

科目：審計學

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請應試考生注意：

1. 未在彌封答案卷內作答者，扣該科總分20分。
2. 選擇題未按作答格式(範例)作答者，扣該科總分10分。

選擇題作答格式(範例)：

1.a	2.a	3.b	4.b	5.c
6.a	7.a	8.d	9.c	10.c
11.a	12.a	13.d	14.a	15.d
16.a	17.c	18.e	19.b	20.d

請依照上述範例之格式，以橫式書寫方式將全部答案寫在彌封答案卷第1頁，答案字母請用正楷小寫(a, b, c, d, e)。

I. Multiple-choice questions (56 points in total; 2 points for each.)

1. An auditor engaged to audit the financial statements of a client obtains a sufficient understanding of the client's internal control for all of the following reasons **except**:
 - a. Understanding the entity's internal control is a requirement of GAAS.
 - b. The auditor must use the information to assess the risk of material misstatements arising from the lack of internal control.
 - c. It is the primary basis for the audit report.
 - d. It assists the auditor in designing the nature, timing and extent of further audit procedures.
2. Which one of the following is **not** a potential problem with management's communication of financial information that causes third parties to desire the independent auditor's assessment of the financial statement presentation?
 - a. Complexity of transactions affecting the financial statements.
 - b. Lack of criteria on which to base information.
 - c. Remoteness of the user from the organization.
 - d. None of the above.
3. An audit committee must be comprised of outside directors and at least one outside financial expert. Which of the following is considered an outside director?
 - a. A director who is not a member of management and has no other relationship to the organization.
 - b. A consultant to the organization who works as an honorary member of the board.
 - c. A director who is also a member of management and has no other relationship to the company.
 - d. A director who is a CPA and CIO of an affiliated organization.
4. Beda, Inc., a public company, receives audit services from Fu Jen, LLC. Beda may engage Fu Jen, LLC to perform corporate tax returns only if:
 - a. Fu Jen, LLC is registered with the PCAOB.
 - b. Fu Jen, LLC is independent of Beda for tax purposes.
 - c. tax services by Fu Jen, LLC are approved by Beda's audit committee.
 - d. the PCAOB approves such "non-audit" services in writing.

※注意：1. 考生須在「彌封答案卷」上作答。

2. 本試題紙空白部分可當稿紙使用。

3. 考生於作答時可否使用計算機、法典、字典或其他資料或工具，以簡章之規定為準。

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5. In the audit team's determination of materiality, it is important that:
- large percentages of sales are used to "lower the blade" of audit testing.
 - materiality is assessed sufficient to provide a low level of assurance that misstatements will be discovered.
 - only the most senior of auditors is involved in the calculation of materiality.
 - changes to financial trends or ratios are considered in addition to overall materiality levels.
6. Planning procedures performed to develop an audit program consist of all of the following except:
- determination of client company risks.
 - determination of the audit opinion that will be rendered.
 - development of a preliminary understanding of the quality of the client's internal control.
 - anticipation of audit adjustments that will be required.
7. According to the Sarbanes-Oxley Act of 2002, how often must audit managers and partners rotate off an engagement of a public company?
- Each busy season.
 - When independence is in question.
 - Every five years.
 - Every seven years.
8. A member of the AICPA must safeguard the confidentiality of client information. Auditors, however, must disclose information to non-clients for the following reasons except to:
- discuss information relating to inadequate disclosure in an audit report.
 - comply with a validly issued and enforceable subpoena or summons.
 - accommodate the review of client audit workpapers under AICPA, PCAOB, or State Board of Accountancy authority.
 - explain to members of the press whether a client is likely to miss payroll in the forthcoming periods.
9. A CPA's retention of a client's records to enforce payment of overdue fees would be considered
- an impairment of professional competency.
 - a discreditable act.
 - acceptable under professional standards.
 - an impairment of independence.

