:** Cash flow me assets kharidna/bechna.

- **Invoice:** Seller ka diya bill: maal, rate, tax ke saath.

J

- **Joint audit:** Do ya zyada auditors ka ek saath ek hi audit.
- **Journal:** Transactions ka pehla, date-wise record; narration ke saath.

K

- **Key audit matters:** Listed company ki report me auditor ke sabse zaroori mudde.

L

- **Ledger:** Journal se posting ke baad account-wise record.
- **Liabilities:** Business par doosron ka haq: creditors, loans, outstanding.
- **Limited review:** Audit se halki jaanch; negative assurance ("kuch galat nazar nahi aaya").
- **Loading:** Invoice price me joda hua profit, jo stock reserve se adjust hota hai.

M

- **Management letter:** Auditor ka client ko patra jisme control weaknesses likhi hoti hain.
- **Master budget:** Sab functional budgets ka consolidated set + budgeted statements.
- **Material misstatement:** Wo galti jo users ka faisla badal sake.
- **Minimum rent:** Royalty agreement me kam se kam pakki rakam.
- **Mnemonic coding:** Letters se coding (jaise DL, UP32).

N

- **Narration:** Journal entry ke neeche ek line ka kaaran.
- **NEFT:** Batch-based fund transfer; ab 24x7.
- **Net profit:** Gross profit minus indirect expenses plus indirect incomes.
- **NFRA:** National Financial Reporting Authority (CA 2013 s.132). [src]
- **Nominal account:** Income aur expense ke accounts; saal end me band.
- **Non-performing asset (NPA):** Bank ka wo loan jisme byaj/kist time par na aa rahi ho.
- **Notes to accounts:** Financial statements ke neeche ki detail aur policies; contingent liabilities yahin.

O

- **OMR:** Optical Mark Recognition sheet; exam me bubble bharne wali.
- **Opening entry:** Naye books me pichhle balances lane ki entry.
- **Order cheque:** Named person ya uske order ko pay hone wala cheque.
- **Outstanding expense:** Kharch ho chuka, payment baaki; liability.

P

- **PAC:** Public Accounts Committee; CAG reports ko Parliament ki taraf se jaanchti hai (LS 15 + RS 7). [src]
- **Paid-up capital:** Shareholders ne actually kitna paisa diya.
- **Partnership deed:** Partners ke beech ka written agreement. Deed silent ho to profit barabar, partner ke loan par interest 6% p.a. [src]
- **Petty cash:** Chhote kharchon ke liye haath ka cash; imprest system.
- **Preference shares:** Pehle dividend aur pehle capital wapasi wale shares.
- **Preliminary expenses:** Company banane ka kharch (IT Act 1961 s.35D me amortise; 1 April 2026 se Income-tax Act 2025 me section numbers alag hain).
- **Prepaid expense:** Agle saal ka kharch is saal de diya; asset.
- **Professional skepticism:** Auditor ka sawaal poochhte rehna aur saboot maangna.
- **Propriety audit:** Kharch ki wisdom aur uchita hone ki jaanch (govt audit).
- **Provision:** Known liability/loss ke liye bana charge, amount estimated.
- **Public Account:** Sarkar ka wo account jisme wo banker/trustee ki tarah rakhti hai (Art 266(2)). [src]
- **Purchase requisition:** Store se purchase department ko maal kharidne ki maang.

Q

- **Qualified opinion:** "Sab theek, siway is matter ke" — material par pervasive nahi.

R

- **Ratio analysis:** Numbers ke sambandhon se health check (current, quick, debt-equity).
- **Receipts and payments account:** Non-profit ka cash book summary.
- **Related party:** Jinka company par/company ka jinpar prabhav ho; transactions disclose hote hain.
- **Re-order level:** Stock ka wo level jahan naya order daalna padta hai.
- **Reserve:** Profit ka rakha hua hissa; appropriation hai, charge nahi.

- **Residual value:** Asset ki anumaanit aakhri (scrap) keemat.
- **Revenue:** Roz ke kaam se aamdani.
- **Revenue deficit:** Revenue expenditure minus revenue receipts.
- **Revenue expenditure:** Roz ke chalane ka kharch; usi saal P&L me.
- **RTGS:** Real Time Gross Settlement; bade transfers turant, ek ek karke.

S

- **SA (Standards on Auditing):** ICAI ke jaari audit ke niyam (SA 230 documentation, SA 500 evidence, SA 570 going concern, SA 700 opinion, SA 705 modifications, SA 706 emphasis). [src]
- **Sales book:** Credit sales of goods ki subsidiary book.
- **Schedule III:** Companies Act ka financial statements format.
- **Securities premium:** Par se zyada par issue hui shares ki extra rakam (s.52).
- **Short workings:** Minimum rent aur actual royalty ka farak.
- **Solvent:** Assets > liabilities.
- **Statutory audit:** Kanoon dwara compulsory audit.
- **Stock reserve:** Invoice price me jude profit ka adjustment account (branch accounts).
- **Subsidiary books:** Sales book, purchase book, returns books, cash book, bills books, journal proper.
- **Suspense account:** Trial balance na mile to temporary park karne ka account.

T

- **TDS:** Tax Deducted at Source; payment karte waqt tax kaatna.
- **Trade discount:** List price par chhoot; books me record nahi hota.
- **Treasury:** Sarkari paise jama/nikalne ka sthan.
- **Trial balance:** Sab ledger balances ki list; arithmetical accuracy ki jaanch.
- **Turnover:** Total sales (ya GST me aggregate turnover ki apni definition).

