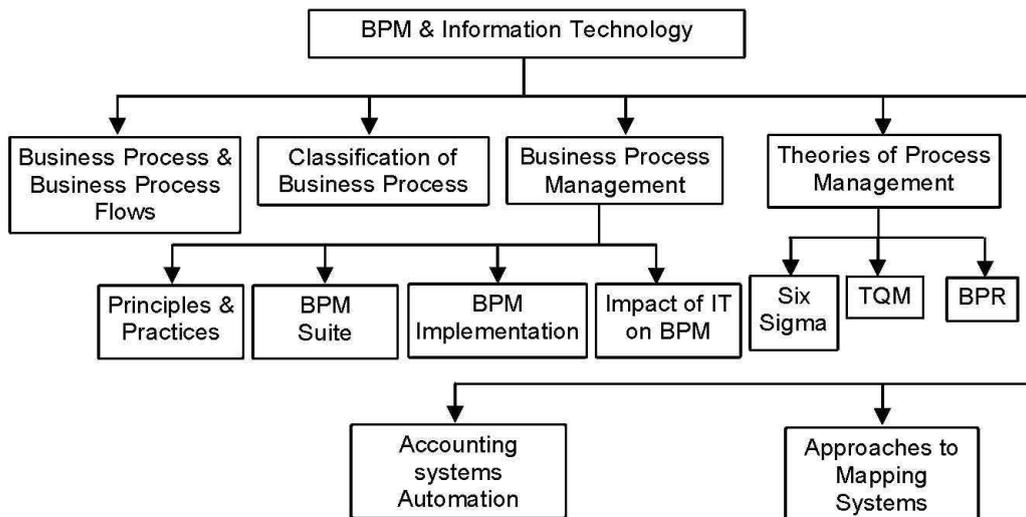


5. BUSINESS PROCESS MANAGEMENT & IT



TOPIC1: BUSINESS PROCESS & BUSINESS PROCESS FLOWS

Q.No.1. Define the terms (1) Process (2) Business Process Management? (B)

Process:

(N14 RTP, M15 MTP1 - 1M, N15 MTP2 - 2M, M17 MTP1)

- In the systems engineering arena, Process is defined as a sequence of events that uses inputs to produce outputs.
- From a business perspective, a process is a coordinated and standardized flow of activities performed by people or machines, which can traverse functional or departmental boundaries to achieve a business objective and creates value for internal or external customers.

Business Process Management:

- BPM is defined as: "The achievement of an organization's objectives through the improvement, management and control of essential business processes".
- It is the methodology used by enterprises to improve end-to-end business processes in various stages and aim to grow revenues quickly while controlling resource costs.

BPM = Process and Organization (including people) as well as technology

Q.No.2. What is a Business Process? Explain how to manage a Process. (B) (N14 MTP2 - 2M)

Business Process:

- A Business Process consists of a set of activities that are performed in coordination in an organizational and technical environment.
- These activities jointly realize a business goal.
- Each Business process is enacted by a single organization, but it may interact with Business Processes performed by other organizations.

To manage a process:

(M16 MTP1 - 2M)

- The first task is to define. This involves defining the steps in the process and mapping the tasks to the roles involved in the process.
- Once the process is mapped and implemented, performance measures can be established. Establishing measurements creates a basis to improve the process.

- c) The last piece describes the organizational setup that enables the standardization of and adherence to the process throughout the organization.

TOPIC 2: ACCOUNTING SYSTEMS AUTOMATION

Q.No.3. What is meant by Accounting Information System? Explain the Basic Functions of AIS? (A) (M15 MTP2 - 1M, N16 MTP, M17 RTP, M15)

1. An **Accounting Information System** is defined as a system of collection, storage and processing of financial and accounting data that is used by decision makers.
2. An accounting information system is generally a computer-based method for tracking accounting activity in conjunction with information technology resources.

Three basic functions of AIS:

(N16 MTP2 - 4M)

a) Collect and store data:

- i) Collect and store data about business activities and transactions by capturing transaction data from source documents and posting data from journals to ledgers.
- ii) Source documents are special forms used to capture transaction data such as sales order, sales invoice, order processing, purchase order, etc.
- iii) Control over data collection is improved by pre-numbering each source document. *Accuracy and efficiency in recording transaction data can be further improved if source documents are properly designed.*

b) Record transaction:

- i) Record transactions data into journals.
- ii) These journals present a chronological record of what occurred and provide management with information useful for decision making.
- iii) These documents are in the form of reports like financial statements, managerial reports, etc.

c) Safeguarding organizational assets:

- i) Provide adequate controls to ensure that data are recorded and processed accurately by safeguarding organizational assets (data and systems).
- ii) The two important methods for accomplishing this objective are by providing adequate documentation of business activities and an effective segregation of duties.
- iii) Documentation allows management to verify that assigned responsibilities were completed correctly.
- iv) Segregation of duties refers to dividing responsibility for different portions of a transaction among several people. (M15 RTP)

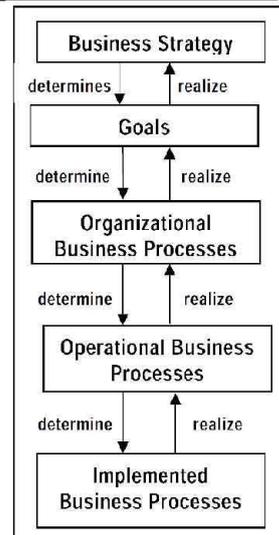
TOPIC 3: CLASSIFICATION OF BUSINESS PROCESSES

Q.No.4. Explain Classification of Business Processes and mention different levels in business process management. (B) (M15 MTP2 - 3M, N15 MTP1 - 4M)

1. Business processes are pervasive in any organization and represent all activities that an organization undertakes.
2. Business processes are broadly classified into two categories.
 - a) Organizational Business Processes
 - b) Operational' Business Processes.

