Skillshort

Self-Study Preparation Pack

CA INTERMEDIATE

Paper 5: Auditing and Ethics

# Last-Week Revision Plan & Exam Strategy

For January 2027 attempt (Paper 5 on Sunday 10 January 2027, 2–5 pm) · 7-day plan · 3-hour strategy

7-day plan | Time allocation | Answer-writing rules | Lists and numbers to memorise

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## This subject pack has 6 parts

1 Chapter-wise notes
2 Important topics & weightage
3 Past papers: trends & links
4 Mock tests + solutions
5 Chapter practice questions
6 Last-week plan & strategy

Prepared by Skillshort for self-study. Original explanations and questions; not an official ICAI/ICMAI/ICSI publication. Items marked VERIFY should be checked against the latest official material.

# 1. Seven-day plan

Paper 5 is the **second paper of Group II** (Fri 8 → **Sun 10** → Tue 12 January 2027). **Saturday 9 January** is the only full day just before it, so do D-7 to D-3 in the days before Paper 4.

**PLAN** **Day-by-day**

| Day | Session 1 | Session 2 |
|---|---|---|
| D-7 | Ch 1–2: SA 200 limitations, engagement standards, SA 300 strategy vs plan, audit programme | Practice Set 1; Mock 1 Q1 |
| D-6 | Ch 3: audit risk, SA 320, SA 315 components, SA 265, digital audit and IFC; CARO/IFC exemptions | Practice Set 2; D2 |
| D-5 | Ch 4 and 6: SA 500 reliability, assertions, SA 501, 505, 510, 520, 530, 550, 610; SA 230 | Practice Set 3; D1, D3, D4 |
| D-4 | Ch 5: audit of items with Schedule III; Ch 7: SA 560, 570, 580, 450 | Practice Set 4; D5, D7 |
| D-3 | Ch 8: SA 700/701/705/706/710, joint and branch audit, s. 143, CARO clauses | **Full mock (3 h)** – Skillshort Mock 2 or ICAI MTP |
| D-2 (Paper 4 day, Fri 8 Jan) | – | 30 minutes: the quick-reference table in the notes |
| D-1 (Sat 9 Jan) | Ch 9–11: Companies Act appointment, Government/NPO/LLP/co-operative audits, **bank NPA norms**, ethics threats, SA 210, SQC 1 | ICAI RTP January 2027 MCQ case; lists below; sleep by 10:30 pm |

**EXAM TIP** **What to revise on the last day**

Do not start new topics. Revise the **lists** (below), the **reporting tables** (SA 705, SA 570, SA 560), the **NPA table** and the **numbers sheet**. Then read two ICAI suggested answers to remind yourself of the answer style.

# 2. Exam-hall strategy (3 hours + 15 minutes advance reading)

| Time | Action |
|---|---|
| 1:45 – 2:00 pm (reading time) | Read Q1 and choose 4 of Q2–Q6. Prefer questions where you know the **exact SA list** |
| 0:00 – 0:45 | **Part I – 15 MCQs**: read the case once, then each question; watch for "not" and "most appropriate" |
| 0:45 – 1:12 | **Q1 (14 marks)** |
| 1:12 – 2:52 | Four of Q2–Q6, about 25 minutes each |
| 2:52 – 3:00 | Check that every case answer has a **conclusion** |

**STRATEGY** **Answer-writing rules for audit**

- Use **Provision → Facts → Conclusion** with headings. Quote the SA number and name once, e.g. "SA 570 'Going Concern'".
- Write **one point per line**, numbered. Examiners award about 1 mark per correct point, and length earns nothing.
- Use the case facts: name the company, the amount and the date in your analysis.
- For "is the view correct?" questions, always state **correct/not correct** in the first or last line.
- For bank NPA questions, show **days overdue → category → secured/unsecured → % → amount** in a table.
- For ethics questions, write the **threat + reason + safeguard**.
- Do not write the full text of a standard; write the **specific requirement** the question asks for.

## 3. Lists and numbers to memorise

| Topic | Remember |
|---|---|
| SA 200 limitations | Nature of financial reporting; nature of audit procedures; timeliness and cost-benefit; other matters |
| SA 210 | Preconditions (framework; management's responsibilities for FS, internal control, access); revision factors (misunderstanding, special terms, change in management, ownership, nature/size, law, framework, other reporting) |
| SA 300 | Strategy: characteristics, reporting objectives, significant factors, preliminary activities, resources; supervision factors: size/complexity, area, RMM, team capability |
| SA 315 | Five components of internal control |
| SA 500 | Reliability: external, effective controls, direct, documentary, original; seven procedures |
| SA 505 | Four conditions for negative confirmations; refusal → reasons, implications, alternatives, TCWG |
| SA 530 | Sample size ↑ with RMM, assurance, expected misstatement; ↓ with tolerable misstatement and stratification |
| SA 560 | Three periods; "date FS are issued" = date made available to third parties |
| SA 570 | Financial, operating, other events; reporting table |
| SA 580 | Not after the report date; refusal on management responsibilities → disclaimer |
| SA 230 | 60 days to assemble; 7 years to retain; auditor's property |
| SA 701 | Higher RMM, significant judgements, significant events; four "not a substitute" points |
| SA 705 | Qualified (material) / adverse (pervasive misstatement) / disclaimer (pervasive lack of evidence) |
| Companies Act | 30/90 days first auditor; C&AG 60 days; 5-year term; rotation 5/10 years; cooling-off 5 years; s. 141 limits ₹1 lakh/₹5 lakh/₹1 lakh; 20 companies; s. 143(12) ₹1 crore |
| CARO / IFC | CARO private exemption ₹1 crore/₹1 crore/₹10 crore (all three); IFC exemption turnover < ₹50 crore and borrowings < ₹25 crore |
| Bank | NPA 90 days; sub-standard 15% (unsecured 25%); D1 25%, D2 40%, D3 100% plus unsecured 100%; loss 100%; erosion < 50% → doubtful, < 10% → loss; SMA 0/1/2 = 1–30/31–60/61–90 days |
| LLP | Audit if turnover > ₹40 lakh or contribution > ₹25 lakh |

**REMEMBER** **Five examiner warnings for January 2027**

1. Name the **most appropriate evidence**, not "sufficient appropriate evidence".
2. Inventory counted on another date: write the **roll-forward/roll-back** requirement.
3. Significant deficiency = **importance to TCWG** (professional judgement), not a list of examples.
4. CARO exemption conditions are **cumulative**. Quote all the thresholds.
5. Use the **case facts** in documentation and ethics answers.