U

- **Unmodified opinion:** Clean report; framework ke hisaab se true and fair.
- **Utilisation certificate (UC):** Grant sahi kaam me lagi, iska pramaan patra.

V

- **Valuation:** Asset/liability ki keemat sahi hai ya nahi, iski jaanch.

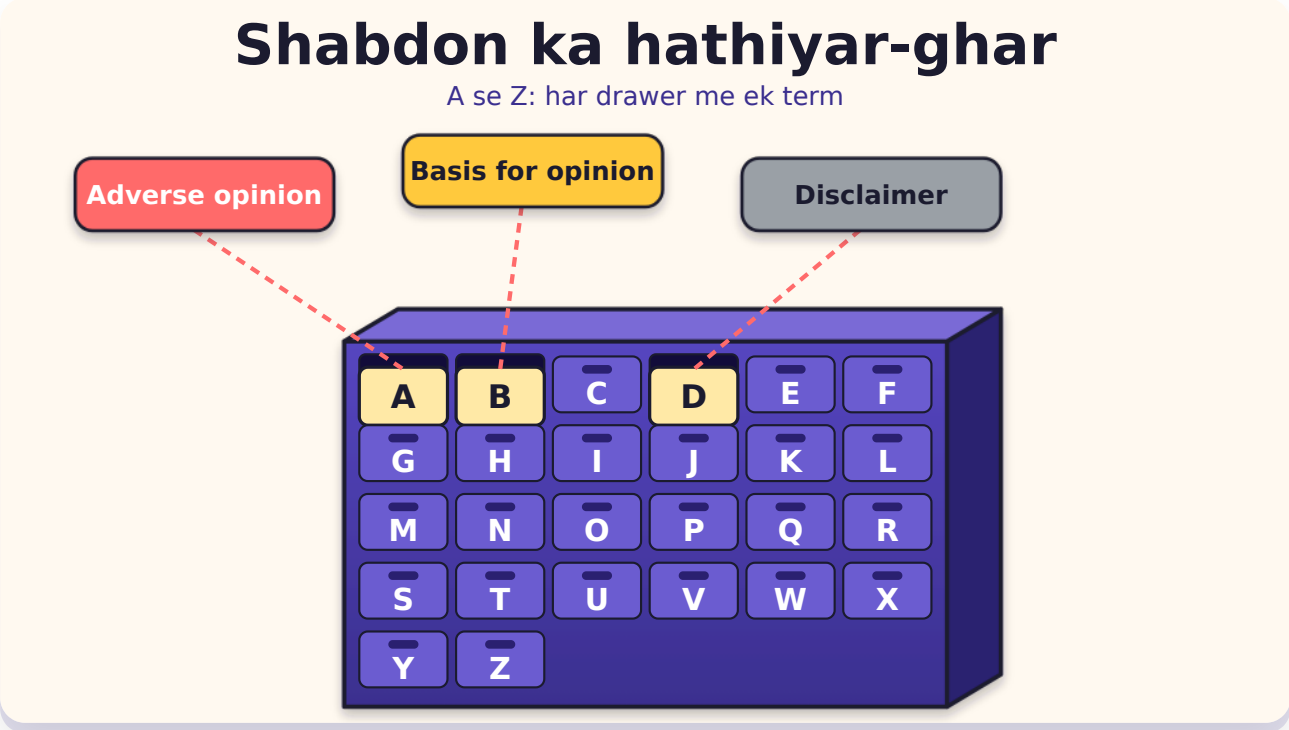
- **Vote on account:** Poora budget pass hone se pehle interim kharch ki permission.
- **Voucher:** Har transaction ka documentary saboot (receipt, invoice, GRN).

W

- **WDV (Written Down Value):** Cost minus accumulated depreciation; diminishing balance ka base.
- **Working capital:** Current assets minus current liabilities.
- **Working papers (dobara yaad):** Auditor ke kaam ka record; auditor ki property.

Z

- **Zero-based budgeting:** Har kharch naye sire se justify hota hai; pichhla saal base nahi.
- **Zero-rated supply:** Exports jaise: tax rate zero par ITC/refund milta hai (exempt se alag).



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14. Naye cheat sheets

Cheat sheet 5: Companies Act 2013 ke audit sections (ek nazar me)

Section	Vishay
132	NFRA ka gathan
139	Auditor ki appointment (first: Board, 30 din; phir members, 5 saal ka term)
140	Resignation, removal, casual vacancy
141	Qualifications aur disqualifications (audit limit 20 companies shamil)
142	Remuneration
143	Powers aur duties; 143(3) report matters; 143(11) CARO; 143(12) fraud reporting
144	Prohibited non-audit services (internal audit, investment banking aadi)
145	Auditor ka audit report par sign karna
146	Auditors ka general meeting (AGM) me attend karna
147	Punishments
148	Cost records aur cost audit

[src]

Exam trap

Section ka number aur vishay dono yaad rakho, par kram se nahi, jode se: 139-appointment, 141-disqualify, 143-duty, 144-prohibited, 148-cost. "139 se appointment, 141 se hatao (disqualify), 143 se kaam, 144 se rok" — ye rhyme kaam aayegi.

