

科目：審計學

系所組：會計學系碩士班

請應試考生注意：

1. 未在彌封答案卷內作答者，不予計分。
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

請依照上述範列之格式，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 (52 points in total; 2 points for each.)

1. The Sarbanes-Oxley Act prohibits a CPA firm that audits a public company from providing which of the following types of services to that company?
  - a. Reviews of quarterly financial statements.
  - b. Preparation of corporate tax returns.
  - c. Most consulting services.
  - d. Tax services.
2. Attestation services on information technology include WebTrust services and SysTrust services. Which of the following statements most accurately describes SysTrust services?
  - a. SysTrust services provide assurance on business processes, transaction integrity and information processes.
  - b. SysTrust services provide assurance on system reliability in critical areas such as security and data integrity.
  - c. SysTrust services provide assurance on internal control over financial reporting.
  - d. SysTrust services provide assurance as to whether accounting personnel are following procedures prescribed by the company controller.
3. Ricci Corporation's stock is listed on a national stock exchange and registered with the Securities and Exchange Commission. Ricci's management hires a CPA to perform an independent audit of Ricci's financial statements. The primary objective of this audit is to provide assurance to the:
  - a. investors in Ricci Corporation's stock.
  - b. stock exchange.
  - c. Securities and Exchange Commission.
  - d. management of Ricci Corporation.
4. Which of the following statements is not true?
  - a. A one-paragraph report is generally used when the auditor is not independent.
  - b. A three-paragraph report ordinarily indicates there are no exceptions in the audit.

※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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- c. More than three paragraphs in the report indicates there must be some type of qualification in the audit.
- d. An unqualified opinion with an explanation or modified wording would require more than three paragraphs.
5. When an auditor encounters a situation involving more than one of the conditions requiring a departure from a standard unqualified report, the auditor should modify his or her opinion for each condition unless one has the effect of neutralizing the others. In which of the following situations would the auditor not include more than one modification in the report?
- a. There is a material scope limitation, and the auditor is not independent.
- b. There is a material GAAP violation, and the auditor is not independent.
- c. There is a material scope limitation, and there is substantial doubt about the company's ability to continue as a going concern.
- d. There is a substantial doubt about the company's ability to continue as a going concern, and information about the causes of the uncertainties is not adequately disclosed in a footnote.
6. A common way for a CPA firm to demonstrate its lack of duty to perform is by use of a(n):
- a. expert witness' testimony.
- b. audit contract, or engagement letter.
- c. management representation letter.
- d. confirmation letter.
7. Generally, loans between a CPA firm or its members and an audit client are prohibited because it is a financial relationship. Which of the following, made under normal lending procedures, is not an exception to this rule?
- a. Immaterial loans.
- b. Home mortgages.
- c. Material loans.
- d. Secured loans.
8. When the auditor has reason to believe an illegal act has occurred, the auditor should:
- a. inquire of management only at one level below those likely to be involved with the illegality.
- b. begin communication with the FASB in accordance with PCAOB regulations.
- c. consider accumulating additional evidence to determine if there is actually an illegal act.
- d. withdraw from the engagement.
9. In describing the cycle approach to segmenting an audit, which of the following statements is **not** true?
- a. All general ledger accounts and journals are included at least once.
- b. Some journals and general ledger accounts are included in more than one cycle.
- c. The "capital acquisition and repayment" cycle is closely related to the "acquisition of goods and services and payment" cycle.
- d. The "inventory and warehousing" cycle may be audited at any time during the engagement since it is unrelated to the other cycles.

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10.

Which of the following statements is not correct?

- a. Analytical procedures are used to isolate accounts or transactions that should be investigated more extensively.
- b. For certain immaterial accounts, analytical procedures may be the only evidence needed.
- c. In some instances, other types of evidence may be reduced when analytical procedures indicate that an account balance appears reasonable.
- d. Analytical procedures use supporting documentation to determine which account balances need additional detailed procedures.

11.

A common comparison occurs when the auditor calculates the expected balance and compares it with the actual balance. The auditor's expected account balance may be determined by:

- a. using industry standards.
- b. using Dun and Bradstreet reports.
- c. relating it to some other balance sheet or income statement account or accounts.
- d. inquiry of the client.

12.

An auditor who accepts an audit engagement and does not possess the industry expertise of the business entity should:

- a. engage financial experts familiar with the nature of the business entity.
- b. obtain a knowledge of matters that relate to the nature of the entity's business.
- c. refer a substantial portion of the audit to another CPA who will act as the principal auditor.
- d. first inform management that an unqualified opinion cannot be issued.

