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## UNVEILING THE VAIL; UNDERSTANDING THE STUDENTS PERSPECTIVES ON FORENSIC ACCOUNTING

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### ABSTRACT

This study delves into the perspectives of students in India regarding forensic accounting, a critical discipline in addressing financial fraud and corruption. Despite various efforts to combat these issues, India continues to face challenges in eradicating corruption. Forensic accounting has emerged as a vital tool in this context, aiming to detect and prevent fraudulent activities within organizations. However, there remains a gap in understanding how Indian students perceive forensic accounting and its role in fraud detection. Through a descriptive research approach, this study aims to assess students' awareness levels, identify challenges perceived by students in forensic accounting, and explore their opinions on incorporating forensic accounting courses into academic syllabi. The findings reveal significant insights, emphasizing the need for educational initiatives to enhance understanding in this field and the importance of targeted interventions to address challenges such as lack of awareness and skilled professionals. Despite these challenges, there is a notable enthusiasm among students for integrating forensic accounting into academic curricula, highlighting its perceived relevance and utility in combating financial fraud.

**KEYWORDS:** Forensic accounting, Financial fraud, Corruption, Students' perspectives, India.

### I. INTRODUCTION

India ranks as one of the nations that is having trouble eradicating corruption, many efforts have been made to address it, such as the use of digital cash, purchasing goods online, demonetization, fresh tax laws, etc., but they have not yet been successful (Kumar et al.,2019). According to Transparency International's Corruption Perception Index (CPI) in the year 2022, India is ranked at 85th rank out of 180 nations. Internal auditors as well as external auditors have been charged with hindering fraud through periodic audits, but as we all know, auditors are only able to confirm that a company's books adhere to generally recognized accounting principles, auditing norms, and company policies, as a result of this, a new area of accounting known as "**forensic accounting**" evolved for detecting fraud in organizations in which fraudulent transactions were suspected (Bhasin 2007). While Maurice E. Peloubet first used the term "forensic accountant" in 1946, the practice of forensic accounting dates back to numerous years. Based on archeological discoveries, accountants performed a role in identifying and preventing fraud in Egypt between 3300 and 3500 BC (Chakrabarti,2014). one of the most popular tools in the accounting sector for combating the prevalent problem of financial fraud is forensic

accounting, it refers to a specific field of accounting. It involves applying specific skills related to accounting tasks, including research, investigations, finance, mathematical methodologies, auditing procedures, and accounting (Gupta 2022). In his renowned work, Kautilya Arthashastra, Kautilya was the very first person in India to talk about the widely recognized forty types of misappropriation (Dave & Patel, 2023). The scope of forensic accounting in India has expanded as a result of scandals like Harshad Mehta, Ketan Parekh, Sanjay Seth, and more recently, the India Bull scandal, Kingfisher Airlines, credit card fraud, coal block scam, and, most recently, the Punjab National Bank fraud (Ahamed & Sharmacharjee,2019).The creation of the Serious Fraud Investigation Organization (SFIO) in India is a notable development in the field of forensic accounting (Gupta,2022).Forensic accounting is still developing in India as a consequence of rising corporate dimensions and an increasing number of financial scams (Bhasin,2017). Because of the tremendous rise in fraud in India, forensic accounting is becoming more and more essential (Das,2020). Recent literature reviews have examined various aspects of forensic accounting. (Das,2020) emphasizes its role in fraud investigations, while (Richa and Madhu,2020) explore its impact on fraud control in Indian businesses. (SIL,2022) discusses its evolution in response to rising financial fraud in India. (Moid,2016) covers the depth of forensic accounting, (Ahamed and Sharmacharjee,2019) address its origins and techniques in India, and (Nadaf,2023) assesses its contribution to combating financial fraud. However, a systematic review on understanding the student's perspectives on forensic accounting in fraud detection is lacking. Hence the main aim of present study is an attempt in this direction to delve into student's awareness and perspectives on forensic accounting.

## II. LITERATURE REVIEW

The following Literature support the current study,

**Das (2020)** The study examines the role of forensic accounting in fraud investigation, focusing on India's efforts to integrate it into the legal framework through new legislation. Utilizing a Descriptive research methodology, the findings reveal a predominant reactive approach in forensic accounting procedures, emphasizing the necessity to identify and regulate uncontrolled aspects. In summary, the literature review explores the evolving landscape of forensic accounting, highlighting India's legislative initiatives and the shift from proactive to reactive practices in the field.

