

注意：「第一大題選擇題考生應作答於『答案卡』，未作答於答案卡者，本大題不予計分。」

第一大題: Multiple Choice Questions : (選擇題，每題 2 分，共 60 分)

1. The financial statements are prepared in accordance with accounting policies set out in a contract. What is the applicable financial reporting framework according to International Standard on Auditing (ISA)?
- A. Fair presentation.
 - B. Compliance.
 - C. Depends on the circumstance.
 - D. None of the above.
2. The client has prepared financial statements in accordance with IFRS. A significant customer has gone into liquidation, owing a material amount to the client. It is possible that a small amount of the receivable will be recovered but the auditor has evidence that the loss will be material. The client has made no provision for the liability. What opinion will the auditor ordinarily express :
- A. Qualified – misstatement.
 - B. Qualified – limitation on scope.
 - C. Adverse
 - D. Disclaimer.
3. Evidence for a review engagement consists primarily of:
- | | <u>Inquires</u> | <u>Analytical Procedures</u> | <u>Test of Details</u> |
|----|-----------------|------------------------------|------------------------|
| A. | No | Yes | No |
| B. | Yes | No | No |
| C. | No | No | No |
| D. | Yes | No | Yes |
4. Which of the following is not one of the initial audit planning activities?
- A. Assess and plan response to fraud risk
 - B. Request that bank balances be confirmed
 - C. Identify related parties and address the risk of material related party transactions and disclosures.
 - D. Understand management's process, assess the risk of material misstatement and develop plan for testing accounting estimates.
5. As the risk of material misstatement increases, detect risk should:
- A. medium increase.
 - B. decrease.
 - C. stay the same.
 - D. is indeterminate.

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6. In an audit based on International Standards on Auditing, a successor auditor would normally become satisfied with opening balances by
- Reviewing the predecessor's working papers.
 - Performing analytical procedures.
 - Auditing the prior year's financial statements.
 - Interviewing the client.
7. Which of the following is the primary and most widely used benchmark to decide overall materiality for a for-profit entity?
- Net sales.
 - Net assets.
 - Profit before tax.
 - All of the above.
8. Which of the following is not covered by International Framework for Assurance Engagements under the structure of the IAASB's engagement standards:
- International Standards on Auditing (ISAs).
 - International Standards on Review Engagements (ISREs).
 - International Standards on Assurance Engagements (ISAEs).
 - International Standards on o Related Services (ISRSs).
9. If the auditor plans to use audit evidence from a previous audit about the operating effectiveness of specific controls, which of the following statements is *not* correct?
- the auditor shall obtain audit evidence about whether significant changes in those controls have occurred subsequent to the previous audit.
 - the auditor shall obtain audit evidence by performing inquiry combined with observation or inspection to confirm the understanding of those specific controls.
 - the auditor shall test the controls in the current audit, if there have been changes that affect the continuing relevance of the audit from the previous audit.
 - if there have not been changes, the auditor shall test the controls that at least once in every second audit.
10. If the auditor has determined that an assessed risk of material misstatement at the assertion level is a significant risk, then which of the following statements is *not* correct.
- The auditor shall perform substantive procedures that are specifically responsive to that significant risk.
 - When the approach to a significant risk consists only of substantive procedures, those procedures shall include substantive analytical procedures.
 - External confirmations may assist the auditor in obtaining audit evidence with the high level of reliability that the auditor requires to respond to significant risks of material misstatement, whether due to fraud or error.
 - The auditor shall develop a range with which to evaluate the reasonableness of the accounting estimate in the case that management has not adequately addressed the effects of estimation uncertainty on the accounting estimates that give rise to significant risks

11. Which of the following combinations results in a decrease in sample size in an attribute sample? (Note: Risk of incorrect acceptance= RIA; Tolerable deviation rate= TDR; Expected population deviation rate=EPDR)

	<u>RIA</u>	<u>TDR</u>	<u>EPDR</u>
A.	Increase	Decrease	Increase
B.	Decrease	Increase	Decrease
C.	Increase	Increase	Decrease
D.	Increase	Increase	Increase

