

CA INTERMEDIATE - AUDIT

Question Paper Analysis - May 2026

Chapter/Topic Mapping | Marks Weightage | Difficulty Level

PART I - MCQ Section (30 Marks) - Question Analysis

Total: 15 MCQs x 2 marks = 30 Marks

Question No.	Chapter / Topic	Marks	Difficulty Level
Q1	Audit Planning - SA 300 (Elements of Planning: Audit Programme, Preliminary Engagement Activity, Audit Strategy, Audit Plan)	2	Easy
Q2	Audit of Fixed Assets / PP&E - Scope of Audit of Financial Statements	2	Medium
Q3	Substantive Analytical Procedures - Types (Trend Analysis, Reasonableness Test, Ratio Analysis, Structural Modelling)	2	Medium
Q4	Quality Control - SQC 1 (Firm's System of Quality Control)	2	Medium
Q5	Audit of Banks - Consortium Lending / Asset Classification	2	Hard
Q6	Audit of Banks - Special Mention Accounts (SMA) Classification under RBI Guidelines	2	Hard
Q7	Audit of Banks - Income Recognition (Accrual Basis, Discount on Bills Purchased, Rediscounting Charges)	2	Hard

Question No.	Chapter / Topic	Marks	Difficulty Level
Q8	Internal Financial Controls - Companies Act 2013 / Reporting Responsibilities	2	Medium
Q9	Audit of Companies - Struck-Off Companies / Disclosure Requirements under Companies Act 2013	2	Medium
Q10	Quality Control - Monitoring Element / Documentation Requirements	2	Medium

PART II - Descriptive Section (70 Marks) - Question Analysis

Structure: Q1 Compulsory (14 Marks) + Any 4 out of Q2-Q6 (14 Marks each) = 70 Marks

Question No.	Chapter / Topic	Marks	Difficulty Level
Q1(a)(i)	Professional Skepticism and Auditor Attitude / Ethics - Professional Skepticism (SA 200)	3	Medium
Q1(a)(ii)	Ethics - Principles-Based vs Rules-Based Approach	2	Easy
Q1(b)(i)	Audit Sampling - Systematic Sampling Method	2	Easy
Q1(b)(ii)	Audit Sampling - Risks in Systematic Sampling / Minimization	2	Medium
Q1(b)(iii)	Audit Sampling - Block Sampling Method	1	Easy
Q1(c)	Written Representations - SA 580 (Date and Period of Written Representation)	4	Medium
Q2(a)	Risk Assessment - Information System and Business Processes relevant to Financial Reporting (SA 315)	5	Hard

Question No.	Chapter / Topic	Marks	Difficulty Level
Q2(b)(i)	Audit Programme - Disadvantages (Any 3)	3	Easy
Q2(b)(ii)	Audit Programme - Minimizing Disadvantages	2	Easy
Q2(c)(i)	CARO 2020 - Reporting on Immovable Property / Promoter Transactions	2	Medium
Q2(c)(ii)	Schedule III - Disclosure of Shareholding of Promoters	2	Medium
Q3(a)(i)	Tests of Controls - Sample Size Determination Factors	4	Medium
Q3(a)(ii)	Tests of Controls - Larger Sample Size Determination (Alpha vs Beta)	1	Easy
Q3(b)(i)	Audit Report - Placement of Basis for Opinion Section (SA 700)	1	Easy
Q3(b)(ii)	Audit Report - Key Elements in Basis for Opinion Section (SA 700)	4	Medium
Q3(c)	Audit Documentation - Significant Matters / Professional Judgement (SA 230)	4	Medium
Q4(a)	Audit in Automated Environment - Testing in Automated Environments / Combinations of Audit Tests	5	Hard
Q4(b)	Audit of Companies - MSME Disclosures under Schedule III / Trade Payables	5	Hard
Q4(c)	Audit of Infrastructure Companies - Working Knowledge of Other Disciplines (Statistics, Financial Management, Data Processing, Behavioural Science)	4	Hard
Q5(a)(i)	Audit of Share Capital - Sweat Equity Shares - Type of Shares	1	Easy

Question No.	Chapter / Topic	Marks	Difficulty Level
Q5(a)(ii)	Audit of Share Capital - Sweat Equity Shares - Conditions under Companies Act 2013	4	Hard
Q5(b)(i)	Audit of Leases / Ind AS 116 - Classification of Leases (Finance vs Operating)	1	Medium
Q5(b)(ii)	Audit of Leases / Ind AS 116 - Accounting Treatment and Tax Benefits	4	Hard
Q5(c)	Ethics / SA 260 - Communication with Those Charged with Governance (Independence Communication for Listed Entities)	4	Medium
Q6(a)	Engagement Letter - SA 210 (Responsibilities of Auditor in Engagement Letter)	5	Medium
Q6(b)(i)	Audit Report - Corresponding Figures / SA 710 (Type of Paragraph)	2	Medium
Q6(b)(ii)	Audit Report - SA 710 (Information in Paragraph for Prior Period Financial Statements)	3	Medium
Q6(c) OR	Audit of Co-operatives - Subsidiary Books and Registers for Large Co-operative Organisations	4	Medium
Q6(c) ALT	Audit Strategy - Factors Significant in Establishing Overall Audit Strategy	4	Medium

Chapter-Wise Weightage Summary (Across Full Paper)

Note: Total marks across Part I and Part II combined. Some chapters appear in both parts.

