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## Topic 1 - Question Set 1

### Question #1

Topic 1

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution. After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen. You are configuring the year-end setup in Dynamics 365 Finance.

You need to configure the year-end setup to meet the following requirements:

- ☞ The accounting adjustments that are received in the first quarter must be able to be posted into the previous year's Period 13.
- ☞ The fiscal year closing can be run again, but only the most recent closing entry will remain in the transactions.
- ☞ All dimensions from profit and loss must carry over into the retained earnings.
- ☞ All future and previous periods must have an On Hold status.

Solution:

- ☞ Configure General ledger parameters.
  - Set the Delete close of year transactions option to Yes.
  - Set the Create closing transactions during transfer option to Yes.
  - Set the Fiscal year status to permanently closed option to No.
- ☞ Define the Year-end close template.
  - Designate a retained earnings main account for each legal entity.
  - Set the Financial dimensions will be used on the Opening transactions option to No.
  - Set the Transfer profit and loss dimensions option to Close All.
- ☞ Set all prior and future Ledger periods to a status of On Hold.

Does the solution meet the goal?

A. Yes

B. No

#### Correct Answer: A

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/general-ledger/year-end-close>

Community vote distribution

A (100%)

✉  **fuxywadu**  3 months, 1 week ago

**Selected Answer: A**

I passed the MB-310 exam with a score of 797. 90% of the questions are here in ExamTopics. A big thanks to the ExamTopics team 

<https://www.dumps4azure.com/>

upvoted 27 times

✉  **Bandit1290**  3 years, 1 month ago

Answer is B. If they do not want to delete previous year closing transaction then they need to set it to NO. This example has it set to yes  
upvoted 7 times

✉  **Mike2000**  1 month, 1 week ago

Before 2 days I passed the MB-310 exam with a score of 805.00% of the questions are here in ExamTopics. A big thanks to Exam Topics team 

<https://www.dumps4azure.com/>

upvoted 1 times

✉  **angie97** 2 months, 4 weeks ago

Wrong. Answer is B. If they do not want to delete previous year closing transaction then they need to set it to NO.  
upvoted 2 times

✉  **yuri\_rusanov** 1 year, 1 month ago

**Selected Answer: A**

A is the correct answer.

upvoted 1 times

✉  **kripe86** 1 year, 5 months ago

How this could be the right answer, if the settings " Set the Financial dimensions will be used on the Opening transactions option" are not on the templates?

upvoted 1 times

 **Aysenuremre** 2 years, 5 months ago

A is correct

upvoted 1 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 3 times

 **TheInfinity** 3 years, 7 months ago

I think that "Set the Financial dimensions will be used on the Opening transactions option to No" does not match to "All dimensions from profit and loss must carry over into the retained earnings" requirement. Making the proper answer -> B. No

upvoted 6 times

 **TheInfinity** 3 years, 7 months ago

Correction.

"For profit and loss accounts, you can select to maintain the financial dimensions (Close all) when the balances are moved to Retained earnings"

Answer A. Yes is good

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/close-fiscal-year>

upvoted 9 times

## Question #2

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution. After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen. You are configuring the year-end setup in Dynamics 365 Finance.

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- ☞ All dimensions from profit and loss must carry over into the retained earnings.
- ☞ All future and previous periods must have an On Hold status.

Solution:

- ☞ Configure General ledger parameters.
  - Set the Delete close of year transactions option to Yes.
  - Set the Create closing transactions during transfer option to Yes.
  - Set the Fiscal year status to permanently closed option to Yes.
- ☞ Define the Year-end close template.
  - Designate a retained earnings main account for each legal entity.
  - Set the Financial dimensions will be used on the Opening transactions option to Yes.
  - Set the Transfer profit and loss dimensions to Close All.
- ☞ Set all prior and future Ledger periods to a status of On Hold.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: B**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/general-ledger/year-end-close>

*Community vote distribution*

B (71%)

A (29%)

✉ **Jamesmith13** 2 months, 2 weeks ago

Just passed the exam with 87%.

