

REQUENTLY ASKED INTERVIEW QUESTIONS IN ORACLE FINANCIALS FUNCTIONAL

GENERAL LEDGER

1. What is Revaluation?

ANS: -Revaluation is fluctuation of functional currency to foreign currency. Revaluation is a period end process to know the status of unrealized gain or unrealized loss. Revaluation will be done for the outstanding payments and receipts that mean for payables and receivables. Revaluation will be decided in the general meeting at the period end. Revaluation can be done if there are two different currencies.

In case of loss: - Liability A/C Dr

Realized loss A/C Dr

To Cash clearing A/C

In case of Gain: - Liability A/C Dr

To Realized Gain A/C

To Cash clearing A/C

Realized Exchnage rate Diffrence Gain/ Loss:-

When the foreign currency transaction has actually completed and you have gained/losses due to that transaction is called as realized gain/loss.

For example you have purchased the goods on 01 Jan, 2008 for 5000 INR (100 USD) on credit. Now on 16th Jan, 2008 you paid the invoice by paying 100 USD and clear it off. But on 16th Jan, the exchange rate between INR: USD came down to 45. So you gained by amount 500 INR (100 USD * (50-45)). This is the realized gain when you clear of the invoice against the payment.

UnRealized Exchnage rate Diffrence Gain/ Loss:-

Here the foreign exchange rate difference appears but not realized, because the transaction is not cleared up.

Taking the scenario above, if you do not pay on 16th Jan and invoice remains open. You run the F.05 at month end to revalue the open items and on 31st Jan, the exchange rate came down at 48 INR per USD. Then F.05 will show the unrealized gain of 200 INR (100 USD * (50-48)).

2. What is Conversion?

ANS: - It is used to know the general

s that are posted from primary ledger to reporting ledger and this is converting the journal, from a functional currency to foreign currency. We have enable Conversion level in ledger. And enable Conversion level rates in ledger.

3. What is Translation?

ANS: - Translation is used to convert the accounting balances from Functional currency to foreign currency at balances level. It means we can translate actual and budget account balances from functional currency to reporting currency.

This activity is done at a particular period end. This is a off line activity. We can report N number of currencies. We can use 3 types of rates

1. Period end Rate: - Assets and Liabilities.
2. Average Rate: - Expenses and Losses.
3. Historical Rate: - Ownership.

Translation is part of the consolidation and we cannot run translation for first period.

4. Explain about Consolidation?

ANS: - Consolidation is used to consolidate the multiple subsidiary ledger information into Parent ledger. In other words Consolidation is used for preparation of financial reports of parent and subsidiary companies. We can do consolidation in two ways those are FSG and GCS

GCS: - It Means companies operating business globally

5. What are mapping rules in Consolidation?

ANS: - To map the subsidiary ledger with the

Parent ledger there are two rules for the mapping.

1. Account rule.
2. segment rule

1. **Account rule:** In account rule mapping the subsidiary ledger account code combination with the account code combination of parent ledger.

2. **Segment Rule:** In segment rule mapping to the subsidiary ledger with the parent ledger there are four methods for mapping.

1. **Copy value from:** If the values are same in parent ledger and in subsidiary ledger then we have to map the segment by using copy value from.

2. **Assign a single value:** Even if a single value of parent ledger is not available in subsidiary ledger then we have to map the segment by using Assign single value of parent.

3. **Not assign:** If the subsidiary ledger has more number of segment then parent ledger, the extra segment becomes not assign automatically.

If we want to make any segment as not assign manually also can be done

4. **Use rollup rule:** If the subsidiary ledger and parent ledger both are using rollup groups then we have to map each rollup group of parent ledger and subsidiary ledger

6. What is Data Access Set?

ANS: -By the data access set we can restrict the user by assigning the privileges like Read Only and Read and Write we can restrict to different access type for Full Ledger, Management Segment Values and balancing segment values.

The define data access set we have to attach to GL data access set profile option. We can restrict only those ledgers which are using same COA and Calendar.

7. What are Security Rules and Cross Validation Rules?

ANS: - Security rules are used to restrict the user from entering segment values. It will work at responsibility level.

Cross Validation Rules used to restrict the end users from entering code combination. It will work at structure level.

Security rules	Cross Validation Rules
Security rules are used to restrict the user from entering segment values.	Cross Validation Rules used to restrict the end users from entering code combination.

It will work at responsibility level.	It will work at structure (COA) Level
List of values are not displayed for those combination where SR was enable.	All list of values are displayed but we will get error message for invalid code combination.
No error message will displayed in SR	Error message will displayed in CVR
SR restrict permission for segment Values	CVR restrict user for invalid code combination

8. Explain about Multiple Reporting Currencies?

ANS: - By the reporting currency we can report the transaction from functional currency to reporting currency that means the transactions from primary ledger to reporting ledgers.

By the reporting currency we can report the transaction in N number of reporting currencies. That means for one (1) primary ledger we can add or map N number of reporting Currencies.

The COA and a Calendar should be same in primary ledger and in reporting ledger.

9. What is Mass Allocation?

ANS: - Mass Allocation is used to distribute either expense or revenue to the various account heads. using simple formula. The formula is $A*B/C=T$

A = Cost Pool Amount

B = Usage

C = Total usage factor

T = Total amount

10. What are Recurring Journals and Offset account for recurring journals?

ANS: - Journal which are repeating every accounting period is called recurring journals.

Recurring journals are 3 types.

1. Standard Recurring Journals: -under standard recurring journals method same accounts with the same amounts will be affected with the each accounting period. We know the account and amount already.

2. Skeleton Recurring journals: - Under skeleton journals method partial information will be entered at the time of recurring journals creation. We know the account but do not know the Amount.

3. Formula Recurring Journals: - Using formula recurring method journal lines amounts will be calculated by recurring journal program based on simple formula.

In which 9998 lines are for debit lines and only one line is for credit line. We call this line as offset account line. Hence we have to enter line 2 as a offset line and key in the number 9999 in line 2

11. How do you setup a Ledger?

ANS: - It is a report everything in which we are recording day to day business transactions. Basically the ledgers have two components those are Accounting setup and accounting options or Ledger Option. If you want to create the ledger we have to create the Legal entity with 4 C's (COA, Calendar, Currency and Convention) nothing but accounting setups with the help of legal entity we have to create ledger and at the time of creating the ledger we have to enter the mandatory accounts (Retained Earnings, Suspense A/C, Etc.)

12. What are Flex field Qualifiers and Segment Qualifiers?

ANS: - Flex field Qualifiers Used to qualify the segments there are 6 flex field qualifiers.

Cost Centre, Natural Accounts, Balancing segment, Intercompany Segment, Management segment, Secondary tracking segment.

Segment Qualifiers is used to qualify the segments values allow budgeting, Allow posting, Account Type, Third party control: (in earlier version it is called control account), Reconcile: (In earlier version it is called as reconciliation flag)

13. What is Third Party Control Account?

ANS: - It would prevent all supplier user/ end user to enter manual journals entries in GL for third party enabled account. It would also prevent to create journal entry at Sub ledger level, if you don't specify third party Type control details for the respective entry. As a result, an Organization will have greater control over number of accounts.

Oracle Applications are in Finance head there are 6 applications .

1. General Ledger
2. Accounts Payable
3. Accounts Receivables
4. Fixed Assets.
5. Cash Management
6. Enterprise - Business Tax.

In supply chain management head.

1. Inventory
2. Purchasing (PO)

3. Order Management.
4. System Administration.

General ledger (GL) : It is an application of financial general ledger it is central representing . When we are defining major control features generate reports for organization .It is a Reporting entity in which recording day to day business transactions and also it will determine 4 c's are

1. Currency
2. Calendar
3. Chart of accounts
4. Accounting convention method.

FLEX FIELDS IN GENERAL LEDGER:

1. Key Flex Fields
2. Descriptive Flex Fields

Key flex field: It is a mandatory flex field which is used to capture the mandatory or key information of an organization

Descriptive flex field: It is an optional flex field which is used to capture the additional information of the organization.

Chart of accounts will be defined using key flex field. There are total 38 key flex fields in oracle application, we have a 3 key flex fields in a general ledger.

Key Flex Fields:

- General Ledger:
 - Accounting KFF
 - Reporting Attribute KFF – For reporting purpose.
 - GL Ledger KFF – It is a mirror image of Accounting KFF. It is only for internal purpose. It is used exclusively for certain GL features such as Mass Allocations, Recurring Journals and FSG Reports.

Primary Ledger (Set of Books) – 4 C's

4 C's

- Chart of Accounts (Structure, Segments & Segment values)
- Currency
- Calendar
- Accounting Convention Method (Accrual / Cash)

Chart of Account

Chart of account nothing but an Accounting structure of Organization. It will be defined using Accounting key flex field.

Currency

Currency is used to record the accounting transactions. Each country having their own currency. There are two types of currencies in oracle.

1. Monetary Currency
2. Non Monetary Currency

Monetary Currency: It is used to record the day to day business transactions.

Eg: INR, USD, GBP, Etc

Non Monetary Currency: It is used in the calculations to record the statistical information.

Eg: Cm, Percentages, Meter, etc

Calendar

Calendar is used to identify dates in the day to day business transactions. There are two types of calendars.

1. Accounting Calendar
2. Transaction Calendar

Accounting Calendar: We can define calendar up to 365 periods in oracle. If it is leaf year then we can define up to 366 periods per year type. There are two types of years.

- Calendar Year
- Fiscal Year

Transaction Calendar: It is used in the average balances processing feature. It will determine which day working & which day is holiday in an organization.

Flex Field Qualifiers (Assign to Segments)

1. Balancing Segment FFQ
2. Cost Centre Segment FFQ
3. Natural Accounts Segment FFQ
4. Inter Company Segment FFQ
5. Secondary Tracking Segment FFQ
6. Management FFQ

Segment Qualifiers (Assign to Segment values)

1. Allow Budgeting
2. Allow Posting
3. Account type (Assets / Liability / Expenses / Revenue / Ownership)
4. Third party control
5. Reconcile

Assignment of FFQ to Segments

- Company Balancing Segment FFQ
Intercompany Segment FFQ
- Department Cost Centre Segment
- Accounts Natural Accounts Segment FFQ

Note:

- One FFQ we can use only one time.
 - One segment we can assign to more than one FFQ.
 - We can create maximum 30 segments apart from General Ledger Segment (Total 31).
1. Balancing Segment: We generally assign these qualifiers for “Company” segment, where usually balances are maintained.
 2. Cost Centre Segment: We generally assign these qualifiers to “Department” segment, where costs are spend or even gain.
 3. Natural Accounts Segment: We generally assign these qualifiers for “Accounts” segment, where it consist of accounting categories such as Expenses, Revenue, Assets, Liabilities and ownership.
 4. Inter Company Segment: (Optional): We generally assign these qualifiers for “COMPANY” segment, using these qualifiers we are able to perform intercompany transactions.
 5. Secondary tracking Segment: (Optional): Using these qualifiers we are able to identify secondary tracking segment to process income statement, closing transactions and revaluation.
 6. Management Segment Qualifier:
MSQ is used in Data Access set for allowing privileges to user other than balancing segment values.

But we cannot assign Management segment FFQ for the segment for which already Intercompany, Balancing and Natural accounts FFQ are assigned.

Pre requisites for Chart of Accounts

- Value Set
- Structure and Segments
- Segment Values

Value Set:

Value set is Set of rules or properties which are going to enforce or attach to segments.

Upon enforcing or attaching value set to the Segment, your segment will behave or act according to the value set.

Validation Types in Value Set

- **Independent:** If validation type is independent, we can define values for the value set and we can use at the time of transaction time.
- **Dependent:** If validation type is dependent, then we cannot define values for value set. Dependent values are always depending on the independent value set.
- **None:** If validation type is none, we cannot define values for the value set, User can enter desire value at the time of transactions entry.
- **Pair & Special:** Used in the programs to add additional pop up window for parameters.
- **Table:** If validation type is table, then we cannot define values but we can use values from tables.
- **Translate dependent & Independent:** We use to translate the segment values into desire language.

Mandatory Accounts for Set of Books

1. Retained Earnings Account (Ownership)
2. Translation Adjustment Account (Expenses)
3. Suspense Account (Assets / Liabilities)
4. Rounding Difference Account (Expenses)
5. Reserve for Encumbrance (Ownership)
6. Net Income (Expenses / revenue)

Note:

From the above “**Retained Earnings account**” is mandatory to create primary ledger. Remaining 5 accounts are optionally mandatory based on the requirement.

1. Retained Earnings:

Retained earnings are accumulated profits. Whereas net income means current year profits

2. Translation adjustment account:

Translation is conversion of functional currency or local currency into foreign currency for reporting purpose.

Translation basically uses 2 rates: period average rate & period end rate.

Translation uses period average rate to translate all profit and loss account balances. (Expenses & revenue)

Translation uses period end rate to translate all balance sheet balances. (Assets & Liabilities)

3. Suspense Account:

Whenever, user is going to enter Debit without credit or credit without debit or debit balances are not matching with credit balances, in this case, system will automatically populate "Suspense" account.

Error: 6 unbalanced journal entry, suspense not allowed

Journal Source

- It is a Journal component; it is used to identify the ORIGIN of the journal.
- To define journal source: Setup Journal Sources.
- When we import data from legacy systems to GL we require source names.
- Importing journal Reference:
To import detailed information from summary journals we use this option.
- Require Journal approval:
This field is used to get the journal approval by higher management for different journal sources.
- Import using key: This is used to define whether journals will be imported using source key or not.

Journal category

- Journal Category determines the purpose or type of the journal entry.
- When you enter a journal you specify a journal category.

Examples:

1. AP Invoices
2. AP Payments
3. Adjustment
4. Budget
5. Intercompany
6. Inventory

7. Payments
8. Payroll
9. Receipts
10. Year-end close.

Enter Journals

- It is used to record the day to day business transactions. It contains Dr and Cr lines. Always debit must be equal to credit.
- You can enter several types of journal entries, including foreign currency journals, statistical journals, and intercompany journals.
- Journals can be created in two ways: 1. Manual 2. Import
- 1. **manual**: Enter journals manually by using navigator
Navigation to enter Journal: Journals Enter

Manual journals can be entering in 2 ways:

1. Individual Journal

2. Batch Journal

- Journal body contains two areas:
 1. Header
 2. Lines
- We have 2 types of methods:
 1. Standard Journal
 2. Average Journals
- We have 3 types of balances:
 1. Actual
 2. Budget
 3. Encumbrance.

Reverse Journal

- We generally reverse that journal, which got entered also got posted, where you find there is an error in the posted entry.
- Once the journal is got posted it wouldn't allow the user to make any changes.
- The only solution or remedy is to reverse the journal.
- In order to reverse the journal, first review the journal, use reverse button available in the journal window, also indicate the period where the reversal entry should get created.
- Navigation: Journal Entry
- Once we reverse the journal system will create one UN posted journal, showing the earlier debit balance to credit side & earlier credit balance to debit side.
- Post this UN posted journal.

- After the journal reversal the particular account in the journal will show the balance Zero.
- Reverse is of two types:
- Change sign (Profile option is required)
- Switch Dr/Cr.

BUDGETS

Budget is nothing but: better planning and controlling of the funds for future usage.

In oracle we can define budgets up to 60 periods

There are 2 types of budgets

1. Planning budget (Revenue Budget)
2. Funding budget (Expenses Budget)

Planning Budget

This is used for only planning purpose. System will not be controlling under this budget.

For planning budget we cannot create budget journals

Funding Budget

Under funding budget we can plan and control the expenses.

We can create budget journals in funding budget.

Balance types: 3

1. Budget
2. Actual
3. Encumbrance

Budget balances are planned amounts at initial stage.

Actual balances are paid amounts so far.

Encumbrance balances are reserved amounts for future payments.

Suspense Journal

- As per accounting principles Debit amount should always equal to Credit amount for the same Company Value.
- If both amounts are not equal, the difference amount will go to Suspense Account.

MRC – MULTI REPORTING CURRENCY

To convert the balances from functional currency to foreign currency at transaction level (**at journal entry level**) we use reporting currency.

In reporting feature we will be having one primary ledger and unlimited reporting ledgers.

Auto Post

- We can post the journals automatically by specifying the some criteria in Auto post criteria set.
- Criteria could be: combinations of ledger or ledger set, journal source, journal category, balance type, and period.
- Once you define an Auto Post criteria set, run the Auto Post program to select and post any journal batches that meet the criteria defined by the criteria set.
- You can also schedule the Auto Post program to run at specific times and submission intervals.
- You can submit the Auto Post program or schedule Auto Post runs directly from the Auto Post Criteria Sets window. Alternatively, you can use the Submit Request window.

Auto Reversal

Auto reverse is nothing but, reversing journal automatically based on the criteria that we specify.

SEQUENTIAL NUMBERING

- ✓ Sequential numbering is used to assign unique number to the various transactions.
- ✓ System will assign serial numbers to the data flows in to General Ledger through sub ledger accounts based on the category.
- ✓ The transactions are Journals, AP Invoices, AP payments, Bank accounts, AR invoices and AR receipts etc.
- ✓ Sequencing information is available for querying and display of journals.
- ✓ You can call either sequential numbering or Document category or voucher numbers.

SLA provides 2 different sequence mechanisms for sub ledger journal entries:

1. Accounting Sequence
2. Reporting Sequence

Accounting Sequence:

The accounting sequence is assigned to sub ledger accounting journal entries at the time that the journal entry is completed.

Reporting sequence:

The reporting sequence is assigned to both sub ledger accounting journal entries & General Ledger journal entries, when the General Ledger period is closed.

This sequence is used by most of the legal reports required in some countries, as the main sorting criteria to display the journal entries.

Reporting sequence is optional

JOURNAL APPROVAL

Journal approval is an additional security feature to post the journals using this feature we can define approval limits for employees.

DEFINITION ACCESS SET

Definition access set will work at Responsibility level.

DAS is used to provide access in 3 ways to the users for various definitions:

1. Use
2. View
3. Modify

ALIASES

Aliases are used to define the short name for account code combinations

LEDGER SET

Ledger set is used to access multiple Ledgers information from single responsibility.

Using Ledger set we can group only Ledgers which are having same Chart of Accounts and same Calendars.

DESCRIPTIVE FLEX FIELD

If you want to have additional field in standard forms, DFF is used to capture the additional information of organization.

Financial Statement Generator – FSG

- FSG is dynamic tool in General Ledger to build reports such as Balance Sheet and Income Statement.
- Through FSG we can build reports in simple manner without writing any codes.
- The report is consist of Rows and Columns, and is used Row set & Column set to define rows and columns.