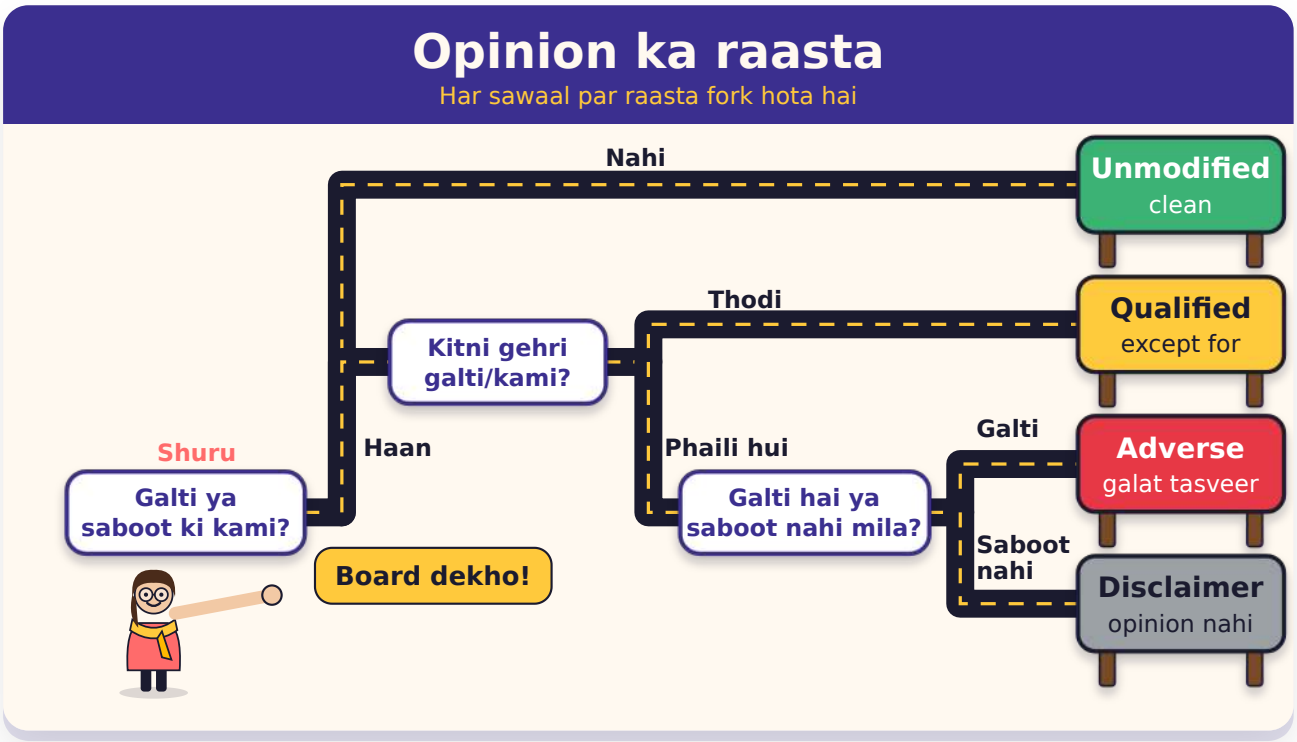
Cheat sheet 6: Constitution ke audit-finance Articles

Article	Vishay
110	Money Bill ki definition
112	Annual Financial Statement (Budget)
116	Vote on account
148	CAG: appointment, oath, conditions
149	CAG ki duties aur powers
150	Accounts ka form (President on CAG advice)
151	CAG reports President/Governor ko, phir Parliament/Legislature me
265	Tax sirf kanoon ke adhikaar se
266	Consolidated Fund (1) aur Public Account (2)
267	Contingency Fund
279A	GST Council
280	Finance Commission

[src] [src] [src]

Cheat sheet 7: Opinion ka decision tree

1. Misstatement/evidence ki dikkat hai? Nahi -> **Unmodified**.
2. Haan. Misstatement material hai? Nahi -> **Unmodified** (immatters ko report me kachra mat banao).
3. Haan. Pervasive hai (kahin kahin nahi, poora statements prabhavit)? Haan -> **Adverse**.
4. Nahi pervasive -> **Qualified**.
5. Dikkat misstatement nahi, evidence ka abhav hai? Pervasive doubt -> **Disclaimer**; nahi -> **Qualified**.
6. Matter sahi se disclosed hai par zaroori batana hai -> **Emphasis of Matter** (opinion modify nahi).



Cheat sheet 8: Financial formulas (sab ek jagah)

- Assets = Liabilities + Capital
- COGS = Opening stock + Net purchases + direct expenses - Closing stock
- GP = Sales - COGS; NP = GP - indirect expenses + indirect incomes
- GP ratio = GP/Sales x 100; NP ratio = NP/Sales x 100
- Current ratio = CA/CL; Quick ratio = (CA - Stock - Prepaid)/CL
- Debt-equity = Long-term debt/Equity; Working capital = CA - CL
- Stock turnover = COGS/Average stock; Debtors turnover = Credit sales/Average debtors

- Collection period = 365/Debtors turnover; Payment period = 365/Creditors turnover
- SLM depreciation = (Cost - Scrap)/Life; WDV = Rate x Opening book value
- Closing capital = Opening + Profit + Additional capital - Drawings
- Single entry me profit = Closing capital - Opening + Drawings - Additional capital
- HP total interest = HP price - Cash price
- SI = P x R x T/100; CI = P(1+R/100)^T - P
- Audit risk = Inherent x Control x Detection

Cheat sheet 9: GFR purchase flow (govt me kharid kaise hoti hai)

1. Zaroorat likho (indent) aur competent authority ka sanction lo.
2. Store me stock dekho — pehle se hai to kharid nahi.
3. Tender chuno: open (default), limited (specialised/urgent), single (emergency/monopoly, reasons likhna).
4. EMD lo; technical bid pehle, phir financial bid.
5. L1 ko order (terms likhit me), performance security lo.
6. Maal aaye to inspection + GRN; bill ka 3-way match (PO, GRN, invoice).
7. Payment voucher ke saath; stock register/bin card me entry.
8. Utilisation certificate jahan grant ho; audit objections ka time-bound jawab (ATN).

