# Hands-on-Lab 4.1: Set up Inventory

## Exercise 1: Configure the Inventory Setup

### Scenario

Concerning the processing of inventory-related transactions and the inventory valuation, Contoso’s account manger has expressed the following requirements:

* The web shop items for computer hardware are numbered separately from other items. They are incremented by 1, starting from the number CHW1000.
* All items should be tracked across the different warehouses at all times.
* Inventory value should be visible in the g/l balance accounts at each invoice/credit memo posting, while interim values are not registered.
* To improve the inventory value process, negative inventory must be prohibited.

### Tasks

1. Set up and assign number series.
2. Complete inventory costing setup.
3. Make location mandatory and prevent negative inventory.

### Steps

1. Set up and assign number series.
   1. In the **Inventory Setup** page, go to the **Numbering** FastTab.
   2. In the **Item Nos.** field, the value ITEM is already filled in. Click on the Look Up Value button and select **New**.
   3. In the opened **No. Series List** page, fill in the following fields:
      1. In the **Code** field, enter COMPHW
      2. In the **Description** field, enter ‘Computer Hardware’.
      3. Select the **Default Nos.** check box.
   4. Select **Navigate** and then select **Lines**.
   5. In the opened **No. Series Lines** page, select **New**.
      1. Leave the **Starting Date** field blank.
      2. In the **Starting No.** field, enter CHW1000.
      3. In the **Increment-by No.** field, enter the value ‘1’.
   6. Close the **No. Series Lines** page.
   7. In the opened **No. Series List** page, select the number series ITEM.
   8. Select **Navigate** and then select **Relationships**.
   9. In the **No. Series Relationships** page, select **New**.
   10. In the **Series Code** field, enter COMPHW.
   11. Close the **No. Series Relationships** page.
   12. Close the **No. Series List** page, by clicking **OK**.
   13. The number series ITEM remains filled in in the **Item Nos.** field, in the **Inventory Setup** page.
2. Complete inventory costing setup.
   1. In the **Inventory Setup** page, go to the **General** FastTab.
   2. Select the **Automatic Cost Posting** checkbox.
   3. Deselect the **Expected Cost Posting to G/L** checkbox.
   4. In the **Automatic Cost Adjustment** field, leave the **Always** option selected.
3. Make location mandatory and prevent negative inventory.
   1. In the **Inventory Setup** page, go to the **General** FastTab.
   2. Select the **Prevent Negative Inventory** checkbox.
   3. In the **Location** FastTab, select the **Location Mandatory** checkbox.

## Exercise 2: Create and configure items

### Scenario

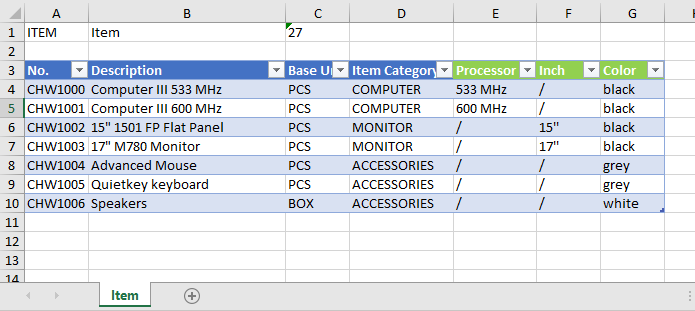
For the sales of computer hardware items, Contoso has invested in a new warehouse located in Europe. This warehouse contains only computer hardware, and none of the other resale items. No warehouse tasks are required.

Also in the chart of accounts the inventory value is registered separately on the 10710 balance sheet account and the 50150 income statement account.

You need to set up a new inventory posting group COMPHW and make sure the general posting setup is configured correctly.

So far, only a few computer hardware items have been set up. These will be created manually.

Different item features, such as inch, processor, color, will be registered as additional information on the item cards. More specifically the following computer hardware items are created:



You need to set up new item categories and configure the correct attributes.

Then you can manually enter the computer hardware items, using a configuration template.

### Tasks

1. Create a location.
2. Set up an Inventory Posting Group and complete the Inventory Posting Setup.
3. Set up Item Categories and Item Attributes.
4. Create and configure a new item.

