

東吳大學 102 學年度碩士班研究生招生考試試題

第 1 頁，共 7 頁

系級	會計學系碩士班	考試時間	100 分鐘
科目	審計學	本科總分	100 分

I. (60%) Multiple-Choice: Select the appropriate answer from those presented. Please organize your answers into the following table.

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

1. According to the auditing standards of Taiwan, which of the following procedure is not conducted only in the substantive procedures?
 - a. Tests of details of classes of transactions
 - b. Tests of details of account balances
 - c. Tests of details of disclosures
 - d. Analytical procedures
2. According to the auditing standards of Taiwan, which of the following risk is the part of audit risk? (i) the risk of material misstatement (ii) the inherent risk (iii) the control risk (iv) the detective risk
 - a. only (i) (iii)
 - b. only (ii) (iii)
 - c. only (ii) (iii) (iv)
 - d. (i) (ii) (iii) (iv)
3. According to the auditing standards of Taiwan, how many years the auditor of listed entities is required to be rotated at least?
 - a. 3 years
 - b. 5 years
 - c. 7 years
 - d. 9 years
4. From the above question, how many years the rotated auditor must wait to audit the same listed entity again at least?
 - a. 2 years
 - b. 4 years
 - c. 6 years
 - d. 8 years
5. According to the auditing standards of Taiwan, which of the following statement is *incorrect*?
 - a. Performance materiality means the amount or amounts set by the auditor at less than materiality for the financial statements as a whole.
 - b. Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

東吳大學 102 學年度碩士班研究生招生考試試題

第 2 頁，共 7 頁

系級	會計學系碩士班	考試時間	100 分鐘
科目	審計學	本科總分	100 分

- c. Performance materiality is the allocated materiality for particular classes of transactions, account balances or disclosures.
- d. Performance materiality is set to assess the risks of material misstatement and to determine the nature, timing and extent of further audit procedures.
6. According to the auditing standards of Taiwan, which of the following statement is *incorrect*?
- Rather than the negative confirmation, the auditor should use the positive confirmation on principles.
 - The auditor must use the positive confirmation when confirming the financial institution.
 - The auditor may use confirmation to a single transactions or the account balance.
 - The auditor must not use confirmation at a date prior to the balance sheet date.
7. According to the auditing standards of Taiwan, when should the audit planning begin and end?
- It begins shortly after *the completion of the previous* audit engagement and continues until the completion of the current audit *engagement*.
 - It begins shortly after *the completion of the previous* audit engagement and continues until the completion of the current audit *procedures*.
 - It begins shortly after *the acceptance of the current* audit engagement and continues until the completion of the current audit *engagement*.
 - It begins shortly after *the acceptance of the current* audit engagement and continues until the completion of the current audit *procedures*.
8. According to the auditing standards of Taiwan, when the auditor take the accounting records and documents as the audit evidences, he is not required to assess whether the accounting records and documents is
- appropriate.
 - sufficient.
 - genuine.
 - None of above
9. According to the auditing standards of Taiwan, which of the following statement is *incorrect*?
- Significant risk is an identified and assessed risk of material misstatement that requires special audit consideration.
 - In judging whether any of the identified risks of material misstatement are, a significant risk, the auditor shall exclude the effects of identified controls related to the risk.
 - If the auditor has determined that a significant risk exists, the auditor shall obtain an understanding of the entity's controls, including control activities, relevant to that risk.
 - Tests of details are the required substantive procedures that are specifically responsive to significant t risk.
10. According to the auditing standards of Taiwan, how long the audit documentation should be retained at least?

東吳大學 102 學年度碩士班研究生招生考試試題

第 3 頁，共 7 頁

系級	會計學系碩士班	考試時間	100 分鐘
科目	審計學	本科總分	100 分

- a. 5 years from the balance sheet date.
- b. 5 years from the audit report date.
- c. 7 years from the balance sheet date.
- d. 7 years from the audit report date.

