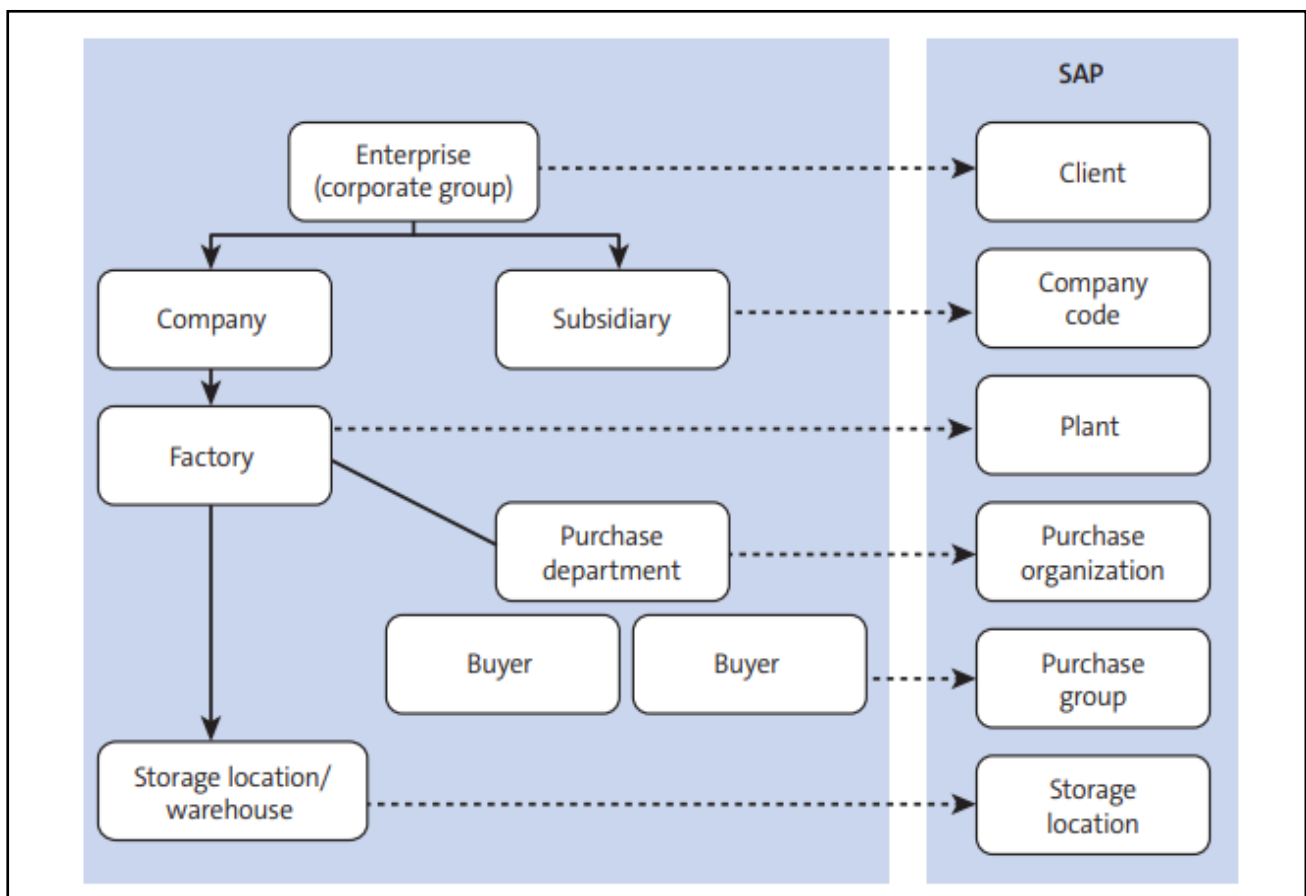## INTERVIEW QUESTIONS AND ANSWERS

1. Explain Enterprise structure of SAP MM?

1. Client
2. Company code
3. Plant
4. Storage Location
5. Purchase Organization
6. Purchase Group

2. What is Standard Purchase organization?

Standard purchasing organization is assigned to the plant which is used to create automatic purchase orders and mainly used for Consignment and Pipeline Procurement where price will automatically flow Purchase info record
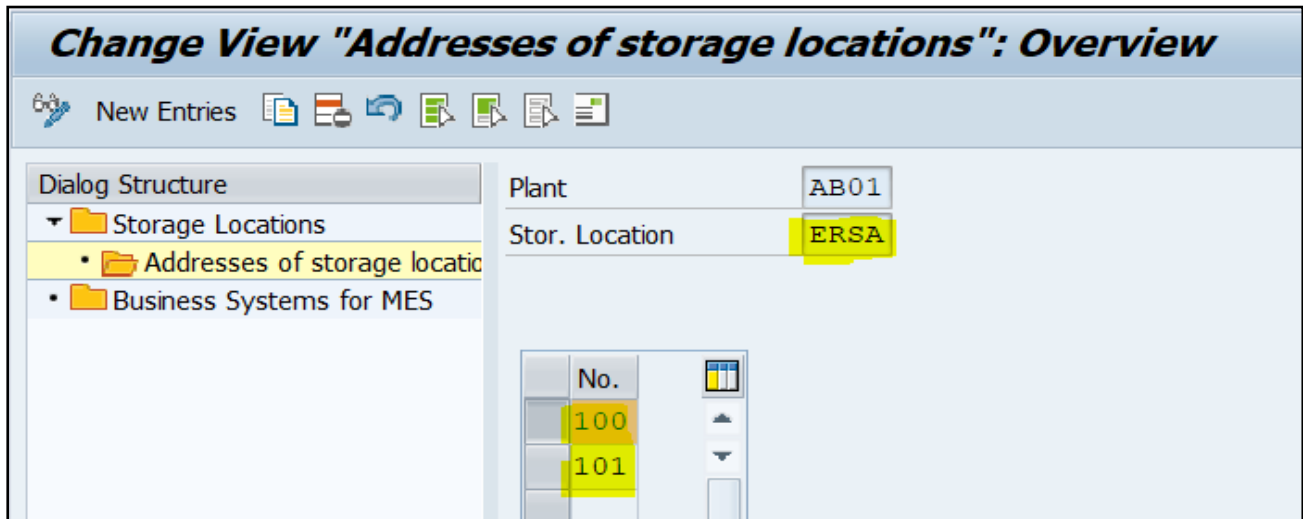
3. Can we maintain multiple addresses to one storage location?

Yes we can maintain Business wants to differentiate the stock based on certain parameters like Handling Unit materials in one location and non-handling unit materials in another location or Packaging and non-packaging materials and so on

4. Explain Configurations required for Plant?

1. We have to create a plant and maintain storage locations under that plant
2. Assign Plant to Company code
3. Assign Purchase Organization to Plant & Company code depend upon business requirement
4. Activate material ledger
5. Activate valuation grouping code at plant level
6. Set Plant Parameters

5. Is it required to activate Material ledger on ECC system?

No, it is not required in SAP ECC it's done automatically but for SAP S4 HANA it is mandatory

6. What is concept of valuation class?

In Automatic account determination when we do any postings in MIGO system will try to find a GL account for that postings. It's done through valuation class.

Grouping of similar types of materials for accounting purposes is the Valuation class. It helps to determine which material must go to which account based on the settings done in OBYC. Generally 3000 is for raw materials, 7900 for semi finished. 7920 for finished

7. Give me Example of standard material type Provide by SAP?

