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| **Name of University:** **Name of College/Faculty:** **Name of Department: Accounting and Finance Program** |
| **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 |
| **Module Coordinator** |  |
| **Lecturer** | Werkneh D. |
| **ETCTS Credits** | 5 |
| **Contact Hours (per week)** | 3 |
| **Course Objectives & Competences to be Acquired** | At the end of the course the student is expected to:* 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.
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| **Course Description** | 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. |
| **WEEKS** | **Course Contents** | **Reading** |
|  | 1. **Sampling in Auditing**
	1. Rationale for and methods of Audit Sampling
	2. Audit sampling for tests of controls
	3. Audit sampling for substantive tests
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|  | 1. **Audit of Cash and Marketable Securities**
	1. Internal control over cash transactions, receipts and disbursements
	2. Audit program for cash
	3. Internal control over Marketable securities
	4. Audit program for marketable securities
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|  | 1. **Audit of Receivables and Sales**
	1. Internal control over Sales transactions, and Accounts Receivable
	2. Internal control over Notes Receivable
	3. Audit program for Receivables and Sales
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|  | 1. **Inventories and Cost of goods sold**
	1. Internal control over Inventories and Cost of goods sold
	2. Audit program for Inventories and Cost of goods sold
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|  | 1. **Audit of Fixed Assets**
	1. Internal control over plant and equipment
	2. The plant and equipment budget
	3. Audit program for property plant and equipment
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|  | 1. **Audit of current liabilities**
	1. Internal control over Accounts payable
	2. Audit program for accounts payable and other liabilities
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|  | 1. **Audit of Debt and Equity capital**
	1. Internal control over interest bearing debt
	2. Audit programs for interest bearing debt
	3. Internal control over equity capital and dividends
	4. Audit program for capital stock
	5. Audit of sole proprietorships, and partnerships
	6. Disclosure of contingencies
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| Teaching & Learning Methods/strategy | The teaching and learning methodology include lecturing, discussions, problem solving, and analysis. Take-home assignment will be given at the end of each chapter for submission within a week. Solution to the assignments will be given once assignments are collected. Cases with local relevance will also be given for each chapter for group of students to present in a class room. The full and active participation of students is highly encouraged.  |
| Assessment/Evaluation  | The evaluation scheme will be as follows:

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| --- | --- | --- | --- | --- | --- | --- |
| Test 1 | Test 2 | Test 3 | Quiz1 | Assignment 1 | Final  | Total  |
| 10% | 10% | 15% | 5% | 10% | 50% | 100% |

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| Work load in hours |

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| Hours Required | Total Hrs | ECTS |
| Lectures | Lab | Assessments | Tutorials | Self-Studies | Assignment | Advising |
| 48 |  - | 10 | 12 | 55 |  - | -  | 135 | 5 |

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| Roles of the Instructor | He/she will come to the class regularly on time and deliver the lecture in a well-organized manner. Besides, at the end of each class he/she gives reading assignment for the next class. He/she will make sure that proper assessments is given. He/she is also responsible to give feedback for each assessment. |
| Roles of the students | The success of this course depends on the students’ individual and collective contribution to the class discussions. Students are expected to participate voluntarily, or will be called upon, to contribute to set exercises and problems. Students are also expected to read the assigned readings and prepare the cases before each class so that they could contribute effectively to class discussions. Students must attempt assignments by their own. Proficiency in this course comes from individual knowledge and understanding. Copying the works of others is considered as serious offence and leads to disciplinary actions. |
| Text and reference books | **Text Book: Arens and Loebeck****Reference Books** |