17380

BRAINWARE UNIVERSITY

Term End Examination 2025-2026
Programme – B.Com.(AFB)-Hons]-2023
Course Name – Fundamentals of Forensic Accounting and Fraud Investigation
Course Code - BBF50114
(Semester V)

Full Marks : 60 **Time : 2:30 Hours**

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A
(Multiple Choice Type Question) 1 x 15=15

1. *Choose the correct alternative from the following :*

(i) Describe the primary scope of forensic accounting.

a) Primarily focused on internal audits.
b) Encompasses fraud detection, litigation support, and dispute resolution.
c) Limited to government investigations only.
d) Exclusively deals with tax fraud cases.

(ii) Enumerate one key historical event contributing to the evolution of forensic accounting.

a) The establishment of the first stock exchange.
b) The rise of complex financial crimes in the 19th and 20th centuries.
c) The invention of the calculator.
d) The development of double-entry bookkeeping.

(iii) Identify a core skill required for a forensic accountant.

a) Advanced knowledge of marketing strategies.
b) Strong analytical and investigative abilities.
c) Expertise in graphic design.
d) Proficiency in foreign languages.

(iv) Name a key responsibility of a forensic accountant during a fraud investigation.

a) Designing marketing campaigns for the company.
b) Identifying and documenting financial irregularities.
c) Negotiating business deals.
d) Managing employee benefits.

(v) Define the term fraud examination within forensic accounting.

a) A comprehensive audit of all company departments.
b) The process of resolving customer complaints.
c) The systematic investigation of financial misconduct or fraud.
d) The creation of financial forecasts for businesses.

(vi) Discover a key benefit of using forensic accounting software in investigations.

a) It replaces the need for human investigators entirely.
b) It automates tedious tasks, analyzes vast amounts of data, and identifies patterns more efficiently.

c) It is only useful for very small fraud cases.
d) It is primarily for creating visual presentations.

(vii) Employ an effective communication skill during an interview.

a) Constantly interrupting the interviewee.
b) Active listening, empathy, and clear, concise questioning.
c) Using jargon and complex legal terms.
d) Expressing personal opinions on the case.

(viii) Establish the purpose of a collection plan for digital evidence.

a) To avoid collecting any digital evidence.
b) To ensure all relevant digital data is identified, preserved, and collected systematically and forensically soundly.
c) To collect only the most easily accessible digital files.
d) To delete sensitive digital information.

(ix) Illustrate the difference between an interview and an interrogation.

a) Interviews are generally non-custodial and information-gathering, while interrogations are typically custodial and accusatory.
b) They are the same process with different names.
c) Interrogations are always more effective.
d) Interviews only involve witnesses, not suspects.

(x) Interpret the significance of an evidence log.

a) It is an optional document for convenience.
b) It provides a chronological record of who handled the evidence, when, and for what purpose, crucial for chain of custody.
c) It is only used for very large cases.
d) It is a document to mislead the court.

(xi) Select a critical responsibility of executives in promoting an ethical organizational culture.

a) Ignoring ethical breaches to maintain a positive public image.
b) Leading by example, communicating ethical expectations, and enforcing ethical policies consistently.
c) Delegating all ethical decisions to the legal department.
d) Focusing solely on financial performance.

(xii) Identify a key aspect of tone at the top in fraud prevention.

a) It only applies to the CEO and no one else.
b) The commitment of senior management to ethical behavior and internal controls, influencing the entire organization.
c) It is irrelevant to employee behavior.
d) It means having a strict dress code.

(xiii) Illustrate how segregation of duties works as a fraud prevention control.

a) By allowing one person to authorize, record, and custody assets.
b) By dividing responsibilities for authorization, recording, and asset custody among different individuals to prevent errors and fraud.
c) By combining all tasks into one role for efficiency.
d) By eliminating the need for supervision.

(xiv) Trace the development of an ethical culture within an organization.

a) It happens naturally without any specific effort.
b) It requires consistent effort from leadership, clear communication, ethical policies, and regular reinforcement through training and behavior.
c) It is solely the responsibility of the HR department.
d) It is achieved through one-time workshops.

(xv) Select the type of engagement where a forensic accountant might provide expert witness testimony.

a) Routine financial audit.
b) Tax preparation service.
c) Litigation support.
d) Bookkeeping service.

Group-B

(Short Answer Type Questions) 3 x 5=15

2. Define expert witness in the context of forensic accounting. (3)
3. Illustrate how Opportunity was exploited in a typical petty cash fraud case. (3)
4. Compute the number of steps typically involved in establishing a basic chain of custody for physical evidence. (3)
5. Illustrate a common type of documentary evidence useful in financial fraud investigations. (3)
6. Distinguish between the responsibilities of the CEO and the audit committee in fraud prevention. (3)

OR

Assess the importance of a clear code of ethics for employees in preventing fraud. (3)

Group-C

(Long Answer Type Questions) 5 x 6=30

7. Illustrate a key difference between traditional auditing and forensic accounting. (5)
8. Describe how technology has influenced the evolution of forensic accounting. (5)
9. Illustrate an example of digital evidence that a forensic accountant might collect. (5)
10. Evaluate the benefits of using specialized forensic accounting software. (5)
11. Assess the significance of the Days Sales Outstanding (DSO) ratio in detecting revenue-related fraud. (5)
12. Illustrate a common scheme used to manipulate expenses in financial statement fraud. (5)

OR

Evaluate why inventory manipulation can be a key indicator of financial statement fraud. (5)

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