3. Different levels can be identified ranging from high-level Business strategies to implemented business processes.

- Business strategy:** Here, the strategy of the company is specified, which describes its long term concepts to develop a sustainable competitive advantage in the market.
- Goals:** Here, the business strategy is broken down to operational goals. These goals can be organized, and can be divided into a set of sub - goals.
- Organizational business processes:** These are high-level processes that are typically specified in textual form by their inputs, their outputs, their expected results and their dependencies on other organizational business processes. (N16 RTP)
- Operational Business Processes:** Here, the activities and their relationships are specified, but implementation aspects of the business process are disregarded. Operational business processes are specified by business process models. These are the basis for developing implemented business processes.
- Implemented business processes:** This contain information on the execution of the process activities and the technical and organizational environment in which they will be executed.



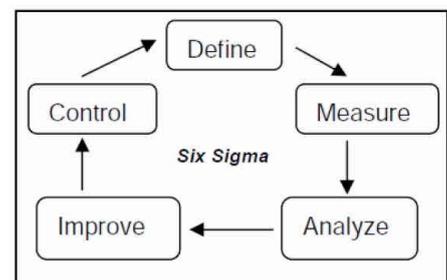
TOPIC 4: THEORIES OF PROCESS MANAGEMENT

Q.No.5. Write about Six sigma model. (A)

(PM, N14 RTP, N14 MTP2 - 1M, N15 MTP1 - 2M, M16 MTP1 - 1M, M16 - 2M, M16 RTP, N16 RTP, N16 MTP1 - 2M)

- Six sigma employs quality management and statistical analysis of process outputs by identifying and removing the causes of defects (errors) and minimizing variability in manufacturing and business processes.
- Each Six Sigma project carried out within an organization follows a defined sequence of steps and has quantified value targets.
- For example: reduce process cycle time, reduce pollution, reduce costs, increase customer satisfaction, and increase profits.
- It follows a life-cycle having following phases such as **DMAIC**:

- Define:** Customers are identified and their requirements are gathered. Measurements that are critical to customer satisfaction [Critical to Quality, (CTQ)] are identified for further project improvement.
- Measure:** Process output measures that are attributes of CTQs are determined and variables that affect these output measures are identified.
- Analyze:** Using statistical methods and graphical displays, possible causes of process output variations are identified. These possible causes are analyzed statistically to determine root cause of variation.



- Improve:** Solution alternatives are generated to fix the root cause. The most appropriate solution is identified using solution prioritization matrix and validated using pilot testing. Cost and benefit analysis is performed to validate the financial benefit of the solution. Implementation plan is drafted and executed.
- Control:** Process is standardized and documented. Before and after analysis is performed on the new process to validate expected results, monitoring system is implemented to ensure process is performing as designed.

SIMILAR QUESTION:

1. Discuss the terms DMAIC?

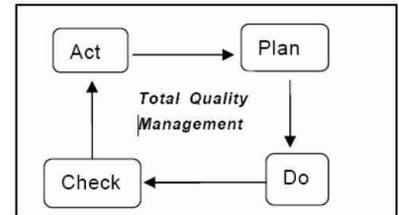
Q.No.6. Write about Total Quality Management? (A)

(N14 MTP1-1M, M15 - RTP, M15 MTP2 - 2M, M16 MTP2 - 2M, N16 MTP2 - 2M)

1. Total Quality Management (TQM) is a comprehensive and structured approach to organizational management that seeks to improve the quality of products and services through ongoing refinements in response to continuous feedback.

2. It originated in the manufacturing sector and can be applied to any type of organization; including schools, highway maintenance, hotel management, and churches.

3. TQM processes are divided into four sequential categories: Plan, Do, Check, and Act (**PDCA cycle**).



- a) **Plan:** In the planning phase, people define the problem to be addressed, collect relevant data, and ascertain the problem's root cause;
- b) **Do:** In the doing phase, people develop and implement a solution, and decide upon a measurement to gauge its effectiveness;
- c) **Check:** In the checking phase, people confirm the results through before-and-after data comparison;
- d) **Act:** In the acting phase, people document their results; inform others about process changes, and make recommendations for the problem.

SIMILAR QUESTION:

1. Write about PDCA cycle?

Q.No.7. Define Business Process Reengineering (BPR)? Explain with suitable example.(A)

(PM, N15RTP, M15 MTP1-2M, M17)

- a) Business Process Reengineering is defined as the fundamental rethinking and radical redesign of processes to achieve dramatic improvement, in the terms of performance such as cost, quality, service and speed.
- b) BPR aims at major transformation of the business processes to achieve dramatic improvement.
- c) The entire technological, human and organizational dimensions may be changed in BPR.
- d) *Information Technology plays a major role in BPR as it provides office automation which allows the business to be conducted in different locations.*
- e) *Business Process Re-engineering is also known as Business Process Redesign, Business Transformation, or Business Process Change Management.*
- f) A few important key words, which need clear understanding:
 - i) **Dramatic achievement:** It means to achieve 80% or 90% reduction (in say, delivery time, work in progress or rejection rate) and not just 5%, 10% reduction. This is possible only by making major improvements and breakthroughs, and not small incremental changes like in Total Quality Management (TQM).
 - ii) **Radical redesign:** Radical redesign means BPR is reinventing and not enhancing or improving. *In a nutshell, a "clean slate approach" of BPR says that "Whatever you were doing in the past is all wrong", do not get biased by it or reassemble, the new system is to be redesigned afresh.*

(M15 – 2M)

- iii) **Fundamental rethinking:** It means asking the question “why do you do what you do”, thereby eliminating business processes altogether if it does not add any value to the customer. There is no point in simplifying or automating a business process which does not add any value to the customer.

