

BINDURA UNIVERSITY OF SCIENCE EDUCATION
FACULTY OF COMMERCE
DEPARTMENT OF INTELLIGENCE AND SECURITY STUDIES
BACHELOR OF COMMERCE HONOURS DEGREE IN FINANCIAL
INTELLIGENCE PART 2

FI203: COMMERCIAL CRIME

DURATION: 3 HOURS (100 marks)

NOV 2022

INSTRUCTIONS TO CANDIDATES

1. Answer **question one and any three other** questions.
 2. Each question carries 25 marks.
 3. Cell phones are not allowed into the examination room.
 4. Begin each fresh answer on a new page.
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Question 1 (Compulsory)

a) Identify and justify the crime(s), if any, in the following scenarios;

i) Nhamoinesu went into a restaurant and ordered a meal worth \$20. After consuming the meal, he left the restaurant without paying the restaurant bill. (5)

ii) Garweh Private Limited is a listed company that deals in furniture and equipment. In 2022, the business was facing serious challenges. Management decided to clandestinely engage in buying and selling of gold. The proceeds from gold dealings were reinvested to expand the business, while some of the proceeds were deposited in offshore accounts. (5)

iii) The financial statements of Wamba Private Limited that were presented to the Zimbabwe Revenue Authority (ZIMRA) showed that the company had paid 20 employees. Though income tax had been deducted from the 20 employees' salaries, the income tax had not been remitted to ZIMRA by the stipulated date. It was also established that an amount of \$1000 for the loss of property through a fire incident had been included in the total figure for allowable deductions, despite the fact that the loss was covered by insurance. (6)

b) Explain any **three *modi operandi*** for electronic card fraud. (9)

[Total: 25 marks]

Question 2

Distinguish the following terms as they relate to the field of commercial crime;

- i) *Actus reus* and *mens rea* (5)
- ii) Placement and layering (5)
- iii) Altered cheque and counterfeit cheque (5)
- iv) Fraud and embezzlement (5)
- v) Tax avoidance and tax evasion (5)

[Total: 25 marks]

Question 3

- a) Citing relevant examples, distinguish between a Ponzi scheme and a pyramid scheme. (15)
- b) Explain any **three** precautionary measures that can be taken against Ponzi schemes. (10)

[Total: 25 marks]

Question 4

Discuss any **five** measures that can be put in place to deal with embezzlement. [25 marks]

Question 5

Evaluate the challenges of dealing with white collar crime in Zimbabwe. [25 marks]

Question 6

You have just been appointed the Risk and Loss Control manager at Finger Private Limited. Due to a rise in criminal activities by the employees, the Board of Directors requests you to prepare an ethics policy document for the company. Highlight and justify the issues that you are going to include in the ethics policy document. [25 marks]

END OF PAPER