Chapter / Topic	Questions	Approx. Marks	Priority / Remarks
Audit of Banks (Special Audit Areas)	Q5, Q6, Q7	6	High - 3 MCQs dedicated to banking
Audit Planning - SA 300	Q1 (MCQ)	2	Frequently tested
Quality Control - SQC 1	Q4, Q10 (MCQ)	4	Moderate
Audit Sampling	Q1(b)(i,ii,iii)	5	High - 3 sub-parts
Written Representations - SA 580	Q1(c)	4	Moderate
Risk Assessment - SA 315	Q2(a)	5	High - full question
Audit Programme	Q2(b)	5	Moderate
CARO 2020 / Schedule III	Q2(c), Q4(b)	9	High - recurring
Tests of Controls / Audit Sampling (Part II)	Q3(a)	5	High
Audit Report - SA 700 / SA 710	Q3(b), Q6(b)	10	VERY HIGH - most marks
Audit Documentation - SA 230	Q3(c)	4	Moderate
Automated Environment Audit	Q4(a)	5	High - emerging area
Working Knowledge of Other Disciplines	Q4(c)	4	Moderate
Audit of Share Capital / Companies Act	Q5(a), Q9 (MCQ)	7	High

Chapter / Topic	Questions	Approx. Marks	Priority / Remarks
Audit of Leases / Ind AS 116	Q5(b)	5	High - Ind AS area
Ethics - SA 260 / Principles vs Rules	Q1(a), Q5(c)	9	VERY HIGH
Engagement Letter - SA 210	Q6(a)	5	High
Audit of Infrastructure / Other Disciplines	Q4(c)	4	Moderate
Professional Skepticism - SA 200	Q1(a)(i)	3	Moderate
Fixed Assets / PP&E Audit	Q2 (MCQ)	2	Low in this paper
Internal Financial Controls - Companies Act	Q8 (MCQ)	2	Moderate

High Weightage Chapters - Must Study for Exam

Based on the May 2026 paper analysis, the following chapters carry the highest marks and should be prioritized:

1. Audit Report - SA 700 / SA 710 (Approximately 10 marks)

SA 700 (Forming an Opinion and Reporting on Financial Statements) and SA 710 (Comparative Information) together formed the backbone of Q3(b) and Q6(b). Placement of Basis for Opinion section, key elements, corresponding figures paragraph - all tested. This is consistently a high-weightage area.

2. Ethics - SA 260 / Principles-Based vs Rules-Based / Professional Skepticism (Approximately 9 marks)

Q1(a) tested professional skepticism attitude and risks, Q1(a)(ii) tested principles vs rules-based ethics, and Q5(c) tested SA 260 communication with those charged with governance for listed entities. Ethics topics are spread across multiple questions.

3. CARO 2020 and Schedule III Disclosures (Approximately 9 marks)

Q2(c) covered CARO 2020 reporting on immovable property and Schedule III promoter shareholding disclosures. Q4(b) tested MSME disclosures under Schedule III for trade payables. This area is heavily tested because of its practical application nature.

4. Audit of Banks - SA / RBI Guidelines (6 marks in MCQ)

Q5, Q6, and Q7 were all dedicated to banking audit - consortium lending classification, SMA classification under RBI guidelines, and income recognition for banks. Three consecutive MCQs from one topic indicates very high importance for this paper.

5. Audit Sampling - SA 530 (Approximately 8 marks total)

Q1(b) had 3 sub-parts on sampling: systematic sampling (5 marks), and Q3(a) tested sample size factors for tests of controls (5 marks). Both types - sampling for substantive procedures and for tests of controls - were covered.

6. Risk Assessment and Internal Controls - SA 315 (5 marks)

Q2(a) was a full 5-mark question on the entity's information system and business processes relevant to financial reporting - a direct lift from SA 315. Understanding of IT systems and risk assessment procedures is critical.

7. Engagement Letter - SA 210 (5 marks)

Q6(a) asked for any 5 responsibilities of the auditor included in an engagement letter as per SA 210. This is a standard question that appears frequently but students often miss the specific list from the standard.

8. Audit of Leases / Ind AS 116 (5 marks)

Q5(b) tested lease classification (operating vs finance) and accounting treatment including tax benefits. With Ind AS now fully applicable, lease audit questions are increasingly important.

9. Automated Environment Audit (5 marks)

Q4(a) was on testing in automated environments and effective combinations of audit tests. This is an emerging area with increasing practical relevance and ICAI has been pushing this in recent papers.

10. Written Representations - SA 580 (4 marks)

Q1(c) tested the date and period of written representation when management changes mid-year. SA 580 is always important - questions on refusal, date of representation, and specific representations are frequently asked.

Overall Difficulty Assessment

Part I (MCQs): Moderate to Hard. Banking audit questions (Q5, Q6, Q7) were difficult and required specific RBI guideline knowledge. Q1 on SA 300 planning and Q4 on SQC 1 were moderate.

Part II (Descriptive): Moderate overall. Q2(a) on SA 315 information systems and Q4(a) on automated environment were harder. Q1(b) on sampling and Q2(b) on audit programme were easier. Q4(b) on MSME disclosures was highly practical.

Prediction for future papers: Audit Report (SA 700/705/706/710), Ethics, Sampling, CARO/Schedule III, and Banking Audit will continue to be high-priority areas. Ind AS-based questions (leases, revenue) are increasing.