

Nov 2025 & Onwards **2.0**



CA FINAL

ADVANCED AUDITING, ASSURANCE, AND PROFESSIONAL ETHICS

Concepts + Question Bank

(AUDIT ALL IN ONE)

- ▶ Questions placed right below concepts for seamless learning.
- ▶ Covers ICAI SM, MTPs, RTPs & past papers.
- ▶ Summarized in charts, tables, and key highlights.
- ▶ Includes memory tricks to remember the concepts.

CA Hemant Somani



INDEX

Ch.	Name	Pg From	Pg To:
1	Quality Control (SQC 1 & SA 220)	1.1	1.11
2	General Auditing Principles & Auditor's Responsibilities (SA 200, 210, 230, 240, 250, 260, 299, 402)	2.1	2.26
3	Audit Planning, Strategy, and Execution (SA 300, 450, 520, 540, 600, 610, 620)	3.1	3.22
4	Materiality, Risk Assessment & Internal Control (SA 265, 315, 320, 330)	4.1	4.25
5	Audit Evidence [SA 500, 501, 505, 510, 530, 550]	5.1	5.22
6	Completion & Review [SA 560, 570, 580]	6.1	6.13
7.1	Reporting (SA 700, 701, 705, 706, 710, 720)	7.1.1	7.1.25
7.2	CARO, 2020 & Co. Act	7.2.1	7.2.17
8	Specialized Area (SA 800, 805, 810)	8.1	8.11
9	Audit Related Services (SRS 4400 & 4410)	9.1	9.6
10	Review of Interim Financial Information (SRE 2400, 2410)	10.1	10.14
11	Prospective Financial Info. & Other Assurance Services (SAE 3400, 3402, 3420)	11.1	11.13
12	Digital Auditing	12.1	12.19
13	Group Audit	13.1	13.12
14.1	Audit of Banks	14.1.1	14.1.20
14.2	Audit of NBFC's	14.2.1	14.2.16
15	Overview of Public Sector Undertaking	15.1	15.12
16	Internal Audit	16.1	16.10
17.1	Due Diligence	17.1.1	17.1.6
17.2	Investigation	17.2.1	17.2.12
17.3	Forensic Accounting	17.3.1	17.3.5
18	Sustainable Development Goals (SDG) & Environment, Social & Governance (ESG) Assurance	18.1	18.14
19	Professional Ethics (CA Act, 1949)	19.1	19.63
TOTAL NUMBER OF PAGES (ITS MAGIC)		388 Pages	

*It's completely as per **ICAI Language & Coverage**, you can do cross check from **ICAI module** to get Comfort*

*It's a **Copyrighted property** of author, sharing this without author permission will lead to Legal actions & penalties.*

(Unique code is embedded in between many pages & inside many concepts, which are students specific and impossible to Find & remove without Author's tool & software, inserted with the help of Advance Printing software's, so those code specific books are allotted & linked to specific students at the time of Dispatch, Any unauthorized sharing, Making digital copies & copies will lead to Cyber complaints & Complaint for infringement of copyrighted act, Request you to do not engage on these kind of acts)

	Name	ICAI Coverage
SQC-1	Quality control for firms that perform Audits & Review of Historical F.Info. & Other Assurance and related service engagements	Chapter 1
Standard's on Auditing (SA's)		
200	Overall objectives of an independent auditor and conduct of an audit in accordance with SA's	2-CS based only
210	Agreeing to terms of Audit engagement	2-CS based only
220	Quality control for an audit of FS	1
230	Audit documentation	2-CS based only
240	Auditor's responsibility relating to fraud in an audit of FS	2
250	Consideration of laws and regulations in an audit of FS	2
260	Communication with TCWG	2
265	Communicating deficiency in internal control to TCWG and management	4
299	Joint Audit of Financial Statements	2
300	Planning an audit of FS	3-CS based only
315	Identifying and Assessing ROMM by understanding Entity and its environment	4-CS based only
320	Materiality in planning and performing audit	4-CS based only
330	Response to assessed risks	4
402	Auditor considerations relating to an entity using Service Organization	2
450	Evaluation of Misstatements identified during audit	3
500	Audit Evidence	5-CS based only
501	Audit evidence Specific considerations for selected items	5-CS based only
505	External Confirmations	5-CS based only
510	Initial Audit Engagement -Opening Balances	5-CS based only
520	Analytical Procedures	3
530	Audit Sampling	5-CS based only
540	Auditing of Accounting Estimates including Fair value accounting estimates and Related Disclosures	3
550	Related Parties	5-CS based only
560	Subsequent Events	6-CS based only
570	Going Concern	6-CS based only
580	Written Representations	6-CS based only
600	Using work of Other Auditor	3
610	Using work of Internal Auditors	3
620	Using work of Auditor's Expert	3
700	Forming an Opinion and Report on FS	7
701	Communicating Key Audit Matters in the Independent Auditor's Report	7
705	Modifications to the Opinion in the Independent Auditor's Report	7
706	Emphasis of matter Paragraphs and Other Matter Paragraphs in the Independent Auditors Report	7
710	Comparative information Corresponding figures and Comparative FS	7
720	Auditor's Responsibility in Relation to Other Information in Documents containing Audited FS	7
800	Special consideration - Audits of FS prepared in accordance with Special purpose framework	8
805	Special Considerations-Audits of Single FS and Specific Elements, Accounts or Items of a FS	8
810	Engagements to Report on Summary Financial Statements	8

