

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

Term-End Examination

June, 2011

BPOI-003 : PROCURE TO PAY

Time : 3 hours

Maximum Marks : 100

Note : Section-I, Question 1 to 10 are compulsory and they carry 1 mark each.

Section-II, has 8 questions and have to answer any six questions.

SECTION-III, has 6 questions and you have to answer 4 questions of which question 19 is compulsory.

SECTION-I

All Questions are compulsory in this section :

1. Define : Accuracy in invoice processing. 1
 2. Define : Vendor help desk. 1
 3. Define : Work flow. 1
 4. Define : Scanning 1
 5. Define : Non-PO invoice 1
- State whether the following statements are 'True' or 'False' :

6. P2P outsourcing helps faster processing of invoices. 1
7. Productivity is the most important metrics in the vendor set up process. 1
8. The wire transfer is the fastest as it involves the payment instruction going from one bank to the other electronically without any intermediaries. 1
9. Vendors bank details are available in vendors master. 1
10. Duplicate payments can be usually caught during payment runs, so the invoice processing team needs not pay much attention to it. 1

SECTION-II

Answer any six questions in this section.

11. What action would you take if the quantity and price of items on the invoice do not match that of a PO ? 5
12. Please provide the journal entries for the following transactions. 5
 - (a) A cash advance is paid to the vendor towards part payment of the order. Along with sending the purchase order \$ 8000 is paid to XYZ, Ltd as an advance in cash payment on the order.
 - (b) Some Goods are found defective and are returned to the vendor \$ 8000 worth goods was found to be of inferior quality and was rejected and returned to the vendor.
13. What is the importance of T and E to Business ? Discuss. 5
14. What are the consequences of Poor Quality Control in P2P process ? 5
15. Explain the direct debt form of payment. 5
16. Explain 'Three way' and 'Two way' match of invoice processing. 5
17. Discuss the reason for putting a non-PO invoice on hold and for those of PO invoice in brief. 5
18. Explain the difference between scanning and document management tools. 5

SECTION-III

Question No. 19 is compulsory. Answer any three from the rest :

19. What are the quality checks that are put in-place at various stages of procure to pay process ? 15
20. Why are approval and verification stages important from the point of view of control over Travel and Expense process cycle ? 15
21. Describe the process metrics used for invoice processing to measure its accuracy, productivity and turnaround time in P2P process. 15
22. Explain invoice processing cycle along with a flow chart. 15
23. State the issues and controls used in vendor set up process. Why do we need to have these controls ? 15
24. Elaborate the importance of procure to pay process in an organisation. What are the consequences of poorly implemented P2P process ? 15