ACCOUNTS PAYABLE

1. Explain P2P life cycle and its Accounting impact with Journal Entries?

All direct and indirect goods and Services always inflow to the organization money is always out flow from the Organization

The Modules are involved

Purchasing: - Document

Accounts Payable: - Invoice and Payments

Cash Management: - Reconciliation

General Ledger: - Financial Statement

AP Procure to Pay: -

- Requisition-Request
- RFQ-Documents
- Quotation-Statement
- Quotation Analysis-Analysis
- Purchase Order-Documents
- Goods Receipt Note
- Invoice
- Payment
- Reconciliation

Procure to pay cycle

In any industry there are two types of commercial cycles are running those are P2P and O2C. Now we are going to discuss about P2P life cycle, this commercial cycle **explain the All direct/ indirect material are inflows into organization. And money is always outflow.**

For this life cycle different modules are involved they are Purchasing, Account Payables, Cash Management and General ledger for preparing the final reports. For this cycle various concepts are involved they are,

Demand: - The procurement process generates and manages requests for purchase of goods. The demand for purchase items may be a onetime either predictable (ఊహజనిత) or random time intervals

Requisition: - It is nothing but a formal request to buy something to organization. It is raised by the employee of the organization and send to buyer. Completion of the requisition Request for quotation is coming to the picture so

Request for quotation: - It is a document that an organization submits to one or more potential suppliers eliciting quotations for a product or services.

Quotation: - It is a formal statement of promise by potential suppliers to supply the goods and service required by the buyer of the organization at specified prices and within a stipulated period.

Quotation Analysis: - It the process of Analysing the quotations which are raised by the potential suppliers for best quotation. In this analysis the purchasing team select best quotation and remains quotation are automatically cancelled.

Purchasing Order:- Purchasing order is a commercial document and first official offer issued by a buyer to supplier indicating products, how much quantity required and agreed price by the seller for product and services.

Receiving Item: - It is a administrative function that involves checking of the quality, quantity, and condition of the incoming goods which are order previously. So here the buyer receiving the items so the both of inventories are get effected. So the entry is

Receiving sub inventory A/C (Receiving option setup) DR

To AP accrual A/C (Inv. Org Setup)

Delivery: - It is nothing but move the goods or services from the receiving point to sub – inventory. So Sub – inventory get effected so entry is

Raw – material sub – Inventory A/C Dr (Sub Inv. Mat. A/C Setup).

To Receiving sub inventory

Invoice: - once you are received goods or services from your supplier, you'll receive an invoice. Invoice or bill is a commercial document. The invoice process includes entering supplier and employee invoices.

AP Accrual A/c Dr (Inv.Org.Setup)

To Liability A/C (Financial/Supplier)

Payment: - The payment process consists of those activities involved in the payment for ordered goods and services. Once invoices are validated they can be paid.

Liability A/C Dr

To Cash Clearing A/C (Bank A/C Setup)

Reconciliation: - Reconciliation nothing but the supplier payment info. Is forward to bank for transfer funds from buyer account to supplier account how much amount is quote in the receipt.

Cash Clearing A/C (Bank A/c Setup)**To Cash A/C (Bank A/c Setup)**

After the payment is cleared by bank i.e the cash management module is completed.

i.e the final entry for P2P cycle is

Raw – Material Sub- Inv A/C Dr (Sub – inv. Mat A/C setup)**To Cash A/C (Sub – inv. Mat A/C setup)**

Item Type	Asset Item	Expense Item	Inventory Item
Receiving	Receiving Contra A/C To Accrual A/C	Receiving Contra A/C To Accrual A/C	Receiving Contra A/C To Accrual A/C
Inspection	NA	NA	NA
Delivery	Asset Clearing A/C To Receiving Contra A/C	Expense A/C To Receiving Contra A/C	Raw Material Sub Inventory A/C To sub inventory material A/C
Invoice	Accrual A/C To Liability A/C	AP Accrual A/C To Liability A/C	AP Accrual A/C To Liability A/C
Payment	Liability A/C To Cash Clearing A/C	Liability A/C To Cash Clearing A/C	Liability A/C To Cash Clearing A/C
Reconciliation	Cash Clearing A/C To Cash A/C	Cash Clearing A/C To Cash A/C	Cash Clearing A/C To Cash A/C

Entry's::

- Receiving: -

Receiving Sub inventory Account Dr

To AP Accrual or Cash Account

- Delivery: -

Raw – Material sub –Inventory account Dr

To Receiving Sub inventory account

- Invoice: -

AP Accrual Account Dr

To Liability Account

- Payment: -

Liability account Dr

To Cash clearing account

- Reconciliation: -

Cash clearing account DR

To Cash Account

Final Entry: -

Raw – Material Sub inventory account DR

To Cash Account

If there is no cash management

Liability Account Dr

To Cash Clearing account

Rule: - What Comes In (Goods & Services)

What goes out? (Cash)

(REAL ACCOUNT)

Because of it a goods and service so Material

2. What is the Journal Entry when we creates a Purchase Order and explain accounting impact?

ANS: -No entry should hit the accounting records until the goods are received (the accrual stage above)

3. Explain about Prepayment and refund with Journal Entries?

NS: -Pre payment is nothing but make the payment advance to supplier and employee for expense. The pre-payment is two types those are Permanent and temporary pre payment

Pre-Payment Account Dr

To Cash or Bank Account

Refund is nothing but the amount paid back because of over collection or return of goods sold is called refund

Cash Clearing Account Dr

To Liability Account

4. What is the journal entry for Debit and Credit memo?

ANS: -The journal entries for debit and credit memos. The final entry is

Cash clearing account Dr

To Liability Account

5. What is the journal entry for Future Dated Payment and Maturity?

ANS: -Payables create two sets of accounting entries when u see future dated payment method.

1. Journal entries for the payment of an invoice which uses a future payment method

Liability A/C Dr

To cash Clearing A/C

2. After you clear a future dated payment with bank to your customer it will create second set of accounting entries.

Cash clearing A/C Dr

To cash A/C

6. What is Oracle Payments?

ANS: -Oracle Payments is a complete payment and receipt processing solution. It is used to make the payment for multiple legal entities, multiple operating units, and multiple Suppliers at a time in multiple currencies.

7. What are Payment Process Profile and Payment Process Request?

ANS: -Payment Process profile is used to create the usage rules for payment methods, first party organizations, inter bank account and currencies. And also used for payment instruction creation for payment grouping, payment limits, bank instruction and use for payment instruction format.

Payment process request is used to define the process of submit single request and schedule repeating request process. Under which we have to review the scheduled payment selection criteria, payment attributes, and validation failure results. Based on ours requirement we have to assign the pay groups, legal entities, payment currencies and operating units to run the payment process request.

8. What is Pay on Receipt and explain?

ANS: -Payment on receipt enables the user to automatically create standard, unapproved invoices for payment of goods based on receipt transactions. Invoices are created using a combination of receipt and PO information that eliminates duplicate manual data entry. It is also called Evaluated Receipt settlement (ERS) and Self Billing.

9. How many types of Invoices and explain?

ANS: -There varies types of invoices those are

1. Standard invoice
2. Debit Memo
3. Credit Memo
4. Mixed invoice
5. Recurring invoice
6. Pre-payment invoice
7. Expenses invoice
8. Interest invoice
9. Withholding tax invoice
- 10 Retain age Release

System automatically generated invoices:

1. Recurring invoice
2. Expenses invoice
3. interest invoice
4. Withholding Tax invoice

Remaining all other invoices we have to create manually.

1. **Standard invoice:**

We can enter only Positive amounts thru standard invoice. We can assign “Distribution set” to update the lines automatically by system or we can enter the distributions manually.

Standard invoice nothing but a bill that conform the sale of transaction when the buyer purchase the any item from the supplier so the supplier raise the standard invoice

- | | |
|----------------------|-----------------|
| ✓ Before validation: | Never validated |
| ✓ After validation: | Validated |

Journal Entry:

Item Expenses A/c	Dr
Freight A/c	Dr
Tax Expenses A/c	Dr
To	Liability Account

If create accounting not run,

Run a program “Validate Application Accounting Definition” program

2. **Debit Memo**

It is a negative amount invoice which will reduce the supplier balance it will be created by organization and sent to the supplier when organization found some amount need to get from the supplier.

3. **Credit Memo**

It's a negative amount invoice .It will reduce the supplier balance it will be created by supplier and send to the organization. When supplier found same amount need to be given back to the organization

4. **Mixed Invoice**

We can enter Positive and Negative balances also thru Mixed Invoices.

5. Pre-payment invoice.

It is a advance payment made by organization to the supplier later adjusted to future invoices .
There are 2 types of prepayment. 1. Permanent 2. Temporary

1. Permanent Prepayment: It's a advance payment which cannot be adjust against future Invoices.
2. Temporary Prepayment: It's a advance payment which can be adjusted against future invoices

- ✓ Before validation: Un validated
- ✓ After validation: Un paid
 - After pay in full: Un paid
- ✓ After conversion to temporary pre payment(part amount)
: Available
- ✓ If applied full amount: Fully applied
- ✓ After apply to invoice: Validated

Journal Entry:

Pre-paid expenses A/c Dr

To Liability A/c

6. Expenses invoice

When employees spent the amount and submit the bills for reimbursement, that information we have to maintain as expenditure report in the system.

With the help of this expenses report information we can create “Expenses Invoice”.

7. Interest invoice

When we make payments after the due date crossed, if interest penalty is applicable, system will create one invoice for only the interest portion amount apart from the standard invoice.

8. Withholding tax invoice

If customer want to withhold the tax amount charged by supplier in the invoice, and he want to pay the tax amount directly to tax authorities instead of paying to supplier.

System will automatically create a withholding tax invoice.

In this case tax authority would be a supplier.

9. **Recurring invoice:**

Invoices which are repeating each and every accounting period is called a recurring invoice.

Step1: Define recurring invoice special calendar

Step2: Define distribution set: Distribution sets are used to default the accounting information at the time of invoice created. There are 2 types

1. Full distribution set
2. Skeleton distribution set

Full distribution set: In case of full distribution set we will be entering percentage of amount and accounting information at the time of distribution set creation.

Skeleton distribution set: It will be entering only accounting at the time of distribution set definition but percentage of amount will be entered at the time invoice creation.

10. **PO Match Invoice :**

Matching invoice with the purchase order is called a PO Method

11. **Mixed Invoice :**

It is used to enter invoices with either +ve or -ve amount.

12. **Retain age release invoice :**

It is nothing but a holding the some part of the amount from supplier payment.

Pay-On-Receipt: it is using this feature invoice will be created automatically by system. When we receive the goods in the purchasing

Batch Invoices: It is used to group the invoices based on certain parameter

Invoice Cancel: it is used to cancel only unpaid invoices

Manual Payment: It is used to record the payments which are done outside of the oracle.

Refund: it is used to get back amount from the supplier. It can be created with reference of either Debit memo or Credit memo.

Stop payment: it is used to initiate stop payments when funds are not available in the bank account.

Release the stop: it is used to release payment document from stop initiated.

Void the payment document: (void =cancelled) it is nothing but a cancel the payment document

Re-issue the cheque: it is nothing but a canceling the old cheque and issuing the new cheque.

Hold: it is used to prevent further action on invoices

There are 2 types of holds

1. Manual hold
2. System hold

1. Manual hold: it will be placed on invoices manually and it will be released manually when the dispute is settled

2. System Hold: it is placed on invoices by system. System holds can't be released manually. These holds will be release by system automatically when we rectify the Errors.

Supplier merge: It is used to merge the suppliers when one supplier is take over or merge another supplier business.

10. What is Scheduled Payment?

ANS: -Basically you don't split the invoice. You split the schedule payment of the invoice. You will get this option when you click the tab of schedule payments of the invoice.

11. What is Offset method and types explain?

ANS: - If you enter invoices for expenses or Asset purchases for more than one balancing segment, you might want to use automatic offset method to keep your payables transactions accounting entries balances.

Balance: The liability account for balancing segment value take from invoice distribution & rest segment values will take from invoice header.

Account: The liability account for account segment value taken from invoice header & rest segment values will take from invoice distribution.

None: The liability account for all segment values takes from invoice header.

12. What are Payable Options and Financial Options?

ANS: - Payable options are specific to "Accounts payables" module only these options will work as heart to application. Using these options we can set some Controls & Defaults. We use these options to manage application functionality. We can set some properties or to set behaviours of the application through these options.

Financial Options are the default values that you use for your financial applications i.e. values entered here are shared by payables, Purchasing and Assets. These options simplify supplier entry, requisition entry, PO entry, invoice entry, and automatic payments.

13. What are the Reports in Payables?

ANS: -There are various report are there like, Invoice validation, payable open interface import report, import and process expense report, unaccounted transaction program, posted invoice register, posted payment register, Etc.

What are the mandatory setups in AP?

- 1- Financial Options, Payable Options and Payable System Setup Options
- 2- Define Suppliers
- 3- Define Payment Terms
- 4- Define Payment Methods
- 5- Define Banks and Banks Accounts And Banks Accounts Documents
- 6- Open AP Accounts Periods

Payment methods:

We have 4 payment methods in OF.

1. Check
2. Electronic (EFT)
3. Wire
4. Clearing

At the time of creating invoice we have to opt for payment method and Currency.

- Check : Payment through the regular bank check
- Electronic : System will create one instruction file with all The Details of invoice and payment. This file will send to bank for payment.
- Wire : It is manual process of sending instructions to bank. System will not generate any instruction file.

Clearing : In this process we will not make Payment physically. This is used as adjustment for inter company transfers and transfer between the branches.

Payment Terms:

Making payment to supplier (due date) immediate or in how many days referred to Payment terms.

We can set due dates and discount dates through payment terms.

Distribution Set:

Distribution Set is used to automatically enter distributions for an invoice. **When you are not matching it to a purchase order.**

For example:

Total invoice amount: Rs. 100000

Plant cost	:	Rs. 90000	90%
Tax	:	Rs. 5000	5%
Freight	:	Rs. 5000	5%

If we receive the invoices in future with the same arrangements we can use the distribution set.

You can assign a default Distribution Set to a supplier site so Payables will use it for every invoice you enter for that supplier site.

If you do not assign a default Distribution Set to a supplier site, you can always assign a Distribution Set to an invoice when you enter it.

We have 2 types of distribution sets.

1. Full
2. Skeleton

We use Full Distribution Sets to create distributions with set percentage amounts.

Skeleton Distribution Sets to create distributions with no set distribution amounts.

We can enter distribution sets in 2 ways:

1. Manual

2. Automatic (by creation of distribution sets)

Types of Bank accounts

We have 3 types of bank accounts:

1. Internal Bank Account
2. Supplier Bank Account
3. Customer Bank Account.

Internal Bank account is maintained by our company to make payments or receive payments in any mode. (Check, Electronic, Wire and Clearing).

In electronic and wire payments our company has to maintain Supplier bank account and Customer bank account.

Payment types:

When we are making payment to supplier we need to have bank account, Check book.

As per OF we called check leaves as Documents.

We have 3 types of payment:

1. Manual
2. Quick
3. Refund

Manual: We have to write the check manually and then enter the same details into system and hand over the same check to Supplier.

Quick: System will print payment details on the check. In OF once you save the payment, automatically check will be printed on pre-printed stationary. Then check can be hand over to Supplier.

Refund: When we received funds return from the suppliers we record them as refund.

**** Zero payments:** If we cancel the invoice, there is no balance to pay, but system will show as zero balance. For elimination of zero balance payments we have to create dummy bank accounts and dummy checks.

What is a Payable Document?

A medium you use to instruct your bank to disburse funds from your bank account to the bank account or site location of a supplier.

What are the different line types of an Invoice?

Item: Item lines capture the details of the goods and services billed on your invoice.

Freight: Freight lines capture the details of your freight charges.

Miscellaneous: Miscellaneous lines capture the details of other charges on your invoices such as installation or service.

Tax: Payables integrates with Oracle E-Business Tax to automatically determine and calculate the applicable tax lines for your invoices.

ACCOUNTS RECEIVABLE

1. Explain O2C cycles and accounting entries?

Order to cash; collect to cash (C2C) or Receipt to cash

In any industry there are two types of commercial cycles are running those are P2P and O2C. Now we are going to discuss about O2C life cycle, this commercial cycle **explain the All Finished goods are outflows from the organization and money is always inflows to organization.**

For this life cycle different modules are involved they are Order Management, Accounts Receivables, Cash Management and General ledger for preparing the final reports. For this cycle various concepts are involved those are,

Order management receives customer information from the customer master data that means from the customer header, which can supply default information into the sales order.

Order management uses credit limits setup by credit management to determine if the order should be released or placed on credit hold for review.

After that in order management the order is entered with information that includes the customer, ship to, bill to, payment terms, order type, price list, unit price, and warehouse. Then credit checks are performed, the order is booked, and the order processed through the workflow process. If the order is for shipping item and the quantities are available, the process includes shipping execution.

In shipping execution the order is pick released which generates the move order. Once the item is brought from sub – inventory into the staging area, it is ready to be placed on a shipping vehicle.

After this, ship confirm process is run.

Auto invoice import invoices, credit memo, and on- account, credits from other system into oracle receivables. In receivables, Invoices are printed and sent to the customer once he receives the goods and services.

Revenue recognition manages revenue processing. Advanced collection manages the collection efforts until payment is received. The receipt is then posted in receivables.

In cash management the system pulls information from posted receipts and matches this information to the bank statement for reconciliation. Reconciliation is nothing but the matching the receipt to the bank statement for reconciliation process once the reconciliation process is

completed the clearance is coming into the picture in this case we have move the amount from the customer account to supplier at maturity date. After this we have to transfer accounting to GL via SLA.

1). **Sales Order:** - A sales order is a document that confirms a sales. It is generated when a buyer communicates that he wants to purchase a product.

2). **Pick Release:** - pick releases finds and release the eligible delivery line that meets the release criteria and create a move order. The items moving from starting area to sub – inventory.

The buyer and seller inventories are get effects so accounting entry is

From Sub – Inventory A/CDr.

To Sub – Inventory A/C.

3). **Ship Conform:** - Ship conforms is the process of conforming that items have shipped. When u ship conforms a delivery shipping execution conforms that the delivery lines associated with the delivery have shipped.

So, here items are moving from seller inventory to buyer inventory I,e entry is

COGS A/C Dr

To Sub – inventory A/C.

4). **Invoice:** - A Invoice or bill is a commercial document issued by a seller to buyer. It is related to a sale transaction and indicating the products, quantities, and agreed price for products or services. So the buyer entry is

Receivables A/C Dr

To Revenue A/c.

To Tax A/C.

To Freight A/C.

