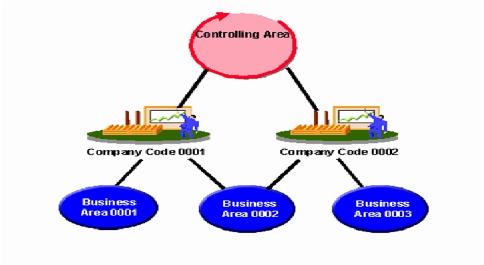
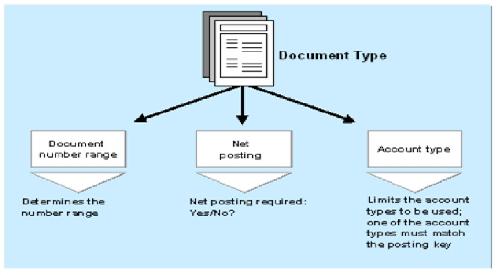


Financial Accounting (FI) with SAP ERP 6.0 -   
Application Associate Certification Exam   
Questions

These questions are similiar to the ones asked in the actual Test.  
  
How should I know?  I know, because although I got my FI/CO Certification five years back, I have   
re-certified with the latest version of the Associate Certification test.  
  
Before you start here are some Key features of the FI Associate Certification Exam  
  
- The exam is Computer based and you have three Hours to answer 80 Questions.  
  
- The Questions are (mostly) multiple choice type and there is NO penalty for an incorrect answer.  
  
- Some of the Questions have more than one correct answers. You must get ALL the options   
correct for you to be awarded points.  
  
- The Official Pass percentage is 65% (But this can vary). You will be told the exact passing   
percentage before your begin your test.  
  
  
  
  
  
  
Sample Questions  
  
**Q1.** The organizational units of Financial Accounting are used for external reporting   
purposes, that is, they fulfil requirements that your business is subject to from external   
parties, for example, legal regulations.  
Which of the following Organizational units are mandatory in an ERP system with FI?  
(More than one answer is correct)  
  
A.        Client  
B.        Business Area  
C.        Company code  
D.        Company  
  
**Answer:**A, C  
  
You create your company-specific organizational structure in the SAP System by defining   
the organizational units and making the basic settings. Defining organizational units for   
Financial Accounting is obligatory, that is, you have to define these units in order to be   
able to implement the Financial Accounting component.  
  
  
**Organizational unit        Definition***Client                                  Obligatory*Company                           Optional  
*Company code                 Obligatory*Business area                  Optional  
  
  
Apart from this, there are certain Basic settings that are mandatory as well. These are:  
  
Chart of accounts  
  
Fiscal year  
  
Currencies  
  
  
  
**Q2**. You can configure different types of Chart of Accounts in the ERP system. Some of   
these are:  
  
A. Operating chart of accounts  
  
B. Group chart of accounts  
  
C. Country-specific chart of accounts  
  
D. Plant specific chart of accounts  
  
  
**Answer:**A, B, C  
  
Charts of accounts can have three different functions in the system:  
  
**•        Operating chart of accounts**The operating chart of accounts contains the G/L accounts that you use for posting in your   
company code during daily activities. Financial Accounting and Controlling both use this   
chart of accounts.  
You have to assign an operating chart of accounts to a company code.  
  
**•        Group chart of accounts**The group chart of accounts contains the G/L accounts that are used by the entire   
corporate group. This allows the company to provide reports for the entire corporate   
group.  
The assigning of an corporate group chart of accounts to a company code is optional.  
  
**•        Country-specific chart of accounts**The country-specific chart of accounts contains the G/L accounts needed to meet the   
country's legal requirements. This allows you to provide statements for the country's legal   
requirements.  
The assigning of an country-specific chart of accounts to a company code is optional.  
  
  
  
  
  
**Q3.** The company code, business area and controlling area organizational units can be   
combined in a number of ways. Using these combinations you can represent   
organizations with different structures. Which of the following are valid combinations?  
  