No simulation

One case study

A few new questions in FA and Budgeting

overall, if doing the questions in here and from pass4surehub, you will be well prepared. <https://shorturl.at/cDKMS>

Thanks to Examtopics team!

upvoted 1 times

✉ **AdrienBnhm** 8 months, 3 weeks ago

**Selected Answer: B**

B is the correct answer. Closing the final period will disable the possibility to post transactions to previous 13th period.

upvoted 1 times

✉ **MaFacc** 1 year, 8 months ago

**Selected Answer: B**

Set the Financial dimensions will be used on the Opening transactions should be set to NO therefore the solution does not meet the criteria

upvoted 1 times

✉ **JimmySong** 1 year, 9 months ago

Set the Financial dimensions will be used on the Opening transactions should be set to NO. Opening transactions are Balance sheet accounts only. They don't need financial dimensions. Dimensions only apply to Profit & Loss accounts.

upvoted 2 times

✉ **Shuraim** 2 years ago

**Selected Answer: B**

Set the Financial dimensions will be used on the Opening transactions should be set to YES

upvoted 2 times

✉ **axcks** 2 years ago

**Selected Answer: B**

Sorry, miss the Set the Financial dimensions will be used on the Opening transactions option to No, the option should be Yes. The correct answer is B.

upvoted 1 times

 **axcks** 2 years, 1 month ago

**Selected Answer: A**

The answer is correct because Set the Fiscal year status to permanently closed option to No.

it is against the requirement on -> The fiscal year closing can be run again, but only the most recent closing entry will remain in the transactions.

upvoted 2 times

 **axcks** 2 years, 1 month ago

Sorry, miss the Set the Financial dimensions will be used on the Opening transactions option to No, the option should be Yes. The correct answer is B.

upvoted 1 times

 **ptc98** 2 years, 1 month ago

When the year-end close is run for fiscal year 2020, the retained earnings from the previous year remain exactly as they were posted, even if the Transfer balance sheet dimensions is set to No. Balances that are posted to retained earnings from previous year-end closes are never changed. So I agree that B is more logical. I am afraid that MS will see A as the correct answer.

upvoted 1 times

 **Shyma123** 2 years, 6 months ago

b

The Transfer balance sheet dimensions option is used to specify whether the financial dimensions on transactions that are posted to balance sheet accounts should be maintained on the opening transaction. As a best practice, this option should be set to Yes

upvoted 1 times

 **Shyma123** 2 years, 6 months ago

The Transfer balance sheet dimensions option is used to specify whether the financial dimensions on transactions that are posted to balance sheet accounts should be maintained on the opening transaction. As a best practice, this option should be set to Yes

upvoted 1 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 2 times

## Question #3

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution. After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen. You are configuring the year-end setup in Dynamics 365 Finance.

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- ☞ The fiscal year closing can be run again, but only the most recent closing entry will remain in the transactions.
- ☞ All dimensions from profit and loss must carry over into the retained earnings.
- ☞ All future and previous periods must have an On Hold status.

Solution:

- ☞ Configure General ledger parameters.
  - Set the Delete close of year transactions option to No.
  - Set the Create closing transactions during transfer option to No.
  - Set the Fiscal year status to permanently closed option to No.
  - ☞ Define the Year-end close template.
    - Designate a retained earnings main account for each legal entity.
    - Set the Financial dimensions will be used on the Opening transactions option to No.
    - Set the Transfer profit and loss dimensions to Close All.
    - ☞ Set all prior and future Ledger periods to a status of On Hold.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: B**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/general-ledger/year-end-close>

*Community vote distribution*

B (100%)

✉ **Flo2021** 2 weeks, 2 days ago

A. -> Setting the Delete close of year transactions to NO will allow to only see the most recent transactions in the last closing voucher.  
upvoted 1 times

✉ **AdrienBnhm** 8 months, 3 weeks ago

**Selected Answer: B**

Setting the Delete close of year transactions option to No won't allow to re-run the closing.  
upvoted 2 times

✉ **Alice9** 1 year, 2 months ago

B-No  
☞ The fiscal year closing can be run again, but only the most recent closing entry will remain in the transactions.

