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IV Semester M.Com. (FA) Degree Examination, August/September - 2025

COMMERCE

Forensic Accounting and Auditing

(CBCS Scheme)

Paper : 4.4

Time : 3 Hours

Maximum Marks : 70

SECTION - A

Answer any **Seven** questions out of Ten. Each question carries **Two** marks. (7×2=14)

1. a) Define forensic accounting.
- b) What is bank fraud?
- c) Mention two traits of fraudsters.
- d) What is financial statement fraud?
- e) State any two professional analytical procedures.
- f) What is risk assessment in fraud prevention?
- g) What is a forensic audit?
- h) Name any two types of investigations.
- i) What are red flags in auditing?
- j) Define CAATT.

SECTION - B

Answer any **Four** questions out of Six. Each question carries **Five** marks. (4×5=20)

2. Explain the responsibilities of forensic auditors in fraud detection.
3. Describe types of corporate and insurance frauds with examples.
4. Explain techniques used in detecting financial statement fraud.
5. What are the best practices in fraud risk assessment?
6. Explain the stages of audit and how it differs from forensic audit.
7. Discuss the use of Generalized Audit Software (GAS) in forensic investigations.

[P.T.O.]

**SECTION - C**

Answer any **Two** questions out of **Four**. Each question carries **Twelve** marks. (2×12=24)

8. Discuss the role, concept, and significance of a professional forensic accountant.
9. Explain horizontal, vertical, and cash flow analysis as tools for fraud detection.
10. Elaborate on organisational profiling and risk assessment methods in fraud prevention.
11. Discuss tools and technologies used in forensic auditing and investigation.

SECTION - D

Answer the following question.

(1×12=12)

12. You are provided with the following income statement of XYZ Pvt. Ltd. for the years 2024 and 2025.

Particulars	FY 2024	FY 2025
	(Rs. IN LAKHS)	(Rs. IN LAKHS)
Revenue from operations	1800	2100
Other income	50	220
Total Revenue	1050	2320
Cost of Goods sold (COGS)	1080	1340
Gross profit	770	980
Employee Benefit Expenses	200	180
Selling and Distribution Expenses	120	180
Administration Expenses	140	165
Depreciation	60	62
Interest expenses	45	90
Profit Before Tax	205	163
Tax	62	49
Profit After Tax	143	114

- a) Calculate the Year - on - Year (%) change for each item.
 - b) Identify at least 3 red flags from the statement.
 - c) Provide possible reasons for these anomalies.
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