

Refining and Predicting Financial Fraud on Key Financial Indicators: Profit Margin, Return on Equity, And Inventory Turnover in Mobile Payment Industry in Ghana

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Abstract

This study seeks to investigate recent rampant financial frauds and their impact on financial performance of the four mobile payment companies in Ghana. The study used secondary data obtained from the consolidated financial statements for the past ten years (2010-2019) of the mobile payment companies operations around the world. The population for the study consisted of all the subsidiaries of the five companies around the world that were used to prepare the consolidated financial statements. The sample consists of the subsidiaries of the four companies whose consolidated financial information are available for public use. Methodologically, factor analysis, pair sample t-test and principal component analysis were exploited in the analyses to estimate and predict the relationship between fraud and its impact on financial performance indicators. The results revealed that Kaiser-Meyer-Olkin result of .546 indicates that factor analysis used was very useful. The paired samples correlation gave the results that are significantly positively correlated between pair 1 MTN and Vodaphone ($p=.872$) and pair 2 Airtel and Tigo ($p=.234$) at an alpha level of 0.05. In the principal component analysis, only one factor has eigenvalues greater than 1 which account for almost 99% of the variability in the profit Margin as an indicator. The combined results offer theoretical contributions in the area of adoption of multiple fraud theories within the framework of neoclassical growth model. The application of the outcome to practice is the use of the result for predictability and financial sustainability of the mobile companies over future periods. Policy makers can use the findings to formulate and amend policies that regulate the operation of mobile payment companies to the benefit of all the stakeholders.

Keywords: Financial fraud • Factor analysis • Consolidated financial statements • Ghana

Introduction

Mobile payments have become more and more popular and are very attractive targets for fraudsters in Ghana. Fraud, in general, is defined in Oxford English Dictionary as "wrongful or criminal deception intended to result in financial or personal gain." Association of Certified Fraud Examiners (ACFE) defined fraud as deliberate misrepresentation of entity financial condition through intentional misstatements or omission of amounts or disclosures to deceive financial statement users [1]. The objective of financial fraud is to overstate profits, assets, and revenues and understate losses, expenses and liabilities. In particular, frauds or probable fraud attempts must be detected reliably and at an early stage. If possible fraud attempts are detected before the payment transaction, the transaction can be timely declared invalid and blocked. If frauds are detected only after the transaction, the

concerned user and the provider can at least be blocked for further transactions; other legal measures by the police can also be taken. It is, however, necessary to find out the causal relationship between the practice guiding against these frauds on key financial indicators in order to increase the confident level and restore financial trust in all stakeholders in the mobile payment industry[2].

Research objectives

The research field for this study is finance and the subject area of study is financial frauds. The general objective of the study is to fill the gap in literature and contribute to the general body of knowledge and research work in the area of fraud. In order to achieve the general objective, specific objectives have been developed to drive the research [3]. The study seeks to achieve the

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general objective through the accomplishment of the following specific objectives:

- To examine how fraud impact the companies operating profit margin.
- To investigate the effect of fraud on return on capital employed (ROCE).
- To find the relationship between fraud and inventory turnover period.

Research questions

The specific questions that will be posed to the respondents in order to achieve the research objectives include the following;

- To what extent does the fraud impact the profitability of the mobile payment companies in Ghana?
- Is there a significant relationship between fraud and companies' measurement of return on investment (ROI) or Return on capital employed (ROCE)?
- Can changes in fraud affect the firm's ability to translate items of inventory into sales?.

