*Multiple Choice / Multiple Answer / True False*

*Chapter07*

**Multiple Choice**

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| 1 | Which of the following statements about the goods receipt step are NOT true?   1. It results in a decrease in inventory. 2. It can occur during the procurement process. 3. It can result in the creation of material and financial accounting documents. 4. Materials are placed in an appropriate storage location with an appropriate status. 5. It can occur during the production process. |
| 2 | The key organizational level associated with inventory management is   1. Plant. 2. Company code. 3. Storage section. 4. Storage area. 5. Storage location. |
| 3 | When do unplanned receipts occur?   1. When an invoice has been canceled 2. When material is transferred to another location 3. When a reference document does not exist 4. When a stock transfer is created 5. When the capacity of a storage location is exceeded |
| 4 | In the production process, a goods issue reflects   1. Moving raw materials or semi-finished goods from a work center to storage bins. 2. Shipping finished goods or trading goods to a customer to fill a sales order. 3. Issuing finished goods to a production order. 4. Shipping finished goods to a customer against a goods issue request. 5. Issuing raw materials or semi-finished goods to a production order. |
| 5 | Which of the following scenarios requires material-to-material posting?  a. Changing the material status from consignment to warehouse stock  b. Changing the material number of a material  c. Changing the material’s storage location  d. Changing the status of materials in stock  e. Changing the type of materials in stock |
| 6 | Which one of the following is NOT an example of using transfer postings?  a. Changing the material status from consignment to warehouse stock  b. Changing the material number of a material  c. Changing the material’s storage location  d. Changing the status of materials in stock  e. Changing the type of materials in stock |
| 7 | What is a stock transfer used for?   1. To change the status or type of materials in stock 2. To show material movements when a material is received in the warehouse from the vendor’s location 3. To indicate that a material-to-material change has been posted 4. To physically move materials from a storage location to the client’s warehouse 5. To physically move materials within the enterprise from one organizational level or location to another |
| 8 | Which of the following options is appropriate when two locations are physically close to each other and there is no significant time lag between issue and receipt?   1. One-step procedure 2. Two-step procedure 3. Three-step procedure 4. Stock transport order 5. None of the above |
| 9 | A storage location-to-storage location transfer involves which of the following?   1. A stock transfer among several storage locations of two plants 2. A stock transfer between two storage locations of two plants 3. A stock transfer among several storage locations within the same plant 4. A stock transfer between two storage locations within the same plant 5. A stock transfer between or among at least two storage locations within one or more plants |
| 10 | In plant-to-plant transfer, an FI document   1. Is created in both one-step and two-step movements. 2. Is created in two-step movements only. 3. Is created in one-step movements only. 4. Is not created. |
| 11 | Which of the following represents the hierarchy of a warehouse?   1. Warehouse, storage section, storage type, storage bin 2. Warehouse, storage bin, storage section, storage type 3. Warehouse, storage type, storage section, storage bin 4. Warehouse, storage section, storage bin, storage type 5. Warehouse, storage type, storage bin, storage section |
| 12 | Shelf storage, pallet storage, and rack storage are examples of   1. Storage bins. 2. Warehouses. 3. Storage sections. 4. Storage types. 5. None of the above |
| 13 | A storage type is a division of a warehouse based on the characteristics of the   1. Weight, width, and type 2. Dimensions and profitability. 3. Space, materials, and activity. 4. Price, space, and type. 5. Usage, price, and dimensions. |
| 14 | Fast-moving, slow-moving, heavy, light, large, and small are examples of   1. Storage bins. 2. Warehouses. 3. Storage sections. 4. Storage types. 5. None of the above. |
