PAN AFRICAN CHRISTIAN UNIVERSITY

UNIVERSITY EXAMINATIONS 2025/2026

THIRD TRIMESTER EXAMINATION FOR THE DIPLOMA IN CRIMINOLOGY AND SECURITY MANAGEMENT

BCSL 320: FRAUD DETECTION AND MANAGEMENT

Instructions:
There are **THREE QUESTIONS**. Answer any **TWO QUESTIONS**.

Each question is 20 marks. **Support your answers with relevant examples.**

QUESTION 1

a) Using the ACFE Fraud Tree, define economic crime and classify the principal types of fraud affecting modern Kenyan financial institutions. (10 Marks)
b) Analyze the three stages of Money Laundering. (6 Marks)
c) Discuss the transaction reporting requirements, such as Suspicious Transaction Reports (STRs), as mandated by the Financial Reporting Centre (FRC) Kenya. (4 Marks)

QUESTION 2

(a) Distinguish between revenue overstatement, expense understatement, and asset over-valuation in Financial Statement Fraud. (5 Marks)
(b) Explain the analytical techniques external auditors use to detect these vulnerabilities. (5 Marks)
(c) Detail the essential components of a Fraud Response Plan. (5 Marks)
(d) Highlight the legal considerations an organization must account for during a response. (5 Marks)

QUESTION 3

(a) Critically evaluate the threat of E-Fraud in Kenya, specifically focusing on SIM-swap fraud and Business Email Compromise (BEC). (5 Marks)

(b) How can digital forensics assist in protecting mobile money and digital assets? (5 Marks)

(c) Discuss the legal and institutional roles of the Ethics and Anti-Corruption Commission (EACC) and the Director of Public Prosecutions (ODPP) in combating corruption (bribery and kickbacks) under the Anti-Corruption and Economic Crimes Act (ACECA). (10 Marks)