Problem statement

There have been recent and rampant financial frauds in mobile payment companies in Ghana. This has sounded a caution to all stakeholders on the need to adhere to the practice that guide against financial frauds. This study aims to solve this unresolved question and explores how the financial fraud affect the financial performance of the mobile payment companies in Ghana. This is because, studies and research on how to associate current frauds to the company's financial performance in Ghanaian context are very limited. Andani asserted that, there is an increasing fraud in the Ghanaian business circles; therefore vigilance is needed to prevent it. He pointed that, 10% of employees will steal, and 10% will not steal, 80% have not decided but when given the opportunity, they will steal hence lack of preventive controls because of fraud in Ghanaian business and the world at large .Even though Andani studied the relationship between fraud, he did not relate his findings to any specific measurement of financial indicators of the companies thus leaving a gap in the literature to be studied. Meanwhile, Berman and Edan has stated that fraud prevention leads to the improvement in financial status of the companies. However, financial status can usually be measured objectively in quantitative measure to aid the decision of different stakeholders. The first reason for the gap is that, mobile payment frauds were written from advance world perspective at the expense of developing countries. Research has not shown how these measures can be applied in emerging economy such as Ghana. Yeland found out that most people think about fraud and security in the mobile industry as having their phone stolen or hacked. About \$58billion a year in revenues are being lost to fraud due to lack of appropriate revenue protection. Therefore a research in this area will close the knowledge and fill the large holes and the gaps in Ghanaian literature on mobile payment [4].

Significance of the study

The research will have theoretical, practice and policy implication. Theoretically, findings on Research objective one which deals with

examining the nature of fraud can contribute to the body of knowledge on types of fraud for their inclusion in fraud theories and provide further insight into the ongoing debate on mobile payment interoperability issues. The findings can also encourage the adoption of multiple-theoretical approach to research in frauds and call for further research into the area. In terms of practice, the findings can encourage organizational managers to play strategic role in fraud prevention. Additionally, government can use the findings to promote adherence to fraud practice with the policy makers to develop and implement policies that will promote prevention of fraud.

Justification of the study

The research is justified as without it research gaps in the existing literature will not be filled. Research into frauds in developing economies exist mainly in the banking sector but not in mobile payment services and therefore this research is justified since it will open up further research in Ghana and other Africa countries where mobile payment services are emerging .Methodologies used in this study are varied and unique and have not been adopted by prior research.

Limitation and delimitation of the study

The major limitation of this study was data availability and accessibility. For effective generalization, this study will be more robust if primary data was collected from the entire population of mobile merchants around the globe. In addition, the secondary data that will be used for analysis may be affected by institutional biases and errors in the preparation of financial statement. The preparation of the financial statements is the responsibility of the management of the companies which sometimes are widow dressed and exclude off-balance sheets items. These issues are beyond the control of the study and may serve as delimitation[5]. The study uses quota sampling based on the premise that the sample drawn from representative of the population for inferences and prediction would be accurate.

Literature Review

The literature review focuses on some basic principles and concepts of fraud, types and global cost of fraud, related review, key theories underlying frauds and conceptual bases for the review.

The concept of fraud

The concept of fraud is seen as the whole set by which an organization can effectively manage to increase its financial performance. Fraud does not only affect the institutions but also deter investors from putting their investment in a particular venture. Portfolio investors who are not directly involved in the management of the company are most concerned about cases of frauds. According to them, what normally happens in the ideal situation is that, the investors provide capital to the firm, and the managers regulate the firm in the interest of the investors for compensation for their service. However, the issue of fraud reduces the level of trust in management and ownership that may be detrimental to the interest of the shareholders.