5). **Receipt:** - A receipt is a written acknowledgement that is specified payment has been received. A receipt records the sale of goods or provision of services.

Here cash is coming into seller org. i.e the entry is

Cash A/C Dr.

To Receivables A/C.

6). **Reconciliation:-** Reconciliation nothing but remote the receipt information to bank for collection and also clear the account, So the seller written entry is like,

Remitted cash A/C Dr.

To Conformed cash A/C.

7). **Clearance:** - Clearance is nothing but transfer the funds from the customer account to supplier account on the maturity date.

Confirmed Cash A/C Dr

To Remitted Cash A/C

2. Explain Refund process in Receivables?

ANS: - Amount paid back because of an over collection or the return of goods sold called refund. Or the reimbursement of the purchase price of a good or service, for reasons such as defective goods or dissatisfaction with the service provided to customer.

3. What is Revenue Recognition and types?

ANS: -Accounting rules will determined the accounting period in which revenues are recognized. There are 4 types of accounting rules.

A). Daily revenue rates, all periods.

B). Daily revenue rates, partial period.

C). Fixed Schedule: - we will define duration of the project and % of revenue of each accounting period, at the time of fixed scheduled accounting rule setup.

D). Variable Schedule: - at the time of set up the variable schedule rules we will not enter duration of the project and % of revenue for each accounting period. We enter only first period revenue % at the time of accounting rule setup. Duration of the project will be entered at the time of invoice entry.

4. What are Receivable Activities?

ANS: -Receivable activities are used to default the accounting information for various receivables like adjustment, earned discount, unearned discount, refund, right off, short term debt, bank charges and etc.

5. What are Bills in Arrears and Bills in Advance & accounting entries?

ANS: -Invoice rules will be determined the accounting period in which receivables are recognized. There are 2 types of invoices rules.

- A. Bills in advance: - system will RECOGNIZE the invoice amount as a advance or starting of a project.
- B. Bills in arrears: - system will RECOGNIZE invoice amount at the end of the contract or project.

6. What is Customer Profile Class?

ANS: -profile class is used to group the customers based on the certain parameters, based on the past history of the customers are segregated in to class. These classes are called customer profile class. We maintain the collector, Statement Cycle, Dunning letters, payment terms. At the time of creating the customer if you assign the customer profile class to customer all information maintained through customer profile class will be copied to customer account.

7. What is Auto Accounting?

ANS: -Auto accounting is used to default the accounting information into various transactions like Receivable, tax, revenue, unearned revenue, freight, bills receivables and etc.

8. What is Auto Cash Rule set?

ANS: -Auto cash rule set is used to apply receipt amount against Open invoices. It is having 5 rules

1. Clear the account.
2. Clear the past due invoices.
3. Clear the past due invoices grouped by the payment terms.
4. Match payment with invoice.
5. Apply to the oldest invoice first.

9. What is Auto Invoice?

ANS: -If any sale order status is “ship Conform” in OM, condition is that information will transfer to the AR interface table automatically; this can be done through work flow. To transfer data from AR interface table to AR, we have to run the “auto invoice master program”.

10. What are the Grouping Rules?

ANS: Define grouping rules that Auto Invoice will use to group revenue and credit transactions into invoices, debit memos, and credit memos. **Grouping rules specify attributes that must be identical for lines to appear on the same transaction.**

Grouping rules include mandatory attributes which are always included in all grouping rules, and optional attributes which may be included in a grouping rule. Optional attributes may be added to the mandatory attributes to create new grouping rules.

11. What is Balance Forward Billing?

ANS: -Balance Forward Billing is just a new name of "Consolidation Invoice billing" in Release 12, which provides enhanced billing options with a more complete and flexible solution.

12. Journal entry when we create Receipt?

ANS: -A receipt is a written acknowledgement that is specified payment has been received. A receipt records the sale of goods or provision of services.

Cash Clearing A/C Dr

To receivables a/c

13. What are the transactions in Receivables?

ANS: -In receivable are have a various transaction are there like Sales Order, debit memo, Credit Memo, Deposit, Guarantee, Charge Back.

14. Flex fields in Receivables?

ANS: -In receivable we have two flex fields are there like Sale tax Location, Territory Flex Field.

15. What is the remittance advice and how to use?

ANS: - Remittance is like sending receipt information to the bank for collection.

There are 2 types of Remittance Method.

1. Manual
2. Automatic (Refund)

There are 3 steps in the remittance process.

1. Create
2. Approve
3. Format

We maintain the following in Accounts Receivables:

- Customers information
- Sales invoice information
- Receipts information

Key Flex Fields in AR: 2

1. Sales Tax Location KFF (Mandatory)
2. Territory KFF (Optional)
 - Sales tax location KFF is used to calculate **tax** based on the different locations. In general we have different tax rates in different states.
Sales tax location KFF is mandatory.
 - Territory means Place or location. Territory KFF is used to track sales information location wise.
This KFF is optional.

Work Benches in AR: 4

1. Transaction work bench
2. Receipt work bench
3. Bills receivables work bench
4. Collections work bench
 - Transaction work bench is used to maintain all types of transaction information.
 - Receipts work bench is used for all receipts information such as cash and check receipts.
 - Through Bills Receivables work bench we maintain bills receivables information.
 - Collections work bench is used for follow up with customers such as collection process information, reminder letters and Collector's information.

Transactions:

It is nothing but a invoices which will be created by organization and send to the customer . It contains 3 levels of information.

1. Header
2. Lines
3. Distribution

‘.We have 8 transaction types:

1. Invoice (Sales invoice)
2. Credit Memo (-)
3. Debit Memo (+)
4. Deposit
5. Guarantee
6. Copy transaction
7. Charge back transaction
8. Bills receivables

Sales Invoice

When you sell goods to record normal sales we use Invoice.

When transaction is raised

Receivable A/C Dr

To revenue Accrual A/C

Debit Memo

It will be created by organization and send to the customer, when customer is less charged.

To increase customer balance we use Debit Memo (+) sign.

Debit transaction is raised

Receivables A/c Dr

To Revenue A/C

Credit Memo

It will be created by organization and send to the customers, when customer is over charged .
There are 2types credit memos.

When customer return goods, to reduce customer balance we use Credit Memo (-) sign.

When Credit Transaction Is Raised

Receivable A/C Dr

To Revenue A/C

Adjustment

Revenue A/C Dr

To Receivable A/C

Deposit

Deposit is an advance payment made by customer to the Organization.

Latter it will be adjusted for future invoice or apply to future liability.

Deposit Transaction

Unbilled Receivable A/C Dr

To Unearned Revenue A/C

Guarantee

It is an assurance from the Customer to buy goods or services from the Organization.

Under guarantee transactions, amount will be collected from customers when we create invoice transactions only.

Guarantee Transaction (Shares)

Unbilled receivable A/c Dr

To Unearned revenue A/C

Charge Back

Charge back is nothing but closing the existing invoice and creating new invoice with new due dates.

Charge back (Normal)

Receivable A/c Dr

To Revenue A/C

Charge Back Payment Entry

Conform cash A/C Dr 10000/-

To Receivable A/C 8000/-

To Unapplied A/C 2000/-

Charge back against 2000/-

Receivables A/c Dr 2000/-

To Revenue A/c 2000/-

Details required maintaining invoice in Accounts Receivables

1. Customer name and address
2. Transaction date and amount
3. Item details & quantity
4. Sales account
5. Remit to address
6. Payment terms
7. Collector details (person who collect amount from customers, could be our employee or a third party agent)
8. Ship to address
9. Bill to address

System Options

System options are used to set the behaviour of Receivables application.

During Receivables setup, you specify your accounting method, set of books, tax method and accounts, customer and invoice parameters, and how the Auto Invoice and Automatic Receipts programs will run.

The following are tabs in System options:

1. Accounting
2. Trans and Customers
3. Claims
4. Miscellaneous

Auto Accounting

Auto Accounting is used to create accounting entries for all type of transactions which are entered manually and also imported transactions from other applications.

Standard memo lines

Items are maintained at Inventory module. If an item is not maintained at inventory module, for example “Service charges”, which is an non inventory item can be maintained in “Receivables” module only.

Customer Profile class

Based on the past history customers are segregated into classes. These classes are called customer profile classes. We maintain collector, statement cycle, payment terms and dunning letters through profile classes.

At the time of creating Customer, if you assign the customer profile class to Customer, all information maintained through customer profile class will be copied to Customer account.

Receipt Class

Through receipt class we can specify payment method, bank account details and generating receipt automatic or Manual.

Earned Discount & Unearned Discount

Earned discount you will receive if payment made within the due date. In some situations you will receive discount if you are not paid within due date also, this is called unearned discount.

We have to create receivable activity for the other income stating that what the reason that we are receiving money is.

Receipt source

Receipt source is used to create numbering for the receipts

Auto Log Box

Every day we receive several receipts from customers.

To avoid manual work, with auto log box concept, by using the file sent by bank, automatically system will create:

1. Automatically create receipts
2. Automatically apply to transactions also.

For that base we have to set rules:

1. Auto cash rule set
2. Application rule set

Auto cash rule set:

Setting up rules or we specify how to apply the receipts to which invoices, oldest invoices, after that recent invoices

Application rule set:

To set up rules to apply partial amount to which account to applicable, whether? Item, Tax, Freight line items or prorate on all the lines.

Application Rule Set

Setup → Receipts → Application Rule Sets

Application rule set is determined, how to apply the receipt amount against various invoice components.

Invoice Components are:

- Item
- Tax
- Freight
- Financial Charges

Customers Profile Class

- Profile class is used to group the customers based on certain parameters.
- We can classify the customers as Good, Average and below average.

Transaction Types

Navigation: Setup → Transaction → Transaction type

Transaction type will determine the features of Transactions:

The Features are:

1. Accounting information
2. Whether post to GL or not
3. Whether we can print invoices or not

Transaction Source

- Transaction source will determine the numbering for individual transactions and batch transactions. And also it will determine “Transaction type”.
- There are 2 types of transaction Source.
 1. Manual
 2. Imported (Automatic)
- Imported transaction source is used to import the transactions in to AR

Receivable Activities

Setup → Receipts → Receivable Activities

Receivable activities are used to default the accounting information for various receivable activities.

Those are:

1. Adjustment
2. Bank Error
3. Endorsement
4. Earned Discount
5. Unearned Discount
6. Finance Charge
7. Miscellaneous Cash
8. Short term Debt

Receipt Class

Receipt class will determine the:

- Receipt creation method
- Remittance method
- Clearance method
- Receipt method for various receipts

Define Automatic Receipt Source

** We cannot define automatic Receipt Source. We need to use default automatic receipt source.

- ✓ Choose operating unit
- ✓ Name: Automatic receipts Query Ctl F11
- ✓ Receipt source type: Automatic

Auto Accounting

Auto accounting is used to default the accounting information into various transactions.

Auto accounting will be defined for:

- Receivables Account
- Revenue Account
- Tax
- Freight etc.

Remit to Address: An Address where customers should sent Receipts.

Customer: Either person or organization whom we are selling goods or services is called a customer

Customer record contains 3 levels of information.

1. Customer header
2. Address site
3. Business purpose site

Note:

Sold to party: A customer address where we are sending invoices & deliver the goods etc.,

Bill to: A customer address where organization mailing invoices

Ship to: A customer address where delivering the goods

Dunning Site: An address where organization sending remainder letters to the customer.

Statement site: A Customer address where organization mailing statements.

Receipts: Receipt is used to record customer collection details .Receipts can be created in 2 ways

1. Manual
2. Automatic

Manual Receipts: It can be created in 2ways

1. Single or Individual
2. Batches Receipt

Transaction Batch: It is used group invoices based on certain parameters.

Transaction Deletion: we can delete only incomplete transaction.

Miscellaneous Receipt: Non –Invoice related receipts are called miscellaneous receipts such as income on investment. Interest on bank deposits.

Receipt Reversal: It is nothing but a cancelling the receipt. There are 2 types of receipt reversal

1. Standard Reversal
2. Debit memo Reversal

Standard Reversal: In this method receivables will cancel the receipt as well as associate receipt application against invoice.

Debit memo Reversal: In this method receivable will create debit memo instead of cancelling receipts and associate application.

Remittance: It is nothing but a sending cheques or receipt details to the bank for collection. There are 3 types

1. Create
2. Approved
3. Format

Remittance can be done in 2 ways

1. Manual
2. Automatic

Manual Remittance: Selecting the cheques or Receipts details manually to deposit in the bank is called a manual remittance.

Refund: It is used to return excess amount to the customer.

Balance Forward Billing Cycles BFBC: It is used to generate consolidate statement for the customer

Write-Off: It is used to record the bad debts for organization

AP/AR Netting: It is used to setup the balances between AP/AR

ACCOUNT RECEIVABLE

1. What does TCA stand for? What is it used for ?

TCA stands for Trading Community Architecture. It is a design that provides the functionality to create and maintain customers.

2. What are commitments?

Oracle Receivables supports two types of commitments with our customers:

1. Deposit: Customer commits to buy certain goods from us within a certain time range. He pays the amount upfront and we use it until we run out.
2. Guarantee: Customer commits to buy a certain dollar amount from us over a specified time period. You track their sales to see if they actually spend as much as they said they would. In this agreement, the customer doesn't make a prepayment.

3. When are chargeback created?

You create Chargeback when you wish to close the original invoice which the customer has partially paid and create a new invoice for the remaining amount that the customer has to pay yet.

For example, your customer sends payment of \$75 for a \$100 invoice. You can apply the receipt to the invoice, and then create a chargeback for the balance due.

4. In AR, you can apply Credit Memo to an Invoice. If you do so, what table holds the link between your CM and Invoice?

In the table RA_CUSTOMER_TRX_ALL, the column PREVIOUS_CUSTOMER_TRX_ID column stores the customer transaction ID of the invoice that you credited.

5. In which table you can see the amount due of a customer?

AR_PAYMENT_SCHEDULES_ALL

6. What are Line Ordering Rules?

Line ordering rules will be used by Auto Invoice Interface. They are used to order transaction lines when grouping the transactions into invoices, debit memos and credit memos by auto invoice program.

7. What are grouping rules?

Grouping rules setup will be used by Auto Invoice interface. You specify what attributes should be identical for lines to appear on the same transaction.

8. What are Auto cash rules?

Auto cash rules tell your Auto Lockbox interface, how to apply the receipts to the customers outstanding debit items.

9. What is Auto Accounting?

Through Auto Accounting we specify what general ledger accounts should be used for transactions manually entered or imported using Auto invoice. Receivables automatically defaults the accounts for revenue, tax, freight, financial charge, unbilled receivable, and unearned revenue accounts using the Auto Accounting information without having to enter them manually.

10. What is Auto Lockbox?

Auto lockbox is a service that commercial banks offer corporate customers to enable them to outsource their account receivable payment processing. Auto lockbox can also be used to transfer receivables from previous accounting systems into current receivables. It eliminates manual data entry by automatically processing receipts that are sent directly to banks. It involves three steps

- Import (Formats data from bank file and populates the Interface Table),
- Validation (Validates the data and then Populates data into Interim Tables),
- Post Quick Cash (Applies Receipts and updates Balances in Base Tables).

11. What is an unidentified receipt?

A receipt is said to be unidentified if the customer information is missing.

12. How to create customer in oracle apps?

New customers can be created in different ways.

1. Through Customer standard screen from receivables manager, customers can be manually created.
2. Import customers from external sources using customer interface program.
3. Import customers from external sources using Oracle standard API's.

13. When does a receipt get to Unapplied status?

A receipt is said to be unapplied if it hasn't been applied to any transaction.

14. When you apply invoice to receipt, which table gets populated?

AR_RECEIVABLE_APPLICATIONS_ALL

15. Name the tables that hold invoices/transactions related information?

RA_CUSTOMER_TRX_ALL – holds transaction header details

RA_CUSTOMER_TRX_LINES_ALL – hold line details

RA_CUST_TRX_LINE_GL_DIST_ALL – holds distribution details

RA_CUST_TRX_LINE_SALESREPS_ALL – hold sales credit details

16. What are the different types of receipts you can create in AR?

Cash Receipt: Record the payment that you receive from your customers for goods or services.
Miscellaneous Receipt: Record the revenue earned from investments, interest, refunds, and stock sales

17. What are the tables that store receipt details?

AR_CASH_RECEIPTS_ALL

20. Explain the steps involved in Transfer to GL from AR?

1. Create Accounting

2. Transfer the transactions to GL_Interface

3. Import the Journals into GL

4. Post the Journals

18. Which interface tables should be populated for Auto Invoice Interface?

RA_INTERFACE_LINES_ALL, RA_INTERFACE_SALESCREDITS,

RA_INTERFACE_DISTRIBUTIONS

19. What table holds the link between OM and AR?

To relate the Order Number (ONT) to the Invoice (AR) we use the LINE TRANSACTION FLEX FIELDS. In RA_CUSTOMER_TRX_ALL, INTERFACE_HEADER_ATTRIBUTE1 to INTERFACE_HEADER_ATTRIBUTE15 store this Information that uniquely identifies the Sales Order (HEADER INFO). In RA_CUSTOMER_TRX_LINES_ALL, INTERFACE_LINE_ATTRIBUTE1 to INTERFACE_LINE_ATTRIBUTE15 store this Information that uniquely identifies the Sales Order.(LINE INFO)

20. What is the DB number of a particular customer TCA?

Unique number to identify Customers

21. Where can you find the Customer payment terms?

In the Customer Profiles Window. Table hz_customer_profiles holds the payment terms of the customer.

22. What kind of transactions can be created using Auto Invoice?

Invoices, credit memos, debit memos, and on-account credits can be imported using Auto Invoice.

23. Explain the different steps in implementing Auto lockbox.?

1. Import – Import the receipt data into interface table
2. Validate – Validate the data in the interface table
3. Post Quick Cash – Create receipt and apply to the appropriate invoices

FIXED ASSETS

1. What is Retirement of an Asset and how do you do?

ANS: -Removing asset from service is called a retirement. Asset cannot be retired same period when it is placed in service. Depreciation must be calculated before retiring the assets. It can be done in 2 ways.

Single Assets retirement: - Removing one asset from service in single transaction.

Mass Retirement: - Removing group of assets from service in single transaction.

2. How many are the Depreciation types?

ANS: - Depreciation is nothing but reducing the assets value as presage.

There are 5 types of methods in oracle those are,

A). Flat rate: -in this method life of the assets depends on depreciation rate. Formula: -
depreciation = Assets Cost – Salvage value * depreciation Rate.

B). Calculated method: - in this method depreciation rate will be depends on life of assets following formula will be used to calculated depreciation.

