



PG – 1319

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IV Semester M.Com. Degree Examination, October/November 2024  
(CBCS) (2021-22)

COMMERCE

Paper – 4.2 : Forensic Accounting and Auditing

Time : 3 Hours

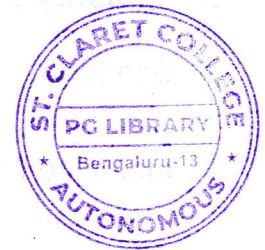
Max. Marks : 70

SECTION – A

1. Answer **any seven** questions out of ten. **Each** question carries **two** marks.

(7×2=14)

- Define Forensic Accounting.
- State the meaning of corporate fraud.
- What is the difference between a forensic audit and a regular financial audit ?
- Highlight the important MS Excel functions that are useful as CAAT for audit.
- How does vertical analysis is different from horizontal analysis.
- What do you mean by fraud prevention ?
- Give the meaning of fraud risk assessment.
- What are red flags and green flags ?
- Who are accounting fraudsters ?
- Write a note on fraud reporting.



SECTION – B

Answer **any four** questions out of six. **Each** question carries **five** marks.

(4×5=20)

- Discuss the significance of Forensic Audit.
- What is the significance of conducting ratio analysis in fraud detection ?
- Write short notes on GAS and CST.
- Explain how audit trails help in detecting fraudulent transactions.
- Analyze the types of frauds observed in the banking and insurance entities.
- Briefly explain the different stages of audit of a company.

P.T.O.



## SECTION – C

Answer **any two** questions out of four. **Each** question carries **twelve** marks.

(2×12=24)

8. Explain the different fraud detection techniques.
9. How can forensic accountants utilize digital tools to trace financial transactions across various jurisdictions ?
10. Describe how an organization can implement internal controls to mitigate fraud risks.
11. How can the findings of a forensic audit be presented as legal evidence in court, and what challenges could arise in the process ? Give recent examples.

## SECTION – D

**Compulsory** Skill based question on subject.

(1×12=12)

12. Scenario : A large retail company suspects embezzlement within its accounts payable department. A forensic audit is initiated to investigate.

Instruction : Answer Specifically to the questions in points and justify in short for each point.

**Questions :**

- a) Identify three physical locations within the accounts payable department where paper evidence of fraud might be found. Explain what type of evidence you might expect to find in each location. 3
  - b) Describe two digital locations beyond email communication where the forensic auditor might look for evidence of collusion between employees. What specific tools or techniques could be used to analyse this data ? 3
  - c) Imagine you are analysing security camera footage as part of the investigation. What two specific red flags might indicate fraudulent activity occurring within the department ? 3
  - d) Explain the importance of witness statements in a forensic audit and provide two scenarios where a witness statement might be crucial in uncovering financial wrong doing. 3
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