An example of BPR application:

- a) If a bank customer enters into the bank determined to apply for a loan, apply for an ATM card and open a savings account, most probably he must visit three different desks in order to be serviced.
- b) When BPR is applied to an organization, the customer communicates with only one person, called "case manager", for all three inquiries.
- c) Under BPR, while the loan application team processes the loan application, the case manager "triggers" the account team to open a savings account and the ATM team to supply the customer with an ATM card.
- d) The customer leaves the bank having a response for his loan application, a new savings account and an ATM card, and all these without having to move around the desks for signatures and documents.
- e) All the customer's requests were satisfied at the same time in parallel motion.

Q.No.8. Discuss the Success factors of BPR? (B) (N14 MTP2 - 4M, M16 MTP1 - 5M)

Some key factors for BPR projects to succeed are:

1. Organization wide commitment:

- a) Changes to business processes would have a direct impact on processes, organizational structures, work culture, information flows, infrastructure & technologies and job competencies.
- b) This requires strong leadership, support and sponsorship from the top management.

2. BPR team composition:

(RTP M17)

- a) A BPR team is formed which would be responsible to take the BPR project forward and make key decisions and recommendations.
- b) The BPR team would include active representatives from top management, business process owners, technical experts and users.

3. Business needs analysis:

- a) It is important to identify exactly what current processes need reengineering. This would help to determine the strategy and goals for BPR.
- b) A series of sessions are held with the process owners and stakeholders and all the ideas would be evaluated to outline and conceptualize the desired business process.
- c) The outcome of this analysis would be BPR project plan – identifying specific problem areas, setting goals and relating them to key business objectives.

4. Adequate IT Infrastructure: Adequate investment in IT infrastructure inline is of vital importance to successful BPR implementation. Effective alignment of IT infrastructure to BPR strategy would determine the success of BPR efforts.

5. Effective change management: An effective change management process would consider the current culture to foster a change in the prevailing beliefs, attitudes and behaviors effectively. The success of BPR depends on how effectively management conveys the need for change to the people.

6. Ongoing continuous improvement: BPR is an ongoing process; hence innovation and continuous improvement are key to the successful implementation of BPR.

SIMILAR QUESTION:

1. Explain the key factors for BPR projects to be succeed?

TOPIC 5: BUSINESS PROCESS MANAGEMENT: PRINCIPLES & PRACTICES

Q.No.9. What is Value Chain Automation? List out Six business functions of value chain? (B)
(N14 RTP, N14 MTP2 - 4M, M15 MTP1 - 1M, M16 MTP1 - 3M, M17 RTP)

1. Value chain refers to separate activities which are necessary to strengthen an organization's strategies and are linked together both inside and outside the organization.
2. It is defined as a chain of activities that a firm operating in a specific industry performs in order to deliver a valuable product or service for the market.
3. The idea of the Value Chain is based on the process view of organizations.
4. *Value chain of a manufacturing organization comprises of Primary and Supportive activities.*
5. *The primary ones are inclusive of inbound logistics, operations, outbound logistics, marketing and sales, and services.*
6. *The supportive activities relate to procurement, human resource management, technology development and infrastructure.*
7. Six business functions of the value chain are as follows :
 - a) Research and development
 - b) Design of products, services, or processes
 - c) Production
 - d) Marketing and sales
 - e) Distribution
 - f) Customer service
8. Value Chain Analysis is a useful tool for working out how we can create the greatest possible value for our customers.
9. IT helps to identify the ways in which business create value for customers and then helps to think through how our business can maximize this value: whether through superb products, great services, or jobs well done.

Q.No.10. What is Business Process Automation? Explain Benefits & Risks? (B)
(M15 - 2M, M16 MTP2 - 4M, N16 MTP1 - 4M) (Student Self-study)

- a) Business Process Automation (BPA) can be defined as removing the human element from existing business processes by automating the repetitive or standardized process components.
- b) BPA capabilities range from automating a simple data entry to manipulation task, automated financial management processes using existing applications.
- c) The resulting benefits are cost reduction, elimination of human error, freeing people from routine and volume, and allow management to do what they are best at: make decisions, analyze data implications & trends and focus on providing better customer service.

Benefits:

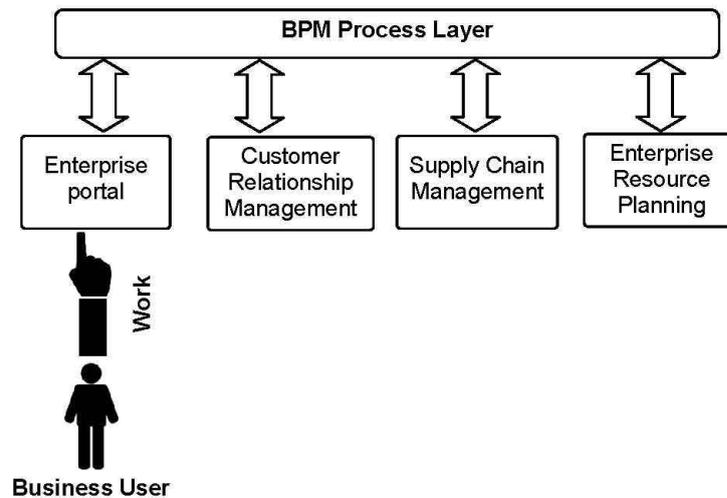
(M15 RTP)

- a) **Saving on costs:** Automation leads to saving in time and labour costs.
- b) **Staying ahead in competition:** In order to survive, businesses need to adopt automation
- c) **Fast service to customers:** Business managers realized that automation could help them to serve their customers faster and better.

