

# Will Forensic Accounting Improve the Quality of Financial Statements, Enhance Corporate Governance and Ensure Organisational Cost Effectiveness?

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Corporate frauds are a major problem menacing the Indian corporate sector in the 1990s. Be it the Satyam scam or the Sahara scam, it has not only put into stake the businesses of these companies but has also put the investors' money to waste. Forensic accounting is gradually gaining importance and prominence due to the rising incidence of frauds, popularly known as white-collar crimes. It plays an important role in investigating frauds and analysing the data of financial statements to produce evidence of frauds in the court of law. The main objective of this study is to study the effect of forensic accounting in detection of corporate fraud in the Indian corporate sector. It attempts to throw light

on the need for forensic accounting in today's world where corporate frauds have become a nuisance plagiarising the growth of companies and also the wide scope of services provided by forensic accountants. This paper aims to explore the possibility of the increasing use of forensic accounting in Indian companies and its potential market in India in the near future. The advantages and disadvantages of using this type of accounting in a computerised environment and its role in discouraging the incidence of frauds will also be taken into consideration. Its benefits to the common people of the country will also be evaluated.