Delete close of the year transactions is set to no.

upvoted 1 times

✉ **viking1** 2 years, 5 months ago

B- No.  
Setting the year to permanently closed means that the closing can't be run again.  
upvoted 4 times

✉ **Shyma123** 2 years, 6 months ago

the correct A  
The Transfer balance sheet dimensions option is used to specify whether the financial dimensions on transactions that are posted to balance sheet accounts should be maintained on the opening transaction. As a best practice, this option should be set to Yes  
upvoted 2 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 1 times

## Question #4

## HOTSPOT -

You are implementing a Dynamics 365 Finance general ledger module for a client that has multiple legal entities.

The client has the following requirements:

- ☞ Configure automatic creation of due to/due from transactions based on when LegalEntityA transacts with LegalEntityB.
- ☞ Automatically split the dollar amount in half between DimensionA and DimensionB when the journal is posted.
- ☞ Set up fixed or variable allocations, and then review the allocations in a journal before posting.
- ☞ Automatically post year-end results to account 30016 during year-end close.

You need to configure the system.

Which system capability should you configure? To answer, select the appropriate configuration in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area****Client requirement**

You must configure automatic creation of due to/due from transactions based on when LegalEntityA transacts with LegalEntityB.

You must automatically split the dollar amount in half between DimensionA and DimensionB when the journal is posted.

You must set up fixed or variable allocations, and then review the allocations in a journal before posting.

The system must automatically post year-end results to account 30016 during year-end close.

**System capability**

|                                     |
|-------------------------------------|
| intercompany journal                |
| global journal entry                |
| ledger allocation rules             |
| accounts for automatic transactions |

|                                     |
|-------------------------------------|
| ledger allocation rules             |
| allocation terms                    |
| accounts for automatic transactions |
| intercompany journal                |

|                                     |
|-------------------------------------|
| intercompany journal                |
| ledger allocation rules             |
| allocation terms                    |
| accounts for automatic transactions |

|                                     |
|-------------------------------------|
| ledger allocation rules             |
| allocation terms                    |
| accounts for automatic transactions |
| intercompany journal                |

## Answer Area

### Client requirement

You must configure automatic creation of due to/due from transactions based on when LegalEntityA transacts with LegalEntityB.

### System capability

|                                     |
|-------------------------------------|
| intercompany journal                |
| global journal entry                |
| ledger allocation rules             |
| accounts for automatic transactions |

You must automatically split the dollar amount in half between DimensionA and DimensionB when the journal is posted.

|                                     |
|-------------------------------------|
| ledger allocation rules             |
| allocation terms                    |
| accounts for automatic transactions |
| intercompany journal                |

Correct Answer:

You must set up fixed or variable allocations, and then review the allocations in a journal before posting.

|                                     |
|-------------------------------------|
| intercompany journal                |
| ledger allocation rules             |
| allocation terms                    |
| accounts for automatic transactions |

The system must automatically post year-end results to account 30016 during year-end close.

|                                     |
|-------------------------------------|
| ledger allocation rules             |
| allocation terms                    |
| accounts for automatic transactions |
| intercompany journal                |

 **Jamesmith13** 2 months, 2 weeks ago

Just passed the exam with 87%.

No simulation

One case study

A few new questions in FA and Budgeting

overall, if doing the questions in here and from pass4surehub, you will be well prepared. <https://shorturl.at/cDKMS>

Thanks to Examtopics team!

upvoted 2 times

 **AliK1i** 1 year, 4 months ago

correct answers

upvoted 1 times

 **AgileMind** 3 years, 1 month ago

Why the 2nd is budget allocation terms?

upvoted 1 times

 **H\_Incandenza** 1 year, 8 months ago

Agile, to be clear it is NOT budget allocation terms; it is just "allocation terms. See the link below:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/main-account-allocation-terms>

upvoted 3 times

 **Yael\_Shachen\_Tov** 2 years, 9 months ago

It has been posting automatic on the account and dimension without permission

upvoted 1 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 2 times

## Question #5

A company is preparing to complete a year-end close process.