Standards on Review Engagement:		
SRE 2400	Engagements to Review FS	10
SRE 2410	Review of Interim Financial info. performed by independent auditor of entity	10
Standards on Assurance Engagement:		
SAE 3400	The examination of prospective financial information	11
SAE 3402	Assurance reports on control at a service organisation	11
SAE 3420	Assurance engagements to report on a compilation of Proforma Financial information included in Prospectus	11
Standards on Related Service:		
SRS 4400	Engagements to perform agreed upon procedures regarding financial info.	9
SRS 4410	Compilation Engagements	9

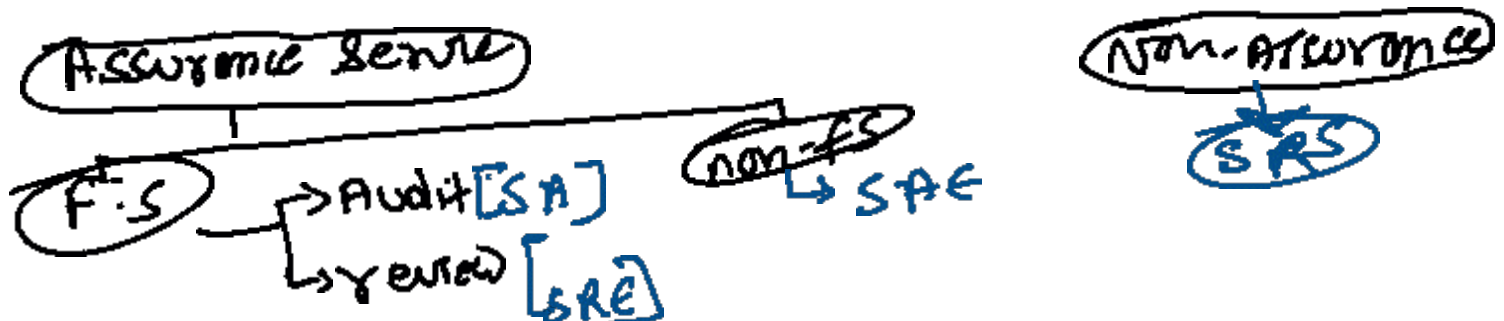
ABBREVIATIONS:

A.Report	Audit Report
AD	Audit Documentation
AE	Accounting Estimates
AUP	Agreed Upon Procedure
B/S	Balance Sheet
BOA	Books of A/c's
BOA	Books of A/C's
BOD	Board of Directors
CAip	CA In Practice
C/A/D/S	Class of transaction, account balance or disclosure
CFI	Consolidated Fund of India
CC	Cash Credit
CG	Central Govt.
CIA	Chief Internal Auditor
CL	Contingent Liability
COE	Code of Ethics
CR	Control Risk
Cr	Crores
Co. Act	Companies Act
D.A	Direct Assistance
DP	Drawing Power
DR	Detection Risk
EA	External Auditor
Engmnt/Egmt	Engagement
EOM	Emphasis of Matter
EQCR	Engagement Quality control reviewer /review
ET	Engagement Team
FAP	Further audit procedure
FI	Financial Information
FR	Financial Reporting
FRF	Financial reporting framework
FS	Financial Statement
Fx	Function (i.e., Used for INTERNAL AUDIT Fx)
GC	Going Concern
G&S	Goods & Services
I.A.	Internal Auditor
I.auditor	Internal Auditor
IAF	Internal Audit Function
IC	Internal Control
ICFR	Internal Control over financial reporting
IR	Inherent Risk
JA	Joint Auditor's
JV	Journal Voucher / Journal Entries
KAM	Key Audit Matter
L&R	Law & Regulations
M.U	Material Uncertainty
MMS	Material Misstatement
Mngt	Management
MSCS	Multi-State Co-operative society
NFRA	National Financial Reporting Authority
NOC	No objection certificate
NTE	Nature, Timing & Extent of Audit procedure

O.A	Other Auditor
OM	Other Matter
PA	Principal Auditor
P&D	Presentation & Disclosure
P&P	Policies & Procedure
PAC	Public account committee
QC	Quality control
RAP	Risk assessment procedure
ROMM	Risk of material misstatement
RPR	Related Party Relationship
RPT	Related Party Transaction
RRB	Regional Rural Bank
S.E.	Subsequent event
SAAE	Sufficient & Appropriate Audit Evidence
SAP	Substantive analytical procedure
Sig. Deficiency	Significant Deficiency
SO	Service Organisation
SOD	Segregation of Duties
TOC	Test of controls
TOD	Test of Details
UE	User Entity
UN	United Nations
W.C	Working Capital
WR	Written Representation

BASICS OF QUALITY CONTROL & ENGAGEMENT STANDARDS:

Intro	Auditing Standards represent guidance & procedures for professionals to conduct audit.	
AASB	Auditing Standards in India are formulated by Auditing & assurance stand. Boards. (AASB)	
Engagement Standards	<i>Engagement based on the nature of services provided by a member:</i>	
	Standards on Auditing (SA's)	are applied in the audit of historical financial information.
	Standards on Review Engag. (SRE's)	are applied in the review of historical financial information.
	Standards on Assurance Engag. (SAE's)	are applied in assurance engagements, dealing with subject matters other than historical financial information.
	Standards on Related Services. (SRS's)	are applied to engagements involving application of agreed-upon procedures to information, compilation engagements , and other related services engagements, as may be specified by the ICAI.
	Standard on Quality Control (SQC)	contains extensive requirements in relation to establishment and maintenance of a system of quality control in the audit firms as well as even for sole practitioners.



