Forensic accounting is comparatively very new branch of accounting and auditing. Forensic accounting focuses on flaws of the traditional accounting. Forensic accounting requires special investigative skills in an accounting professional. Forensic accounting is a well set fusion of criminology, accounting, law and investigative auditing. Financial scams of last decade like Satyam computers increased its need in accounting profession. As a discipline, it encompasses financial expertise, fraud knowledge, and a strong knowledge and understanding of business reality and the workings of the legal system. By the increasing use of forensic accounting, a new professional has been incarnated, namely forensic accountant. This study has conducted to know the level of awareness of forensic accounting and its techniques among practitioners and academics. In India the core branch of accounting practitioners is Chartered Accountant. This study comprises public as well as private sector’s practitioners. In the public sector, Accountants, Assistant Account’s Officer and Accounts officers are the main key holder of accounting wing where as in the private sector chartered accountants play a vital role for the preparation of financial information. Whereas the problem of fraud is a global one, the rate and extent to which it is perpetrated in India, particularly in the public sector, is quite high and alarming. Literature reveals that different fraud prevention and detection mechanisms are being adopted to combat the menace of fraud; forensic accounting techniques appears to be the most effective and are currently used in most developed countries of the world. However, the extent to which forensic accounting techniques are being applied in fraud prevention and detection in India is not known. Also, the intention to use
forensic accounting services in the public service has not been investigated.

This study was therefore aimed at examining the application of forensic accounting techniques in fraud prevention and detection in India. Specific objectives were: (1) to investigate the mechanisms of fraud prevention and detection, and their levels of effectiveness in India, (2) to identify the major factors that hinder the application of forensic accounting techniques in fraud prevention and detection in India, (3) to examine practitioners’ opinions and behavioral intention to use forensic accounting techniques in fraud prevention and investigation in India, (4) to explore the level of awareness of forensic accounting techniques in India and (5) to examine the readiness of universities in taking up forensic accounting courses.

The study involved the collection of quantitative data. These data were collected from two sets of populations, viz. accounting academics and accounting practitioners. The questionnaire served as the survey instruments. The data collected were analysed using appropriate statistical techniques and computer software. The study identified several fraud prevention and detection mechanisms that are currently used in India, such as systems of internal controls, operational audits and reconciliation statements. Students’ t-test indicates a significant difference between the perceived effectiveness and actual usage of fraud prevention and detection mechanisms in India. It was further discovered that the most effective mechanisms, like the forensic accounting techniques, are the least used in fraud prevention and detection. This implies that the current mechanisms of fraud prevention and detection are not proactive in dealing with the fraud menace.
Also, legal, educational and behavioral factors were identified to hinder the application of forensic accounting techniques in India. The level of awareness in forensic accounting in India is generally low but it is quite high among academics. While the Z test analysis of variance indicates a significant variation among the two populations, it was discovered that practitioners had the lowest level of awareness. Further findings of the study reveal that the universities are ready to take up forensic accounting courses. Using the bivariate correlation, all the other six propositions were supported.

Chapter 1 gives an introduction about fraud position in Indian economy and about the position of traditional accounting in India. Chapter 2 shows the picture of forensic accounting and auditing. Chapter 3 supports the literature reviewed during the research. Chapter 4 is showing the all over structure of research through research methodology. Chapter 5 containing the procedure adapted for collecting and analyzing data. Chapter 6 is testing hypothesis set for the research. Chapter 7 attempts to give a summary of conclusions and offer suggestions for forensic accounting in India.

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