ROH→ Raw material

HALB→ Semi finished material

FERT→Finished material

PIPE→Pipeline material... etc

8. What is difference between standard Price and Moving average Price?

Standard Price	Moving Average Price
It is used for Semi finished & Finished material	It is used for raw material
Here we don't get exact price	Here we will get exact price of material
EX: In standard price if we procure material today at 8rs and tomorrow at 10rs that 2rs difference will go to PRD account(Price difference)	EX: In Moving average price if today we procure material at 10rs, tomorrow at 8rs and day after tomorrow by 12 the average price will be 10rs

9. What are the end to end configurations required to create material master?

Industry sector, Material Type, Material group, Purchase group, Plant, storage location and Valuation class

10. What is material type NLAG and UNBW?

Non stock material (NLAG) :Inventory management is not possible for these materials either on a quantity or value basis. For frequently required consumables, the use of this material type nevertheless enables you to store the information required to create. Purchasing documents (such as texts and units of measure).When a material is procured directly for consumption, no material master record is necessary.

Non valuated material (UNBW): This type of material is managed on a quantity basis, but not on a value basis. This makes sense for materials of low value, stocks of which nevertheless have to be monitored (for example, operating manuals).

11. Once material is created can we change industry sector?

No, we can't change because industry sector controls the sequence of screen and fields.

12. Once we create a material master can we change material type?
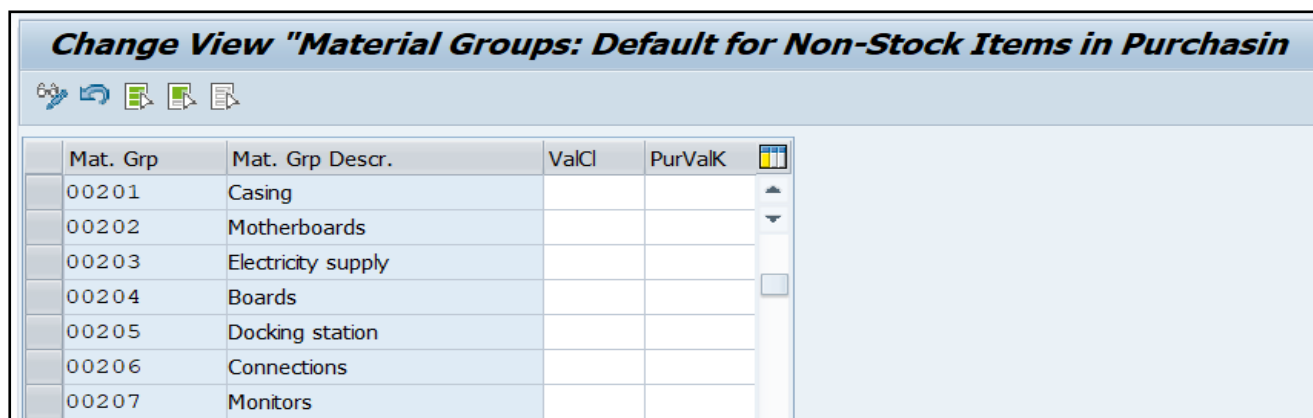
Yes we can change in T code: **MMAM**