Depreciation = Assets Cost – Salvage Value / Life of the asset.

C).Production Base method: - in this method depreciation will depends on number of hour's machine used.

Formula: -

$$\frac{\text{Assets cost – scrap value}}{\text{Total production hours of assets}} * \text{no. Of hours assets used.}$$

D).Table base method: - In this method depreciation rate will be retrieved from pre defined tables. Total of the Depreciation rate must be equal to 1.

E). Formula base method: - In this method Depreciation rate will be determined using formula.

3. What is Mass Addition Program?

ANS: -The mass addition program is used to transfer the AP invoice information in to FA As a fixed asset for this we have to run the mass addition creation AP and prepare mass addition and post mass addition in FA.

4. What is Pro-rate convention calendar?

ANS: -Pro – rate convention calendar is used to identify the depreciation start date and depreciation end date for assets starting and ending year.

5. What is Asset Calendar?

ANS: -Asset calendar is also called the depreciation calendar it determine the number of accounting period in a fiscal year. Period name as per accounting calendar in GL should be same as in the FA otherwise we cannot transfer information from FA to GL.

6. What is corporate book and Tax book?

ANS: -Corporate book is also called depreciation book, asset book and asset register. it is used to maintain in the asset information and to maintain depreciation information. Depreciation information will be maintained by following the companies act.

Tax book will maintain the depreciation information by following the income tax act. We will copy the asset information from the corporate book to tax book. We maintain companies act and IT act for depreciation if the % of depreciation is different for companies act and IT act.

7. What is Asset Category?

ANS: -Asset category is used to group the assets based on the depreciation method and rate and also building a relationship with the asset book. Category information is common for a group of assets.

8. How do you add assets in Fixed Asset Module explain?

ANS: -We can add the assets in different ways those are detailed addition, quick addition, mass addition and interfaces by ADI.

9. Types of Assets?

ANS: -We have a 4 types of assets are there like Capitalized assets, CIP assets, Group Assets and expense assets.

10. Explain Capitalized and CIP assets?

ANS: -A type of asset that is not easily sold in the regular course of a business's operations for cash and is generally owned for its role in contributing to the business's ability to generate profit. Furthermore, it is expected that the benefits gained from the asset will extend beyond a time span of one year.

A construction-in-process (CIP) asset is an asset you construct over a period of time. Create and maintain your CIP assets as you spend money for raw materials and labour to construct them.

11. Accounting entry when an Asset added?

ANS: -Assets clearing Account Dr

To AP liability Account

12. What are Mass Transfer and Mass Changes?

ANS: -The mass transfer is nothing but the change the assignment information we can change the assignment information from the employee to employee, location to location and

expense account to expense account we can transfer the asset in two ways those are single asset transfer and mass transfer.

The Mass Change is nothing but the change the basic information we can change the depreciation rate and method, Assets cost, Production capacity and Life of the asset.

13. What is the Roll Back Depreciation?

ANS: - if we run the depreciation without period close, then we cannot make any modifications. Then if we want to do any modification we have to do “roll Back Depreciation” it is NEW feature in R12

11i we have to run the concurrent program manually

R12 systems automatically initiate this program if we have any changes on particular asset

FA Key flex fields: There are 3 types of key flex fields .

- | | | |
|-------------------------|---|------------------|
| 1. Category flex field | } | Mandatory |
| 2. Location flex field | | |
| 3. Asset key flex field | → | Optional |

Category flex field: It is used to category the assets, it is a mandatory flex field. We cannot define new category structure, but we can add up to 7 segments in the existing structure and minimum segments are 2 Major and minor.

Step1: Modified the existing structure

Location Flex field: It is a mandatory flex field which is used to identify where the asset is located and also to find out what are all asset located and also to find out what are all asset located in the particular location . We can't define new structure but we can add up to 7 segments for existing structure , 1 is mandatory segment which is state segment.

Step1: Modify location structure.

Asset key flex field: It is a optional flex field which is used to group the assets which are using for one division, as per reporting requirements. We can't define new structure but we can add up to 10 segments for existing structure for maximum.

Step1: Modified the asset key flex field

Asset calendar: It is used only one period open not more than one period. One time is closed a period cannot re-open that period again.

Prorate convention calendar: It is used to determine depreciation start date in the asset first year.

Depreciation: Reducing the asset value as per usage is called a depreciation

Asset Transfer: It refers changes in the assignment information. It can be done in to 2 ways

1. Single asset transfer
2. Mass or group asset transfer.

Single Asset transfer: Changing the assignment information for one asset transaction is called a single asset transfer.

Mass Transfer: Change assignment information for group of assets is called mass transfer.

Retirement: Removing asset from services is called a retirement. It can be done in 2 ways

1. Single asset retirement
2. Mass asset retirement

Single asset retirement: Removing one asset from services in one transaction is called single asset retirement

Mass asset retirement: Removing the group of assets from services in one transaction is called a mass retirement

In Fixed Assets we have 3 types of books:

- Corporate Book
- Tax Book
- Budget Book

Corporate Book:

- This is also called Depreciation book, Asset book and Asset Register.

- Corporate book is used to maintain the Asset information and to maintain Depreciation information.
- Depreciation information will be maintained by following The Companies Act.

Tax Book:

- We will maintain the depreciation information by following the Income tax Act.
- We will copy the Asset information from the corporate book to Tax book.
- We maintain companies Act and IT Act for depreciation, if the % of depreciation is different for companies act and IT act.

Budget book:

- We will maintain capital Budget information.
- The Asset information also required in the tax book.
- It is an automatic activity
- We will copy the asset information from the corporate book to the tax book.
- We have 2 options to copy the information:
 1. Initial mass copy
 2. Periodic mass copy

❖ Type of Assets:

Assets are again 3 types as per Fixed Assets

1. Capitalized
2. CIP
3. Group Assets

Capitalized: Which Asset is started for using and Assets placed for service.

CIP: Construction in process: An asset which is under construction, for example building under construction. CIP asset will changed to capitalized when it starts service.

Group Assets: Grouping the assets related to same group.

1. How many Options in Oracle

Total 9 Options

1. Financial Options
2. Purchasing Options
3. Receiving Options
4. Payable Options
5. Payable System Setup Options
6. System Options
7. GL Ledger Options
8. System Control Options
9. System parameters Options

1. Financial Options Tabs:

Navigator: Setup-Organization-Financial Options

Tabs in Financial Options

1. Accounting Tab
Liability, Prepayment, Discount taken.
2. Supplier-Purchasing Tab
Ship to location
Bill to location
Inventory Organization
3. Encumbrance Tab
4. Tax Tab
5. Human Resources Tab
Business group, Employ number next automatic number

2 .Purchasing Options Tabs:

Define Purchasing Options

Use the Purchasing Options window to define default values and controls for functions throughout Purchasing. You can often override purchasing options when you are creating documents.

3.Receiving Options Tab

Define Receiving options

Use the Receiving Options window to define options that govern receipts in your system. Most of the options that you set here can be overridden for specific suppliers, items, and purchase orders.

4 .Payable Options Tabs:

Payable Options:

Use this window to set control options and defaults used throughout Payables. You can set defaults in this window that will simplify supplier entry, invoice entry, and automatic payment processing. Although you need to define these options and defaults only once, you can update most of them at any time to change controls and defaults for future transactions.

Attention: If you use the Multiple Reporting Currencies feature to record transactions in more than one currency, read the *Multiple Reporting Currencies in Oracle Applications* manual before proceeding. The manual details all setup considerations for implementing Payables with this feature.

Tabs in Payable options

1. (Accounting options)
2. (Currency)
3. Tax Reporting
4. (Invoice)
5. Approval
6. (Matching)
7. Interest
8. Expense report
9. Payment

6. System Options Tabs:

Navigator: Setup-System-System options

Tabs in System Options:

1. Accounting
2. Transactions and Customer
3. Claims
4. Miscellaneous

ALL ENTRYs::**P2P ENTRIES: -**

1). When inventory material received.

Receivable Inventory A/C Dr

To AP accrual A/c

When material received at inventory or staging at inventory.

Sub Inventory material A/C Dr

To receivable Inventory A/C

When we match with material

AP accrual A/C Dr

To Liability A/C

When we raised normal invoice, expense Invoice

Expense a/c Dr

Liability A/C

At the time of payment

Liability A/C Dr

To Cash Clearing A/C

When Reconcile with bank

Cash Clearing A/C Dr

To cash A/C

Final account

Sub Inventory material A/ C Dr

To Cash A/C

If we are not using Cash Management

Liability A/C Dr

To Cash A/C

For Additional information

Po variance or quotation variance

Inventory material A/C Dr (Inventory Information)

To receiving material a/c (Receiving Option)

To Po variance A/c (Financial Option)

Quotation decrease or PO price Decrease

Inventory material a/c Dr (Inventory Information)

Po variance A/C Dr (Financial Option)

To PO receiving A/C (Receiving Option)

Pre Payment

Prepayment A/C Dr 1000/- (Financial Option)

To Liability A/C 1000/- (Financial Option)

Payment through bank for prepayment

Liability A/C Dr 1000/- (Financial Option)

To Cash A/C 1000/- (Bank Account Setup)

But we have purchase only for 800/-

Item expense A/C Dr 800/- (Inventory Organization)

To Liability A/C 800/- (Financial Option)

Adjustment for Prepayment

Liability A/C Dr 800/- (Financial Option)

To Pre payment A/C 800/- (Financial Option)

Raise the 2nd invoice that is credit or debit memo for 200/-

Item expense A/C Dr 200/- (Inventory Organization)

To liability A/C 200/- (Financial Option)

Raise the debit Memo (reverse the Amount)

Cash Clearing A/C Dr 200/- (Bank Setup)

To Liability A/C 200/- (Financial Option)

O2C ENTRIES: -

Sales order pick release

Sub inventory A/C Dr

To Sub inventory A/C

Sales order movies good to customer

COGS A/C Dr

To Sub inventory A/C

Transaction

Receivable A/C Dr

To Revenue A/C

To Tax A/C

To Freight A/C

Receipt remittance method

Conformed cash A/C Dr

To unapplied cash A/c

Cash Applied

Unapplied A/C Dr

To Receivables A/c

Remittance to Bank

Remitted cash A/C Dr

To Confirmed cash A/C

On clearance of check

Confirmed cash A/C Dr

To Remitted Cash A/C

Receipt with remittance Method (Cash Method)

Revenue A/C Dr

To Receivables A/C

Cash Applied

Cash A/C Dr

To Revenue A/c

Receipt is not applied to transaction

Conform Cash A/c Dr

To Unapplied Cash A/C

When the customer not identify

Unidentified cash A/C Dr

To Unapplied Cash A/C

Receipts with discount/ unearned discounts

At the time of earned discounts

Cash Account Dr

Discount Earned Account

To Receivables Account

Receivable Transactions

When transaction is raised

Receivable A/C Dr

To revenue Accrual A/C

When Credit Transaction Is Raised

Adjustment

Revenue A/C Dr

To Receivable A/C

Debit transaction is raised

Receivables A/c Dr

To Revenue A/C

Deposit Transaction

Unbilled Receivable A/C Dr

To Unearned Revenue A/C

Guarantee Transaction (Shares)

Unbilled receivable A/c Dr

To Unearned revenue A/C

Charge back (Normal)

Receivable A/c Dr

To Revenue A/C

Charge Back Payment Entry

Conform cash A/C Dr 10000/-

To Receivable A/C 8000/-

To Unapplied A/C 2000/-

Charge back against 2000/-

Receivables A/c Dr 2000/-

To Revenue A/c 2000/-

Refund

Transaction

Receivable A/C Dr 10000/-

To revenue A/C 10000/-

But he has Remittance 15000/-

Remittance A/C 15000/-

To Conform Cash A/C 15000/-

Applied 15000/- to cash transaction

Conform cash A/C Dr 15000/-

To Receivable A/C 10000/-

To unapplied A/C 5000/-

Refund

Conform cash A/C Dr 15000/-

To Receivable A/C 10000/-

To refund A/C 5000/-

Invoice rules

Bills in advance: - project value 6000/-

First January

Receivable A/C Dr 3000/-

To unearned Revenue A/c 3000/-

31st January

Unearned Revenue A/c 1000/-

To revenue 1000/-

Feb 28th

Unearned Revenue A/c 1000/-

To revenue 1000/-

March 31st

Unearned Revenue A/c 1000/-

To revenue 1000/-

Bills in Arrear: project Value is 6000/-

31st January

Unbilled Receivables A/C Dr 1000/-

To revenue A/C 1000/-

28 February

Unbilled Receivables A/C Dr 1000/-

To revenue A/C 1000/-

31st March

Unbilled Receivables A/C Dr 1000/-

To revenue A/C 1000/-

31st march

Receivables A/C Dr 3000/-

To unbilled receivables A/C 3000/-

FIXED ASSETS

Purchasing Asset in AP

Assets Clearing A/C Dr (Asset Category)

To AP Liability A/C (Financial Option)

Mass Additions

Assets Cost A/C Dr (Asset Category)

 To Cash Clearing A/C (Asset Category)

CIP Purchase

CIP Clearing A/C Dr (Asset Category)

 To AP Liability A/C (Financial Option)

CIP Mass Additions

CIP Cost A/C Dr (Asset Category)

 To CIP Clearing A/C (Asset Category)

Capitalized CIP

Asset Cost A/C Dr (Asset Category)

 To CIP Cast A/C (Asset Category)

Asset Revaluation

Assets Cost A/C Dr (Asset Category)

 To Accumulated depreciation A/C (Asset Category)

 To Revalue Reverse A/C (Assets Book)

Asset Retirement

Accumulated depreciation A/C Dr (Asset Category)

Proceeds of Sale A/C Dr (Assets Book)

 To Assets cost A/c (Asset Category)

 To Depreciation A/C (Asset Category)

Asset Removal

Accumulated depreciation A/C Dr (Asset Category)

Proceeds of sales A/C Dr (Assets Book)

 To Assets Cast A/C (Asset Category)

To Depreciation A/C (Asset Category)

To Cost Removal A/C (Assets Book)

Assets Depreciation

Assets Cost A/C Dr (Asset Category)

Depreciation A/C Dr (Asset Category)

To Accumulated Depreciation A/C (Asset Category)

To Assets Clearing (Asset Category)

CASH MANAGEMENT THEORY

Introduction

- Oracle Cash Management is an enterprise wide solution for managing liquidity and controlling cash.
- Cash Management gives you direct access to expected cash flows from your operational systems.
- You can quickly analyze enterprise wide cash management cash requirements and currency exposures, ensuring liquidity and optimal use of cash resources.

Benefits of Cash Management

- Forecast cash flows in any currency and in multiple time periods
- Streamline the reconciliation process
- Monitor for exceptions and fraud
- Forecast based on historical or future transactions
- Manage the cash cycle efficiently and with control

Cash Management Integration

- Cash Management is integrated with Payables, Receivables and General Ledger.
- Payables: Payments information automatically transfers to CM without any process.
- Receivables: to transfer Receipts information to CM remittance process is required.
- From AR only remitted eligibility transactions will transfer to CM.
- GL: If we have entered any journal in GL with cash account, that data will flow to CM.
- Cash Management is used mainly for 2 purposes

1. Reconciliation

2. Forecasting

- Forecasting is used to identify the future cash inflows and outflows of an Organization.

Reconciliation:

- Normally at the end of every period, the entries in the cash book are compared with entries in the pass book.
- The exact causes of differences are scrutinized and then bank reconciliation statement is prepared.
- Necessary suitable entries will be passed in the cash book.

Reconciliation process is 3 types:

1. Manual Clearing Process
2. Manual Reconciliation
3. Automatic Reconciliation

Manual Clearing Process:

In this process we will manually clear the transactions without entering the bank statement into Oracle.

Manual Reconciliation:

In this process we will manually enter the bank statement into Oracle. We will take the transactions one by one and search for the bank transactions manually and mark the transactions as reconciled.

Automatic Reconciliation Process

Automatic Reconciliation process can be done in 2 ways:

11. We will enter bank statement into Oracle and run a program, so that system will search the transactions and will reconcile automatically.
12. In another way, in the case where bank statement transactions are more and not possible to enter manually into Oracle, in that case, we will upload the bank statement into Oracle through specific formats:

BAI 2 & SWIFT 940

- These formats are used to upload bank statements into Oracle.
- ✓ Once we received bank statements in the above formats from the bank, we will place these files in a directory where cash management application is stored.
- ✓ We have to run “Bank statement load” program.
- ✓ We have to define Bank codes for transaction identification purpose.

GENERAL QUESTIONS

1. Explain about AIM's methodology?
2. Explain an issue what you feel critical in any module and how you resolve?
3. Explain the issues in each module what you have encountered and resolution?
4. Difference between 11i and R12 in each module?
5. What is MOAC and explain about profile options?

Customization:-

Customization is nothing but the if the user given any requirement to implement but it is not fit in to the standard oracle application in this case that has to be customized to fulfil the requirement basically it is a gap in the system.

Types of Project:-

- 1). **Implementation:** - this project can be define as a process of building an ERP system as for the requirement of the client.
- 2). **Support:** - Providing support to the users to day to day activities from oracle front. Can be called as support project.
- 3). **Rollout:** - Implementing the system as per the guidelines defined by the key stakeholders of the company in a geographical area or a division can be called as rollout Project.
- 4). **upgrade:** - Upgrading to the latest version of oracle ERP system can be called as upgrade project.
- 5). **Testing:** - Testing project can be called as process of testing the application and its functionalities.
- 6). **Development Project:** - Developing third party Software Application based on Oracle can be called as Development Project.

Implementation steps

1. Project Management Plan
2. Kick off Meeting
3. As Is Analysis
4. As Is Document
5. To be document
6. Mapping
7. Gap Analysis
8. Configuration/ Setup
9. Testing of Configuration
10. CRP – Conference Room Pilot
11. UAT – User Acceptance Test
12. Production Configuration
13. Data Migration
14. End User Training
15. Go Live
16. Parallel Run
17. Post implementation Support

1. Project Management Plan:

- ✓ In this phase, Project Manager will create document called “PMP Document” with the details of project time frame, required resources and the total cost of the project.
- ✓ This document will be shared with client side steering committee members to get sign off that document.
- ✓ Manager will be shared this document with team members.

2. Kick off Meeting:

- ✓ In this phase introduction will be happen between the implementation team and the steering committee members and super users of client side.

3. As Is Analysis:

- ✓ In this phase implementation team will study and analyze the current process of the client business.

4. As Is Document: This will be created with the current process analysis.

5. To Be Document:

- ✓ In this document we will capture all the information how would be the future process of client on Oracle Apps.
- ✓ This document will be reviewed by steering committee of client and get signed off.

