Microsoft

MB6-700 PRACTICE EXAM

Microsoft Dynamics AX 2012 R2 Project

Question: 1

You need to track the project costs in balance accounts until the customer is invoiced. Which type of project should you use?

A. fixed-price project with completed contract
B. fixed-price project with completed percentage and sales value
C. time and material project with work in process (WIP)
D. internal project with work in process (WIP)
E. time and material projects with accruals

Answer: C

Question: 2

You set up a new internal project. You need to manually create a hierarchical representation of the activities for the project. Which form should you use?

A. Activities
B. Assign resources
C. Work breakdown structure template
D. Work breakdown structure

Answer: D

Question: 3

You set up three pay-when-paid (PWP) terms and assign them to the vendors for a project. For the first PWP term, you set the account code for all vendors (All). For the second PWP term, you set the account code for an individual vendor (Table). For the third PWP term, you set the account code for a group of vendors (Group). What is the order of precedence for assigning the PWP terms when you create a project purchase order?

A. Table, All, Group
B. All, Group, Table
C. Table, Group, All
D. All, Table, Group

Answer: C

Question: 4

You configure a timesheet workflow. What is the Assignment function used to define?

A. conditions for approval of the timesheet
B. notifications after approval of a timesheet
C. submitters of the timesheet
D. reviewers of the timesheet

Answer: D

Question: 5

You attach an invoice format to the project contract. Which item is controlled by the invoice format setting?

A. invoice output destination
B. invoice currency
C. invoice summarization
D. invoice orientation

Answer: C

Question: 6

You need to configure worker validation project assignments to ensure that certain projects are available for a specific worker. On which form should you configure this type of validation?

A. project
B. project contract
C. worker
D. project management and accounting parameters

Answer: C

Question: 7

Which three items are valid project types? (Each correct answer presents part of the solution. Choose three.)

A. Investment
B. Profit and loss
C. Time
D. Time and material
E. Quotation

Answer: A,B,D

Question: 8

Which journalizing option is used only for time tracking?

A. No ledger
B. Profit and loss
C. Never ledger
D. Balance

Answer: A

Question: 9

Which two statements about a header project are true? (Each correct answer presents a complete solution. Choose two.)

A. Transactions cannot be posted to a header project.
B. A header project is designated by the Project group field.
C. Each level of a project hierarchy can have only one project header.
D. A header project must be created at the top level of a hierarchy.

Answer: A,D

Question: 10

You need to set up a pay when paid (PWP) term for a project. Which project type should you choose?

A. time and material
B. internal
C. cost
D. fixed-price

Answer: A

Question: 11

You set up project management and accounting. You need to represent the types of costs and revenues that are defined for all projects in your entire organization. Which item should you create to organize categories?

A. shared category
B. expense category
C. project category
D. category group

Answer: D

Question: 12

You need a quick snapshot view of a project's progress. Which form should you use?

A. Invoice control
B. Project statements
C. Cash flow
D. Cost control

Answer: B

Question: 13

Which two items are determined by the cost templates for advanced fixed-price projects? (Each correct answer presents part of the solution. Choose two.)

A. the amount of hours that can be posted for advanced fixed-price projects
B. the amount of expenses that can be posted for advanced fixed-price projects
C. whether to calculate the degree of completion on the posted amount or quantity
D. the categories included in calculating the degree of completion

Answer: C,D

Question: 14

You have several transactions that are not going to be invoiced. You need to ensure that these transactions are still moved to the profit and loss accounts. Which form should you use?

A. Post costs
B. Hour journal
C. Expense journal
D. Item journal

Answer: A

Question: 15

Which two statements about project hierarchies are true? (Each correct answer presents part of the solution. Choose two.)

A. Only the parent project can be used for invoicing.
B. Subprojects must be configured with the same project type.
C. Subprojects must be configured to represent different project phases.
D. Subprojects can be used to process special accounting requirements.

Answer: AB

Question: 16

You set up an effective labor rate for a worker. The hourly cost price is 60 USD. 40 hours are available in the work week calendar. The worker submits only 30 hours for the week. What is the effective labor rate that is calculated for this worker?

A. (30*40)/60 = 20
B. (30/40)*60 = 45
C. (60*30)/40 = 45
D. (60*40)/30 = 80

Answer: D

Question: 17

Which statement about the effective labor rate (ELR) feature is true?

A. Effective labor rate is not enabled by default for all workers and can be enabled for the workers you select.
B. Effective labor rate is enabled when a cost price amount and calendar are specified for that worker.
C. Effective labor rate is enabled by default for all workers and can be disabled for the workers you select.
D. Effective labor rate is enabled by default for all workers and cannot be disabled.

Answer: A

Question: 18

Which item is used to transfer costs from work in process (WIP) accounts to profit and loss accounts?