Related studies

Generally, there has been researches about financial frauds in other industries but not in mobile payment Companies in Ghana. Sullivan, did a study in United States using descriptive statistics to portray that preliminary estimates of card payment fraud losses in the United States show that the fraud loss rate for the U.S. appears to be higher than that of Australia, France, Spain and the UK [6,7]. Even though loss rates on payment card transactions for the United States, Australia, France, Spain, and the UK are different, the United States had the highest rate of fraud losses; Australia and Spain had the lowest, while France and the UK were in the middle. The extent of the difference is significant: the highest rate of fraud is almost four times that of the lowest. Zhdanov, et al did their studies in France on mobile payment companies' fraud and found that mobile fraudulent transactions result in nearly three times the cost of the actual product stolen. That means that for every \$1 worth of product that is stolen, the merchant experiences additional costs for things like chargeback fees, payment-processing expenses, fraud investigation and restocking of lost merchandise. On average, the total of direct and indirect costs equals \$283 lost for every \$100 of direct fraud loss. Overall, 22 percent of the mobile merchants surveyed said fraud incidents increased over the previous year. They found out that there are no public works concerning the study and the adaptation of fraud detection methods to mobile payment systems in France. Therefore, one cannot easily compare the work to existing systems. Bakshi, studied Credit Card Fraud Detection in India using neural network and found out that as internet shopping turns into the most prominent exchange mode, instances of credit card frauds are likewise expanding. Similarly, Novikova, and Kotenko, and Fedotov studied Money Transfer Services, in Russia and detected that the risks inherent to all payment systems are present in the mobile environment. Therefore, it is required to determine new approaches to detect frauds in mobile money transfer services. Al-Khatib did a study in Mobile industry in middle east, Jordan using neural network and found out that, Electronic Fraud is increasing with the expansion of modern technology and global communication. This increase in the fraudulent transactions, resulting in substantial losses to the businesses, and therefore, fraud detection has become an important issue to be considered. Since mobile payment lies at the interface between financial services and telecommunications, it has raised financial frauds and interoperability issues. This study will examine the practice on financial frauds of mobile payment companies currently in Ghana and find out how efficient, financial fraud affect the financial performance of the mobile payment companies in Ghana [8].

Principles of fraud

Many of the world's most prominent organizations have experienced large scale frauds. These frauds have had disturbing effects on our world's economy in addition to contributing unnecessary suffering of mobile companies. Cases such as Enron, WorldCom, Global Crossing and Tyco are among the most prominent ones who had suffered from the devastating impact of fraud. These costly scandals have increased global concerns about fraud, wiping out billions of dollars of shareholder value and led to the erosion of investors and public confidence in the financial markets. There is a debate in the audit literature on what should be considered as fraud. The foundation for the prevention and

detection of fraud is a structured risk assessment that addresses the actual risks faced by the organization as determined by its purpose, and exposure to network risks. One of the key elements in the initial planning for a fraud prevention program is to set up responsibilities and processes to ensure that timely information is reported to someone who can address a problem. Fraud can be taken down a notch, even if it cannot be completely eliminated. There have been many attempts to measure the true extent of fraud, but compiling reliable statistics around fraud is not easy. As one of the key aspects of fraud is deception, it can be difficult to identify and survey results often only reflect the instances of fraud that have actually been discovered. It is estimated that the majority of frauds go undetected and even when a fraud has been found, it may not be reported. One reason for this may be that a company that has been a victim of fraud does not want to risk negative publicity. Also, it is often hard to distinguish fraud from carelessness and poor record keeping.

Global cost of fraud

There can be no doubt that fraud is prevalent within organizations and remains a serious issue. Price water house Cooper's Global Economic Crime Survey (PwC's survey) in 2007 found that over 43% of international businesses were victims of fraud during the previous two years. In the UK, the figures were higher than the global average, with 48% of companies having fallen victim to fraud. KPMG's Fraud Barometer, which has been running since 1987, has also shown a considerable increase in the number of frauds committed in the UK in recent years, including a 50% rise in fraud cases in the first half of 2008. According to the UK report of PwC's survey, the average direct loss per company over a two year period as a result of fraud has risen to £1.75 million, increasing from £0.8 million in the equivalent 2005 survey. These figures exclude undetected losses and indirect costs to the business such as management costs or damage to reputation, which can be significant. Management costs alone were estimated to be on average another £0.75 million. It is difficult to put a total cost on fraud, although many studies have tried to. The World Bank has estimated that the global cost of corruption and bribery is about 5% of the value of the world economy or about \$1.5 trillion per year.

