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Microsoft

MB6-702 PRACTICE EXAM

Microsoft Dynamics AX 2012 R3 Financials

Product Question: 90

Question: 1

Which form should you use to assign a chart of accounts to a legal entity?

- A. Configure account structures
- B. General ledger parameters
- C. Ledger
- D. Legal entities

Answer: C

Explanation:

Select the chart of accounts that can be used by a legal entity in the Ledger form.

Reference: About the chart of accounts [AX 2012]

Question: 2

Two vendors contact you and request that you send all purchase confirmations to a specific email address.

You need to configure Microsoft Dynamics AX to automatically send the email to the vendors.

What should you do?

- A. Add the email address into the default print management settings in the Accounts payable module.
- B. Add the email address to the vendor's Contact form, and then select the primary contact person on the Vendor details form.
- C. Add the email address to the contact information section of the Vendor details form, and then mark it as the primary record.
- D. Add the email address to the print management settings for the vendor account.

Answer: C

Explanation:

If you will be emailing the documents to a group of email addresses that have the same business purpose or worker title, you must set up the purposes or titles, first. For more information, see Address purpose (form). You set up purposes in the Address and contact information purpose form. Click Organization administration > Setup > Global address book > Address and contact information purpose. You assign purposes in the Customers or Vendors form, on the Contact information FastTab, in the Purpose field. You assign worker titles in the Worker form, in the Title field. Click Human resources > Setup > Workers > Titles.

Reference: Set up print management for a customer or vendor [AX 2012]

Question: 3

You are the Microsoft Dynamics AX administrator for an organization.

The organization has a maximum cash credit limit of \$20,000. If a payment is issued for more than the stated cash credit limit, the payment is rejected and the organization is fined.

You need to ensure that payments do NOT exceed the cash credit limit.
Which two actions should you perform? Each correct answer presents part of the solution.

- A. On the Bank accounts form, enter the Credit limit value.
- B. On the Bank accounts form, set the Bank account status option to Inactive for all transactions.
- C. On the Bank accounts form, enter the Active from and Active to dates.
- D. On the Cash and bank management parameters form, set the Bank credit limit tolerance option to Error.

Answer: AD

Explanation:

A: Field: Credit limit

Enter the credit limit for the bank. You must enter a negative amount in this field. You are notified if the bank balance exceeds this limit when you post a payment journal.

Reference: Bank accounts (form) [AX 2012]

D: Field: Bank credit limit tolerance

Select how to notify the user when a payment journal that is posted causes a balance to exceed the credit limit. Select from the following options:

- * None – Do not consider the credit limit.
- * Warning – Display a warning when the credit limit is exceeded, but continue the process.
- * Error – Display an error when the credit limit is exceeded, and stop the process.

Reference: Cash and bank management parameters (form) [AX 2012]

Question: 4

What is the purpose of an account structure?

- A. To assign a default offset account to a main account
- B. To define the valid main account and financial dimension combinations
- C. To classify and group main accounts for analysis purposes
- D. To control how transactions are sorted and fields are printed on reports

Answer: B

Explanation:

A relational chart of accounts uses an account structure that requires that you set up valid accounts and financial dimension values, and then set up rules to specify how the accounts and dimensions will come together to create account structures. Setting up valid combinations helps make sure that data entry is accurate.

Reference: About the Configure account structures form [AX 2012]

Question: 5

You are entering a customer sales order that has two lines: one line for item A and one line for item B,
The following statements are necessary to calculate sales tax for the sales order:

The sales tax group linked to the customer includes sales tax codes ST1, ST2, ST3, and ST4.

The item sales tax group linked to item A includes sales tax codes ST1, ST2, and ST5.

The item sales tax group linked to item B includes sales tax codes ST1, ST3, and ST5.

You need to calculate sales taxes for each of the sales order lines.

Which two statements describe how sales taxes are calculated for the sales order? Each correct answer presents part of the solution.

- A. The line with item B is calculated based on sales tax codes ST1 and ST3.
- B. The line with item B is calculated based on sales tax codes ST1, ST3, and ST5.
- C. The line with item A is calculated based on sales tax codes ST1, ST2, and ST5.
- D. The line with item A is calculated based on sales tax codes ST1 and ST2.

Answer: AD

Explanation:

Transactions that are subject to sales taxes must be associated with both a sales tax group and an item sales tax group. Sales tax is calculated only for the sales tax codes that are included in both the sales tax group and the item sales tax group.

Reference: Set up and use sales tax codes [AX 2012]

Question: 6

You need to set up the posting profile for realized and unrealized gains and losses. Which two forms should you use? Each correct answer presents a complete solution.

- A. Chart of accounts form
- B. Currency revaluation accounts form
- C. Currency exchange rates form
- D. Ledger form

Answer: BD

Explanation:

B: Currency revaluation accounts, where you identify the relevant account for realized gain, and loss, unrealized gain, and loss.

D: General Ledger

. We have also seen issues with the Gain and Loss accounts.

a. General Ledger>>Setup>>Ledger – Verify there is a Main account setup for the Realized and Unrealized Gains and Loss records.

Question: 7

You need to ensure that when a check is paid to your vendors, only one check is generated for each vendor. What should you configure?

- A. Terms of payments
- B. Payment day
- C. Payment schedule
- D. Method of payment

Answer: D

Explanation:

Follow these steps to set up methods of payments for checks.

1. Click Accounts payable > Setup > Payment > Methods of payment.

–or–

Click Accounts receivable > Setup > Payment > Methods of payment.

2. Click New to create a line.
 3. In the Method of payment field, enter an identifier, such as Check.
 4. In the Period field, select the period for which invoices in automatic payment proposals are combined:
 - o Invoice – One payment transfer is created for each invoice.
- Etc.

Reference: Set up a method of payment for checks [AX 2012]

Question: 8

You need to set up the aging period definitions for the Vendor aging report.
What is the maximum number of aging periods that you can define?

- A. 6
- B. 7
- C. 8
- D. 9

Answer: A

Explanation:

Aging period definitions that have more than six aging periods (columns) cannot be used on the printed report.

Reference: Vendor aging report (VendAgingReport) [AX 2012]

Question: 9

Your organization uses Microsoft Dynamics AX.

You need to set up journal names for the General journal.

Which journal type should you specify?

- A. Allocation
- B. Periodic
- C. Approval
- D. Daily

Answer: B

Question: 10

Where do you define the Main account information for bank and cash subledger journal account transactions?

- A. On the Bank document posting profiles form
- B. On the Bank transaction groups form
- C. On the Bank groups form
- D. On the Bank accounts form

Answer: D

Explanation:

Reference: Bank accounts (form) [AX 2012]

Question: 11

You need to update the organization hierarchy to prepare for a reorganization of your business. Which effective date is valid when you publish the updated hierarchy?

- A. Any of the published effective dates
- B. Any day after the last published effective date
- C. Any day between two of the published effective dates
- D. The last published effective date

Answer: B

Explanation:

Modify a hierarchy

If a reorganization, merger, or acquisition occurs, you must modify existing organizational hierarchies.

You can view or change a hierarchy as of any future date or as of an effective date that has been published. However, you cannot publish updates to the hierarchy between existing effective dates. Changes must take effect after the last effective date that was published for the hierarchy.

If you must make a correction, you can delete the last future published version of a hierarchy. In the Future changes FactBox, click More to open the Future change dates form. Click Delete latest date.

Reference: Create or modify an organization hierarchy [AX 2012]

Note: When you publish a hierarchy, you must specify an effective date. The effective date indicates when the hierarchy becomes active.

Question: 12

You need to set up preprinted checks in the Cash and bank management module. Which two settings should you define? Each correct answer presents part of the solution.

- A. Check number method set to Fixed
- B. ABC codes
- C. Bank number
- D. Check format

Answer: AD

Explanation:

To make a payment by check, you must first set up the layout of checks in the Check layout form.

1. Click Cash and bank management > Common > Bank accounts.
2. To set up the layout of checks for the selected bank account (if this needs to be done), click the Setup tab > Check layout.
3. If you select Fixed in the Check number method field, you must create a series of pre-printed checks that you can use to make payments:
 - a. Click Cash and bank management > Common > Bank accounts.
 - b. Click Functions > Create checks.
 - c. Enter the first check number in the check series and the number of checks to create, and click OK.

Reference: Make a payment by check [AX 2012]

Question: 13

You need to create vendor accounts by using Microsoft Dynamics AX.
Which field is mandatory for creating a vendor account?

- A. Mode of delivery
- B. Group
- C. Credit limit
- D. Terms of payment

Answer: B

Explanation:

When you create a vendor account, you enter information about the vendor that is used to populate documents automatically and to track activity with the vendor. For example, you can enter the following information for a vendor:
* Assign a vendor group. Every vendor must be assigned to a vendor group. Vendors in a vendor group have parameters in common. For example, they may have the same terms of payment.

Reference: Create a vendor account [AX 2012]

Question: 14

In which three modules is currency rounding configuration an option? Each correct answer presents a complete solution.

- A. Budgeting
- B. Project management and accounting
- C. Accounts receivable
- D. Procurement and sourcing
- E. Accounts payable

Answer: BCE

Explanation:

CE: Document-level rounding of currency translation is required for reconciliation with subledgers, accounts payable, and accounts receivable, for example.

