Chapter 04: Procurement

Exercise 04-02: Procurement Process

Multiple Company Code

Version 4.12

Revised 8/8/2014

Introduction

General Notes and Information

It is strongly recommended that you read through the entire exercise prior to starting. Not all instructions can be provided in a linear manner in the exercise itself. READ CAREFULLY!

The following symbols are used to indicate important information as described below.

* An arrow highlights an important instruction that must not be overlooked.

🖉 A pencil prompts you to write down an important piece of information.

Each student or group will be assigned a unique two-digit identifier. This identifier is used in all exercises. Whenever you see ##, replace it with your identifier. For example, Joe may have an identifier of 05. Every time Joe sees the ## symbol, he will replace it with “05”.

Always work with your data.

Business Process Overview

GBI uses the procurement process to acquire or purchase material from a vendor. This process can be used to purchase trading goods as well as raw materials which are used in production.

In this exercise, you execute the procurement process to purchase the five trading goods you created in the previous exercise as master data. You will be purchasing 50 of each of these materials from Olympic Protective Gear (vendor) to be delivered to Miami.

Exercise Prerequisites

Chapter 04-01 Version MCC 4.10

Exercise Workflow

Exercise Deliverables

Deliverables are consolidated into one worksheet at the end of the exercise. It is only necessary to turn in that worksheet and that worksheet alone along with data in the system if required.

For this exercise you will need the following deliverables:

In the System:

* Purchase Requisition Created
* Purchase Order Created
* Goods Receipt Created
* Invoice Created
* Vendor Account Paid Off

On Paper:

* Answer(s) to Question(s)
* Document Number(s)
* You may be assigned additional deliverables. Make certain to check with your instructor.

Step 1: Create Purchase Requisition

In this step, you create the purchase requisition for internal purposes only. It is recommended that you keep several windows opened (to view inventory and vendor account balances). Refresh these windows each step of the procurement process to review the consequences of your actions.

* Refer to a previous step in a previous exercise for instructions on how to review material inventory. Review the inventory of your elbow pads, road helmets, repair kits, off road helmets, and knee pads to answer the following questions. While the balance in your inventory may be obvious, it is always good to check for grading purposes.

1. How many elbow pads are in inventory before the purchase requisition? 0 🖉
2. How many road helmets are in inventory before the purchase requisition? 0 🖉
3. How many repair kits are in inventory before the purchase requisition? 0 🖉
4. How many off road helmets are in inventory before the purchase requisition? 0 🖉
5. How many knee pads are in inventory before the purchase requisition? 0 🖉

* Refer to a previous step in a previous exercise for instructions on how to review vendor balances. Review the account balance of your vendor to answer the following questions. While the balance in your vendor’s account may be obvious, it is always good to check.

1. What is the balance in your vendor’s account before the purchase requisition? 0 🖉
2. In the “SAP Easy Access” screen, follow the navigation path below:

Navigation

Logistics 🡪 Materials Management 🡪 Purchasing 🡪 Purchase Requisition 🡪 Create

1. What is the transaction code to create a purchase requisition? ME51N 🖉
2. What is the transaction code to change a purchase requisition? ME52N 🖉
3. What is the transaction code to display a purchase requisition? ME53N 🖉

* The screen is divided into three sections (Header, Item Overview, and Item Detail). Clicking on the  icon next to each section will open and close them. It is required to open and close the sections as needed to complete the following steps. These steps will assume that you have all three of these sections open within the entire screen for simplicity purposes.

1. In the “Create Purchase Requisition” screen, enter the following information:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Material | Quantity | Deliv. Date | Plant | Stor. Loc. | Des. Vendor |
| EPAD10## | 50 | Current Date | MI## | TG## | 1010## |
| RHMT10## | 50 | Current Date | MI## | TG## | 1010## |
| RKIT10## | 50 | Current Date | MI## | TG## | 1010## |
| OHMT10## | 50 | Current Date | MI## | TG## | 1010## |
| KPAD10## | 50 | Current Date | MI## | TG## | 1010## |

1. What is the code for the ORIGINAL trading goods storage location? TG00 🖉
2. What is the code for YOUR purchasing group? N16 🖉
3. Click on  (SAVE).

You will receive a message that says “Purchase requisition number created”.