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10. Kool Connections, Inc. requests that Ricci, LLP propose on audit services. Which of the following is a correct assumption surrounding the result of the proposal?
- Ricci, LLP is required to accept Kool Connections if selected as its auditors.
 - Ricci, LLP should interview the prior audit firm prior to releasing the proposal to Kool Connections.
 - Ricci, LLP may decide not to accept Kool Connections based upon the perceived risk of being associated with Kool.
 - Ricci, LLP will contact the PCAOB or the AICPA and ask for a review of the proposal prior to acceptance.
11. In accepting a client, auditing standards suggest that the auditor focus on four questions. Which of the following is **not** one of those four required questions of the predecessor?
- Integrity of management.
 - The strength of the client's internal control.
 - Disagreements with management as to accounting principles, auditing standards, or other similarly significant matters.
 - Any communications by the predecessor to the client's management or audit committee concerning fraud, illegal acts by the client, and matters related to internal control.
12. Financial reporting risks are those risks that relate directly to the recording of transactions and the presentation of financial data in an organization's financial statements. Which of the following factors is **not** one of the key factors affecting financial reporting risk?
- Company's financial health.
 - Complexity of the company's transactions and financial reporting.
 - Quality of the company's internal controls.
 - All of these factors affect financial reporting risks.
13. In implementing the audit risk model, which of the following is **not** a limitation of the model that makes its implementation difficult?
- Inherent risk is difficult to formally assess.
 - Audit risk is objectively determined.
 - The model treats each risk component as separate and independent.
 - Audit technology is not precisely developed in assessing each component.
14. The risk based approach to auditing is dependent upon the auditor's ability to understand the business sufficient to identify and adjust to the residual risk left in account balances. What is the effect upon the nature, extent and timing of audit evidence if the auditor assessment of internal controls of the client indicates that a higher degree of residual risk remains in account balances?
- Gather less persuasive evidence.
 - Smaller sample sizes.
 - Gather more data at or after year end.
 - All of these effects on the nature, extent and timing of audit evidence are applicable.

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15. When may audit procedures be performed?
- I - on the balance sheet date.
 - II - prior to the balance sheet date.
 - III - subsequent to the balance sheet date.
- a. I only.
 - b. I and III only.
 - c. II only.
 - d. I, II, and III.
16. How would an auditor most likely test the mechanical accuracy of a 6,000 page inventory report?
- a. Examine a random sample of inventory documents.
 - b. Use generalized audit software to foot and recalculate.
 - c. Send confirmations to vendors.
 - d. Inquire of the inventory manager as to the accuracy.
17. An audit program is created to specify:
- a. the type of audit opinion to be rendered based upon procedures performed.
 - b. the audit procedures that will be performed every year for the client.
 - c. how an auditor should think while performing audit procedures.
 - d. audit objectives and procedures to be followed during the audit process.
18. Which of the following is an example of poorly-developed audit documentation?
- a. Clear communication as to how testing was performed, the results and conclusions.
 - b. Organization and assembly of documentation in an orderly fashion.
 - c. Headings that include the name of the accounting firm and the date of the last day of field work.
 - d. Authenticated identification of the person responsible for completing the procedure and conclusions.
19. What is the role of a concurring partner in an audit engagement?
- a. To provide a "fresh", quality review of the audit documentation and conclusions and its relationship to the opinion.
 - b. To go back over the staff, senior and manager work and redo the more difficult areas of the audit.
 - c. To work as a liaison between the audit committee and the audit team should there be disagreements.
 - d. To act as an advocate of the client in order to ensure quality customer service has been given.

