



Strathmore
UNIVERSITY

**STRATHMORE BUSINESS SCHOOL
BACHELOR OF FINANCIAL SERVICES
SPECIAL EXAMINATIONS
BFS 3202: FINANCIAL SERVICES FRAUD AND INVESTIGATIONS**

DATE: Thurs, 18th April 2024

TIME: 10:30 – 12:30

INSTRUCTIONS

- 1) This paper consists of **FIVE** questions.
- 2) Answer Question **ONE** (COMPULSORY) and any other **TWO** questions.

QUESTION ONE **(30 marks)**

Fraud is a complex and multifaceted issue that poses significant challenges for businesses, governments, and individuals alike. To effectively combat fraud, it is essential to understand the legal elements that define it.

Required:

- a. Describe **FOUR** key legal elements of fraud **(8 marks)**
- b. What measures could a company take to mitigate fraud risks? **(8 marks)**
- c. You are a Certified Fraud Examiner who has been hired to provide an expert opinion on a suspected fraud. After conducting your investigation, you are required to write a comprehensive expert report. Discuss any **SEVEN** key elements that should be included in your report. **(14 marks)**

QUESTION TWO **(20 marks)**

XYZ Corporation is a medium-sized company that operates in the financial services industry. The company has recently experienced a significant increase in fraudulent activities, which has resulted

in financial losses. The management team has decided to implement a fraud risk management framework to mitigate the risk of fraud.

Required:

- a) What is fraud risk management framework? **(1 mark)**
 - b) Why would XYZ corporation be concerned about risk management framework? **(1 mark)**
 - c) Discuss **FIVE** key components of a fraud risk management framework. **(10 marks)**
- ii. A fraud examination report is a document that outlines the findings of an investigation into suspected fraudulent activity. Discuss **FOUR** characteristics of a good fraud examination report. **(8 marks)**

QUESTION THREE **(20 marks)**

- a. What is the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework, and how does it help organizations combat fraud through internal control? **(10 marks)**
- b. Forensic accountants use a variety of sources of information to investigate financial crimes.

Required:

Discuss **FIVE** such sources. **(10 marks)**

QUESTION FOUR **(20 marks)**

- a) Discuss any **FIVE** different types of computer forensics techniques. **(10 marks)**
- b) When using expert witnesses in legal proceedings, what are the **FIVE** ethical issues that can arise? **(10 marks)**

QUESTION FIVE **(20 marks)**

What are **TEN** measures that can be taken to prevent or mitigate the increase of mobile money services fraud in Kenya? **(20 marks)**