We have few prerequisites to check before we change material type

- Respective material should have zero stock in inventory
- There will be No open purchase orders for that material

13. Is there any provision to assign valuation class to material group?
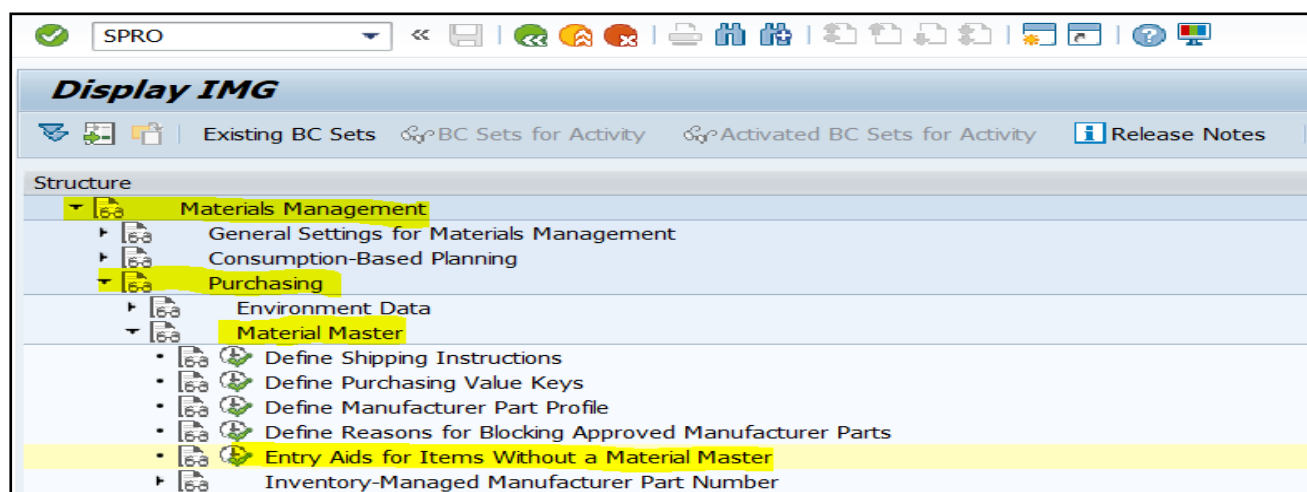
Yes we can assign valuation class to material group, once we follow the above path we will reach to below screen

Here we can assign the valuation class to the material group

We mainly prefer this assignment during non-stock procurement

14. What is concept of Business Partner (BP)?

The business partner function in SAP brings together the different & diverse business processes a company manages all via a single transaction and with a consolidate view of a partners data.

A business partner can have role of supplier (Vendor) , a customer, a person or an employee. A business partner can be an organization, a person or a group

15. What are the configurations of Business Partner (BP)?

1. Vendor account group and number range
2. BP roles, grouping and number range for grouping
3. Mapping direction BP to vendor

16. What is vendor account group?

When different vendors are grouped together having a similar characteristics know as vendor account group

EX: Domestic vendor, Import vendor, one time vendor

It controls the followings

Number range

Type of vendor

Field selection

17. While creation of PR there is one option called source determination what is use of it?

Source determination is only used for determine automatically fixed vendor in assign source of supply tab once we tick that option wile creation of PR the system will consider source of supply without selecting source of supply option

Create Purchase Requisition

Document Overview On | Hold | Park | Personal Setting | Save As Template | Load from Template

NB Purch.requis. Stand. ▼ | ☐ Source Determination

Header

Stat...	Item	A	I	Material	Short Text	Quantity	Unit	C	Delivery Date	Material Group	Plant	Stor. Location	PGr	Requested By
	10			9999759	a pump	100	PC	D	03.10.2024	001	AB01		AB1	ameer

Item | 1 [10] 9999759 , a pump ▼

| Material Data | Quantities/Dates | Valuation | Source of Supply | Status | Contact Person | Texts | Delivery Address |

Agreement			Purch.Org.		Order Unit	
CentContr.					Contract Hierarchy	☐
Fixed Vendor					Suppl. Plant	
Info Record		
Desired Vendor		
			Vendor Material No.	