| 15 | A picking area groups which of the following elements?   1. Shelves and pallets 2. Storage bins, based on similar picking strategies 3. Materials with similar transportation type 4. Materials with similar usage 5. Materials of the same material type |
| 16 | If a company stores a material in a storage location that is associated with a warehouse, then it must include additional data   1. In the storage location stock view of the material master for that material. 2. In the basic data view of the material master for that material. 3. In the general plant data/storage view of the material master for that material. 4. In the warehouse management view of the material master for that material. 5. No data need to be added. |
| 17 | Shelves, stacks, and aisles are examples of   1. Storage locations. 2. Coordinate systems for addresses. 3. Storage sections. 4. Storage identifiers. 5. Storage areas. |
| 18 | Which of the following represents the document used to plan the movement of materials into and out of bins in a warehouse?   1. Transfer list 2. Transfer request 3. Transfer plan 4. Transfer order 5. Transfer requirement |
| 19 | Which of the following is a request to change the status of the material?   1. Posting change notice 2. Notice for change 3. Material change list 4. Status request list 5. Change request |
| 20 | When creating a transfer order, you find that a particular material has to be moved from multiple source bins. Which of the following statements follows from this scenario?   1. The transfer order will have multiple line items for the material. 2. More than one transfer order needs to be created. 3. The material will be written in one line item. 4. An internal order request will be created to move the material into one source bin. 5. This scenario is impossible. |
| 21 | The ERP system can create transfer orders automatically, but only when   1. A destination is known. 2. The reference document is a transfer requirement 3. A warehouse movement type is specified. 4. A reference document exists. 5. Both the plant and the storage location are known. |
| 22 | Which of the following represents a possible sequence of steps in the warehouse movement process?   1. Create a transfer request, physically move the materials, confirm the movement, retrieve the transfer request 2. Physically move the materials, confirm the movement, create a transfer request, retrieve the transfer request 3. Physically move the materials, generate a transfer order, confirm the movement, retrieve the transfer order 4. Generate a transfer order, retrieve the transfer order. confirm the movement, physically move the materials 5. Generate a transfer order, physically move the materials, retrieve the transfer order, confirm the movement |
| 23 | In warehouse management steps associated with the procurement process, the warehouse inventory is calculated as sum of the inventory in the following places:   1. Storage sections and storage areas 2. Warehouse bins and storage sections 3. Interim storage areas and warehouse bins 4. Storage locations and storage sections 5. Storage locations and storage areas |
| 24 | In a stock transfer from a plant where the storage location is warehouse managed to a plant where it is not, which of the following activities occurs at the receiving plant?   1. A goods receipt triggers WM process steps. 2. A simple goods receipt is recorded in IM. 3. A goods issue triggers WM process steps. 4. A simple goods issue is recorded in IM. 5. None of the above |
| 25 | In a bin status report, double-clicking on a bin that contains materials   1. Produces a drilldown report showing details of the materials. 2. Opens a screen that enables you to change which bin is shown on the report. 3. Produces information about the bin location. 4. Opens a screen where storage bin information can be configured. 5. Will not display any data. |
| 26 | Warehouse management is typically used   1. By organizations that have small quantities of materials. 2. By transportation companies. 3. By organizations that have either large quantities of materials or an expensive inventory. 4. By storage companies. 5. By organizations that demand better reporting for their inventory. |