1. What is the resulting document number? 0010000095 🖉

* Refer to a previous step in a previous exercise for instructions on how to review material inventory. Review the inventory of your elbow pads, road helmets, repair kits, off road helmets, and knee pads to answer the following questions. While the balance in your inventory may be obvious, it is always good to check for grading purposes.

1. How many elbow pads are in inventory after the purchase requisition? 0 🖉
2. How many road helmets are in inventory after the purchase requisition? 0 🖉
3. How many repair kits are in inventory after the purchase requisition? 0 🖉
4. How many off road helmets are in inventory after the purchase requisition? 0 🖉
5. How many knee pads are in inventory after the purchase requisition? 0 🖉

* Refer to a previous step in a previous exercise for instructions on how to review vendor balances. Review the account balance of your vendor to answer the following questions. While the balance in your vendor’s account may be obvious, it is always good to check.

1. What is the balance in your vendor’s account after the purchase requisition? 0 🖉

Exercise Deliverables

In the System:

* Purchase Requisition Created

On Paper:

* Answer(s) to Question(s)
* Document Number(s)

Step 2: Create Purchase Order

In this step, you create a purchase order from the purchase requisition and send it to the vendor.

1. In the “SAP Easy Access” screen, follow the navigation path below:

Navigation

Logistics 🡪 Materials Management 🡪 Purchasing 🡪 Purchase Order 🡪 Create 🡪 Vendor/Supplying Plant Known

1. What is the transaction code to create a purchase order? ME21N 🖉
2. What is the transaction code to display a purchase order? ME23N 🖉
3. What is the transaction code to change a purchase order? ME22N 🖉
4. In the “Create Purchase Order” screen, enter the following information:

|  |  |
| --- | --- |
| Field Name | Data Entry |
| Vendor | Your Olympic Protective Gear |

1. Click on the “Document Overview On” icon.

* You may turn off the purchase order tutorial.

1. Click on  (SELECTION VARIANT).
2. Click on Purchase Requisitions.
3. In the “Purchase Requisitions” screen, clear out all contents in the entire screen with the exception of the “Max.” field which limits the search.
4. Click on  (EXECUTE).
5. In the “Create Purchase Order” screen, click on your purchase requisition.
6. Click on  (ADOPT). You will receive an error that says “Net price”.

* If you double click on the purchase requisition number, the system will display the requisition. You are no longer in the application to create a purchase order. If this happens, you must exit back to the main menu and start at the beginning of this step.
* The screen is divided into three sections (Header, Item Overview, and Item Detail). Clicking on the  icon next to each section will open and close them. It is required to open and close the sections as needed to complete the following steps. These steps will assume that you have all three of these sections open within the entire screen for simplicity purposes.

1. Enter the following information:

|  |  |
| --- | --- |
| Field Name | Data Entry |
| Purch. Org. | Your GBI, Purchasing (US##) |

1. Enter the following information:

|  |  |  |
| --- | --- | --- |
| Material | Net Price | Currency |
|  | Your Elbow Pads Net Price | United States Dollar (USD) |
|  | Your Road Helmet Net Price | United States Dollar (USD) |
|  | Your Repair Kit Net Price | United States Dollar (USD) |
|  | Your Off Road Helmet Net Price | United States Dollar (USD) |
|  | Your Knee Pads Net Price | United States Dollar (USD) |

* Remember, to look up net prices for all of your trading goods, refer to a previous exercise.

1. What is the net value of the entire purchase order? 7,050.00 🖉

* Net value can be found under the Conditions tab.

1. Click on  (SAVE).

You will receive a message that says “Standard PO created under the num.”.

1. What is the resulting document number? 4500000103 🖉

* Refer to a previous step in a previous exercise for instructions on how to review material inventory. Review the inventory of your elbow pads, road helmets, repair kits, off road helmets, and knee pads to answer the following questions. While the balance in your inventory may be obvious, it is always good to check for grading purposes.

1. How many elbow pads are in inventory after the purchase order? 0 🖉
2. How many road helmets are in inventory after the purchase order? 0 🖉
3. How many repair kits are in inventory after the purchase order? 0 🖉
4. How many off road helmets are in inventory after the purchase order? 0 🖉
5. How many knee pads are in inventory after the purchase order? 0 🖉

* Refer to a previous step in a previous exercise for instructions on how to review vendor balances. Review the account balance of your vendor to answer the following questions. While the balance in your vendor’s account may be obvious, it is always good to check.

