**ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD**

**(Department of Commerce)**

**ADVANCED AUDITING (8533)**

**CHECKLIST**

**SEMESTER SPRING 2025**

This packet comprises the following material:

1. Text Book (one)
2. Assignment No. 1, 2
3. Assignment Forms (2 sets)

In this packet, if you find anything missing from the above-mentioned material, please contact us at the address given below:

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**Dr. Muhammad Munir Ahmad**

(Course Coordinator)

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**WARNING**

1. **PLAGIARISM OR HIRING OF GHOST WRITER(S) FOR SOLVING THE ASSIGNMENT(S) WILL DEBAR THE STUDENT FROM THE AWARD OF DEGREE/CERTIFICATE IF FOUND AT ANY STAGE.**
2. **SUBMITTING ASSIGNMENTS BORROWED OR STOLEN FROM OTHER(S) AS ONE’S OWN WILL BE PENALIZED AS DEFINED IN THE “AIOU PLAGIARISM POLICY”.**

**Course: Advanced Auditing (8533) Semester: Spring 2025**

**Level: BS (A&F) / M. Com**

## **Please read the following instructions for writing your assignments. (AD, BS, B. Ed, MA/MSc, MEd) (ODL Mode).**

1. All questions are compulsory and carry equal marks but within a question the marks are distributed according to its requirements.

2. Read the question carefully and then answer it according to the requirements of the questions.

3. Avoid irrelevant discussion/information and reproducing from books, study guide or allied material.

4. Handwritten scanned assignments are not acceptable.

5. Upload your typed (in Word or PDF format) assignments on or before the due date.

6. Your own analysis and synthesis will be appreciated.

7. Late assignments can’t be uploaded at LMS.

8. The students who attempt their assignments in Urdu/Arabic may upload a scanned copy of their handwritten assignments (in PDF format) on University LMS. The size of the file should not exceed 5MB.

**Marks: 100 Pass Marks: 50**

**ASSIGNMENT No. 1**

**NOTE: SOLVE ALL QUESTIONS.**

**Question No 1 Marks (20)**

Define audit documentation and explain its purpose as outlined in ISA 230. Why is the timely preparation of audit documentation crucial, and what key components must be documented?

**Question No 2 Marks (20)**

Explain the procedures an auditor should follow when evaluating audit evidence related to potential fraud. How should communications be handled with management and those charged with governance when fraud is suspected?

**Question No 3 Marks (20)**

Describe the risk assessment procedures required to understand the entity and its environment (ISA 315). How does this understanding contribute to identifying and assessing the risks of material misstatement?

**Question No 4 Marks (20)**

Explain the auditor's responses to assessed risks of material misstatement (ISA 330). What factors should be considered when evaluating the sufficiency and appropriateness of audit evidence?

**Question No 5 Marks (20)**

Explain the key ethical requirements that an independent auditor must adhere to when conducting an audit following International Standards on Auditing (ISA 200). Provide examples to illustrate professional scepticism and professional judgment in practice.

**Marks: 100 Pass Marks: 50**

**ASSIGNMENT No. 2**

**NOTE: Give The Answer to Each Question Regarding International Standards on Auditing (Isa), and also Mention the Relevant Isa.**

**Question No 1 Marks (20)**

Discuss the requirements outlined in ISA 450 regarding the accumulation and consideration of identified misstatements during an audit.

How does ISA 450 guide auditors in evaluating the effect of uncorrected misstatements?

**Question No 2 Marks (20)**

What is meant by sufficient appropriate audit evidence (ISA 500)? Explain how the selection of items for testing impacts the reliability of audit evidence.

**Question No 3 Marks (20)**

Describe the use of external confirmation procedures as a means of obtaining audit evidence (ISA 505). What actions should an auditor take if management refuses to allow the sending of confirmation requests?

**Question No 4 Marks (20)**

Define audit sampling and explain the factors that influence the determination of sample size (ISA 530). How should deviations and misstatements be projected from the sample to the entire population?

**Question No 5 Marks (20)**

Describe the process of forming an opinion on financial statements (ISA 700). What factors influence whether an auditor issues an unmodified or modified opinion?