**Dave & Patel (2023)** The primary aim of this study is to explore the landscape of forensic accounting practice, education, and the prospective trajectory of forensic accountants in India. Additionally, the research examines prevalent career pathways within the field. Utilizing a descriptive approach, the study reveals a notable deficiency among a substantial number of accountants in India, lacking the necessary skills and knowledge for proficient forensic accounting and fraud detection. To foster and enhance this field, it is imperative for industry leaders, professional associations, and academic institutions to play an active role in addressing this gap.

**Kumar et al.,(2019)** The goal of the research is to describe how forensic accounting helps resolve financial problems in the commercial sector, such as fraud and misconduct. The researcher used theoretical analysis as their approach of investigation. Both the commercial and non-corporate sectors have a need for forensic accountants. Forensic accounting has been proven to be an effective tool for identifying white collar crimes.

**Richa & Madhu,(2020)** The study evaluates the impact and significance of forensic accounting techniques on fraud control in Indian organizations. Theoretical analysis is the research process used by the investigator. As they say, "Prevention is Better Than Cure," thus employing forensic accounting procedures and techniques combined with having more qualified and experienced individuals would definitely help to prevent financial losses and reduce the incidence of fraud and scam.

**Dhami,(2015)** The goal is to draw attention to the problems in order to open doors for the future of forensic accounting and to emphasize how important it is in India. Theoretical analysis is the research process used by the investigator. Forensic accounting is an intriguing profession with a lot to offer the general public and investigators alike.

**Gangwani,(2020)** The goal of this study is to figure out how scholars and practitioners view the value of forensic accounting in identifying bank frauds. The researcher used exploratory research and discovered that insiders collaborating with outsiders to commit frauds is the main cause of bank failures that forensic accountants' work differs from that of traditional accountants, and that the introduction of forensic accounting in India will aid regulatory bodies in carrying out their duties more effectively.

### **III. STATEMENT OF THE PROBLEM**

While the importance of forensic accounting in recognizing and preventing financial crime has become more widely recognized, little is understood about how Indian students perceive forensic accounting and related subjects and how prepared they feel for this specialized field. Though prior study emphasizes the value of forensic accounting in detecting fraud and how it fits into the legal system, studies also show that accountants lack specific skills. As a result, the issue this study seeks to address revolves around what students in India understand, are aware of, and think about forensic accounting, with a focus on potential barriers and opportunities for enhancing forensic accounting education and training.

### **IV. OBJECTIVES OF THE STUDY**

- To assess students' awareness level regarding forensic accounting.
- To identify the biggest challenges perceived by students facing forensic accounting today.
- To explore students' opinions on incorporating courses on forensic accounting into academic syllabuses.

### **V. RESEARCH HYPOTHESIS**

- There is no significant variation in students' awareness of forensic accounting concepts.
- There is no significant difference in the perception of challenges facing forensic accounting among students.
- There is no significant difference in the opinions regarding the incorporation of courses on forensic accounting into academic syllabuses among students.

### **VI. DELIMITATION**

Research has mainly focused in topics related to time, effort, cost, and the distribution of resources. This research is limited to students who were enrolled at Jawaharlal Nehru College, located in the East Siang district of Arunachal Pradesh, and Dibrugarh University, located in the Dibrugarh district of Assam, during the academic years 2018–2023. Just three demographic variables—gender, age, and location—have been selected for this study's inclusion despite an extensive number of other variables.

### **VII. DESIGN OF THE STUDY**

The method of descriptive research will be utilized in this research. A descriptive investigation looks for responses to who, what, in which and sometimes even how questions. The structured questionnaire method will be utilized during this research.

## VIII. POPULATION

The population under consideration for this study comprises all Master of Commerce (M.Com) students enrolled in institutions located in Dibrugarh, as well as Bachelor of Commerce (B.Com) students studying in Pasighat.

## IX. SAMPLE AND SAMPLING TECHNIQUE

The process of selecting a sample constitutes one of the most significant problems in research. A significant sum of money, time, and effort may be lost if the statistics are not fully and accurately representative of the general public. Sampling techniques must be utilized to carefully select a suitable subset of the population so as to manage this issue effectively.

A total of 40 M.com student from Dibrugarh University and 40 B.com students from Jawaharlal Nehru College have been selected as participants for this study. Convenience sampling is the method employed to arrive at this select. The participants' distribution is shown in the table below:

TYPES OF INSTITUTIONS	
Dibrugarh University (M.com)	Jawaharlal Nehru College (B.com)
40	40

## X. RESEARCH METHODOLOGY

The study collected data from primary sources, concentrating on students with a particular interest in commerce and management backgrounds. The questionnaire used had four sections: the first responded to inquiries about the respondents' demographics; the second asked questions intended to determine respondents' awareness of forensic accounting; the third requested questions about the problems facing forensic accounting today; and the fourth asked questions about the views of pupils about forensic accounting being included in academic syllabi. Data analysis had been carefully transported out using IBM's Statistical Packages for Social Sciences (SPSS) 20. A variety of statistical tools were employed.

