

**NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**DEPARTMENT OF ACCOUNTING**

**SECOND SEMESTER EXAMINATION AUGUST 2009**

**AUDIT PROCESS CAC 2203**

**TIME ALLOWED: 3 HOURS**

**INSTRUCTIONS TO CANDIDATES**

ANSWER ALL QUESTIONS

**QUESTION 1 (25 MARKS)**

1. Explain the influence that the assessment of inherent and control risk has on the nature, timing and extent of substantive procedures (Audit Risk)  
(25 marks)
2. Explain the process by which the auditor obtains knowledge of the clients business and continually updates it for application to the audit work and for drawing conclusions regarding the audit. (Audit Planning)  
(25 marks)
3. Describe the kinds of substantive procedures that are carried out in order to obtain Audit evidence)  
(25 marks)
4. Describe the Auditors' understanding of the elements of internal control with reference to the "Bottom Up" and "Top Down audit approaches."  
(25 marks)