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**BPOI-004/104**

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

**Term-End Examination**

**December, 2023**

**BPOI-004/104 : 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 **two** from the rest.

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**Section—I**

1. Fill in the blanks : 1 each
- (a) The credit function is also cynically called as the '.....' department.

**P. T. O.**

- (b) The process of assessing the customer's ability to pay his dues on time is called as .....
  - (c) The ratio of current assets to current liabilities is called the ..... ratio.
  - (d) ..... is the most preferred collection tool.
  - (e) The effectiveness of the collection process is measured through a tool called .....
2. State whether the following statements are true *or* false : 1 each
- (a) Suspense account balance is an indicator of the cash application performance.
  - (b) Credit risk is mitigated by doing a proper credit review of the customer.
  - (c) Accuracy is the least important quality measure for the customer setup process.
  - (d) Dunning letters are sent after the legal notice.
  - (e) Credit check is not an activity that needs to be done again and again.

**Section—II**

**Note :** Answer any *six* questions out of eight. Each question carries 5 marks.

3. Explain the importance and advantages of a properly managed O2C process in business.
4. Explain the use of the following source documents in the O2C cycle :  $2\frac{1}{2}+2\frac{1}{2}$ 
  - (a) Sales order
  - (b) Credit note
5. State the metrics that are used to measure the performance of the credit review process.
6. Write short notes on the following :  $2\frac{1}{2}+2\frac{1}{2}$ 
  - (a) Penetration Rate
  - (b) Promise Rate
7. What are the kind of queries that are received from the customer ?
8. What will be the accounting treatment of the following O2C transactions ?
  - (a) Payment Received from the customer in full for ₹ 50,000.
  - (b) Invoice sent to the customer for ₹ 10,000.
  - (c) A purchase order is confirmed to the customer.
9. Explain any *two* tools that are used in an O2C process.  $2\frac{1}{2}+2\frac{1}{2}$

10. Briefly explain the pre-invoicing, invoicing and post-invoicing stages in the order to cash process.

### Section—III

**Note :** *Question No. 11 is compulsory. Attempt any two questions from the rest.*

11. Explain the role of a collection agent in collecting the dues for the seller. Discuss step by step the manner in which the legal recourse proceeds. 20
12. Discuss the important quality checks/criteria for the following processes and how the respective teams ensure that quality criterias are met : 5+5+5+5
- (a) Order management
  - (b) Customer setup
  - (c) Invoicing
  - (d) Cash application
13. Describe the process of customer account setup in O2C business. Also state the metrics that are used to measure the performance of the customer setup team. 20
14. Explain the consequences of a poor quality control in the O2C process. 20
15. Explain the invoicing process. What performance metrics are used of invoicing team ? Explain in detail. 20