(CAG ke audit me yahi flow check hota hai: [src])

Cheat sheet 10: Fraud triangle + teen jawab

- **Pressure:** targets, loan covenants, personal financial problem. Jawab: hotline, HR support, realistic targets.
- **Opportunity:** weak controls, ek aadmi ka poora control. Jawab: separation of duties, rotation, surprise checks.
- **Rationalisation:** "sab karte hain", "baad me lauta dunga". Jawab: culture, tone at the top, consequences.

> **Exam trap**
> Fraud triangle ke teen elements confuse mat karna: incentive/pressure, opportunity, rationalisation. Exam me "attitude" bhi rationalisation ke naam se likha aata hai.

---

15. Nayi checklists

Checklist: Vouching ke general steps (har transaction par)

- [ ] Voucher available hai, original hai?
- [ ] Date accounting period ke andar?
- [ ] Client ke naam par hai?
- [ ] Amount words aur figures me same?
- [ ] Authorised signatory ka approval?
- [ ] Sahi account head me classify?
- [ ] Capital/revenue galat to nahi?
- [ ] Revenue stamp/cancellation laga (jahan chahiye)?
- [ ] Related party to nahi (disclosure check)?

Checklist: Purchases ke vouching

- [ ] Purchase order se match?
- [ ] GRN se match (quantity, quality)?
- [ ] Supplier invoice (rate, calculations, GST)?
- [ ] Purchase book me entry, ledger posting?
- [ ] Cut-off: period end ke GRN sahi saal me?

Checklist: Sales ke vouching

- [ ] Sales invoice series complete (missing numbers)?
- [ ] Dispatch/delivery proof?
- [ ] Customer order se match?
- [ ] Returns ke credit notes authorised?
- [ ] Cut-off: dispatch aur invoice same period?

Checklist: Cash aur bank

- [ ] Surprise physical cash count kiya?
- [ ] Cash book roz likhi ja rahi hai?
- [ ] Collections same/next day bank me jama?
- [ ] BRS har mahine banta hai, old items pursue?
- [ ] Stale cheques aur unpresented purane items ki wajah?
- [ ] Bank confirmation directly auditor ko?

Checklist: Fixed assets ki verification

- [ ] Fixed assets register maintained?
- [ ] Physical verification cycle chal raha hai?
- [ ] Title deeds/invoice ownership ke?
- [ ] Additions capitalised sahi (installation shamil)?
- [ ] Disposals authorised, profit/loss nikala?
- [ ] Depreciation rate/method consistent, Schedule II ke hisaab se?

Checklist: Debtors ki verification

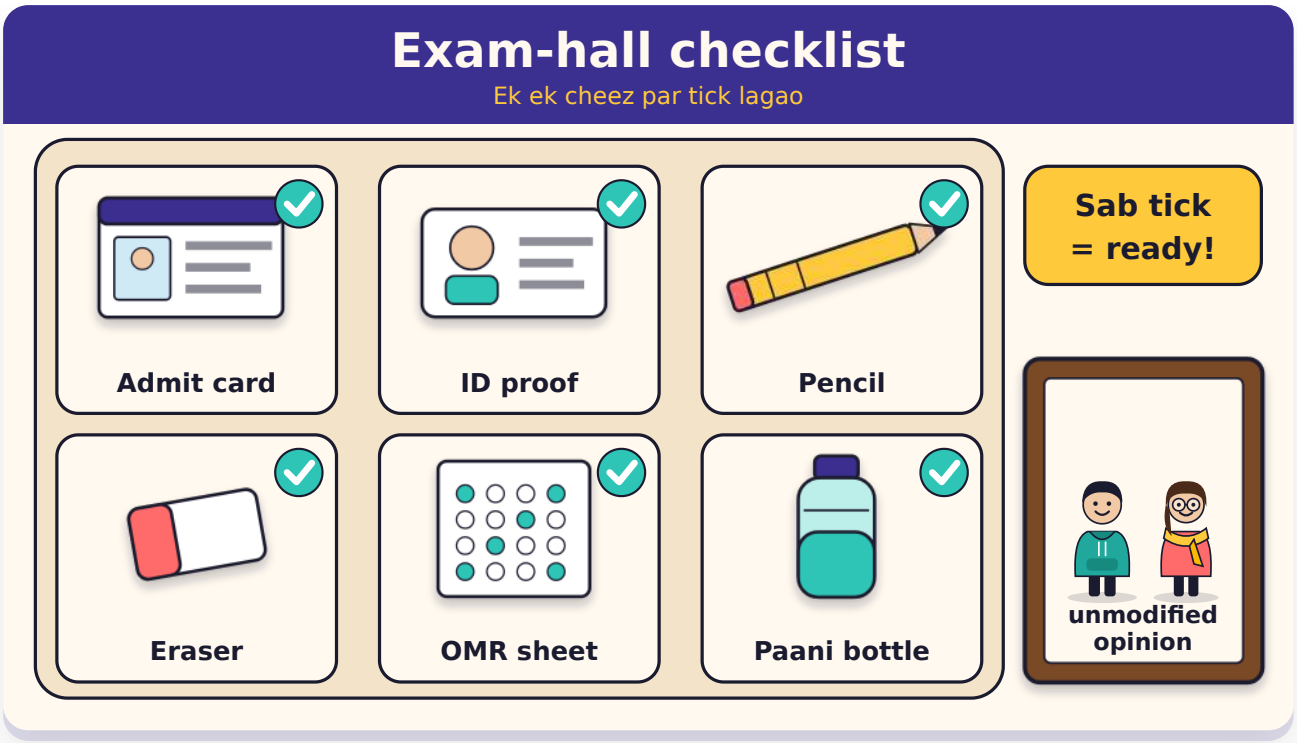
- [ ] Ageing analysis banaya?
- [ ] Direct confirmations bheje (sample)?
- [ ] Subsequent receipts check ki?
- [ ] Doubtful ke liye provision adequate?
- [ ] Credit policy follow ho rahi?
- [ ] Related party debtors disclose?

