

## "Auditing is Luxury"

There are two opinions regarding "Auditing is Luxury". (i) Opinion of the small businessman and (ii) Opinion of the big businessman.

Opinion of small businessmen:

From the point of view of small businessmen "Auditing is Luxury."

1. More expensive:

Auditors has to be paid good remuneration, which small businesses cannot afford.

For eg: if the owner of a betel shop gets audited the books of accounts through a chartered accountant, it would be very expensive and luxury for him.

2. Alternative Procurement of the Advantages of Auditing: Small businessmen can make alternative



arrangement for the work of audit, which proves to be economical. Since, in small businesses, the business transactions are comparatively less, they can get the accounts updated by an ordinary accountant.

3. Difficulties in fulfilling the formalities: For the work of audit number of formalities has to be fulfilled. For eg. arranging vouchers, preparing the list of debtors & creditors, making trial balance, list of investments, etc. All these informations are not much used by small businessmen. Therefore, making auditing a luxury.
4. Wastage of Time
5. Fulfillment of Prestige only
6. Decrease in the Efficiency of Employees.

On the basis of above points, it can be said that "Auditing is Luxury for Small businessmen."