

00835

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

Term-End Examination

June, 2012

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

Time : 3 hours

Maximum Marks : 100

Note : Section - I : All questions are compulsory.

Section - II : Any 6 questions out of 8.

*Section - III : Question No. 11 is compulsory. Any
3 questions from questions 12 to 16.*

SECTION - I (Total 10 marks)

All questions are compulsory in this section :

1. Fill in the blanks :

- (a) _____ is a document prepared by the buyer on receiving the shipment of goods. 1
- (b) _____ manager who decides whether a customer can be provided goods / services or credit and if so them on what terms. 1
- (c) When the invoices beware overdues the _____ letters are sent to the customers to ask them to pay immediately. 1

- (d) "Average time to set up a new customer" is a metric for _____ in customer set up. 1
- (e) _____ is the most preferred collection tool. 1

2. True or False :

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

SECTION - II (Total 30 marks)

Attempt **any six** questions out of **eight**.

3. Explain the process of customer set up in the order to cash process. 5
4. Why is order management critical to order to cash cycle ? 5
5. Explain the role of a collection agent in collecting the dues for the seller. 5
6. What are key metres used to measure the performance of the Cash Application team ? 5
7. Quality checks are performed in the order to cash process to verify what all aspects. 5
8. What does the order management team do in following issues ? $2\frac{1}{2}+2\frac{1}{2}=5$
 - (a) Customer adopting wrong credits while making payments.
 - (b) Unable to reach the right contact, that authorizes/approves payments, even after multiple attempts.
9. When the order management team receives a customers order, what does it do ? List all the activities up to invoicing the customer. 5
10. What is the importance of a proper credit review process ? 5

SECTION - III (Total 60 marks)

Question no. 11 is **compulsory** and **any three** questions from 12 to 16

11. State and explain the various technology and tools used for order to cash outsourcing. 15
12. Write Journal entries for the following order to cash transactions 2½x6=15
- (a) Sold good for cash (200 Rs)
 - (b) Wallece Partners returned goods (1000 Rs)
 - (c) Ram and company paid 2000 Rs to settle dues.
 - (d) Confirmed the Po to the customer
 - (e) Received advance payment from Ram and Co. for the maintenance services to be provided in the coming quarter (Rs 1200)
 - (f) Ram & Co. paid the invoice (Rs 5000)
13. Describe in detail the 'collection pyramid'. 15
14. Why should the customer account set up team be kept separate from the order management team? What are the key controls required in customer set up process? 15
15. Explain what happens in the following stages? 15
- (a) Invoicing
 - (b) Cash Application
 - (c) Collection follow up
16. Explain the different types of invoicing used in Order to Cash Accounts. What are the type of credit notes issued in case of adjustment needs to be made invoices? 15