6. Mapping:

Process of verify the customer requirement with Oracle Standard functionality is called “Mapping”.

7. Gap:

If any requirement is not available in the Oracle Standard functionality is called Gap.

To fix the gap we have to do the following Gap Analysis to find out the best solution.

- i) Customization
- ii) Form Personalization
- iii) Work Around
- iv) Re engineering.

- Customization: Developing new forms or Reports in Oracle Apps
- Form Personalization: Without writing any programs and coding we can modify some forms.

- Work around: Some process may not be required to do by customer, but he has to follow the process to complete the activity. For example: Zero payments and Petty cash.
- Re engineering: Changing the current process followed by customer to fit with oracle.

8. Configuration & Setup:

In this stage we will configure the setup for client systems.

We have 3 types of instances:

1. Test instances (CRP Instance) – Only for testing
2. Development Instance (Dev Instance) – To develop custom components
3. Production Instance (Prod Instance) – Real time instance.

9. Testing of Configuration: We will verify the accuracy of the configuration before showing to client.

10. CRP: Conference room pilot: We will show the configuration to client and will get signoff. In general there are 2 CRP's is enough to get sign off.

11. UAT: User Acceptance Test: In this phase test instance will be provided to key users of client to test the application.

12. Production Configuration:

Once UAT signed off we will configure the production instance. Through “cloning” test instance will be copied to Dev instance for the purpose of technical people usage.

13. Data Migration:

Data moving from Legacy System to Production instance is called “Data Migration” or “data Conversion”.

Functional Consultant responsibility in data migration:

- Template preparation for Suppliers, Customers, Purchase Invoice, Sales invoices, Assets, Bank accounts, Payment terms.

- Templates will be filled up by client and implementation team will validate the completed templates.
- These templates with data will be shared to technical consultants.
- Technical people will be developing some staging tables by using some tools like “SQL Loader”. They will be writing some custom programs to store the data in directories. They will be writing the programs in such a way that, system will pick up the data from the staging tables.
- If you run the program then data will flow into Oracle Apps.
- Before that Functional consultant has to set up the pre requisites like Customer and Supplier Accounts.
- To upload the assets data we use “Web ADI” process. For this we do not need to create staging tables for data storing. Validation also not required.
- There will be cut off date for data migration.
- *Information which we migrate: Supplier header, Supplier site, Supplier contact information. Customer header, Open transactions.*

14. End user training: Training to end users

15. Go live: After migrating data into production instance, customer start using the Oracle apps, this activity is called as Go Live. This instance is called Prod instance.

16. Parallel Run:

Customer will enter the data in the both the applications in Legacy and Oracle Apps. This process is required until the Oracle instance get stabilized.

17. Post implementation Support :

Once the implementation completed, after go live, customer may request to provide support for some time.

Explain about AIM's methodology?

IMPLEMENTATION

AIM provides the tools needed to effectively and efficiently plan, conduct, and control project steps to successfully implement new business system.

Oracle methodologies:-

- 1). Oracle AIM 3.1 (Application implementation methodology).
- 2). Oracle EMM (Easy migration methodology)
- 3). OUM (Oracle unified method)

This is an application implementation methodology developed by Oracle Corporation.

We use this methodology for Oracle Apps projects implementation.

Sequence of order of task to complete implementation is called AIM Methodology.

This will be conducted in 6 phases.

- 1). Definition.
- 2). Business Analysis.
- 3). Solution Design.
- 4). Build.
- 5). Transition.
- 6). Go Live.

Definition:-

- Plan the project.
- Review the organization objectives.
- Strategies, objectives and approaches are determined for each aim process.

Operation analysis:-

- Project team develops business requirements.
- Asses the level of fit between the business requirements and standard application functionality.
- Gaps are identified and corresponding solutions developed.
- Solution for gaps evolve into detailed during solution design.

Solution design:-

- Develop the detailed design to meet the future business requirements.
- Project team members create detailed narratives of process solutions developed during operations analysis.
- Supporting business requirements may require building application extension to standard features.
- The project team carefully scrutinizes these solutions and choose the most cost effective alternatives.

Build:-

- Coding and testing of all customization and other custom software.
- Coding & testing of enhancements, data conversion, and interfaces.
- Policy and procedure changes relating to business process modifications are developed.
- Business system testing is performed to validate that the developed solutions meet business requirements.

Transition:-

- Deploys the finished solution into the organization.
- The project team trains the end users.
- Technical team configures the production environment and converts data.
- Transition ends with the cutover to production, when users start performing their job duties using the new system.

Production:-

- It makes the last phase of the implementation, and the beginning of the system support cycle.
- The implementations systems (IS) personnel work quickly to stabilize the system and begin regular maintenance.
- Provide the ongoing support to the organization for the remaining life of the system.
- Compare actual results to project objectives.

When it was first launched

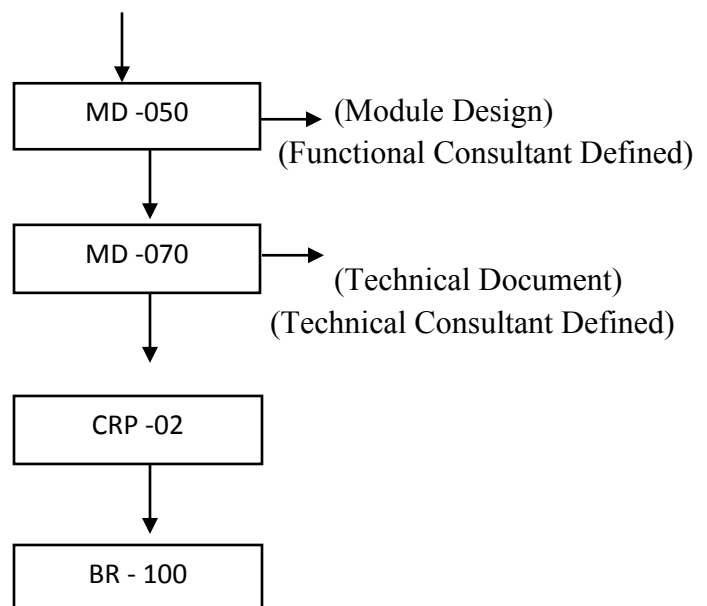
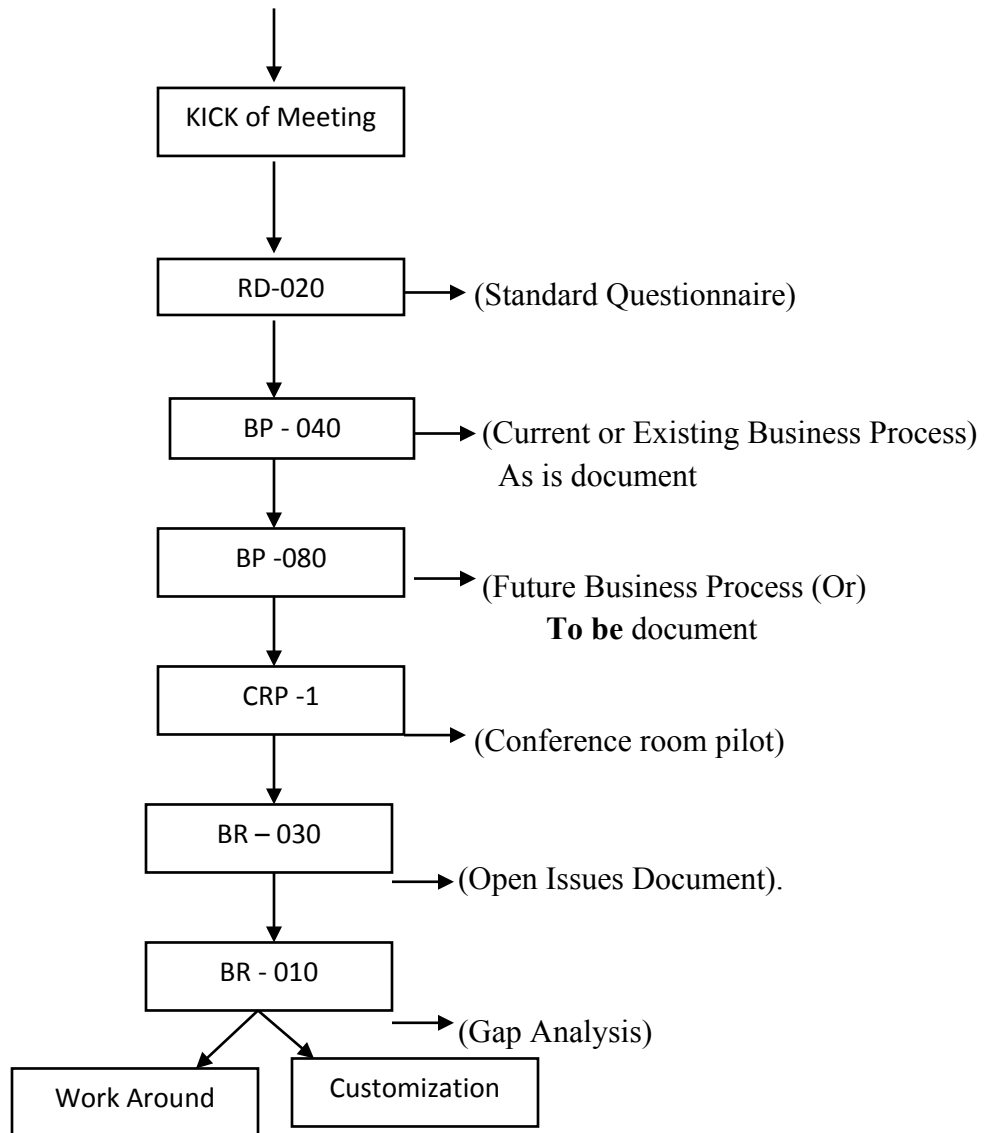
The first version of AIM was initially released for use by Oracle Consulting staff in October 1994.

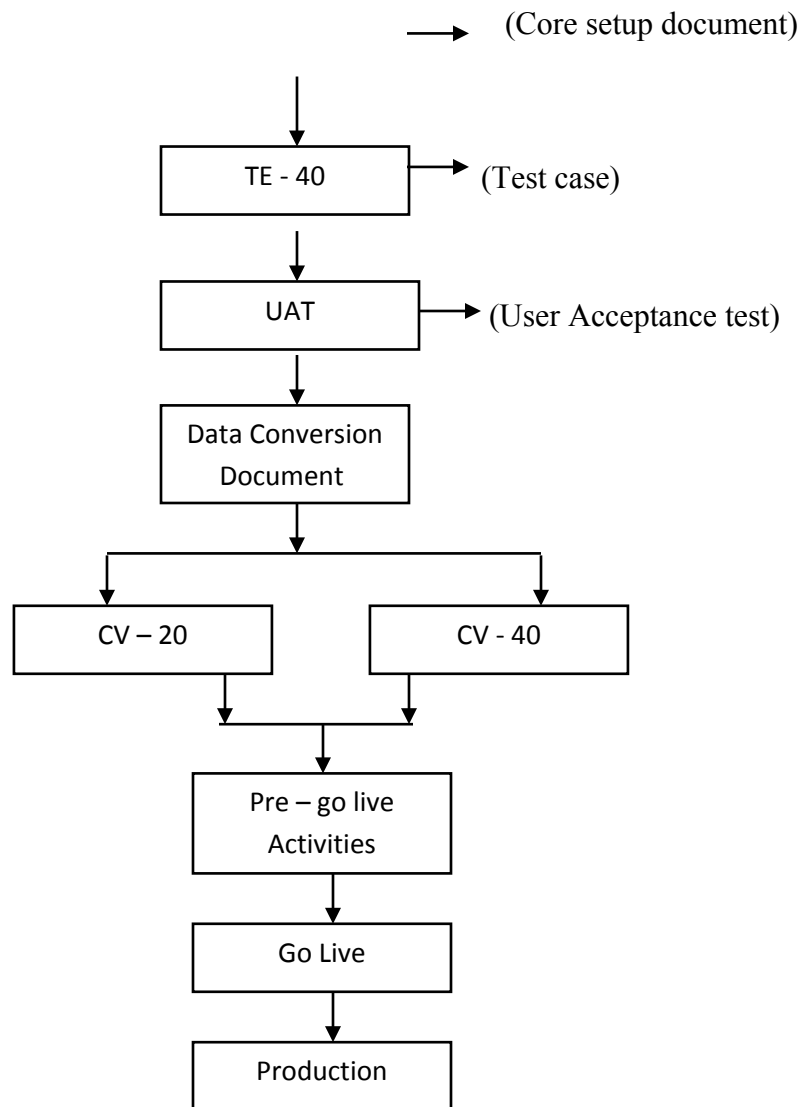
- Tasks, steps and deliverables for project life cycle
- Templates for many deliverables

AIM 2.0, a refined version of the method, was released in July 1997.

Oracle introduced AIM Advantage 3.0 in September 1999.

Oracle has launched **AIM's 3.1** version, which is also called as AIM's Advantage,





- BP -080 discusses about COA, 5 -7 Meetings for creation of COA.

Instance (or) Application

- Development Instance.
- Testing Instance.
- Production Instance.

<u>AIM Methodology Stage</u>	<u>Implementation Step</u>	<u>Document Name</u>

1. Definition	✓ Project Management plan ✓ Kick of Meeting ✓ As Is Process ✓ To be process	➔ PMP ➔ BP 040 ➔ RD 020
2. Operation Analysis	✓ Mapping ✓ Gap ✓ Gap Analysis	➔ BR 030 ➔ MD 050 (FDD)
3. Solution Design		BP 080
4. Build	✓ Configuration / Setup ✓ Testing ✓ CRP	➔ BR 100 ➔ TE 040
5. Transition	✓ UAT ✓ Production Configuration ✓ Data Migration ✓ User Training	➔ BR 100 & BR110 ➔ CV

6. Production	✓ Go Live ✓ Parallel Run ✓ Post implementation Support	
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- BP = Business Process
- BR = Business Requirement
- MD = Module Design
- RD = Requirement Definition
- FDD = Functional Design Document
- TE = Test scripts
- CV = Conversion Documents

- ✓ BP 040 = Current Business Process
- ✓ BP080 = Future Business process
- ✓ RD020 = Requirement Definition = BP040 +BP080
- ✓ MD050 = Functional specification document
- ✓ BR100 = Application setup document
- ✓ TE040 = Test Scripts
- ✓ BR110 = Profile Options

RD020 – Business Requirement Gathering

The essential content of RD020 is as follows

- The AIM Methodology Provides a Questionnaire for every module which you have to modify to suit to your Business.
- Some Companies will have clearly defined Processes and some companies DO NOT know clearly what is the Process followed.
- The Consultant needs to be clever enough to question the client and extract the right information.
- In case if they DO NOT have the Processes, Documenting them is very important.
- DO NOT use same Questionnaire for all clients as the Business Model will vary from client to client in same industry.
- Client will try to include what they expect in the Oracle Applications also in this list – Try to avoid or keep it separate as an expectation from the client
- Some Clients expects the same Solution in Oracle also which they current system is offering.
- DO NOT admit if it is NOT possible and it is a process of Change Management in the whole implementation.

CRP Session I

The Conference Room Piloting Session I cover

- Basic Understanding and mapping of the Client Business Processes.
- Explain the Flow of Transaction in Sequence.
- Portray the importance of Integration of Modules.
- How the Integrated System helps in Proper Decision making between Procurement, Inventory, Manufacturing, Order Management, Projects, Payroll and Financials.
- Demonstrate the Link of CRM and Link to related Modules if it is in scope.
- Ensure the Session covers at least 75% of Client Business Processes.
- Maintain an Issue Log to cover up the missed out areas in CRP II

Note: If the Client Business Requirement is not covered in the range of 60 to 75 %in this Session, Client will have more suspicion about the Product and as well as the Implementer. Hence Ensure before announcing the CRP session, you have a Good understanding of Client Business, Organization Structure and Reporting Patterns.

BP080 – Future Business Model

The essential content of BP080 is as follows

- Review any documented future business requirements.
- Identify and describe the events to which the business responds.
- List each process and write a summary description of each, identifying the event to which it responds and its main inputs and outputs.
- Construct the top level of the hierarchy from information provided by interviews with senior management and Current Business Baseline (RD.020) information.
- Identify the steps that make up each process, their sequence, any conditions that determine alternative execution paths, and the agent responsible for each step; validate that each step maps to an elementary business function.
- Construct process flow diagrams for processes with more than two steps or with conditional steps showing the sequence of process steps and the flows between them. Show conditional steps where appropriate.
- Break down the detailed Future Process Model into a list of the steps carried out by all participants in the process (if your project includes process change).

The essential content of BP080 is as follows

- Translate the to-be process design into the functions of the Oracle Application, and determine high-level changes (if your project includes process change).
- Construct the intermediate and lower levels from application reference material and other required business functions.
- Review the Future Process Model with users and management.
- Secure approval of project and business line management

Note: This document will signify the Future Business Model and How Oracle Applications will be mapped to suit Client Requirements. The Flow Model should include the areas where Oracle Functionality is missing for which Custom Extension has to be built.

Ex: If your Customer is a Service Oriented Organization and in the Purchasing module, your client wanted to capture only inventory tracking and No need for inventory accounting, then the flow diagram should clearly show how expense asset items are tracked in Oracle Applications. No need to show the Normal Inventory Procure to pay cycle. Document only what is applicable for your client

CRP Session II

Conference Room Piloting Session (CRP) II

- Ensure you have full understanding of Client Business and the Solution Demonstrated to the Client Covers all Issues except the one identified in BR010 GAP Document.

- Ensure you have covered all Issues raised in CRP Session I is Addressed.
- Identify any further issues arisen in CRP II and the same needs System level Configuration Oran identified GAP which needs to be addressed through Workaround solution or Customization.
- Prepare PPT Handout and Material for the Business Users to identify and recall what was shown in CRP I and how it is addressed in CRP II.
- Ensure the Client Business Requirement is met 80-90% by standard software and Balance 10% amounts to GAP which needs Customization or Workaround solutions.

Note: An issue might be identified as GAP due to Lack of Oracle Application Knowledge of the Consultant. So a proper evaluation by an expert is must while identifying the potential GAPS or which can be fixed through a workaround solution.

MD050 – Functional Design

The essential content of MD050 is as follows

- Review Mapped Business Requirements (BR.030).
- Write the topical essay.
- Document forms.
- Document reports.
- Document concurrent programs.
- Describe the technical approach.
- Review the high-level design with analysts and key users.
- Obtain approval for the Application Extensions Functional Design by the requester.