13.

Tolerable misstatement as set by the auditor:

- a. decreases acceptable audit risk.
- b. increases inherent risk and control risk.
- c. affects planned detection risk.
- d. does not affect any of the four risks.

14.

When considering internal control, an auditor should be aware of the concept of reasonable assurance, which recognizes that the:

- a. segregation of incompatible functions is necessary to ascertain that internal control is effective.
- b. employment of competent personnel provides assurance that the objectives of internal control will be achieved.
- c. establishment and maintenance of internal control is an important responsibility of the management and not of the auditor.
- d. costs of internal control should not exceed the benefits expected to be derived from internal control.

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15.  
When the auditor suspects that fraud may be present, SAS No. 99 requires the auditor to:
- terminate the engagement with sufficient notice given to the client.
  - issue an adverse opinion or a disclaimer of opinion.
  - obtain additional evidence to determine whether material fraud has occurred.
  - re-issue the engagement letter.
16.  
Many clients have outsourced the IT functions. The difficulty the independent auditor faces when a computer service center is used is to:
- gain the permission of the service center to review their work.
  - find compatible programs that will analyze the service center's programs.
  - determine the adequacy of the service center's internal controls.
  - try to abide by the *Code of Professional Conduct* to maintain the security and confidentiality of client's data.
17.  
An exception in a test of control indicates the \_\_\_\_\_ of misstatements.
- the amount
  - the likelihood
  - the amount, likelihood, and classification
  - the amount and the classification
18.  
A proof of cash is not useful in discovering differences in the actual and reported cash balances due to:
- deposits in transit.
  - collections on the company's behalf by the bank which are deposited directly to the company's account.
  - cash receipts that were not recorded in the relevant journals.
  - service charges.
19.  
Which of the following statements is true?
- Audit procedures on the sample item will vary as a result of using either statistical or nonstatistical sampling.
  - The audit procedures will be the same for either statistical or nonstatistical sampling but they must be performed differently for each.
  - Statistical sampling requires quantitative audit procedures whereas nonstatistical sampling requires judgmental audit procedures.
  - Audit procedures on the sample item will not vary as a result of using either statistical or nonstatistical sampling.

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20.  
The most reliable evidence from confirmations is obtained when they are sent:
- as close to the balance sheet date as possible.
  - at various times throughout the year to different segments of the sample, so that the entire sample is representative of account balances scattered throughout the year.
  - several months before the year-end, so the auditor will have adequate time to perform alternate procedures if they are required.
  - at various times throughout the year to the same group in the sample, so that the sample will not have a time bias.
21.  
The statistical methods used to evaluate monetary-unit samples:
- neither exclude nor include units twice.
  - permit the inclusion of a unit in the sample more than once.
  - do not permit a unit to be included in the sample more than once.
  - ignore the possibility that a unit may be included in a sample more than once.
22.  
When goods are received, the receiving clerk should match the goods with the:
- purchase order and the requisition form.
  - vendor's invoice and the receiving report.
  - vendor's shipping document and the purchase order.
  - receiving report and the vendor's shipping document.
23.  
The audit procedures used to verify accrued liabilities differ from those employed for the verification of accounts payable because:
- accrued liability balances are less material than accounts payable balances.
  - accrued liabilities at year end will become accounts payable during the following year.
  - evidence supporting accrued liabilities is non-existent, whereas evidence supporting accounts payable is readily available.
  - accrued liabilities usually pertain to services of a continuing nature, whereas accounts payable are the result of completed transactions.
24.  
In auditing payroll, which of the following procedures will ordinarily require the least amount of auditor time under normal circumstances?
- Tests of controls.
  - Substantive tests of transactions.
  - Analytical procedures.
  - Tests of details of balances.

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25.

Which of the following audit objectives is least important in the audit of capital stock and paid-in-capital in excess of par?

- a. Completeness.
- b. Accuracy.
- c. Rights and obligations.
- d. Presentation and disclosure.

26.

On the last day of the fiscal year, the cash disbursements clerk drew a company check on bank A and deposited the check in the company account in bank B to cover a previous theft of cash. The disbursement has not been recorded. The auditor will best detect this form of kiting by:

- a. examining the composition of deposits in both bank A and bank B subsequent to year-end.
- b. examining paid checks returned with the bank statement of the next account period after year-end.
- c. preparing, from the cash disbursements records, a summary of bank transfers for one week prior to and subsequent to year-end.
- d. comparing the detail of cash receipts as shown by the client's cash receipts records with the detail on the confirmed duplicate deposit tickets for three days prior to and subsequent to year-end.

