

**PASS4SURES.COM**

A Composite Solution With Just One Click

# Microsoft

## **MB6-885 PRACTICE EXAM**

**Microsoft Dynamics AX 2012 Public Sector Exam**

---

**Question: 1**

---

In Microsoft Dynamics AX 2012, you need to configure budget control on an apportionment budget that will fund over several periods. You need to ensure that only a specific amount of money is released for expenditures until the original budget is finalized. Which apportionment option or options should you select?

- A. Use only apportioned amount and Include carry-forward amounts
- B. Include carry-forward amounts and Amounts to Sum-original budget and preliminary budget
- C. Use only apportioned amount only
- D. Use only apportioned amount and Amounts to Sum - preliminary budget and budget revisions

---

**Answer: C**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh208519.aspx>

---

**Question: 2**

---

You need to allocate the electricity budget across multiple departments. Which calculation method should you use to define each department's portion of the electricity budget?

- A. Percentage increase
- B. Variable amount
- C. Fixed amount
- D. Percentage

---

**Answer: C**

---

---

**Question: 3**

---

You are analyzing a budget in Microsoft Dynamics AX 2012. You need to report costs from October through December, using a financial dimension focus. Which report should you use?

- A. Budget details
- B. Budget funds available
- C. Budget control activity by project
- D. Budget control account detail history

---

**Answer: D**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh334480.aspx>

---

**Question: 4**

---

You are assigning user groups for over budget permissions in Microsoft Dynamics AX 2012. Which of the following is true about the default permission handling for over budget permissions?

- A. When a user group is added, the default permissions prevent over budget processing.
- B. Budget controls cannot override default permissions.
- C. Budget groups cannot override default permissions.
- D. When a user group is added, the default permissions allow over budget processing.

---

**Answer: A**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh242453.aspx>

---

### Question: 5

---

You need to configure budget control to issue a notification when the amount of budget funds spent reaches 90% of the expenses. In Microsoft Dynamics AX 2012, which option should you set to trigger the notification?

- A. budget control interval
- B. budget threshold
- C. budget dimensions
- D. budget cycle time span

---

**Answer: B**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh242453.aspx>

---

### Question: 6

---

What are the two stages of a budget register? (Each correct answer presents part of the solutions. Choose two.)

- A. Draft budget revisions with a status of Draft
- B. Posted budget revisions with a status of Posted
- C. On-hold budget revisions with a status of Hold
- D. Release-ready budget revisions with a status of Release Now
- E. Completed budget revisions with a status of Completed

---

**Answer: A, E**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh242453.aspx>

---

### Question: 7

---

Before setting up advanced ledger entries, which of the following tasks must you perform?

- A. Set up workflows
- B. Set up projects
- C. Set up posting definitions
- D. Set up budget control

---

**Answer: C**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh208561.aspx>

---

### Question: 8

---

You are assigning a default year-end process to a specific fund. Which of the following statements is true?

- A. It is not possible to carry forward budget from one fiscal year to the next.
- B. You can override the specific year end processing option that has been assigned to a fund.
- C. Only funds with a fund class of Fiduciary can be assigned a specific year-end process.
- D. All funds must share the same default year-end processing option.

---

**Answer: B**

---

Explanation:

Ref:

<http://msdn.microsoft.com/en-us/library/hh208514.aspx>

---

### Question: 9

---

You are performing general ledger year-end processes in Microsoft Dynamics AX 2012. You need to generate entries during closing to various fund types depending on the account type. Which attribute should you assign to the closing and opening transactions?

- A. Transaction types
- B. Account structure
- C. General ledger parameters
- D. Posting definitions

---

**Answer: D**

---

Explanation:

Ref:

<http://msdn.microsoft.com/en-us/library/hh242680.aspx>

---

### Question: 10

---

Which items do encumbrance year-end processing transfer into the new fiscal year?