12. For an attributes sampling plan, the tolerable deviation rate is 4%, the computed upper deviation rate is 7%, the sample deviation rate is 3%, and the risk of assessing control risk too low is 5%. Which of the following is true?
- A. The auditor must increase control risk because the risk of assessing control risk too low is greater than the tolerable deviation rate.
- B. The auditor is likely to increase control risk because the risk of assessing control risk too low is greater than the tolerable deviation rate.
- C. The auditor must increase control risk because the computed upper deviation rate is greater than the tolerable deviation rate.
- D. The auditor is likely to increase control risk because the computed upper deviation rate is greater than the tolerable deviation rate.
13. Which of the following courses of action would an auditor most likely follow in planning a sample of cash disbursements if the auditor is aware of several unusually large cash disbursements?
- A. Set the tolerable deviation rate at a lower level than originally planned.
- B. Identify the large and unusual disbursements as individually significant and test 100 percent.
- C. Increase the sample size to reduce the effect of the unusually large disbursements.
- D. Continue to draw new samples until all the unusually large disbursements appear in the sample.
14. Which of the following controls most likely would be effective in offsetting the tendency of sales personnel to maximize sales volume at the expense of high bad debt write-offs?
- A. Employees responsible for authorizing sales and bad debt write-offs are denied access to cash.
- B. Shipping documents and sales invoices are matched by an employee who does not have authority to write off bad debts.
- C. Employees involved in the credit-granting function are separated from the sales function.
- D. Subsidiary accounts receivable records are reconciled to the control account by an employee independent of the authorization of credit.

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15. Alpha Company uses its sales invoices for posting perpetual inventory records. Inadequate control activities over the invoicing function allow goods to be invoiced that are not shipped. The inadequate control activities could cause an
- A. Understatement of revenues, receivables, and inventory.
 - B. Overstatement of revenues and receivables and an understatement of inventory.
 - C. Understatement of revenues and receivables and an overstatement of inventory.
 - D. Overstatement of revenues, receivables, and inventory.
16. Tests of controls for the occurrence assertion for purchases include all of the following except
- A. Evaluating proper segregation of duties
 - B. Testing a sample of vouchers for an authorized purchase order
 - C. Testing a sample of vouchers for matching receiving reports
 - D. Tracing a sample of vouchers to purchases journal
17. An auditor traced a sample of purchase orders and the related receiving reports to the purchases journal and the cash disbursements journal. The purpose of this substantive procedure most likely was to
- A. Identify unusually large purchases that should be investigated further.
 - B. Verify that cash disbursements were for goods actually received.
 - C. Determine that purchases were properly recorded.
 - D. Test whether payments were for goods actually ordered.
18. Which of the following is the best way for an auditor to determine that every name on a company's payroll is that of a bona fide employee presently on the job?
- A. Examine personnel records for accuracy and completeness.
 - B. Examine employees' names listed on payroll accounting records.
 - C. Make a surprise observation of the company's regular distribution of paychecks.
 - D. Visit the working areas and confirm with employees their badge or identification numbers.
19. In obtaining an understanding of a manufacturing entity's internal control concerning inventory balances, an auditor most likely would
- A. Review the entity's description of inventory policies and procedures.
 - B. Perform test counts of inventory during the entity's physical count.
 - C. Analyze inventory turnover statistics to identify slow-moving and obsolete items.
 - D. Analyze monthly production reports to identify variances and unusual transactions.
20. Observing a client's inventory held on consignment by others tests the assertion of
- A. Existence.
 - B. Completeness.
 - C. Valuation.
 - D. Rights and obligations.

21. Which of the following is likely the most effective audit procedure for the verification of the legal ownership of real property?
- A. Examination of correspondence with the corporate counsel concerning acquisitions.
 - B. Examination of ownership documents registered and on file at a public hall of records.
 - C. Examination of corporate minutes and resolutions concerning the approval to acquire property, plant, and equipment.
 - D. Examination of deeds and title guaranty policies on hand.
22. Which type of audit procedures provides most persuasive audit evidence?
- A. Inquiry.
 - B. Inspection of documents and records.
 - C. Reperformance.
 - D. Observation.
23. Recomputing the unexpired portion of insurance policies in effect tests which of the following assertions are for prepaid insurance?
- A. Existence.
 - B. Classification.
 - C. Rights and obligations.
 - D. Valuation.
24. During its fiscal year, a company issued, at a discount, a substantial amount of bonds. When performing audit work in connection with the bond issue, the independent auditor should
- A. Confirm the existence of the bondholders.
 - B. Review the board of directors' minutes for authorization.
 - C. Trace the net cash received from the issuance to the bond payable account.
 - D. Inspect the records maintained by the bond trustee.
25. Examining a sample of cancelled checks for an authorized signature tests which of the following assertions for cash?
- A. Occurrence.
 - B. Completeness.
 - C. Cutoff.
 - D. Accuracy.