Risks:

- a) **Risk to jobs:** Jobs that were earlier performed manually by several employees would post-automation would be mechanized, thereby posing a threat to jobs.
- b) **False sense of security:** Automating poor processes will not gain better business practices.

Q.No.11. Explain the Impact of IT on BPM? ? (C)



1. BPM Systems or suites (BPMS) are a new class of software that allows enterprises to set up process centric IT solutions.
2. 'Process-centric' means BPM solutions are able to integrate people, systems and data.
3. Using BPM software tools, enterprises can document workflow and processes, to identify bottlenecks and other impediments (=obstacles) to effectiveness, and recommend alternative and improved business processes.
4. The purpose of BPM software is to update the documentation, analysis, monitor and re-design business processes in an enterprise.
5. Organizations that utilize BPM systems to accomplish IT enabled business process change, gain from the following capabilities:
 - a) Closer business involvement in designing IT enabled business processes,
 - b) Ability to integrate people and systems that participate in business processes,
 - c) Ability to simulate business processes to design the most optimal processes for implementation,
 - d) Ability to monitor, control, and improve business processes in real time
 - e) Ability to effect change on existing business processes in real time without an elaborate process conversion effort.

SIMILAR QUESTIONS:

1. Explain about BPM Systems or suites (BPMS)

Q.No.12. List out the Benefits of BPM System? (B)

(N15RTP)

- a) **Automating repetitive business processes:** Processes such as report creation and distribution or the monitoring of or reporting on company's Key Performance Indicators (KPI) reduces the manual operational costs and helps employees to concentrate on activities that are important to the success of business.
- b) **BPMS works by 'loosely coupling' with a company's existing applications:** This enables it to monitor, extract, format and distribute information to systems and people; in line with business events or rules.
- c) **Operational Savings:** BPM focuses on optimization of processes. The processes that are repetitive are optimized and lead to reduced expenses which translate to immediate cost savings.

- d) **Reduction in the administration involved in Compliance and ISO Activities:** The BPM is ideally suited to help companies in their quest for process improvement and compliance /governance certification. It gives full control over process and document change, clarity of inherent risks, and ease with which process knowledge is communicated across the company.
- e) **Freeing-up of employee time:** In business, for each additional hour it takes to complete a manual business process, there is a hard cost associated with employee time as well as soft costs associated with losing business or lowered productivity. BPM or BPR software is a fast-growing segment of the enterprise.

SIMILAR QUESTION:

1. Discuss the benefits of IT on BPM?

Q.No.13. Write short notes on Business Risks of failure of IT? (B)

(PM, N14 - 4M, N16 RTP, M17 MTP)

Some of the reasons for failure of BPMS include:

- a) Inadequate investment in ongoing training for involved personnel;
- b) Lack of corporate policy protecting the integrity of the data in the BPM Systems;
- c) Superficial or deficient executive involvement
- d) Deficient project management
- e) Breakdown in gap analysis
- f) Limited options for customization of the BPM software is required
- g) Not flexible enough or too complicated to be customized to meet the precise workflow and business process.
- h) Failure to identify future business needs.
- i) Inadequate assessment of the need for change management
- j) Persistent compatibility problems with the diverse legacy systems of the partners.
- k) Resources are not available when desirable
- l) System may be over-engineered when compared to the actual requirements.
- m) Technological problems.

SIMILAR QUESTION:

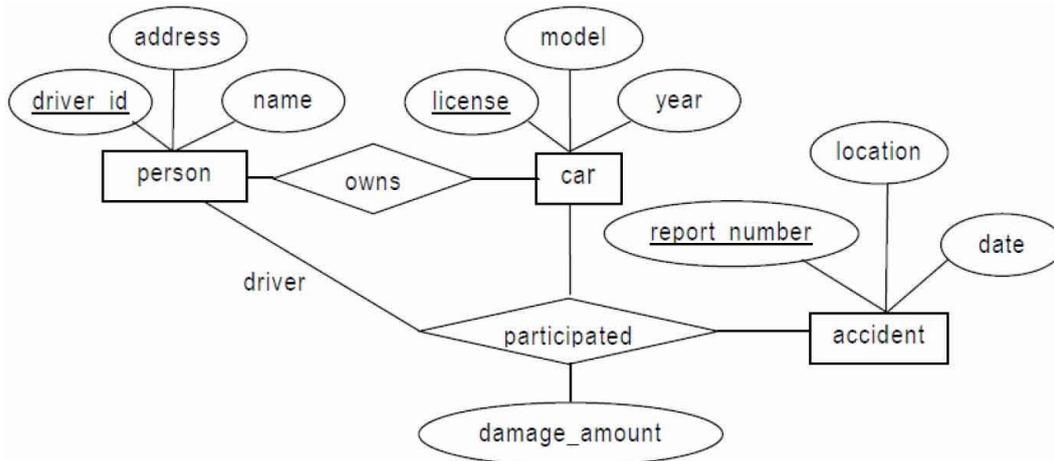
1. What are the major reasons for failure of BPM System?

TOPIC 6: APPROACHES TO MAPPING SYSTEMS

Q.No.14. Explain different Approaches to Mapping Systems? (B)

(M15 MTP2 - 5M, N15 MTP1 - 4M, M16 - 4M, M16 RTP, N16 MTP2 - 4M)

1. Accountant do not need to have the ability to program complex systems, but it is important for them to understand the documentation that describes how processing takes place.
2. Documentation includes the flowcharts, narratives and other written communications that describe the inputs, processing and outputs of an Information System.
3. Documentation also describes the logical flow of data within a computer system and the procedures that employees must follow to accomplish application tasks.
4. Some of the reasons why documentation is important are:
 - a) **Depicting how the system works:** Documentation is required to help employees understand how a system works.