Reference: What's new: General ledger features [AX 2012]

Question: 15

You need to create a budget register entry that will spread the amount you enter into the line across multiple business units based on the revenue from the previous quarter.
What should you do?

- A. Create a financial dimension default template and apply it to the budget register entry.
- B. Create a financial dimension set and apply it to the budget register entry.
- C. Create a derived financial hierarchy and apply it to the budget register entry.
- D. Create a budget allocation term and apply it to the budget register entry.

Answer: D

Explanation:

Allocate budget register entries

You can allocate budget register entries across periods or to financial dimensions.

Budget allocation terms define the percentage of a budget register entry that is allocated to specific financial dimension values. For example, a percentage of the travel budget can be allocated to various departments.

Note: Use the Budget allocation terms form to define the financial dimension values and the percentages that are used to generate budget allocations. These budget allocation terms provide an automated way to distribute percentages of budget amounts across financial dimension values. For example, a travel budget can be allocated to multiple departments by using one budget account entry.

Reference: Create budget register entries [AX 2012]

Incorrect:

Not C: Derived financial hierarchies give organizations a more flexible approach to grouping transactions for ad hoc analytics. This allows them to categorize transactions without having to expand the account structure to include the additional categories or dimensions they want to track.

Question: 16

You select Business unit and Department as the only financial dimensions to use with budget control.

You need to prevent a budget overrun on all direct expense accounts.

What should you do?

- A. Select the accounting journals that are subject to budget control.
- B. Define the over budget permissions for user groups in the budget control configuration
- C. Select the source documents that are subject to budget control.
- D. Define the main accounts to use for budget checking in the budget control configuration.

Answer: C

Explanation:

Select source documents for budget control

In the Select source documents area, you can select check boxes to determine the source documents that are subject to budget control. You can also select check boxes to enable budget checks as the lines for source documents are entered and saved.

Reference: Set up budget control [AX 2012]

Question: 17

The encumbrance process is enabled in your Microsoft Dynamics AX environment.

A buyer for your organization creates a purchase order for a \$10,000 contract with a lawyer who is providing legal advice related to a claim. You post an invoice for \$2,000 from the lawyer for the cost of his services so far.

What is the encumbrance amount for the contract with the lawyer after the invoice is posted?

- A. \$2,000
- B. \$8,000
- C. \$10,000
- D. \$12,000

Answer: B

Explanation:

Example

You create a purchase order with 35,000.00 in encumbered funds for the expected purchase of computers and related items. You later create and confirm a vendor invoice for a 22,000.00 purchase from a computer vendor. The relieved amount of the encumbrance is 22,000.00 and the remaining amount of the encumbrance is 13,000.00.

Reference: Encumbrance summary (form) [AX 2012]

Question: 18

You set up and activate a new budget planning process. You generate the original budget plan from the general ledger data.

The department managers need to enter their requested amounts for the budget plan and then load them back into Microsoft Dynamics AX.

Where should the department managers enter the data?

- A. In the Budget planning process form
- B. In a new budget register entry
- C. In the justification that is accessed from the budget plan lines
- D. In the Excel worksheet that is accessed from the budget plan lines

Answer: D

Explanation:

When you create a worksheet, you can import the data from multiple scenarios, analyze and modify the data, and then publish the data back to the budget plan.

Import, modify, and publish budget plan data by using worksheets

1. In the Budget plan form, on the Action Pane, click Worksheet. Information is exported to the worksheet.
2. In Excel, you can analyze, chart, and update the amounts in the worksheet. Then, on the Dynamics AX tab, click Publish to import the updated information back to the budget plan.
3. In Microsoft Dynamics AX, on the Action Pane, click Refresh to update the form.

Question: 19

Each department manager at your company is responsible for managing his or her own department's budgets.

The budget manager decides that some departments must use a different budget threshold than other departments.

You need to configure Microsoft Dynamics AX to ensure that the new policies are enforced.

What should you configure?

- A. Budget planning scenario constraints
- B. Budget allocation terms
- C. Budget funds available calculation
- D. Budget control rules

Answer: D

Explanation:

Example: Define budget control rules to establish a different budget threshold for one department

The default budget control parameter values that you entered in the Define parameters area are used unless you specify a different budget cycle time span, budget interval, budget threshold, or budget manager for individual rules. For example, to assign a different budget threshold to only one department, you could define two budget control

rules: one rule for the specific department and its budget threshold, and another rule for all of the other departments for their threshold.

Reference: Set up budget control [AX 2012]

Question: 20

Your organization is using the Budgeting module to develop a budget plan.
The budget plan needs to go through various phases before it is approved.
Where do you define these phases on the Budget planning configuration form?

- A. Scenarios
- B. Parameters
- C. Workflows
- D. Stages

Answer: D

Explanation:

Link: Stages

Create and maintain budget planning stages. A budget planning stage includes the steps and transitions that a budget plan follows from its creation to its final adoption. For example, you might create a budget plan stage to create a budget plan for a department or a stage for the executive review process. The budgeting organization determines which stages to use.

Incorrect:

Not C:

Link: Workflows

Create and maintain budget planning workflows. A budget planning workflow is an ordered list of the selected budget planning stages.

Note: Budget planning stages – Define the steps that a budget plan follows from its inception to final approval. Budget planning stages are arranged in budget planning workflows. Examples of budget planning stages are Department review, Department submitted, Management review, and Management approval.

Reference: Budget planning configuration (form) [AX 2012]

Question: 21

You create a budget cycle time span that is based on the fiscal calendar from July 2014 through June 2015. How many budget models can be used for the budget cycle?

- A. One for each budget model and fiscal period combination
- B. One for each fiscal period
- C. Only one
- D. One for each budget model

Answer: C

Explanation:

You can assign a budget model to a budget cycle to perform budget checking for the budget cycle. Only one budget model can be in use for a budget cycle.

Reference: Set up budget control [AX 2012]

Question: 22

To which object can you link a budget register entry workflow?

- A. Budget models
- B. Budget transfer rules
- C. Journal names
- D. Budget codes

Answer: D

Explanation:

You can associate budget register entry workflows with any of the budget codes that have been set up to identify the budget types. After you assign a workflow to a budget code, all budget register entries that use that budget code require workflow approval before you can update budget balances.

Reference: Set up Budgeting workflows [AX 2012]

Question: 23

You are configuring a budget plan to automatically spread.
Which allocation method should you use?

- A. The Aggregate allocation method
- B. The Allocate across periods method
- C. The Distribute allocation method
- D. The Allocate across dimensions method

Answer: B

Explanation:

Allocate across periods – The budget plan lines are allocated from the source budget plan scenario across periods in the destination scenario by using a period allocation key.

In the Master planning form, you can set up period allocation keys to automatically explode sales orders in a period. For example, a period allocation key can distribute an order of 1,000 units over 30 days with a period percentage of 25 percent per week.

Reference: Period allocation categories (form) [AX 2012]

Question: 24

You need to pay all open invoices that have a due date on or before July 10.

You want to take advantage of any available discounts.

Which two settings must you select when creating the payment proposal? Each correct answer presents part of the solution.

- A. In the Payment to date field, select July 10.
- B. In the Minimum date field, select July 10
- C. In the Proposal type field, select Due date and cash discount.
- D. In the Proposal type field, select Due date.

Answer: BC

Explanation:

B: Field: Minimum date

Enter the earliest date for the payment. This date is used as the payment date if the date that is calculated for the payment proposal occurs before the date that is entered in this field. For example, if you create the payment proposal on February 1 but you want the payments to be dated no earlier than February 5, enter February 5 in this field.

C: Field: Proposal type

Select the proposal type:

* Due date and cash discount – First, include open transactions that are eligible for a cash discount. Then, include open transactions, according to due date.

* Per due date – Include open transactions that are due in the range of dates that is specified for the proposal.

* By cash discount – Include open transactions that are eligible for a cash discount in the range of dates that is specified for the proposal.

Incorrect:

Not A: There is no Payment to date field.

Reference: Vendor payment proposal (class form) [AX 2012]

Question: 25

In which three scenarios should you use a bridging account? Each correct answer presents a complete solution.

- A. To settle prepayments for a vendor
- B. As a method of payment for customers
- C. To settle prepayments for a customer
- D. As a method of payment for vendors
- E. To settle postdated checks for a vendor

Answer: BDE

Explanation:

B:

* For a business that still receive checks from customer (and we are glad that we do), it is important to differentiate the two elements of receiving a customer payment.

1. Applying the payment to an invoice.
2. Depositing the check.

Dynamics AX has a nice way of handling this through bridging accounts.

* In Methods of payment - customers (form)

Field: Bridging account

Select the account for bridging transactions. This account is used if you selected the Bridging posting check box.

D: In Methods of payment - vendors (form)

Field: Bridging account

Select the account for bridging transactions. This account is used if you selected the Bridging posting check box.

E: Set up a method of payment for postdated checks

1. Click Accounts payable > Setup > Payment > Methods of payment.

-or-

Click Accounts receivable > Setup > Payment > Methods of payment.