Checklist: Govt audit ke extra points

- [ ] Sanction competent authority ka?
- [ ] Tender process follow (open/limited/single justification)?
- [ ] Store records (bin card, ledger, physical verification)?
- [ ] Utilisation certificates time par?
- [ ] Advances ka adjustment pending kitna purana?
- [ ] Previous audit objections ke ATN file hue?

Checklist: Exam hall me (20 December)

- [ ] Admit card, ID, photo — raat ko bag me
- [ ] OMR bubble poora bharo, aadha nahi
- [ ] Pehle 60 minute me sab aasan Q
- [ ] Numeric me units aur sign check
- [ ] 2-option elimination ho to guess lagao (EV positive)
- [ ] Aakhri 10 minute: OMR review + flagged Q
- [ ] Ek galat answer par rona nahi; agla sawaal naya client hai



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16. Char mini case studies (asli companies, sourced)

Case 1: Wirecard — jo paisa tha hi nahi

Kya hua: Wirecard Germany ka payment processor tha, DAX index ka member. Saalon se shak tha, par 2019 me Financial Times ki investigations aur whistleblower complaints ke baad maamla phoota. 25 June 2020 ko company ne insolvency file ki, kyunki usne bataaya ki **€1.9 billion** "missing" hain — paisa jo Philippine banks ke trustee accounts me hone ki daawa kiya jaata tha, waqai tha hi nahi. CEO Markus Braun arrest hua. [src]

Audit failure: Wirecard ka lamba auditor Ernst & Young tha. Baad me KPMG ke special audit me nikla ki EY cash reserves ki existence verify nahi kar paya aur jo bank statements dikhaye gaye wo fraudulent lag rahe the; trustee accounts me rakha cash third-party acquirers ke zariye Wirecard ki balance sheet me gina jaata tha. Singapore me baad me do log (Shanmugaratnam, O'Sullivan) false confirmation letters ke liye jail gaye, jisme Citadelle ke naam par €1.1 billion ke jhoote letters shamil the. [src]

Seekh: Cash verification ka golden rule — **independent, direct confirmation**. Jo saboot client ke haath se guzar kar aaye, use peet par chhuri maan kar nahi,

shaqq ki nazar se dekho. Professional skepticism ka ulta chalan yahan chala: bade naam, bade regulator (BaFin), bada index — sab ke saamne auditor jhuk gaya.

Exam angle: SA 505 external confirmations, evidence ki reliability hierarchy (external > internal, original > copy), aur "existence" assertion — teeno is case se judte hain. Sawaal aayega: "Cash balance verify karne ka best tareeka?" Jawab: bank se seedha confirmation.

Case 2: Toshiba — saat saal ka makeup

Kya hua: May 2015 me Toshiba ne admit kiya ki use apne pichhle saalon ke profits revise karne pad sakte hain. Investigation me khula ki **profits ko lagbhag $1.2 billion se inflate** kiya gaya tha, pichhle **saat saalon** me. 21 July 2015 ko CEO Hisao Tanaka ne isteefa diya aur isse company ke 140-saal ke itihaas ka "most damaging event" kaha; aath aur senior officials, jinme do pichhle CEOs shamil, bhi gaye. [src]

Audit failure: Yahan problem sirf numbers ki nahi, **pressure** ki thi. "Challenge" naam ke targets itne sakht the ki division heads quarterly profits dikhane ke liye accounting techniques (jaise percentage-of-completion me future losses ko aage dhakelna) use karte rahe. Tone at the top toot chuka tha. Ye sab auditor (Ernst & Young ShinNihon) ke saamne saalon tak chalta raha. India ke exam ke liye point ye hai: estimates wali areas (long-term contracts, provisions) sabse zyada manipulation-prone hoti hain, aur auditor ko wahan sabse zyada skepticism chahiye hoti hai.

Baad ka sabak: Company par asar dekho: Westinghouse nuclear subsidiary ki losses ke baad 2017 me auditor PwC ne accounts sign karne se mana kar diya aur Toshiba ne khud likha ki going concern par "substantial doubt" hai. [src]

Seekh: Estimates = judgment = risk. Jab management ke targets aur estimates ek hi haath me hon, to auditor ka kaam double ho jaata hai.

Exam angle: Inherent risk high kaise decide hota hai (estimates, pressure, complex transactions), going concern (SA 570), aur "true and fair" ka matlab. Sawaal aayega: "Going concern doubt ho to auditor kya kare?" Jawab: disclosure dekhe, aur sahi disclose na ho to opinion modify.