A. One Company Code can be assigned to multiple Controlling areas  
  
B. One Controlling area can be assigned to multiple company codes  
  
C. One business area can be assigned to multiple company codes  
  
D. One company code can be assigned to multiple business areas  
  
**Answer:**B, C, D  
  
  
•        One Controlling Area is Assigned to One Company Code  
In this example, the financial accounting and cost accounting views of the organization are   
identical.  
  
•        Multiple Company Codes Assigned to One Controlling Area  
This example is Cross-Company Code Cost Accounting. Cost accounting is carried out   
in multiple company codes in one controlling area. All cost-accounting relevant data is   
collected in one controlling area and can be used for allocations and evaluations. In this   
case, the external and internal accounting perspectives differ from each other.  
For example, this method can be used if the organization contains a number of   
independent subsidiaries using global managerial accounting. Cross-company code cost   
accounting gives you the advantage of using internal allocations across company code   
boundaries.  
  
Company Codes and Business areas have an n:m relationship  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
**Q4.**  You need to assign more than one company code to one controlling area. Under   
what kind of a business scenario would you need to consider such a decision?  
  
A. Cross-company code transactions that MUST be processed in a controlling area  
  
B. Multilevel Product Cost Management across company codes  
  
C. Representation of intercompany processes, whereby producing and delivering plant   
are the same.  
  
**Answer:**A, B  
  
  
A 1:n relationship between controlling area and company code is recommended for the   
following situations:  
  
•        Cross-company code transactions that MUST be processed in a controlling area,   
for example, production in an associate plant, special cases of intercompany processing.  
  
•        Cross-company code CO postings that can be displayed in the reconciliation   
ledger, such as assessments, capitalization of internal activity in Asset Accounting,   
activity allocation.  
  
•        Representation of group costing.  
  
•        Use of Profit Center Accounting and transfer prices.  
  
•        Multilevel Product Cost Management across company codes  
  
  
A 1:1 relationship between controlling area and company code is recommended for the   
following situations:  
  
•        Consolidated analysis of settled transactions across company codes in Profitability   
Analysis (CO-PA) In this situation, you assign more than one controlling area to an   
operating concern  
  
•        Representation of intercompany processes, whereby producing and delivering plant   
are the same.  
  
  
  
  
  
**Q5.**  Which of the following tax types does the SAP System support for calculating,   
posting, and correcting tax, as well as for tax reporting?  
  
A. Tax on sales & purchases  
B. Withholding Tax  
C. Top Up Tax  
D. Additional Tax  
  
**Answer:**A, B, D  
  
  
  
The following Tax types are supported in a standard SAP system:  
  
**Tax on sales and purchases**Taxes on sales and purchases are levied on every sales transaction in accordance with   
the principles of VAT. This applies to input and output tax, for example.  
Input tax is calculated using the net invoice amount and is charged by the vendor.  
Output tax is calculated using the net price of products and is charged to the customer.  
Companies can offset input tax against output tax, paying the balance to the tax   
authorities. Tax authorities can set a nondeductible portion for input tax which cannot then   
be claimed from the tax authorities.  
  
**Additional tax**Additional taxes are taxes that are posted in addition to tax on sales/purchases. They are   
usually country-specific, such as investment tax in Norway, or sales equalization tax in   
Belgium.  
  
**Sales tax**An example of sales tax is the sales and use tax that exists in the USA. Sales   
transactions that are taxed must be kept strictly separate from sales transactions that are   
not taxed.  
In general, goods that are intended for production or for resale to a third party are   
procured untaxed; that is, the vendor does not calculate tax on the sale of these goods   
(sales tax). Procurement transactions for individual consumption, on the other hand, are   
taxable (use tax).  
The principle of sales tax does not permit the option of offsetting input tax against output   
tax. The vendor must pay the taxes to the tax authorities.  
The system calculates sales tax based on material and customer location and posts it in   
Sales and Distribution (SD) and Materials Management (MM). If customers or vendors   
are exempt from taxation, you can specify this in their master records by entering the   
appropriate indicator.  
  
**Withholding tax**In some countries, a portion of the invoice amount must be withheld for certain vendors   
and paid or reported directly to the tax authorities.  
SAP currently provides two functions for calculating withholding tax: Classic withholding   
tax and extended withholding tax.  
  