Assign Source of Supply

Without source determination Option system asking manually to press source of supply option

Create Purchase Requisition

Document Overview On | Hold | Park | Personal Setting | Save As Template | Load from Template

NB Purch.requis. Stand. ▼ | ☑ Source Determination

Header

Stat...	Item	A	I	Material	Short Text	Quantity	Unit	C	Delivery Date	Material Group	Plant	Stor. Location	PGr	Requested By
	10			9999759	a pump	100	PC	D	13.10.2024	001	AB01		AB1	ameer

Item | 1 [10] 9999759 , a pump ▼

| Material Data | Quantities/Dates | Valuation | Source of Supply | Status | Contact Person | Texts | Delivery Address |

Agreement			Purch.Org.	AB01	Order Unit	
CentContr.					Contract Hierarchy	☐
Fixed Vendor	2310000383	Test vendor			Suppl. Plant	
Info Record	5300011869	
Desired Vendor		
			Vendor Material No.	

Assign Source of Supply

With source determination Option system automatically picked fixed vendor without selecting assign source of supply

18. In Purchase requisition which price consider by system and why?

IN PR system considers the Material master price because PR is not shared with vendor it's an internal document

19. From how many ways we can create Purchase order?

We can create Purchase order manually, with reference to PR, with reference to RFQ, with reference to Contract and from PO to PO

20. In purchase order which price is fetched by system?

Purchase info record (PIR) price is fetched in PO

21. How many types of procurement we can see in MM?

1. Standard Procurement
2. Subcontracting Procurement
3. Pipe line procurement
4. Consignment procurement
5. Return Po
6. Import Po

22. While creation of Purchase order there is one field called Account assignment category what is the use?

When we want to load all our charges of procurement on a particular category then we have to select this.

EX: cost center, Asset, Project etc

When we will assign the above categories then we have to mention GL and cost center, Asset and project

Create Purchase Order

S..	Itm	A	I	Material	Short Text	PO Quantity	OUn	C	Deliv. Date	Net Price	Curr...	Per	OPU	Matl Group	Plnt
	10	K		920000000000014428	LED Strips	100	EA	D	02.10.2024	100,00	INR	1	EA	0001	AB01
											INR				
											INR				
											INR				
											INR				

Item 1 [10] 920000000000014428 , LED Strips

Material Data | Quantities/Weights | Delivery Schedule | Delivery | Invoice | Conditions | India | Account Assignment | Texts | Delivery Address | Confirmations | Condition Control

AccAssCat **K Cost center** Distribution Single account assignment CoCode 1989 Arvind Lim...
Unloading Point
Recipient
G/L Account 400000
Business Area
CO Area 1989
Cost Center 100000
Profit Center
Earmarked Funds

23. What is use of unknown account assignment category in PR?

Unknown account assignment category is used when we are not sure of exact GL account and cost center while creation of PR

24. Is there any alternative option available for Release Procedure?

Yes, there is an alternative option available called flexible work flow in S4 HANA

25. What is OBYC setting?

OBYC setting will do for system to find the correct GL account through automatic posting

In OBYC setting we use different transaction key such as BSX, GBB, and PRD and chart of account and will map the valuation class and GL account for transaction keys.

26. In Purchase order how Pricing procedure will trigger?

Yes in PO pricing procedure will trigger in the combination of schema group assigned to vendor schema group assigned to Purchase org and both combination assigned to calculation schema

Schema GrpPOrg	Sch.Grp Vndr	Proc.	Description
AB01	AC	ZRM000	Cust Pricing Pro AB01
AB02	1Z	RMX000	cus pricing pur ab02
AJ04	AJ	ZTS009	Purchasing Document Ajay
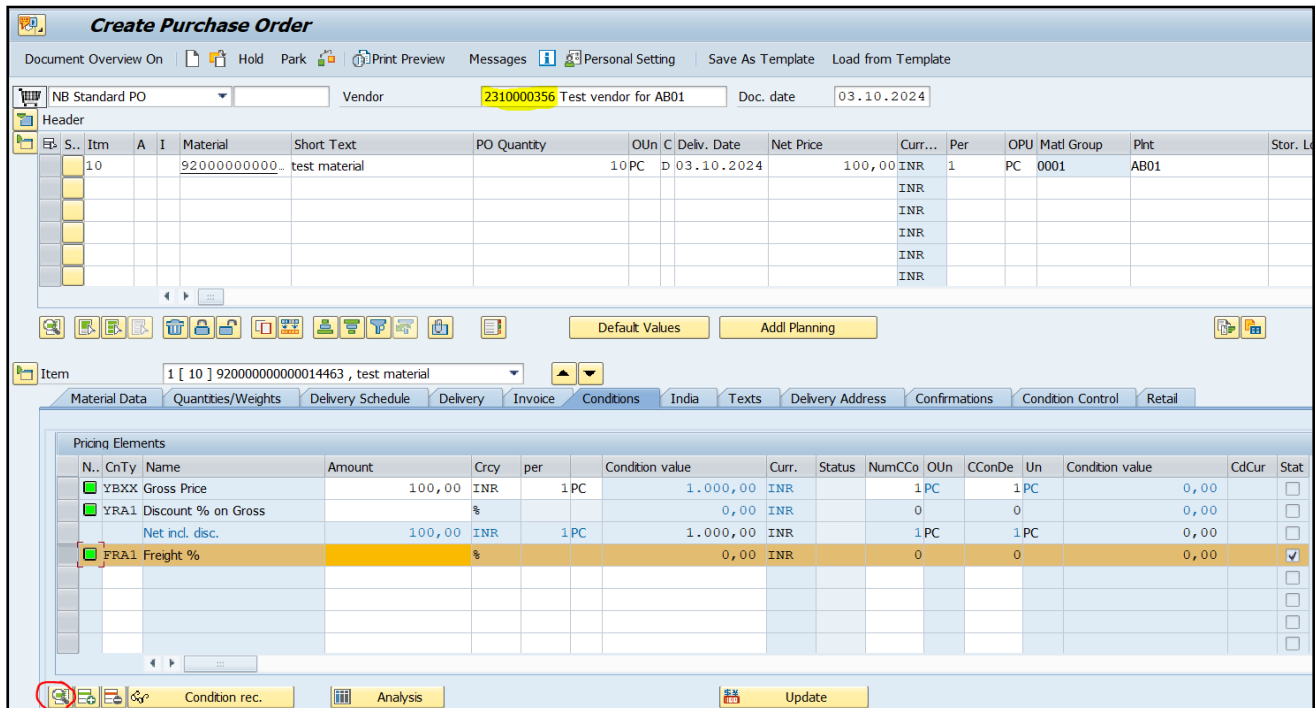
27. Can we maintain multiple vendors in one PO?

