

**BA SANGAM COLLEGE**  
**YEAR 13 ACCOUNTING WORKSHEET 2 2021 TOPIC:**  
**NATURE OF ACCOUNTING**

**QUESTION 1 NATURE OF ACCOUNTING**

**A. Ethics and Fraud**

- (a) State the role of the accounting profession in Fiji?
- (b) Study the case study given below and answer the questions that follow:

The Accounts Clerk (accused) at a Losena's Company Ltd was sentenced for three months. The accused was convicted of one Count of Forgery and one Count of Obtaining Money on Forged Document.

The Accounts Clerk had used the letterhead of the company to obtain \$2 595.00. The magistrate stated that the use of the forged document to obtain the money was a serious offence.

The accused was sentenced to three months imprisonment and the balance of 15 months was suspended for three years. The Court also ordered the accused to pay \$2 595.00 as compensation

- (i) Identify the type of fraud committed by the offender in the situation given.
  - (ii) Discuss one way that can help prevent such offence from taking place.
- (c) State the meaning if any **two** codes of conduct for professional accountants.
- (d) State the meaning of the following types of fraud schemes:
- (i) Embezzlement
  - (ii) Bribery
  - (iii) Skimming
- (e) Define whistleblower.
- (f) State one role of the following organisations that deal with fraudulent acts in Fiji:
- (i) Fiji Independent Commission Against Corruption
  - (ii) Fiji Financial Intelligence Unit
  - (iii) Fiji Revenue and Customs Service

## QUESTION 2 NATURE OF ACCOUNTING

### A. Ethics and Fraud

- (a) Differentiate between Ethics and Fraud.
- (b) Study the case study given below and answer the questions that follow:

Alfeer is an accountant in Ritik's construction firm since 2015. He used to manipulate the accounting records such as expenses account. The funds he used to get from the manipulation of accounts were used for travelling and meeting her other expenses. When Ritik hired Richard as the business manager in 2019, it came to light that Alfeer had misused over \$20 000 from the business account.

- (iii) Identify the type of fraudulent scheme from the above case study.
- (iv) Identify the ethical code of conduct that has been violated by Alfeer.

- (c) Use the case Study given below to answer the questions that follow.

Arieta was employed by FRCS as an auditor. She created 27 fictitious tax payers and tax identification numbers on FITS. Over a period of four and a half years, bogus tax returns were lodged under the fake TINs with false certification from certain companies for PAYE deductions. Arieta had manipulated the data under false tax payers and enabled tax refunds to be paid to bogus tax payers. Arieta together with her accomplice, Raijeli, collected these refund cheques and cashed them. The significant degree of planning and execution over a long period of time and the fact that the sum of \$117,111.00 was not recovered by FRCS were considered as aggravating factors. Arieta was convicted for two counts of money laundering and was sentenced to six years imprisonment and not eligible for parole until he completes four years and six months imprisonment term.

- (i) State two unethical practices by Arieta in the case above.
- (ii) Name the type of fraud that took place.
- (v) Explain how a whistleblower can assist in identifying frauds in an organisation like FRCS.
- (iv) Identify three organisation that deals with fraudulence activities in Fiji.