2. In the Method of payment field, enter the method of payment for a customer or a vendor. For more information

3. In the Account type field, select Bank.

4. In the Payment account field, select the bank account that is used to deduct the invoice amount.
 5. Select the Postdated check clearing posting check box to indicate that the check amount is posted to a clearing account. (Select the clearing account in the Clearing account for issued checks or Clearing account for received checks field in the Cash and bank management parameters form.) The Bridging posting check box is selected. Note: A bridging account or a clearing account is a temporary account that is used to post a transaction until the transaction is reconciled.
- Reference: Methods of payment - customers (form) [AX 2012]
 Methods of payment - vendors (form) [AX 2012]
 Set up postdated checks [AX 2012];

Question: 26

You need to ensure that you have the most current data to manage customer collections.
 What should you create first?

- A. A customer account statement
- B. A customer balance list
- C. A customer aging snapshot
- D. A customer pool

Answer: C

Explanation:

Customer aging snapshot.

Use this form to create aging snapshots for customers. An aging snapshot contains the calculated aged balances for a group of customers at one point in time. Aging snapshots provide quick access to aging information for collections agents using the Collections form and related list pages.

Reference: Customer aging snapshot (form) [AX 2012]

Question: 27

You need to add general journal voucher lines.
 Which three selections are valid account types? Each correct answer presents a complete solution.

- A. Fixed assets
- B. Bank
- C. Purchase order
- D. Ledger
- E. Item

Answer: ABD

Explanation:

Journal voucher - Vendor payment journal (form)

A: Tab: Fixed assets

Enter or view information about the fixed asset that is related to the selected line.

B: Field: Offset account type

Select the account type for the offset transaction to the vendor payment. This is typically the Bank account type for vendor payment journal lines.

BD: Field: Recipient name

The name of the recipient who will be issued a check. You can enter the name if the value in the Account type field is Ledger or Bank.

Reference: Journal voucher - Vendor payment journal (form) [AX 2012]

Question: 28

What is the purpose of collections cases?

- A. To record nonsufficient funds (NSF) payments
- B. To calculate interest on overdue transactions
- C. To group collection activities and transactions
- D. To write off transactions that have been deemed uncollectable

Answer: C

Explanation:

You can create collections cases to track collections information for one or more transactions and activities.

Note: Managing and collecting for overdue transactions is a necessary function in many organizations. Most collections functionality is centralized in the Collections form and on the following related list pages: Collections, Collections activities, and Collections cases.

Reference: Collections and credit in Accounts receivable [AX 2012]

Key tasks: Collections [AX 2012]

Question: 29

Which two transactions can be reversed? Each correct answer presents a complete solution.

- A. A sales order
- B. An unposted depreciation transaction
- C. Fixed asset depreciation adjustment
- D. Vendor payments
- E. A transaction that has already been reversed

Answer: CE

Explanation:

You can reverse fixed asset transactions, and the transactions that are associated with a fixed asset. You can also revoke a reversed transaction.

Reference: Examples: Depreciation effects with reversals [AX 2012]

Question: 30

When you post an invoice, you receive an error message.

Which two actions does the system apply to the invoice? Each correct answer presents a complete solution.

- A. The error log is presented to the user and then deleted.
- B. The error log is presented to the user and then saved.
- C. The invoice is placed in the pending vendor invoices list.
- D. The invoice is placed on hold.

Answer: BD

Explanation:

D: If the invoice was on hold and all problems with the invoice have been corrected, clear the On hold check box. You cannot post invoices that are on hold.

B: The error log files are created for each day. When the first error occurs during the day, the error log file is created, and the error message is appended to the newly created error log file. All subsequent error messages are appended to the existing error log file for the day.

Note: IDMF (Intelligent Data Management Framework) logs error events in a log file in a folder named Log under the installation folder. The default installation path is C:\Program Files\Microsoft Dynamics AX Intelligent Data Management Framework. IDMF creates the log file when the first error message is generated. The file is named trace_mm-dd-yyyy.log, with mm-dd-yyyy providing the current month, day, and year. The IDMF scheduler service creates an error log file called servicetrace_mm-dd-yyyy.log.

Incorrect:

Not C: Pending invoices (form) [AX 2012]

Use this form to view vendor invoices that have been saved and matched to product receipts, but not posted.

Reference: Key tasks: Vendor invoices [AX 2012]

Troubleshoot the Microsoft Dynamics AX Intelligent Data Management Framework (IDMF) [AX 2012]

Question: 31

In which two situations can you print a pro forma invoice? Each correct answer presents a complete solution.

- A. As an estimate of a free text invoice
- B. As an estimate of a customer invoice for a sales order
- C. As a request for payment for a past due invoice
- D. As a replacement for a lost invoice

Answer: AB

Explanation:

A pro forma invoice is an invoice that is prepared as an estimate of the actual invoice amounts before the invoice is posted. You can print a pro forma invoice for either a customer invoice for a sales order or for a free text invoice.

Reference: About customer invoices, free text invoices, and pro forma invoices [AX 2012]

Question: 32

You are setting up cash flow forecasting in Microsoft Dynamics AX 2012.

You need to ensure that the budget entries are shown in the cash flow.

Which action should you perform?

- A. Set up the settle accounts for the vendor/customer posting profiles to include with the budget accounts.
- B. Set up the cash flow forecast in the Accounts receivable and Accounts payable modules.
- C. Include the cash flow forecast for the budget model.
- D. Calculate the cash flow forecasts for the budget accounts.

Answer: C

Explanation:

You can include budgets that are created from budget models in cash flow forecasts.

1. Click Budgeting > Setup > Basic budgeting > Budget models.
 2. If you want the cash flow forecast to include budgets that are based on a specific budget model, select the Cash flow forecasts check box on the General FastTab. Close the form.
 3. Click General ledger > Common > Main accounts.
 4. Select a main account that is based on the budget model from step 2, and that you want to include in the cash flow forecast. On the Action Pane, click Edit.
 5. In the Select the level of main account to display field, select Companies, and then select a legal entity in the Companies field. On the Setup FastTab, click Cash flow forecast.
- Etc.
Reference: Include budgets in cash flow forecasts [AX 2012]

Question: 33

What are three account types that you can choose in a General ledger journal voucher? Each correct answer presents a complete solution.

- A. Inventory
- B. Customer
- C. Vendor
- D. Item
- E. Project

Answer: BCE

Explanation:

Field: Account type

Specify the account type:

Customer

Vendor

Project

Ledger

Fixed assets

Bank

Journal voucher - Invoice journal (form) [AX 2012]

Question: 34

You are processing a vendor payment. You attempt to print a check from Microsoft Dynamics AX 2012. Due to printer issues, the check is damaged and the journal is not yet posted.

You need to cancel the check.

What should you do?

- A. On the Transactions form, use the Reverse transactions functionality, and post a transaction reversal.
- B. On the Bank accounts form, use the Delete checks functionality, and delete the check.
- C. On the Payment journal form, use the Payment status functionality, and set the status as Rejected
- D. On the Checks form, use the Payment reversals functionality, and post the check reversal journal.

Answer: D

Explanation:

There are two methods available for reversing posted checks. In one, reversals are posted immediately when you click Payment reversal in the Check form. In the other, when you click Payment reversal in the Check form, the reversal first is sent to the Check reversals journal in Cash and bank management, where a reviewer can then post or reject the reversal.

Reference: Reverse a posted check [AX 2012]

Question: 35

You are setting up cash flow management in your organization by using Microsoft Dynamics AX 2012.

A delay of five days is expected from the due date of the payments to the date on which the payments are drawn from your bank account

Where on the Vendor groups form should you set up this delay?

- A. The Forecast tab
- B. The Settle period field
- C. The Default account setup tab
- D. The Terms of payment field

Answer: B

Explanation:

Field: Settle period

Select the standard interval between the due date for payments to vendors in the selected vendor group, defined by the terms of payment, and the date on which the payments are drawn from your bank account. The interval is typically a number of days.

The settle period is used for liquidity calculations that are based on the cash flow forecast.

Reference: Vendor groups (form) [AX 2012]

Question: 36

Which statement about generating deposit slips is correct?

- A. You can generate one deposit slip per bank account for multiple journals.
- B. You can generate one deposit slip for multiple journals each day.
- C. You can generate one deposit slip per journal per bank account.
- D. You can generate separate deposit slips for each voucher depending on the number of vouchers in a journal.

Answer: C

Explanation:

Use deposit slips to deposit payments that were made in a journal into bank accounts. The transactions for which the Use a deposit slip check box is selected in the Journal voucher form are displayed on a separate deposit slip for each bank account.

Reference: Create a deposit slip [AX 2012]

Question: 37

Your company uses two-way matching to create vendor invoices.

Which elements are used in the two-way matching process?

- A. Quantity received and quantity invoiced
- B. Price information on the invoice and price information on the purchase order
- C. Invoice total amount and the total amount on the purchase order
- D. Quantity ordered on the purchase order and quantity invoiced

Answer: B

Explanation:

Two-way matching – Match the price information on the invoice to the price information on the purchase order.

