

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

**Term-End Examination**

**December, 2010**

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

00530

*Time : 3 hours*

*Maximum Marks : 100*

*Note : This question paper comprises of three sections.  
Attempt all sections.*

**SECTION - A**

1. **Fill in the blanks :** **5x1=5**
- (a) Most of the sales transactions, especially between businesses happens on a \_\_\_\_\_ basis, ie, the buyer do not pay cash at the time of purchase.
  - (b) The sales force of the company makes a sale to the customer and receives a \_\_\_\_\_ from the customer.
  - (c) The \_\_\_\_\_ delivers finished goods as ordered by the customer.
  - (d) The \_\_\_\_\_ is forwarded to the order management team confirming the fulfillment of order delivery.
  - (e) US GAAP stands for \_\_\_\_\_.

2. State whether the following statements are *True* or *False* : 5x1=5

- (a) IFRS stands for International Funds Reporting structure.
- (b) IASB stands for Internal Accounts Strategy Board.
- (c) Suspense account balance is an indicator of the cash application performance.
- (d) Most of the CFOs of fortune 500 companies have the metric of 'Average reporting period' as a part of their score card and monitor it closely.
- (e) A purchase order is also referred to as a PO.

## SECTION - B

Answer *any six* out of *eight* of the following questions (each 5 marks) :

3. What are the responsibilities of the order management function ? 5
4. How do you do the Customer Account set up ?  
What are the details that need to be captured ?  $2\frac{1}{2}+2\frac{1}{2}$
5. Write the journal entries for the following O2C transactions.
  - (a) Goods are supplied against the advance received. 2½
  - (b) Payment Received from the customer in full 2½
6. Describe the month end activities carried out by the O2C teams. 5
7. Draw the flow chart for Credit Analysis and review process. 5
8. What are the different types of invoices ? 5
9. Why should we read the case history of all the collection related communication made with the customer ? 5
10. Name the metrics that measure the performance of an invoicing team ? Detail the productivity metrics that are measured in the invoicing process.  $2\frac{1}{2}+2\frac{1}{2}$

## SECTION - C

Answer *any three* out of five of the following questions, including question No.12 is compulsory.

11. Explain in detail the technology and tools used for O2C outsourcing. 20
12. What is a Service Contract and what are the components of the service contract ? Explain in brief Goods Received Note, Credit memo, Remittance advise. Bank statement and Customer Account Statement. 10+2x5=20
13. Explain in detail Credit Review and approval process. 20
14. Discuss the important quality criteria for the following processes and how the respective teams ensure that quality criteria are met ? 5x4=20
- (a) Cash Application
  - (b) Collection
  - (c) Order Management
  - (d) Invoicing
  - (e) Customer query resolution
15. Explain in detail the different stages of the Order to Cash Cycle. 20