➤ Some Terms that we should understand before starting Audit:

Management:	Management means the person(s) who have executive responsibility for the conduct of the entity's operations (<u>Managing day to day operation</u>)
Those charged with governance (TCWG):	TCWG means the person(s) responsible for the supervision, control and direction of an entity who are accountable for ensuring that the entity achieves its objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, compliance with applicable laws and reporting to interested parties. e.g., Audit Committee, where there is one; else BOD (<u>Responsible for making long term plans, strategy</u>)

Independence:	Judgement of a person is > not subordinate to the wishes or direction of another person > who might have engaged him, Includes: 1) Independence of mind (exist in facts) 2) Independence in appearance (also appear to so exist)
----------------------	--

Types of Opinion:			
SA 700	SA 705: 3 Type of Modification		
Unmodified Opinion	Qualified Opinion (3 types)		
	Qualified Opinion	Adverse Opinion	Disclaimer of Opinion

Types of modifications			
		Pervasive	Not Pervasive
	Material Misstatement	ADVERSE	QUALIFIED
	SAAE not obtained	DISCLAIMER	QUALIFIED

Financial Reporting Framework (FRF):	In easy language, its set of standards use to prepare FS (i.e., accounting standards or Ind-AS), i.e., Prescribe the manner to prepare & present F.Info. of an entity It can be of two types: <ul style="list-style-type: none"> In Compliance with Law & Regulation True & Fair Financial reporting
---	---

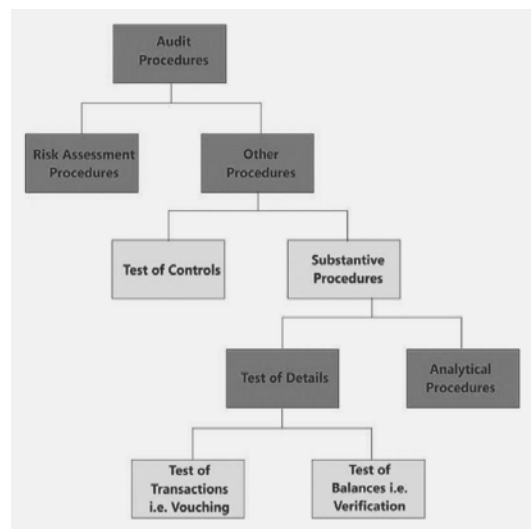
fair presentation framework:	FRF that requires compliance with the requirements of the framework and: 1) Acknowledges explicitly or implicitly that, to achieve fair presentation of FS, it may be necessary for mgt to provide disclosures beyond those specifically required by the framework; or 2) Acknowledges explicitly that it may be necessary for mgt to depart from a requirement of the framework to achieve fair presentation of the FS. Such departures are expected to be necessary only in extremely rare circumstances .
-------------------------------------	---

Compliance framework:	Refer to a FRF that requires compliance with the requirements of the framework, but does not contain the acknowledgements above
------------------------------	--

Applicable FRF:	FRF: 1) Required by the L&R, OR, 2) Adopted by Mngt/TCWG & ACCEPTABLE as per nature of entity & FS objective
------------------------	--

Misstatement: (SA 200/450)	Misstatement occurs when something has not been treated correctly in the financial statements as per FRF i.e., Difference between: 1) amount, classification, presentation, or disclosure (ACPD) reported in FS Vs.
-----------------------------------	--

	2) ACPD Required by FRF (Can be error or fraud)
Material Misstatement: (SA 320)	Material misstatement is information in the financial statements that is sufficiently incorrect that it may impact the economic decisions of someone relying on those statement
Reasonable Assurance:	High but not absolute (100%) level of assurance (Inherent limitation of Audit)
Absolute Assurance:	100% Assurance
Guilty ?	Auditor performed audit as per SA's, due diligence, Care → still after issuing clean audit report → some MMS left → Is auditor Guilty ? → Not guilty, provided he kept due diligence, Skill, care (As there are INHERENT LIMITATIONS of AUDIT... it's Not an GURANTEE)
SAAE:	Reasonable assurance kесе mileage ?? --? Sufficient & Appropriate Audit evidence leke ... <ul style="list-style-type: none"> • Sufficient → Quantity, depends upon 2 factors, <ul style="list-style-type: none"> ✓ ROMM in F.S → if high risk... high SAAE needed ✓ Quality of A.E. → If good quality .. less SAAE needed • Appropriateness → Quality, Depends upon 2 factor: <ul style="list-style-type: none"> ✓ Relevance (eg., to test A/C payable → Assertion of "Completeness" also needs to be check → to check completeness .. auditor is checking only Account payable RECORDED in Books .. is wrong Auditor can check Subsequent bank payments & other Correspondences) ✓ Reliable → (External generated, Internal generated ... etc...)
	Always Need Persuasive Audit Evidence



