

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

**Term-End Examination**

**December, 2018**

**BPOI-004 : ORDER TO CASH ACCOUNTS  
RECEIVABLE**

*Time : 3 hours*

*Maximum Marks : 100*

*Note : Attempt all the three sections.*

**SECTION - A**

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

1. State whether the following statements are **true** or **false** : **5x1=5**
- (a) Confirmation of purchase order does not lead to any accounting transaction.
  - (b) Collection calls are recorded because the law requires it.
  - (c) Scanning tool converts a paper document into its digital image.
  - (d) One of the responsibilities of the order management team is to facilitate revenue recognition.
  - (e) Credit department cannot refuse credit to a customer. Only sales person can decide about that.

2. Fill in the blanks : 5x1=5
- (a) Customer account statement is sent by the \_\_\_\_\_ to the \_\_\_\_\_.
  - (b) The \_\_\_\_\_ team manages the refund payments made to the customers.
  - (c) Credit worthiness of a customer is checked by the \_\_\_\_\_ department.
  - (d) The limit on the amount of the value of goods that can be supplied to the customers on credit at any time is \_\_\_\_\_.
  - (e) \_\_\_\_\_ is the most important quality measure for the customer setup process.

### SECTION - B

(Answer **any six** out of the **eight** of the following questions)

3. Explain Partial Credit Note and Full Credit Note. 2½+2½
4. Explain Dunning letter and Legal Notice. 2½+2½
5. What is collection pyramid ? What are the different stages of the pyramid ? 1+4
6. Explain briefly the performance measurement of the credit review team. 5
7. What are the objectives of the month end process in AR ? What are the Accounts Receivables month end activities ? 2+3

8. Write Journal Entries for the following O2C transactions (**Any two**) : 2½+2½
- (a) Created a provision for bad and doubtful debts (₹ 7000)
  - (b) XYZ partner returned the goods (₹ 14000)
  - (c) Sold goods for cash (₹ 1000)
  - (d) Ram and Company paid the invoice (₹ 5000)
9. What are the kind of queries that are received from the customers ? 5
10. What is Credit Limit and Credit Period ? 2½+2½

### SECTION - C

(Answer any **three** out of five of the following questions)

11. Explain in detail the O2C query resolution process. Draw the process flow chart. Detail the Performance Measurement of the query resolution team. 10+5+5
12. What are the five different departments in order to cash ? Explain the role of each in detail. 20
13. Discuss the various IT Tools and technologies used in O2C process. 20
14. Explain the risk involved in the order to cash process. How are these risks mitigated ? 20
15. What controls are required in the customer account setup ? Explain with suitable examples. 20
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