

SIGNIFICANT DOUBT ABOUT THE GOING CONCERN ASSUMPTION IN AUDIT

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Abstract:

The purpose of this paper is to survey the going concern principle and its application in auditor's work. The management of an entity is responsible for the assumption of the going concern principle in the compilation of the financial statements. We study the auditor's responsibilities in the audit of the financial statements relating to management's use of the going concern assumption in the preparation of the financial statements. We analyze the events and conditions that may cause significant doubt about the ability of an entity to continue as a going concern.

Keywords: Professional judgment, Audit evidence, Management's use of going concern assumption.

JEL codes:: M42, M41, L21