A. Post costs form
B. Adjustments form
C. On-account posting
D. Expense journal

Answer: A

Question: 19

Which statement for both the cost and the time project types is true?

A. Both allow registering hour transactions.
B. Both allow capitalizing on balance sheet accounts.
C. Both allow registering expense transactions.
D. Both allow posting hour transactions on profit and loss accounts.

Answer: A

Question: 20

You work with a fixed-price project. To which process do the completed contract and completed percentage assessment principles relate?

A. posting revenue
B. transferring costs from balance sheet to profit and loss accounts
C. posting costs
D. accumulating costs in balance sheet accounts

Answer: A

Question: 21

What can the Resource assignment analysis report do that the Resource assignments report cannot do?

A. It can show how many hours a resource is assigned to a project.

B. It can show availability of a resource.
C. It can be filtered to include certain commitment types.
D. It can be filtered to include a specified date range.

Answer: B

Question: 22

What is the purpose of the estimate process for a fixed-price project?

A. to periodically clear ledger postings after the project transactions are adjusted
B. to create a new estimate for a fixed-price project
C. to adjust the forecast according to the actual project progress
D. to provide a snapshot of a project's finances at a single point in time

Answer: D

Question: 23

Which three statements about on-account invoices are true? (Each correct answer presents part of the solution. Choose three.)

A. On-account invoices must specify a project date.
B. On-account invoices can be created by using an invoice proposal.
C. On-account invoices can only be used for external project types.
D. On-account invoices can be used for both fixed-price and time and material projects.
E. On-account invoices can specify offset transactions when used for fixed-price projects.

Answer: A,B,D

Question: 24

You need to recognize revenue as project costs are posted. Which type of project should you use?

A. fixed-price project with completed percentage and production plus profit
B. time and material project with work in process (WIP)
C. time and material project with accruals
D. fixed-price project with completed percentage and sales value
E. internal project with work in process (WIP)

Answer: C

Question: 25

Which three items are valid base amount options when defining compounding rules for an indirect cost calculation? (Each correct answer presents part of the solution. Choose three.)

A. Cost
B. Revenue

C. Invoice
D. Unit rate
E. Percent

Answer: ABC

Question: 26

What is the purpose of the project statements form?

A. to display an overview of the progress of all in-process projects
B. to print customer statements for a single project
C. to display an overview of the progress of a project
D. to print customer statements for multiple projects

Answer: C

Question: 27

Which statement describes what happens during the elimination process for a fixed-price project?

A. The work in process (WIP) on-account account postings and the WIP production and profit postings are reversed automatically.
B. All existing lines are removed from the estimate.
C. The fixed-price project is removed.
D. The WIP on-account account postings and the WIP production and profit postings must be reversed manually.

Answer: A

Question: 28

Which two tools enable you to control a project? (Each correct answer presents part of the solution. Choose two.)

A. project forecasts
B. project quotations
C. project budgets
D. project statements

Answer: A,C

Question: 29

You define project requirements in the work breakdown structure. What do the Importance settings determine?

A. relative importance between tasks
B. relative importance between projects
C. relative importance between activity requirements
D. relative importance of schedule versus activity requirements

Answer: C

Question: 30

You create an invoice proposal and use the Manage invoice form to manage the presentment of the invoice. Which two steps are required to group transactions with a subtotal on the invoice? (Each correct answer presents part of the solution. Choose two.)

A. Select the transactions to be included.
B. Create an invoice line summary.
C. Select the user-defined invoice format.
D. Enter text for the invoice header and footer.
E. Define the type of transactions to be included.

Answer: A,B

Question: 31

Your company invoices in U.S. dollars on a project for a company whose currency is euros. To avoid any issues with currency exchange rate fluctuations, you agree on a fixed currency exchange rate for invoices. How should you set up the project?

A. Specify a fixed-rate agreement on the project.
B. Specify a fixed exchange rate on the invoice proposal.
C. Specify a fixed exchange rate on the sales order.
D. Specify a fixed-rate agreement on the project contract.

Answer: D

Question: 32

Which three fields are specified when configuring a project contract? (Each correct answer presents part of the solution. Choose three.)

A. Invoice frequency
B. Line property
C. Project type
D. Sales currency
E. Sales tax group

Answer: A,D,E

Question: 33

You set up the project validation feature. You need to restrict certain employees to use specific categories when they enter transactions in journals for particular projects. Which type of validation group should you configure?

A. Worker/project
B. Categories

C. Projects
D. Project/category
E. Worker/category

Answer: D

Question: 34

Which statement about the customer advance feature is true?

A. The customer advance cannot be created once transactions have been posted to the project.
B. The customer advance is created by using the payment journal.
C. The customer advance can be used to offset billable charges by using the invoice proposal process.
D. The customer advance amount can be defined as a percentage of an existing invoice amount.