1. What is the balance in your vendor’s account after the purchase order? 0 🖉

Exercise Deliverables:

In the System:

* Purchase Order Created

On Paper:

* Answer(s) to Question(s)
* Document Number(s)

Step 3: Receive Shipment from Vendor

In this step, you receive the shipment that you ordered through the purchase order previously.

1. In the “SAP Easy Access” screen, follow the navigation path below:

Navigation

Logistics 🡪 Materials Management 🡪 Inventory Management 🡪 Goods Movement 🡪 Goods Receipt 🡪 For Purchase Order 🡪 PO Number Known

1. What is the transaction code to receive the goods? MIGO 🖉
2. You are in the “Goods Receipt Purchase Order” screen.

Enter the following information:

|  |  |
| --- | --- |
| Field Name | Data Entry |
| Purchasing Document Number | Your Purchase Order Number |

1. Click on  (ENTER).

* If the “Detail data” section is open, close it.

1. At the bottom of the screen, enter the following information:

|  |  |
| --- | --- |
| Mat. Short Text | OK |
| ## Elbow Pads | Selected |
| ## Road Helmet | Selected |
| ## Repair Kit | Selected |
| ## Off Road Helmet | Selected |
| ## Knee Pads | Selected |

1. What does “Qty in UnE” refer to? Quantity should be moved in the unit of entry 🖉

* Hint: Use the “F1” key for help!

1. What does “OK” refer to? indicates that you are posting goods for this item 🖉

* Hint: Use the “F1” key for help!

1. Click on  (SAVE).

You will receive a message that says “Material document posted”.

1. What is the resulting document number? 5000000094 🖉

* Refer to a previous step in a previous exercise for instructions on how to review material inventory. Review the inventory of your elbow pads, road helmets, repair kits, off road helmets, and knee pads to answer the following questions. While the balance in your inventory may be obvious, it is always good to check for grading purposes.

1. How many elbow pads are in inventory after the goods receipt? 50 🖉
2. How many road helmets are in inventory after the goods receipt? 50 🖉
3. How many repair kits are in inventory after the goods receipt? 50 🖉
4. How many off road helmets are in inventory after the goods receipt? 50 🖉
5. How many knee pads are in inventory after the goods receipt? 50 🖉

* Refer to a previous step in a previous exercise for instructions on how to review vendor balances. Review the account balance of your vendor to answer the following questions. While the balance in your vendor’s account may be obvious, it is always good to check.

1. What is the balance in your vendor’s account after the goods receipt? 0 🖉

Exercise Deliverables:

In the System:

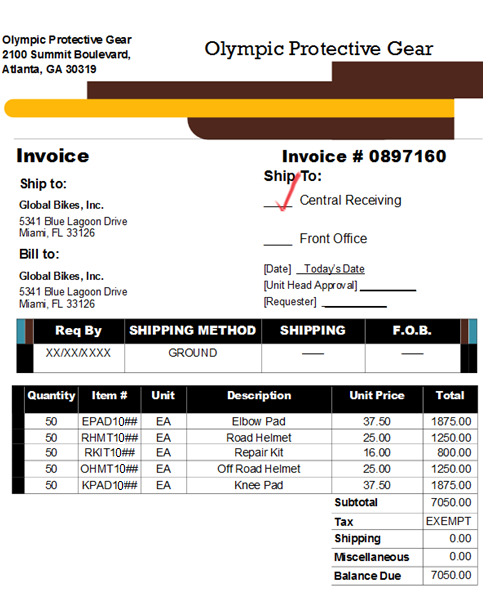
* Goods Receipt Created

On Paper:

* Answer(s) to Question(s)
* Document Number(s) Created

Step 4: Receive Invoice from Vendor

You have received the following invoice from your vendor:



* The total in this invoice should match the total value of your purchase.
* If the total of your purchase order is different from the total in this invoice, use the total of your purchase order in subsequent steps. This will prevent inconsistency in numbers.

1. In the “SAP Easy Access” screen, follow the navigation path below:

Navigation

Logistics 🡪 Materials Management 🡪 Purchasing 🡪 Purchase Order 🡪 Follow-On Functions 🡪 Logistics Invoice Verification

1. What is the transaction code to receive the invoice and enter into the system? MIRO 🖉
2. You are in the “Enter Incoming Invoice: Company Code US##” screen.