Yes we can maintain one vendor as main vendor in header and 2nd vendor is for freight as a freight vendor in PO item detail tab we have to select freight condition and add the separate vendor for freight

28. What is difference between PB00 and PBXX?

Both Condition type used for Gross Price in PO but

PB00	PBXX
Automatic Gross price	Manual Gross price
Having access sequence	Don't have any access sequence
Since Having access sequence we can maintain condition record and PIR and price will fetch from it in PO	Manually we have to enter in PO

29. What is role of access sequence?

The sequence in which condition records are to be referred this defined in access sequence. Access sequence is assigned to condition types. It's a search strategy by which system will find values of condition type maintained in condition record from condition tables

30. Can you Explain columns In Pricing Table?

Step	Counter	CTyp	Description	Fro	To	Manual	Required	Statistics	Print	SuTot	Reqt	CalType	BasType	AccKey	Accruals
1	1	PB00	Gross Price			☐	☐	☐	X	9					
1	2	PBXX	Gross Price			☐	☐	☐	X	9	6				
2	0	VA00	Variants/Quantity			☐	☐	☐	X						
3	0	VA01	Variants %			☐	☐	☐	X						
4	0	GAU1	Orignl Price of Gold			☑	☐	☐	X			31			
5	0	GAU2	Actual Price of Gold			☐	☐	☐	X		31	32	32		
10	1	RB00	Discount (Value)			☑	☐	☐	X						
10	2	RC00	Discount/Quantity			☑	☐	☐	X						
10	3	RA00	Discount % on Net			☑	☐	☐	X						
10	4	RA01	Discount % on Gross	1		☐	☐	☐	X						
10	5	HB00	Header Surch.(Value)			☑	☐	☐	X						
10	6	ZB00	Surcharge (Value)			☑	☐	☐	X						
10	7	ZC00	Surcharge/Quantity			☑	☐	☐	X						
10	8	ZA00	Surcharge % on Net			☑	☐	☐	X						
10	9	ZA01	Surcharge % on Gross	1		☑	☐	☐	X						
10	10	HB01	Header Disc.(Value)			☑	☐	☐	X						

Pricing procedure Table consist of 16 columns

1. STEP

It shows the priority of condition type in Purchase ORDER

2. COUNTER

This is used to show a second mini step

3. CONDITION TYPE

This is the most important component in the pricing procedure. The rates are picked up from this element, on the basis of the properties described. EX: PB00, RA01

4. DESCRIPTION

This forms the description of the condition type.

5. FROM

This is used to define the progression of the calculation and range of subtotals

6. TO

This is used to define the progression of the calculation and range of subtotals

7. MANUAL

This function enables to allow the condition type to be entered manually also apart from automatic pickup.

8. MANDATORY

This function identifies the conditions that are mandatory in the pricing procedure.

9. STATISTICS

This doesn't have any impact on overall value calculation

10. PRINT

The activation of this function will enable the printing of the values and conditions to the document.

11. SUBTOTAL

A key is assigned from the drop down menu this can be used for calculation of gross price

12. REQUIRMENT KEY

This function is used to assign a requirement to the condition type. This requirement can be used to exclude the system from accessing the condition type and trying to determine the value. This can

be used to specify that the condition type should only be accessed if the customer has a low risk credit.

13. ALTERNATE CALCULATION TYPE

This function allows you use a formula as an alternative in finding the value of the condition type, instead of standard condition technique. this can be used to calculate complex tax structures.