Education, training written policies and procedures addressing internal fraud are systemic devices that a company can use to deter or prevent internal fraud. PwC's survey also revealed that incidences of fraud were highest in companies in North America, Africa, Central and Eastern Europe (CEE), where more than half of the companies reported fraud. These costly scandals have increased global concerns about fraud, wiping out billions of dollars of shareholder value, and led to the erosion of investors and public confidence in the financial markets. Regardless of the type or nature of the sectors, various category of financial crime and other types of occupational frauds are taking place globally.

Types of financial fraud

Institute of Chartered Accountants of Nigeria, state that fraud is an intentional act of individuals among management, employees or third parties who produce errors in financial reporting in favour of their personal desires. According to the Association of Certified Fraud Examiners (ACFE), there are three main categories of fraud that affect organizations. Fraud can be misappropriation of assets,

Information technology fraud or embezzlement. Management and auditors must demonstrate professional skepticism, enough honesty, truthfulness and fairness in the management of the funds of the organization with the ultimate objective of maximizing the shareholders wealth. There must be systems and mechanisms such as strong financial system, financial markets and legal system that would ensure the protection of investor's interest against mismanagement by managers.

Theories of frauds in mobile payment

Thanasak states that before making any efforts to reduce fraud and manage the risks proactively, it is important for the business organizations to identify the factors leading to fraudulent behavior by understanding who are the fraudsters, when and why frauds are committed. Various theories have attempted to explain the causes of fraud and the most cited theories are the Fraud Triangle Theory (FTT) of Cressey, Fraud scale theory by Albrecht, Hollinger-Clark theory and Fraud Diamond Theory (FDT) of Wolfe and Hermanson. Both of these identify the elements that lead perpetrators to commit fraud.

Fraud triangle theory and its missing gaps: The origin of the Fraud Triangle Theory (FTT) dates to the works of Edwin Sutherland who coined the term white-collar crime, and Cressey was one of the Sutherland's former students who interviewed 250 criminals in a period of 5months. Cressey theory consists of three elements that are necessary for fraud to occur: (i) perceived pressure, (ii) opportunity, and (iii) rationalization. In order for fraud to occur, three conditions must exist: rationalization by the person committing the fraud, incentives or pressures to commit fraud and also the opportunity to do so. However, Wolfe and Hermanson believed that the Cressey's Fraud Triangle Theory (FTT) has to be enhanced to improve both fraud prevention and detection by considering an additional element above the three, mentioned elements of Fraud Triangle Theory (FTT). The theory has been criticized for its narrowness because it ignores key additional elements. However, the theory helps better explain the primary causes of a person committing fraud, hence its adoption for the study.

Hollinger-clark fraud study and its missing gaps: Hollinger and Clark study Surveyed 10,000 workers. They found out that theft was caused by job dissatisfaction .The Hollinger-Clark Study found that employees steal primarily as a result of workplace conditions and concluded that the true costs of employee theft are vastly understated. They found that employee theft are caused by external economic pressures motivated by theft Contemporary employees .Every employee could be tempted to steal from his employer (assumes people are greedy and dishonest by nature), job dissatisfaction is the primary cause of theft. There is a statistical relationship between employees' concern over their financial situation and the level of theft. However, the study places too much emphasis on employer to meet even greedy employees need. Even though, the study identified the job dissatisfaction as the main cause of the employees fraud, the true cause behind the dissatisfaction were not known especially for the greedy employees. However, the theory would be adopted to explain the role of management in fraud detection

The fraud scale theory and its missing gaps: Albrecht developed the fraud scale theory. The fraud scale model places an emphasis on personal integrity rather than on rationalization. This

model is especially applicable to financial reporting fraud. Fraud is caused by situational pressures such as immediate problems with environment and usually debts/losses. It is also caused by Perceived opportunities due to Poor controls. Thirdly fraud is also caused by Personal integrity due to individual code of behavior.