**Multiple Answers**

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| 27 | Which of the following are examples of goods movements?   1. Move posting 2. Stock transfer 3. Stock movement confirmation 4. Goods issue 5. Internal order |
| 28 | Which of the following are examples of unplanned goods issue?   1. Issuing materials to scrap 2. Shipping goods to unplanned storage location 3. Unplanned returns from customers 4. Using materials for internal consumption 5. Issuing materials to sampling |
| 29 | Which of the following represent common stock statuses?   1. Temporary location 2. In transit 3. Blocked 4. Unconfirmed 5. Fast-moved item |
| 30 | Which of the following occur when a goods receipt is posted for raw materials on a consignment basis?     1. The status of the materials is set to consignment stock. 2. The inventory account is impacted. 3. The quantity of materials in inventory is increased. 4. The quantity of materials in inventory is decreased. 5. The vendor’s account is impacted. |
| 31 | A stock transfer can involve movements   1. Between storage locations in different plants. 2. Between plants in different company codes. 3. Between different storage types within the same storage location. 4. Between plants in one company code. 5. Between storage locations within one plant. |
| 32 | Which of the following are valid techniques for moving materials?     1. Stock transport order 2. Stock internal request 3. Stock movement order 4. Two-step procedure 5. Three-step procedure |
| 33 | For which of the following scenarios can storage location-to-storage location transfer be applied?   1. Materials are wrongly delivered to one plant and need to be relocated to another plant 2. Materials are transferred from a temporary storage location in one plant to a permanent storage location in another plant 3. Materials are moved via a stock transfer between plants in different company codes 4. Materials are initially stored in a temporary staging area and are subsequently moved to a permanent location within the same plant 5. Materials received from a vendor are initially placed in a storage location for quality inspection to be performed before being placed in permanent location |
| 34 | Which of the following are examples of limitations of using a stock transfer to move materials from one plant to another?   1. The company cannot track the progress of the transfer. 2. The costs of transporting the materials are not taken into account. 3. Valuation can be based only on the book value of the materials at the sending plant, not on the negotiated value. 4. Valuation can be based only on the negotiated value of the materials, not on the book value. 5. Valuation can be based only on the book value of the materials, not on the fair market value. |
| 35 | A stock transport order can involve steps from which of the following processes?   1. Fulfillment 2. Production 3. Plant management 4. Procurement 5. Inventory management |
| 36 | Which of the following statements apply to stock transport orders?  a. Goods can be received into quality inspection or blocked stock statuses.  b. Goods received can be posted to consumption accounts rather than material accounts.  c. Purchase requisitions can be converted to purchase orders.  d. No history is available to track the tasks associated with STOs.  e. An availability check can be executed to assess material availability in the supplying plant. |
| 37 | Which of the following are rules that apply when linking warehouses to storage locations?   1. A warehouse cannot be linked to storage locations across multiple plants. 2. A warehouse must be linked to at least one storage location. 3. Not all storage locations must be linked to a warehouse. 4. A storage location can be linked to one or many warehouses. 5. A warehouse can be linked to storage locations across multiple plants. |
| 38 | Which of the following are key master data elements in warehouse management?   1. Material master 2. Storage bins 3. Storage section 4. Warehouse 5. Storage area |
| 39 | Which of the following organizational levels are relevant to the warehouse management view of master data?   1. Company code 2. Storage type 3. Plant 4. Storage bin 5. Warehouse |
| 40 | Which of the following organizational data are included in a transfer requirement.   1. Storage location 2. Source of requirement 3. Warehouse number 4. Storage bin 5. Transfer date |
| 41 | Which of the following typically are sources of a transfer requirement for warehouse movement?   1. Invoice 2. Delivery document 3. Production order 4. Purchase order 5. Material document |
| 42 | Which of the following transaction data are included in a transfer order?   1. Storage location 2. Destination storage bin 3. Client 4. Source storage bin 5. Material master |
| 43 | Which of the following statements are TRUE regarding the header in a transfer order?   1. The data are always applicable to one line item because a transfer order is created for each material individually. 2. The data are applicable to all line items. 3. The data can be either applicable to one or several line items, and this must be explicitly specified in the document. 4. The header data can include transfer order number, dates, and warehouse movement type. 5. The header data can include source storage type, material number, and bin. |
| 44 | Examples of reference documents for a transfer order are   1. Transfer requirement. 2. Change request. 3. Storage location request. 4. Material document. 5. Delivery document |
| 45 | Which of the following are warehouse management steps related to the procurement process?   1. Create invoice 2. Post goods issue 3. Create outbound delivery 4. Create transfer order 5. Create transfer requirement |
| 46 | Which of the following are inventory management steps related to the fulfillment process?   1. Create invoice 2. Post goods issue 3. Create outbound delivery 4. Create transfer order 5. Confirm transfer order |
| 47 | Which of the following are warehouse management steps related to the production process?   1. Create invoice 2. Goods issue 3. Create outbound delivery 4. Create transfer order 5. Create transfer requirement |

