

ASSESSMENT # 2

Total Marks: 30

1. Give short answers to the following questions: (8)
 - i. In what ways do the effects of crime influence the economy?
 - ii. How does crime cost the economy and taxpayers?
 - iii. What is 'arson'?
 - iv. What is money laundering? Point out some activities that might encompass money laundering.

2. What do you understand by the term 'embezzlement'? Why it is considered a financial crime? (7)

3. What is forgery? And what is the difference between forgery and uttering? (7)

Case Study (8)

As part of an on-going investigation, the police raided a house and found a large quantity of cash. The occupants of the house claimed that the monies were savings which they had recently withdrawn from their bank accounts. The police suspected that the funds were the proceeds of the crime they were investigating and made an application to confiscate the funds.

The defendants' solicitors obtained an accountant's report which concluded that the monies had indeed come from legitimate savings. The forensic accountant was instructed to review that report's findings. He was able to show that the couple had spent considerably more cash than they had apparently received and concluded that the husband and wife must have had access to unidentified sources of income.

The couple refused to provide an explanation for the unidentified income; hence, the Court granted the application to confiscate the monies discovered by the police.

Question

Based on the above case, what do you think the forensic accountant would have assessed to establish the actual facts about the monies? And how was he/she able to conclude that the husband and wife must have had access to unidentified sources of income?