Reference: About Accounts payable invoice matching [AX 2012]

Question: 38

You are implementing Microsoft Dynamics AX 2012 for an organization that has multiple regions of operation. The organization has a policy that states that centralized payments should be processed through the main office. Which three actions should you perform to enable centralized payments? Each correct answer presents part of the solution.

- A. Set up the organizational hierarchy and the organization hierarchy purposes.
- B. Set up intercompany accounting.
- C. Set up currencies and their respective exchange rates.
- D. Set up a bridging account.
- E. Set up accrual schemes.

Answer: ABC

Explanation:

A: You must set up an organizational hierarchy for centralized payments.

B: Before you begin, the following setup procedures must be complete:

* (B) Set up intercompany accounting

* Create legal entities

* Set up General ledger parameters

* Set up Accounts payable parameters

C: Set up currency codes for centralized payments

Reference: Set up centralized vendor payments [AX 2012]

Question: 39

To which two entities can you lend a fixed asset? Each correct answer presents a complete solution.

- A. Another legal entity LIB
- B. A fixed asset group
- C. A contractor
- D. An employee

Answer: AB

Explanation:

B: Select a fixed asset group to assign the fixed asset to.

Question: 40

Which three methods can you use to assign bar codes to fixed assets? Each correct answer presents a complete solution.

- A. Automatically assign the bar codes when you create fixed assets.
- B. Assign the bar codes to fixed assets groups.
- C. Automatically assign the bar codes based on the fixed asset journal type.
- D. Assign the bar codes to current fixed assets.
- E. Manually assign the bar codes when you create fixed assets.

Answer: BDE

Explanation:

You can assign bar codes to fixed assets when fixed assets are created, to current fixed assets, or to fixed asset groups.

Reference: Assign fixed asset numbers to bar codes [AX 2012]

Question: 41

You are implementing fixed assets for your company.

The company requires the following business process for creating assets:

1. A worker completes a capital expenditure form and submits it to the accounting department for review and approval.
 2. After the form is approved, the asset is created.
 3. A purchasing agent creates a purchase order and submits it to the vendor for processing.
 4. When the invoice is received from the vendor, the accounts payable clerk processes an invoice to acquire the asset.
- No other users are allowed to process the acquisition.

You need to configure Microsoft Dynamics AX to meet these requirements.

Which two configurations should you complete? Each correct answer presents part of the solution.

- A. Configure the Business rule for fixed assets determination rule.
- B. Set the Create asset during product receipt or invoice posting parameter to true.
- C. Configure a user group for the Restrict asset acquisition posting to user group parameter.
- D. Set the Check for fixed assets creation during line entry parameter to true.
- E. Set the Allow asset acquisition from Purchasing parameter to true.

Answer: AD

Explanation:

A: Creating business rules for fixed assets determination

This helps identify a purchase to a potential fixed asset based on a monetary threshold of the purchase price or selection on a procurement hierarchy when doing a purchase requisition.

D:

Field: Check for fixed assets creation during line entry

Select this check box to verify that a fixed asset is eligible based on existing fixed asset rules. If this option is selected, the fixed asset group is set on the purchase order line, according to the defined fixed asset rules, when the purchase order line is created.

Reference: Creating a Purchase Requisition for a Fixed Asset

Set up Fixed assets parameters [AX 2012]

Question: 42

You need to configure fixed assets so that information such as asset purchase, depreciation, revaluation, adjustment, and sale or disposal is tracked over the lifetime of the assets.

Which form tracks this financial information?

- A. Fixed asset value models form
- B. Fixed assets form
- C. Fixed asset depreciation books form
- D. Fixed asset groups form

Answer: C

Explanation:

Use this form to associate an asset with a depreciation book. You can enter acquisition information, additional depreciation information, and purchasing and sales information for the asset.

Field: Revaluation group

Select a group for classifying an asset that is being revalued.

Reference: Depreciation books (form) [AX 2012]

Incorrect:

Not A: Fixed asset group/value model (form) [AX 2012]

Use this form to create fixed asset groups that use the selected value model, or view the fixed asset groups that currently use the value model.

Not D: Fixed asset groups (form) [AX 2012]

Use this form to set up the fixed asset groups that define asset characteristics such as type, number sequence, and default value models. You must assign each fixed asset to a fixed asset group.

Question: 43

What does a depreciation convention determine?

- A. The number of periods over which a fixed asset should be depreciated
- B. Whether a fixed asset should be depreciated
- C. The amount of depreciation to apply in the first and last years of a fixed asset's useful life
- D. The amount of depreciation to apply to each period of a fixed asset's useful life

Answer: D

Explanation:

* You can select various depreciation methods and conventions. The purpose of the methods is to allocate the depreciable value of the fixed asset into fiscal periods. The depreciable value of the fixed asset is the acquisition price, reduced by a scrap value, if any.

If you are using depreciation conventions and you modify the last depreciation run date for an asset, which then causes some depreciations to be skipped, the depreciation for the last year might be more than or less than is expected. The depreciation is adjusted by the number of depreciation periods affected by the modification of the last depreciation run date.

For example, if you are using the Half year depreciation convention over three years, depreciation ordinarily occurs over 3 1/2 years. If you change the last depreciation run date during the 3 1/2 years, the last year of depreciation moves out the number of periods affected. If you move the date by three months, the last year will have nine months' worth of depreciation, when ordinarily there would be six months' worth of depreciation.

* You can select from the following depreciation conventions.

Half year

Full month

Mid quarter

Mid month (1st of month)

Mid month (15th of month)

Half year (start of year)

Half year (next year)

* Depreciation is a periodic transaction that typically reduces the value of the fixed asset on the balance sheet, and is charged as an expenditure to a profit and loss account.

Reference: Depreciation methods and conventions [AX 2012]

Question: 44

You need to configure how fixed assets will be numbered.

Which two techniques accomplish this goal? Each correct answer presents a

- A. Manually assign a number to each fixed asset.
- B. Automatically number fixed assets based on fixed asset groups
- C. Manually assign a number to each fixed asset group.
- D. Automatically number fixed assets based on a fixed asset calendar.

Answer: BD

Explanation:

You can set up number sequences for fixed assets based on a default number sequence, or based on fixed asset groups.

There are two methods to assign number sequences to fixed assets.

Method 1: Automatic numbering of all fixed assets from one default number sequence

Method 2: Automatic numbering based on fixed asset group

Reference: Set up number sequences for Fixed assets [AX 2012]

Question: 45

Which three transaction types can you use to dispose of an asset? Each correct answer presents a complete solution.

- A. Provision for reserve
- B. Write off
- C. Extraordinary depreciation
- D. Sale
- E. Scrap

Answer: BDE

Explanation:

BDE: There are three ways to create a disposal transaction:

* Fixed Assets write-off – This transaction is entered in the fixed assets journal, and the write-off transactions for the booked value and booked depreciation for the asset are created. The status of the asset changes to Written off

* Leaving (sale) – This transaction represents a fixed asset sale and can be entered in Accounts receivable or in the fixed assets journal. Several transactions are created in the ledger, based on the posting profile configuration. The

status of the asset changes to Written off (sale).

* Leaving (dismantlement) – This transaction is entered in the fixed assets journal. Transactions are created in the ledger, and the remaining value of the asset after it has been dismantled is transferred to the warehouse. The status of the asset changes to Written off (dismantlement).

Reference: Fixed asset disposal [AX 2012]

DE: This information explains how to set up transactions for disposing of assets by selling or scrapping them.

In the Fixed asset posting profiles form, on the Ledger accounts FastTab, select Disposal - sale and Disposal - scrap to set up postings to the ledger.

For both transaction types, the ledger account is credited for the disposal value of the fixed asset.

Reference: About fixed asset disposal [AX 2012]

Question: 46

Which step must be taken before you can record an acquisition of a fixed asset on the General journal form?

- A. Create a fixed asset workflow.
- B. Create a fixed asset record.
- C. Create a fixed asset budget register entry.
- D. Create a vendor invoice.

Answer: B

Explanation:

To post an acquisition transaction for an existing fixed asset, specify the fixed asset number, value model, and transaction type. The fixed asset cannot be posted if any of this information is missing. To post an acquisition transaction for a new fixed asset, select the New fixed asset? check box, and then select the fixed asset group to assign the new asset to. However, no fixed asset fields are available for a line if the item is in an inventory model group that uses a standard cost inventory model.

Reference: About options for entering fixed asset transactions [AX 2012]

Question: 47

Which two documents can you use to set up fixed asset acquisitions? Each correct answer presents a complete solution.

- A. Free text invoice
- B. Invoice journal
- C. Sales order
- D. Purchase order

Answer: AD

Explanation:

A: The integration of Fixed assets with Accounts receivable uses posting profiles that are set up in Fixed assets. These posting profiles are activated when a fixed asset, value model, and fixed asset transaction type are selected for a customer invoice before the customer invoice is posted. Because fixed assets are not part of Inventory management, you must use the Free text invoice form when you sell a fixed asset.

D: Fixed assets can be integrated with General ledger, Inventory management, Accounts receivable, and Accounts payable. You can also set up Fixed assets so that it is integrated with purchase orders.

You can enter Fixed assets transactions in the Free text invoice form.