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20. In evaluating cost of evidence, which of the following phases of the audit usually has the lowest cost?
- Test transactions and account balances.
 - Understand client and industry.
 - Assess risk of material misstatement.
 - Both a and b.
21. Which of the following best represents a walk-through?
- The controller reviews the bank reconciliation prepared by the accountant and its resulting journal entries.
 - The auditor walks the production line to find inefficiencies in the inventory process and reports them to management.
 - The controller takes a sample of write-offs to ensure they have been adequately documented and recorded.
 - The auditor traces three purchasing transactions from the purchase order to the financial statement for observation and understanding.
22. A financial statement auditor concludes that internal controls over cash are not functioning as designed. She believes that material misstatements to the cash accounts are possible because of the deficiencies. What is the course of action that the auditor will most likely take?
- Report the audit to the regulatory agencies of the IRS and SEC.
 - Develop specific tests for cash balances to determine the extent of misstatement.
 - Explain to the client that the audit firm will not be able to complete the audit.
 - Test the internal control over cash.
23. In an integrated audit the auditor must test the controls of all material processes of the client unless The audit procedures used to verify accrued liabilities differ from those employed for the verification of accounts payable because:
- substantive testing would be more effective and efficient.
 - the controls were in place last year.
 - there have been changes to the controls during the year.
 - the design of the control would not prevent material misstatements.
24. According to professional audit standards, how might an understanding of the nature of fraud that may occur in the client organization best be identified by the audit firm?
- Fraud training courses from actual corporate fraud ex-criminals.
 - Conducting a brainstorming meeting with the members of the audit team.
 - Circulating a survey to the client company employees for completion.
 - Discussions with other CPA firms.

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25. Management of Premium Discovery Company is compensated through large salaries, stock options and bonuses tied to the company's working capital growth. The CEO is constantly holding meetings to ensure that management is on target for increased operating income each month. Based upon the above information only, what type of probable motivation is there to commit fraud at the Premium Discovery Company?

- a. Incentive.
- b. Opportunity.
- c. Rationalization.
- d. Expectation.

26. Empire Business Machines, Inc. (EBM) is audited by Fahy Co. Empire utilizes periodic inventory and has ten locations throughout Taipei, Penghu, and Kinmen. The audit program of Fahy requires that the following procedure be performed by the senior auditor, manager and four other auditors:

A Haphazardly select six of the EBM locations, (two of which that were not selected in the previous audit) to be visited at 5:30 a.m. on January 1, 2013. Do not inform EBM of the locations, but make the client aware that we could visit any one of the ten locations at 5:30 a.m. that morning.

- 1 Observe and count 45 product types at each location. Recount any differences with client records and statistically analyze remaining differences for possible misstatement to inventory accounts. Keep an inventory tag range/sequence control list and document the tag numbers present in the warehouse and those utilized in your count.

To which of management's assertions does procedure A-1 of Fahy primarily relate?

- a. Existence.
- b. Valuation.
- c. Observation.
- d. Rights.

27. Which one of the following is a proper course of action for the auditor when the upper misstatement limit exceeds the tolerable misstatement?

- a. The auditor can have the client correct the known misstatements.
- b. The auditor can determine whether there is a pattern of common problems.
- c. The auditor can expand the sample.
- d. All of the above.

28. A primary difference in comparing the resulting misstatements analyzed after using statistical methods compared to those using non-statistical methods is that

- a. statistical methods determine the most likely misstatement while non-statistical methods determine misstatements by projecting the misstatement found in the sample back to the population.
- b. statistical methods determine misstatements by projecting the misstatement found in the sample back to the population while non-statistical methods determine the most likely misstatement.
- c. statistical methods take a multiple of the estimated misstatement while non-statistical methods use precision to determine the upper limit.
- d. statistical methods ignore any sampling error as the probabilities have compensated for them while non-statistical methods must utilize the sampling error in the projection of the upper limit.

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II. Essay questions (44 points)

1. (14 points)

The following are various potential misstatements due to errors or fraud (1 through 7), and a list of auditing procedures (a through h) the auditor would consider performing to gather evidence to determine whether the error or fraud is present.

Possible Misstatements Due to Errors or Fraud

1. The auditor suspects that a lapping scheme exists because an accounting department employee who has access to cash receipts also maintains the accounts receivable ledger and refuses to take any vacation or sick days.
2. The auditor suspects that the entity is inappropriately increasing the cash reported on its balance sheet by drawing a check on one account and not recording it as an outstanding check on that account and simultaneously recording it as a deposit in a second account.
3. The entity's cash receipts of the first few days of the subsequent year were properly deposited in its general operating account after the year-end. However, the auditor suspects that the entity recorded the cash receipts in its books during the last week of the year under audit.
4. The auditor noticed a significant increase in the number of times that petty cash was reimbursed during the year and suspects that the custodian is stealing from the petty cash fund.
5. The auditor suspects that a kiting scheme exists because an accounting department employee who can issue and record checks seems to be leading an unusually luxurious lifestyle.
6. During tests of the reconciliation of the payroll bank account, the auditor notices that a check to an employee is significantly larger than other payroll checks.
7. The auditor suspects that the controller wrote several checks and recorded the cash disbursements just before year-end but did not mail the checks until after the first week of the subsequent year.