Extended withholding tax includes all the features of classic withholding tax and, in   
addition, also fulfills a number of further country-specific requirements.  
If you wish to implement the withholding tax functions, you should choose extended   
withholding tax.  
  
  
  
  
**Q6.** Depending on your system’s configuration, the system can generate and post line   
items automatically. For which business transactions can this be done?  
  
A. Entering a customer invoice  
B. Entering Special G/L transactions  
C. Posting a Vendor Payment  
  
**Answer:**A, B, C  
  
  
  
The following line items are generated for each of the above business transactions:  
  
**Entering a customer or vendor invoice**•        Tax on sales/purchases (output tax when posting a customer invoice, input tax when   
posting a vendor invoice)  
•        Payables and receivables between company codes (when posting cross-company   
code transactions)  
  
**Posting a customer or vendor payment and clearing open items**     
•        Cash discount (paid and received when posting payments)  
•        Backdated tax calculation for tax on sales/purchases (after cash discount deduction)  
•        Gains and losses from exchange rate differences (between invoice and payment)  
•        Unauthorized deduction of cash discount (when a payment is slightly different to the   
amount due)  
•        Residual items  
•        Bank charges  
  
**Entering special G/L transactions**       
•        Bill of exchange charges  
•        Tax adjustment for a down payment  
  
  
  
  
**Q7.** You can add details to any automatically generated line item. For example, you can   
add text to a tax on sales/purchases line item.  
  
A. True  
B. False  
  
**Answer:**A  
  
If you are permitted  to make additional account assignments to the automatically   
generated line items, the system branches directly to the document overview. Here, the   
automatically generated items are highlighted.  
  
To enable this, you need to make sure that the G/L account is marked as adjustable and   
that the appropriate field is defined as optional or required in the field status group.  
  
  
  
  
  
**Q8.** The document type is a key that is used to classify accounting documents. It is   
entered in the document header and applies to the whole document.  
Which of the following purposes are achieved by using document types?  
  
A. Assigning document numbers  
B. Posting to account types  
C. Clearing line items  
D. Differentiating between business transactions  
  
**Answer:**A, B, D  
  
The following purposes are served by using 'Document Types:  
  
•        **Differentiating between business transactions**. The document type tells you   
instantly what sort of business transaction is in question. This is useful, for example, when   
displaying line items for an account.  
  
•     **Controlling the posting to account types (vendor, customer, or G/L   
accounts)**. The document type determines which account types that particular document   
can be posted to.  
  
**•        Assigning document numbers.** A number range is assigned to every document   
type. The numbers for the documents you create are taken from this number range. The   
original documents from one number range should be stored together. In this way, the   
document type controls document storage.  
For more information, see Document Number Assignment and Controlling Document   
Storage Using the Document Type  
  
**•        Applying the vendor net procedure.** This means that any discount and the net   
amount are calculated (and posted) when the vendor invoice is posted.  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
  
**Q9.** If you have entered an incorrect document, you can reverse it, thereby also clearing   
the open items. With reference to 'document reversal', which of the following are true?  
  
A. A document can be reversed if it has no cleared items  
B. Documents in MM can be reversed with a credit memo  
C. If the posting period of the source document has already been closed, you have to   
enter a date that falls in an open posting period (for example, the current one) in the   
Posting date field.  
  
**Answer:**A, C  
  
A document can only be reversed if:  
●      It contains no cleared items  
●      It contains only customer, vendor, and G/L account items  
●      It was posted with Financial Accounting  
●      All entered values (such as business area, cost center, and tax code) are still valid  
  
If a line item from a source document has been cleared, a reversal can only be carried out   
after the clearing is reset. Information on clearing is available in FI General Ledger   
Accounting as well as FI Accounts Receivable and Accounts Payable.  
  
Documents from SD can be reversed with a credit memo.  
  
Documents from MM must be reversed with functions in that component because the   
reversal function in FI does not reverse all the values required.  
  
There are two ways of updating transaction figures when reversing a document:  
●      The document and the reverse document increase the account transaction debit and   
credit figures by the same amount.  
●      After a document has been reversed, the balance of the account affected is shown   
as if the document had never been posted. (Negative Postings)  
  
  
You generally post the reversal document in the same posting period as the   
corresponding original document. If the posting period of the source document has   
already been closed, you have to enter a date that falls in an open posting period (for   
example, the current one) in the Posting date field.  
  