Reference: About fixed assets integration [AX 2012]; About options for entering fixed asset transactions [AX 2012]

Question: 48

An organization has a policy of charging depreciation based on the usage of the fixed asset in a fiscal year. You need to configure depreciation according to this policy.

Which depreciation method should you use?

- A. Straight line service life
- B. Reducing balance
- C. Factor
- D. Consumption

Answer: D

Explanation:

If you set up a depreciation profile for fixed assets and you select Consumption in the Method field in the Depreciation profiles form, the fixed assets that are assigned to this depreciation profile are based on the usage of those fixed assets.

Reference: About consumption depreciation [AX 2012]

Incorrect:

Not A: When you set up a fixed asset depreciation profile and select Straight line service life in the Method field in the Depreciation profiles form, the assets that have this depreciation profile assigned to them are depreciated based on the total service life of the asset. This generally is the same depreciation amount in each depreciation period.

Not B: When you set up a fixed asset depreciation profile and select Reducing balance in the Method field in the Depreciation profiles form, the assets that have this depreciation profile assigned to them are depreciated by the same percentage in each depreciation period.

Not C: Factors are the percentages that are used to depreciate assets. When you set up a fixed asset depreciation profile and select Factor in the Method field in the Depreciation profiles form, you can set up progressive, digressive, or straight line depreciation:

If you select progressive depreciation, the amount of depreciation increases with each depreciation period.

If you select digressive depreciation, the amount of depreciation per period decreases over time.

If you select straight line depreciation, the depreciation is the same in each period.

Question: 49

You are using a voucher template to create a journal voucher. The template type is Percent.

The template has four lines with the following amounts:

First line: \$100

Second line: \$200

Third line: \$300

Fourth line: \$400

When prompted for a voucher amount you enter \$2,000.

What is the default amount on the third line of the journal voucher?

- A. \$150
- B. \$300
- C. \$600
- D. \$2,000

Answer: C

Explanation:

$300/1000*2000=600$

Note: Percent – Use this template type if the total amount of the expense varies from period to period, such as a telephone expense that is allocated to several departments. When you use the template, you can enter the amount of the new transaction. The offset amounts are distributed to the lines according to the percentage of the original voucher total that is represented by each voucher line.

Reference: Enter and post invoices for recurring expenses [AX 2012]

Question: 50

You are implementing Microsoft Dynamics AX 2012.

You need to set up invoices for payment so they are summed up for the payment proposal period.

Which period option should you choose?

- A. Invoice
- B. Total
- C. Date
- D. Week

Answer: D

Explanation:

Select the method by which invoices are summed in the automatic payment proposal period:

Invoice – Create one payment transfer for each invoice. This is the default value for this field.

Date – Combine all invoices that have the same due date.

Week – Combine all invoices that have a due date in the same week.

Total – Combine all invoices from a vendor in the same payment.

Reference: Methods of payment - vendors (form) [AX 2012]

Question: 51

You are setting up the cash flow forecast in Microsoft Dynamics AX for your organization. The organization has accounts that are identified as cash or cash equivalents.

You need to set up these accounts as liquidity accounts for cash flow forecast purposes.

Where do you set up the accounts?

- A. In the Customers area of the Accounts receivable module setup
- B. In the Vendors area of the Accounts payable module setup
- C. In the Cash and bank management parameters form of the Cash and bank management module
- D. In the Posting area of the General ledger module setup

Answer: D

Explanation:

1. Click General ledger > Setup > Posting > Liquidity.
2. Click New to create a line for a liquidity account.
3. In the Main account field, select a ledger account that is a cash or cash-equivalent account.
4. In the Name field, enter a description of the account so that you can easily recognize the account.

5. Repeat steps 2 through 4 until you have listed all the liquidity accounts.
Reference: Set up liquidity accounts [AX 2012]

Question: 52

You create a new bank account.
You configure the check layout to be fixed.
You need to create the first batch of checks.
Where should you create the checks?

- A. The Checks form that is accessed from the Bank account form
- B. The Payment journal form that is accessed from the Journals area of the Accounts payable module
- C. The Checks form that is accessed from the Common area of the Cash and bank management module
- D. The Bank documents area that is accessed from the Setup area of the Cash and bank management module

Answer: A

Explanation:

/ Within the Bank accounts form:

Check numbers

Open the Check layout form, where you can set up the layout of checks for the selected bank account.

/ Check number method (from Check Layout form):

Select the method to use for generating check numbers:

* Free – Use this method when you do not have preprinted checks. Check numbers are automatically proposed when you use checks for payment.

* Fixed – Use this method when you have preprinted checks. Before you can use checks for payment, they must be created by clicking Check numbers on the Action Pane in the Bank accounts form.

Reference: Check layout (form) [AX 2012]; Bank accounts (form) [AX 2012]

Question: 53

A vendor contacts you about an unpaid invoice.
You verify that a check was printed and mailed one month ago.
The vendor did not receive the check.
You need to reissue a check to the vendor. Which action should you perform?

- A. Create a reversing entry by using the General journal form, and then reissue the payment.
- B. Void the check from the original payment journal, and then reissue the payment.
- C. Reverse the payment from the Vendor transactions form, and then reissue the payment.
- D. Process a payment reversal from the Checks form, and then reissue the payment.

Answer: D

Explanation:

There are two methods available for reversing posted checks. In one, reversals are posted immediately when you click Payment reversal in the Check form. In the other, when you click Payment reversal in the Check form, the reversal first is sent to the Check reversals journal in Cash and bank management, where a reviewer can then post or reject the reversal.

Reference: Reverse a posted check [AX 2012]

Question: 54

In which three scenarios can you use a free text invoice? Each correct answer presents a complete solution.

- A. To invoice a customer for miscellaneous charges
- B. To acquire a fixed asset
- C. To sell a fixed asset to a customer
- D. To sell an inventory item to a one-time customer
- E. To produce recurring service invoices for customers

Answer: ACE

Explanation:

A free text invoice is an invoice that is not attached to a sales order. A free text invoice contains a header and one or more lines for items or services that are not tracked in inventory. Use a free text invoice for sales that do not require a sales order, packing slip, and customer invoice. For example, you can use a free text invoice for a consulting fee or services fee, or for a miscellaneous fee for an event reimbursement.

Reference: Key tasks: Free text invoices [AX 2012]

Question: 55

You have enabled the Bill of exchange feature in Microsoft Dynamics AX.
You post a protest bill of exchange to a customer account.
Which account type on the customer posting profile should be debited?

- A. Settle account
- B. Summary account
- C. Write-off account
- D. Liabilities for discount account

Answer: A

Explanation:

In the Settle account field, select the cash account to post bill of exchange amounts to. This account is debited when a bill of exchange is settled.

Incorrect:

Not B: When you post the journal, the protest bill of exchange account is debited, and the bill of exchange summary account is credited.

Note: If a customer does not accept a bill of exchange or does not pay it on time, you can use the Protest bill of exchange journal to change the status of the bill of exchange from Drawn to Protested. You can also include a reference to the drawn bill of exchange.

If a customer protests a bill of exchange that has already been settled with an invoice, you can change the status of the bill of exchange from Honored to Protested.

Reference: Set up bills of exchange [AX 2012];Protest a bill of exchange [AX 2012]

Question: 56

You need to revalue the foreign currency transactions in the Accounts payable subledger.

Which two statements describe what the foreign currency revaluation job accomplishes? Each correct answer presents a complete solution.

- A. Settled vendor transactions are revalued by using the effective exchange rate for the specified date.
- B. Open vendor transactions are revalued by using the effective exchange rate for the specified date.
- C. The differences between the original posted amounts and the revalued amounts are posted to vendor accounts as unrealized transactions.
- D. The differences between the original posted amounts and the revalued amounts are posted to vendor accounts as realized transactions.

Answer: BC

Explanation:

B (not A): The job uses a new exchange rate to revalue the amounts that were open, or not settled, on a specified date.

C: The differences between the original posted amounts and the revalued amounts are posted to the ledger. The differences are also posted to vendor accounts as unrealized transactions of the foreign currency revaluation.

Reference: About foreign currency revaluations for open vendor transactions [AX 2012]

Question: 57

You apply a customer payment. The payment amount is less than the amount of the invoice.
What are two results of this payment? Each correct answer presents part of the solution.

- A. The payment remains open for the amount of the difference between the payment and the invoice.
- B. The invoice remains open for the amount of the difference between the payment and the invoice.
- C. The payment is settled and closed.
- D. The invoice is settled and closed.

Answer: BC

Explanation:

If the payment amount is less than the amount due, the payment amount is subtracted from the amount due, and the invoice remains open. The payment transaction is fully settled and is closed.

Reference: Settle transactions with payments [AX 2012]

Question: 58

What is the difference in the setup of periodic journals and voucher templates?

- A. You can modify the account type in voucher templates.
- B. Voucher templates can contain multiple vouchers.
- C. You can modify the account type in periodic journals.
- D. Periodic journals can contain only one voucher.

Answer: D

Question: 59

In which two scenarios should you use a periodic journal? Each correct answer presents a complete solution.