- A. Invoice orders
- B. Production orders
- C. Purchase orders
- D. Purchase invoices

---

**Answer: C**

---

Explanation:

Ref:

<http://msdn.microsoft.com/en-us/library/hh209300.aspx>

---

**Question: 11**

---

Which of the following items is a parameter of fiscal year closing that can be set up in Microsoft Dynamics AX 2012?

- A. Set fiscal year status to pending
- B. Create opening transactions during transfer
- C. Delete close of year transactions during transfer
- D. Preview closing transactions

---

**Answer: B**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/aa498391.aspx>

---

**Question: 12**

---

Budget control is enabled in Microsoft Dynamics AX 2012. The Process and Do Not Carry Forward Budget purchase order processing options are selected. You need to close the fiscal year and process year end encumbrances. What should you do? (Each correct answer presents part of the solution. Choose two.)

- A. Generate year-end closing entries in the general ledger.
- B. Re-establish the encumbrances in the general ledger.
- C. Create budget reservations for purchase order encumbrances that are being processed.
- D. Reverse the remaining encumbrances in the general ledger and the outstanding budget reservations for encumbrances.

---

**Answer: A, D**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh209300.aspx>

---

**Question: 13**

---

By which factors can you distribute a transaction line amount across multiple ledger accounts?

- A. Amount, account balance, or quantity

- B. Amount, percent, or quantity
- C. Account, percent, or quantity
- D. Average cost, vendor, or quantity

---

**Answer: B**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh242121.aspx>

---

**Question: 14**

---

You create a purchase requisition and distribute amounts to the subledger that records pre-encumbrance and encumbrance commitments in Microsoft Dynamics AX 2012. Which of the following statements about entering purchase requisitions and updating the subledger is true?

- A. After account distribution, the encumbrance can be previewed in the subledger journal. Posting occurs after final approval.
- B. After account distribution, the encumbrance can be previewed and posted to the subledger. Final approval is not required.
- C. After account distribution, the pre-encumbrance can be previewed and posted to the subledger. Final approval is not required,
- D. After account distribution, the pre-encumbrance can be previewed in the subledger journal. Posting occurs after final approval.

---

**Answer: A**

---

Explanation:

Ref:

<http://msdn.microsoft.com/en-us/subscriptions/hh208518.aspx>

---

**Question: 15**

---

You plan to associate a derived financial hierarchy with a legal entity in Microsoft Dynamics AX 2012. What must you do first? (Each correct answer presents part of the solution. Choose two.)

- A. Assign the derived financial hierarchy category type to the category hierarchy.
- B. Define filter rules for the derived financial hierarchy.
- C. Assign project categories to the category hierarchy.
- D. Create a category hierarchy.

---

**Answer: A, D**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/subscriptions/hh208586.aspx>

---

**Question: 16**

---

You need to display a chart in Microsoft Dynamics AX 2012 of the total accounts payable balance by period. Which Public Sector Role Center contains this chart?

- A. Accounting Manager
- B. Controller
- C. Accountant
- D. Finance Director

---

**Answer: C**

---

Explanation:

Ref:

<http://microsoft-axapta.blogspot.co.uk/2010/09/reports-in-ax-2009.html>

---

**Question: 17**

---

You need to produce a report in Microsoft Dynamics AX 2012 that displays customer account balances at the end of the previous month. Which report should you generate?

- A. Customer aging report
- B. Customer balance list report
- C. Customer invoice transactions report
- D. Detailed due date list report

---

**Answer: B**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/aa550100.aspx>

---

**Question: 18**

---

You plan to print a signature page with the Payment Approval report in Microsoft Dynamics AX 2012. What must you do first?

- A. Verify the number of checks that need to be printed.
- B. Supply the title of the signatory.
- C. Create a cover page.
- D. Create an electronic signature.

---

**Answer: C**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh208511.aspx>

---

**Question: 19**

---

You are creating a category hierarchy in Microsoft Dynamics AX 2012. Which category hierarchy type is available only



when the Public Sector configuration key is enabled?