However, the theory has been criticized for placing too much emphasis on personal integrity which is influenced by situational pressure without specifying guidelines for overcoming the environmental pressure by the individual. It fails to discuss how this environmental pressure can be controlled by the individuals as such, the theory is very narrow and concerned with assumption of self-interest. The theory would be adopted for its inclusion in other element that causes individual to commit fraud in the study.

The fraud diamond theory and its missing gaps: The Fraud Diamond Theory (FDT) was first presented by Wolfe and Hermanson. It is viewed as an expanded version of the Fraud Triangle Theory (FTT). In this theory, an element named capability has been added to the three initial fraud components of the Fraud Triangle Theory (FTT). They argued that although perceived pressure might coexist with an opportunity and a rationalization, it is unlikely for fraud to take place unless the fourth element (capability) is also present. In other words, the potential perpetrator must have the skills and ability to commit fraud. In their separate works, Gbegi and Adebisi examined and discussed the Fraud Diamond Theory (FDT). Furthermore, Abdullahi and Mansor discussed the fraud triangle theory and fraud diamond theory and its implication to future researchers. However, Norman and Faizal, and Florenz, examined and discussed the FDT. Their main conclusion was that the FDT is an extended or improved version of the FTT with an addition of "capability" added to the three basic elements of fraud in the FTT.

However, Even though Fraud Diamond Theory (FDT) is a new version of Fraud Triangle Theory (FTT), both the two theories converged on the three of the elements as pressure to commit fraud; opportunity to exploit the organizational weaknesses as well as the rationalization which is a way to justified the course of action by the fraudster. The major critique level against fraud diamond theory is the boundary of this research. This study extends this limitation by adopting different methodologies to analyze causes of fraud.

Benchmark for comparing this study with previous research: According to statistics from the Bank of Ghana, the total number of active mobile money accounts increased from 8.3million in 2016 to 11.11 million in 2017. Government of Ghana then launched mobile money interoperability on Thursday 10, 2018(Graphic.com.gh). The conceptual framework establishes the link between frauds and their impact on the selected financial performance variables that have impact on the operation of the mobile payment companies. Previous studies did little to cover frauds in mobile companies in Ghana be it online fraud or cyber frauds due to lack of internet. These researches therefore fill this gap and extend the study on mobile frauds for future researchers to build upon by using three key financial indicators.

Research Methodology

This chapter spells out the methodological issues relating to the subject of fraud and internal controls on mobile payment companies in Ghana. Various researchers have used different methods and

techniques for different studies but the method adopted and analyses used for the study are unique for the existing literature.

Research design and method

The study uses a mixed research method (that is both quantitative and qualitative research methods) by the use of simple financial matrix to collect the required data of interest .The financial matrix involves the structured collection of formulas from the consolidated financial statements in a highly economical way .The financial matrix also allows for the measuring of variables that will answer the research questions. Mixed methods study approach is a rapidly evolving field of study both conceptually and practically. Spratt, Walker, and Robinson, state that using multiple approaches can aid the researcher to capitalise on the strengths of each approach and offset their different weaknesses. Hence, a mixed method of study could enable this study to gain insights into the mobile payment industry as it will consider different theory and multiple viewpoint, through deductive approach.

Instrumentation

This study uses secondary data collection instrument through consolidated financial statements. This approach will allow greater latitude in providing answers therefore providing in-depth information regarding the phenomenon. To ensure the credibility of the data collected, the study uses financial matrix to extract formulas from the financial statements. The rationale for choosing this method is to ensure consistency in performing test results.

Data collection method

The study employs secondary data based on the objectives of the study which was related to the research questions. The Secondary data collection is justifiable because much work has already been done to provide financial records of mobile companies for public use. The financial matrix was first designed with the bases of the financial indicators. Then the figures were extracted from the consolidated financial statements and computed for the indicators for the ten year period for each firm. The financial matrix served as filter to obtain accurate figures which were used for coding into the software to obtain the required results.