- A. You prepaid your annual insurance and want to amortize the expense monthly throughout the year.
- B. You need to revalue automatically foreign currency transactions in the general ledger based on the month-end exchange rates.
- C. You need to automatically allocate your monthly indirect expenses to departments based on departmental revenue for the month.
- D. You need to pay a fixed management fee on the first day of every quarter.

Answer: AD

Explanation:

D: Periodic journals are sometimes called recurring journals because the amount, text, and other information are repeated each time that the journal is posted. When you create the journal, you specify the period interval for the recurrence, such as days or months. You also specify the number of periods for which the journal will be posted.

A: For example, an insurance company offers your organization a discount for prepaying the insurance policy for an entire year. The payment is posted to an asset account such as prepaid insurance. You then amortize your monthly insurance expense throughout the year by creating a periodic journal that contains a credit to the prepaid insurance account and a debit to an insurance expense account.

Reference: Create and post a periodic journal [AX 2012]

Question: 60

You need to generate a vendor prepayment in a payment journal.

Which two processes should you complete before posting a prepayment? Each correct answer presents part of the solution.

- A. Set up a prepayment posting profile.
- B. Set up a prepayment in a purchase order.
- C. Create a payment journal for the prepayment.
- D. Create a vendor invoice for the prepayment.

Answer: BC

Explanation:

B: The first step toward simplifying the prepayment process is by creating a purchase order

C: After creating the prepayment and posting the prepayment invoice, it's now time to make a payment. To do so, first create a Payment Journal, mark the prepayment amount, and then post the journal.

Reference: Vendor Prepayment Functionality in Microsoft Dynamics AX 2012

Question: 61

What is the purpose of a budget model?

- A. To assign a budget type to the budget register entries
- B. To group budget register transactions
- C. To assign workflow to budget register entries
- D. To select the financial dimensions to use for budgeting

Answer: C

Explanation:

To indicate that budgets that are created from the budget model are included in cash flow forecasting, select the Cash flow forecasts check box.

Note: Budget register entries let you track and audit budget activities, and can be used with workflow and with budget control.

Reference: Create budget models [AX 2012]

Question: 62

You are configuring Microsoft Dynamics AX for basic budgeting.

Which two setups are optional? Each correct answer represents a complete solution.

- A. Reason codes
- B. Workflows
- C. Budget models
- D. Journal names
- E. Budget codes

Answer: AD

Explanation:

Not C: The names of each budget model

Not E: The budget codes that must be set up for each budget type, and which code is the default budget code

Not B: You assign workflows to budget codes. The budget register entries that are associated with a budget code that has an assigned workflow are automatically submitted to workflow.

Note: Basic budgeting includes financial dimensions that are defined for Budgeting, budget register entries, and Budgeting workflows.

Reference: Basic budgeting and budget control setup overview [AX 2012]

Question: 63

What is the purpose of budget control?

- A. To set financial and operational goals
- B. To analyze and update budget plans
- C. To enforce that sufficient budget funds are available for planned or actual purchases
- D. To consolidate multiple budget plans into a single parent budget

Answer: C

Explanation:

Budget control is a method of enforcing that sufficient budget funds are available for planned or actual purchases.

Reference: About budget control [AX 2012]

Question: 64

Which three settings can be defined when configuring budget control? Each correct answer presents a complete solution.

- A. The source documents and accounting journals that are subject to budget control
- B. The main accounts and financial dimensions to be checked

- C. The budget planning stages
- D. The workflow approvals required when the budget is exceeded
- E. The budget funds that are available

Answer: ABD

Explanation:

A: Budget control is available for source documents and accounting journals.

B: Define budget control parameters

1. Click Budgeting > Setup > Budget control > Budget control configuration.

2. Select an account structure. If you have multiple active account structures in the chart of accounts, select the account structure that will be used for profit and loss or expense accounts. This account structure includes the main account range for expense accounts.

After you select an account structure, all the financial dimensions in that account structure that were defined for budgeting are displayed in the Budget dimensions list.

3. Select a financial dimension and move it to the Budget control dimensions list.

Etc

D: 6. Select a budget manager, which is a user who can approve budget workflows. Another budget manager can be defined by using a budget control rule.

7. In the Budget threshold field, enter the percentage of the budget that can be spent.

The threshold can be used to provide warning messages or to define budget permissions to prevent specific user groups from exceeding the budget threshold. This threshold can exceed 100 percent.

8. Select the Display a message when exceeding budget threshold check box to display messages when the budget threshold is exceeded.

Reference: Set up budget control [AX 2012]

Question: 65

You are configuring budgets for your organization. Your organization uses a scientifically calculated, predefined percentage of direct expenses for each of its departments.

You need to define these percentages so that the budget automatically allocates to these departments from the main accounts.

What should you configure?

- A. Budget period allocation keys
- B. Budget control rules
- C. Budget transfer rules
- D. Budget allocation terms

Answer: D

Explanation:

Use the Budget allocation terms form to define the financial dimension values and the percentages that are used to generate budget allocations. These budget allocation terms provide an automated way to distribute percentages of budget amounts across financial dimension values. For example, a travel budget can be allocated to multiple departments by using one budget account entry.

Reference: Set up budget allocation terms [AX 2012]

Question: 66

Which two elements are required to create a budget plan in Microsoft Dynamics AX 2012? Each correct answer presents part of the solution.

- A. Budget plan priority
- B. Budget plan preparer
- C. Budget planning user group
- D. Budget planning process

Answer: BD

Explanation:

B: Budget plan preparer – Select the name of the user who prepares the budget plan. By default, your name is displayed.

D: Budget planning process – Select an active budget planning process.

Incorrect:

Not C: Budget planning user group (is optional) – For users who are outside the budget organization that is assigned to the budget planning process, select the user group whose members require access to the budget plan.

Starting with cumulative update 7 for Microsoft Dynamics AX 2012 R2, you can select a user group in this field only if the Allow access to budget plans by user group check box is selected in the Budget planning configuration form.

Reference: Key tasks: Create and process budget plans [AX 2012]

Question: 67

What is the purpose of a budget planning stage?

- A. To identify categories and objectives for a budget plan
- B. To identify the quantities or amounts that are included in a budget plan
- C. To identify the steps that a budget plan goes through
- D. To link the budget plan workflows to the budget plan scenarios

Answer: B

Explanation:

Budget plans are documents that are used to develop estimates for amounts and units in budget plan scenarios for the responsibility centers in the budget organization.

Reference: About budget plans [AX 2012]

Question: 68

You need to configure a workflow to approve all budget amounts at the line level. Which workflow configuration type should you use?

- A. Budget register entry workflow
- B. Ledger fixed assets budget journal workflow
- C. Budget plan workflows
- D. Budget account entry workflow

Answer: D

Explanation:

If the budget account entry lines require different workflow approvals, you must use a Budget account entry workflow to create different workflow configurations. For example, you might use one Budget account entry workflow configuration to review and approve a high amount, and another Budget account entry workflow configuration to review and approve a low amount.

Reference: Set up Budgeting workflows [AX 2012]

Question: 69

You are performing a bank account reconciliation. On the account statement, you notice bank charges and bank interest. These charges and interest are unrecorded.

You want to record these transactions simultaneously with the bank reconciliation.

Where can you define the default accounts for such unrecorded bank transactions?

- A. On the Bank transaction groups form
- B. On the Bank accounts form
- C. On the Reconciliation matching rules form
- D. On the Bank transaction types form

Answer: D

Explanation:

You can use bank transaction types to identify specific bank transactions. For example, you could create transaction types such as Fees, Charges, and Interest.

Field: main account

Select the main account for the transaction type, which is suggested automatically as the offset account on transaction lines with this bank transaction type. For example, when you post a correction transaction in bank account reconciliation, such as penny differences, bank fees, or interest charges, the offset main account appears automatically if you enter an account in this field for each bank transaction type.

Reference: Bank transaction type (form) [AX 2012]

Incorrect:

Not B: Use this form to create and manage bank accounts.

Not C: You can set up reconciliation matching rules and reconciliation matching rule sets to help the bank reconciliation process. Reconciliation matching rules are a set of criteria that are used to filter bank statement lines and bank document lines during the reconciliation process.

Question: 70

Which entity is used to define sales tax percentages or amounts?

- A. Sales tax groups
- B. Sales tax authorities
- C. Item sales tax groups
- D. Sales tax codes

Answer: D

Explanation:

When you set up sales tax codes, you define the amounts or percentages that must be collected. You also define the various methods by which those amounts or percentages are applied to transaction amounts.

Reference: General ledger roadmap [AX 2012]

Question: 71

Which type of transactions require a bank transaction type to be set up on the Cash and bank management parameters form?

- A. Non-sufficient fund transactions
- B. Bank fee transactions
- C. Bank reconciliation transactions
- D. Vendor payment transactions

Answer: A

Explanation:

Field: NSF

Select the bank transaction type that is used for not sufficient funds (NSF).

Reference: Cash and bank management parameters (form) [AX 2012]

Question: 72

Your organization has a policy of validating the accuracy of beneficiary account details such as routing numbers and account numbers.

Which functionality in Microsoft Dynamics AX 2012 should you set up?