Note: Ex: A Standard Functionality does not exist and Workaround solution is not acceptable to Client. DO NOT change the Base Tables of Oracle Applications while preparing Customization / Extensions. Functional Design should be clear, Legible, unambiguous and Purposeful have implemented Oracle Property Manager for a Client and Client wanted to Manage those properties after Sales also. Client will be collecting Money from all owners in a Building and provide maintenance services. Each Building is a Legal Entity and only one Contract per Building for all Customers. There is NO standard solution / workaround solution in Oracle to have One Contract for multiple Customers. Hence we made a Customization without touching the base tables. The Standard CAM Functionality does not meet Customer requirement.

System Integration Testing (SIT)

SIT covers the following

- SIT should be conducted after the Customization is Built and tested internally by the implementer.
- The SIT should cover User Case with Test Scenarios and Integration of Related Modules.
- Ensure the Customization does not hamper any of the Standard Functionality.
- The Test cases validate the technical Requirements and Specifications.
- The Test cases verify if the application/System meet the Business & Functional Requirements specified.
- The Test cases may also verify if the System meets the performance standards.
- The SIT Test Script should be made ready before start of the session and Distributed to Users.
- Update the issue Log with identified Bugs.
- Involve Development to Fix the Bugs and get sign off from the Client

Note: The SIT involves Technical Development involvement to close any of the Bugs and Enhancements that may arise out of Testing. Getting Sign off is very important in SIT to move to UAT.

TE040 –Test Scripts

The essential content of TE040 is as follows

- Review the Business Mapping Test Results and map to test scenarios.
- Review the Link Test Script.
- Develop the System Test Specifications.
- Develop the Data Profile for the system test.
- Include a Defect Log to be used during testing.
- Develop the System Test Sequences.
- Validate the components of the System Test Script.
- Secure acceptance that system test scripts include criteria for Century Date compliance testing.

Note: The Test Scripts are prepared for three (i) System Integration Testing, (ii) User Acceptance Testing, (iii)End User Testing. The details of the scripts need to vary depending on the Test. It is must to get a Sign off from all users who have participated and get a Feedback or Create an Issue Log/Defect Log to address and close the issues to move forward to Production Set up.

BR100 – Application Set up

The essential content of BR100 is as follows

- Review the application configuration in the mapping environment.
- Review business mapping decisions and documents.
- Define the application setups intended for production.
- Implement the application setups in the appropriate environments (if necessary).
- Review and confirm configuration and impact of changes.
- Secure acceptance of the Application Setup Documents.

Note: This is the Final Document which you should prepare as per Production Instance Set up preferably with screenshots and get a sign off from Client. Any modification to Production Set up after this has to be handled through Change Request and Proper Approvals should be maintained for the same.

The Super Users/ Key User should Take ownership of the system and manage the system independently without much intervention from the Implementer. Most of the cases the Support period are also managed by Implementer and Super Users not taking ownership of control causes failure of ERP Implementation.

TYPES OF ISSUES

- ❖ Set up Issues.
- ❖ Process Related.
- ❖ Data Fix / Data Corruption.
- ❖ Patches.
- ❖ Change Request.

SET UP ISSUES

- ✓ Whenever user face issues then support team need to help to user to resolve the issues.
- ✓ Supporting team will help end user to resolve the issues in production.

LEVELS OF SUPPORT PROJECT: -

- ✓ There are 3 levels
 - Level -1 (End user) Recording transactions, entering invoices, banking details.
 - Level-2 Setup related issues (Functional Consultant) more functional less technical.
 - Level -3 Technical Consultant (More Technical and Less Functional work).

ISSUE 1:- Customer wants to create self billing invoice from one supplier. (Site level).

Solution:- We have enabled pay on receipt feature at supplier site so that customer able to create invoice automatically when they are receive goods.

ISSUE 2:- Interest is not calculating on overdue invoice in AP for Particular Supplier.

Analysis:- After analysation have Found that invoice feature disable at supplier header.

Solution:- We have enable allow interest invoice feature at supplier at header level so that we are able to create interest in invoice.

Issue 3:- When we run create accounting program not getting accounted and error message showing cash clearing A/C not assigned.

Solution:- we have to assign cash clearing account to bank account and then asked user to run create accounting program. So that it got accounted.

Issue 4:- User not able to create invoice for supplier but PO already created for same supplier.

- While creating supplier address only purchases ENABLE. Payment not ENABLE
- Invoice already created so not able to create again.

Solution:- We have to enable payment purpose at address and site level.

Issue 5:- Request for new tax code creation.

EX: -if user creating ticket but wants to create tax because financial year changed and tax percentage also changed.

In AP we are able to see the “with hold Tax”.

Setup ----- Tax ----- Codes

Here we need to gather information from end user. For getting details we need to prepare one excel template and we need to update ticket to user with that ticket. This template is called “WHT code template”

Solution: - Prepare a template to get details from user. Get approval from user. Define tax code.

Issue 6:- Unable to add bank statement lines manually to imported bank statement.

Solution: - need to enable adding lines to imported statement in system parameters under reconciliation control. (At the time of implementation they may be don't want. Now they are requested to use this option).

Issue 7:- There are 10 assets under one corporate book in which user want to calculate depreciation for 7 assets.

(We need to go to the asset records and we need to disable three assets which are we don't want)

Solution: - Disable the depreciation check box at asset work bench for which depreciation should not calculated.

PROCESS ISSUES

Issue 1:- User not able to validate invoice.

Analysis: - When I analyzed I found that distribution hold placed on invoice by the system as there is deference between invoice header amount or distribution amount.

Solution: - I Asked user to correct distribution amount in the invoice so that user able to validate invoice.

Issue 2:- Journals are not posting automatically. When we run auto post program.

Analysis: - We could see that journals are created after connection of the auto post program.

Solution: - We informed to the user that these journals will be picked and posted need time when auto post program run.

Auto Post program: - 11Am.

Journal created: - 11.02 Am

Issue 3:- Quantity received hold placed on invoices and user not able to validate invoices.

Analysis: - When we checked receiving quantity is “0” and user using 3 ways matching hence quantity received hold placed on invoice.

Solution: - we informed to user that once goods received invoice will get validated.

Issue 4:- AR Invoices are not creating for sales orders.

Analysis: - When we checked interface we could see error: remit to address not defined for customer location.

Solution: - We asked user to define remit to address setup for that customer so that system will create invoice for that customer.

Issue 5:- Not able to A/C payment document when I tried from action window of payment work bench.

Analysis: - Associate invoice not accounted hence payment not getting accounted.

Solution: - A/C the invoice and the A/C payment.

Issue 6: - There is different between AP&GL when we reconcile GL balance is grater that AP trial balance report.

Analysis: - This difference is because of manual Journals which is created by one user for adjustment purpose.

Solution: - we informed to user so that it has been resolved after reversing journal.

Issue 7: - There are 5 assets under one assets category now user requesting to change the asset cost A/C in asset category.

- Reclassification is used to change the category in FA.
- A/C is grade out so there is no possibility to change asset cost A/C.

Solution: - Create new category (New Asset A/C). Perform mass reclassification.

Issue 8: - Expense report not getting imported in to AP as a invoice.

Analysis: - home address not defined in employee record in HR hence invoice had not been create.

Solution: - Address has been created in employee record after taking necessary approvals.

Issue 9: -Cash A/C not updated in receipt class when user modify cash a/c in bank a/c.

Solution: - End date old receipt method in receipt class then create new receipt method.

Issue 10: -user requesting separate payment numbers for manual payments.

Solution: - Enable allow restricted to manual payment check box at payment document so that it can be used for only manual payment.

Search engines for problem solving

- Issue
- Knowledge
- Google
- Search in my oracle support
- User guide
- Other helps
- SR.

1). Standard Functionality: - some features are there in oracle to find the solution.

2). Workaround: - there are some setups to solve the problem.

3). Customization: - we need to modify here we need to get help of team members or technical people.

Help ----- Diogenes

DATA CORRUPTION:

Issue 1: - AP invoice accounting status not updated to **YES** still it is showing **No** for one invoice

Analysis: - we are able to see the journal for invoice when we checked view accounting from invoice screen so problem with only status.

Solution: - As it seems data corruption issue we logged a SR with oracle they have provided data fix then issue has been resolved.

Issue 2: - bank statement line status not updated to reconcile when we reconcile for payment document still it is showing reconciled status.

Bank statement line - UN reconciled

Payment document creation – Negotiable

Once reconcile status is reconcile not yet account

Solution: - As it seems data corruption issue we logged a SR with oracle they have provided data fix then issue has been resolved.

Patches: -

- We cannot decide whether it is patch related issue or not.
- It will decided by oracle.
- Each form and each screen having versions

HELP ---- about oracle application. (Here we can see the forms and screen versions)

Form has the existing software file and modify the latest software file.

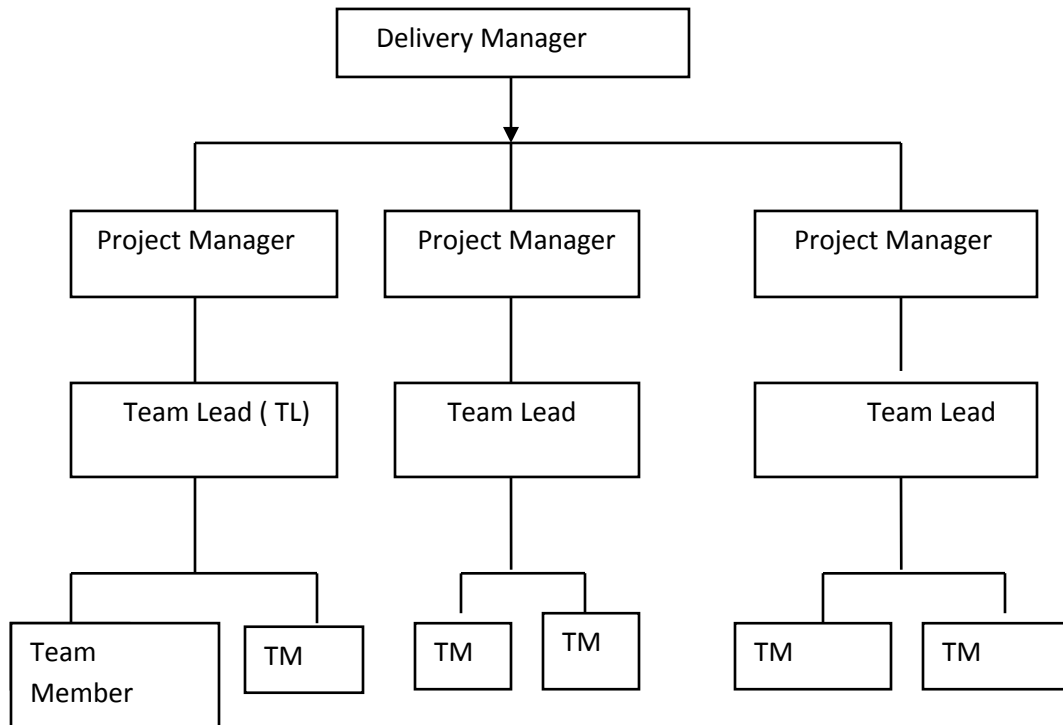
Patches will be applied by DBA people

Patches: -

- Patches will be used to modify oracle software.
- Patches will be received from oracle.
- Patches need to be analyzed by functional consultant that is what new behaviour is and what is old behaviour. Once completed by functional consultant.
- Patch need to be analyzed by technical consultant(patch impact on customization)
- After this patches will be applied by DBA people.

S.NO	ISSUE	REASON / SOLUTION
1	User not able to processing create accounting for payment at payment WB	User not created accounting for invoice at invoice work bench level.
2	Payment Batch – System is not selecting any invoice	Invoice recorded with one payment method, for payment different payment method selected
3	User unable apply prepayment	Settlement days entered in the payables options, we have to remove that
4	MRC – while posting transferring data transactions not going to reporting SOB	There was bug in application, we have raised SR, oracle given patch, we have applied patch with the help of technical people
5	We have created Budget journal, when inquiry not able to find balances	BUG
6	Create accounting program in R 12 Receivables is ending with error	We run the “Validate application accounting definition program” then it works fine

ORGANIZATION STRUCTURE



TEAM SIZE:

Implementation----9-16members---small, medium business

Support-----12-20

Upgrade---7-13 people

PROJECT DURATION:

Implementation----{-13}months

Support----2yrs-no limit

Upgrade---4-8months

KT----knowledge transfer

Release

COMMUNICATION CHANNELS:

E-mail

To-user1

cc-absent, help, escalation

Video Conference

Phone

Dc-VOIP voice internet phone

Toll Free no.

Group Cell-Conference Call

Internet Communicators

Desktop Sharing-Team viewer

APPRAISAL PROCESS:

Yearly –rating

Cat1, Cat2, Cat3, Cat4, Cat5 (Smart)

Support Project:

Standard Functionality

Customization

Supporting: Supporting team will help end users to resolve issue in production.

Level s of Supporting project:-

1). Customer / user.

2). Resp User.

3). DBA.

SLA (Service Level Agreement:- Giving salutation based on priority.

P1. ----- 4 Hrs ----- 4 Hrs (At the time of period end Process need to send email communication for every 2 hours. Many users are not able to login in P1 issues)

P2. -----24 Hrs ----- 1Day.

P3. -----48 Hrs ----- 2 days

P4. ----- 72 Hrs ----- 3 Days

P5. ----- 120 Hrs ----- 5 days.

Following tools will be used to support users.

Buzziller.

IELTS.

Remedy.

HPSD

Service now: - This is only specific to GE projects.

One project must have only one tool

Ticket No: - *****

Group Mail: - DL_ Distribution link.

Status of Ticket

NEW: - This status indicates that ticket has been created by user/ customer and not yet assigned to any team member.

ASSIGNED:- This status indicates that ticket has been assigned to the supporting team member.

WORK IN PROGRESS:- This Status indicates that supporting team member working on the ticket.

PENDING ON USER:- This status indicates ticket is waiting at user to get additional information.

END USER UPDATED:- This Status indicate that end user updated the ticket with requested details.

PENDING RELEASE:- This status will be assigned to the ticket when we are waiting to move solution in to production after resolving

CLOSED/ RESOLVED:- This status will be assigned to the ticket once issue has been resolved in the production before closing ticket we need get conformation from end user.

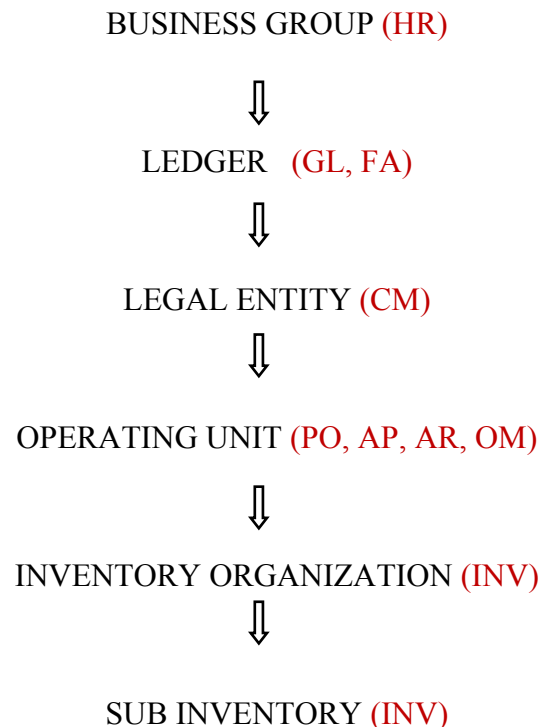
RE- OPEN: - User will reopen the ticket if again same error in the production.

SUPPORTING PROCESS:-

- Customer log a ticket in tool
- Team will get alert mail / DL .new.
- TL will assign or Assign our self assigned.
- Ticket owner will update ticket in Progress.
- Analyze the ticket.
- Ticket owner will update the ticket pending on user.
- End user will update ticket with details end user will updated.
- Will update ticket in progress.
- Analyze and work on development Instance.
- Implement solution test environment and ask the user to test it pending on user.
- User will update the test result Yes/ No.
- User will provided sign off if it is YES end user updated.
- If Test result No will work from starting onwards.
- Get Approval from functional owner / Super user
- Implement solution in production or log a ticket with DBA _ Pending Release
- Ask user to check in production _ pending Release.
- Resolved in production get conformation to close.
- If issue is not resolved then work form start onwards.
- Close the ticket _ close.
- Ticket will be re open if issue is not been resolved.

MULI –ORG Structure

Multi-org it is used to capture the Multiple Organization information in single Data base.



Business Group:

Its Heights level in Multi-org structure it secures the Human Resource information.

Ledger:

It is a Reporting entity. In which recording day to day business transitions and also it will determined by

4c's for our Organization.(COA , Currency, Calendar, Accounting Convention method)

One Business group contains multiple ledgers but one ledger must associate with one business group.

Legal Entity:

Legal entity is nothing but a tax authority, one ledger contains multiple legal entities. But one legal entity must be associate with one ledger only.

Operating Unit:

It is nothing but a Major business group division. One legal Entity contains multiple operating units but one operating unit must be associated with one legal entity.

Inventory Organization:

It's nothing but a ware house or manufacturing plant. Where storing the goods one operating unit contains multiple inventory organization. But one inventory organization must be associated with operating unit only.

Sub Inventory:

It's a part of inventory organization. One inventory organization contains multiple sub inventories, but one Sub-Inventory Must be associated with the inventory organization.

PERIOD END PROCESS

AP Period end Process:

- 1). Prepare Month end process.
- 2). Complete all transactions (Transaction should be completed and payment should be complete status).
- 3). Reconcile to AP to GL. We have run,
 - AP And GL Trial Balance.
 - On hold Reports.
 - GL Post.
 - Invoice Minimum Release amount conversion.
- 4). Close Periods.

Phase -1: - Prepare Month end process.

A).Before submitting the payables accounting process we have to complete the all payment related to the invoices.

B). we have to run the **Invoice Validation (Or) Invoice Validation Program**.

We have to analysis the details of the invoices entered into the system, but no action taken i.e. the status of the invoices are never validated.

C). When pending PO's are there we have to close and raise the invoice against to those PO.

D).If you want to imports the invoices run the **payable open interface import report**.

EX 1: - To process any invoices that are loaded to payable option.

EX 2: - Employee allowance interface import.

E). Review the expenses report and resolve any invoice related issues, **typical types invoices that are imported through EDI(Electronic Data Interchange) Inbound Invoices.**

F). Invoice from external system,

1).invoice related from credit card transactions if using procurement tax

2). Advance system and billing notes,

G). we have to run **import and process expense report** in case if error are find after running the import and process expense report, we have do the manual corrections and reconcile bank statement with cash management.