- **Risk assessment procedures** are the audit procedures performed to obtain an understanding of the entity and its environment to identify and assess the risks of material misstatement, at the financial statement and assertion levels.
- **Further audit procedures:** Further Audit Procedures comprise of:
 - (i) **Tests of controls:** Test of controls may be defined as an audit procedure designed to evaluate the operating effectiveness of controls in preventing, or detecting and correcting, material misstatements at **assertion level**.
 - (ii) **Substantive procedures:** Substantive procedures are designed to detect material misstatements at the **assertion level**. They comprise:
 - (a) Tests of details: (of classes of transactions, account balances, and disclosures),
 - (b) Substantive analytical procedures:

CHAPTER 1- Quality Control (SQC 1 & SA 220)

Audit Quality	<ul style="list-style-type: none"> Why: It helps in creating trust in users of financial information. Industry, government and public at large who are the stake holders who relies upon assurance given by auditors. So, necessary to ensure high audit quality throughout the audit process. Meaning: Audit quality involves application of a rigorous audit process by auditors and quality control procedures that comply with L&R and applicable professional standards. SQC 1 & SA-220: deal Quality control systems & responsibilities of auditors in this regard. Both the standards deal with audit quality. <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">SQC 1:</td><td>Quality Control for firms that perform audits and reviews of historical financial information, and other assurance and related services engagements (i.e., Deals with quality at level of firm, even for Non-audit engmnt also)</td></tr> <tr> <td>SA 220:</td><td>Quality Control for an audit of financial statements (i.e., Deals with audit quality at individual audit engagement level)</td></tr> </table> <ul style="list-style-type: none"> Besides above two standards, other SA's, code of ethics by ICAI and certain provisions of Co. Act, 2013 facilitate quality control process. There also exists mechanism for review of quality control through Peer review Board, Quality review Board and NFRA (National financial reporting authority). 	SQC 1:	Quality Control for firms that perform audits and reviews of historical financial information, and other assurance and related services engagements (i.e., Deals with quality at level of firm, even for Non-audit engmnt also)	SA 220:	Quality Control for an audit of financial statements (i.e., Deals with audit quality at individual audit engagement level)
SQC 1:	Quality Control for firms that perform audits and reviews of historical financial information, and other assurance and related services engagements (i.e., Deals with quality at level of firm, even for Non-audit engmnt also)				
SA 220:	Quality Control for an audit of financial statements (i.e., Deals with audit quality at individual audit engagement level)				

❖ SQC 1- Quality Control For Firms That Perform Audits And Reviews Of Historical Financial Information, And Other Assurance And Related Services Engagements

System of Quality Control	<p>Firm should establish System of Quality Control to provide Reasonable Assurance that: -</p> <ul style="list-style-type: none"> Firm & personnel comply to Professional Standard, Regulatory & Legal Requirements Reports issued by Firm or Engagement Partners are appropriate in circumstances. <p>This quality control standard applies to all firms irrespective of their constitution.</p>
---------------------------	---

Q1. Assignment For Preparation of FS & issue compilation report → SQC 1 is applicable → → "Related Service"

Elements of System of Quality Control:

(i) Leadership responsibilities for quality within the firm (ii) Ethical requirements (iii) Human resources (iv) Engagement performance (v) Monitoring (vi) Acceptance and continuance of client relationships & engmnt.

[Quality control policies should be documented and communicated to the firm's personnel → Feedback to encourage from personnel on Quality control system, to communicate there views on QC matters)

1) Leadership responsibility for quality of firm: "Qn"

- Policies and procedures to promote quality → firm's CEO or managing partners are responsible for firm's SQC
- Delegation of operational responsibility by CEO/MP for SQC should be assigned to experienced & able person
- Establish policies and procedures to promote good internal culture

Firm's business strategy is subject to the overriding requirement for the firm to achieve quality in all the engagements, It's non-negotiable, should be ensured that (i.e., QC policy will override Firm business strategy):

[Trick: client ko jaano .. fir "Fees" quote karo, uss hisaab se "Salary" wale person "devote" karo]

1) Firm before accepting an engagement should acquire vital information about the client. Such an info. should



help firm to decide about **integrity of Client**, **promoters and KMP**, **competence** (including capabilities, time and resources) to perform engagement and compliance with **ethical requirements** (independence)

- 2) Firm assigns its mngt responsibilities so that **commercial considerations (Money)** do not override the quality of work performed.
- 3) Firm **policies & procedures addressing performance evaluation, compensation & promotion** (including incentive systems) w.r.t its personnel **are designed to demonstrate the firm's overriding commitment to quality**
- 4) Firm **devotes sufficient resources** for development, documentation and support of its QC policies & procedr.

Q2. Even after below issues, Mr. A want to accept the audit, → it reflects **poor Quality control**, **SQC 1** requires that firm's business strategy is subject to overriding requirement of firm to achieve quality.

→ Partner of firm is close friend of Promoter (**issue of Independence**)

→ inquiries made from Promoters by Regulatory authorities & Last auditor resigned (**issue of Integrity of Client**)
 ("Now mention above 4 points of QC policy will override business strategy")

2) Ethical Requirements

Policies and procedures (**P&P**) → provide reasonable assurance → that the firm and its **personnel comply with relevant ethical requirements** contained in the Code of ethics (COE) issued by ICAI.

