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

Term-End Examination

June, 2017

BPOI-004 : ORDER TO CASH ACCOUNTS RECEIVABLE

Time : 3 hours   *Maximum Marks : 100*

Note : Attempt all three sections.

SECTION - A

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

1. State whether the following statements are true/false :   5x1=5
    (a) For smooth functioning of the sales process, it is recommended that the credit team and the sales team work closely together and report to the same manager.
    (b) The penalties, in case the agreement is breached by either the customer or the service provider, are specified in the legal notice.
    (c) Credit check is not an activity that needs to be done again and again.
    (d) For Cash application process speed is less important than accuracy.
    (e) Workflow can be used to track and manage a large number of transactions.

2. Fill in the blanks : 5x1=5

   (a) The third party which provides credit related information on a prospective customer is called _____.

   (b) _____ is the most preferred collection tool.

   (c) "Average time to set up a new customer" is a metric for _____ in customer setup.

   (d) _____ involves assessing the ability of the Customer to pay the dues on time.

   (e) The two parameters that specify the credit terms are _____ and _____.

SECTION - B

Answer **any six** out of **eight** of the following questions :

3. Explain the term Credit period in O2C Cycle.   5

4. Explain the advantages and disadvantages of the email and telephone call as Collection tools.   5

5. When the order management team receives a customer's order, what does it do ? List all the activities upto invoicing the customer.   5

6. What are the kinds of queries that are received from the customers ?   5

7. Discuss the quality checks in an O2C environment.   5

8. Explain the following ratios in the collection of Pyramid. **5**

(a) Penetration rate

(b) Contact rate

(c) Promise rate

(d) Kept rate

9. Explain the day to day Issues in O2C processes. **5**

10. Explain the consequences of poorly managed order to cash process. **5**

SECTION - C

Answer **any three** out of **five** of the following questions :

11. Explain the use of the following tools in the context of O2C Cycle : **20**

(a) Workflow

(b) Automatic call distributor

(c) CRM

(d) Email

(e) Document management system

12. What is the importance of credit review process in O2C ? Also explain why it should be segregated from sales function. **20**

13. In a step by step manner, explain the O2C process in brief starting from the receipt of purchase order from the customer. **20**

14. Why should the customer account setup team be kept separate from the order management team ? Also Explain the importance of a proper credit review process.   **20**

15. Discuss the important quality Criteria for the following processes and how the respective teams ensure that quality Criteria are met.   **20**

    (a) Cash Application

    (b) Collection

    (c) Order Management

    (d) Invoicing

    (e) Customer query resolution.

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