Enter the following information:

|  |  |
| --- | --- |
| Field Name | Data Entry |
| Invoice date | Current Date |
| Amount | Invoice Total Amount (from above) |
| Purchase Order Document Number | Your Purchase Order Number |

* Input your purchase order number in the field to the right of the dropdown with Purchase Order/Scheduling Agreement. This is located near the center of the screen.

1. Click on  (ENTER).

* The  icon should equal zero in the top right corner.

1. At the bottom of the screen, enter the following information:

|  |  |
| --- | --- |
| Item | Booking OK |
| 1 | Selected |
| 2 | Selected |
| 3 | Selected |
| 4 | Selected |
| 5 | Selected |

1. Click on  (SIMULATE DOCUMENT).
2. What is the general ledger account number used for the debit posting? 310000 🖉
3. What is the name of the account? GOODS RECEIPT/INVOICE RECEIPT ACCOUNT 🖉
4. What is the general ledger account number used for the credit posting? 760000 🖉
5. What is the name of the account? PURCHASE PRICE DIFFERENCE 🖉
6. You are in the “Simulate Document in USD (Document currency)” pop-up.

Click on the “Post” icon. You will receive a message that says “Doc. created”.

1. What is the resulting document number? 5105600173 🖉

* Refer to a previous step in a previous exercise for instructions on how to review material inventory. Review the inventory of your elbow pads, road helmets, repair kits, off road helmets, and knee pads to answer the following questions. While the balance in your inventory may be obvious, it is always good to check for grading purposes.

1. How many elbow pads are in inventory after the invoice? 50 🖉
2. How many road helmets are in inventory after the invoice? 50 🖉
3. How many repair kits are in inventory after the invoice? 50 🖉
4. How many off road helmets are in inventory after the invoice? 50 🖉
5. How many knee pads are in inventory after the invoice? 50 🖉

* Refer to a previous step in a previous exercise for instructions on how to review vendor balances. Review the account balance of your vendor to answer the following questions. While the balance in your vendor’s account may be obvious, it is always good to check.

1. What is the balance in your vendor’s account after the invoice? 7,050 🖉

Exercise Deliverables:

In the System:

* Invoice Created

On Paper:

* Answer(s) to Question(s)
* Document Number(s)

Step 5: Send Payment to Vendor

In this step, you pay your vendor for the invoice in which you received in the previous step.

1. In the “SAP Easy Access” screen, follow the navigation path below:

Navigation

Accounting 🡪 Financial Accounting 🡪 Accounts Payable 🡪 Document Entry 🡪 Outgoing Payment 🡪 Post

1. What is the transaction code to pay your vendor? F-53 🖉
2. In the “Post Outgoing Payments: Header Data” screen, enter the following information:

|  |  |
| --- | --- |
| Field Name | Data Entry |
| Document Date | Current Date |
| Bank data Account | Your Bank Account |
| Amount | Amount Owed to this Vendor |
| Open item selection Account | Your Olympic Protective Gear |

1. Click on  (ENTER).

You will receive a message that says “1 item was selected”.

1. What is the number of your bank account? 100000 🖉

* The following screen shows you the unpaid invoices from this vendor. In the bottom right part of the screen, the amount entered should equal the assigned amount and thus would make the not assigned amount zero. If the not assigned amount is not equal to zero, click on the amount under the “USD Gross” column. This will tell you if there is more than one listed.

1. Click on  (SAVE).

You will receive a message that says “Document was posted in company”.

1. What is the resulting document number? 1500000000 🖉

* Refer to a previous step in a previous exercise for instructions on how to review material inventory. Review the inventory of your elbow pads, road helmets, repair kits, off road helmets, and knee pads to answer the following questions. While the balance in your inventory may be obvious, it is always good to check for grading purposes.

1. How many elbow pads are in inventory after the payment? 50 🖉
2. How many road helmets are in inventory after the payment? 50 🖉
3. How many repair kits are in inventory after the payment? 50 🖉
4. How many off road helmets are in inventory after the payment? 50 🖉
5. How many knee pads are in inventory after the payment? 50 🖉

* Refer to a previous step in a previous exercise for instructions on how to review vendor balances. Review the account balance of your vendor to answer the following questions. While the balance in your vendor’s account may be obvious, it is always good to check.