List of Auditing Procedures

- a. Send a standard bank confirmation confirming the balance in the bank at year-end.
- b. Compare the details of the cash receipts journal entries with the details of the corresponding daily deposit slips.
- c. Count the balance in petty cash at year-end.
- d. Agree gross amount on payroll checks to approved hours and pay rates.
- e. Obtain the cutoff bank statement and compare the cleared checks to the year-end reconciliation.
- f. Examine invoices, receipts, and other documentation supporting reimbursement of petty cash.
- g. Examine payroll checks clearing after year-end with the payroll journal.
- h. Prepare a bank transfer schedule.

Required

For each possible misstatement, identify one audit procedure that would be most effective in providing evidence regarding the potential misstatement. Listed auditing procedures may be used once, more than once, or not at all.

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2. (20 points)

You are conducting an audit of sales for the Fu Jen Department Store, a retail chain store with a computer-based sales system in which computer-based cash registers are integrated directly with accounts receivable, sales, perpetual inventory records, and sales commission expense. At the time of sale the salesclerk's key-enter the following information directly into the cash register:

- Product number
- Quantity sold
- Unit selling price
- Store code number
- Salesclerk number
- Date of sale
- Cash sale or credit sale
- Customer account number for all credit sales

The total amount of the sale, including sales tax, is automatically computed by the system and indicated on the cash register's visual display. The only printed information for cash sales is the cash register receipt, which is given to the customer. For credit sales, a credit slip is prepared and one copy is retained by the clerk and submitted daily to the accounting department.

A summary of sales is printed out daily in the accounting department. The summary includes daily and monthly totals by salesclerks for each store as well as totals for each of 93 categories of merchandise by store. Perpetual inventory and accounts receivable records are updated daily on magnetic tape, but supporting records are limited primarily to machine-readable records.

Required

- a. What major problems does the auditor face in verifying sales and accounts receivable?
- b. How can the concept of test data be used in the audit? Explain the difficulties the auditor will have to overcome in using test data.
- c. How can generalized audit software be used in this audit? List several tests that can be conducted by using this approach.
- d. The client would also like to reduce the time it takes to key-enter the information into the cash register. Suggest several ways in which this can be accomplished, considering the information now being key-entered manually.

3. (10 points)

In an annual audit at December 31, 2012, you find the following transactions near the closing date:

1. Merchandise costing \$1,822 was received on January 3, 2013, and the related acquisition invoice recorded January 5. The invoice showed the shipment was made on December 29, 2012, FOB destination.
2. Merchandise costing \$625 was received on December 28, 2012, and the invoice was not recorded. You located it in the hands of the purchasing agent; it was marked "on consignment."
3. A packing case containing products costing \$816 was standing in the shipping room when the physical inventory was taken. It was not included in the inventory because it was marked "Hold for shipping instructions." Your investigation revealed that the customer's order was dated December 18, 2012, but that the case was shipped and the customer billed on January 10, 2013. The product was a stock item of your client.
4. Merchandise received on January 6, 2013, costing \$720 was entered in the acquisitions journal on January 7, 2013. The invoice showed shipment was made FOB supplier's warehouse on December 31, 2012. Because it was not on hand December 31, it was not included in inventory.

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5. A special machine, fabricated to order for a customer, was finished and in the shipping room on December 31, 2012. The customer was billed on that date and the machine excluded from inventory, although it was shipped on January 4, 2013.

Assume that each of the amounts is material.

Required

- a. State whether the merchandise should be included in the client's ending inventory of 2012.
- b. Give your reason for your decision on each item.