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| 48 | In a stock transfer from one bin to another within the same warehouse, which of the following statements apply?   1. Warehouse movements are involved. 2. This is an internal transfer, so no warehouse movements are involved. 3. There is always an FI impact involved. 4. A transfer requirement is created automatically. 5. A transfer requirement must be created manually. |
| 49 | Which of the following are scenarios under which stock transfers involving warehouse movements can occur?   1. Stock transfer from a plant where the storage location is not warehouse managed to a plant where it is 2. Stock transfer from a storage bin in a non-warehouse-managed storage location to a storage bin in another non warehouse-managed storage location 3. Stock transfer between two non-warehouse-managed storage locations 4. Stock transfer from a plant where the storage location is warehouse managed to a plant where it is not 5. Stock transfer between two warehouse-managed storage locations |
| 50 | The key links between inventory management and warehouse management are   1. Transfer orders. 2. Storage locations. 3. Transfer requirements. 4. Association of storage locations to a warehouse. 5. Storage sections. |

**True / False**

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| 51 | A storage location is a key organizational level associated with inventory management. |
| 52 | The most relevant category of master data in inventory management is the plant. |
| 53 | A goods receipt cannot be posted without reference to an order. |
| 54 | Planned receipts occur when a reference document, such as a purchase order or a  production order does not exist. |
| 55 | A goods issue results in the creation of appropriate material, FI, and CO documents. |
| 56 | A goods issue, unlike a goods receipt, can be posted without reference to an order. |
| 57 | A goods issue, unlike a goods receipt, results in a decrease in inventory. |
| 58 | A transfer posting always involves an actual movement of materials. |
| 59 | To change a material number you need to create a change request. |
| 60 | In a consignment scenario, when raw materials are consumed in the production process, the status of the materials is changed from warehouse stock to consignment. |
| 61 | A stock transfer involves physically moving materials. |
| 62 | One-step procedure, two-step procedure, and stock transport order are strategies for moving materials. |
| 63 | A material document is created during both the one-step and two-step procedures. |
| 64 | During the one-step procedure, two material documents are created. |
| 65 | Moving materials between two storage locations within the same plant or different plants is known as storage location-to-storage location transfer. |
| 66 | One-step procedure is possible only when the materials are in unrestricted use at the supplying location. |
| 67 | When transferring materials between storage locations in the same plant, if quantities are valued in the same way, then no FI document is created. |
| 68 | In plant-to-plant transfer in the two-step method, the FI document is created at the time of receipt. |
| 69 | A movement of materials between two plants in different company codes is called a company code-to-company code transfer. |
| 70 | Stock transport orders with delivery include the invoice verification step. |
| 71 | In stock transport orders with delivery and billing, valuation is based on the purchase price in the STO. |
| 72 | Inventory management keeps track of the quantity of materials in storage location, but it cannot determine their exact location. |
| 73 | A storage location can be linked to only one warehouse. |
| 74 | A storage type is a division of a storage section that is based on the characteristics of the space, materials, or activity. |
| 75 | Storage sections represent the physical links between IM and WM. |
| 76 | Shelf storage is an example of a storage type |
| 77 | Lightweight materials are designated as fast-moving materials. |
| 78 | A picking area groups materials with the same material type. |
| 79 | Storage bins are the smallest unit of space in a warehouse. |
| 80 | Transfer requirements can be created manually as well as automatically. |
| 81 | Transfer orders are used to execute warehouse movements. |
| 82 | Transfer orders can only be created automatically. |
| 83 | Target quantities, destination storage type, bin, and quant are examples of line item data in a transfer order. |
| 84 | Transfer orders in the execute warehouse management step can be created with or without a reference document. |
| 85 | One of the steps of the inventory management process related to procurement is post goods issue. |
| 86 | Inventory management in the production process involves a goods issue and a goods receipt. |
| 87 | A stock transfer from a storage bin in one warehouse to a storage bin in another warehouse is a possible scenario under which warehouse movements can occur. |