

## Financial frauds triggered global crisis: Expert

**MYSORE:** Financial fraud and the consequent bankruptcy of business was one of the major reasons for global financial crisis, said Kuldeep Kumar, professor of Economics, Bond University, Australia.

He was speaking on 'Fraud, Corruption and Bribery in India', at a two day international conference on 'Emerging Trends in Finance and Accounting', here on Friday.

He said that financial crisis, triggered by financial fraud has proved costly to world economy, with several countries of the world yet to recover from its effects. To worsen the situation, the downturn in financial and economic conditions had increased instances of fraud in corporate world, he said.

Quoting a survey, he said that even though 96 per cent of people surveyed in India opted corruption to be the number one problem of the country, 54 per cent of them accepted giving bribes, he said.

Speaking on corruption, he said that advancements in technology would help reduce instances of corruption in the country. Currently, stricter implementation of anti-corruption laws was the need of the hour.

"In Australia, even a noted politician is tried for his crimes within three months. In India, cases of such persons drag on for years," he said.

He said that corruption also influenced the amount of Foreign Direct Investment (FDI) a country would attract. Corruption also has negative impact on the performance of capital markets, he said.

"An increase in corruption by one per cent can lead to a decrease of up to 11 per cent in FDI in a country," he said. Corruption is also known to impact the performance of national and global stock markets, as it increases volatility in the market, he said.