ER DIAGRAM FOR CAR INSURANCE COMPANY

Q.No.16. Explain advantages and limitations of E-R Diagrams? (B) (M16 - 2M, N16 MTP1 - 2M)

Advantages:

- a) Simple and easily understood by non-technical specialist.
- b) It helps in Physical Database creation.
- c) Can be generalized and specialized based on needs.
- d) Gives a higher level description of the system.

Limitations:

- a) Physical design derived from E-R Model may have some amount of ambiguities or inconsistency.
- b) Sometime diagrams may lead to misinterpretations.

SIMILAR QUESTION:

- 1. Explain the benefits and concerns of ER Model?

Q.No.17. Write about Data Flow Diagrams and Describe the components? (A) (M15 RTP, N15 MTP2-2M, M16- 4M, M16 MTP, M16 RTP, N16 - 4M, M17 RTP)

- 1. Data Flow Diagram (DFD) is a graphical representation of the flow of data through an information system.
- 2. It shows the technical or business processes with the help of the external data stored, the data flowing from a process to another, and produce results.
- 3. These are partitioned into levels that represent increasing information flow and functional detail.
- 4. It provides a mechanism for functional modeling as well as information flow modeling.
- 5. There are two types of DFDs:

Logical Data Flow Diagram	A logical DFD focuses on the business and how the business operates. It describes the business events that take place and the data required and produced by each event. The logical model reflects the business.
Physical Data Flow Diagram	A physical DFD shows how the system will be implemented. The physical model depicts the system.

Major components of DFD:

- 1. **Entity:** (N14 MTP1 - 1M, M16 MTP2 - 1M)
 - a) An entity is the source or destination of data.

- b) The source in a DFD represents these entities that are outside the context of the system. Entities either provide data to the system (referred to as a source) or receive data from it (referred to as a sink).
- c) Entities are often represented as rectangles. Entities are also referred to as agents, terminators, or source/sink.

2. Process:

- a) The process is the manipulation or work that transforms data, performing computations, making decisions (logic flow), or directing data flows based on business rules.
- b) *In other words, a process receives input and generates some output.*
- c) Processes can be drawn as circles or a segmented rectangle on a DFD, and include a process name and process number.

3. Data Store:

(N14 RTP)

- a) A data store is where a process stores data between processes for later retrieval by that same process or another one. Files and tables are considered data stores.
- b) Data stores are usually drawn as a rectangle with the right hand side missing and labeled by the name of the data storage.

4. Data Flow:

(N14 RTP, N15 MTP2-2M)

- a) Data flow is the movement of data between the entity, the process and the data store.
- b) Data flow represents the interface between the components of the DFD.
- c) Data flow is represented by an arrow, where the arrow is annotated with the data name.

Symbols used in DFD:

Meaning	Symbols
Process	 or 
Data Store	 or 
Entity	
Data Flow	

Q.No.18. What are the advantages and limitations of Data flow diagrams? (B)

(M15 RTP, M17 MTP)

Advantages:

- a) It aids in describing the boundaries of the system.
- b) It is beneficial for communicating existing system knowledge to the users.
- c) Easy to recognize.
- d) Provide a detailed representation of system components.
- e) It is used as the part of system documentation file.
- f) Easier to understand by technical and nontechnical audiences
- g) It supports the logic behind the data flow within the system.

Limitations:

- a) It make the programmers little confusing concerning the system.

- b) Takes long time to create, so the analyst may not receive support from management to complete it.
- c) Physical considerations are left out.

SIMILAR QUESTION:

1. Explain the benefits and concerns of DFD?

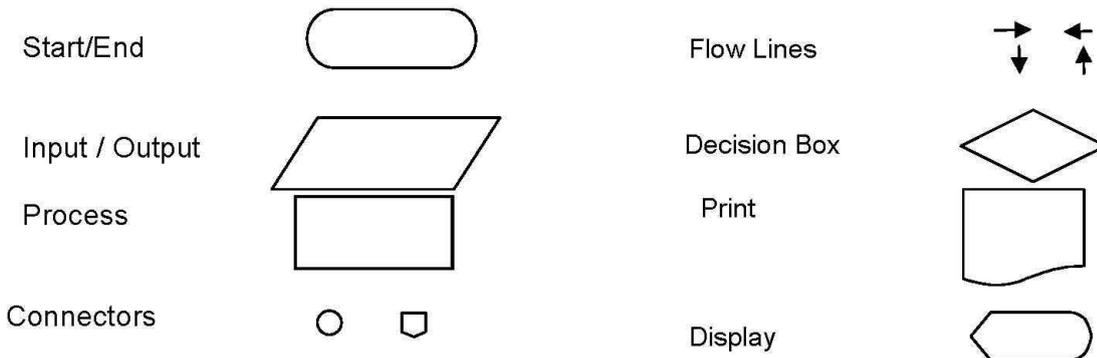
Q.No.19. Define the term Flowchart. What are the types of Flowcharts? (A) (M15 RTP)

1. A Flowchart is a diagram prepared by the programmer of the sequence of steps involved in solving a problem.
2. It is an essential tool for programming and illustrates the strategy and thread of logic followed in the program.
3. A flowchart helps the programmer avoid fuzzy thinking and accidental omissions of intermediate steps.
4. Flowcharts are used in analyzing, designing, documenting or managing process or program in various fields.
5. Flowcharts may be divided into (N16 RTP)

Types of Flowchart	Explanation
Document Flowchart	This flowchart traces the physical flow of documents through an organization – that is, the flow of documents from the departments, groups, or individuals who first created them to their final destinations.
System Flowchart	This typically depicts the electronic flow of data and processing steps in an Information System. While Document Flowcharts focus on tangible documents, system flowchart concentrates on the computerized data flows of Information systems.
Program Flowchart	It is most detailed and is concerned with the logical/arithmetic operations on data within the CPU and the flow of data between the CPU on the one hand and the input/output peripherals on the other.

