DIPLOMA IN BUSINESS PROCESS OUTSOURCING - FINANCE AND ACCOUNTING (DBPOFA)

00019

Term-End Examination

December, 2012

BPOI-004 : ORDER TO CASH ACCOUNTS RECEIVABLE

Time : 3 hours   *Maximum Marks : 100*

Note : Attempt **all three** sections.

SECTION - A

(All Questions in this section are **compulsory**)

1. State whether the following statements are **true** or **false**.   **5x1=5**

    (a) A PO is commercial document issued by a buyer to a seller.

    (b) Accounts receivable team is responsible for recognition of payments received from the customers against invoices.

    (c) Remittance advice is sent by seller to customer.

    (d) Dunning letters are sent before the legal notice.

    (e) Credit risk is mitigated by doing a proper credit review of the vender.

2. Fill in the blanks :   5x1=5

   (a) The performance of the collection team and
        its individual members is measured by
        _____.

   (b) The Credit Manager assesses the customer's
        credit worthiness on criteria of _____
        and _____.

   (c) A payment made by customer to a vender/
        supplier in advance of receiving the goods
        and services is called as _____.

   (d) The cash application term needs _____
        and _____ documents to apply cash
        against specific invoices.

   (e) _____ is the most important quality
        measure for customer setup process.

SECTION - B

Answer *any six* out of the eight of the following questions :

3. Explain the different source documents used in O_2C process. **5**

4. Explain the sequence of collection call in O_2C process. **5**

5. Explain the term Remittance advice and service contract. **2½+2½=5**

6. Describe the performance metrics of customer setup team. **5**

7. Explain the following ratios in the collection pyramid : **5**
    (a) Penetration rate
    (b) Promise rate

8. Discuss the consequences of an ineffective O_2C process. **5**

9. Define the different types of risks associated with O_2C cycle. **5**

10. Briefly explain the different telephony tools used by O_2C teams. **5**

SECTION - C

Answer *any three* out of five of the following questions.

11. Explain the Credit Review Process in O_2C cycle. Discuss in detail the role of credit team in this process. **10+10**

12. Explain the term Invoicing. How many types of Invoices exists in O_2C cycle ? Discuss the complete process of Invoicing in O_2C. **3+7+10**

13. Discuss the cash application process in O_2C. Explain the different tools that help in O_2C cycle. **10+10**

14. Explain the various types of queries raised by the customer in O_2C cycle. Discuss in detail the query resolution process with help of flowchart. **10+10**

15. Explain the quality checks for the following stages in the O_2C cycle. **4x5=20**
    (a) Credit check/review
    (b) Customer Setup
    (c) Order Management
    (d) Invoicing
    (e) Collection

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