- A. Deposit slip
- B. Letter of guarantee
- C. Prenotes
- D. Bank reconciliation

Answer: C

Explanation:

A prenote is a zero-dollar transaction that is sent to a bank through the Automated Clearing House (ACH) network. Banks use prenotes to verify the accuracy of account data, such as routing numbers and account numbers.

Reference: Set up prenotes [AX 2012]

Question: 73

Which two forms can be used to assign a default item sales tax group? Each correct answer presents a complete solution.

- A. Vendors
- B. Products
- C. Released products
- D. Customers
- E. General ledger parameters

Answer: CE

Explanation:

C:

1. Click Product information management > Common > Released products.
2. Double-click an item.
3. On the Purchase tab, select a value in the Item sales tax group field. This value is the default item sales tax group for the selected item when it is entered on a line on a purchase order.
4. On the Sell tab, select a value in the Item sales tax group field. This value is the default item sales tax group for the selected item when it is entered on a line on a sales order.

Reference: Set up default item sales tax groups for an item [AX 2012]

E: Select a default item sales tax group for all main accounts

1. Click General ledger > Setup > General ledger parameters.
2. Click Sales tax.
3. In the Item sales tax group field, select the default item sales tax group.

The item sales tax group that you select is entered automatically on journal lines when the lines are created. However, if you specify a different default item sales tax group for a specific main account, that setting overrides the default item sales tax group that is selected in the General ledger parameters form. The item sales tax group for the specific account is then displayed on the line. You can change the item sales tax group on each line, if you have to.

Reference: Set up a default item sales tax group for a main account [AX 2012]

Question: 74

Your company uses a fiscal calendar that has the following pattern:

First fiscal period is four weeks long.

Second fiscal period is four weeks long.

Third fiscal period is five weeks long.

This pattern repeats throughout the entire fiscal year.

You need to configure the fiscal calendar in Microsoft Dynamics AX.

How should you create the fiscal calendar?

- A. Set the Unit to Days, and then enter the number of days appropriately.
- B. Set the Unit to Years, and then use the Divide period function to divide the periods appropriately
- C. Set the Unit to Months, and then use the Divide period function to divide the periods appropriately.
- D. Set the Unit to Weeks, and then enter the number of weeks appropriately.

Answer: B

Explanation:

* Divide period

Divide the selected period into two periods. Enter a period start date and a new period name, and then click Divide.

* Fiscal calendars contain fiscal years, and fiscal years contain periods. A fiscal calendar is a grouping of one or more fiscal years that is used for financial activity. You can create fiscal calendars that are independent of your legal entity and that can be selected and shared by multiple legal entities. You can use the Fiscal calendars form to create and delete fiscal calendars and fiscal years. You can also create and change the periods that are part of a fiscal year.

* If a period has a status of Open, you can divide the period into two periods. You might want to do this if you have to change the dates for a period. When you divide a period, the original period is deleted, and the following two periods are created:

/ The first period uses the starting date and name of the original period. The ending date is one day before the starting date that you enter for the second period.

/ The second period uses the starting date that you enter in the Period start field. The ending date is the ending date of the original period.

Fiscal calendars (form) [AX 2012]; Key tasks: Fiscal calendars, fiscal years, and periods [AX 2012]

Question: 75

The accounts receivable manager runs a foreign currency revaluation on February 5. The foreign currency revaluation has a considered date of January 31. The period closing for this revaluation is set for January 31.

What is the result of this invoice revaluation if the invoice is settled on February 3?

- A. The revaluation includes only documents that have settled amounts on the considered date.
- B. The revaluation excludes documents that have been settled on the considered date.
- C. The revaluation includes all documents, including unposted, that have open amounts on the considered date.
- D. The revaluation includes all documents, excluding unposted, that have open amounts on the considered date.

Answer: D

Explanation:

Field: Considered date

The date for which all transactions that have open (not settled) amounts are found.

When foreign currency amounts are revalued on a considered date, this date becomes the last foreign currency revaluation date for the transactions that are revalued.

You can run a foreign currency revaluation job for a considered date that is earlier than the last foreign currency revaluation date on transactions that have already been revalued. However, transactions that are open on the earlier considered date, but that have a more recent last foreign currency revaluation date, are not revalued by the periodic job.

Reference: Vendor foreign currency revaluation (form) [AX 2012]

Question: 76

Your company plans to implement vendor invoice matching.

Your company policy states that vendor invoices must be reviewed to compare the prices and quantities on the invoices for accuracy.

You need to configure the invoice matching setup.

Which type of invoice matching should you configure?

- A. Charges matching
- B. Three-way matching
- C. Invoice totals matching
- D. Two-way matching

Answer: B

Explanation:

Three-way matching – Match the price information on the invoice to the price information on the purchase order. Also match the quantity information on the invoice to the quantity information on the product receipts that are selected for the invoice.

Incorrect:

Not A: Charges matching – Match the charges information (amounts) on the invoice to the charges information (amounts) on the purchase order.

Not C: Invoice totals matching – Match the total amounts on the invoice to the total amounts on the purchase order. This type of invoice matching includes the least amount of detail, so you can use this option to set up controls that minimize the staff time that is required to review invoice matching information.

Not D: Two-way matching – Match the price information on the invoice to the price information on the purchase order.

Reference: About Accounts payable invoice matching [AX 2012]

Question: 77

You have an invoice for \$10,000. One payment of \$3,000 has already posted against this invoice. You need to allow cash discounts on the \$3,000 payment. Which action should you perform?

- A. On the Accounts receivable parameters form, select the Calculate cash discounts for partial payments check box.
- B. On the Accounts receivable parameters form, select the Calculate cash discounts for credit notes check box.
- C. On the Cash discounts form, define the Discount principle area.
- D. On the Accounts receivable parameters form, select the Automatic settlement check box.

Answer: A

Explanation:

Partial payments with discounts

A customer might make a partial payment, with the intention of making an additional partial payment to fully settle the invoice.

For example, you offer a cash discount that specifies a 2% discount if the invoice is paid within 10 days of being issued. An invoice is posted for 100.00. If you receive a payment of 49.00 within 10 days, you would enter a credit of 49.00 in a payment journal. The credit amount is shown in the Amount to settle field in the Settle open transactions form. If the Calculate cash discounts for partial payments check box in the Accounts receivable parameters form is selected, the discount is automatically calculated. When you settle the partial payment in the Settle open transactions form, 1.00 is displayed in the Cash discount amount to take field. The discount amount is posted to a cash discount account.

Reference: About partial customer payments [AX 2012]

Incorrect:

Not B: Credit notes with discounts

A customer might return some of the items on an invoice and you issue a credit note. If a discount has previously been taken, you can subtract the value of the discount and refund the correct amount to the customer.

Question: 78

What are three operating units that can be used as a financial dimension? Each correct answer presents a complete solution.

- A. Departments
- B. Business units
- C. Positions
- D. Cost centers
- E. Teams

Answer: ABD

Explanation:

AX 2012 Financial Dimensions Concept & Working:

Legal Entity: Company ID

Operating Units: Department, Cost Center, Business unit, Value stream

Reference: AX 2012 Financial Dimensions Concept & Working:

Question: 79

You enable invoice matching validation by using Microsoft Dynamics AX.

Your organization has a policy that requires you to monitor freight cost variances by matching the purchase order to the vendor invoices.

Which type of matching should you use?

- A. Charges matching
- B. Two-way matching
- C. Three-way matching
- D. Invoice totals matching

Answer: A

Explanation:

Charges matching – Match the charges information (amounts) on the invoice to the charges information (amounts) on the purchase order.

Incorrect:

Not B: Two-way matching – Match the price information on the invoice to the price information on the purchase order.

Not C: Three-way matching – Match the price information on the invoice to the price information on the purchase order. Also match the quantity information on the invoice to the quantity information on the product receipts that are selected for the invoice.

Not D: Invoice totals matching – Match the total amounts on the invoice to the total amounts on the purchase order. This type of invoice matching includes the least amount of detail, so you can use this option to set up controls that minimize the staff time that is required to review invoice matching information.

Reference: About Accounts payable invoice matching [AX 2012]

Question: 80

You are the administrator for a multinational corporation (MNC). The corporation uses multiple chart of accounts and their corresponding financial dimension sets to meet the requirements of different regions. Each region is defined as a separate legal entity. You have defined multiple account structures as a combination of chart of accounts and dimensions.

You need to assign these account structures to a specific region.

Which form should you use to accomplish this goal?

- A. Posting definitions
- B. Ledger
- C. Configure account structures
- D. Ledger allocation rule

Answer: B

Explanation:

1. Click General ledger > Setup > Ledger.
2. Select a chart of accounts.
3. To add an account structure to the ledger, click Add, and then double-click an account structure. You can also

click Configure account structures to create account structures.

You must select at least one account structure before you can record a source document or journal entry for the legal entity that the ledger is created for.

4. Optional: Select the financial dimension that must be balanced in all accounting entries. If you select a balancing financial dimension, you must select a financial dimension that is included in all account structures that are assigned to the ledger.
5. Select a fiscal calendar for the legal entity.
6. Select an accounting currency and a reporting currency for the legal entity.
7. Select default exchange rate and budget exchange rate types.
8. For each posting type, select a main account. When a currency is revalued, the differences are posted to this account, depending on the posting type.