  
  
  
**Q10**. A number of periodic tasks are executed on a regular basis (daily, weekly, or   
monthly) in the SAP System. This process is supported by the individual components of   
the Schedule Manager. Which of the following are components of the Schedule Manager?  
  
A. Flow definition  
B. Scheduler  
C. Monitor  
D. Exception area  
  
**Answer:**A, B, C  
  
  
The following are the key components of schedule manager:  
  
**Flow definition**In a flow definition, you can link tasks to each other if they are related or if you wish to use   
a worklist in them. You can therefore schedule a flow definition as a task in the scheduler.  
  
**Scheduler**In the scheduler, you can schedule tasks in a structure tree. You can use drag-and-drop in   
a daily overview to enable the system to execute the tasks at a certain time.  
  
**Monitor**The monitor gives you an overview of the scheduled tasks during and after processing.   
You can correct faulty objects in a worklist.  
  
**Worklist**Objects that are to be processed in a processing step sequence are managed in the   
worklist.  
The worklist monitor presents information such as which objects were processed without   
errors and which objects could not be processed. You can display information on the   
cause of errors, and thus control the way in which the object is processed further.  
The worklist ensures that when a processing step sequence is processed again, the   
system only processes the objects which had errors or which you manually instructed the   
system to reprocess.  
  
  
  
  
**Q11.** You would like to use recurring entries for periodic transaction. Which of the   
following are False with reference to 'recurring entries'?  
  
A. Posting Key, Account and Amount never change in recurring entries  
B. Postings can be made periodically or on a specific date  
C. Recurring documents do Not require a separate number range.  
  
**Answer:**C  
Recurring entries are business transactions that are repeated regularly, such as rent or   
insurance. The following data never changes in recurring entries:  
•        Posting key  
•        Account  
•        Amounts  
You enter this recurring data in a recurring entry original document. This document does   
not update the transaction figures. The recurring entry program uses it as a basis for   
creating accounting documents.  
Structure  
The system uses the recurring entry original document that you enter as a reference. It is   
not an accounting document and therefore does not affect the account balance.  
In the recurring entry document, you define when a posting is to be created with this   
document. You have two options for scheduling. Postings can be made periodically or on   
a specific date:  
•        For periodic postings, specify the first and last day of execution, as well as the   
interval in months.  
•        If you want to specify certain dates, enter a run schedule in the recurring entry   
original document. Store the required dates in the Implementation Guide (IMG). Choose   
 Define Run→ Recurring Entries → Document →Financial Accounting Global Settings    
Schedules/Enter Run Dates.  
  
To post recurring entry documents, you have to set up a separate number range for the   
company codes that use them. You have to use key X1 for the number range. The system   
takes numbers for the recurring entry original document from this number range.  
  
  
  
  
  
**Q12.** You are responsible for 'dunning' configuration. Which of the following are part of   
configuring the dunning functionality?  
  
A. Dunning Codes  
B. Dunning Items  
C. Dunning areas  
  
**Answer:**C  
  
The dunning configuration consists of configuring the following:  
  
**•        Dunning procedure**The dunning procedure controls how dunning is carried out by the system. You can define   
as many dunning procedures as you like.  
  
**•        Dunning level**The dunning levels are calculated based on the number of days open items are in arrears.   
You can also have the system calculate the dunning levels based on the dunning amount   
or a percentage paid (sales-related dunning level determination).  
You can determine more than one dunning level per dunning procedure.  
  
**•        Dunning areas**A dunning area is an organizational unit within a company code used for the dunning   
process.  
A dunning area can be a division or a sales organization. You assign a dunning area to   
an open item when you are posting. You can dun items separately by dunning area.  
  
  
  
  
  
  
**More Questions? Have a look at:**[Financial Accounting (FI) with SAP ERP 6.0 - Application Associate   
Certification Exam Questions with Answers & Explanations](http://sap-school.com/FICertificationQuestionsbook.html)





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