

Course No: ACC4317  
Course Title: Auditing2  
Date: 20/11/2014  
No. of Questions: (2)  
Time: 1hours  
Using Calculator (No)

University of Palestine



Midterm Exam  
2014/2015  
Total Grade:

Instructor Name: \_\_\_\_\_  
Student No.: \_\_\_\_\_  
Student Name: \_\_\_\_\_  
College Name: \_\_\_\_\_  
Dep. / Specialist: \_\_\_\_\_  
Using Dictionary (No)

### Question One:

The following balances are appeared in the balance sheet of chemical Industrial corporation on 31.12.1997

Assets

Liabilities

J.D.

Current Assets:

Short – Age Investments 500.000

(At cost)

If you aware during your auditing this item the following :

A. The short –age investments are consisted from:

J.D

200.000 Shares in some companies under control (the shares of this company are not registered at Financial market.

170.000 Shares in some corporations (The value at financial Market is J.D.180.000)

130.000 Notes in some corporations are not registered in the financial market.

500.000 Total

(B) All shares and notes are deposited in the bank

Wanted:

1.How to realize the physical existence these shares and notes.

2.Do you agree on the method of evaluating the shares and notes and why?what are the auditing procedures must be used to realize the correctness of evaluation?

3.Do you agree on the method of presentation the investment item in the balance sheet and why? If you are disagreed,what is the suitable presentation Method?

### Question Two:

**Explain in brief the following subjects:**

1.Horizontal Analysis

2.Vertical Analysis

3. subsequent Events

4.Timing of analytical procedures.

End of Questions

*Good Luck*

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