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

Term-End Examination

00506   December, 2014

BPOI-003 : PROCURE TO PAY (P2P) ACCOUNTS PAYABLE

Time : 3 hours   *Maximum Marks : 100*

Note :

Section I –   *Questions no. 1 to **10** are **compulsory** and they carry 1 mark each.*

Section II –   *Has eight questions and you have to answer any **six** questions.*

Section III – *Has six questions and you have to answer **four** questions of which question no. **19** is **compulsory**.*

SECTION I

*All questions are **compulsory** in this section.*

Fill in the blanks.

1. Raising a request to purchase some stationery items is called as _____ .   *1*

2. The documents that are used by the business to do business with outsiders are called _____ .   *1*

3. P2P cycle consists of two parts, _____ and _____ .   *1*

4. Non-PO invoices are _____ to process than PO invoices.   *1*

5. The unique identifier for a payment run is called as _____ .   *1*

State whether the following statements are 'True' or 'False'.

6. Business provides importance to their critical vendors.   *1*

7. Productivity is the most important metric in the vendor set-up process.   *1*

8. The procurement manager places the orders for the material required.   *1*

9. The quality control team should be a part of the AP team to be most effective.   *1*

10. Fatal errors are more serious than non-fatal errors.   *1*

SECTION II

Answer any six questions from this section.

11. What is the purpose of efficiency tools ? 5

12. Explain the different stages in Procure to Pay process. 5

13. Describe the term 'three way match' in P2P process. 5

14. Why is it important to keep the payments team separate from the invoice processing and vendor set-up teams ? 5

15. Explain the method of sampling for controlling quality of a process. 5

16. Explain the typical issues in P2P process. 5

17. How does the T&E process change in an outsourced environment ? 5

18. Explain the following abbreviations in P2P process : 5

    (i)   EDI

    (ii) ISP

    (iii) GRN

    (iv) ERP

    (v)   TAT

SECTION III

*Question no. 19 is **compulsory**. Answer any **three** from the rest.*

19. What do you understand by P2P process ? What are the various departments within a P2P process ? Elaborate the importance of Procure to Pay in an organization. *15*

20. What are the metrics used to measure the performance of vendor set-up ? Define them and discuss their significance in detail. *15*

21. Differentiate between the following : *15*

(a) Critical vendors and Normal vendors

(b) Payment run date, Payment date and Pay through date

(c) EFT and Wire transfer

22. List the differences between business metrics and process metrics. Describe the process metrics used for invoice processing to measure its accuracy, productivity and turnaround time. *15*

23. What is the use of source documents ? What are the differences between internal and external source documents ? *15*

24. What are service level agreements ? Explain and give some examples. How does putting quality controls in place help the team to achieve SLAs ? Explain with examples. *15*