

00591

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

Term-End Examination

December, 2013

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

Time : 3 hours

Maximum Marks : 100

Note : Section - I - All questions are compulsory.

Section - II - Answer any six questions out of 8.

*Section III - Question No. 11 is compulsory. Answer
any 3 questions from question No. 12 to 16.*

SECTION - I

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

1. Fill in the blanks :

- (a) _____ letters are sent by sellers to remind the customer to make their payment. 1
- (b) _____ is the most preferred collection tool. 1
- (c) Company can run into _____ risk if the dues from the customers are not paid in time. 1
- (d) The third party which provides credit related information on a prospective customer is called _____. 1
- (e) The two parameters that specify the credit terms are _____ and _____. 1

2. True or False :
 - (a) High amount on the suspense account indicates that the business has a lot of cash which it can use for working capital. 1
 - (b) Whenever cash goes out of the business, cash account is debited. 1
 - (c) Order management team is responsible for the fulfillment and shipment of the order. 1
 - (d) IFRS are proposed and regulated by IASB. 1
 - (e) TAT is the average time taken to induce a customer query to be resolved. 1

SECTION - II

Attempt **any six** questions out of **eight** :

3. Explain the responsibilities of the order management team. 5
4. Explain the process metrics that are tracked and reported from customer set up. 5
5. Explain the use of the following tools in the context of O₂C cycle. 5
 - (a) Work flow
 - (b) Telephonic Tools
6. Write the journal entries for the following O₂C cycle. 5
 - (a) Sold goods on credit to Ramesh and co. for Rs. 10,000
 - (b) Ram and co. paid Rs. 50,000 to settle the dues.
7. If everything else has failed and the seller has not been able to receive the payment for his dues then he usually resorts to legal action. Explain in a step by step manner towards the legal recourse proceed. 5

8. Explain the following notes in the collection pyramid :
(a) Penetration rate 2½
(b) Contact rate 2½
9. Explain the customer account set up process in O₂C cycle. 5
10. Explain : 5
(a) Partial credit note
(b) Full credit note

SECTION - III

Question No. 11 is **compulsory** and answer **any three** questions from 12 to 16.

11. What are the metrics that are tracked in the inducing process ? Explain in detail. 15
12. Explain what happens in the following stages ? 15
(a) Invoicing
(b) Cash application
(c) Collection follow up
(d) Customer account set up
13. Discuss the important quality criteria for the following processes and how the respective team ensure that quality criteria are met. 15
(a) Cash Application
(b) Collection
(c) Invoicing
(d) Order Management
(e) Customer query resolution

14. Explain the “ Collection pyramid”. 15
 15. How do you measure performance of the ‘ Cash Application Team’ ? 15
 16. Explain types of queries of a customer . Discuss in detail the query resolution process. Define the various performance measurement metrics of the query resolution team. 15
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