Fundamental Principles:	P&P to comply with: Integrity, Professional behavior, confidentiality, Objectivity, Professional competence& Due Care]		
Independence:	Firm should establish P&P designed to provide it with reasonable assurance that the firm, its personnel & (including experts contracted by the firm and network firm personnel) maintain independence where required by the Code. Such P&P should enable the firm to:		
	a) Communicate its independence requirements to its personnel b) Identify circumstances and relationships that create threats to independence, and c) Take appropriate action to eliminate threats or reduce them to an acceptable level by applying safeguards , or, if considered appropriate, withdraw from the engagement .		
	Engt. partner to notify the firm & it's personnel → about client, it's relationship that may cause threat → if any breach → notify to take appropriate action		
	Annual Confirmation:	At least annually , the firm should obtain written confirmation of compliance with its P&P on independence from all firm personnel.	
	Familiarity threat:	Using the same senior personnel on assurance engagements over a prolonged period may impair the quality of performance, need safeguard . For that Considers matters such as:	
		<ul style="list-style-type: none"> Nature of the engagement (extent of involve of public interest) length of service of senior personnel on engmnt. 	
		Safeguard for Above: Example: <ul style="list-style-type: none"> rotating the senior personnel or requiring an engagement quality control review. 	
	For Listed Entities:	Engt. partner should be rotated atleast once in 7 yrs. (except , where audit is conducted by a sole practitioner), However Mandatory peer review of such firms	

➤ Review of Audit Work: (Qn)

As per SQC 1, an EQCR/Partner for audits of FS of listed entities includes considering following: (**R-SOCCER**)

- (i) The work has been performed as per professional standards & **Regulatory & legal requirements**;



Nov 2025 & Onwards **2.0**



CA FINAL

ADVANCED AUDITING, ASSURANCE, AND PROFESSIONAL ETHICS

Question Bank

(Inc. Additional Topics)

- ▶ All the Questions of ICAI SM / RTP / MTP / PYP & Old course are covered
- ▶ Properly linked with the Question given in the Main book
- ▶ Keywords are highlighted & Bold
- ▶ Additional topics, which are Comparatively less important, Are also given here

CA Hemant Somani



INDEX

CHAPTER 1: Quality Control (SQC-1 & SA 220)	7
QUESTION SECTION – For Which Hint Covered in Main Book:	7
QUESTION SECTION – Not Covered in Main Book:	15
CONCEPT SECTION:	16
CHAPTER 2: General Auditing Principles & Auditor’s Responsibilities SA 200, 210, 230, 240, 250, 260, 299, 402	18
QUESTION SECTION – For Which Hint Covered in Main Book:	18
QUESTION SECTION – Not Covered in Main Book:	46
CONCEPT SECTION:	48
CHAPTER 3: Audit Planning, Strategy, and Execution SA 300, 450, 520, 540, 600, 610, 620	54
QUESTION SECTION –Covered in Main Book:	54
QUESTION SECTION – Not Covered in Main Book:	79
CONCEPT SECTION:	80
CHAPTER 4: Materiality, Risk Assessment & Internal Control SA 265, 315, 320, 330	87
QUESTION SECTION –Covered in Main Book:	87
QUESTION SECTION – Not Covered in Main Book:	108
CONCEPT SECTION:	108
CHAPTER 5: Audit Evidence SA 500, 501, 505, 510, 530, 550	115
QUESTION SECTION –Covered in Main Book:	115
QUESTION SECTION – Not Covered in Main Book:	142
CONCEPT SECTION:	145
CHAPTER 6: Completion & Review SA 560, 570, 580	150
QUESTION SECTION –Covered in Main Book:	150
QUESTION SECTION – Not Covered in Main Book:	172
CONCEPT SECTION:	173
CHAPTER 7.1: Reporting SA 700, 701, 705, 706, 710, 720	175
QUESTION SECTION – For Which Hint Covered in Main Book:	175
QUESTION SECTION – Not Covered in Main Book:	207
CONCEPT SECTION:	209
CHAPTER 7.2: Caro 2020	211
QUESTIONS COVERED IN MAIN BOOK:	211
QUESTIONS NOT COVERED IN MAIN BOOK:	230
CONCEPT SECTION:	232
CHAPTER 8: Specialised Area SA 800, 805, 810	234
QUESTION SECTION –Covered in Main Book:	234
QUESTION SECTION – Not Covered in Main Book:	239
CONCEPT SECTION:	240
CHAPTER 9: Audit Related Service SRS 4400, 4410	241
QUESTION SECTION –Covered in Main Book:	241
QUESTION SECTION – Not Covered in Main Book:	246
CONCEPT SECTION:	247
CHAPTER 10: Review Of Intrim Financial Information SRE 2400, 2410	249
QUESTION SECTION –Covered in Main Book:	249
QUESTION SECTION – Not Covered in Main Book:	257
CONCEPT SECTION:	257

