No. of Printed Pages : 4 **BPOI–004/BPOI–104**

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

Term-End Examination

December, 2024

BPOI–004/BPOI–104 : ORDER TO CASH (O2C) ACCOUNTS RECEIVABLE

Time : 3 Hours *Maximum Marks : 100*

Note : Section A : *All questions are compulsory.*

Section B : *Answer any* ***six*** *questions out of eight.*

Section C : *Q. No.* ***11*** *is compulsory. Answer any* ***three*** *questions from the rest.*

Section—A

1. Fill in the blanks : 5×1=5

   (a) If invoicing is not accurate, processes like .... will suffer.

   (b) .... are used by the client to make sure that services provided by outsourcing partner are not compromised an quality.

(c) .... is the most preferred collection tool.

(d) The ratio of number of payments actually received to the number of payments committed is called ....

(e) When the invoices become overdue, ... are sent to the customers to asking them to pay immediately.

2. State whether the following statements are true *or* false : 5×1=5

(a) Remittance advice is sent by the vendor to its customer confirming the receipt of payment from the customer.

(b) Dunning letters are sent before the legal notice.

(c) Sales order is sent to the customer along with the invoice.

(d) A sale is not a sale until .... is received. Till there it is a .... to the customer.

(e) 'Average time to set up a new customer' is a metric for .... in customer setup.

Section—B

***Note* :** Answer any *six* questions out of eight.

6×5=30

3. Explain the consequences of poorly managed order to cash processes. 5

4. Explain what happens in the following stages : 5

   (a) Invoicing

   (b) Customer Account setup

5. What are the metrics of the credit review team ? Discuss. 5

6. Explain the responsibilities of the order management team. 5

7. Explain the role of a collection agent in collecting dues for the seller. 5

8. Pass the entry in the following : 5

   (a) ABC Ltd. pay the complete amount in full \$ 50,000 in Bank A/c.

   (b) 55 tons of mild steel costing \$ 780 per ton is transported by ABC Ltd. to the customer location.

9. Explain the risks involved in O2C process. 5

10. What steps are followed to make sure that the query resolution is done ? 5

Section—C

***Note* :** Q. No. **11** is compulsory. Answer any *three* questions from the rest. 4×15=60

11. Explain with flow diagram the responsibilities of different players in the O2C processes in a step by step manner. 15

12. Explain the use of the following source documents in the O2C cycle : 15

    (a) Sales order

    (b) Invoice

    (c) Credit note

    (d) Purchase order (customer's)

    (e) Remittance Advice

    (f) Service Contract

13. Explain in detail the Customer Account setup process in step by step manner drawing the flow diagram. 15

14. Explain the invoicing process in detail step by step drawing the flow diagram. 15

15. Explain the collection process to make a sale of gift by detailing the tools used for collection and the workflow used in a typical collection process using flow diagram. 15

16. Describe the cash application process. What are the source documents that are needed to apply for cash ? 15

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