Sources of data

Audited annual financial reports of the four mobile payment companies in Ghana showing financial performance were collected. The annual financial reports provided relevant financial information in the line items etc that were used to calculate the basis in the financial matrix. These enabled the raw data to be calculated in the financial matrix and coded into the statistical software for the analysis.

Primary and secondary data: theoretical perspective

Theoretically, data can be primary or secondary. This research employed secondary method of data collection. Secondary data are data which have already been collected elsewhere, for some other purpose, but which can be used or adapted for the survey being conducted. Hence, the purpose of the study is to examine the relationship between fraud and its effect on firm financial

performance indicators. The secondary data was collected from the mobile company’s website and the database of mobile payment companies from the consolidated financial statements which cover all their subsidiaries of operations around the globe.

Population and Sampling procedures

A population is a group of people or objects of interest to the data collector .The populations of this study are the four mobile payment companies registered in Ghana and all their Subsidiaries around the world. The study adopts a non-probability sampling because of the intention to include all subsidiaries. In adopting the non-probability sampling, quota sampling method was used. The reason for using a quota sampling is that, a much larger sample can be studied than when compared with fully randomized sampling. It was also to ensure that the study portray wider coverage of mobile companies as possible using the secondary Data.

Sampling frame and sampling size: In quota sampling, no sampling frame is necessary because the researcher at covering every subsidiaries up to the desired quota. In quota sampling, randomness is forfeited in the interests of administrative reasons. The advantages of using quota sampling in this study will allow much larger sample to be studied and hence more information can be gained at a faster speed for a given outlay than when compared with a fully randomized sampling method. The sample size for this study consist of all the four companies and their subsidiaries that were included in the preparation of the consolidated financial statements. In this research, the only possible sampling approach is quota sampling [9]. The method would yield enough accurate information for the target population.

Type of Statistical data analysis for the study: The data collected was analyzed using statistical package for social science (SPSS) to describe the variables collected. SPSS gives wide range of options and offers a great range of methods, graphs and charts. Even though excel still offers a good way of data organization, using dedicated software like SPSS is more suitable for in depth data analysis in this study.

Variable definitions

This research will use finance-specific variables. This section will be used to define these variables and theoretically what will be expected to be their relationship with the independent variables.

Ethical considerations

According to Bell, research is considered ethical when it satisfies the demands of justice, respect, and protection for those involved. Hence, ethical issues ought to be considered whenever a research would be associated with the collection of vital financial data. Financial information gathered have been treated with the anonymity and confidentiality it deserves, would be use for the purpose of the research only [10]. This assurance will enable researchers to trust that research protocols are operationalized (Table 1).

YEAR	MTN	VODAPHO NE	AIRTEL	TIGO	BEST FIRM
2010	0.28	0.21	0.25	0.27	MTN
2011	0.32	0.12	0.16	0.28	MTN

2012	0.28	0.24	1.45	0.2	MTN
2013	0.29	0.11	0.17	0.13	MTN
2014	0.27	0.1	0.15	0.15	MTN
2015	0.28	0.05	0.18	0.13	MTN
2016	0.32	0.03	0.35	0.11	AIRTEL
2017	0.24	0.08	0.37	0.15	AIRTEL
2018	0.33	0.09	0.37	0.16	AIRTEL
2019	0.35	0.02	0.32	0.13	MTN

Table 1. Financial matrix; fraud and profitability (profit margin) PBIT/sales×100.

Analysis and Presentation

Consolidated Audited financial statements revealed zero fraud for all the four companies .However, in terms of profit margin, MTN is portrayed as the best firm among the four competing firms followed by Airtel (Table 2) [11].

Descriptive Statistics	Analysis N	
	Mean	Std. Deviation
MTN	0.296	0.03307
VODAPHONE	0.105	0.07169
AIRTEL	0.171	0.0599
TIGO	0.247	0.09604

Table 2. Factor analysis.