11. Which of the following stages of the sampling process does not necessarily differ for statistical sampling and nonstatistical sampling?
 - a. Identifying the population.
 - b. Determining sample size.
 - c. Evaluating sample results.
 - d. All of the above differ for statistical sampling and nonstatistical sampling.
12. What assurance does the auditor provide that errors, frauds, and direct effect illegal act that are material to the financial statements will be detected?
 - a. Errors: limited; frauds: negative; direct effect illegal act: limited.
 - b. Errors: limited; frauds: limited; direct effect illegal act: reasonable.
 - c. Errors: reasonable; frauds: limited; direct effect illegal act: limited.
 - d. Errors: reasonable; frauds: reasonable; direct effect illegal act: reasonable.
13. According to the auditing standards of Taiwan, which of the following statement is *correct*?
 - a. The auditor shall accumulate misstatements identified during the audit, other than those that are clearly trivial.
 - b. Misstatements that are clearly trivial are those below the materiality.
 - c. Misstatements that are clearly trivial are those below the performance materiality.
 - d. The threshold amount that misstatements would be regarded as clearly trivial should not be included in the audit documentation
14. Which of the following internal control activities most likely addresses the completeness assertion for inventory?
 - a. Receiving reports are prenumbered and the numbering sequence is checked periodically.
 - b. The work-in-process account is periodically reconciled with subsidiary inventory records.
 - c. Employees responsible for custody of finished goods do not perform the receiving function.
 - d. There is a separation of duties between the payroll department and inventory accounting personnel.
15. As part of assessing the risk of material misstatement, the audit team must assess the control risk in the computerized processing system(s). Initially, the audit team must identify the overall processing scope of the system(s), which would include each of the following considerations *except*
 - a. The types of transactions that are processed through the system(s).
 - b. The specific control procedures that have been implemented by the client to prevent or detect misstatements that could occur based on the audit team's analysis.

東吳大學 102 學年度碩士班研究生招生考試試題

第 4 頁，共 7 頁

系 級	會計學系碩士班	考試 時間	100 分鐘
科 目	審計學	本科 總分	100 分

- c. The programs and files that are accessed by the system(s) in processing transactions.
d. The type of output that is created as a result of processing transactions through the system(s).
16. According to the auditing standards of Taiwan, how should be the auditor to address the assessed risks of material misstatement at the financial statement level?
- Design and perform further audit procedures.
 - Design and implement overall responses.
 - Set the lower performance materiality.
 - Set the lower materiality.
17. The auditors' information source for vouching the bank reconciliation items is the
- Standard bank confirmation.
 - Bank statement at audit date.
 - Cutoff bank statement at audit date.
 - Accounting journal at year end.
18. Which of the following would be consistent with an employee taking cash receipts from customers on account?
- The total of the accounts receivable subsidiary ledger balances is less than the accounts receivable control account.
 - The total of the accounts receivable subsidiary ledger balances is more than the accounts receivable control account.
 - Total cash receipts from customers for the month are less than credit sales for the month.
 - Total cash receipts from customers for the month are more than credit sales for the month.
19. According to the auditing standards of Taiwan, in evaluating the effect of uncorrected misstatements, which of the following statement is *correct*?
- Considering the risk that further undetected misstatements may exist, it may be appropriate to offset misstatements within the same account balance or class of transactions.
 - If revenue has been materially overstated, the financial statements as a whole will be materially misstated, even if the effect of the misstatement on earnings is completely offset by an equivalent overstatement of expenses.
 - There may be circumstances where the auditor concludes that a classification misstatement is not material in the context of the financial statements as a whole, even though it may exceed the materiality level or levels applied in evaluating other misstatements.
 - All of above
20. Which of the following is an example of sampling risk if an individual is attempting to determine whether the average income in a given neighborhood exceeds \$100,000?
- The sample results indicate that the average income is \$98,000 when it is \$90,000.
 - The sample results indicate that the average income is \$99,000 when it is \$110,000.
 - The sample results indicate that the average income is \$110,000 when it is \$115,000.
 - All of the above are examples of sampling risk.

東吳大學 102 學年度碩士班研究生招生考試試題

第 5 頁，共 7 頁

系級	會計學系碩士班	考試時間	100 分鐘
科目	審計學	本科總分	100 分

II. (12%) Situations 1 through 6 present various independent material factual situations an auditor might encounter in conducting an audit. Assume the following:

- Otherwise stated, the auditor is independent and conducts the audit in accordance with GAAS.
- Only single-year (not comparative) statements are presented for the current year.
- The conditions for an unqualified opinion exist unless contradicted in the factual situations.
- No report modifications are to be made except in response to the factual situations.

