

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

Term-End Examination

December, 2015

BPOI-005 : RECORD TO REPORT (R2R)

Time : 3 hours

Maximum Marks : 100

Note : All sections are compulsory.

SECTION - A

(All questions in this section are compulsory.)

1. State whether the following statements are True or False. 1x5
 - (a) The R2R process is carried out in two stages.
 - (b) Ad-hoc requests are received every month.
 - (c) Extraordinary entries are not expected in the normal running of business.
 - (d) Setting up a reliable financial accounting team is a time consuming activity.
 - (e) Financial Accounting is the basis of formulating budgets.
2. Fill in the blanks : 1x5
 - (a) Debtor's reconciliation is also known as _____.
 - (b) Sales return is an example of _____ reconciliation item.
 - (c) The control account balance is the _____ balance.
 - (d) Reconciliation process ends with the identification of _____.
 - (e) _____ serves as a FA sub-ledger for all accounting purpose.

SECTION - B

(Attempt **any three** questions)

3. Explain the need for Fixed Asset Register (FAR). 10
4. Discuss any ten reasons of disagreement between the balances shown by Cash Book and Pass Book. 10
5. Discuss the methods of revaluation of Fixed assets. 10
6. State the reasons for providing depreciation and discuss the need for provision for depreciation. 3+7

SECTION - C

(Attempt **any four** questions. Question No. 7 is **compulsory**)

7. A company has a policy of maintaining a minimum cash balance of ₹. 1 lakh. The standard deviation in daily cash balances is ₹. 10,000. The interest rate on a daily basis is 0.01%. The transaction cost for each sale or purchase of securities is ₹. 50. Compute the upper control limit and the return point as per the miller-orr model. 15
 8. Explain the following : 3x5
 - (a) Accuracy errors
 - (b) Accuracy metrics
 - (c) Soft close
 9. "Financial Reporting is a mechanism used to explain all the various financial components and has varied users". Elaborate. 15
 10. (a) Discuss the method of cash forecasting. 8+7
(b) What are the sources of uncertainty in cash forecasting.
 11. "Reconciliation can be challenging under certain scenarios". Discuss in detail. 15
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