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26. A major customer of an audit client suffers a fire after year end, but just prior to completion of audit field work. The audit client believes that this event could have a significant direct effect on the financial statements. The auditor should
- A. Advise management to disclose the event in notes to the financial statements.
 - B. Disclose the event in the auditor's report.
 - C. Withhold submission of the auditor's report until the extent of the direct effect on the financial statements is known.
 - D. Advise management to adjust the financial statements.
27. Which of the following expressions is *least* likely to be included in a client's representation letter?
- A. No events have occurred subsequent to the balance sheet date that require adjustment to or disclosure in, the financial statements.
 - B. The company has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
 - C. Management acknowledges responsibility for illegal actions committed by its employees.
 - D. Management has made available all financial statements and related data.
28. As part of gaining an initial understanding internal control, an auditor is required to do all of the following, except:
- A. Consider factors that affect the risk of material misstatement.
 - B. Ascertain whether internal control policies and procedures have been placed in operation.
 - C. Identify the types of potential misstatements that can occur.
 - D. Obtain knowledge about the operating effectiveness of the internal control.
29. After the auditor has prepared a flowchart of the internal controls surrounding sales and evaluated the design of the system, the auditor would perform tests of controls on all control activities
- A. Documented in the flowchart.
 - B. Considered to be weaknesses that might allow errors to enter the accounting system.
 - C. That the auditor plans to rely on.
 - D. That would aid in preventing fraud.
30. Which of the following statements is *not* correct ?
- A. Sufficiency is a measure of the quantity of audit evidence.
 - B. Appropriateness is the measure of the quality of audit evidence.
 - C. Higher quality audit evidence results in a higher quantity of audit evidence.
 - D. Appropriateness is the measure of the quality of audit evidence.

第二大題: Problems (三小題, 共 40 分)

第一小題: 簡答與問答題 (4 小部份, 共 20 分)

1. According to ISA 200 (Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing), what are the overall objectives of the auditor in conducting of the audit (查核人員執行 ISA 時應達成的整體目的)? (3 分)
2. 根據審計公報第 48 號第 24 條, 重大不實表達風險可分為那些層級? 請簡答、解釋其意義並各舉一例說明之? (6 分) 根據審計公報第 49 號, 查核人員如何因應前述之不同層級之重大不實表達風險? (2 分)。
3. 根據審計公報第 51 及 52 號, 查核人員應將那些重大性(之金額及決定該等金額時所決定之因素)作成書面記錄? (5 分)
4. 何謂顯著風險? 審計公報第 43 號 (或 ISA 240)認為每個審計個案應辨認的顯著風險為何? (4 分)

第二小題: Audit Report Issues (共 10 分)

For each of the following *independent* situations, indicate the type of financial statement audit report that you would issue, and briefly explain your reasoning. *Assume that each item is significant.*

- a. The management of B Corporation has decided to exclude the statement of cash flows from its financial statements because it believes that its bankers do not find the statement very useful.
- b. You are auditing Diverse Carbon, a manufacturer of nerve gas for the military, for the year ended 30 September 2009. On 1 September 2009, one of its manufacturing plants caught fire, releasing nerve gas into the surrounding area. Thirteen people were killed and numerous others paralysed. The company's legal counsel indicates that the company is liable and that the amount of the liability can be reasonably estimated, but the company refuses to disclose this information in the financial statements.
- c. During your audit of C Coal Company, the controller, Tracy Tricks, refuses to allow you to confirm accounts receivable because she is concerned about complaints from her customers. You are unable to satisfy yourself about accounts receivable by other audit procedures and you are concerned about Tracy's true motives.
- d. On 31 January 2010, A Toy Manufacturing hired your firm to audit the company's financial statements for the year 2009. You were unable to observe the client's inventory on 31 December 2009. However, you were able to satisfy yourself about the inventory balance using other auditing procedures.
- e. G Brother leases its manufacturing facility from a partnership controlled by the chief executive officer and major shareholder of G Brother. Your review of the lease indicates that the rental terms are in excess of rental terms for similar buildings in the area. The company refuses to disclose this related-party transaction in the notes.

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第三小題: Aging of Accounts Receivable (共 10 分)

In your audit of the allowance for uncollectible accounts for Patrick Co., a wholesaler of hospital supplies, you prepare the following aging schedule:

Age	Amount	Percentage	Potential Bad
	Owed	Uncollectible	Debt
<30 days	\$400,000	3%	\$12,000
30-60 days	260,000	6%	15,600
60-90 days	100,000	15%	15,000
>90 days	25,000	50%	12,500
Estimate of uncollectible amounts	\$785,000		\$55,100

Required:

- What type of audit evidence is this schedule?
- If the beginning balance in allowance for uncollectible accounts was \$51,000, what amount would this schedule suggest should be the bad debt expense for the year?
- Suppose the client declined to accrue any additional bad debt expense for the year (and you considered your answer in part b to be a material amount). What reasonable arguments might the client advance to support his position?
- What assumptions about the aging schedule are likely to have a large impact on the estimate?
- What other evidence might the auditor gather to support his or her contention that additional bad debt expense should be accrued?

試題隨卷繳回