

**DIPLOMA IN BUSINESS PROCESS
OUTSOURCING - F & A PROGRAMME**

Term-End Examination

June, 2012

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

Time : 3 hours

Maximum Marks : 100

Note : Section-I Question 1 to 10 are compulsory.

*Section-II Has 8 questions and you have to answer
any six.*

*Section-III Has 6 questions and you have to answer
any four of which question 19 is compulsory.*

SECTION - I

Objective type questions.

1. The user dept. is involved in negotiating the best possible commercial terms with the vendor. 1
(a) True (b) False

2. Cheque is most preferred way of payment in cases of an international transactions. 1
(a) True (b) False

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

4. Once the client decides that he will not be doing any more business with the vendor, the vendor is _____ from the master. 1
5. 2 Modes for a vendor to send an invoice to client organization is _____ and _____ invoices. 1
6. Out of all the steps in invoice processing _____ usually happens at the client location. 1
7. _____ document from a vendor can be mistaken for an invoice and wrongly processed. 1
8. The quantity of goods invoiced is less than the quantity mentioned on the PO. should the invoice be put on hold. 1
- (a) Yes (b) No
9. Can a GRN Number be traced from an invoice. 1
- (a) Yes (b) No
10. When the vendor is directly paid by the client's bank and the invoice is approved later is called _____. 1

SECTION - II

Answer *any six* questions.

11. State the consequences of a poorly implemented P2P system. 5
12. State the benefits of P2P outsourcing mention any 5 benefits with a brief explanation. 5
13. State the controls that can be implemented in vendor setup process. 5
14. Briefly explain the 3 way match process. 5
15. What are reasons that are used to measure the effectiveness of invoice on hold process ? 5
16. How is a credit note identified what are the implications of processing a credit note erroneously as an invoice ? 5
17. State 2 metrics each that are used to measure accuracy, TAT and profitability. 2+1+2=5
18. What are the quality checks that are put in place while processing invoices ? 5

SECTION - III

Question 19 is *Compulsory*. Answer *any three* from the rest.

19. Explain the process of posting accounting entries from sub ledger to general ledger ? What are the accounts that mainly need to be reconciled ? What are the reasons that account balances in SL and GL may not reconcile ? 15
20. What steps does the P2P team need to take to prepare month end reports. 15
21. Describe some of the best practices used by P2P teams to improve the process. 15
22. Explain the invoice processing cycle with a flow chart. 15
23. What are the circumstances under which an invoice is put on hold by the invoice processing team. 15
24. List some of the frequent errors that happen during the payment run. 15