

00621

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

Term-End Examination

June, 2015

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

Time : 3 hours

Maximum Marks : 100

Note : *Attempt all the three sections.*

SECTION - A

(All questions in this section are **compulsory**)

1. Fill in the blanks. 5x1=5
- (a) The maintenance of sales related documentation to enable revenue recognition is the responsibility of _____.
- (b) When the invoices become overdue, _____ are sent to the customers asking them to pay immediately the amount.
- (c) 'Average time to set up a new customer' is a metric for _____ in customer set up.
- (d) The ratio of the number of payment commitments received to total number of calls made to the right parties is called _____.
- (e) If invoicing is not accurate, processes like _____ will suffer.

2. State whether the following statements are true or false. 5x1=5
- (a) High amount on the suspense account indicates that the business has a lot of cash which it can use for working capital.
 - (b) Quality results in higher costs but it needs to be maintained.
 - (c) Automatic call distributor helps save time for the query resolution teams.
 - (d) Workflow can be used to track and manage a large number of transactions.
 - (e) Whenever cash goes out of the business, Cash account is debited.

SECTION - B

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

- 3. Discuss the consequences of poor quality control in O2C cycle. 5
- 4. What are Credit risks and discuss the ways how these risks can be mitigated ? 5
- 5. Explain the process of Query Resolution in O2C cycle. 5
- 6. Compare the advantages and disadvantages of the email and telephone call as collection tools. 5
- 7. Discuss the stages involved in order fulfillment and shipment in brief. 5
- 8. What metrics are used for performance measurement of the Credit Review Team. 5

9. What are Dunning letters ? Give a format of the same. 5
10. Discuss the advantages of a properly managed O2C process. 5

SECTION - C

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

11. Explain the stages involved in order to cash process. Give a brief explanation of each stage. 20
12. Discuss in detail the process of Credit review and approval done by 'Credit department'. After the Credit review what types of Credit terms are suggested. 20
13. Describe the month and activities carried out by the O2C teams. What process is followed by AR teams to process the customer refunds ? 20
14. Discuss the important quality criteria for the following processes. 20
- (a) Cash Application
 - (b) Collection
 - (c) Order management
 - (d) Invoicing
15. What stages are involved in order management as a part of O2C cycle? Discuss the order management process in detail and explain why order management is critical to O2C cycle ? 20