

FINAL COURSE: GROUP I

PAPER-3: ADVANCED AUDITING, ASSURANCE AND PROFESSIONAL ETHICS

(MTP 17: Ch. 17 – Investigation, Due Diligence and Forensic Audit)

Suggested Answers

Q. No.	Correct Option	Remarks
1	(c) <i>It explains that fraud occurs when pressure, opportunity and rationalisation are present and the individual possesses the specific capability to recognise, exploit and conceal the fraudulent act, making capability a decisive additional element.</i>	Fraud Diamond expands the Fraud Triangle by adding capability as the fourth critical component, recognising that fraud requires not only motive and opportunity but also the perpetrator's skill, position, traits or authority to successfully execute and hide the fraud.
2	(d) 1-C, 2-D, 3-A, 4-B	Statement 1 deals with statutory and legal compliance → Legal DD (C). Statement 2 concerns IT systems and controls → Information Systems DD (D). Statement 3 relates to HR policies and employee matters → Personnel DD (A). Statement 4 pertains to tax exposures and assessments → Tax DD (B).
3	(a) <i>Conducting a review of historical data to detect red flags and establish behavioural patterns over time.</i>	ICAI forensic accounting process emphasises reviewing data over a period to identify red flags and unusual patterns before deeper investigation begins.
4	(a) <i>Use of computer-assisted techniques to identify digital evidence stored in systems.</i>	ICAI material states that forensic accountants use computer-assisted techniques to detect altered or deleted digital data as part of evidence gathering.
5	(d) <i>Critically examining and corroborating evidence using interviews, documentation review and external intelligence.</i>	Forensic accounting requires correlating employee interviews with documentation and market intelligence to build conclusive evidence trails, as highlighted in ICAI content.

Link for Resources (Revision Videos, MTPs, Amendments, Charts, etc.)

1	Youtube Channel	https://www.youtube.com/@altclassesca9193	 CA Pankaj Garg
2	Telegram Channel	https://t.me/altclasses	
3	Whatsapp Group for Doubts	https://chat.whatsapp.com/LSDM362gij2ErmRgTi7ceA	
4	LMS Link	https://altclasses.in/knowledge-forum-ca-final/	
5	Contact Number	9319805511 , 7206941195	
6	Website Link	https://altclasses.in/	

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