

Tutorial Letter 102/3/2013

ADVANCED THEORY OF AUDITING AND THE PERFORMING OF THE AUDIT PROCESS

AUE303R

Semesters 1 & 2

Department of Auditing

IMPORTANT INFORMATION:

This tutorial letter contains important information
about your module.

BAR CODE

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1 INTRODUCTION

In this tutorial letter I present you with a number of questions dealing with the topics in your study guide. These questions give you the opportunity to test your knowledge on the topics and help you to prepare for the examination. Answers to these questions may be obtained in Tutorial Letter 103.

For this purpose, you will be using the prescribed textbook *Graded Questions on Auditing* (2013) written by H Gowar and RDC Jackson (refer to Tutorial Letter 101 for the list of prescribed textbooks). **Please do not e-mail or phone me requesting the questions and solutions. I am not allowed to give you copies of the questions and solutions since the authors have copyrights over the questions and solutions. Please respect this request for ethical purposes.**

A complete set of solutions to *Graded Questions on Auditing* is unfortunately not made available to students and accordingly cannot be purchased.

The questions that are listed below are all relevant for this course and I have carefully handpicked them especially for you! These questions are more than sufficient and I do not foresee that you will need to request additional questions for more practice. I am also fully aware that the amount of work may even exceed the amount of time that you have available for this course. Please do not be overwhelmed by the volume of work, just approach each topic, individually, to the best of **your** ability.

1.1 How to approach the questions

Once you have mastered the topic with its study units in the study guide, refer to the topic list in this tutorial letter. Identify the question, go to *Graded Questions on Auditing* and attempt the question **as if you are writing a test under exam conditions**. After writing the “test” you mark it yourself and score yourself. Next to the question write in your score and date it. This exercise is very important as this will point out to you where your exam technique and/or level of knowledge need remedying and how to go about to improve your score. Also remember that this is what happens at residential universities – students write tests on a regular basis. So do not disadvantage yourself by not following the “test” procedure.

If your score is disappointing, this is quite acceptable and may even be expected. All that it indicates to you is that you need to redo the topic and the question. Under those circumstances it becomes appropriate to borrow some study time from your accounting subjects! The crux of the matter is that you are learning and your second or third attempt eventually shows improvement and therefore progress. Please refrain at all costs from merely reading the question and then memorising the solution. With such an approach all that you will achieve at the end of the day in the end are you saying to me: *“I do not understand why I failed AUE303R.”* With the “test” approach you will know exactly why.

You will notice that I have set out the marks next to the questions and left out the recommended time. For your first attempt do not worry too much about speed. During revision you will need to focus on your speed and then you can time yourself. The recommended time for each question is set out in *Graded Questions on Auditing*.

2 QUESTIONS ON TOPICS IN YOUR STUDY GUIDE

Topic 1: Introduction and overview

No additional questions.

Topic 2: Auditing concepts and terms

No additional questions.

Topic 3: Postulates in auditing

No additional questions.

Topic 4: Statistical sampling

For this topic it is sufficient to study your prescribed textbook *Auditing notes for South African Students* by Jackson & Stent, chapter 5, "Steps in the sampling exercise".

Topics 5 and 6: Pre-engagement and planning

Question	Your score	Your score	Your score
Question 5.10 (25 marks)			
Question 5.14 (40 marks)			

Topic 7: Audit evidence

Refer to Tutorial Letter 104. Topic 7 deals with all the evidence ISAs. If I do not give you additional questions for a specific topic, all that it means is that I regard the "do activities" in the study guide as sufficient. Please **do not** assume the topics left out below should be regarded as unimportant – they **are still examinable**.

Question	Your score	Your score	Your score
Question 6.3 (15 marks)			
Question 6.5 (20 marks)			

Topic 8: Introduction

No additional questions.

Topic 9: Substantive procedures for the revenue and receipts cycle

Question	Your score	Your score	Your score
Question 8.17 (20 marks)			
Question 8.20 (25 marks)			

Topic 10: Substantive procedures for the acquisitions and payments cycle

Question	Your score	Your score	Your score
Question 10.17 Part 1 (22 marks)			

Topic 11: Substantive procedures for the inventory and production cycle

Question	Your score	Your score	Your score
Question 11.17 (40 marks)			

The inventory and production cycle may be integrated with your management accounting knowledge. Integration of subjects becomes all the more important as you progress with your studies.

Topic 12: Substantive procedures for the finance and investment cycle

Question	Your score	Your score	Your score
Question 12.14 (14 marks)			
Question 12.18 (d) (20 marks)			

Topic 13: The completion of the audit

Question	Your score	Your score	Your score
Question 14.11 (15 marks)			

Topic 14: Reporting and the auditing of small entities**Study unit 14.1: The auditor's report**

Question	Your score	Your score	Your score
Question 15.11 (15 marks)			
Question 15.14 (12 marks)			

3 CONCLUDING REMARKS

At this stage you have worked through your study guide, the prescribed study material and attempted the questions under exam conditions for the first time. Remember to score yourself again during revision and preparation for the examinations. Also remember to complete all the activities in the study guide.

When revising, you may use the "oh yes" method; where you read the question and thereafter the solution. **However only use this technique once you have at least attempted the question once during the semester and you have marked your own attempt to rectify the errors that you tend to make.**

Once you have worked through all the questions satisfactorily, you are ready to write the examination and to pass.

Yours faithfully

L Ferreira
LECTURER: AUE303R