1. What is the balance in your vendor’s account after the payment? 7050 🖉

Exercise Deliverables:

In the System:

* Vendor Account Paid Off

On Paper:

* Answer(s) to Question(s)
* Document Number(s)

Attachment 1: Exercise Worksheet

Name: CHAITHANYA KRISHNA CHEEMIREDDY

Course and Section: OMIS 643

Identifier: GBI-016

Client: 555

1. How many elbow pads are in inventory before the requisition? 0 🖉
2. How many road helmets are in inventory before the requisition? 0 🖉
3. How many repair kits are in inventory before the requisition? 0 🖉
4. How many off road helmets are in inventory before the requisition? 0 🖉
5. How many knee pads are in inventory before the requisition? 0 🖉
6. What is the balance in your vendor’s account before the purchase requisition? 0 🖉
7. What is the transaction code to create a purchase requisition? ME51N 🖉
8. What is the transaction code to change a purchase requisition? ME52N 🖉
9. What is the transaction code to display a purchase requisition? ME53N 🖉
10. What is the code for the ORIGINAL trading goods storage location? TG00 🖉
11. What is the code for YOUR purchasing group? N16 🖉
12. What is the resulting document number? 0010000095 🖉
13. How many elbow pads are in inventory after the purchase requisition? 0 🖉
14. How many road helmets are in inventory after the purchase requisition? 0 🖉
15. How many repair kits are in inventory after the purchase requisition? 0 🖉
16. How many off road helmets are in inventory after the purchase requisition? 0 🖉
17. How many knee pads are in inventory after the purchase requisition? 0 🖉
18. What is the balance in your vendor’s account after the purchase requisition? 0 🖉
19. What is the transaction code to create a purchase order? ME21N 🖉
20. What is the transaction code to display a purchase order? ME23N 🖉
21. What is the transaction code to change a purchase order? ME22N 🖉
22. What is the net value of the entire purchase order? 7,050.00 🖉
23. What is the resulting document number? 4500000103 🖉
24. How many elbow pads are in inventory after the purchase order? 0 🖉
25. How many road helmets are in inventory after the purchase order? 0 🖉
26. How many repair kits are in inventory after the purchase order? 0 🖉
27. How many off road helmets are in inventory after the purchase order? 0 🖉
28. How many knee pads are in inventory after the purchase order? 0 🖉
29. What is the balance in your vendor’s account after the purchase order? 0 🖉
30. What is the transaction code to receive the goods? MIGO 🖉
31. What does “Qty in UnE” refer to? Quantity should be moved in the unit of entry 🖉
32. What does “OK” refer to? indicates that you are posting goods for this item 🖉
33. What is the resulting document number? 5000000094 🖉
34. How many elbow pads are in inventory after the goods receipt? 50 🖉
35. How many road helmets are in inventory after the goods receipt? 50 🖉
36. How many repair kits are in inventory after the goods receipt? 50 🖉
37. How many off road helmets are in inventory after the goods receipt? 50 🖉
38. How many knee pads are in inventory after the goods receipt? 50 🖉
39. What is the balance in your vendor’s account after the goods receipt? 0 🖉
40. What is the transaction code to receive the invoice and enter into the system? MIRO 🖉
41. What is the general ledger account number used for the debit posting? 310000 🖉
42. What is the name of the account? GOODS RECEIPT/INVOICE RECEIPT ACCOUNT 🖉
43. What is the general ledger account number used for the credit posting? 760000 🖉
44. What is the name of the account? PURCHASE PRICE DIFFERENCE 🖉
45. What is the resulting document number? 5105600173 🖉
46. How many elbow pads are in inventory after the invoice? 50 🖉
47. How many road helmets are in inventory after the invoice? 50 🖉
48. How many repair kits are in inventory after the invoice? 50 🖉
49. How many off road helmets are in inventory after the invoice? 50 🖉
50. How many knee pads are in inventory after the invoice? 50 🖉
51. What is the balance in your vendor’s account after the invoice? 7,050 🖉
52. What is the transaction code to pay your vendor? F-53 🖉
53. What is the number of your bank account? 100000 🖉
54. What is the resulting document number? 1500000000 🖉
55. How many elbow pads are in inventory after the payment? 50 🖉
56. How many road helmets are in inventory after the payment? 50 🖉
57. How many repair kits are in inventory after the payment? 50 🖉
58. How many off road helmets are in inventory after the payment? 50 🖉
59. How many knee pads are in inventory after the payment? 50 🖉
60. What is the balance in your vendor’s account after the payment? 7050 🖉