## XI. DATA ANALYSIS AND INTERPRETATION OF RESULT

### 1. Analysis of demographic profile of the respondents

#### Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	51	63.8	63.8	63.8
Valid Female	29	36.3	36.3	100.0
Total	80	100.0	100.0	

#### Age of participants

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Under 20	24	30.0	30.0	30.0
Valid 20-22	17	21.3	21.3	51.3
Valid 22-25	39	48.8	48.8	100.0
Total	80	100.0	100.0	

#### Current academics

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid M.com	40	50.0	50.0	50.0
Valid B.com	40	50.0	50.0	100.0
Total	80	100.0	100.0	

#### Major subjects

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Finance	44	55.0	55.0	55.0
Valid Marketing	36	45.0	45.0	100.0
Total	80	100.0	100.0	

Table shows that 63.8% of the 80 participants in total were men. 48.8% of the sample's responders were between the ages of 22-25. Regarding their educational background, half of them had a Bachelor of Commerce (B.Com) degree, and the other half had a Master of Commerce (M.Com). Furthermore, 55% of the students stated that their primary area of study was finance.

### 2. Analysis of variables related to awareness of forensic accounting

#### Awareness about forensic accounting

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	36	45.0	45.0	45.0
Valid No	44	55.0	55.0	100.0
Total	80	100.0	100.0	

Level of their awareness about forensic accounting

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very familiar	12	15.0	15.0
	Somewhat familiar	29	36.3	51.3
	Not familiar	38	47.5	98.8
	33	1	1.3	100.0
	Total	80	100.0	100.0

Awareness about forensic accounting \* Level of their awareness about forensic accounting Crosstabulation

			Level of their awareness about forensic accounting				Total
			Very familiar	Somewhat familiar	Not familiar	33	
Awareness about forensic accounting	Yes	Count	12	24	0	0	36
		Expected Count	5.4	13.1	17.1	.5	36.0
	No	Count	0	5	38	1	44
		Expected Count	6.6	16.0	20.9	.6	44.0
Total		Count	12	29	38	1	80
		Expected Count	12.0	29.0	38.0	1.0	80.0

Symmetric Measures

	Value	Approx. Sig.
Nominal by Phi	.889	.000
Nominal Cramer's V	.889	.000
N of Valid Cases	80	

- a. Not assuming the null hypothesis.
- b. Using the asymptotic standard error assuming the null hypothesis.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	63.281 <sup>a</sup>	3	.000
Likelihood Ratio	83.440	3	.000
Linear-by-Linear Association	5.828	1	.016
N of Valid Cases	80		

- a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is .45.

The objective of this study was to

find out the amount of knowledge students have regarding forensic accounting. When students were questioned, it was discovered that 45% of them admitted to awareness while 55% did not. 15% reported to be quite familiar, 36.3% to be somewhat familiar, and 47.5% to be not familiar at all, based to a further research. To look into the link between familiarity and awareness, statistical tests were utilized. The results of the Likelihood Ratio and Pearson Chi-Square tests revealed strong correlations ( $p < 0.001$ ), indicating that students who are conversant with forensic accounting are generally more knowledgeable about it. The existence of this pattern was verified by the Linear-by-Linear Association test. The findings show how important awareness is in enabling students become comfortable with forensic accounting. Keeping awareness-raising initiatives a top priority is essential to increasing understanding in this

field. This is in line with the results published by (Ishwarya, M.), who found only roughly half of academics are aware of the issue, and for the remaining half, forensic accounting is still considered a specialized consulting field

### 3 Analysis of variables related to challenges facing forensic accounting today

**\$Challenges\_forensic\_accounting** Frequencies

		Responses		Percent of Cases
		N	Percent	
Challenges facing forensic accounting to <sup>a</sup>	Lack of awareness about forensic accounting	70	28.2%	87.5%
	Complexity of financial transactions	40	16.1%	50.0%
	Rapid evolving technology	41	16.5%	51.2%
	Limited regulatory frameworks	40	16.1%	50.0%
	Insufficient skilled professionals	57	23.0%	71.2%
Total		248	100.0%	310.0%

a. Dichotomy group tabulated at value 1.

According to the analysis, the biggest barrier facing forensic accounting is a lack of awareness as indicated by 28.2% of respondents—a substantial percentage that makes up 87.5% of the challenges that were reported. In close succession, 23.0% of participants report there are inadequately trained professionals, accounting for 71.2% of all issues. The intricacy of financial transactions (16.1%), the rapid development of technology (16.5%), and limited regulatory frameworks (16.1%) present additional difficulties. These results emphasize the intricate nature of forensic accounting issues and the need for targeted interventions to close knowledge gaps and improve professional competency.