Answer: C

Question: 35

You analyze the progress of a project. Which two groups of parameters should you configure prior to using the Hour utilization form? (Each correct answer presents part of the solution. Choose two.)

A. Budget overrun default
B. Budget control interval
C. Definition of billable rate
D. Definition of efficiency rate

Answer: C,D

Question: 36

You create a new work breakdown structure (WBS) template. You then create a new activity in the WBS template and assign a resource to the activity. What happens if you add a child activity under the new activity?

A. The child activity is added at the folder level.
B. An error message is displayed stating that you must remove a worker resource from the selected activity.
C. The child activity is added at the summary activity level.
D. An error message is displayed stating that you cannot add the child activity.

Answer: D

Question: 37

You enter and post a vendor invoice. You do not know to which project to allocate the expenses. You need to ensure that the vendor invoice will be posted with basic information and transferred to an invoice pool for approval. Which method of managing incoming invoices should you use?

A. invoice journal
B. invoice register

C. invoice approval journal
D. invoice pool excluding posting

Answer: B

Question: 38

You have a project with multiple funding sources. You need to set up the allocation of funds in the project contract. How many funding sources can you select for rounding off the differences?

A. one funding source for rounding off the differences is automatically selected and cannot be changed
B. all funding sources on the project contract
C. only the funding source with the lowest fund allocation percentage
D. only the funding source with the highest or equal fund allocation percentage

Answer: B

Question: 39

You are responsible for a customer's fixed-price project. The customer requests that you provide additional spare parts. The purchase of these spare parts falls outside the scope of the project. You need to ensure that the customer is charged for the spare parts. How should you create the sales order so that the customer is invoiced for the spare parts?

A. Create the sales order by using a subproject of the type cost.
B. Create the sales order by using a subproject of the type time and material.
C. The sales order cannot be created because this is a fixed-price project.
D. Create the sales order from the fixed-price project and ensure that the line property for the order lines is chargeable to the customer.

Answer: B

Question: 40

You set up a billing rule. Which line type option for the billing rule allows you to include or exclude indirect costs?

A. fee
B. milestone
C. progress
D. time and material
E. unit of delivery

Answer: D

Question: 41

You create a project contract with three funding sources. How many funding rules are created by default?

A. 2

B. 0
C. 1
D. 3

Answer: C

Question: 42

Based on which method do time and material projects create invoices?

A. monthly payments
B. predefined milestones in the project
C. transactions posted to the project
D. project phases

Answer: C

Question: 43

You set up a category group and a project category to post customer payment retention transactions. Which transaction type should you select?

A. Expense
B. Hour
C. Fee
D. Item

Answer: C

Question: 44

You set up project management and accounting validation parameters. You need to accept valid options that are not defined in the respective validation groups. Which option should you select for the project/category combination?

A. Price
B. Mandatory
C. None
D. Lookup
E. Line amount

Answer: D

Question: 45

What is the purpose of the My Delegates feature?

A. to designate a linked worker in another legal entity
B. to designate multiple workers assigned to the same timesheet
C. to designate a worker who may approve a timesheet on a worker's behalf

D. to designate a worker who may submit a timesheet on a worker's behalf

Answer: D

Question: 46

Which statement about fee forecasts is true?

A. Fee forecasts are included as part of the regular billing process.
B. Fee forecasts apply only to fixed-price projects.
C. Fee forecasts apply only to time and material projects.
D. Fee forecasts can be used for unexpected costs.

Answer: C

Question: 47

Which three parameters are required when entering the hours forecast for a project? (Each correct answer presents part of the solution. Choose three.)

A. category
B. cost price
C. activity
D. number of hours
E. funding source

Answer: A,B,D

Question: 48

Changing the Project group item may also change which other project field?

A. Project stage
B. Project ID
C. Parent project
D. Project type

Answer: D

Question: 49

Which statement about funding sources is true?

A. A project contract must have one and only one funding source.
B. Funding sources must be created when the project contract is created and cannot be added later.
C. A project contract must have at least one funding source.
D. Funding sources can be created at any time during a project and will apply retroactively.
E. A project contract does not have to have a funding source.

Answer: C

Question: 50

Your company negotiates a project contract worth 120,000 USD with a customer. To maintain an acceptable profit margin, the budget for the project is set at 85,000 USD. The project manager wants to manage the project as three related subprojects, so you divide the total budget into 25,000 USD, 40,000 USD, and 20,000 USD. When you create the root project, you create the original budget and submit the budget to workflow for approval. How should you manage the budgeting for the entire project hierarchy?

A. Manage the budgeting only at the subproject level in the project hierarchy.
B. Manage the budgeting as a single unit for the entire project hierarchy.
C. Manage the budgeting separately for each project type in the project hierarchy.
D. Manage the budgeting separately for each subproject in the project hierarchy.