FLOWCHART SYMBOLS:

(N15 MTP1 - 2M)



Q.No.20. Explain the advantages and Limitations of Flowcharting? (B) (PM, N15 RTP, N16 MTP)

Advantages:

(N16 RTP, N16 MTP1 - 4M)

1. **Quicker grasp of relationships:** The relationship between various elements of the application, lengthy descriptions was depicted diagrammatically.
2. **Effective Analysis:** Acts as a blue print, problems may be identified and new approaches may be suggested.

3. **Communication:** Aid in communicating the facts of a business problem.
4. **Documentation:** Serve as a good documentation which aid greatly in future program conversions.
5. **Efficient coding:** Act as a guide during the system analysis and be checked to ensure that no steps are omitted while coding.
6. **Orderly check out of problem:** They help in detecting, locating and removing mistakes.
7. **Efficient program maintenance:** They help the programmer to concentrate attention on that part of the information flow which is to be modified.

Limitations:

(N16 MTP2 - 2M)

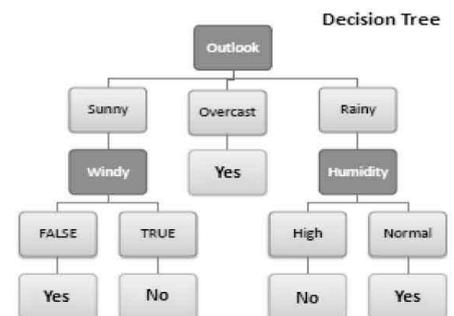
1. **Complex logic:** Becomes complex and clumsy where the problem logic is complex.
2. **Modification:** If modifications are required, it may require complete re-drawing.
3. **Reproduction:** Reproduction is often a problem because the symbols used in flowcharts cannot be typed.
4. **Link between conditions and actions:** Sometimes it becomes difficult to establish the linkage between various conditions and the actions.
5. **Standardization:** One single problem can be solved in multiple ways. Hence no standardization. Flowcharts are not such a natural way of expressing procedures as writing in English, nor are they easily translated into Programming language.

SIMILAR QUESTION:

1. Explain the benefits and concerns of flowcharts?

Q.No.21. Explain about Decision Trees? (A)**(N14 MTP2 - 1M, M16 MTP1 - 1M)**

- a) It is also known as inference or logical tree is a collection of a basis (condition) and a conclusion (action).
- b) It is a decision support tool that uses a tree-like model of decisions and their possible consequences, including chance event outcomes, resource costs, and utility.
- c) It is a one way to display an algorithm.
- d) In its tree-like representation, the premises and conclusions are shown as nodes, and the branches of the tree connect the premises and the conclusions.
- e) Decision trees are commonly used in operations research, to help identify a strategy most likely to reach a goal.
- f) Decision Trees are measured to be one of the most accepted approaches for representing classifier.
- g) Decision trees are a simple, but powerful form of multiple variable analyses.
- h) Researchers from a variety of disciplines such as statistics, machine learning, pattern identification and data mining have dealt with the issue of growing a decision tree from available data.

**Q.No.22. Explain the advantages and limitations of Decision trees. (B)****(PM)****Advantages:****(M15 MTP1 - 3M)**

- a) Simple to understand and interpret.
- b) Possible scenarios can be added.

c) Worst, best and expected values can be determined for different scenarios.

Limitations:

- a) For data including categorical variables with different number of levels, information gain in decision trees are biased (=unfair) in favor of those attributes with more levels.
- b) Calculations can get very complex particularly if many values are uncertain and/or if many outcomes are linked.

SIMILAR QUESTION:

1. Explain the benefits and concerns of Decision trees?

Q.No.23. Explain about Decision Tables? (A)

(N14 - RTP, M15 - RTP, M15 MTP1 - 1M)

- a) It is a tabular representation of program logic.
- b) Displays all conditions and the appropriate actions to be taken for set of conditions.
- c) In other words, it defines the possible contingencies that may be considered within the program and the appropriate course of action for each contingency.
- d) It is divided into four parts:

Condition Stub	Condition Entries
Action stub	Action Entries

- e) **Condition Stub:** Lists the comparisons or conditions.
- f) **Condition Entries:** Lists in its various columns the possible permutations of answer to the questions in the conditions stub.
- g) **Action Stub:** Lists the actions to be taken along the various program branches.
- h) **Action Entries:** Lists in its columns corresponding to the condition entries the actions contingent upon the set of answers to questions of that column.

Q.No.24. Explain the advantages and limitations of Decision tables? (B)

Advantages:

- a) **Easy to Draw** – Decision Tables are easy to draw and modify as compared to flowcharts.
- b) **Compact Documentation** – The documentation in the form of decision tables is compact since one decision table may replace few pages of a flowchart.
- c) **Simplicity** – It is easier to follow a particular path in one column of a decision table than it is to go through several pages of the flowcharts.
- d) **Direct Codification** – The decision tables can be directly coded into a program.
- e) **Better Analysis** – A decision table shows various alternatives and their respective outcomes side by side for better analysis of the problem.
- f) **Modularity** – The complex problems would require complex decision tables which can be easily broken down to micro-decision tables.
- g) **Non-technical** – No knowledge of computer language or CPU working is necessary for drawing decision tables.