CHAPTER 11: Prospective Financial Info. & Other Assurance Services	SAE 3400, 3402, 3420.....	262
QUESTION SECTION –Covered in Main Book:		262
QUESTION SECTION – Not Covered in Main Book:		269
CONCEPT SECTION:.....		270
CHAPTER 12: Digital Auditing.....		275
QUESTION SECTION –Covered in Main Book:		275
QUESTION SECTION – Not Covered in Main Book:		287
CONCEPT SECTION:.....		290
CHAPTER 13: Group Audit.....		292
QUESTION SECTION –Covered in Main Book:		292
QUESTION SECTION – Not Covered in Main Book:		303
CONCEPT SECTION:.....		303
CHAPTER 14.1: Audit Of Banks.....		305
QUESTION SECTION –Covered in Main Book:		305
QUESTION SECTION – Not Covered in Main Book:		322
CONCEPT SECTION:.....		323
CHAPTER 14.2: Audit Of NBFC.....		331
QUESTION SECTION –Covered in Main Book:		331
QUESTION SECTION – Not Covered in Main Book:		342
CONCEPT SECTION:.....		342
CHAPTER 15: PSU		345
QUESTION SECTION –Covered in Main Book:		345
QUESTION SECTION – Not Covered in Main Book:		353
CONCEPT SECTION:.....		353
CHAPTER 16: Internal Audit		356
QUESTION SECTION –Covered in Main Book:		356
QUESTION SECTION – Not Covered in Main Book:		366
CONCEPT SECTION:.....		367
CHAPTER 17.1: Due Diligence.....		371
QUESTION SECTION –Covered in Main Book:		371
QUESTION SECTION – Not Covered in Main Book:		375
CONCEPT SECTION:.....		375
CHAPTER 17.2: Investigation.....		377
QUESTION SECTION –Covered in Main Book:		377
QUESTION SECTION – Not Covered in Main Book:		385
CONCEPT SECTION:.....		385
CHAPTER 17.3: Forensic Accountant		390
QUESTION SECTION –Covered in Main Book:		390
QUESTION SECTION – Not Covered in Main Book:		394
CONCEPT SECTION:.....		394
CHAPTER 18: SDG & ESG Assurance		397
QUESTION SECTION –Covered in Main Book:		397
QUESTION SECTION – Not Covered in Main Book:		404
CONCEPT SECTION:.....		404
CHAPTER 19: Professional Ethics.....		406
QUESTION SECTION – For Which Hint is Given in Main Book:		406
QUESTION SECTION – Not Covered in Main Book:		465

Nov 2025 & Onwards **2.0**



CA FINAL

ADVANCED AUDITING, ASSURANCE, AND PROFESSIONAL ETHICS

MCQ's Summary

(Including Time & Numerical Limits)

- ▶ All the relevant MCQ's of ICAI SM, RTP, MTP, PYP are given
- ▶ MCQ's are given in One Liner format (Crux), to save time
- ▶ Chapter Wise Important points are given for MCQ's, from which ICAI can ask MCQ's
- ▶ All time & Numerical limits are summarised chapterwise

CA Hemant Somani



Contents

OTHER THAN ICAI SM MCQ's SUMMARY & NUMERICAL LIMITS: 5

Chapter 1 to 11 (SQC/SA/SAE/SRE/SRS)	5
Chapter 3 - Other MCQ's (Planning/Strategy/Execution)	16
Chapter 4 Other MCQ's & Some Misc.MCQ's	17
Chapter 4: Points to Note (For MCQ's & Case scenerios)	20
AUDIT REPORT	20
CARO 2020	21
DIGITAL AUDIT (Chp 12)	22
Due Diligence, investigation & Forensic Audit	24
PSU AUDIT	25
GROUP AUDIT - CFS	25
INTERNAL AUDITOR	26
SDG & ESG	28
NBFC	29
BANK AUDIT	31
PROFESSIONAL ETHICS	37
COMPANY AUDIT	38
(Not in New Syllabus > But Once Read)	38
INTEGRATED MCQ's SUMMARY (ICAI Only – But Other than SM)	40

ICAI STUDY MATERIAL MCQ's: 46

CHAPTER 1- Quality Control	47
CHAPTER 2- General Auditing Principles & Auditor's Responsibilities	49
CHAPTER 3 - AUDIT PLANNING, STRATEGY & EXECUTION	51
CHAPTER 4 - MATERIALITY, RISK ASSESSMENT AND IC	53
CHAPTER 5 – AUDIT EVIDENCE	55
CHAPTER 6- COMPLETION & REVIEW	56
CHAPTER 7- REPORTING	60
CHAPTER 8- SPECIALIZED AREA	62
CHAPTER 9- AUDIT RELATED SERVICES	65
CHAPTER 10- Review of Interim Financial Information	67
CHAPTER 11 - Prospective Financial Information & Other Assurance services	69
CHAPTER 12: DIGITAL AUDITING	71
CHAPTER 13: Group Audit	73
CHAPTER 14.1: Audit of Banks	75
CHAPTER 14.2: Audit of NBFC's	77
CHAPTER 15: Overview of Public sector undertaking	79
CHAPTER 18: Sustainable Development Goals (SDG) & Environment, Social and Governance (ESG) Assurance:	81

Nov 2025 & Onwards **2.0**



CA FINAL

ADVANCED FINANCIAL MANAGEMENT

CONCEPT BOOK

- ▶ Extensive conceptual coverage
- ▶ ICAI study material references after each concept for practice.
- ▶ Step-by-Step Solutions and Common Mistakes Highlighted.
- ▶ Analysis and list of ICAI ambiguities in questions
- ▶ Last-Day Revision Aids (Important question list, formulas, and ABC analysis)