You need to configure the Dynamics 365 Finance general ledger module.

Which three configurations actions should you perform? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Configure the Fiscal year close parameters
- B. Configure the ledger calendar for the new fiscal year
- C. Set up the year end close template
- D. Validate the main account type
- E. Create the next fiscal year

**Correct Answer: ADE**

This question is asking about configuring the system. Answers A (Configure the Fiscal year close parameters), D (Validate the main account type) and E (Create the next fiscal year) are required to configure the system.

The next step after configuring the system would be Answer C (Set up the year end close template).

After the system is configured, the year-end close process can be run. On the Year-end close page, a template can be defined for the group of legal entities for which the year-end close process will be run. The template will be reused at each year-end close, but can be modified if your organization changes.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/general-ledger/year-end-close>

*Community vote distribution*

ACE (60%)

ADE (40%)

HNINHNIN22 10 months ago

ADE is correct.

upvoted 2 times

KOI1020 10 months, 4 weeks ago

ADE is collect

upvoted 2 times

OLAS101 12 months ago

Should be ACE in my opinion. running a year end close requires you to set up the template.

upvoted 3 times

KRIPE86 1 year, 1 month ago

**Selected Answer: ACE**

The question is not asking properly

D - is one step of process before running YEC, but you can run it without it.

But for processing YEC, you must setup parameters, next FY and template.

upvoted 3 times

NEWB007 7 months, 2 weeks ago

NOPE.

<https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/year-end-close> On the Fiscal calendar page:

The next fiscal year must exist before the year-end close is run. Otherwise, the beginning balances can't be created in the opening period

upvoted 2 times

ALIK1I 1 year, 4 months ago

**Selected Answer: ADE**

correct answers

upvoted 2 times

## Question #6

A client has unique accounting needs that sometimes require posting definitions.

You need to implement posting definitions.

In which situation should you implement posting definitions?

- A. when financial dimensions need to default from the vendor record onto an invoice
- B. when only certain dimensions are allowed to post with certain main account combinations
- C. when creating multiple balanced ledger entries based on transaction types or accounts
- D. when the system needs to automatically post a transaction to the accounts receivable account on invoice posting

**Correct Answer: D**

*Community vote distribution*

C (100%)

 **caf**  3 years, 11 months ago

correct answer is C

upvoted 12 times

 **Sophs**  3 years, 10 months ago

c is the correct answer : <https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/about-posting-definitions>

upvoted 12 times

 **angie97**  2 weeks, 3 days ago

C is correct

upvoted 1 times

 **vbiz** 3 months, 3 weeks ago

**Selected Answer: C**  
Correct answer should be C

upvoted 1 times

 **Willjorge23** 6 months ago

**Selected Answer: C**  
C is the correct  
upvoted 1 times

 **Freesia** 1 year, 5 months ago

**Selected Answer: C**  
You have to generate multiple, balanced ledger entries based on attributes such as transaction types and accounts. Use posting profiles if you need only one offset ledger entry.  
upvoted 2 times

 **Rageoxryan** 1 year, 6 months ago

rtrdtrdtrd  
upvoted 1 times

 **Joanotbonilla** 1 year, 9 months ago

Correct Answer is C  
upvoted 2 times

 **WaveMB** 2 years ago

**Selected Answer: C**  
You might want to use posting definitions in the following circumstances:

- You have to generate multiple, balanced ledger entries based on attributes such as transaction types and accounts. Use posting profiles if you need only one offset ledger entry.
- You have to support encumbrance accounting for purchase orders and pre-encumbrance accounting for purchase requisitions. Posting profiles cannot be used for encumbrance and pre-encumbrance accounting.