- A. Commodity code hierarchy
- B. Derived financial hierarchy
- C. Procurement category hierarchy
- D. Sales category hierarchy

---

**Answer: B**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh208586.aspx>

---

### Question: 20

---

Which Role Center in Microsoft Dynamics AX 2012 provides access to key tasks, activities, and data related to the financial performance of an organization?

- A. Finance Director Role Center
- B. Accounting Manager Role Center
- C. Controller Role Center
- D. Accountant Role Center

---

**Answer: D**

---

Explanation:

Ref:

<http://pargesoft.wordpress.com/2010/08/26/role-center-reference-for-microsoft-dynamics-ax/>

---

### Question: 21

---

Which of the following statements about billing codes is true?

- A. A billing code must be associated with a specific billing classification.
- B. A billing code must define the billing classification.
- C. A billing code must be associated with a specific payment classification.
- D. A billing code must be associated with a specific vendor.

---

**Answer: A**

---

Explanation:

Ref:

<http://msdn.microsoft.com/en-us/subscriptions/hh208608.aspx>

---

### Question: 22

---

For what reason should you assign a 1099-C indicator to a customer in Microsoft Dynamics AX 2012?

- A. To indicate that the customer is a government agency.



- B. To report interest income the customer paid to you.
- C. To identify an agency accounting location or regional financial office in accounting reports and documents.
- D. To indicate a debt write-off of non-federal accounts receivables.

---

**Answer: D**

---

Explanation:

Ref:

<http://www.pappasontaxes.com/index.php/2010/09/03/debt-cancellation-and-the-1099-c/>

---

**Question: 23**

---

You need to reduce the time required to calculate interest and generate collection letters by processing these transactions in groups. Which parameter should you specify when processing these transactions?

- A. Billing classification
- B. Due date
- C. Posting profile
- D. Collection letter name

---

**Answer: C**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/gg243052.aspx>

---

**Question: 24**

---

You need to write off a customer transaction. What should you do?

- A. Transfer the customer balances into an allowance for doubtful receivables contra account.
- B. Reverse the original revenue accounts for the collectable balances.
- C. Transfer the uncollectable customer transaction amount into an allowance for doubtful receivables contra account.
- D. Reverse the original expense accounts for the uncollectable balances.

---

**Answer: B**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh412236.aspx>

---

**Question: 25**

---

You need to define how payments are applied to open transactions in Microsoft Dynamics AX 2012. What should you do?

- A. Set a vendor settlement classification.
- B. Set a classification settlement order.
- C. Set a customer settlement order.

D. Set a vendor settlement order.

---

**Answer: B**

---

Explanation:

Ref:

<http://blog.mohamedaaamer.com/microsoft-dynamics/understanding-the-settlement-mechanism-in-microsoft-dynamics-ax/>

---

**Question: 26**

---

You need to generate recurring invoices for a specific billing classification. You set up the billing classification and create the appropriate free text invoice template. What should you do next?

- A. Select a customer and generate the invoice.
- B. Choose a generation date in the Generate recurring invoice form and generate the invoices.
- C. Select the appropriate billing classification in the Generate recurring invoice form and generate the invoices.
- D. Assign the free text invoice template to the customers who need invoices generated.

---

**Answer: D**

---

Explanation:

Ref:

<http://msdn.microsoft.com/en-us/library/hh227473.aspx>

---

**Question: 27**

---

Which of the following statements about government identification numbers (GINs) are true? (Each correct answer presents a complete solution. Choose two,)

- A. A GIN Generates a debit write-off of non-federal accounts receivables.
- B. A GIN helps track an agency accounting location.
- C. You can assign a GIN only to a customer with a country designation of US.
- D. The GIN assigned to each customer must be unique.

---

**Answer: C, D**

---

---

**Question: 28**

---

You need to set up a fiscal year that is 12 months in length in the Microsoft Dynamics AX 2012 general ledger. On the Enter fiscal year details screen of the Fiscal calendars form, how should you configure the period length and unit?

- A. Set the period length to 12 and the unit to Year.
- B. Set the period length to 1 and the unit to Month.
- C. Set the period length to 365 and the unit to Days.
- D. Set the period length to 12 and the unit to Month.