CA Rohit Chipper



Index - Concept Book

Sr. No.	Topic	Page No.
1	Chapter 1: Financial Policy and Corporate Strategy	1
2	Chapter 2: Risk Management	2
3	Chapter 3: Advanced Capital Budgeting Decisions	3
4	Chapter 4: Security Analysis	17
5	Chapter 5: Security Valuation	20
6	Chapter 6: Portfolio Management	40
7	Chapter 7: Securitization	Covered in Question bank
8	Chapter 8: Mutual Funds	61
9	Chapter 9: Derivatives Analysis and Valuation	69
10	Chapter 10: Foreign Exchange Exposure and Risk Management	82
11	Chapter 11: International Financial Management	103
12	Chapter 12: Interest Rate Risk Management	108
13	Chapter 13: Business Valuation	115
14	Chapter 14: Mergers, Acquisitions and Corporate Restructuring	124
15	Chapter 15: Startup Finance	Covered in Question bank
16	Appendix (Important Question, Trend Analysis, Formulas, Strategy etc.)	138

Nov 2025 & Onwards **2.0**



CA FINAL

ADVANCED FINANCIAL MANAGEMENT

QUESTION BANK

- ▶ Comprehensive Question Coverage
- ▶ Covers ICAI study materials, past year papers, RTPs, MTPs, and the BOS portal.
- ▶ Solutions as per the latest ICAI format to align with exam expectations.
- ▶ Each question is accompanied by its source for reference.
- ▶ Memory techniques for theory questions to retain concepts for the exam.

CA Rohit Chipper



Index - Question Bank

Sr. No.	Practical Questions Bank	Page No.
1	Chapter 1: Financial Policy and Corporate Strategy	1
2	Chapter 2: Risk Management	4
3	Chapter 3: Advanced Capital Budgeting Decisions	6
4	Chapter 4: Security Analysis	62
5	Chapter 5: Security Valuation	68
6	Chapter 6: Portfolio Management	105
7	Chapter 7: Securitization	No questions
8	Chapter 8: Mutual Funds	173
9	Chapter 9: Derivatives Analysis and Valuation	206
10	Chapter 10: Foreign Exchange Exposure and Risk Management	239
11	Chapter 11: International Financial Management	294
12	Chapter 12: Interest Rate Risk Management	314
13	Chapter 13: Business Valuation	329
14	Chapter 14: Mergers, Acquisitions and Corporate Restructuring	358
15	Chapter 15: Startup Finance	No questions

Sr. No.	Theory Questions Bank	Page No.
1	Chapter 1: Financial Policy and Corporate Strategy	413
2	Chapter 2: Risk Management	419
3	Chapter 3: Advanced Capital Budgeting Decisions	No questions
4	Chapter 4: Security Analysis	423
5	Chapter 5: Security Valuation	No questions
6	Chapter 6: Portfolio Management	427
7	Chapter 7: Securitization	428
8	Chapter 8: Mutual Funds	438
9	Chapter 9: Derivatives Analysis and Valuation	441
10	Chapter 10: Foreign Exchange Exposure and Risk Management	445
11	Chapter 11: International Financial Management	448
12	Chapter 12: Interest Rate Risk Management	451
13	Chapter 13: Business Valuation	454
14	Chapter 14: Mergers, Acquisitions and Corporate Restructuring	456
15	Chapter 15: Startup Finance	460

Nov 2025 & Onwards



CA FINAL

FINANCIAL REPORTING

Question Bank

(Volume-1)

- ▶ Comprehensive Coverage
- ▶ All ICAI SM, RTP, MTP & PYQ's covered
- ▶ Updated & Student Friendly

CA Nitin Goel



INDEX

Chapter No.	Chapter Name	No. of Questions	Page No.
1.	Introduction to Ind AS	10	1.1 –1.5
2.	Conceptual Framework for Financial Reporting under Ind AS	14	2.1-2.12
3	Ind AS 1: Presentation of Financial Statements	30	3.1-3.18
4.	Ind AS 2: Inventories	31	4.1-4.18
5.	Ind AS 7: Statement of Cash Flows	26	5.1-5.26
6.	Ind AS 8: Accounting Policies, Changes in Accounting Estimates & Errors	23	6.1-6.16
7.	Ind AS 10: Events after the Reporting Period	26	7.1-7.14
8.	Ind AS 12: Income Taxes	28	8.1-8.25
9.	Ind AS 16: Property, Plant & Equipment	32	9.1-9.28
10.	Ind AS 19: Employee Benefits	37	10.1-10.22
11.	Ind AS 20: Accounting for Government Grants	24	11.1-11.18
12.	Ind AS 21: The Effects of Changes in Foreign Exchange Rates	20	12.1-12.16
13.	Ind AS 23: Borrowing Costs	27	13.1-13.18
14.	Ind AS 24: Related Party Disclosures	18	14.1-14.11
15.	Ind AS 33: Earnings Per Share	29	15.1-15.23
16.	Ind AS 34: Interim Financial Reporting	19	16.1-16.12
17.	Ind AS 36: Impairment of Assets	39	17.1-17.27
18.	Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets	31	18.1-18.18
19.	Ind AS 38: Intangible Assets	37	19.1-19.21
20.	Ind AS 40: Investment Property	18	20.1-20.16
21.	Ind AS 41: Agriculture	15	21.1-21.13
22.	Ind AS 101: First-Time Adoption of Ind AS	32	22.1-22.30
23.	Ind AS 102: Share Based Payment	32	23.1-23.27