### Steps

1. Create a location.
   1. In the **Locations** page, select **New**.
   2. In the **Location Card** page, on the **General** FastTab, fill in the following fields:
      1. In the **Code** field, enter EUROP.
      2. In the **Name** field, enter ‘European warehouse’.
   3. On the **Warehouse** FastTab, leave all the checkboxes deselected.
2. Set up an Inventory Posting Setup.
   1. In the **Inventory Posting Groups** page, select **New**.
   2. In the **Code** field, enter COMPHW.
   3. In the **Description** field, enter ‘Computer Hardware’
   4. Select **Setup**.
   5. In the opened **Inventory Posting Setup** page, select **New**.
   6. In the opened **Inventory Posting Setup Card** page, fill in the following fields:
      1. In the **Location Code** field, enter EUROP.
      2. The **Invt. Posting Group Code** field, is automatically filled in with COMPHW.
      3. In the **Inventory Account** field, enter 10710.
   7. In the **General Posting Setup** page, for each combination where the **Gen. Prod. Posting Group** field contains the value COMPUTERHW, make sure the following fields are filled in:
      1. In the **COGS Account** field, enter 50150.
      2. In the **Inventory Adjmt. Account** field, enter 50150.
      3. In the **Direct Cost Applied Account** field, enter 50150.
      4. In the **Overhead Applied Account** field, enter 50150.
3. Set up Item Categories and Item Attributes.
   1. In the **Item Categories** page, select **New**.
   2. In the opened **Item Category Card** page, fill in the following fields:
      1. In the **Code** field, enter COMPHW.
      2. In the **Description** field, enter ‘ Computer hardware’.
      3. In the **Attributes** section, enter a new line, filling in the following fields:
         1. In the **Attribute** field, click on the Look Up Value button and click **Select from full list**.
         2. In the opened **Item Attributes** page, select the color attribute.
         3. Click on the **Values** field.
            1. In the opened **Item Attributes Value** page, click **New**.
            2. In the **Value** field, enter ‘Grey’
            3. Close the **Item Attributes Value** page.
         4. Click **OK** to close the **Item Attributes** page.
         5. The new code is automatically filled in in the **Attribute** field on the item category card.
      4. Close the item category card.
   3. In the **Item Categories** page, select **New**.
   4. In the opened **Item Category Card** page, fill in the following fields:
      1. In the **Code** field, enter COMPUTER.
      2. In the **Description** field, enter ‘ Computer’.
      3. In the **Parent Category** field, enter ‘COMPHW’.
      4. In the **Attributes** section, enter a new line, filling in the following fields:
         1. In the **Attribute** field, click on the Look Up Value button and click **New**.
         2. In the opened **Item Attributes** page, on the new line, fill in the following fields:
            1. In the **Name** field, enter ‘Processor’.
            2. In the **Type** field, select the **Text** option.
            3. Make sure the new line is selected.
            4. Click **OK** to close the page.
         3. The new code is automatically filled in in the **Attribute** field on the item category card.
      5. Close the item category card.
   5. In the **Item Categories** page, select **New**.
   6. In the opened **Item Category Card** page, fill in the following fields:
      1. In the **Code** field, enter MONITOR.
      2. In the **Description** field, enter ‘Monitor’.
      3. In the **Parent Category** field, enter ‘COMPHW’.
      4. In the **Attributes** section, enter a new line, filling in the following fields:
         1. In the **Attribute** field, click on the Look Up Value button and click **New**.
         2. In the opened **Item Attributes** page, on the new line, fill in the following fields:
            1. In the **Name** field, enter ‘Inch’.
            2. In the **Type** field, select the **Decimal** option.
            3. Make sure the new line is selected.
            4. Click **OK** to close the page.
         3. The new code is automatically filled in in the **Attribute** field on the item category card.
      5. Close the item category card.
4. Create a configuration template.
   1. In the **Configuration Templates** page, select **New**.
   2. In the **Config. Template Header** page, fill in the following fields:
      1. In the **Code** field, enter COMPHW
      2. In the **Description** field, enter ‘Computer hardware’
      3. Open the assist edit button to the right of the **Table ID** field, select the table for items (ID = 27) and click **OK**.
      4. Select the **Enabled** check box.
      5. In the **Lines** section on the page, create the following line:
         1. In the **Type** field, enter **Field**.
         2. In the **Field Name** field, enter **Gen. Prod. Posting Group**.
         3. In the **Default Value** field, enter COMPUTERHW
      6. In the **Lines** section on the page, create the following line:
         1. In the **Type** field, enter **Field**.