List A-Type of opinions

- a. qualified opinion
- b. unqualified opinion
- c. adverse opinion
- d. disclaimer of opinion
- e. either qualified or adverse opinion
- f. either qualified or disclaimer of opinion
- g. either adverse or disclaimer of opinion

List B-Report modifications

- H. add the explanatory paragraph *preceding* the opinion paragraph *without modifying* the three standard paragraph
- I. add the explanatory paragraph *following* the opinion paragraph *without modifying* the three standard paragraph
- J. add the explanatory paragraph *preceding* the opinion paragraph and *modifying the opinion* paragraph
- K. add the explanatory paragraph *following* the opinion paragraph and *modifying the opinion* paragraph
- L. add the explanatory paragraph *preceding* the opinion paragraph and *modifying the scope and opinion* paragraph
- M. add the explanatory paragraph *following* the opinion paragraph and *modifying the scope and opinion* paragraph
- N. *modifying the scope* paragraph without add the explanatory paragraph
- O. *modifying the opinion* paragraph without add the explanatory paragraph
- P. *modifying the scope and opinion* paragraph without add the explanatory paragraph
- Q. *modifying the three standard* paragraph without add the explanatory paragraph
- R. the three standard paragraph without modification

According to the auditing standards of Taiwan, for each independent situation1 through 6, **select one item from List A and one item from List B** as the best response from the auditor. For example, when the condition states that "The financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows in conformity with GAAP", the auditor should select "b" from List A and "R" from List B. **Please organize your answers into the following table.**

Situation	item selected from List A	item selected from List B
1		
:		
6		

東吳大學 102 學年度碩士班研究生招生考試試題

第 6 頁，共 7 頁

系級	會計學系碩士班	考試時間	100 分鐘
科目	審計學	本科總分	100 分

1. In auditing the long-term investment, the auditor cannot obtain the audited financial statements for an investee. The auditor concludes that sufficient and appropriate evidences regarding the investment cannot be obtained but is not significant enough to overshadow the overall financial statements.
2. The entity has some significant related party transactions. The auditor want to emphasize these matters despite the financial statements disclosures concerning these matters are adequate.
3. The principal auditor decides to refer to the work of another auditor who audited a wholly owned subsidy of the entity and issue an unqualified opinion.
4. The entity is a defendant in a lawsuit. However, management cannot reasonably estimate outcome of the litigation. The auditor believes that there is a reasonable possibility of a significant material loss, but the lawsuit is adequately disclosed in the financial statements. The auditor doesn't want to emphasize this matter.
5. The entity fails to capitalize a finance lease but disclose it in the note of the financial statements.
6. The entity changes its estimate of the useful life of its equipment. The auditor doesn't want to emphasize this matter.

III. (10%) For each of the following transactions errors 1 through 5, **select two items from List** to identify the control activities which are likely to control by prevention, detection, or correction.

1. Goods shipped to a bad credit risk customer
2. Sales billed at the wrong price or wrong quantity
3. Product line A sales is recorded as Product line B.
4. Failure to post charges to customers for sales
5. January sales recorded in December.

List - Control activities

- A. Accountants have instructions to date sales on the date of shipment.
- B. Accounts receivable subsidiary totaled a reconciled to accounts receivable control account.
- C. Credit files updated for customer payment history.
- D. Invoiced prices compared to approved price list.
- E. Shipping document quantity compared to sales invoice
- F. Sales order approved for credit.
- G. General ledger code checked for sales product lines.
- H. Sales entry date compared to shipping doc date.
- I. Intercompany accounts reconciled with subsidiary company records.
- J. Sales dollar batch totals compared to sales journal.

Please organize your answers into the following table.

Transaction Error	Two items form list
1	
2	
3	
4	
5	

東吳大學 102 學年度碩士班研究生招生考試試題

第 7 頁，共 7 頁

系級	會計學系碩士班	考試時間	100 分鐘
科目	審計學	本科總分	100 分

IV. (8%) For each of the following material situations 1 through 4, **define the type of problem encountered** and **the conditions that the unqualified opinion can be issued**.

1. The auditor is unable to confirm the accounts receivable.
2. The client forgot to disclose a liability provision.
3. The auditor believes there is substantial doubt regarding the going concern of the client.
4. The client changes his accounting principle about inventory.

Please organize your answers into the following table.

Situation	Type of problem	Conditions that the unqualified opinion can be issued
1.		
2.		
3.		
4.		

V. (10%) Short Essay

1. Define the three factors should be considered when the auditor decide to whether perform tests of controls or not.
2. Why the auditor must perform the risk assessment procedures?