Limitations:

- a) All programmers may not be familiar with Decision Tables.
- b) Flowcharts can better represent a simple logic of the system rather than a decision table.
- c) The decision tables do not express the total sequence of the events needed to solve the problem.

SIMILAR QUESTION:

1. Explain the benefits and concerns of Decision tables?

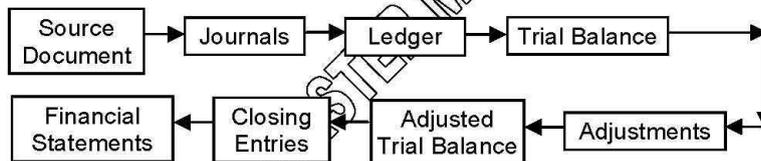
QUESTIONS FOR ACADEMIC INTEREST – FOR STUDENT SELF STUDY

Q.No.25. Explain typical Life Cycle of an accounting transaction? (C) (N14 MTP1 - 4M)

- a) Accounting or Book keeping cycle covers the business processes involved in recording and processing accounting events of a company.
- b) It begins when a transaction or financial event occurs and ends with its inclusion in the financial statements.

Life cycle of an accounting transaction:

- a) **Source Document:** Document the capture data from transactions.
- b) **Journal:** Transactions are recorded into journals from the source document.
- c) **Ledger:** Entries are posted to the ledger from the journal.
- d) **Trial Balance:** Unadjusted trial balance containing totals from all account heads is prepared.
- e) **Adjustments:** Appropriate adjustment entries are passed.
- f) **Adjusted Trial balance:** The trial balance is finalized post adjustments.
- g) **Closing entries:** Appropriate entries are passed to transfer accounts to financial statements.
- h) **Financial statement:** The accounts are organized into the financial statements.

**SIMILAR QUESTION:**

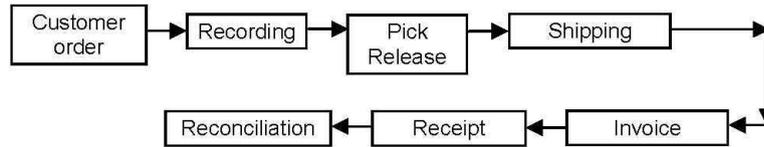
1. Explain Book keeping life cycle in Business Process?

Q.No.26. Write about the Life cycle of a sales transaction? (C) (N15 MTP2 - 5M)

- a) Order to Cash (OTC or O2C) covers all the business processes relating to fulfilling customer requests for goods or services.
- b) It involves transactional flow of data from the initial point of documenting a customer order to the final point of collecting the cash.

Life cycle of a sales transaction:

- a) **Customer Order:** A purchase order received from a customer specifying the type, quantity and agreed prices for products.
- b) **Recording:** Availability of the items is checked and customer order is booked.
- c) **Pick release:** The items are moved from the warehouse to the staging area.
- d) **Shipping:** The items are loaded onto the carrier for transport to the customer.
- e) **Invoice:** Invoice of the transaction is generated and sent to the customer.
- f) **Receipt:** Money is received from the customer against the invoices.
- g) **Reconciliation:** The bank reconciliation of all the receipts is performed.



SIMILAR QUESTION:

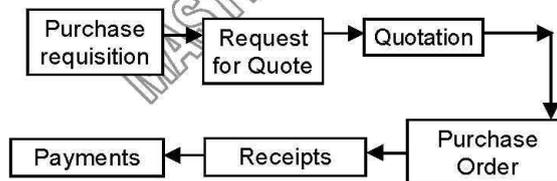
1. Explain the life cycle of Order to Cash (OTC or O2C)?

Q.No.27. Explain the Life cycles of a purchase transaction? (C)

- a) Procure to Pay (Purchase to Pay or P2P) cycle covers all the business processes relating to obtaining raw materials required for production of a product or for providing a service.
- b) It involves the transactional flow of data from the point of placing an order with a vendor to the point of payment to the vendor.

Life cycles of a purchase transaction:

- a) **Purchase requisition:** A document is prepared requesting the purchase department to place an order with the vendor specifying the quantity and time frame.
- b) **Request for quote:** An invitation is sent to the vendors to join a bidding process for specific products.
- c) **Quotation:** The vendors provide cost quotations for the supply of products.
- d) **Purchase order:** A commercial document is issued to the vendor specifying the type, quantity and agreed prices for products.
- e) **Receipts:** The physical receipt of goods and invoices.
- f) **Payments:** The payments are made against the invoices.



SIMILAR QUESTION:

1. Explain Procure to pay (purchase to pay or P2P) life cycle?

Q.No.28. Explain Processing Cycles of Accounts BPM? (A)

(N14 RTP, N16 RTP)

THE PROCESSING CYCLES OF AN ACCOUNTS BPM ARE:

Financing Cycles: Provides a clear view of firms processing framework and involves activities of obtaining necessary funds to run the organization, repay creditors, and distribute profits to investors.

Revenue Cycle: It includes transactions surrounding the recognition of revenue involving accounts like Sales, Accounts Receivable, Inventory and General Ledger. It involves activities of selling goods or services and collecting payment for sales.

Source Document	Function
Sales Order	Record Customer Order
Delivery Ticket	Record Delivery to Customer
Remittance Advice	Receive Cash
Deposit Slip	Record Amounts Deposited
Credit Memo	Support Adjustments to Customer Accounts

Expenditure Cycle: It includes transactions surrounding the recognition of expenditures involving accounts like Purchases, Accounts Payable, Cash Disbursements, Inventory and General Ledger. It involves activities of buying and paying for goods or services used by the organization. (M16RTP)

Source Document	Function
Purchase Requisition	Request that purchasing department order goods.
Purchase Order	Request goods from vendors.
Receiving Report	Record receipt of merchandise.
Check	Pay for items.

