

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

Term-End Examination,

December 2019

**BPOI-004 : ORDER TO CASH (O2C) -
ACCOUNTS RECEIVABLE**

Time : 3 Hours]

[Maximum Marks : 100

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- Note : (i) Section-I -All questions are compulsory.
(ii) Section-II - Answer any six questions out of eight.
(iii) Section-III - Question No. 11 is compulsory.
Answer any three question from the rest.*
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Section - I

All Questions are compulsory in this section. 5×1=5

1. Fill in the blanks:
- The ratio of the number of payment commitments received to total No. of calls made to the right parties is called _____.
 - The _____ team calls the customer to make sure that the customers pay on time.
 - The most preferred collection tool is _____.
 - When the invoices become over due, _____ are sent to the customers to asking them to pay immediately.

(2)

- e) The maintenance of sales related documentation to enable revenue recognition is the responsibility of _____.
2. State whether the following statements are True/False. 5×1=5
- a) Dunning letters are sent before the legal notice.
 - b) After the order is fulfilled the invoice can be generated.
 - c) If the collections are not done in time, then the business needs to make provisions for bad debts.
 - d) Work flow can be used to track and manage a large number of transactions.
 - e) Order management team is responsible for the fulfillment and shipment of the order.

Section - II

Attempt any six questions.

3. Discuss the use of service contract in O2C cycle. 5
4. Why is order management critical to O2C cycle? 5
5. What is Credit memo and make a sample of the same? 5
6. Write Journal entries for the following O2C transactions. 2½+2½=5
- a) A purchase order for 100 tons of steel costing Rs.1,00,000/- received from customer ABC along with cash advance of Rs.10,000/-.
 - b) 100 tons of goods costing Rs.1,00,000/- shipped to ABC customer.

(3)

7. Explain the following ratios in the collection pyramid. 5
- a) Penetration rate
 - b) Contact rate
 - c) Promise rate
 - d) Kept rate
8. Explain the role of a collection agent in collecting the dues for the seller. 5
9. State the metrics that are used to measure the performance of the credit review process. 5
10. How risks are mitigated on O2C process? 5

Section - III

Question No.11 is compulsory. Attempt any three from the remaining.

11. Discuss the various source documents used in O2C cycle. 15
12. Explain the commercial and accounting transaction related to O2C Cycle. 15
13. Explain with examples and flow diagram the process of O2C. 15

(4)

14. Explain the importance of customer account setup team and the order management team. 15
15. How quality controls are implemented in various stages of O2C Cycle? Discuss. 15
16. Explain the Query Resolution process in O2C cycle with flow diagram. 15