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## II. Essay questions (48 points)

## 1. (14 points)

Beda, CPA is considering the following factors in assessing audit risk at the financial statement level in planning the audit of Waste Management Services (WMS), Inc.'s financial statements for the year ended December 31, 2011. WMS is a privately-held company that contracts with municipal governments to close landfills. Audit risk at the financial statement level is influenced by the risk of material misstatements, which may be indicated by factors related to the entity, management, and the industry environment.

1. This was the first year WMS operated at a profit since 2006 because the municipalities received increased federal and state funding for environmental purposes.
2. WMS's Board of Directors is controlled by Yoda, the majority shareholder, who also acts as the chief executive officer.
3. The internal auditor reports to the controller and the controller reports to Yoda.
4. The accounting department has experienced a high rate of turnover of key personnel.
5. WMS's bank has a loan officer who meets regularly with WMS's CEO and controller to monitor WMS's financial performance.
6. WMS's employees are paid bi-weekly.
7. Beda has audited WMS for five years.
8. During 2011, WMS changed its method of preparing its financial statements from the cash basis to generally accepted accounting principles.
9. During 2011, WMS sold one half of its controlling interest in Sanitation Equipment Leasing (SEL) Co. WMS retained a significant interest in SEL.
10. During 2011, litigation filed against WMS in 2001 alleging that WMS discharged pollutants into state waterways was dropped by the state. Loss contingency disclosures that WMS included in prior years' financial statements are being removed for the 2011 financial statements.
11. During December 2011, WMS signed a contract to lease disposal equipment from an entity owned by Yoda's parents. This related party transaction is not disclosed in WMS's notes to its 2011 financial statements.
12. During December 2011, WMS increased its casualty insurance coverage on several pieces of sophisticated machinery from historical cost to replacement cost.
13. WMS recorded a substantial increase in revenue in the fourth quarter of 2011. Inquiries indicated that WMS initiated a new policy and guaranteed several municipalities that it would refund state and federal funding paid to WMS on behalf of the municipality if it failed a federal or state site inspection in 2012.
14. An initial public offering of WMS stock is planned in 2012.

Required:

For each of the 14 factors listed above, indicate whether the item would likely increase audit risk, decrease audit risk, or have no effect on audit risk, and describe the supporting reasons.

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## 2. (10 points)

The following are independent situations for which you will recommend an appropriate audit report on internal control over financial reporting as required by PCAOB auditing standards:

1. The auditor identified a material misstatement in the financial statements that was not detected by management of the company.
2. The auditor was unable to obtain any evidence about the operating effectiveness of internal control over financial reporting.
3. The auditor determined that a deficiency in internal control exists that will not prevent or detect a material misstatement in the financial statements.
4. During interim testing, the auditor identified and communicated to management a significant control deficiency. Management immediately corrected the deficiency and the auditor was able to sufficiently test the newly-instituted internal control before the end of the fiscal period.
5. As a result of performing tests of controls, the auditor identified a significant deficiency in internal control over financial reporting; however, the auditor does not believe that it represents a material weakness in internal control.

Required:

For each situation, state the appropriate audit report from the following alternatives:

- Unqualified opinion on internal control over financial reporting
- Qualified or disclaimer of opinion on internal control over financial reporting
- Adverse opinion on internal control over financial reporting

## 3. (10 points)

The following auditor's report was drafted by a staff accountant of Paul and John, CPAs, at the completion of the audit of the comparative financial statements of FJ Partnership for the years ended December 31, 2012 and 2011. FJ is a privately held company that prepares its financial statements on the income tax basis of accounting. The report was submitted to the engagement partner, who reviewed matters thoroughly and properly concluded that an unqualified opinion should be expressed.

**Auditor's Report**

We have audited the accompanying statements of assets, liabilities, and capital—income tax basis of FJ Partnership as of December 31, 2012 and 2011, and the related statements of revenue and expense—income tax basis and changes in partners' capital accounts—income tax basis for the years then ended.

We conducted our audits in accordance with standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used as well as evaluating the overall financial statement presentation.

As described in Note A, these financial statements were prepared on the basis of accounting the FJ Partnership uses for income tax purposes. Accordingly, these financial statements are not designed for those who do not have access to the FJ Partnership's tax returns.