EX: - **HDFC out bonds payment interface program.**

Note: - if send the any payment to the customer we create the transaction number that could be identify with the customer transaction Based on the transaction number it is useful to organization and customer.

F).After completion of the reconciliation process we have to transfer data to GL from Payables.

Phase – 2: - Complete all transactions

1).We have to run **invoice validation report** this program will validate the all invoices enter in to the system expect which invoices are placed on hold either the manual holds or system holds

2). Resolve the invoice holds for this we have to run the **matching hold detail report** it is used to review the detail account payables and purchasing information for invoice with matching holds and matching hold releases. It will check by the 2- way, 3- way and 4- ways matching levels. If necessary again run the **invoice validation report**.

3).We has to run **approve invoice status** it determined which invoices and which invoice lines required to approval (regards less of payment status) and remove all pending approvals for particular suppliers.

We have to run the **invoice approval work flow** it is determined the request automate invoice approval flows based on rules define that work flow determined the if an enter invoices are invoice line it will approve it also determined who should approval.

4). Conform or cancel pay run:-

Pay run must be conform or cancel we will not able to close the periods after all activities related to pay run or completed process any manual payment and quick payments also process stop and void.

5) We have to run **Create Accounting** it creates multiple accounting entries for all the transitions to accounting for invoices there must be validated. To accounts for payments the invoice must be already account.

6) All transactions need to be accounted before transferred to General Ledger from payables if you want to find for any unaccounted transaction we have to run the **Unaccounted Transactions Report** review any unaccounted transaction and correct as necessary.

7). Run **Create mass additions program** from account payables responsibility. This program transfers all the account lines that are marked as Track as Asset, and corresponding clearing account setup in fixed assets.

Phase -3: - Reconcile to AP to GL

1).we have torun the **open accountAP balance listing report or AP trial Balance Report**. It determined the total account payable liabilities in payables are equal to GL.

2). we have to run **Posted invoice register** review accounting lines for invoices that have been transfer to GL.

3) We have to run the **Posted Payment register**. Its review the all payment lines have been transfer to GL

Formulas : - Total AP liability account in GL or GL trial balance report or open account AP balances listing report or AP trial balance (For the last day of the current period) should be equal to AP trial balance for the last day of the previous month + posted invoice register – Posted Payment Register.

4) We have to run the **account analysis report** if any problem in invoices in AP it will shows the error.

Phase – 4: - Close Periods.

1). we have to run the **Period closed expansion report**, Select ‘Closed’ from list of values in the Period Status and save the record.

If any invoices, debit/credit memo, prepayment, expenses reports are not approved, these will be swept into the next or decided open/future period. If sweep is required, future period should be opened before sweeping is done.

Run **Unaccounted Transactions sweep program** for this we have to open the new period.

Select the Next period to open. Select ‘Open’ from list of values in the period status and save the record.

AR Period end Process: -

There are four phases in receivables.

1). Prepare for period close.

2). Complete all transactions.

3). Internal and external reconciliation.

4). Close a period.

Phase – 1: - Prepare for period close.

Before submitting the accounting receivable process we have run the standard reports like **Auto invoice master program** to process the sales order exported from oracle order management or transactions exported from project billing by ADI (Application Desktop Integrator).

Reconcile bank statements with cash management automatically or manually.

Phase – 2: - Complete all transactions.

Complete the manual invoices, Debit & credit memos and corrections for the period, to find the details run **incomplete invoices report**. Based on the report go to transaction window and complete the transactions.

Note: - if the transactions are not completed they don't show in open receivable balances or in aging buckets. (To know the outstanding balances of the customer after due dates)

Complete Log box process.

Complete all receipts and reversals ensure all the payments are receipts recorded at apply to the transactions and they know unidentified receipts. Ensure all the adjustments are approved and write –off and transfer.

We have to run the **revenue reorganization program** it will generate the revenue distribution for the invoices and credit memos that uses invoice and accounting rules.

Invoice rules are 2 types 1). Bill in advance

2). Bills in arrears

Accounting rules are 4 types

A). Daily revenue rates with all periods,

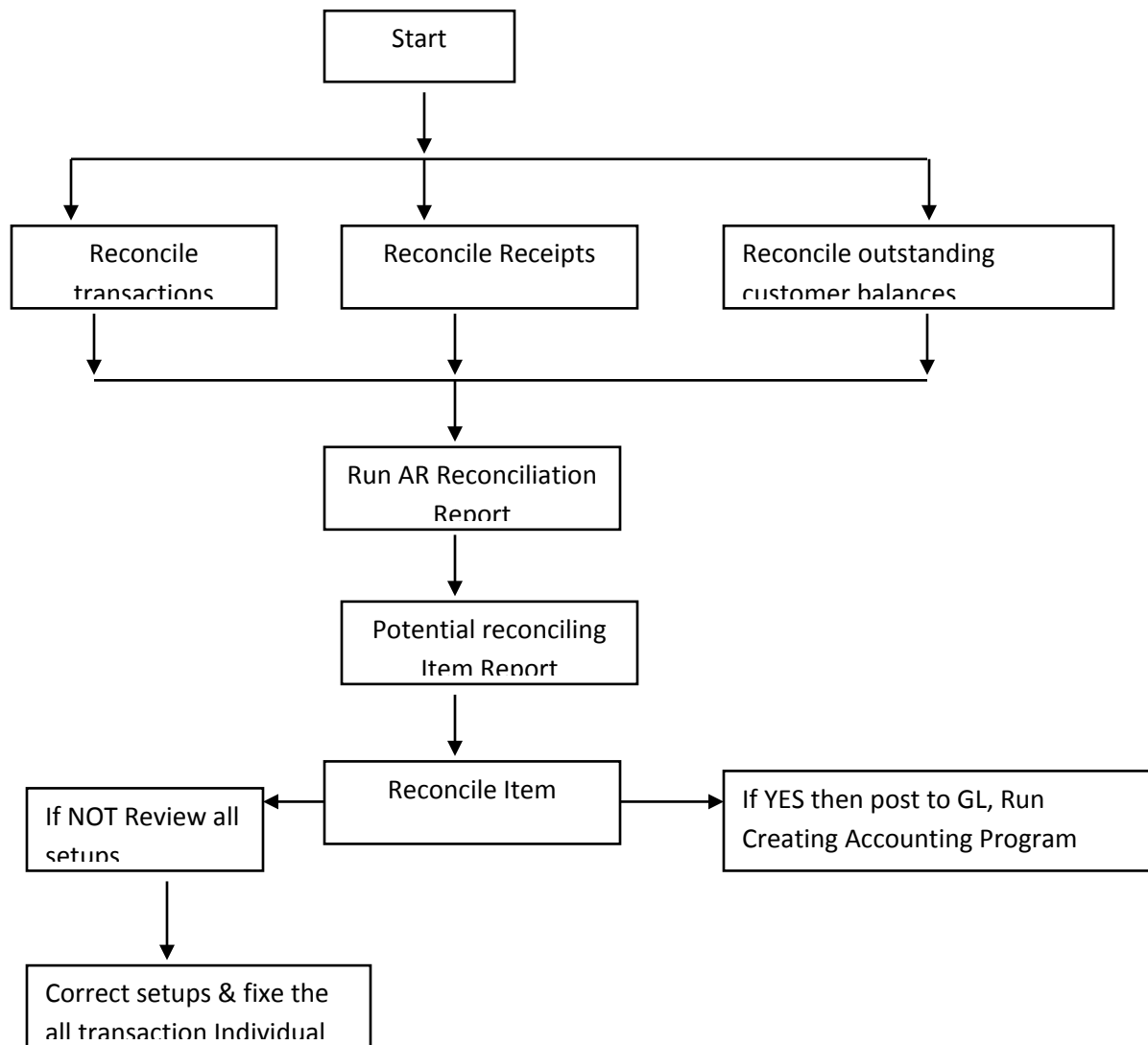
B). Daily revenue rates with partial periods,

C). Fixed schedules.

D). Variable schedules.

Phase – 3: - Internal and external reconciliation.

Before posting all the receivables activities and receivables accounting data reconcile all the operational activities.



We have to run the **transaction register report** it show all the transactions such as invoices, credit memo, debit memo, charge back, deposits and guarantee.

This report give the outstanding balances of a customer for specified period, if this transactions are not posted they don't show in open receivables or in aging buckets.

We have to run the **sales journal by GL account** this report give the details of the specified GL accounts. This parameter should be posted with posting status equal to un posted. In this report amount should be zero.

Ensure the following is corrected transaction register of post able item should equal to (no amount should not be there) sale journals by GL accounts (posting status should un posted)

Note: - sales journals by GL account should be in functional currency while sales journal should entered currency.

Reconcile receipt

We have to run the **receipt register report** it includes standard and miscellaneous receipts.

We have to run **receipt journal report** if it includes journals entries for both standard and miscellaneous receipts

Receipt register should be equal to receipt journal.

Note: - receipt journal account is entering by functional currency. Receipt journal by customer entered currency.

Reconcile outstanding customer balances

Aging 4 buckets and Aging 7 buckets includes outstanding receivables at specified after due date.

We have to run the **adjustment register report** it includes approved adjustment that affect the transaction balances for selected period.

It includes manual adjustment, approved adjustment, automatic adjustment the invoice applies to commitments and credit memos or applied commitment related invoices.

Adjustment register should be match with adjustment journal.

We have to run the **invoice expansion report** if the transactions are not completed they don't show in open receivable balances or in aging buckets. (To know the outstanding balances of the customer after due dates)

Affixed aging report but may still affect GL balance will possible.

We have to run **applied receipt register** it includes all receipt applications the effects the customer balances, we can review the how the customer receipts where applied to invoices debit memos, or reverses for invoices and debit memo

Formula: - Applied receipt register = applied receipt journals.

We have to run **unapplied and unreserved receipt register** it includes all receipts that are not applied or partial applied to the customer transactions. It includes 1). Receipt with unapplied cash. 2). Receipt with applications that required solution such as on account and pre payment. This report excludes receipt applied to activities that do not affect the customer balances such as receipt write – off, short term debt, credit card refund. This report excludes miscellaneous receipts.

Unapplied and unreserved register should be equal to unapplied receipt journal total.

AR Reconciliation Formula: -

Outstanding customer balance at begging of the specific period is reconciled with adding balances with the same period.

Components	Register
Beginning balance	Aging report
Transaction	Transaction register
Adjustments	Adjustments register
Exceptions	Invoice Exception Report
Applied Receipts	Applied Receipts register
Unapplied receipts	Unapplied and unresolved receipt register that should be ending balance aging report (at the end of the accounting period)

Create transfer and post journal

Run submit or create accounting after processing all potable record. Submit accounting for the following programs.

A). Revenue reorganization.

B). Create accounting.

C) Accounting program.

D) Transfer Journal Entries to GL.

E). Journal import.

If it submits accounting this not submitted we will make run the **Revenue reorganization master program** before running **create accounting program**.

Reorganizing journal transfer process

We have to run the **sub ledger accounting program report** it create accounting program and shows sub ledger journals entries created successfully or accounting events.

We have to run the **journal entries report (In posted status mode)** it shows the all transaction that should posted to GL. Posted to GL – Yes.

Display: -it displays what all need be posted to GL account for a specific period. It displays journals by journals categories.

Formula: - Sub ledger accounting program report should be equal to journal entire report.

Reconciling journal import process in GL

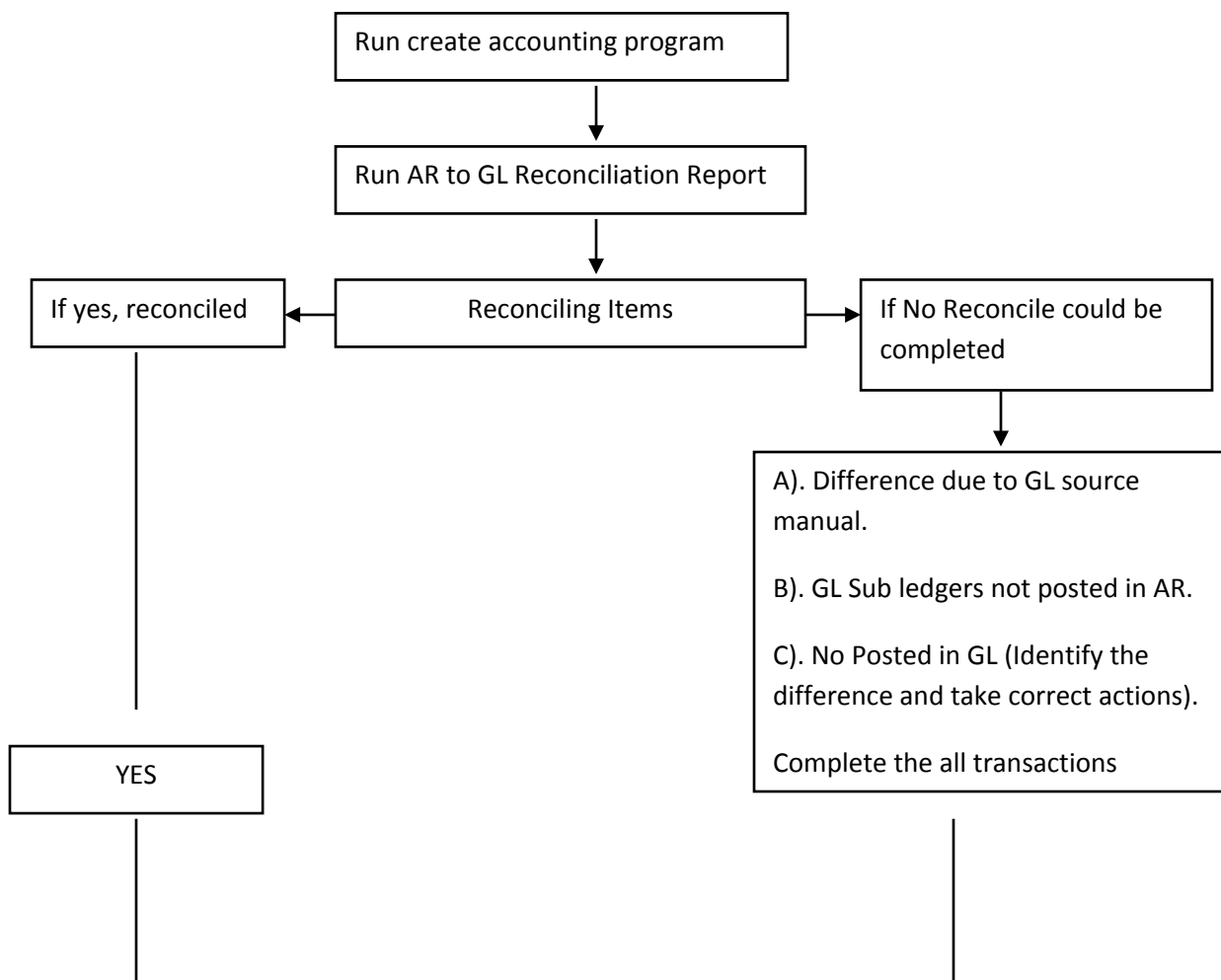
We have to run the **journal import execution report** proceed by GL journal import process it show all debit and credit created journals.

We have run the **posting execution report** it is used in GL for posting journal process

We have to run **Posted Journal report** it shows all un posted journals interface in to journal.

We have to run the **general journal report** it show all the journal created in GL

External Reconciliation: -





To approach can be used reconciliation.

Reconciliation Report Approach: -

AR to GL reconciliation report is matched with the account balances or the same accounts in the GL.

Aging report Approach: -

Aging 7 buckets by account report is matched with that account analysis report or trial balance report in GL.

Close AR current period: -

Close AR current period using open or close accounting periods.

If you have multiple Operating units in the same ledger all operating units must be ready to close at the same time.

The operating units and the ledger share the same period status when you update the period status to open. In one operating unit the period is open or all the operating units within the same ledger.

Period cannot be closed if that is any unprocessed accounting events or posted journals entries in the SLA for the period.

We have to run the **sub ledger period close exception report** list all the accounting events and journal entries or the period closed validation.

It automatically submit by GL upon closing a GL period if there are un posted accounting events are un transfer journal entries.

Fixed Assets Period end Process: -

- 1). Complete Transactions.
- 2). Run Depreciation.

3). Reconcile FA to GL.

Phase –1 Complete Transaction.

Complete all the transactions from payables and post to oracle assets and then prepare post mass additions.

Complete manual additions quick additions adjustment transfer retirements and reinstate. Ensure that all the transactions have been entered for the period close. Once depreciation period is closed it can't be reopened.

Ensure that all the assets have been assigned to distribution lines for period end. If assets are not assigned to any book depreciation process will not complete and it is not possible to close the period.

If asset not assign to any book we have to run the **asset not assign to any cost centers**

No transactions are being entered as oracle assets prevent transaction data entry while depreciation is run in process.

Phase – 2 Run Depreciation

Run depreciation process independently for each assets book. If you calculate the depreciation automatically for all the assets we have to calculate gain or lose for all the retirements and run the **appropriate reserve ledger report**.

Note: - we have to run the **depreciation with at closing period. (Soft Close)**

Review journal entry reserve ledger reports for cost calculate depreciation expense and accumulated depreciation.

Re run depreciation without closing the period and reviews the **reserve ledger report** again.

Run the **depreciation closing the period. (Hard Close)** once running this mode we cannot open the period.

Sub –Phase: -

Create transfer and post journals run **accounting program** after processing all possible records.

Note: - run the **crate accounting assets** for the additional process category to send cost and cost clearing lines to GL.

If needed we can late update the assets and enter whatever transaction is need

EX: - Cost adjustment this particular asset the depreciation data automatically roll back.
 Reconciliation journals transfer process

Run the **sub ledger accounting program report** it generated while run create accounting program. Show all the sub ledger journals entries successfully accounting units.

Run the **journal entries report** for the invoice are in un posted status. All the transactions that should be un posted To GL. It shows what need to be posted GL each GL account for a specific period.

Formula: - Sub ledger accounting program report = journal entry report.

Reconciliation journals import process

We have to run the **journal import exception report**. It shows all the journal import process produced by GL. It shows total Debit and Credit for the journals created.

We have to run the **posting exception report** in GL. It shows review journals posting status.