Case 3: Yes Bank — jab moratorium laga

Kya hua: Yes Bank 2004 se chal raha private bank tha, founder Rana Kapoor. March 2020 me RBI ne **moratorium** lagaya aur withdrawals par seema bandhi, kyunki bank ki financial position girti ja rahi thi: bad loans ka dher, capital raise fail. 13 March 2020 ko Union Cabinet ne **reconstruction scheme** approve ki: State Bank of India ki aguwai me saath investors (ICICI, HDFC, Axis, Kotak aadi) ne mil kar **₹120 billion (₹12,000 crore)** ka capital dala, Prashant Kumar naye CEO bane. [src]

Audit angle (AT1 bonds): Reconstruction me **₹8,415 crore ke AT1 bonds write-down** kar diye gaye the. Bondholders court gaye. High Court ne write-down quash kiya, aur **15 October 2026 ko Supreme Court** ne bhi quashing barkarar rakhi — faisla final ho gaya. [src]

Seekh: Banking audit me sabse bada assertion **valuation** hai: loans ki asli keemat kya hai (NPA provisioning). Regulator (RBI) ka khud ka audit/supervision framework hota hai, aur statutory auditors ke saath uska sambandh samajhna zaroori hai. Doosri seekh: legal outcomes audit opinions se alag track par chalte hain; auditor apne time ke available evidence ke hisaab se opinion deta hai.

Exam angle: Banking Regulation Act 1949 (PYQ P2-2 se jodo), NPA aur provisioning ka concept, aur regulator ka role. Sawaal aayega: "Bank ka audit kaun regulate karta hai?" Jawab: RBI + Companies Act dono ka mila framework.

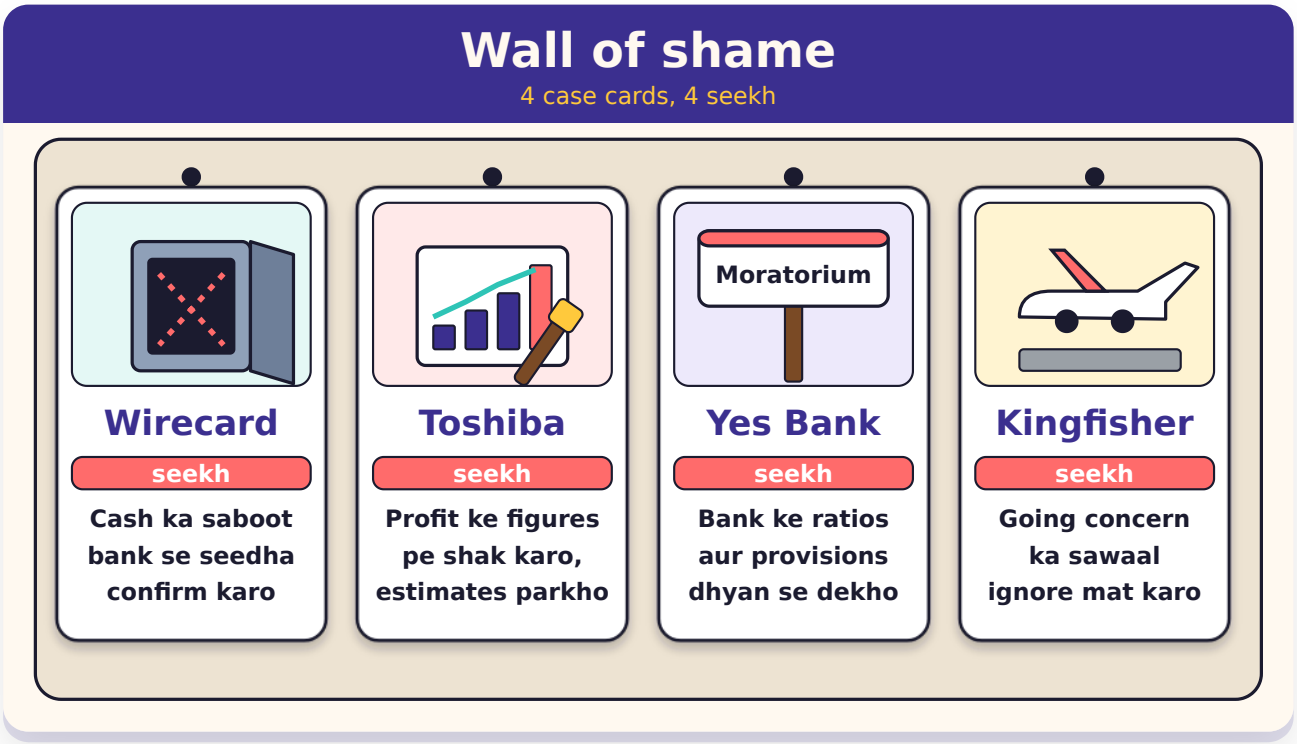
Case 4: Kingfisher Airlines — going concern jo nahi thi

Kya hua: Vijay Mallya ki Kingfisher Airlines 2005 me udhi, 2011 tak desh ki doosri sabse badi domestic airline rahi, par shuru se hi losses me thi. Air Deccan ki kharid (2007) ne haalat aur bigaadi; **saalon ke losses jo itne badhe ki 2012 ki shuruat tak accumulated losses ₹70 billion se zyada ho gaye**. 2012 me salaries ruk gayi, staff strike par aa gaya, aur **20 October 2012 ko operations band** ho gaye. [src]

Audit failure (classic going concern wala): Sabse kathpatli wali baat: jab airline doob rahi thi, tab bhi company BSE filing me likhti rahi ki statements **going concern basis** par banaye gaye hain, kyunki "economic sentiment improve ho raha hai" aur debt recast ho raha hai. Management ki going concern assessment ko auditor ko challenge karna chahiye tha: cash flows negative, salaries unpaid, accounts freeze ho rahe the (Income Tax department ne accounts freeze kiye), fleet ground ho rahi thi. Ye sab SA 570 ke "events or conditions" ki textbook list hai.