So the correct is C  
upvoted 2 times

 **Scholli** 2 years ago

**Selected Answer: C**  
Antwort C  
upvoted 2 times

 **Travblaster** 2 years, 1 month ago

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/about-posting-definitions>

You have to generate multiple, balanced ledger entries based on attributes such as transaction types and accounts. Use posting profiles if you need only one offset ledger entry.

You have to support encumbrance accounting for purchase orders and pre-encumbrance accounting for purchase requisitions. Posting profiles cannot be used for encumbrance and pre-encumbrance accounting.

upvoted 2 times

 **denilson16** 2 years, 2 months ago

**Selected Answer: C**

the correct answer is C

upvoted 2 times

 **BBBM** 2 years, 2 months ago

**Selected Answer: C**

C is the right answer

upvoted 3 times

 **rizwanvu1980** 2 years, 4 months ago

C is correct

upvoted 2 times

 **rizwanvu1980** 2 years, 7 months ago

C is correct

upvoted 2 times

 **VABS** 2 years, 11 months ago

So Finally which one is correct? C or D

upvoted 1 times

 **sadiq\_d365** 3 years, 1 month ago

C is correct

upvoted 3 times

## Question #7

An organization is setting up a cost accounting.

You need to set up fiscal calendars for Dynamics 365 Finance.

What are three uses for fiscal calendars? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. standard work hours
- B. financial transactions
- C. fixed asset depreciation
- D. budget cycles
- E. shift work hours

**Correct Answer:** BCD

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/fiscal-calendars-fiscal-years-periods>

*Community vote distribution*

BCD (100%)

denilson16 Highly Voted 2 years, 2 months ago

Selected Answer: BCD

correct

upvoted 6 times

AliK1i Most Recent 1 year, 4 months ago

Selected Answer: BCD

correct answers

upvoted 1 times

Grzegorz123 1 year, 6 months ago

BDE is my choise

upvoted 2 times

Titik 2 years, 2 months ago

"Select fiscal calendars for ledgers, fixed assets, and budget cycles

Fiscal calendars are used with fixed asset depreciation, financial transactions, and budget cycles."

BCD correct

upvoted 2 times

sadiq\_d365 3 years, 1 month ago

BCD is correct

upvoted 3 times

Danny1989 2 years, 7 months ago

Rigth, reference: <https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/fiscal-calendars-fiscal-years-periods>

upvoted 2 times

## Question #8

You are configuring automatic bank reconciliation functionality for a company that has multiple bank accounts. The company wants to import their bank statements.

You need to import electronic bank statements to reconcile the bank accounts.

Which three actions can you perform? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Select all the bank accounts for the bank statement files, and then upload all files
- B. Select Account reconciliation on the bank account form
- C. Import bank statements from the Data management workspace
- D. Navigate to Import statement on the Bank Statements page of Cash and Bank Management
- E. Select Import statement for multiple bank accounts in all legal entities, and then upload a zip file

**Correct Answer:** *BDE*

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/cash-bank-management/reconcile-bank-statements-advanced-bank-reconciliation>

*Community vote distribution*

CDE (100%)

✉  **annade**  3 years, 9 months ago

Prithv I don't agree. E is correct. The help text says :" You can use a zip file to upload multiple statement files to Finance in a single process. To import multiple bank statement files for multiple accounts, combine all the bank statement files into one zip file."

upvoted 9 times

✉  **mklentek** 3 years ago

<https://docs.microsoft.com/en-us/dynamics365/finance/cash-bank-management/reconcile-bank-statements-advanced-bank-reconciliation#import-an-electronic-bank-statement>

upvoted 1 times

✉  **Suzemagooze**  3 years ago

What about C, D, E it seems like B is not actually a way of importing bank statements but a way of formatting them, but CDE are all ways of importing.