In terms of easy to understand mean, MTN still depicts the highest mean of .296 among the competing firms with the least dispersion of . 03307. This is followed by Tigo with a mean of .247 but with highest dispersion of .09604 (Table 3).

Table 3 Correlation Matrixa

		MTN	VODAPHONE	AIRTEL	TIGO
Correlation	MTN	1	-0.375	-0.048	0.251
	VODAPHONE	-0.375	1	0.695	-0.47
	AIRTEL	-0.048	0.695	1	-0.334
	TIGO	0.251	-0.47	-0.334	1

a. Determinant = .308

Table 3. Correlation matrixa.

Discussion of Findings

The methodological approach in this research is quite different from the general approach in previous research works. The research questions were appropriately answered, not by using only

one method as has been the case in most previous research works but by using different analysis techniques to depicts varied viewpoints which all provided different results. This research will guide managers to improve management of operational expenses in the mobile payment industry while deepening results in improved financial services to the country and enhances economic growth and development. Learning and innovations will result to improve the financial transactions. Regulatory framework can be established with the focus on protecting the mobile payment customers against recalcitrant fraudsters.

This research will contribute significantly both in practical and theoretical terms. First, it will provide enough data for use by mobile payment users and service providers in Ghana. The research will help to retain public trust in mobile payment as findings will be available to the public [12]. Practice makers can inculcate findings in their practice formulation, improvement and implementation to regulate mobile payment activities in Ghana. The data will solve key research question on the impact of fraud on financial performance and its absence will leave a significant unresolved questions in the minds of the users of mobile payments in Ghana. Also, the research will advance the frontiers of knowledge and lead to new way of thinking about the financial situation of mobile payment Again, the findings will reveal that key variables affecting financial performance which affect the way the mobile payment companies operate in the industry. These results will confirm that companies will be better off with little or low fraud rate. However, an increase in fraud is likely to result in an increase in operating cost of mobile payment companies. The findings will imply that greater emphasis should be placed on fraud prevention in Ghana and other developing nations to make long-term plans available for economic growth. This should help in understanding the benefits of preventing frauds, thereby aiding in promoting and developing the struggling mobile payment industry in the developing economies. This will mean increased numbers of policies in practice, hence contribution to the development of the stock market, which has been bedevilled by low number of companies listing and declining share price levels.The market for mobile payment will go a long way to attracting more qualified firms to list on the stock market, which should consequently enhance raising of capital and mobilization of savings for national growth and development and employment creation. Fraudsters will be aware of the implication of fraud when caught and serve as deterrent to others.

Conclusion and Recommendation

The findings of this study can be used to point policy practice in the right direction by either, revising the existing government practice or extending existing practice or formulating a new practice for the mobile payment companies. It will help the practice makers to make the practice processes more rational through the description of practice problems, clarification of practice goals, and identification of practice options and evaluations of alternative. The study will highlights practical examples of mobile payment frauds and how they contribute adversely to the performance of mobile companies in Ghana. Again, the study will give direction as to which areas of mobile payments fraud need attention and policies formulated to strengthen them and ensure best corporate performance. Thirdly, the study will also contribute to the efforts of academicians in the training of future managers in the area of

frauds prevention. The results of this study in a nutshell will contribute to the adoption of the fraud theories and the framework. The construction of attractive incentive packages and improvement in access to mobile payment market can lure prospective investors into the capital market for its development and economic growth.

Future researchers can depend on the new outcome of this study to formulate new theories and models that will be more predictive and embodying the current changes happening in the mobile payment industry. There are several studies where results appear inconclusive, but this study provides relevant focus with regards to the link between Fraud prevention and financial performance, which therefore makes it significant. Attention should be given to the use of primary data from different countries to augment this research and expand the new theories on fraud to meet contemporary situations.

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