14. ALTERNATE CONDITION BASE VALUE.

The alternative condition base value is a formula assigned to a condition type in order to promote an alternative base value for the calculation of a value.

15. ACCOUNTS KEY

Key that identifies different types of G/L accounts

Use: the account key enables the system to post amounts to certain type of revenue account

EX: the system can post freight charges (generated by freight pricing condition) to relevant freight revenue account.

16. ACCRUAL KEY.

Accrual key allows amounts from pricing condition like rebate to be posted to accrual accounts rather than directly impacting material price

31. Why SAP provided source of Price like PIR & Condition record?

Condition enables you to store pricing stipulations agreed with the vendor (such as applicable discounts or surcharges, or stipulations regarding the payment of freight costs) in the system. You can enter these conditions in quotations, outline purchase agreements, and info records. The system then applies the conditions in determining the price in purchase orders (POs). You can enter further conditions in the PO itself.

Condition records allow you to store and retrieve pricing data in the system. All the pricing elements of your daily business - the prices, discounts, and surcharges for freight and taxes - that you want to use for automatic pricing must be stored in the system as condition records. You can define as many condition records as you want for the different pricing elements for any validity period.
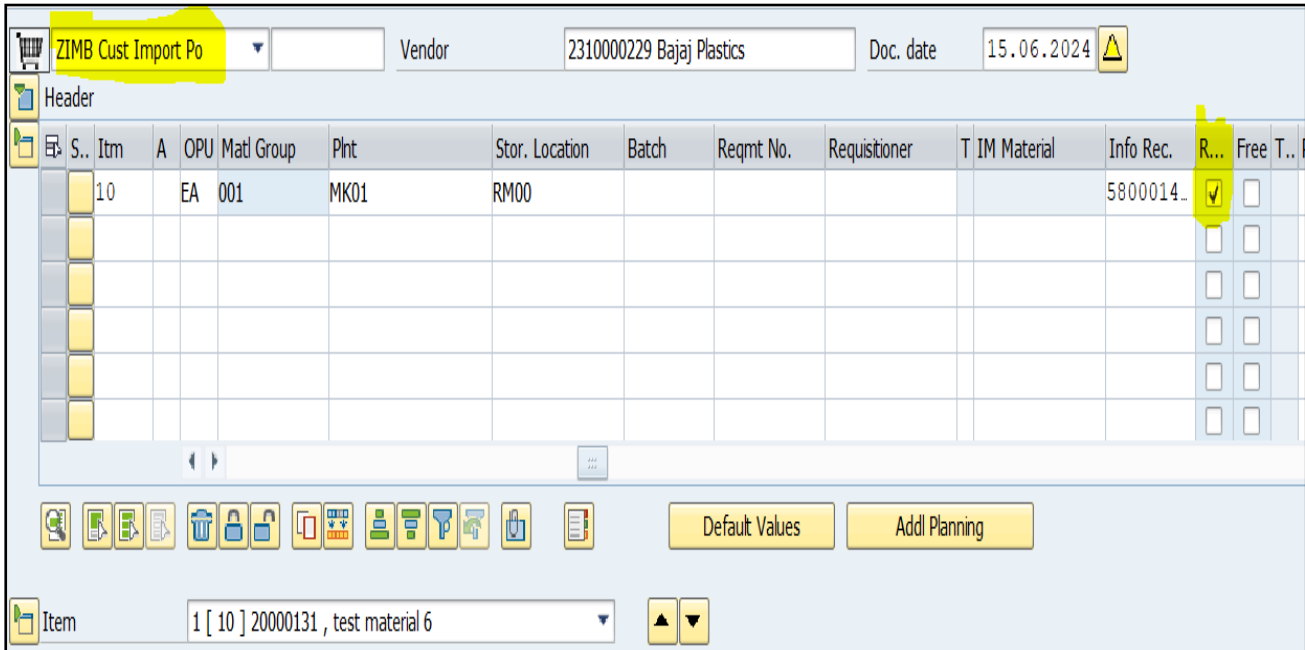
32. What is return PO?

When any material is rejected during the quality or it's damaged during the Transportation we can return it to vendor using Return item option in PO we have to check that option of return PO, and we have to raise a credit memo against return PO

33. What is difference between normal invoice postings and credit memo?

Normal Invoice	Credit memo
Vendor will send his invoice along with materials	Business will share this credit memo to vendor for return PO
Business will pay to vendor	Vendor will pay to business
Accounting entries WRX **+** KBS **-**	Accounting entries WRX **-** KBS **+**

34. Can we release service entry sheet?

Yes we can release in T code ML81N we need enter service entry sheet number and need to click on Green flag service entry sheet will be released

35. What is consignment process?

Vendor will keep his stock of material in company premises with his own ownership company are not liable to pay for this. When company withdraw material from vendor consignment to own consumption then company is liable to pay to vendor.