Human Resource Cycle: It involves activities of hiring and paying employees.

Source Document	Function
W4forms	Collect employee with holding data.
Timecards	Record time worked by employees.
Job time tickets	Record time spent on specific jobs.

Production Cycle - It involves the recurring set of business activities and related data processing operations associated with the manufacturers of products including activities like converting raw materials and labor into finished goods.

General Ledger & Reporting System – This involves the information processing operations involved in updating the general ledger and preparing reports that summarize the results of an organization's activities.

General Ledger and Reporting	
Journal voucher	Record entry posted to general ledger

Data Processing Cycle: This consists of following basic steps with alerts, controls and feedback at each step: (N15RTP, M16 RTP)

- Data input** - Involves the activities like capturing the data, implementing control procedures, recording in journals, posting to ledgers and preparation of reports.
- Data storage** - Involves organizing the data in master file or reference file of an automated system for easy and efficient access.
- Data processing** - Involves addition, deletion and updating of the data in the transaction file, master file or reference file.
- Information output** - Involves generation of documents and managerial reports in printable or electronic form for addressing queries, to control operational activities and help the management in decision making.

Q.No.29. Write about Principles and Practices of BPM? (or) What are the key goals of Business Process Management?(C) (N16 RTP, M17)

Principles:

- Processes are assets that create value for customers. They are to be managed and continuously improved.
- By measuring, monitoring, controlling, and analyzing business processes, a company can deliver consistent value to customers
- Business processes should be continuously improved
- Information technology is an essential enabler for BPM.

Practices:

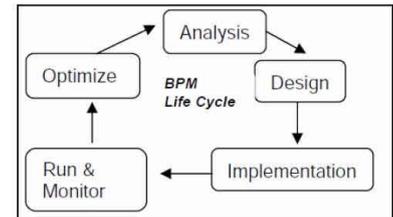
- Attempt for process-oriented organizational structure.
- Appoint process owners. The process owner designs, deploys, and improves the process.
- Senior management needs commitment to handle BPM

4. Process improvements should take a bottom-up approach;
5. Use information technology systems to monitor, control, analyze, and improve processes;
6. Work collaboratively with business partners.
7. Continuously train the personnel.
8. Align employee bonuses and rewards to business process performance;
9. Utilize both incremental (e.g., Six Sigma) and more radical (e.g., BPR) models to process improvement.

Q.No.30. Write about BPM Life (BPM - L) Cycle? (A)

(PM, M15RTP, M17 MTP)

1. Business Process Management (BPM) is the methodology used by enterprises to improve end-to-end business processes in various stages.
2. It incorporates both human resources and Information technology infrastructure.
3. Business Process Management-Life [BPM – L] cycle establishes a sustainable process management capability that empowers organizations to embrace and manage process changes successfully.
4. An Enterprise Resource Planning (ERP) application divides BPM into the following phases:
 - a) **Analysis phase:** This involves analysis of the current environment and current processes, identification of needs and definition of requirements.
 - b) **Design phase:** This involves evaluation of potential solutions to meet the identified needs, business process designing or business process modeling.
 - c) **Implementation phase:** This involves project preparation, blue printing, realization, final preparation, go live and support.
 - d) **Run and Monitor phase:** This involves business process execution or deployment and business process monitoring.
 - e) **Optimize:** Iterate (=repeat) for continuous improvement.



SIMILAR QUESTION:

1. Explain the phases of BPM in detail?

Q.No.31. Describe the Key factors to consider in implementing BPM? (B)

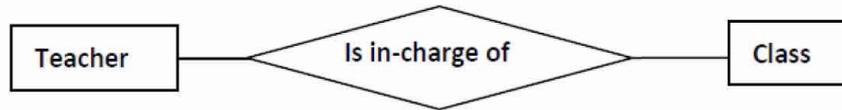
(PM, N14 - 4M, N15 MTP2 - 5M)

Factors	Key Considerations
Scope	A single process, a department, the entire company.
Goals	Process understanding, improvement, automation, re- engineering, optimization.
Methods to be used	Six Sigma, BPM Life Cycle Method, TQM, Informal methods.
Skills Required	Consultants, Train Employees, Formal Certification, Basic Education, Existing Skill sets.
Tools to be used	White-Boards, Sticky Notes, Software For Mapping. Documenting, Software for Simulation, Comprehensive BPMS.
Investments to Make	Training, Tools, Time.
Sponsorship / Buy - in Needed	Executive Level, Department Level, Process Owner Level, Employee Level.

Q.No.32. Explain different types of relationships in Entity Relationship model? (A)
(PM, M15RTP, N14 MTP1- 4M, M16 RTP, M16 MTP2 - 4M, N16 RTP)

Relationship: It is defined as an association between two or more entities

- a) **One-to-One relationship (1:1):** As in a single parent record to a single child record. **Ex:** Each class must be in-charge of by one teacher.



- b) **One-to-Many relationships(1:N):** As in a single parent record to two or more child records – **for example**, A student may borrow some books from the library. (RTP-N15)



- c) **Many-to-One relationships (M:1):** As in two or more parent records to a single child record-**for example**, when three administrators in a small town share one minister.



- d) **Many-to-Many relationships (M:N):** As in two or more parent records to two or more child records – **for example**, when two or more students are enrolled in two or more courses.



Copyrights Reserved
To **MASTER MINDS**, Guntur

THE END