



**College of Business and Economics
Department of Accounting and Finance**

Course Information	
Course Number	AcFn3162
Course Title	Auditing Principles and Practices II
Degree Program	BA Degree in Accounting and Finance
Module No and Code	M16; AcFn-M3161
ETCTS Credits	5
Contact Hours (per week)	3
Course Objectives & Competences to be Acquired	<p>At the end of the course the student is expected to:</p> <ul style="list-style-type: none"> • Apply his knowledge of auditing theory, auditing standards, techniques and procedures to practical situations commonly encountered relative to an opinion audit. • Be acquainted the principles that underlie audit of Balance Sheet and Income Statement accounts • Enumerate and understand the audit objectives for the audit of major accounts; • Develop audit procures for the audit of major accounts; and • Comprehend the significance of professional competence, independence, and mental integrity in the practice of accountancy. • Be committed to bringing about a prevalence of good reporting practice and contribute to the pursuit of social justice and fairness.
Course Description	<p>The course builds on the knowledge gained in Auditing I. It covers an in depth practical aspects of topics introduced in Auditing I and brings in new concepts as well. The course introduces audit sampling in general and goes on to application of statistical tools in tests of controls and balances. The technical application of auditing procedures for balance sheet and income statement accounts in an audit undertaking are the foremost subject matters of the course. Audit of systems that include EDP application along with tools and techniques used in evaluation and understanding of internal control in such environments will be introduced.</p>
Course Contents	
1. Sampling in Auditing <ol style="list-style-type: none"> 1.1 Rationale for and methods of Audit Sampling 1.2 Audit sampling for tests of controls 1.3 Audit sampling for substantive tests 	
2. Audit of Cash and Marketable Securities <ol style="list-style-type: none"> 2.1. Internal control over cash transactions, receipts and disbursements 2.2. Audit program for cash 2.3. Internal control over Marketable securities 2.4. Audit program for marketable securities 	

3. Audit of Receivables and Sales 3.1. Internal control over Sales transactions, and Accounts Receivable 3.2. Internal control over Notes Receivable 3.3. Audit program for Receivables and Sales
4. Inventories and Cost of goods sold 4.1. Internal control over Inventories and Cost of goods sold 4.2. Audit program for Inventories and Cost of goods sold
5. Audit of Fixed Assets 5.1. Internal control over plant and equipment 5.2. The plant and equipment budget 5.3. Audit program for property plant and equipment
6. Audit of current liabilities 6.1. Internal control over Accounts payable 6.2. Audit program for accounts payable and other liabilities
7. Audit of Debt and Equity capital 7.1. Internal control over interest bearing debt 7.2. Audit programs for interest bearing debt 7.3. Internal control over equity capital and dividends 7.4. Audit program for capital stock 7.5. Audit of sole proprietorships, and partnerships 7.6. Disclosure of contingencies
<p><u>Text Book:</u> Principles of Auditing and Practice 2nd ed Thomas and Henke</p> <ul style="list-style-type: none"> • Auditing, Kiger and Scheiner • Principles of auditing, 10th ed. Meigs and others • Basic auditing principles Arthur and Holmes • Commercial code of Ethiopia • Lessane auditor, quarterly publication of OAG • Various proclamations and financial regulations and journals • Journal of accountancy, AICPA • The accounting review, AAA