Seekh: Going concern ke red flags kabhi ignore mat karo: negative operating cash flows, unpaid employees, frozen accounts, license/suspension ka khatra, aur "hume bas ek aur debt recast chahiye" wali aashayein. Jab sab ek saath dikhein, to Emphasis of Matter se zyada ki zaroorat ho sakti hai.

Exam angle: SA 570 (going concern), audit opinion modifications, aur auditor ki reporting duty. Sawaal aayega: "Going concern appropriate nahi par management ne waise hi banaya?" Jawab: Adverse opinion.



Exam trap

Case studies ke figures exam me nahi aate, unke **principles** aate hain. "Wirecard me kya galat hua" nahi poochhenge; "cash verify karne ka best tareeka" poochhenge. Isliye har case ki "Seekh" line ko ghar jaisa yaad rakho.

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17. Ch20 ke naye MCQs (G1-G25)

G1. Working papers kis se prove hote hain? (a) Auditor ne kaam kiya aur care li (b) Profit (c) Tax (d) Fees. **Ans: a.** Working papers auditor ki diligence ka saboot hain. Court ya disciplinary me yahi bachate hain. (ch9)

G2. Engagement letter me kaun si baat NAHI hoti? (a) Scope (b) Management ki responsibilities (c) Auditor ki fees ka aadhar (d) Agle saal ka profit. **Ans: d.**

Engagement letter scope, responsibilities, fees framework likhta hai. Profit ki guarantee usme kabhi nahi hoti. (ch5)

G3. Opinion modify karne wale do kaaran? (a) Misstatement ya evidence ki kami (b) Sirf misstatement (c) Sirf delay (d) Sirf fees. **Ans: a.** SA 705 ke do bases: material misstatement, ya sufficient appropriate evidence na milna. Dono ke saath pervasive test lagta hai. (ch11, ch13)

G4. Emphasis of Matter me kaun sa matter aata hai? (a) Sahi se disclosed, par user ke liye fundamental (b) Galat disclosure (c) Fraud (d) Fees dispute. **Ans: a.** Jo matter sahi disclose hua hai par itna zaroori hai ki dhyan dilana banta hai. Galat disclosure ho to wo misstatement ban jaata hai. (ch11, ch13)

G5. External confirmation sabse zyada kis assertion ko strong karta hai? (a) Existence (b) Presentation (c) Cut-off (d) Occurrence of income. **Ans: a.** Seedha teesre paksh se jawab existence ka strong saboot hai. (ch9, ch13)

G6. Audit trail digital systems me kyun zaroori? (a) Entry se source document tak trace karne ke liye (b) Speed (c) Sajawat (d) Tax. **Ans: a.** Computerised environment me bhi har transaction ka raasta milna chahiye; warna vouching namumkin. (ch18)

G7. Companies Act me auditor ka term (pehla appointment AGM me)? (a) 5 saal (b) 1 saal (c) 10 saal (d) 3 saal. **Ans: a.** s.139(1) me term 5 saal ka (ratification subject to Act). Rotation alag baat hai. [src] (ch12)

G8. NFRA ka ek kaam? (a) Accounting/auditing standards ki monitoring aur auditors par oversight (b) Tax collection (c) Bank license (d) Budget. **Ans: a.** NFRA s.132 ke tahat audit quality aur auditors ki disciplinary oversight karta hai. (ch13)

G9. ICAI ka gathan kis Act se? (a) Chartered Accountants Act, 1949 (b) Companies Act (c) RBI Act (d) SEBI Act. **Ans: a.** [src] (ch13)

G10. CAG report Parliament tak ka raasta? (a) CAG -> President -> Parliament -> PAC (b) CAG -> PM (c) CAG -> Court (d) CAG -> Media. **Ans: a.** Article 151 ka path; PAC phir detailed examination karti hai. [src] (ch14)

G11. PAC me Rajya Sabha ke kitne members? (a) 7 (b) 15 (c) 22 (d) 10. **Ans: a.** PAC 22 ka: Lok Sabha 15 + Rajya Sabha 7. [src] (ch14)

G12. Appropriation audit kya dekhta hai? (a) Kharch voted grant aur purpose ke andar hua (b) Speed (c) Profit (d) Tax. **Ans: a.** Grant se zyada kharch ya galat head

me kharch = irregularity. (ch14)

G13. Voucher ka sabse pehla check? (a) Client ke naam ka hona (b) Color (c) Size (d) Font. **Ans: a.** Doosre ke naam ka voucher client ke books me nahi aa sakta. Phir date, amount, authorisation. (ch7)

G14. Teeming and lading pakadne ka best tareeka? (a) Surprise cash count + banking pattern check (b) Interview (c) Ratio (d) Photo. **Ans: a.** Collections ka timely banking aur achanak count is fraud ko tod deta hai. (ch7, ch17)

G15. Debtors confirmation me "negative confirmation" kab use hoti hai? (a) Controls achhe aur balances chhote hon (b) Hamesha (c) Kabhi nahi (d) Sirf fraud me. **Ans: a.** Negative confirmation me sirf disagree karne par reply aata hai; weak evidence, isliye low-risk cases me. (ch10, ch13)

G16. Going concern ke doubt me pehla step? (a) Management ki assessment aur plans evaluate karna (b) Turant adverse (c) Report band (d) Fees badhana. **Ans: a.** Auditor pehle management ke plans ko dekhta hai; phir disclosure aur opinion ka faisla. (ch13)