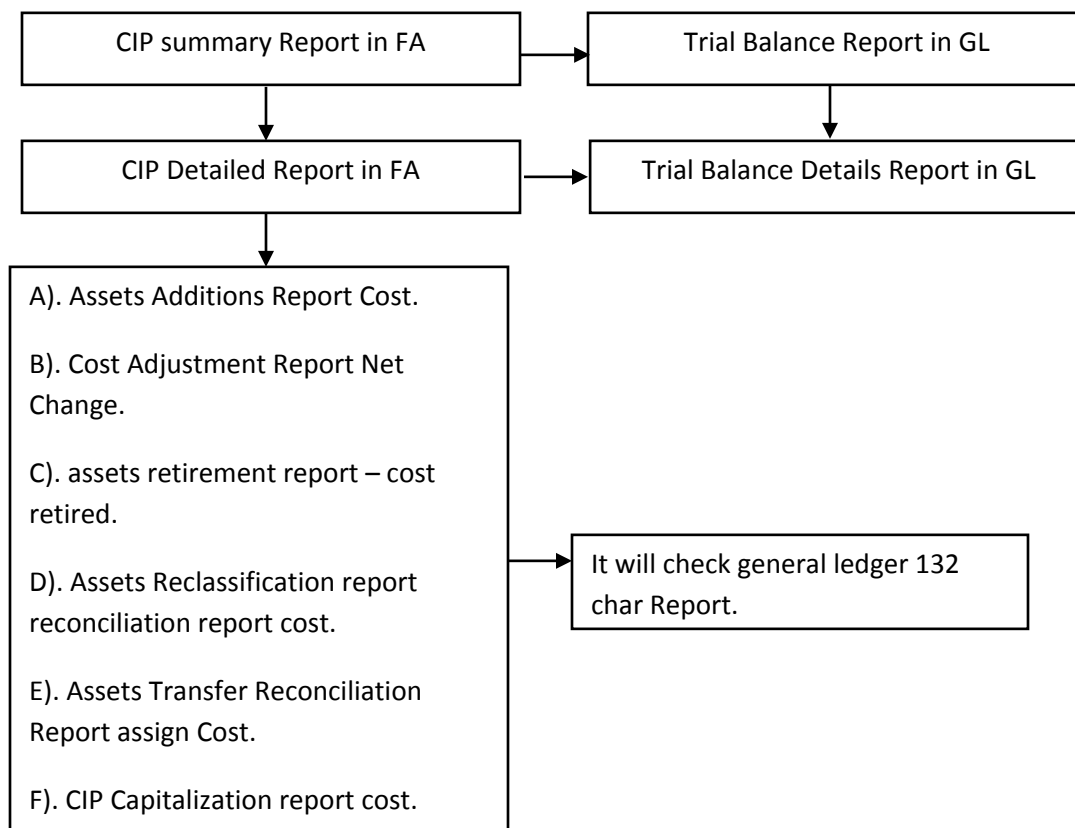
We have run the **UN posted journals report** in GL. It shows un posted journal entries.

We have to run the **general journals report** it reviews all the posted journals in GL.

Formula: - ensure all the accounting entries from payables and assets = posted journals in GL. (Customization report).

CIP of the Assets: -

All the reports check the account code combination



R12 New features in General ledger

1. Key Flex Fields
2. Accounting Setup Manager
3. Primary Ledger
4. MSQ – Management Segment Qualifier
5. Reporting Ledger – MRC
6. Sub ledger
7. Ledger Set
8. Data Access Set
9. Data Definition Set
10. Legal Entity
11. Operating Units
12. Intra company
13. Intercompany balancing rules
14. Open / Close periods
15. Journal Options
16. Sequencing: Accounting & Reporting

1. Key Flex Field

New Key Flex Field is added in R12 – ***GL Ledger Flex Field***.

Now we have 3 KFF in GL.

1. Accounting KFF
2. Reporting Attribute KFF
- 3. GL Ledger FF***

- If you have created your “Structure” by using Accounting KFF with the 4 Segments i.e. Company, department, Accounts and Location.

- The same structure will be copied to “GL Ledger FF” by adding one more segment called “Ledger”.
- GL Ledger FF is used for internal purpose.
- We use majorly in: Mass Allocation & FSG.

2. Accounting Setup Manager – ASM

- In 11i Set of Books is similar to ASM in R12.
- ASM is a centralized place where we can perform several activities.

Those are:

1. Primary ledger creation
2. Reporting ledger (Multi Reporting currency) setup
3. Secondary Ledger
4. Legal entity creation
5. Operating unit creation
6. Intercompany balancing rules
7. Intra company

3. Primary Ledger

- ✓ 11i Set of Books = R12 Primary Ledger
- ✓ In 11i Set of Books determines 3 C's i.e. Currency, Calendar & Chart of Accounts.
- ✓ 4th C added in R12 i.e. ***Accounting Method***.
- ✓ 4 C's:
 1. Calendar
 2. Currency
 3. Chart of Accounts
 - 4. Accounting Method***
- ✓ Accounting method determines which method organization opt for accounting whether Accrual or Cash basis.

- ✓ Ledger is where we record the actual day to day business transactions.
- ✓ Primary Ledger is created in General Ledger responsibility through “ASM”.

4. Reporting Ledger

- ✓ Reporting Ledger is used for Multi reporting currency purpose.
 - In 11i we have to perform several steps to define MRC through Set of Books.
 - We have to create 2 set of books and have to manually choose the SOB as reporting or primary.
 - We have to manually assign reporting SOB to primary SOB.
 - Journals transferred to reporting SOB in unposted mode.
 - Calendar and Chart of accounts should be same.
- ❖ Where as in R12 steps are minimized to perform MRC
- ✓ Once you assign reporting currency to Primary Ledger, system will automatically create reporting Ledger
- ✓ And also Reporting Ledger is assigned by system automatically to Primary Ledger.
- ✓ Journals will transfer to Reporting Ledger in Posted mode.

Reporting Ledger

- ✓ To perform MRC in R12 through Reporting Ledger, Calendar, Chart of Accounts and Accounting method should be same.

If any C is different apart from Currency:

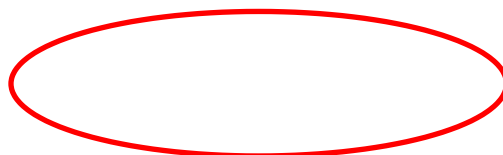
- If Chart of accounts, Calendar and Accounting Method is different, we have to use Secondary Ledger concept to perform MRC.
- For internal management reporting purpose also we can use secondary ledger concept, when we have Accounting Method is different.

Legal Entity

- In 11i we create Legal Entity in HRMS Responsibility.
- In R12, Legal Entity is created through “ASM” from GL Responsibility.
- We can create Legal Entity address also from “ASM”
- No need to classify the Legal Entity information.
- After creation of Legal Entity the same we assign to Primary Ledger through “ASM”
- Then we assign Balancing Segment Values (BSV) (Company) to Legal Entity what are all the companies are maintained under one legal registration.
- For AGIS (Advanced Global Intercompany system) purpose also we have to assign Legal Entity to Primary Ledger

5. Operating Unit

- 11i Operating unit is created in “HRMS responsibility” through Organization window.
- ✓ Where as in R12 we can create Operating unit in 2 ways:
 1. Through ASM from GL Responsibility
 2. “HRMS responsibility” through Organization window
- To create OU through ASM, the prerequisites are Business group & Legal Entity.



ORACLE® Accounting Setup Manager Close Window Preferences Diagnostics

Accounting Setups **Legal Entities**

Accounting Setups > Accounting Options: LEN PRIM LEDGER > Operating Units: LEN PRIM LEDGER >

Add Operating Units: LEN PRIM LEDGER


Cancel Add Another


* Indicates required field

* Name

Short Code

Assignments

* Business Group 

* Default Legal Context 

Cancel Add Another

11i OU assigned to LE R12 OU assigned to Primary Ledger

6. Sequencing

- Sequencing is used to assign gapless numbering for the transactions which are manually entered and also imported from SLA journals.
- Sequencing is 2 types:
 1. Accounting Sequencing
 2. Reporting Sequencing
- **Accounting Sequence**: When you post the journal, number will be assigned to transaction (Manual Journals & SLA Journals)
- **Reporting Sequencing**: Number will be assigned to transactions at the time of closing the period. This is used as a legal compliance for gapless numbering.

7. Inter Company Accounts

Inter Company transactions means:

Transactions between the Companies under the same Legal Entity

8. Intra Company (AGIS)

Intra Company transactions means:

Transactions between the Companies under the different Legal Entities

This concept is also called as AGIS (Advanced Global Inter Company Systems).

9. Ledger Set

- ✓ Collection of Ledgers is called Ledger Set.
- ✓ We can group the ledgers as a set who's Calendar and Chart of accounts should be same.
- ✓ In general to access single ledger we will assign "GL Ledger Name" profile option to GL Responsibility.
- ✓ To access Ledger Set we have to assign "Data Access Set" profile option to GL responsibility.

Advantage of Ledger Set:

- No need to create several GL responsibilities for each Ledger, we can access multiple ledgers from single responsibility without switching responsibility.
- We can open / Close periods at a time for all the ledgers.
- We can perform the activities like Revaluation, Translation and consolidation reports from single responsibility for all the ledgers at a time.

10. Open / Close Period

In 11i we have to open the periods one by one each period.

In R12, once we open first period, system will ask for the target period.

System will automatically open the periods which are between first period and target period, by running a program.

11. Management Segment Qualifier

In 11i we have 5 FFQ, R12 added 6th FFQ i.e. **Management FFQ**

1. Balancing Segment FFQ
2. Cost Center Segment FFQ
3. Natural Accounts Segment FFQ
4. Inter Company Segment FFQ
5. Secondary Tracking Segment FFQ
6. Management FFQ

Assignment of FFQ to Segments:

1. Company → Balancing
2. Department → Cost Centre
3. Accounts → Natural Accounts
4. Company → Inter company

Management Segment Qualifier

5. Secondary tracking FFQ:

- ❖ If we assign Secondary tracking segment FFQ to any Segment, that segment also will behave as Balancing Segment.
- ❖ In other words, secondary tracking segment FFQ is similar to balancing segment FFQ.
- ❖ But we cannot assign Secondary tracking segment FFQ for the segment for which already Intercompany, Balancing and Natural accounts FFQ are assigned.

Management Segment Qualifier:

- ❖ MSQ is used in Data Access set for allowing privileges to user other than balancing segment values.
- ❖ But we cannot assign Management segment FFQ for the segment for which already Intercompany, Balancing and Natural accounts FFQ are assigned.

12. Data Access Set

- It is a kind of security to access data.
- Through data access set we can set privileges to user to access the data in 2 modes.
 1. Read only
 2. Read and write
- We can set privileges to access for balancing segment values where we assign balancing segment FFQ.
 1. Balancing Segment values (BSV)
 2. Ledger
 3. Ledger Sets
- If customer required to give access through data Access Set to other than BSV (for example Location), then we have to assign “management Segment qualifier to that Location.

13. Definition Access Set

- ✓ Definition access set is also used to set privileges as a security.
- ✓ Through this we can set privileges or level of permission to users for specific functions.
- ✓ Definition access set is used for only General ledger functions.
- ✓ We can set privileges like:
 - Use
 - View
 - Modify

New features in Accounts Payables

1. Lines in the invoice
2. Two new invoices
3. Changes in the supplier
4. Changes in the banks

5. TCA (Trading Architecture Community)
6. AP / AR Netting
7. Payment Manager
8. MOAC (Multi Org Access Control)
9. SLA (Sub ledger Accounting)
10. Create Accounting
11. Changes in the invoice work bench
12. Asset Invoices
13. Change in the AP report names
14. Options

1. Lines in the invoice

In 11i invoice body contain header and distribution only.

R12 added “Lines” in the invoice body.

We can enter several line items in one invoice and assign distributions to each line separately.

2. Two new invoices

Added two more invoice types in R12.

- i) Retain age Release Invoice
- ii) Transportation Invoice

Retain age Release invoice; in general we use this invoice more in contracts. Customer will retain some amount from the periodical payment up to the contract get completed for security purpose. And release that retained amount after the completion of contract.

For this purpose we use “Complex PO entry form”. This is an HTML page. We have to match the invoice with this PO.

Transportation Invoice is used in general, where goods purchased from one supplier and the same goods transported by another supplier. To record this transportation separately we use Transportation invoice.

3. Changes in the Supplier

In 11i, Supplier header is Global (master Record) and Supplier site is Local (specific to operating unit).

In R12, if you give access at supplier site level, this will become Global.

Other operating units also can access Supplier site information.

This is a HTML web page called JSP page (Java Screen Page).

4. Changes in the Bank

We have only one form to create all 3 types of bank accounts (Internal, Supplier and Customer) in 11i.

Here the bank account is Operating unit specific.

In R12 bank accounts are created separate forms for each type of account.

Here bank & bank branch account information can be accessed by all operating units if we give access, which are under same Legal entity.

Legal Entity is owner of the Bank in R12.

Bank and branches are become parties of TCA.

Internal Bank account creation only defined in the banks window.

Whereas Supplier Bank account will be created in Supplier creation window and Customer bank account will be created in Customer creation window.

5. TCA – Trading Community Architecture

If the users of different applications need the same data, the same definition we store in common data storage area. This concept is called “Trading community Architecture” (TCA). Such data we called “Party”.

TCA Parties 11i: Legal Entity, Customer

TCA Parties R12: Legal Entity, Customer, Supplier, Bank and bank branches.

In R12, Legal Entity is owner to Bank, hence Bank also become a party of TCA.

Use of TCA is data can be accessed at Global level.

TCA table starts with HZ.

6. AP / AR Netting

- This concept we called as “Contra” in **11i**.
- We can cancel the customer and supplier contra balances for only one party at a time at balances level only.
- We have to add one more functionality called “Contra charging menu” to contra
- Navigation: System Administration → Application → Menu
Query: Ap_Navigate_GUI12.
- ✓ **R12** introduced this concept as “AP/AR Netting”.
- ✓ With this we can net off customer and supplier contra balances for several parties at a time at transaction level.
- ✓ Site level netting also possible in R12.
- ✓ System will automatically update the account balances.

7. Payment Manager

11i	R 12
<ul style="list-style-type: none"> ✓ Payment batch ✓ Form based ✓ From front end we cannot see the payment details in the Batch ✓ Multiple currency payments are not possible. 	<ul style="list-style-type: none"> ✓ Payment Manager ✓ Web page ✓ It is a dash board environment. We can create some templates with more options. ✓ We can stop the batch payment process at certain point. ✓ We can process multiple currency payments. ✓ Payments multiple operating units of one legal entity are possible.

	✓ Payments of multiple operating units under multiple Legal entities possible.
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8. **MOAC – Multi Org Access Control**

- ✓ In 11i we have to switch responsibility to access other operating unit.
- ✓ Through MOAC concept in R12:
 - We can access all operating units without switching one responsibility to other.
 - We can grouped different operating units to one “security profile” and then assigned to Responsibility.
- ✓ These are 2 types:
 1. Security profile (MO: Security Profile & HR: Security Profile)
 2. Global security profile
- ✓ Through “Global security profile” we can access the operating units though they belong to different business groups.
- ✓ MOAC is used to the applications which works at operating unit level (Example: AP, AR etc.)

9. **SLA – Sub Ledger Accounting**

1. We can do some modifications in the standard process for sub ledger account transactions.
2. Transaction type is called event class
3. Event type are specific action on the invoice (validation, cancellation etc)
4. Multiple accounting representation can be achieved through SLA
5. Multiple period accounting representation also possible
6. SLA is used to set up derivation rules to pick up the fields for accounting

7. Classification wise liability account, such as: Regular supplier, Tax Authority, Contract Supplier or Employee. If you set derivation rule for supplier classification, system will automatically taking the classification.
8. Accounting Generator is helping SLA to create accounting
9. Reconciliation of month end process is easy
10. As and when create invoices, SLA immediately generate journal entries
11. Detailed drill down of information is possible

10. Create Accounting

- ✓ 11i we use “Payables transfer to General Ledger” program to transfer AP data to GL.
- ✓ R12 to transfer data from AP to GL, program name is “Create Accounting”.
- ✓ We have 3 modes in create accounting program.

- i) Draft
- ii) Final
- iii) Final Post

- Draft: This is only for review purpose. No real entries generated.
 - Final: Real entries are generated. Transfer data as un posted based on the Parameters
 - Final Post: Real Entries are generated; data transferred to GL and posted the Entries based on the parameters.
- ✓ Data will transfer to GL through SLA, interface tables by default not available.

11. Changes in the invoice work bench

11i we have separate invoice type for PO Default & Quick Match.

R12 included this concept in the standard invoice itself.

12. Asset invoice process

11i to create Asset invoice

We have to choose track as asset from Folder.

We have to give distribution account as “Asset Clearing” or “CIP Clearing”.

R12 no need track as asset, only we have to choose distribution account as “Asset clearing” or “CIP clearing”.

13. Change in the AP Reports

14. Options in Accounts payables

Options in 11i: 2

1. Financial options
2. Payables Options

Options in R12: 4

1. Financial Options
2. Payable options
3. User operating preferences
4. Payable system setups (Global information)

AR NEW FEATURES

1. MOAC
2. Line level Receipt matching functionality.
3. Refund process automation
4. Revenue recognition
5. Sub ledger accounting
6. Customer screen
7. Late charges
8. AP/AR Netting
9. Balance forward billing
10. Create accounting
11. Collections work bench

Refund process automation

If customer paid excess amount, that can be paid back (Refund) to customer or can be keep as on account in customer account.

- ✓ Enter a debit memo for excess amount received
- ✓ Apply the excess amount to debit memo
- ✓ Create Customer as supplier in AP
- ✓ Create one standard invoice in AP for customer
- ✓ Distribution account (Clearing Account) should be same in both debit memo and standard invoice
- ✓ Make payment

R12

- ✓ Refund attributes will get enabled in invoice work bench
- ✓ System will ask for payment method
- ✓ Once you save, system will automatically create customer as supplier
- ✓ Query invoice in AP and make payment

Revenue Recognition

It is a process of recognizing the revenue of a project.

We have to set up Invoice rules & Accounting rules

Invoice rules: To recognize revenue schedules

Accounting rules: for % of revenue (Fixed duration, Variable duration, Daily)

Total cost is booked to Deferred COGS account, if you run a program balance will transferred from deferred COGS to COGS

Customer Creation

Customer creation is done through HTML page or web page.

Customer bank account can be created in customer definition.

Late Charges / Financial Charges / Interest

Late charges / financial charges / Interest charges are specific to operating unit in 11i

R 12:

Late charges are global and centralized & fixed amount of interest can be chargeable

Balance forward billing

This concept is called as “Consolidated billing” in 11i

For credit card or telephone bills, all transactions together billed at one cut off date, this is called consolidated billing.

This can be generated at customer site level or specific customer account level.

R12:

Balance forward billing can be generated Daily, Weekly or Monthly through Bill Presentation Architecture (BPA)