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BPOI-004

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

Term-End Examination

June, 2019

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

Time : 3 Hours

Maximum Marks : 100

Note : Attempt all three Sections.

Section—A

Note : All questions in this Section are compulsory.

1. State whether the following statements are True or False. 5×1=5
 - (a) SOX is also known as Sarbanes Order Act.
 - (b) Dunning letters are sent before the legal notice.
 - (c) Credit assessment for an individual is done in a similar manner as that for an organisation.

(A-44) P. T. O.

- (d) Order Management Team is responsible for the fulfillment and shipment of the order.
- (e) Suspense account balance is an indicator of the cash application performance.
2. Fill in the blanks : 5×1=5
- (a) If invoicing is not accurate, processes like will suffer.
- (b) is the most preferred collection tool.
- (c) Customer account set up should be by a proper authority from the sales group.
- (d) team is responsible for its fulfillment when purchase order is received from the customer.
- (e) The maintenance of sales related documentation to enable revenue recognition is the responsibility of

Section—B

Note : Answer any six out of the eight of the following questions.

3. What is Order to Cash ? 5
4. Differentiate between Purchase Order and Sales Order. 5

5. Compare the advantages and disadvantages of the e-mail and telephone call as collection tools. 5
6. Briefly explain the risks associated with an O2C cycle. 5
7. What accounting treatment will be recorded for the O2C transactions as below :
- (a) A purchase order is received from a customer. $2\frac{1}{2}$
- (b) A cash advance is received from the customer against a purchase order. $2\frac{1}{2}$
8. Explain, what happens in the pre-invoicing and invoicing stages in the O2C cycle ? $2\frac{1}{2}+2\frac{1}{2}$
9. Explain, what happens in the post-invoicing and quality checks and credit stages in the O2C cycle ? $2\frac{1}{2}+2\frac{1}{2}$
10. Explain the responsibilities of any one of the following players in the O2C processes : 5
- (a) Sales
- (b) Credit
- (c) Collections

Section—C

Note : Answer any three out of five of the following questions.

11. Explain the importance of order to cash (O2C) to business. 20
12. What is the importance of a proper credit review process ? Explain. 20
13. (a) Explain the role of a collection agent in collecting the dues for the seller. 10
(b) If the seller has not been able to receive the payment for his dues, what legal action does he resort to explain step the legal recourse proceed ? 10
14. Describe the cash application process. What are the source documents that are needed to apply cash ? 20
15. Explain the use of the following tools in the constext of O2C cycle : 5×4=20
 - (a) Work flow
 - (b) Automatic call distributor
 - (c) CRM
 - (d) E-mail
 - (e) Document management system