



# **Recent Advances and Challenges in Finance and Marketing for New India @ 2022**

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# Forensic Accounting in India

Ms. Gurpreet Kaur

## Abstract

*In the emerging economic scenario, the growing occurrence of financial scandals, white collar crimes and frauds are quite high and alarming. Forensic accounting has come into limelight recently mainly due to the increased numbers of fraud and the difficulties faced by the law enforcement agencies in combating fraud. Literature reveals that forensic accounting appears to be the most effective technique for fraud prevention and detection. Forensic accounting is the specialty practice area of accounting that integrates accounting, auditing and investigative skills to prevent and detect fraud. This study therefore aims to understand the historical perspective of forensic accounting in India. The study attempts to identify the role of forensic accounting in detecting fraud. This paper also investigates the problems in implementing forensic accounting services in India.*

*The study relied on previous literature on forensic accounting and its application. The review of this paper shows that forensic accounting services have a significant effect in detecting fraud. The study also indicated that forensic accounting investigation is a step towards discovering fraud and other fraudulent exercises in India. In view of this, the paper suggests that the professional bodies like ICAI (Institute of Chartered accountant in India) and ACCA (Association of Chartered Certified Accountants) should encourage specialization on forensic accounting services among the professional accountants in practice which could possibly help in reducing fraud and other fraudulent activities in both private and public organisation in India. The study is descriptive and conceptual in nature and secondary data has been used like journals, research papers, articles, web sources and companies report.*

**Keywords:** *Forensic accounting, financial scandals, fraud, investigation, white collar crime.*

## INTRODUCTION

The beginning of twenty- first century was associated with increase in financial scandals and fraud, thereby questioning the role of auditors in preventing and detecting fraud (Bhasin, 2013). The incidence of fraud continues to rise across nations and across private and public sector organizations. Fraud is a universal problem as no nations is impervious from it, although developing countries suffer the most. Ratliff et al (1996) defined fraud as "sequence of activities perpetrated to obtain money,