



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91 Cadastral Zone NnamdiAzikiwe Express Way, Jabi-Abuja
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2021_2EXAMINATION

COURSE CODE: ACC411 **CREDIT UNIT: 3**

COURSE TITLE: AUDITING II

TIME ALLOWED: 2^{1/2}HOURS

Instructions:

- 1. Attempt question number one (1) and any other three (3).**
 - 2. Question number 1 is compulsory and carries 25 marks while the other 3 questions carry 15 marks each. Present all your points in coherent and orderly manner.**
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QUESTION 1

- a. State five powers of the council of the Financial Reporting Council of Nigeria? **2 Marks Each (10 marks)**
- b. State the five objectives of the council according to Section 11 of the Act. 5 points x 2marks = 10 Marks
- c. Explain the Corporate Responsibility for Financial Reports? **5 Marks**

(25 Marks)

QUESTION 2

- a. State the four oversight and regulatory functions of **the** Public Corporations Accounting Oversight Board? 4 points x 2 marks = **8 Marks**
- b. In the context of auditors' liability, define negligence. **5 Marks**
- c. State two circumstances in which the auditor can be said to be negligence? **2 Marks**

(15 Marks)

QUESTION 3

State and explain the strategies which are adopted by auditors to avoid litigations in the course of audit assignment? **5 Points x 3 Marks = 15 Marks**

QUESTION 4

State and explain the five common areas of expectation gaps in the audit report?
3 marks each x 5 points =15 Marks

QUESTION 5

State and explain the contents of the statement of directors' responsibilities on an audit?
5points x 3 Marks Each = 15 Marks