G17. Utilisation certificate kaun deta hai? (a) Grant lene wali sanstha (b) CAG (c) Bank (d) Auditor hamesha. **Ans: a.** Grantee UC deta hai; auditor/grantor uski jaanch karta hai. (ch14)

G18. GST me ITC ka sabse common trap? (a) Bina valid invoice ke ITC lena (b) ITC lena hi galat (c) Export par ITC (d) Capital goods par ITC nahi milta kabhi. **Ans: a.** Valid document ke bina ITC invalid; reverse charge aur blocked credits bhi trap hain. [src] (ch15)

G19. Bank reconciliation me "direct deposit by customer" pehle kahan dikhega? (a) Pass book me (b) Cash book me (c) Dono me (d) Kisi me nahi. **Ans: a.** Customer ne seedha bank me jama kiya; business ko pata chalne par cash book update hoti hai. (ch2, ch7)

G20. Audit me "professional skepticism" ka practical roop? (a) Har assertion ke liye corroborating evidence maangna (b) Sab par shaq karna (c) Kisi par bharosa nahi (d) Har transaction reject. **Ans: a.** Skepticism balanced hota hai: na naivety, na paranoia. (ch5)

G21. Kaun sa substantive test creditors ke understatement ke liye? (a) Subsequent payments aur unmatched GRN ka review (b) Sirf trial balance (c) Sales check (d)

Fixed assets count. **Ans: a.** Creditors me risk chhupane ka hota hai, isliye search for unrecorded liabilities. (ch10)

G22. Management representation letter ke baare me sahi baat? (a) Wo evidence ka substitute nahi, sirf confirmation hai (b) Uske baad audit band (c) Wo audit report hai (d) Kabhi mat lo. **Ans: a.** Written representations baaki evidence ki jagah nahi leti. (ch9, ch13)

G23. Sampling me "tolerable misstatement" ka matlab? (a) Utna misstatement jitna chal sakta hai bina opinion badle (b) Zero (c) Poora balance (d) Fees. **Ans: a.** Materiality se chhota working threshold jo testing ka design tay karta hai. (ch8)

G24. Analytical procedures me unexpected fluctuation mile to? (a) Inquiry + corroborating evidence (b) Ignore (c) Seedha adverse (d) Hata do data. **Ans: a.** Pehle management se wajah, phir us wajah ka saboot. Sirf explanation kaafi nahi. (ch9, ch13)

G25. Audit ke baad ka "management letter" kis se juda hai? (a) Control weaknesses aur improvement suggestions (b) Fees (c) Tax (d) Dividend. **Ans: a.** Ye report ka hissa nahi, client ki seva hai; par weaknesses ka record auditor ke liye bhi raksha hai. (ch11)



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18. "Tum kya karte?" — char scenarios

Scenario 1. Raat ke 10 baje. Client ka CFO phone par hai: "Ye 2 crore ki sale abhi record kar do, goods kal bhej denge." Tum auditor ho. Kya karte ho? *Iksha ka jawab:* Goods bheje bina sale record karna revenue recognition ka violation hai (cut-off + occurrence). Pehle management ko samjhao. Na maane to misstatement quantify karke report me dalo; material ho to opinion modify. Sale tabhi jab risks/rewards transfer hon.

Scenario 2. Stock count ke din tumhe do warehouses me se ek me jaane se mana kar diya gaya, "safety reasons" bol kar. *Iksha ka jawab:* Scope limitation ka classic sign. Alternate procedures try karo (baad ka count, roll-back, documentation). Na ho sake to evidence ki kami evaluate karo; pervasive ho to disclaimer tak ja sakta hai. Aur dimaag me ghanti: "safety" ke peeche kuch aur ho sakta hai.

Scenario 3. Client ke sab vendors ka ek hi address nikla, aur wo address client ke director ke rishtedar ka hai. *Iksha ka jawab:* Related party + fictitious vendors ka combo red flag. Purchases ki genuineness check karo: GRN, transport, payments. Related party ho to disclosure zaroori; jhoote vendors hon to fraud investigation aur s.143(12) ki taraf socho.

Scenario 4. Tumhari hi team ka junior kehta hai, "Sir, ye 500 vouchers check karne ka time nahi, maine aadhe me tick laga diye." *Iksha ka jawab:* Tick-mark fraud audit ke andar ka fraud hai. Work redo karao, junior ko training do (daanto nahi pehle), aur audit programme me time buffer kyun nahi tha, ye review karo. Working papers me jo tick hai, uske peeche kaam hona chahiye; warna tumhari profession ki buniyaad hil jaati hai.

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19. Aakhri page

Glossary ka aakhri shabd likh kar Iksha ne pen rakh diya. Prabhat ne dono cheat sheet stacks ko ek folder me bhara.

"Ab?" usne poochha.

"Ab kuch nahi," Iksha boli. "Ab ye folder band hoga, aur tum sooge. Kal mock hai. Parso revision. Aur uske baad wo din."

"Agar us din kuch galat hua to?"

Iksha ne folder ke upar apna haath rakha, ek pal ke liye aankhein band ki. "To bhi ye sach rahega: tumne apna poora hisaab rakha. Har din ka voucher jama hai. Koi entry chhooti nahi. Main auditor hoon, Prabhat. Saboot dekhti hoon, bhavishya nahi. Aur saboot kehta hai — tum taiyaar ho."

Folder band hua. Light band hui. Audit poora hua.