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In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and capital of FJ Partnership as of December 31, 2012 and 2011, and its revenue and expenses and changes in partner's capital accounts for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Paul and John, CPAs  
April 3, 2013

Required:

Identify the errors and omissions in the auditor's report as drafted by the staff accountant. Group the errors and omissions by paragraph, where applicable. Do not redraft the report.

4. (14 points)

The following are auditor judgments and attributes sampling results for six populations. Assume large population sizes.

	1	2	3	4	5	6
EPER (in percent)	2	1	1	0	3	8
TER (in percent)	6	5	20	3	8	15
ARACR (in percent)	5	5	10	5	10	10
Actual sample size	100	100	20	100	60	60
Actual number of exceptions in the sample	2	4	1	0	1	8

Required:

- For each population, did the auditor select a smaller sample size than is indicated by using the attributes sampling tables for determining sample size? Evaluate selecting either a larger or smaller size than those determined in the tables.
- Calculate the SER (sample exception rate) and CUER (computed upper exception rate) for each population. For the above questions a and b, please arrange your answers as the following table format on your answer sheet.

	ACTUAL SAMPLE SIZE	INITIAL SAMPLE SIZE	SER	CUER	TER (tolerable exception rate)
1	100				6.0%
2	100				5.0
3	20				20.0
4	100				3.0
5	60				8.0
6	60				15.0

- For which of the six populations should the sample results be considered unacceptable? What options are available to the auditor?
- Why is analysis of the exceptions necessary even when the populations are considered acceptable?

Note: ARACR means acceptable risk of assessing control risk too low.

## 5 PERCENT ARACR

Estimated Population Exception Rate (in Percent)	Tolerable Exception Rate (in Percent)										
	2	3	4	5	6	7	8	9	10	15	20
0.00	149	99	74	59	49	42	36	32	29	19	14
0.25	236	157	117	93	78	66	58	51	46	30	22
0.50	*	157	117	93	78	66	58	51	46	30	22
0.75	*	208	117	93	78	66	58	51	46	30	22
1.00	*	*	156	93	78	66	58	51	46	30	22
1.25	*	*	156	124	78	66	58	51	46	30	22
1.50	*	*	192	124	103	66	58	51	46	30	22
1.75	*	*	227	153	103	88	77	51	46	30	22
2.00	*	*	*	181	127	88	77	68	46	30	22
2.25	*	*	*	208	127	88	77	68	61	30	22
2.50	*	*	*	*	150	109	77	68	61	30	22
2.75	*	*	*	*	173	109	95	68	61	30	22
3.00	*	*	*	*	195	129	95	84	61	30	22
3.25	*	*	*	*	*	148	112	84	61	30	22
3.50	*	*	*	*	*	167	112	84	76	40	22
3.75	*	*	*	*	*	185	129	100	76	40	22
4.00	*	*	*	*	*	*	146	100	89	40	22
5.00	*	*	*	*	*	*	*	158	116	40	30
6.00	*	*	*	*	*	*	*	*	179	50	30
7.00	*	*	*	*	*	*	*	*	*	68	37

## 10 PERCENT ARACR

0.00	114	76	57	45	38	32	28	25	22	15	11
0.25	194	129	96	77	64	55	48	42	38	25	18
0.50	194	129	96	77	64	55	48	42	38	25	18
0.75	265	129	96	77	64	55	48	42	38	25	18
1.00	*	176	96	77	64	55	48	42	38	25	18
1.25	*	221	132	77	64	55	48	42	38	25	18
1.50	*	*	132	105	64	55	48	42	38	25	18
1.75	*	*	166	105	88	55	48	42	38	25	18
2.00	*	*	198	132	88	75	48	42	38	25	18
2.25	*	*	*	132	88	75	65	42	38	25	18
2.50	*	*	*	158	110	75	65	58	38	25	18
2.75	*	*	*	209	132	94	65	58	52	25	18
3.00	*	*	*	*	132	94	65	58	52	25	18
3.25	*	*	*	*	153	113	82	58	52	25	18
3.50	*	*	*	*	194	113	82	73	52	25	18
3.75	*	*	*	*	*	131	98	73	52	25	18
4.00	*	*	*	*	*	149	98	73	65	25	18
4.50	*	*	*	*	*	218	130	87	65	34	18
5.00	*	*	*	*	*	*	160	115	78	34	18
5.50	*	*	*	*	*	*	*	142	103	34	18
6.00	*	*	*	*	*	*	*	182	116	45	25
7.00	*	*	*	*	*	*	*	*	199	52	25
7.50	*	*	*	*	*	*	*	*	*	52	25
8.00	*	*	*	*	*	*	*	*	*	60	25
8.50	*	*	*	*	*	*	*	*	*	68	32

\*Sample is too large to be cost effective for most audit applications.