---

**Answer: B**

---

Explanation:

Ref:

[http://technet.microsoft.com/en-us/library/hh242146.aspx#Create\\_a\\_fiscal\\_calendar\\_and\\_fiscal\\_year](http://technet.microsoft.com/en-us/library/hh242146.aspx#Create_a_fiscal_calendar_and_fiscal_year)

---

**Question: 29**

---

You need to plan for the revenue and expenditures of a project before the money is appropriated in Microsoft Dynamics AX 2012 Public Sector. Which type of budget should you configure?

- A. Provisional
- B. Original
- C. Apportionment
- D. Carry-forward

---

**Answer: B**

---

Explanation:

Ref:

<http://community.dynamics.com/product/ax/axnontechnical/b/erpsoftwareblog/archive/2012/02/15/better-budgeting-with-microsoft-dynamics-ax-2012-part-ii-of-excellence-in-financial-management.aspx>

---

**Question: 30**

---

Which of the following functions can you perform in Microsoft Dynamics AX 2012 Public Sector?

- A. Allocate vendor payments to multiple bank accounts based on fixed amounts
- B. Create purchase orders that override the typical purchasing process
- C. Create year-end closing entries by purchase order number
- D. Assign DUNS and DUNS+4 numbers to vendor contacts

---

**Answer: B**

---

Explanation:

Ref:

<http://msdn.microsoft.com/en-us/subscriptions/hh208558.aspx>

---

**Question: 31**

---

Which of the following statements about posting definitions is true?

- A. A posting definition can be assigned to a transaction type in a module different from that of the posting definition.
- B. Posting definitions cannot be linked to multiple posting definitions.
- C. Links among posting definitions can be set up only within the same module.
- D. After you link to a posting definition from another posting definition, it can be linked to any other posting definition.

---

**Answer: C**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh242680.aspx>

---

**Question: 32**

---

You are creating a fund account in Microsoft Dynamics AX 2012. Which of the following statements about fund accounting is true?

- A. Fund accounting requires the use of date intervals.
- B. Fund accounting requires the use of currency and exchange rates.
- C. Fund accounting requires the use of the fund dimension within the account number.
- D. Fund accounting requires the use of period allocations.

---

**Answer: C**

---

Explanation:

Ref:

<http://msdn.microsoft.com/en-us/library/hh208594.aspx>

---

**Question: 33**

---

Which of the following methods of creating account numbers in the chart of accounts requires the least amount of administrative effort?

- A. Have the system generate the chart of accounts based on a tree.
- B. Import the chart of accounts from another company.
- C. Import the chart of accounts demonstration data from the installation CD.
- D. Manually create the chart of accounts.

---

**Answer: D**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh227530.aspx>

---

**Question: 34**

---

You enter a fund entity for a financial dimension in Microsoft Dynamics AX 2012. You need to classify the fund properly for reporting purposes. In Microsoft Dynamics AX 2012, which of the following must you associate with fund classes?

- A. Fund code
- B. Fund type
- C. Fund number
- D. Fund value

---

**Answer: D**

---

Explanation:

Ref:

<http://msdn.microsoft.com/en-us/library/hh208594.aspx>

---

**Question: 35**

---

A grant that funds a project has lapsed and additional funding has not been obtained. Which funding type should you select on the Project contracts form in Microsoft Dynamics AX 2012 to track additional transactions for the project?

- A. On hold
- B. Customer
- C. Organization
- D. Grant

---

**Answer: A**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh370701.aspx>

---

**Question: 36**

---

When can you allocate a project budget across time periods?

- A. When there are pre-approved and approved amounts to be allocated.
- B. When there are only pre-approved amounts to be allocated.
- C. When there are only approved amounts to be allocated.
- D. When there are only unapproved amounts to be allocated.

