

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

**Term-End Examination**

**June, 2013**

**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. State whether the following statements are *true or false*. 5x1=5
- (a) Accuracy of the transaction is usually more important than turn around time.
  - (b) AR process covers the receipt of payments from the customers.
  - (c) Dunning letters are sent before the legal notice.
  - (d) Purchase order is sent to the customer along with the invoice.
  - (e) Suspense account balance is an indicator of the cash application performance.

2. Fill in the blanks :

5x1=5

- (a) The process for recognizing a payment made by the customer against the correct customer account and invoice is \_\_\_\_\_.
- (b) Customer account statement is sent by the \_\_\_\_\_ to the \_\_\_\_\_.
- (c) The limit on the amount of value of goods that can be supplied to the customer on credit at any time is \_\_\_\_\_.
- (d) The \_\_\_\_\_ team manages the refund payments made to the customers.
- (e) Credit worthiness of customer is checked by a department called \_\_\_\_\_.

## SECTION - B

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

3. Explain the concept of order management in O<sub>2</sub>C process. 5
4. Describe the collection pyramid in O<sub>2</sub>C cycle. 5
5. What are the effective means of communication in O<sub>2</sub>C process ? 5
6. Explain the role of a collection agent in collecting the dues for the seller. 5
7. How the performance of cash application team can be measured ? 5
8. Explain the term GRN (Goods Received Notes ) and Credit Memo.  $2\frac{1}{2}+2\frac{1}{2}=5$
9. Explain the quality objectives of collection teams in O<sub>2</sub>C cycle. 5
10. Discuss briefly the month end activities in O<sub>2</sub>C process. 5

## SECTION - C

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

11. Explain the various day to day issues faced in customer setup, invoicing and collection, payments and cash application. Explain the Resolution process of it. 10+10
12. Discuss the various IT tools and technologies used in O<sub>2</sub>C process. 20
13. Explain the process of customer account setup with help of flow chart. What are the different performance measurement of the customer setup team ? 10+10
14. Explain the following terms :
- (a) Purchase Order 4
  - (b) Sales Order 4
  - (c) Bank Statements 4
  - (d) Service Contract 4
  - (e) Dunning Letters. 4
15. Explain the role of five major departments involved in O<sub>2</sub>C cycle which are responsible for smooth functioning of O<sub>2</sub>C process. 20