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## GIET UNIVERSITY, GUNUPUR – 765022

B. Tech (Seventh Semester – Regular) Examinations, November – 2023

### BOEEE7012 - Accounting & Order to Cash

(CSE,EEE)



Time: 3 hrs

Maximum: 70 Marks

#### Answer ALL Questions

The figures in the right hand margin indicate marks.

#### PART – A: (Multiple Choice Questions)

(1 x 10 = 10 Marks)

#### Q.1. Answer ALL questions

- a. If a customer is identified for a payment received but no corresponding remittance is matched, it is tagged as \_\_\_\_\_
  - (i) Partially Applied
  - (ii) On Account
  - (iii) Send Collection reminders
  - (iv) None of the above
- b. Which of the below tasks are a part of AR Collections process
  - (i) Create Invoice
  - (ii) Apply cash remittance
  - (iii) Send Collection reminders
  - (iv) None of the above
- c. Which of the below is not a Credit Bureau
  - (i) Experian
  - (ii) Equifax
  - (iii) TransUnion
  - (iv) JP Morgan
- d. An account receivable, loan or note that is deemed uncollectible by the company and is written off
  - (i) Bad Debt
  - (ii) Open Receivables
  - (iii) Both a & b
  - (iv) None of the above
- e. Which of the below is not true about Bill of Lading
  - (i) Issued by the Carrier
  - (ii) It is a legally binding document
  - (iii) Contains type, price and qty of the goods
  - (iv) Must be signed by the carrier, shipper, and receiver
- f. Which of the below can be categorized as a Preventable Deduction
  - (i) Late Delivery
  - (ii) Returns
  - (iii) Rebate
  - (iv) Early payment Discount
- g. Which of the below is not a mandatory item in a Sales Invoice
  - (i) Invoice Date
  - (ii) Invoice Number
  - (iii) Unit Price
  - (iv) Sales Order Number
- h. Revenue is to be reported by a business when they are earned. This is a \_\_\_\_\_ accounting principle
  - (i) Revenue Recognition Principle
  - (ii) Cost Principle
  - (iii) Full Disclosure Principle
  - (iv) None of the above
- i. What does an “open item” in a customer account indicate
  - (i) Instances when one of the purchase documents is missing for an order
  - (ii) Holds on invoices for vendors who have not yet paid an earlier invoice
  - (iii) Invoices or other documents that have incomplete fields that must be filled in for processing to continue
  - (iv) An invoice has been sent out to a customer, but a payment has not yet been received
- j. Which of the following is an example of Trade deduction
  - (i) Promotions
  - (ii) Pricing
  - (iii) Shortage
  - (iv) Freight Handling

**PART – B: (Short Answer Questions)****(2 x 10 = 20 Marks)**Q.2. Answer **ALL** questions

- a. Why Does a Credit Limit Matter?
- b. What is Available Credit?
- c. How Do You Increase Your Available Credit?
- d. What is the Formula for Days Sales Outstanding?
- e. What is Accounts Receivable (AR)?
- f. What Is Credit Exposure?
- g. What Is a Credit Default Swap (CDS)?
- h. What is a Balance-To-Limit Ratio?
- i. What Is an Accredited Investor?
- j. What Is an Institutional Investor?

**PART – C: (Long Answer Questions)****(10 x 4 = 40 Marks)**Answer **ALL** questions

Marks

- |       |   |    |
|-------|---|----|
| 3. a. | What is the credit utilization ratio? How does the credit utilization ratio work? Explain.  | 5m |
| b.    | What is the role of institutional investors?  | 5m |
| (OR)  |   |    |
| c.    | How Credit Default Swaps (CDSs) Work?   | 5m |
| d.    | What is Days Sales Outstanding (DSO)? How Important is Days Sales Outstanding in Business Operations?   | 5m |
|       |   |    |
| 4. a. | Why do Companies have Accounts Receivable? What are the Risks of Outstanding Accounts Receivable Balances.  | 5m |
| b.    | What are the 7 Strategies to Reduce DSO and Improve Cash Flow?  | 5m |
| (OR)  |   |    |
| c.    | How is the credit score calculated? How to Improve Your Credit Score?   | 5m |
| d.    | What are the Indications of a High or Low DSO?  | 5m |
|       |   |    |
| 5. a. | What are the possible steps for a collection agent to take if the customer is not making payments within the due date in spite of multiple reminders? | 5m |
| b.    | Briefly explain the Revenue Recognition Principle.  | 5m |
| (OR)  |   |    |
| c.    | Provide a high-level overview of a good collection strategy that an organization needs to adopt?  | 5m |
| d.    | Mention any 2 Deductions related metrics and explain the importance of tracking them?   | 5m |
|       |   |    |
| 6. a. | How credit limits affect credit scores? How can lenders change credit limits?   | 5m |
| b.    | What is a Block Trade? How does it work?  | 5m |
| (OR)  |   |    |
| c.    | Briefly explain the Accounts Receivable process and why is it important for an organization to closely monitor its receivable performance?            | 5m |
| d.    | Briefly explain the Order to Cash process with a diagrammatic representation  | 5m |

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