---

**Answer: D**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh208477.aspx>

---

**Question: 37**

---

In Microsoft Dynamics AX 2012, you plan to allocate a project budget across periods. Which of the following statements are true when allocating budgets across periods? (Each correct answer presents a complete solution. Choose two.)

- A. Budgets can be allocated only after approval.
- B. Budgeted amounts are allocated equally across time periods by default.
- C. Budgets can be allocated only before approval.
- D. Budgeted amount allocation cannot be changed across time periods.
- E. Budgets can be allocated at any time.

---

**Answer: B, C**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh208477.aspx>

---

**Question: 38**

---

You are revising an original budget by using the Project budget form in Microsoft Dynamics AX 2012. You need to associate the original budget to the revision. By which field should you associate the original and revised budgets?

- A. Category
- B. Revision ID
- C. Revision Date
- D. Budget Source

---

**Answer: B**

---

Explanation:

Ref:

<http://msdn.microsoft.com/en-us/subscriptions/hh209690.aspx>

---

**Question: 39**

---

You are ready to bill for expenses to a project that uses funding from a grant. Which transition phase must the grant reflect in order to apply the grant funds to a project?

- A. Entered
- B. Awarded
- C. Active
- D. Submitted

---

**Answer: B**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/query/hh242883>

---

**Question: 40**

---

You are setting up a funding rule in Microsoft Dynamics AX 2012 to define how to allocate charges for project contracts to multiple funding sources. Which two values are required? (Each correct answer presents part of the solution. Choose two.)

- A. Transaction type
- B. Project ID
- C. Category
- D. Priority

---

**Answer: A, D**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh242721.aspx>

---

**Question: 41**

---

You plan to create a project budget in Microsoft Dynamics AX 2012. The project budget will be based on the budget for costs and revenue of a subproject. Which of the following properties can you use to associate the subproject? (Each correct answer presents a complete solution. Choose two.)

- A. Project budget ID
- B. Transaction type for cost and revenue
- C. Budget source
- D. Project for cost and revenue

---

**Answer: A, C**

---

Explanation:

Ref:

<http://technet.microsoft.com/EN-US/library/hh227438>

---

**Question: 42**

---

You need to record an urgent purchase that overrides the standard purchasing process in Microsoft Dynamics AX 2012. Which type of purchase order should you create?

- A. Confirming purchase order
- B. Urgent purchase order
- C. Unplanned purchase order
- D. Critical purchase order

---

**Answer: A**

---

Explanation:

Ref:

<http://msdn.microsoft.com/en-us/subscriptions/hh208558.aspx>

---

**Question: 43**

---

You enable encumbrance processing for purchase orders in Microsoft Dynamics AX 2012. You need to ensure that all encumbrances are reversed and reestablished in the new fiscal year. What should you do?

- A. Keep purchase orders open and transfer encumbrances.
- B. Close purchase orders and transfer encumbrances.
- C. Process purchase orders with carry-forward amounts.
- D. Process purchase orders without carry-forward amounts.

---

**Answer: C**

---



Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh209300.aspx>

---

**Question: 44**

---

You are managing purchase agreements in Microsoft Dynamics AX 2012. Which purchase agreement classification allows you to enter insurance policy and bonding information?

- A. Activities
- B. Require direct invoicing
- C. Subcontractors
- D. Certification

---

**Answer: D**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh802995.aspx>

---

**Question: 45**

---

In Microsoft Dynamics AX 2012, you set up special text messages for unplanned purchases. Where do the special text messages appear?

- A. On printed purchase requisitions
- B. On printed requests for quotations
- C. On printed purchase orders
- D. On printed purchase agreements

---

**Answer: C**

---

Explanation:

Ref:

<http://msdn.microsoft.com/en-us/subscriptions/hh208558.aspx>

---

**Question: 46**

---

A vendor requests that you distribute invoice payments equally to two bank accounts. How are allocation percentages for bank accounts specified?