Answer: B

Question: 51

You need to ensure that a project is invoiced according to a billing schedule based on the project contract. Which project type should you apply?

A. fixed-price
B. internal
C. time and material
D. investment

Answer: A

Question: 52

You use the progress billing rule to invoice a project. Which action can be performed automatically by Microsoft Dynamics AX?

A. determine the total contract value
B. determine the percentage of work completed by hours
C. determine the percentage of work completed by cost price
D. determine the chargeable categories based on the project budget

Answer: B

Question: 53

You set up a project validation feature. You need to ensure that a particular project is available for only selected workers. Which two types of validation should you configure? (Each correct answer presents part of the solution. Choose two.)

A. worker validation project assignment
B. worker/project validation group

C. project validation worker assignment
D. worker/category validation group

Answer: B,C

Question: 54

You assign resources to a project quotation with a work breakdown structure. Competencies are used to determine which resources are appropriate for assignment. On which entity are competencies set?

A. role
B. position
C. user
D. worker

Answer: D

Question: 55

You need to change the project sales tax group for a posted expense transaction on a fixed-price project. Which two statements are true? (Each correct answer presents part of the solution. Choose two.)

A. You can change the project sales tax group without affecting the invoice amount.
B. You can change the project sales tax group only after canceling the invoice proposal.
C. You can change the project sales tax group only if the transaction has not been included in the project estimate.
D. The change can impact the invoice amount if you use a project sales tax group which has a different project sales tax.

Answer: A,C

Question: 56

For which two project types can on-account forecasting be used? (Each correct answer presents part of the solution. Choose two.)

A. cost
B. fixed-price
C. investment
D. time and material

Answer: B,D

Question: 57

Which item is a valid funding type for a project contract?

A. Project
B. Customer
C. Vendor

D. Ledger

Answer: B

Question: 58

Which task is allowed after a budget is approved?

A. creating an additional project budget for the project
B. creating a general ledger budget for a new subproject
C. reallocating a project budget from another project
D. building a forecast model from the project budget

Answer: C

Question: 59

You create a project purchase order with both pay-when-paid (PWP) and customer retention terms enabled. The PWP threshold percentage is defined as 70% for the vendor. The customer retention term, each time the customer is invoiced, is 25% of the invoice amount. You invoice the customer for 90,000 USD. What is the minimum amount that you need to receive from the customer so that you can pay the vendor?

A. 22,500 USD
B. 67,500 USD
C. 63,000 USD
D. 40,500 USD

Answer: B

Question: 60

You need to generate a report to analyze the costs and revenues by project for a specified date range. Which report should you select?

A. Project profit and loss
B. Project cash flow
C. Project transactions
D. Project WIP

Answer: A

Question: 61

You set up a new internal project that includes work in process (WIP). You need to ensure that the actual project costs for hours, expenses, and items are posted to a WIP financial account on the balance sheet. Which form should you use to specify that each type of cost will be posted to balance accounts?

A. Ledger updates
B. Ledger posting setup

C. Post costs
D. Project groups

Answer: D

Question: 62

You generate project quotation lines based on a work breakdown structure. Which event occurs when a quotation line is modified?

A. A new work breakdown structure is created.
B. The link to the work breakdown structure is removed.
C. The work breakdown structure is updated.
D. Modifications to a quotation line generated from a work breakdown structure are not permitted.

Answer: C

Question: 63

You need to synchronize a company's project with Microsoft Project Server 2010. What should you do?

A. Configure the Message Queue (MSMQ) Server name in the Synchronization Service Parameter form.
B. Enable the validation for Project/Category in the Project Management and Accounting Parameters form.
C. Set the user ID of the Microsoft Project Server synchronization service account to Administrator.
D. Enable the company in the Microsoft Project Server Integration Settings form.

Answer: D

Question: 64

What is the difference between advanced and simple internal projects?

A. Advanced internal projects can track expense transactions; simple internal projects cannot.
B. Advanced internal projects can use work in process (WIP) to post costs; simple internal projects cannot.
C. Advanced internal projects can track hour transactions; simple internal projects cannot.
D. Advanced internal projects allow on-account posting; simple internal projects do not.

Answer: B

Question: 65

An internal project that includes work in process (WIP) is completed. You need to ensure that the costs posted to the balance accounts from hour, expense, and item transactions are moved back to profit and loss accounts. Which form should you use to move the costs?

A. Ledger updates
B. Ledger posting setup
C. Project groups
D. Post costs

Answer: D

Question: 66

Which activity is enabled by configuring the project sort fields?

A. replacing the cost categories
B. substituting for a subproject
C. analyzing project profitability
D. allocating expenses related to the project

Answer: C