Nov 2025 & Onwards



CA FINAL

FINANCIAL REPORTING

Question Bank

(Volume-2)

- ▶ Comprehensive Coverage
- ▶ All ICAI SM, RTP, MTP & PYQ's covered
- ▶ Updated & Student Friendly

CA Nitin Goel



INDEX

Chapter No.	Chapter Name	No. of Questions	Page No.
24.	Ind AS 103: Business Combinations	64	24.1-24.71
25.	Ind AS 105: Non- Current Assets Held for Sale and Discontinued Operations	17	25.1-25.14
26.	Ind AS 108: Operating Segments	17	26.1-26.11
27.	Financial Instruments (Ind AS 32,107 & 109)	152	27.1-27.91
28.	Consolidated and Separate Financial Statements (Ind AS 27,110 &112)	87	28.1-28.93
29.	Ind AS 28: Investments in Associates and Joint Ventures	22	29.1-29.14
30.	Ind AS 111: Joint Arrangements	29	30.1-30.13
31.	Ind AS 113: Fair Value Measurement	11	31.1-31.9
32.	Ind AS 115: Revenue from Contracts with Customers	104	32.1-32.64
33.	Ind AS 116: Leases	61	33.1-33.46
34.	Analysis of Financial Statements	8	34.1-34.22
35.	Professional and Ethical Duty of a CA	13	35.1-35.17
36.	Accounting & Technology	6	36.1-36.8

Nov 2025 & Onwards



CA FINAL

FINANCIAL REPORTING

**MCQs & Case
Scenarios Booklet**

CA Nitin Goel



INDEX

MCQS			
No.	Chapter Name	No. of MCQs	Page No.
1.	Introduction to IND AS	7	1.1–1.2
2.	Conceptual Framework for Financial Reporting	11	2.1–2.2
3.	Ind AS 1: Presentation of Financial Statements	12	3.1–3.3
4.	Ind AS 2: Inventories	20	4.1–4.4
5.	Ind AS 7: Statement of Cash Flows	13	5.1–5.3
6.	Ind AS 8: Accounting Policies, Changes in Accounting Estimates & Errors	16	6.1–6.4
7.	Ind AS 10: Events after the Reporting Period	15	7.1–7.4
8.	Ind AS 12: Income Taxes	16	8.1–8.3
9.	Ind AS 16: Property, Plant & Equipment	23	9.1–9.5
10.	Ind AS 19: Employee Benefits	13	10.1–10.3
11.	Ind AS 20: Accounting for Government Grants	8	11.1–11.2
12.	Ind AS 21: The Effects of Changes in Foreign Exchange Rates	11	12.1–12.3
13.	Ind AS 23: Borrowing Costs	14	13.1–13.3
14.	Ind AS 24: Related Party Disclosures	5	14.1–14.2
15.	Ind AS 33: Earnings Per Share	10	15.1–15.2
16.	Ind AS 34: Interim Financial Reporting	11	16.1–16.2
17.	Ind AS 36: Impairment of Assets	18	17.1–17.4
18.	Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets	10	18.1–18.3
19.	Ind AS 38: Intangible Assets	18	19.1–19.4
20.	Ind AS 40: Investment Property	10	20.1–20.2
21.	Ind AS 41: Agriculture	10	21.1–21.2
22.	Ind AS 101: First-Time Adoption of Ind AS	7	22.1–22.2
23.	Ind AS 102: Share Based Payment	10	23.1–23.2
24.	Ind AS 103: Business Combinations	14	24.1–24.3
25.	Ind AS 105: Non- Current Assets Held for Sale and Discontinued Operations	16	25.1–25.3
26.	Ind AS 108: Operating Segments	6	26.1–26.2
27.	Financial Instruments (Ind AS 32,107 & 109)	20	27.1–27.4
28.	Consolidated and Separate Financial Statements (Ind AS 27,110 &112)	18	28.1–28.4
29.	Ind AS 28: Investments in Associates & Joint Ventures	3	29.1
30.	Ind AS 111: Joint Arrangements	6	30.1
31.	Ind AS 113: Fair Value Measurement	10	31.1–31.2
32.	Ind AS 115: Revenue from Contracts with Customers	10	32.1–32.2
33.	Ind AS 116: Leases	12	33.1–33.2
34.	Analysis of Financial Statements	3	34.1
35.	Professional and Ethical Duty of a CA	5	35.1
36.	Accounting & Technology	9	36.1–36.2

About The Author

CA Nitin Goel is an All India Rank holder at all CA levels (AIR 9 in CPT, AIR 7 in Intermediate, AIR 9 in Final) and a Gold Medalist in B.Com. With 10+ years of teaching experience, he is a renowned Accounts, Advanced Accounts, and Financial Reporting faculty at PW. A former ITC professional, he blends industry insights with teaching. His students consistently score 90+ marks and have secured All India Ranks, including AIR 1, making him a trusted name in CA education.

Other Books in this Series