Steps involved in consignment process

1. Create material   T code: MM01
2. Create vendor   T code: XK01
3. Create consignment PIR with tax code   T code: ME11
4. Create Purchase order with item category K   T code: ME21N
5. Goods receipt with movement type 101-K   T code: MIGO
6. Transfer posting(TP) of consignment stock to own   T code: MIGO

2 methods→ 1. TP from consignment to own (Mvt type→ 411-K) **OR**

             2. GI of consignment stock to consumption (Mvt type→ 201-K)

7. Consignment settlement   T code: MRKO

36. Why consignment invoice settle through MRKO?

In consignment we are going to pay vendor Part by part based on our consumption it's a one type of split invoice that is the reason we use MRKO rather than MIRO in consignment invoice settlement. MIRO we can use when we are going to pay full amount at one time

37. What is movement types used in different Subcontracting Processes during GR?

101 → Parent material

543 - → Child material

545 **+** → Scrap

121 - → Over consumption

121 **+** → under consumption

38. Explain subcontracting Process with over consumption?

We supply raw material to subcontractor vendor what if he consumes more quantity than supplied is called over consumption.

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Linked In | Ameersuhil Dafedar

(SAP MM Associate)

Example for over consumption

When you create a subcontracting PO for 100 finished materials as per BOM we have to supply child materials. Because of some child parts got damaged & vendor comes to you and asks for more raw materials this scenario is called as <mark>over consumption.</mark>

39. What is Import PO?

In import PO we generally procure material from outside of country. For import PO we need to set different pricing procedure because we have to pay Taxes like Excise duty, custom duty. Some time we need to pay advance also

40. What is Pipeline procurement?

It is the process where, material will be flowing from the vendor premises to plant premises, and pipeline material is not stored in any storage location or plant as it consumed directly as when required, because it flows directly into the production process from pipeline or via cable and coming to payment through invoice settlement

EX: electricity, oil, gas product & water

Steps involved in Pipeline procurement process

1. Create material   T code: MM01
2. Create vendor   T code: XK01
3. Create Pipeline PIR with tax code   T code: ME11
4. Record consumption of pipeline material   T code : MIGO
   Goods issue with Mvt type→ 201-P

   5. Pipeline settlement   T code: MRKO

41. What is Physical inventory?

Physical inventory is process of verifying the inventory stock quantity in our storage location, and later we compare the inventory stock in storage location with book inventory mentioned in SAP system.

42. What is posting block and Freeze book inventory in Physical Inventory process?

1. Posting block

2. Freeze book inventory

1. Posting block

If we select posting block for a material until complete Physical inventory for that material we are not able to post any Goods receipt or Goods issue. So it will block the material under that plant and storage location

Why to block the posting?

We should not miss the count

2. Freeze book inventory

In this scenario the stock will get freeze when we select the freeze stock option during creation of PI document. But system will allow for posting of that material but it will always consider the freeze book inventory quantity only.

43. How to Print Physical inventory (PI) Document?

We can print PI document through T code: MI21

44. What is ASAP methodology?

The ASAP (Accelerated SAP) methodology is a roadmap for implementing SAP solutions in a cost-effective, speedy manner. This is a proven implementation methodology that helps streamline projects and achieve lower total cost of implementation (TCI).

ASAP methodology is divided into 6 Phases:

Phase 1: Project Preparation
- Initial Planning and preparation for the SAP Project
- Identification and mobilization of the project team
- Set-up of the project environment

Phase 2: Business Blueprint

- Organization of workshop sessions with all project stakeholders
- Definition of the business processes
- Completion and delivery of the blueprint document

Phase 3: Realization

- Configuration of the SAP System
- Delivery of functional and technical specifications
- Realization of required ABAP/Fiori development
- Definition of data mappings and data requirements for migration
- Completion of unit Testing
- Completion of integration testing
- Completion of UAT (User Acceptance Testing)

Phase 4: Final Preparation

- Resolve all remaining critical issues
- End user training
- Data conversion and preparation of Cutover activities

Phase 5: Go-Live and Support

- Copy of all transports to the production system
- Data migration
- Post Go-live support

Phase 6: Operate

- Fine-tune the application lifecycle standards, processes and procedures established during the project and align them with operation needs.