         2. In the **Field Name** field, enter **Inventory Posting Group**.
         3. In the **Default Value** field, enter COMPHW
      7. Close the configuration template.
5. Create and configure a new item.
   1. On the **Items** page, select **New**.
   2. Select the template ‘Computer hardware’, select **Actions**,and then select **Edit**.
   3. On the opened template card, in the **No. Series** field, enter COMPHW.
   4. Close the template card.
   5. Make sure the template ‘Computer hardware’ is still selected and click **OK**.
   6. A new item card is created with number CHW1000.
   7. On the **Item** FastTab, fill in the following fields:
      1. In the **Description** field, enter ‘Computer III 533 MHz’.
      2. In the **Item Category Code** field, enter ‘COMPUTER’.
      3. The **Base Unit of Measure** field, is filled in with the default value PCS.
   8. On the **Item Attribute** FactBox, select **Edit**.
      1. For the attribute ‘Color’, select the value ‘black’.
      2. For the attribute ‘Processor’, enter the value ‘533 Mhz’.
      3. Click **OK** to close the FactBox.
   9. Close the item card.
   10. On the **Items** page, select **New**.
   11. Select the template ‘Computer hardware’ and click **OK**.
   12. A new item card is created with number CHW1001.
   13. On the **Item** FastTab, fill in the following fields:
       1. In the **Description** field, enter ‘Computer III 600 MHz’.
       2. In the **Item Category Code** field, enter ‘COMPUTER’.
       3. The **Base Unit of Measure** field, is filled in with the default value PCS.
   14. On the **Item Attribute** FactBox, select **Edit**.
       1. For the attribute ‘Color’, select the value ‘black’.
       2. For the attribute ‘Processor’, enter the value ‘600 Mhz’.
       3. Click **OK** to close the FactBox.
   15. Close the item card.
   16. On the **Items** page, select **New**.
   17. Select the template ‘Computer hardware’ and click **OK**.
   18. A new item card is created with number CHW1002.
   19. On the **Item** FastTab, fill in the following fields:
       1. In the **Description** field, enter ‘15" 1501 FP Flat Panel’.
       2. In the **Item Category Code** field, enter ‘MONITOR’.
       3. The **Base Unit of Measure** field, is filled in with the default value PCS.
   20. On the **Item Attribute** FactBox, select **Edit**.
       1. For the attribute ‘Color’, select the value ‘black’.
       2. For the attribute ‘Inch’, enter the value ‘15’.
       3. Click **OK** to close the FactBox.
   21. Close the item card.
   22. On the **Items** page, select **New**.
   23. Select the template ‘Computer hardware’ and click **OK**.
   24. A new item card is created with number CHW1003.
   25. On the **Item** FastTab, fill in the following fields:
       1. In the **Description** field, enter ‘17" M780 Monitor’.
       2. In the **Item Category Code** field, enter ‘MONITOR’.
       3. The **Base Unit of Measure** field, is filled in with the default value PCS.
   26. On the **Item Attribute** FactBox, select **Edit**.
       1. For the attribute ‘Color’, select the value ‘black’.
       2. For the attribute ‘Inch’, enter the value ‘17’.
       3. Click **OK** to close the FactBox.
   27. Close the item card.
   28. On the **Items** page, select **New**.
   29. Select the template ‘Computer hardware’ and click **OK**.
   30. A new item card is created with number CHW1003.
   31. On the **Item** FastTab, fill in the following fields:
       1. In the **Description** field, enter ‘Advanced Mouse’.
       2. In the **Item Category Code** field, enter ‘ACCESSORIES’.
       3. The **Base Unit of Measure** field, is filled in with the default value PCS.
   32. On the **Item Attribute** FactBox, select **Edit**.
       1. For the attribute ‘Color’, select the value ‘grey’.
       2. Click **OK** to close the FactBox.
   33. Close the item card.
   34. On the **Items** page, select **New**.
   35. Select the template ‘Computer hardware’ and click **OK**.
   36. A new item card is created with number CHW1003.
   37. On the **Item** FastTab, fill in the following fields:
       1. In the **Description** field, enter ‘Quietkey keyboard’.
       2. In the **Item Category Code** field, enter ‘ACCESSORIES’.
       3. The **Base Unit of Measure** field, is filled in with the default value PCS.
   38. On the **Item Attribute** FactBox, select **Edit**.
       1. For the attribute ‘Color’, select the value ‘grey’.
       2. Click **OK** to close the FactBox.
   39. Close the item card.
   40. On the **Items** page, select **New**.
   41. Select the template ‘Computer hardware’ and click **OK**.
   42. A new item card is created with number CHW1003.
   43. On the **Item** FastTab, fill in the following fields:
       1. In the **Description** field, enter ‘Speakers’.
       2. In the **Item Category Code** field, enter ‘ACCESSORIES’.
       3. The **Base Unit of Measure** field, is filled in with the default value PCS. Change the value to BOX.
   44. On the **Item Attribute** FactBox, select **Edit**.
       1. For the attribute ‘Color’, select the value ‘white’.
       2. Click **OK** to close the FactBox.
   45. Close the item card.