- A. Vendor invoice
- B. By vendor bank account
- C. By vendor payment
- D. By vendor

---

**Answer: A**

---

Explanation:

Ref:

<http://msdn.microsoft.com/en-us/subscriptions/hh208572.aspx>

---

**Question: 47**

---

You create a purchase agreement with a classification of blanket purchase order. You need to invoice the vendor with the minimum amount of administrative effort after the product has been received. What should you do?

- A. Create only a sales order, and then process the invoice.
- B. Process only the invoice.
- C. Create a sales order, create a shipper order, and then process the invoice.
- D. Create only a release order, and then process the invoice.

---

**Answer: B**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/hh209199.aspx>

---

**Question: 48**

---

You need to track the payment of a vendor invoice as a 1099-G payment. Which of the following statements are true?

- A. The 1099 box code associated with the vendor must be specified.
- B. The vendor must be defined to report 1099 information.
- C. The State or province code associated with the vendor must be specified in the 1099 fields section.
- D. The 1099 box code associated with the vendor must be a 1099-G code.

---

**Answer: A**

---

Explanation:

Ref:

<http://technet.microsoft.com/en-us/library/aa551492.aspx>

---

**Question: 49**

---

You are processing settlements in a pooled cash setup in Microsoft Dynamics AX 2012. Which of the following statements is true?

- A. Pooled cash funds are managed through multiple ledger accounts, and equity is tracked for each individual fund.
- B. Processing settlements in a pooled transaction will automatically maintain the individual funds' pooled cash balances and the central fund's account balances.
- C. Pooled cash funds are automatically created, but individual funds must be manually created.
- D. Individual general ledger entries must be manually created for the Due-to/Due-from entries.

---

**Answer: B**

---

---

**Question: 50**

---

What code is required for the periodic reporting of intra-governmental or intra - federal agency transactions such as revenues, receivables, or payables?

- A. agency location code (ALC)
- B. trading partner code
- C. 1099-C indicator
- D. government identification number (GIN)

---

**Answer: B**

---

---

**Question: 51**

---

You plan to make the necessary entries to record the "Due to" other funds on the Treasurer's fund and the equity in other individual funds. What should you use?

- A. customer payment journal entries
- B. centralized fund dimensions
- C. a pooled cash fund
- D. posting definitions for settlement

---

**Answer: D**

---

---

**Question: 52**

---

You need to minimize the time required to process charges that are repeatedly billed and uniquely associated to a department, and maximize the accuracy of the charges. What should you set up?

- A. billing classifications
- B. trading partner codes
- C. billing identifications
- D. billing codes

---

**Answer: D**

---

---

**Question: 53**

---

You are receiving customer payments in Microsoft Dynamics AX 2012. What attributes must an invoice possess in order to be selected for payment by using a payment proposal?

- A. a due date or a cash discount date
- B. an invoice date and a transaction description
- C. payment terms or a transaction belonging to a specific billing classification
- D. a payment date and a transaction description

---

**Answer: A**

---

---

**Question: 54**

---

You need to allow for unplanned purchases in Microsoft Dynamics AX 2012. What should you do?

- A. Set up vendor codes.
- B. Set up customer codes.
- C. Set up confirming purchase order codes.
- D. Set up project codes.

---

**Answer: C**

---

---

**Question: 55**

---

To which elements can you assign DUNS and DUNS+4 numbers in Microsoft Dynamics AX 2012? (Each correct answer presents a complete solution. Choose two.)

- A. vendors
- B. vendor bank accounts
- C. vendor groups
- D. vendor addresses
- E. vendor contacts

---

**Answer: D, E**

---

---

**Question: 56**

---

Which of the following classifications can you include when creating a purchase agreement?

- A. Require direct invoicing
- B. Contractor information
- C. Special messaging
- D. Purchase Order codes

---

**Answer: A**

---

---

**Question: 57**

---

Your company requires that open purchase orders be processed at the end of the fiscal year. You need to ensure that funds available for budgets are reduced in the closing year, and that budget funds are increased and made available in the New Year. What should you do?

