



University of Management and Technology
School of Commerce and Accountancy
Quaid e Azam Campus

Course Outline

Course Title: Principles of Auditing (AC-352)	
Program	B.com-H
Credits Hours	3
Duration	15 Weeks / 30 Sessions
Prerequisites	
Resource Person	
Contact/Email	

Course Description:

This course focuses on the role of auditing with respect to financial review, control & accountability. The aim is to enable the students to apply relevant knowledge, skills, and exercise professional judgment in analyzing, evaluating, concluding and reporting on the assurance engagement and other audit and assurance issues in the context of best practice and current developments. In this course emphasize has been increased on business risk, corporate governance, the quality of financial reporting, and the emerging forms of assurance services.

Learning Objectives:

After studying this course, the students will be able to:

- The participants must fully comprehend the need and importance business risk approach as foundation for audits.
- Audit regulations
- Internal Control & Test of controls
- Internal audit function
- Audit Evidence
- Audit Procedures

Teaching-Learning Methodology:

- Lectures
- Recommended Text/Supplementary Texts
- Handouts
- Case Studies
- Skill Development Exercises
- Guest Speakers
- Industrial/Corporate Visits
- Project Report/Term Paper

Recommended Text Book:

1. Handouts by Resource Person
2. Audit and Assurance (ACCA - F8)

Supplementary Text Books:

1. Auditing by Milli Champ
2. International Standards on Auditing by Mr. Ishfaq Ahmed (FCA), Mr. Jafar Hussain

Assessment & Evaluation:

Quizzes	15%	
Assignments		}
Final Project	20%	
Project Presentation/Presentations		
Mid Term	25%	
<u>End Term Exam</u>	<u>40%</u>	
Total:	100	

SCHEDULE OF ACTIVITIES

Week	Contents/Topics to be Taught	Tasks/Activities
1	<p>Auditing</p> <ul style="list-style-type: none"> • What is Audit? • Audit theories • Accounting and Stewardship • Agency Theory • Audit and Assurance 	Course Outline Distribution
2	<p>Statutory Audit and Regulations:</p> <ul style="list-style-type: none"> • Objective and general principles of audit • Appointment of auditors • Duties of auditors • Rights of an auditor • International standards on auditing 	Quiz #1
3	<p>Internal Control:</p> <ul style="list-style-type: none"> • Definition of Internal control • Designing internal controls • Types of internal control • Internal control questionnaires • Internal control evaluation • Preliminary evaluation of controls • Audit testing and work programs 	Quiz#2
4-6	<p>Internal Controls & Test of Controls</p> <ul style="list-style-type: none"> • Sales • Purchases • Payroll • Inventory • Capital and revenue expenditure • Bank and Cash 	Quiz #3& Assignment #1
7	<p>Internal Audit Function</p> <ul style="list-style-type: none"> • Need of internal audit • Purpose of internal audit 	

	<ul style="list-style-type: none"> • Types of Internal audit • Difference between internal and external audit 	
8	Mid Term	
9	Audit Evidence: <ul style="list-style-type: none"> • Definition of Audit evidence • Sufficient and appropriate audit evidence • Financial statement assertions • Audit procedures to obtain audit evidence • Audit Assertions 	
10-12	Audit Procedures Audit of: <ul style="list-style-type: none"> • Non-current assets • Inventory • Receivables • Cash and bank • Trade payables • Accruals • Non-current liabilities • Provisions and contingencies • Capital and other issues • Purchases • Sales • Expenses 	Quiz #4 & Assignment #2
13-14	Reporting: <ul style="list-style-type: none"> • Legal and professional requirements • Audit report • Main elements of an Audit report • Significance of opinion paragraph • Types of audit reports • Qualified Audit reports • Circumstances when disagreement may arise 	Assignment #3
15	Presentations	