45. What is SAP landscape?

Combination of three different servers is known as SAP Landscape

1. Development
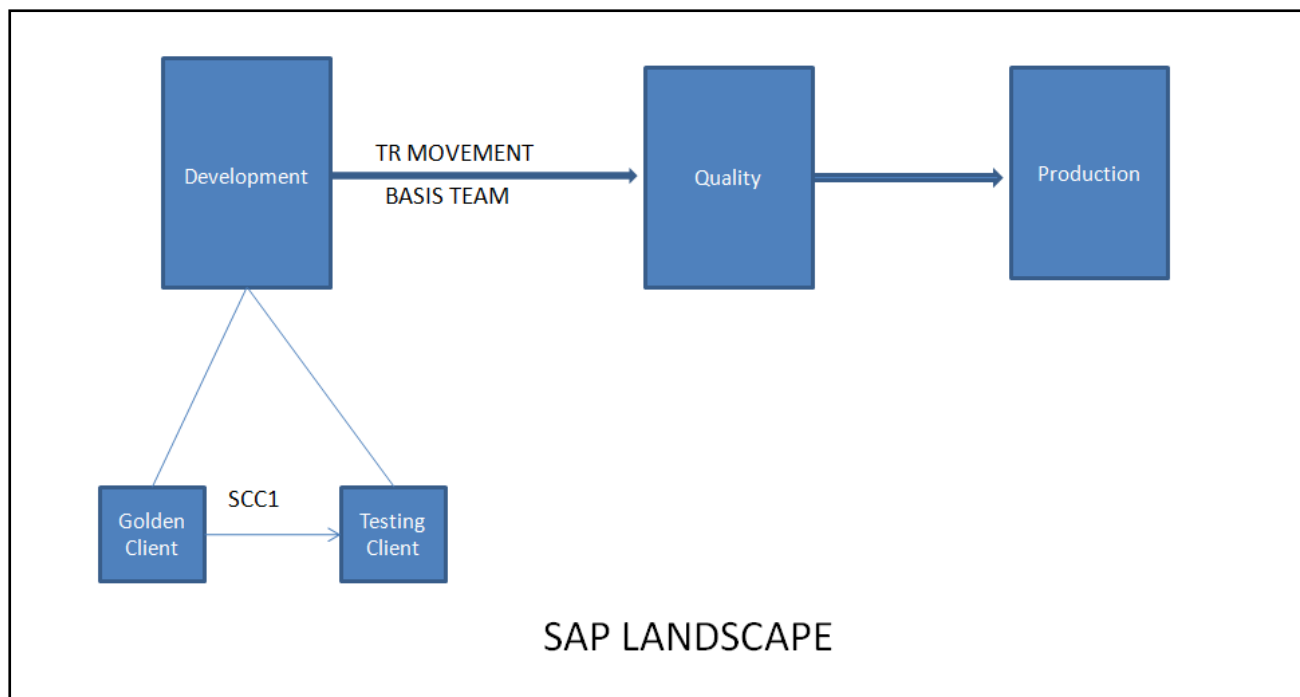
2. Quality or Testing

3. Production

All three server can maintained in single instance called single SAP server

SAP LANDSCAPE

1. Development Server

In development server all development activity related to implementation is done. A development server is consists of 2 sub servers

1) Golden client (Sand box) Server

2) Testing client server

In Golden client server or Sand box all development activity/ configuration is done related to project, what are all the business requirement we are going to configure in the development server. Once all configurations is done it has to be tested in testing server for that we have to move all data from golden client to testing client using T code SCC1. Usually unit testing is done at testing client that is done by Functional consultants.

2. Quality Server

In Quality or testing server all Configurations made in development server is going to test. Usually entire data is tested, for testing we have to move all data from development to quality using TR movement which is going to done by the BASIS team. We do integration testing in testing server

3. Production Server

In production server we launch the software for end users, end users are going to do all activity related to business in production server.

46. What are the accounting entries during GR in subcontracting process?

During GR

Accounting entries in subcontracting always calculated in formula → **4+2X**

X → No of child materials

4 accounting entries for finished material

BSX→ Inventory account

WRX→ GR/IR clearing account

BSV→ Change in sub contracting stock

FRL→ Sub contracting charges

(In subcontracting FRL always comes as service charges paying to vendor)

2 accounting entries For Raw materials

BSX → Inventory account

GBB→ Consumption account

47. Explain P2P cycle?

1. Purchase requisition (PR)
2. Request for quotation (RFQ)
3. Purchase Order (PO)
4. Goods receipt (GR)
5. Invoice verification (IR)

48. What is Output determination? And how you are configuring that?

Output is a form of media from your business to one of its business partners or it can be within the organization. The output can be sent to any of the partners defined in the document. Outputs are

usually in the form Purchase orders, Request for quotations, Contract and Scheduling agreements. Determining form of output is output determination.

Steps involved in Output determination

1. Define Condition Table

2. Define Access Sequence

3. Define Message types

4. Define Message Determination schema

5. Maintain condition record in NACE

49. What is Partner determination Process? Explain with Example

Partner Determination process is used for designing the vendor master where your vendor acts as Goods Supplier, Ordering Address and Invoice payee (During business transaction how your vendor acts).Let's understand this by using a business scenario

Let's say you have a vendor and there are three offices such as main office is in Delhi, branch office is in Mumbai, and they supply goods from Bangalore.

Here goods supplier is Bangalore office, ordering address is Mumbai and invoice payment to main branch that is Delhi. So In this case we can use Partner Determination process

Standard Partner Roles Provided by SAP

VN → Vendor   OA → Ordering Address

 IP → Invoice Payee   GS → Goods Supplier

50. What is Outline agreement? What are its types?

It's a long term agreement between vendor and organization for procurement of material or services with terms and conditions within specific period of time.

Types of outline agreement

1. Contract   2. Scheduling agreement