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BPOI-004

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

Term-End Examination

June, 2020

**BPOI-004 : 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 : Questions No. 11 is compulsory. Answer any three other questions from this Section.*
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Section—I

1. Fill in the blanks : 1 each
- (a) The two parameters that specify the credit terms are _____ and _____.

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- (b) _____ are sent before the legal notice to remind the customer to make the payment.
- (c) A sale is not a scale until _____ is received.
- (d) The credit review of a new customer is done by the _____ manager
- (e) Maximum monetary limit/value upto which goods can be provided on credit to customer _____.
2. State whether the following statements are True/False : 1 each
- (a) After the order is fulfilled, the invoice can be generated.
- (b) Suspense account balance is an indicator of the cash application performance.
- (c) Sales order is sent to the customer along with the invoice.
- (d) Credit entry accounting indicates use of funds.
- (e) Credit check is an activity that needs to be done again and again.

Section—II

3. Explain the following source documents :
- (a) Credit Note
- (b) Remittance Advice $2\frac{1}{2} + 2\frac{1}{2}$
4. Explain the advantages and disadvantages of any *two* collection tools. 5
5. Discuss the quality checks in an O2C environment. 5
6. Why is order management critical to O2C cycle ? 5
7. How are risks mitigated in O2C process ? 5
8. Explain the responsibilities of the order management team. 5
9. Explain the importance of collection pyramid. 5
10. Explain the day to day issues in O2C processes. 5

Section—III

11. In a step by step manner, explain the O2C process in brief starting from the receipt of purchase order from the customer. 15
12. Write a note on the technology and tools used for O2C outsourcing. 15
13. What is the importance of proper credit review process ? What are the metrics used to measure their performance ? 15
14. Explain the process involved in credit review and approval. How is credit limit established ? Discuss. 15
15. Discuss the various source documents used in O2C cycle. 15
16. Explain the query resolution process in O2C cycle with flow diagram. 15