

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

Term-End Examination

00114

December, 2014

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

Time : 3 hours

Maximum Marks : 100

Note : Attempt *all* three sections.

SECTION A

All questions in this section are compulsory.

1. State whether the following statements are *true* or *false*. *5×1=5*
- (a) Sales Order is sent to customer along with the Invoice.
 - (b) Remittance advice is sent by the vendor to its customer confirming the receipt of payment from the customer.
 - (c) Credit department cannot refuse credit to a customer. Only salesperson can decide about that.

- (d) The ratio of number of payments actually received to the number of payments committed is called Promise Rate.
- (e) Whenever cash goes out of business, cash account is debited.

2. Fill in the blanks :

$5 \times 1 = 5$

- (a) _____ team ensures that invoices do not have any errors.
- (b) Automatic call distributor helps save time for the _____ resolution teams.
- (c) Confirmation of a purchase order does not lead to any _____ transaction.
- (d) _____ is the most preferred collection tool.
- (e) The performance of the collection team is measured by a tool called _____.

SECTION B

Answer any six out of eight of the following questions :

3. What are the components of the Service Contract ? 5
4. Explain the contents of Purchase Order. 5
5. Discuss the role of Document management system in the context of O2C cycle. 5
6. What items are checked for accurate data entry in customer set-up in the O2C cycle quality checks ? 5
7. What is liquidity risk in O2C operation and what are the ways to mitigate the same ? 5
8. Explain the types of customer queries in O2C cycle in brief. 5
9. How can the performance of the collection team be measured ? 5
10. What are the customer details that are usually captured in the customer account set-up in O2C cycle credit review ? 5

SECTION C

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

11. Explain the responsibilities of different players in the O2C processes. Discuss the different departments involved and their responsibilities. 20
 12. Explain what happens in the following stages : 20
 - (a) Invoicing
 - (b) Cash application
 - (c) Collection follow-up
 - (d) Customer account set-up
 13. Explain the invoicing process in O2C cycle. What metrics are used for the performance measurement of the invoicing team ? 20
 14. Describe the Cash Application process. What are the source documents that are needed to apply for cash ? What metrics are used for the performance measurement of Cash Application Team. 20
 15. What are the day-to-day issues in O2C processes ? Explain in detail. 20
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