



**ISCA Financial Forensic
Accounting
Qualification**

**Forensic Accounting and
Investigation**

Sample Questions and Answers

ISCA Financial Forensic Accounting Qualification – Forensic Accounting and Investigation

Questions	Answer	Explanation
<p>1. Which of the following should be considered when gathering evidence?</p> <ul style="list-style-type: none"> a. Preservation principle b. Whether the incident could have been prevented c. Remediation steps d. Potential impact caused by the incident 	a	<p>As part of internal investigation protocols, measures to be considered when gathering evidence include incident response plans, appropriate skills and assets and the preservation principle of evidence.</p> <p>Remediation steps are considered under remediation protocols, while performance measurements such as ascertaining whether the incident could have been prevented are considered under enforcement and accountability protocols.</p> <p>Similarly, while the potential impact caused by the incident may influence the assessment on the severity of the matter, it is not a consideration of evidence gathering.</p>
<p>2. Which of the following action is defined as the removal of cash from a victim's organisation before the cash is entered into the victim's organisation's accounting system?</p> <ul style="list-style-type: none"> a. Kiting b. Lapping c. Skimming d. Churning 	c	<p>Skimming, formally referred to as defalcation, refers to the act of taking cash "off the top" of the receipts of an organisation. The amount taken therefore goes unreported in the organisation's accounting systems.</p>

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<p>3. Which of the following statements about equity is <u>NOT</u> correct?</p> <p>a. It is equal to the assets minus the liabilities of an entity.</p> <p>b. It includes all monies invested in the company by its owners, such as share capital.</p> <p>c. It is independent of the annual profits of an entity.</p> <p>d. It includes the reserves of an entity, such as the foreign currency translation reserves.</p>	<p>c</p>	<p>Option a. Correct – Equity is the residual value after an entity has satisfied its liability obligations.</p> <p>Option b. Correct – Monies invested in the company by its owners are recognized within equity as share capital or any other account within equity.</p> <p>Option c. Incorrect – The annual profits of an entity are recognized within equity as retained earnings.</p> <p>Option d. Correct – Reserve accounts of an entity are presented within the equity portion of the balance sheet.</p>

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<p>4. As part of your investigation, you have identified a list of witnesses and subjects whom you plan to interview.</p> <p>Which of the following should be considered when planning for the interviews?</p> <ul style="list-style-type: none"> i. Interviewees’ rights ii. Personal safety iii. Interviewees’ language competence iv. Method of recording <ul style="list-style-type: none"> a. i and iii b. ii and iv c. i, iii and iv d. i, ii, iii and iv 	<p>d</p>	<p>It is important to consider the interviewees’ rights to avoid any potential legal implications.</p> <p>Considering the language competency of the interviewees in advance allows sufficient time to arrange for a translator for the interview, where necessary.</p> <p>Additional measures or alternative plans should be considered if the personal safety of the interviewer is likely to be compromised.</p> <p>An interviewer should also decide on the most appropriate method of recording, e.g. with or without audio/ video recording, based on the circumstances of the investigation.</p>

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Questions	Answer	Explanation
<p>5. Which of the following statements about conducting interview is <u>NOT</u> correct?</p> <ul style="list-style-type: none">a. Interviewers should use simple and easy to understand questions to elicit information from interviewees.b. Interviewers should ask interviewees multiple questions simultaneously to obtain as much information as possible.c. Interviewers should consider interviewees' rights such as the interviewees' requests to seek their own legal advices.d. Interviewers should always act fairly and maintain an unbiased attitude during the interviews.	<p>b</p>	<p>An interviewer should not ask multiple questions simultaneously as it may be confusing for the interviewee.</p>