upvoted 6 times

✉  **angie97**  2 weeks, 3 days ago

A and D are basically the same thing, the answer that is correct and the one i plan to go for is A C D. - B is used to enable the advanced bank reconciliation feature for a bank account, not to import bank statements.

upvoted 1 times

✉  **angie97** 2 weeks, 3 days ago

I meant A and E are basically the same thing...

upvoted 1 times

✉  **Lira123** 1 year, 11 months ago

Hi everyone B is the Correct answer as you don't need to import a Camt.53 file from the data management module. You have the option at the reconciliation of the bank and select the desired format that it is also a provided by the new module of the Electronic Reporting.

upvoted 2 times

✉  **denilson16** 2 years, 2 months ago

**Selected Answer: CDE**

There is no way to import a statement from "B". You can however do it from "C"(data Management Framework) if you don't want to upload it automatically from bank statement.

upvoted 1 times

✉  **H\_Incandenza** 1 year, 8 months ago

No one has disproven then first statement: there is no way to import a statement from "B." I've never done imported a bank statement from DM WS, but it makes more sense than "B."

upvoted 1 times

✉  **viking1** 2 years, 4 months ago

Should be CDE

upvoted 1 times

✉ **Tincho066** 2 years, 10 months ago

C D E is correct, B is incorrect  
upvoted 2 times

✉ **MaryOsas** 2 years, 11 months ago

which is correct please?  
BCD ?  
upvoted 1 times

✉ **Mobstar** 3 years ago

As this is something the company likely want to do easily without having to rely on an administrator, I will go for BDE. These represents complete solution for an end user without additional admin intervention. Of course you can setup data management to import bank statements but you want to consider whether this is a one of migration or an integration.

upvoted 4 times

✉ **mklentek** 3 years ago

There are a lot of conflicting responses here; based on the link provided:

"1. Go to Workspaces > Data management.  
2. Click Import. ....  
1. Go to Cash and bank management > Bank accounts.... On the Bank statement page, click Import statement." These make me believe that both C and D are correct.  
Lastly, "Go to Cash and bank management > Bank accounts.  
Select the bank account, and open it to view the details.  
On the Reconciliation tab, set the Advanced bank reconciliation option to Yes."  
This sounds like what B describes, please correct if that's incorrect

upvoted 2 times

✉ **mklentek** 3 years ago

<https://docs.microsoft.com/en-us/dynamics365/finance/cash-bank-management/reconcile-bank-statements-advanced-bank-reconciliation#import-an-electronic-bank-statement>  
according to this page, E is also correct

upvoted 1 times

✉ **sadiq\_d365** 3 years, 1 month ago

CDE correct  
upvoted 3 times

✉ **sadiq\_d365** 3 years, 1 month ago

BCD seems correct  
upvoted 1 times

✉ **vm7891** 3 years, 4 months ago

BCD is correct.

<https://docs.microsoft.com/en-us/dynamics365/finance/cash-bank-management/set-up-advanced-bank-reconciliation-import-process>  
upvoted 1 times

✉ **vm7891** 3 years, 3 months ago

Correction: BD&E  
upvoted 1 times

✉ **sanamkhan123** 3 years, 5 months ago

which one is correct I am confused between C and D  
upvoted 1 times

✉ **Prithv** 3 years, 10 months ago

Correct answer is B,C,D. E is incorrect. <https://docs.microsoft.com/en-us/dynamics365/finance/cash-bank-management/set-up-advanced-bank-reconciliation-import-process>  
upvoted 3 times

✉ **Adbroonen** 2 years, 9 months ago

C is not correct <https://docs.microsoft.com/en-us/dynamics365/finance/cash-bank-management/set-up-advanced-bank-reconciliation-import-process>.

As you can see from link, data management is only importing the bank statement formats, not the bank statement itself. Correct answer is BDE.

upvoted 6 times

## Question #9

A company plans to create a new allocation rule for electric utilities expenses.