- A. Enable budget carry forward.
- B. Enable budget control.
- C. Do not enable budget carry forward,

D. Enable encumbrance.

---

**Answer: A**

---

---

**Question: 58**

---

You are creating a funding rule for a project contract in Microsoft Dynamics AX 2012. Which parameters must you specify? (Each correct answer presents part of the solution. Choose two.)

- A. Transaction type
- B. Activity
- C. Priority
- D. Worker
- E. Project

---

**Answer: B, D**

---

---

**Question: 59**

---

You plan to create grants and associate the funding providers for your organization. Which of the following providers can be assigned as funding sources in Microsoft Dynamics AX 2012? (Each correct answer presents a complete solution. Choose three.)

- A. project
- B. matching amount
- C. subgrantor
- D. federal mandate
- E. state mandate

---

**Answer: A, D, E**

---

---

**Question: 60**

---

You plan to assign a project contract as the funding source of a grant in Microsoft Dynamics AX 2012. Which status must the grant have before you can assign a project contract as a funding source?

- A. Entered
- B. Approved
- C. Allocated
- D. Awarded

---

**Answer: D**

---

---

**Question: 61**

---

For what purpose does a project budget control the authorization of budget funds?

- A. The future needs of project employees.
- B. The ongoing needs of the project accountants.
- C. The current payment commitment due throughout the life of a project.
- D. The future payment commitment due throughout the life of a project.

---

**Answer: D**

---

---

**Question: 62**

---

You need to enable public sector features and functionalities in Microsoft Dynamics AX 2012. What should you do?

- A. In the License information form, import the license code for the public sector feature set.
- B. In the License information form, enter the license code for the public sector feature set.
- C. In the License configuration form, enable and disable the appropriate public sector configuration keys.
- D. In the License information form, enable and disable the appropriate public sector configuration keys.

---

**Answer: C**

---

---

**Question: 63**

---

When creating an account structure, what is the purpose of defining constraints?

- A. To specify the possible range of account values in a segment.
- B. To specify the information that should appear in government reports and in financial reports.
- C. To specify which combinations of segments are valid.
- D. To specify which segments should be created.

---

**Answer: C**

---

---

**Question: 64**

---

Which of the following statements about financial dimensions in Microsoft Dynamics AX 2012 are true? (Each correct answer presents a complete solution, Choose two,)

- A. Financial dimensions cannot be shared across an organization.
- B. Financial dimensions cannot be mapped to other entities.
- C. Financial dimensions form one or more segments of an account number.
- D. You can create an unlimited number of financial dimensions.

---

**Answer: B, D**

---

---

**Question: 65**

---

You are creating a new chart of accounts. On the Main accounts form, which field should you use to create an expense account?

- A. Main account type
- B. Main account category
- C. Posting type
- D. Opening account

---

**Answer: A**

---

---

**Question: 66**

---

You are creating a fund in Microsoft Dynamics AX 2012. Which of the following statements about funds are true? (Each correct answer presents a complete solution. Choose two.)

- A. A fund is a legal entity.
- B. A fund is self-balancing.
- C. Fund activity can be viewed at the organizational level.
- D. A fund is an independent fiscal and accounting entity.

---

**Answer: B, C**

---

---

**Question: 67**

---

You need to display customer transactions that have updated the general ledger Accounts Receivable account. Which report should you generate?

- A. Customer transactions report
- B. Open transactions report
- C. History by transaction report
- D. Internal account statement report

---

**Answer: B**

---

---

**Question: 68**

---

Which Role Center in Microsoft Dynamics AX 2012 provides access to key tasks, activities, and data related to daily business operations?

- A. Accounting Manager Role Center
- B. Accountant Role Center
- C. Controller Role Center
- D. Finance Director Role Center

---

**Answer: C**

---



---

**Question: 69**

---

You need to display a list of open and approved invoices for a specific customer. Which report should you generate?

- A. Invoice specifications report
- B. Customer balance list report
- C. Customer invoice transactions report
- D. Customer aging report

---

**Answer: D**

---

---

**Question: 70**

---

You are creating category hierarchies in Microsoft Dynamics AX 2012. To which types of category hierarchies can you assign project categories? (Each correct answer presents a complete solution. Choose two.)

