



**UNIVERSITY OF JOHANNESBURG**  
**DEPARTMENT OF ACCOUNTANCY**  
**AUDITING 200 (AUD2AB0) – 2017**

**REQUIRED - FINAL ASSESSMENT OPPORTUNITY**  
**NOVEMBER 2017**

<b>FIRST EXAMINERS:</b>	MRS. C du PREEZ (HOHLS) MS. M MARCHBANK	<b>READING TIME:</b> 37,5 min <b>WRITING TIME:</b> 150 min
<b>SECOND EXAMINERS:</b>	MRS D MARÉ MRS I NEL	<b>MARKS:</b> 125 MARKS

## QUESTION 1 – REQUIRED

61 MARKS

ANSWER QUESTION 1 IN THE **RED** BOOK ONLY!

a.	Critically evaluate the establishment of the audit firm RMT, identify and discuss any concerns that you may have with respect to the formation and composition of the audit firm with reference to the Audit Profession Act.	(10)						
b.	With respect to <b>EXTRACT OF EMAIL on page 4</b> , in your opinion, do you agree with the decision taken by the partners of <b>RMT (Pty) Ltd</b> , the audit firm, regarding the acceptance of the audit of AGG Limited?  Note: <u>Substantiate</u> your answer by making reference to the <b>Pre-Engagement Activity Procedures Framework</b> .	(12)						
c.	<p>i) With respect to audit working paper <b>A-100 on page 5</b>, identify the <b>audit risks</b> of material misstatement on a financial statement level apparent from the information that you should consider during the planning of AGG Ltd.</p> <p>Answer your question in the following format:</p> <table border="1"> <thead> <tr> <th>No.</th><th>Risk Indicator (<i>no marks awarded for this!</i>)</th><th>Description of risk</th></tr> </thead> <tbody> <tr> <td>1.</td><td></td><td></td></tr> </tbody> </table> <p style="text-align: right;">Presentation Total</p> <p>ii) What level would you assess the overall audit risk to be?</p> <p style="text-align: right;"><b>TOTAL</b></p>	No.	Risk Indicator ( <i>no marks awarded for this!</i> )	Description of risk	1.			<p>(1) (15)</p> <p>(1) (17)</p>
No.	Risk Indicator ( <i>no marks awarded for this!</i> )	Description of risk						
1.								
d.	<p>With respect to the working paper <b>S-101 on page 5</b>:</p> <p>i. List the assertions that are applicable to the SALES/REVEUE – FINDINGS.</p> <p>ii. Provide substantive procedures that could be followed by the auditor in respect of the assertion(s) you identified in (i) above. You must limit your answers to one (1) substantive procedure per assertion.</p>	<p>(5)</p> <p>(5)</p>						
e.	With respect to the working paper <b>P-105 on page 6</b> , discuss whether the decision taken to pay E Energy would constitute a Reportable Irregularity in terms of the APA Act.	(6)						
f.	With respect to working paper <b>R-100 on page 6</b> , from the information obtained, should Uphethyloli Transport (Pty) Ltd be audited? Provide reasons for your answer by supporting them with calculations.	(6)						
<b>TOTAL MARKS FOR QUESTION 1</b>		<b>(61)</b>						

## QUESTION 2 – REQUIRED

61 MARKS

ANSWER QUESTION 2 IN THE <b>YELLOW</b> BOOK ONLY!						
YOU ARE REQUIRED TO:		MARKS				
a.	Identify the two different types of Computer Assisted Audit Techniques (CAATs) available to an auditor and list two examples of each type of CAAT.	(5)				
b.	With reference to the <b>ATTACHMENT TO EMAIL on p 10</b> , critically evaluate the general controls of the system of <b>Tshokozile</b>  Your answer should be in the following format: <table><tr><td><u>Issue</u></td><td><u>Critique</u></td></tr><tr><td> </td><td> </td></tr></table> <div>Table Format: Total:</div>	<u>Issue</u>	<u>Critique</u>			(16)   
<u>Issue</u>	<u>Critique</u>					