The allocation rule must meet the following requirements:

- ☞ Distribute overhead utility expense to each department.
- ☞ Define how and in what proportion the source amounts must be distributed on various destination lines.

You need to configure the allocation rule.

Which allocation method should you use?

- A. Distribute the source document amount equally
- B. Fixed weight
- C. Equally
- D. Basis

**Correct Answer: D**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/general-ledger/ledger-allocation-rules>

*Community vote distribution*

B (54%)      D (46%)

✉  denilson16  2 years, 1 month ago

**Selected Answer: B**

B is correct. fixed weight (and fixed percentage if it was in the list of answers..)  
upvoted 6 times

✉  angie97  2 weeks, 3 days ago

**Selected Answer: B**

<https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/ledger-allocation-rules>  
upvoted 1 times

✉  Rayhan83 2 weeks, 6 days ago

**Selected Answer: D**

Final verdict guys? B or D?  
upvoted 1 times

✉  Zimkita 1 year ago

**Selected Answer: D**

Allocation depends on the actual ledger balance, in proportion.

The requirement mentions "what proportions " and ....  
upvoted 1 times

✉  Freesia 1 year, 5 months ago

**Selected Answer: D**

D. Basis  
This variable method is used when the allocation depends on the actual ledger balance, based on filter criteria. For example, advertising expenses can be allocated based on each department's sales in proportion to the total departmental sales.  
upvoted 1 times

✉  H\_Incandenza 1 year, 8 months ago

D

It's not that "B" is wrong; it's a really poorly worded question. In practice you would usually use basis, or just skip the Allocation Rules altogether and use a Periodic entry.

upvoted 1 times

✉  AsiaF 1 year, 9 months ago

**Selected Answer: D**

As the others don't fit and the question is a bit oddly structured, D is correct.  
upvoted 1 times

✉  BenLearn 1 year, 9 months ago

D. Basis is indeed correct

It is all about the word 'proportion'

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/ledger-allocation-rules>  
upvoted 2 times

✉ **H\_Incandenza** 1 year, 8 months ago

I agree with you, but I hate that I agree with you. I know that to make heads or tails you have to read the documentation very closely, and I know that it is logical that, because the docs use the word "proportion" when describing Basis, that that is a clue.

However, it goes without saying that any allocation method will be a proportion.

Just a really poorly worded question.

upvoted 3 times

✉ **Indzitis** 1 year, 9 months ago

**Selected Answer: D**

Base on description in MS documentation: <https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/ledger-allocation-rules>, and way how question is created, I think D is correct answer since this is definition of "Basis" allocation rule: This variable method is used when the allocation depends on the actual ledger balance, based on filter criteria. For example, advertising expenses can be allocated based on each department's sales in proportion to the total departmental sales.

upvoted 1 times

✉ **SefaK** 1 year, 9 months ago

Question said "what proportion the source amounts must be distributed on various destination lines." So, it must be Fixed weight or percentage. B

upvoted 1 times

✉ **SefaK** 1 year, 9 months ago

Okay, now I understand :), It's D.

upvoted 1 times

✉ **erin1320** 1 year, 11 months ago

**Selected Answer: D**

I believe D is the correct answer.

Destination – This component defines how the result of the allocation calculation should be distributed and accounted for. For example, there can be one destination line for each department.

upvoted 1 times

✉ **Danny1989** 2 years, 7 months ago

I think D, "Basis – This variable method is used when the allocation depends on the actual ledger balance, based on filter criteria. For example, advertising expenses can be allocated based on each department's sales in proportion to the total departmental sales"

upvoted 2 times

✉ **saadnadir** 2 years, 9 months ago

Correct Answer B : Fixed percentage and Fixed weight – For these methods, the allocation percentage or weight is defined directly for the rule. For example, advertising expenses can be allocated so that Department A receives 70 percent of the advertising expense and Department B receives 30 percent.