Notes: 1. This table assumes a large population. 2. Sample sizes are the same in certain columns even when estimated population exception rates differ because of the method of constructing the tables. Sample sizes are calculated for attributes sampling by using the expected number of exceptions in the population, but auditors can deal more conveniently with estimated population exception rates. For example, in the 15 percent column for tolerable exception rate, at an ARACR of 5 percent, the initial sample size for most EPERs is 30. One exception, divided by a sample size of 30, is 3.3 percent. Therefore, for all EPERs greater than zero but less than 3.3 percent, the initial sample size is the same.

# Evaluating Sample Results by Using Attributes Sampling

P. 11

## 5 PERCENT ARACR

Sample Size	Actual Number of Exceptions Found										
	0	1	2	3	4	5	6	7	8	9	10
25	11.3	17.6	*	*	*	*	*	*	*	*	*
30	9.5	14.9	19.6	*	*	*	*	*	*	*	*
35	8.3	12.9	17.0	*	*	*	*	*	*	*	*
40	7.3	11.4	15.0	18.3	*	*	*	*	*	*	*
45	6.5	10.2	13.4	16.4	19.2	*	*	*	*	*	*
50	5.9	9.2	12.1	14.8	17.4	19.9	*	*	*	*	*
55	5.4	8.4	11.1	13.5	15.9	18.2	*	*	*	*	*
60	4.9	7.7	10.2	12.5	14.7	16.8	18.8	*	*	*	*
65	4.6	7.1	9.4	11.5	13.6	15.5	17.4	19.3	*	*	*
70	4.2	6.6	8.8	10.8	12.6	14.5	16.3	18.0	19.7	*	*
75	4.0	6.2	8.2	10.1	11.8	13.6	15.2	16.9	18.5	20.0	*
80	3.7	5.8	7.7	9.5	11.1	12.7	14.3	15.9	17.4	18.9	*
90	3.3	5.2	6.9	8.4	9.9	11.4	12.8	14.2	15.5	16.8	18.2
100	3.0	4.7	6.2	7.6	9.0	10.3	11.5	12.8	14.0	15.2	16.4
125	2.4	3.8	5.0	6.1	7.2	8.3	9.3	10.3	11.3	12.3	13.2
150	2.0	3.2	4.2	5.1	6.0	6.9	7.8	8.6	9.5	10.3	11.1
200	1.5	2.4	3.2	3.9	4.6	5.2	5.9	6.5	7.2	7.8	8.4

## 10 PERCENT ARACR

Sample Size	Actual Number of Exceptions Found										
	0	1	2	3	4	5	6	7	8	9	10
20	10.9	18.1	*	*	*	*	*	*	*	*	*
25	8.8	14.7	19.9	*	*	*	*	*	*	*	*
30	7.4	12.4	16.8	*	*	*	*	*	*	*	*
35	6.4	10.7	14.5	18.1	*	*	*	*	*	*	*
40	5.6	9.4	12.8	16.0	19.0	*	*	*	*	*	*
45	5.0	8.4	11.4	14.3	17.0	19.7	*	*	*	*	*
50	4.6	7.6	10.3	12.9	15.4	17.8	*	*	*	*	*
55	4.1	6.9	9.4	11.8	14.1	16.3	18.4	*	*	*	*
60	3.8	6.4	8.7	10.8	12.9	15.0	16.9	18.9	*	*	*
70	3.3	5.5	7.5	9.3	11.1	12.9	14.6	16.3	17.9	19.6	*
80	2.9	4.8	6.6	8.2	9.8	11.3	12.8	14.3	15.8	17.2	18.6
90	2.6	4.3	5.9	7.3	8.7	10.1	11.5	12.8	14.1	15.4	16.6
100	2.3	3.9	5.3	6.6	7.9	9.1	10.3	11.5	12.7	13.9	15.0
120	2.0	3.3	4.4	5.5	6.6	7.6	8.7	9.7	10.7	11.6	12.6
160	1.5	2.5	3.3	4.2	5.0	5.8	6.5	7.3	8.0	8.8	9.5
200	1.2	2.0	2.7	3.4	4.0	4.6	5.3	5.9	6.5	7.1	7.6

\*More than 20 percent.

Note: This table presents computed upper exception rates as percentages. Table assumes a large population.