### 4. Analysis of variables related to incorporation of forensic accounting into academic syllabi

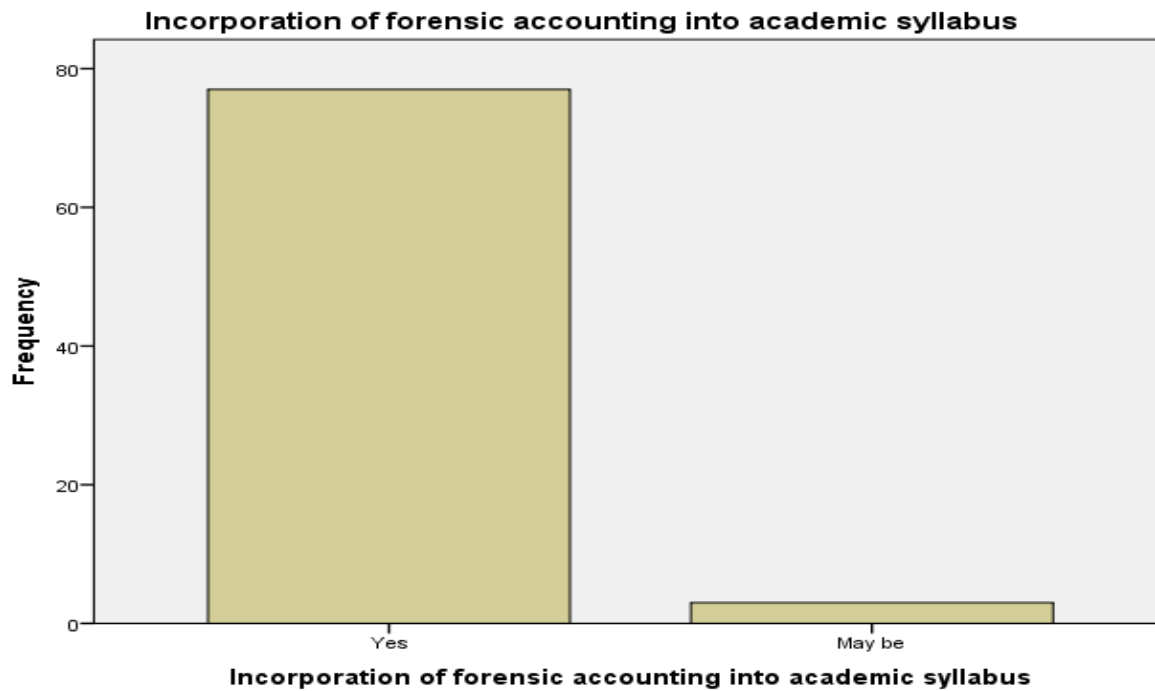
**Statistics**

Incorporation of forensic accounting into academic syllabus

N	Valid	80
	Missing	0
Mean		1.08
Std. Deviation		.382
Variance		.146

**Incorporation of forensic accounting into academic syllabus**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	77	96.3	96.3	96.3
Valid May be	3	3.8	3.8	100.0
Total	80	100.0	100.0	



The statistical examination unveils a prevalent inclination among participants towards the integration of forensic accounting into academic curricula, with an overwhelming 96.3% expressing outright endorsement for such inclusion. A marginal subset of respondents (3.8%) remains indecisive, opting for a "May be" stance. The mean score of 1.08 underscores the prevailing sentiment favoring incorporation, while the low standard deviation of 0.382 indicates a significant level of consensus among respondents. These findings highlight the widespread recognition of the significance and applicability of forensic accounting within academic settings.

## X. CONCLUSION

This research investigates the intricate domain of forensic accounting, uncovering Indian students' viewpoints on this vital discipline. Given India's persistent struggles with corruption and financial malpractice, the significance of forensic accounting cannot be overstated. Despite ongoing efforts to combat these issues, hurdles remain. The study highlights a notable gap in students' understanding of forensic accounting, indicating a need for educational initiatives to bridge this knowledge deficit. It also identifies several challenges facing forensic accounting, such as inadequate awareness, regulatory frameworks, and skilled professionals, emphasizing the necessity for targeted interventions to fortify practices in this field. Nevertheless, there is a palpable enthusiasm among students for integrating forensic accounting into academic curricula. This enthusiasm underscores the perceived relevance and utility of forensic accounting, offering an opportunity to cultivate expertise among future professionals and bolster endeavors to tackle financial fraud.

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