

FORENSIC ACCOUNTING

RESEARCH METHODS

ABSTRACT

In the report, for doing the forensic accounting research, the chosen topic is the case study on India's biggest Scam known as Satyam Scandal. The report includes a brief discussion which explains the fraudulent activities of the auditors of the companies. There is also a brief explanation of fraud. The role of the auditor is also have been discussed thereon and also the corporate governance issue which has occurred at the Satyam corporations.

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INTRODUCTION

The fraudulent activities are deliberately performed by an individual or a group of individuals from the leadership of society, any third parties, or employees. These are the activities that consist of utilizing the unrealistic pretense for obtaining unjust or illegal benefits. The auditors would be considering the fraud activities which leads to a huge falsification of finance relating circumstances (Pareek et al., 2021). The fraudulent activities which consist of individuals from the level of leadership are termed within the group of managerial fraudulent and the person consisting only employees of the entity is termed as the fraudulent by the association of employees (Pareek et al., 2021).

RESEARCH METHODOLOGY

The descriptive study is considered as the one where information is gathered irrespective of the transformation in an environment that is free from any sort of manipulation. It consists of a single-time interaction with a particular group either through the study of cross-section or a longitudinal course of study (Kulhari 2021).

These are utilized for describing the features of a phenomenon or population which is studied. The major addressing point of the descriptive study is what queries or features of any particular situation or population are to be studied. The features utilized for describing the population or situation as generally a type of category-based scheme which is also termed as the descriptive category. These descriptions are utilized for various statistical measures, averages, and frequencies. Usually, the best-suited approach before writing research is for any survey-based investigation. Usually, the qualitative research has the objective to describe as well as the researchers might follow an examination process regarding the cause of the existing observation along with their implementation in the area of the outcome (Kulhari 2021).

RESEARCH QUESTIONS

Various research questions arise in this context which could be summarised as below -

1. Why is this scam considered as the biggest scam in India?
2. What are the major issues influence in the market because of Satyam scam?
3. What is the role of auditor in this context?
4. What are the necessary amendments which are brought to reduce the risk of any further scam in money and stock markets?
5. What are the necessary steps taken by the legitimate authority to control the situation?

RESEARCH DESIGN

In the given research paper, the researcher utilised various research techniques and design such as quasi experimental review, correlation study and experimental study. The firm PWC has been acting as the auditor of the company from the year 2000 to the year 2008 (Pareek et al., 2021). The main objectives were required to be proven for fraud or the connivance of the partners of PWC with the promoters of the Satyam causing fudging the books of the accounts of a company.

As per the rules of SEBI, PWV has been showing a total disregard of the reasonable practices of the auditing that has indicated the level of complicity which has been occurred in the manipulation scenario (Pareek et al., 2021).

RESEARCH PROBLEM

The research problem is this statement regarding the concerned area or difficulty which should be eliminated by appropriate understanding as well as deliberate method of investigation. The common reliance investor on the certifications of audit of Satyam

computers at a fixed point. There was a dependency on the fact that it was being attested by the firms that have been internationally reputed. The public were having no reason for believing that these reports of the audit were misleading and false.

DATA COLLECTION

Both qualitative as well as quantitative data are considered in this respect and the source of data collection is secondary. This case was taken by the CBI in the February of the year 2009 along with filing three distant charge sheets on the 7th of April 2009, 24th of November 2009, and 7th of January 2010 respectively during the given year (Gurung et al., 2019). All of these charges were raised from the phase of discovery being afterward consolidated into a single charge sheet. Both qualitative as well as quantitative data are considered in this respect. Two major source of data collection namely primary source and the secondary source. In the given research report the source of data collection being utilised is the secondary one (Gurung et al., 2019).

DATA ANALYSIS

Further the collected data are analysed by appropriate inspection modelling transformation and cleansing of information with the objective of discovering suitable information to initiate appropriate decision making. After 2 days of the confession done by Raju, he was under arrest. The share of the company for from rupees 544 to rupees 11.50 in the year 2008. Around 13000 fake records of workers were investigated by CBI indicating a scam of around rupees 7000 crores. The auditors PWC claimed at starting that the failure of catching fraud was because of trust in the data given by the management.

DISCUSSION AND FINDINGS

The specialized court who tries the case is found to impose the same kind of sentence on others as a charged by the CBI regarding various crimes containing the criminal termination of Faith, destructing evidence, impersonation, cheating, fudging, and forgery. This consists of the former CFO Valdmanis Srinivas; Prince Waterhouse partner, S Gopalkrishna; another Prince Waterhouse partner, Talluri Srinivas; and all former staff of Satyam VSP Gupta, CH Srisailam, G Venkata Pathi Raju, G Ramakrishna, and B Suryanarayana Raju (Agarwal 2021). After the fall of judgment, all of the 10 converts are found to be shifted to prison with higher security at the Cherlapally residing out of Hyderabad (Agarwal 2021).

SUMMARY

The fraud of Satyam is completely shattering the dream of various categories of regulators investors along with shocking the government. In the year 2014, the SEBI is found to impose rupees 1850 on Raju as a penalty to make illegal benefit along with restricting him to enter the financial market for around 14 years (Dewangan et al., 2018). The following regarding economic offense of regional court further imposed a fine of rupees 10 lacs along with sentence in them to jail for six months (Dewangan et al., 2018).

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