- A. Industry Code
- B. Retail
- C. Sales
- D. Procurement

---

**Answer: B, D**

---

---

**Question: 71**

---

You need to ensure that an account balance is carried forward to the next fiscal year when performing the fiscal year close process in Microsoft Dynamics AX 2012. Which Close type option should you select for the account in the Main accounts general ledger?

- A. Asset
- B. Revenue
- C. Expense
- D. Nominal

---

**Answer: A**

---

---

**Question: 72**

---

You are setting up encumbrance year-end processing options. Budget control is not enabled. The purchase order processing option is set to Do not carry forward the budget. You need to perform the opening steps for purchase order processing for a new fiscal year. What should you do?

- A. Reverse the remaining encumbrances and generate year-end closing entries.
- B. Create budget reservations for purchase order encumbrances that are being processed.
- C. Reverse the closing entries and re-establish the encumbrances.

D. Reverse the closing entries and create carry-forward budget adjustments to re-establish the budget in the new fiscal year.

---

**Answer: C**

---

---

**Question: 73**

---

What must you do before you can create advanced ledger entries?

- A. Set up advanced ledger entry workflows and general ledger number sequences. Enable the license configuration key for fixed assets entry.
- B. Set up projects, budget control, and calendars.
- C. Set up projects, advanced ledger entry workflows, and budget control.
- D. Set up advanced ledger entry number sequences, advanced ledger entry voucher number sequences, and posting definitions. Enable the license configuration key for advanced ledger entry.

---

**Answer: D**

---

---

**Question: 74**

---

Which of the following statements is true when you define the characteristics of a posting definition for a fund?

- A. Generated entries are always created the same as originating entries.
- B. Originating entries are based on the fund's identification number.
- C. Originating entries are based on the nominal accounts set up for the fund.
- D. Generated entries are created as unbalanced entries.

---

**Answer: C**

---

---

**Question: 75**

---

You plan to record commitments for purchase orders and purchase requisitions in Microsoft Dynamics AX 2012. What must you do first to enable commitment accounting?

- A. Create control accounts for pre-encumbrance and encumbrance postings.
- B. Enable pre-encumbrance and encumbrance processing.
- C. Create a budget reservation type for pre-encumbrance and encumbrance postings.
- D. Enable posting definitions for pre-encumbrance and encumbrance processing.

---

**Answer: B**

---

---

**Question: 76**

---

In Microsoft Dynamics AX 2012, you need to reverse a provisional budget and update the budget register with an original budget. Which three attributes must the original budget and the provisional budget share? (Each correct

answer presents a partial solution. Choose three.)

- A. Budget Model
- B. Dimension Values
- C. Budget Code
- D. Period
- E. Budget Cycle

---

**Answer: C, D, E**

---

---

**Question: 77**

---

When will the system perform the budget check on the source document line items? (Each correct answer presents a complete solution. Choose three.)

- A. When the source document is confirmed,
- B. When the source document is approved.
- C. When the source document is recalled.
- D. When the source document is created.
- E. When the source document is edited.

---

**Answer: A, B, C**

---

---

**Question: 78**

---

For reporting purposes, you need to present provisional budgets and apportionment budgets separately in Microsoft Dynamics AX 2012. Which report should you use?

- A. Actual vs. budget
- B. Budget control activity by project
- C. Budget control account detail history
- D. Budget details

---

**Answer: D**

---

---

**Question: 79**

---

You need to move funds from the Building maintenance budget to the Entertainment budget in Microsoft Dynamics AX 2012. What should you do?

- A. Transfer the budget.
- B. Copy the budget.
- C. Revise the budget.
- D. Allocate the budget.

---

**Answer: A**

---

---

**Question: 80**

---

Which of the following items must be set up prior to the entry of Original budget amounts?

- A. budget model
- B. budget control
- C. budget account entry comment
- D. reason codes

---

**Answer: A**

---