Reference: Set up a ledger [AX 2012]

Question: 81

Which two options prevent new checks from posting to a bank account? Each correct answer presents a complete solution.

- A. Set the active dates on the selected Bank account form.
- B. Set the active dates on the selected Main account form.
- C. Select the Use review process for payment reversals parameter.
- D. Select the Use review process for deposit slip payment cancellations parameter.

Answer: AD

Explanation:

A:

Field: Active from:

Enter the date when the bank account will become active and will be available for new transactions.

Field: Active to

Enter the date when the bank account will no longer be active for new transactions.

Reference: Bank accounts (form) [AX 2012]

D: Field: Use review process for deposit slip payment cancellations

Select this check box to require that cancellations of deposit slip payments be reviewed in the Deposit slip payment cancellations journal before they are posted.

If this check box is cleared, the cancellation is posted immediately when you click Cancel payment in the Deposit slips form.

Reference: Cash and bank management parameters (form) [AX 2012]

Incorrect:

Not B: No form named Main account

Not C: Field: Use review process for payment reversals

Select this check box to require that check reversals be reviewed in the Check reversals journal before they are posted.

If this check box is cleared, the reversal is posted immediately when you click Payment reversal in the Check form.

Question: 82

You need to record fixed asset transactions by using journals.

What should you configure before you can begin the recording process?

- A. A journal name that uses the Fixed asset budget journal type
- B. A journal name that uses the Post fixed assets journal type
- C. A depreciation book journal name
- D. A default Fixed asset - posting, ledger description

Answer: B

Explanation:

To use fixed assets, you must set up the journal names that are the basis of the fixed asset journals. To use items from inventory as fixed assets, you must also set up journal names for the inventory to fixed asset journals.

Set up journal names for the fixed asset journals (see step 3).

1. Click General ledger > Setup > Journals > Journal names.
2. Click New and enter a unique identifier in the Name field.
3. Select Post fixed assets in the Journal type field. You use this journal type for any type of fixed asset transactions that will be posted for value models. This journal type provides special functionality for fixed assets, such as creating proposals for different types of fixed asset transactions.
4. Enter values in the Description and Voucher series fields and other fields, as required.
5. Be sure to set up a journal name for each posting layer to post fixed asset transactions to.
6. Click New to create another journal name and enter a unique identifier in the Name field.
7. Select Fixed asset budget in the Journal type field. This journal type has functionality similar to Post fixed assets, but is used only for fixed asset budget register entries.
8. Enter values in the Description and Voucher series fields and other fields, as required.
9. Be sure to set up a journal name for each posting layer to post fixed asset budget register entries to.

Reference: Set up journal names [AX 2012]

Question: 83

You need to acquire a fixed asset by using a purchase order.

Which two actions must be completed on the Fixed assets parameters form to achieve this goal? Each correct answer presents part of the solution.

- A. Set up a number sequence for purchasing.
- B. Set parameters to allow the asset acquisition from purchasing.
- C. Set fixed asset parameters to restrict the asset acquisition posting to a user group.
- D. Set fixed asset parameters to create the asset during product receipt or invoice posting.

Answer: BD

Explanation:

B:

* Field: Allow asset acquisition from Purchasing

Select this check box to post a fixed asset acquisition transaction when a vendor invoice that includes a new or existing fixed asset is posted.

D: Field: Check for fixed assets creation during line entry

Select this check box to verify that a fixed asset is eligible based on existing fixed asset rules. If this option is selected, the fixed asset group is set on the purchase order line, according to the defined fixed asset rules, when the purchase order line is created.

Reference: Fixed assets parameters (form) [AX 2012]

Incorrect:

Not C:

* Field: Create asset during product receipt or invoice posting

Select this check box to create a new fixed asset when you post a product receipt, or when you post a vendor invoice if the fixed asset was not created when you posted the product receipt.

Note: If you clear this field, a fixed asset must exist in the Fixed assets form before you can reference the fixed asset number on the lines of a purchase order, product receipt, or vendor invoice.

Question: 84

In which three modules can a fixed asset be acquired? Each correct answer presents a complete solution.

- A. General ledger module
- B. Budgeting module
- C. Accounts payable module
- D. Accounts receivable module
- E. Inventory module

Answer: ABC

Explanation:

A: Use General ledger to define and manage the legal entity's financial records. The general ledger is a register of debit and credit entries. These entries are classified using the accounts that are listed in a chart of accounts.

You can allocate, or distribute, monetary amounts to one or more accounts or account and dimension combinations based on allocation rules. There are two types of allocations: fixed and variable.

Reference: Fixed assets [AX 2012]

B: Use Budgeting to set up, create, and view budgets. Budgeting can include budget control, which you can use to monitor the budget funds that are available for planned and actual purchases and expenditures. You can create budget register entries for the original budget, budget transfers, and budget revisions. You can also create budget register entries for encumbrances and pre-encumbrances for purchases and planned expenditures. Budget register entries can be created automatically when budgets are transferred to the general ledger from other modules, such as Project management and accounting or Fixed assets.

Reference: Budgeting [AX 2012]

C: You can set up an integration between Fixed assets and Accounts payable to automatically create fixed assets from purchase orders or vendor invoices, or automatically post acquisition and acquisition adjustment transactions for fixed assets.

Reference: Set up Fixed assets and Accounts payable integration [AX 2012]

Question: 85

Which three objects can be used to define fixed asset posting profiles? Each correct answer presents part of the solution.

- A. Asset type
- B. Fixed asset group
- C. Asset activity code
- D. Transaction type
- E. Value model

Answer: BDE

Explanation:

Create or view the parameter combinations that determine which accounts the fixed asset transactions will be posted to if they are assigned the selected posting profile.

The key parameters are as follows:

- * The value in the Groupings field, by which you can set up one posting profile for all fixed assets, one for each fixed asset group, or one for each or a particular fixed asset.

- * The fixed asset transaction type.

- * The value model used.

Reference: Fixed asset posting profiles (form) [AX 2012]

Question: 86

You need to create a fixed asset that records depreciation quarterly.

Which form should you use to configure the period frequency for posting depreciation?

- A. Value models
- B. Depreciation profiles
- C. Special depreciation allowance
- D. Depreciation books

Answer: A

Explanation:

Use the Value models form to select which value models to assign to the selected fixed asset.

Value models track the financial value of a fixed asset over time for various purposes, such as accounting depreciation, tax depreciation, revaluation, and disposal. Each value model represents an independent financial life cycle, and each fixed asset can have several value models assigned to it.

Reference: Value models (form) [AX 2012]

Question: 87

You need to update the depreciation periods for a specific fixed asset.

Where can you update the depreciation periods?

- A. On the value model for the fixed asset
- B. On the Fixed asset parameters form
- C. On the main account for the fixed asset
- D. On the Fixed asset group form

Answer: A

Explanation:

Field: Depreciation periods

The number of depreciation periods for the fixed asset.

Note: Use the Value models form to select which value models to assign to the selected fixed asset.

Value models track the financial value of a fixed asset over time for various purposes, such as accounting depreciation, tax depreciation, revaluation, and disposal. Each value model represents an independent financial life cycle, and each fixed asset can have several value models assigned to it.

Reference: Value models (form) [AX 2012]

Incorrect:

Not D: Use the Fixed asset groups form to set up the fixed asset groups that define asset characteristics such as type,

number sequence, and default value models. You must assign each fixed asset to a fixed asset group.
Reference: Fixed asset groups (form) [AX 2012]

Question: 88

An asset reaches the end of its usable life.
You need to generate a document and record the sale of this asset.
What should you create?

- A. A return purchase order
- B. A free text invoice
- C. A sales order
- D. A fixed asset journal

Answer: D

Explanation:

When you propose depreciation, depreciation is calculated for the fixed assets, and then depreciation transactions (journal lines) are created.

Reference: Propose depreciation for fixed assets [AX 2012]

Question: 89

You receive approval for a new capital expenditure.
You need to enter the budgeted amounts in Microsoft Dynamics AX.
In which two areas can you enter the amounts? Each correct answer presents a complete solution.

- A. The budget register entry in which the offset account is equal to the new fixed asset
- B. A general journal in which the offset account is equal to the new fixed asset
- C. A fixed asset journal in which the account is equal to the new fixed asset
- D. The fixed asset budget journal in which the account is equal to the new fixed asset
- E. The budget for the value models related to the new fixed asset

Answer: CE

Question: 90

Which three statements about value models are correct? Each correct answer presents a complete solution.

- A. An unlimited number of value models can be assigned to an asset.
- B. A value model defines how an asset is depreciated.
- C. Value models track the financial value of a fixed asset over time.
- D. Value models define the number sequence to be used when creating a fixed asset.
- E. Assigning a value model to a fixed asset is required.

Answer: ABC

Explanation:

Value models track the financial value of a fixed asset over time (C) for various purposes, such as accounting

depreciation (B), tax depreciation, revaluation, and disposal. Each value model represents an independent financial life cycle, and each fixed asset can have several value models assigned to it (A).

Reference: Set up value models [AX 2012]