Ref : <https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/ledger-allocation-rules>

upvoted 3 times

✉ **Suzemagooze** 3 years ago

I believe B is correct, from the source document "Fixed weight – For these methods, the allocation percentage or weight is defined directly for the rule. For example, advertising expenses can be allocated so that Department A receives 70 percent of the advertising expense and Department B receives 30 percent." All of the types have the Destination Component that lets you separate into lines. The only difference with Basis is that you can base amounts off of ledger balances, which is not mentioned in the question.

upvoted 2 times

✉ **sadiq\_d365** 3 years, 1 month ago

B seems correct now

upvoted 3 times

✉ **sadiq\_d365** 3 years, 1 month ago

D seems correct

upvoted 1 times

✉ **vm7891** 3 years, 4 months ago

ABC are types of Basis (D)

upvoted 1 times

✉ **vm7891** 3 years, 4 months ago

D is the right answer. Verified below

<https://docs.microsoft.com/en-in/learn/modules/configure-ledger-allocations-accruals-dyn365-finance/3-ledger-allocation-rule>

upvoted 3 times

✉ **Adbroonen** 2 years, 9 months ago

The link does not prove that D is the right answer. The only options where you can specify what proportion the source amounts must be distributed on various destination lines is Fixed weight and Fixed percentage. Given that fixed percentage is not an option and Fixed

weight is, then the answer has to be B. Basis allocates based on ledger balances on GLs that you specify in Source. You cannot specify the proportions like you can with Fixed weight.

upvoted 3 times

 **mklentek** 3 years ago

I don't believe that they are, as they are listed in parallel as different allocation methods. That said, D is still right. Basis is like a proportionality that varies depending on actual ledger balance

upvoted 1 times

 **Prithv** 3 years, 10 months ago

A & B are also correct answers here IMO

upvoted 1 times

## Question #10

## HOTSPOT -

A food manufacturer uses commodities such as beans, corn, and chili peppers as raw materials. The prices of the commodities fluctuate frequently. The manufacturer wants to use cost versions to simulate these fluctuations.

You need to set up cost versions and prices to accomplish the manufacturer's goal.

For which purpose should you use each costing type? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area**

| Costing type  | Purpose  |
|---------------|--|
| Standard cost | <ul style="list-style-type: none"><li>to support cost calculation simulation</li><li>to support actual cost inventory model</li><li>to support standard cost inventory model</li></ul>             |
| Planned cost  | <ul style="list-style-type: none"><li>to support cost calculation simulation</li><li>to support standard cost for master plan</li><li>to directly activate planned cost to standard cost</li></ul> |

**Answer Area**

| Costing type  | Purpose  |
|---------------|--|
| Standard cost | <ul style="list-style-type: none"><li>to support cost calculation simulation</li><li>to support actual cost inventory model</li><li>to support standard cost inventory model</li></ul>             |
| Planned cost  | <ul style="list-style-type: none"><li>to support cost calculation simulation</li><li>to support standard cost for master plan</li><li>to directly activate planned cost to standard cost</li></ul> |

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/cost-management/costing-versions>

 **Kazut** 2 years ago

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/cost-management/costing-versions>

upvoted 2 times

 **denilson16** 2 years, 2 months ago

correct

upvoted 2 times

 **Elsa** 3 years, 1 month ago

Agree.

upvoted 3 times

 **sadiq\_d365** 3 years, 1 month ago

Seems correct

upvoted 3 times

## Question #11

**HOTSPOT -**

A rental service company hires you to configure their system to implement accrual schemes.

You need to configure the accrual schemes for the company for both rentals and associated expenses.

Which configuration and transaction options should you use? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area**

| Configuration            | Action  |
|--------------------------|---|
| Applicable function area | <ul style="list-style-type: none"><li>Apply the scheme to revenue only</li><li>Apply the scheme to costs only</li><li>Apply the scheme to both revenue and costs</li></ul>                  |
| Accrual setup            | <ul style="list-style-type: none"><li>Specify the frequency of the accruals</li><li>Specify the journal type for the accruals</li><li>Specify whether the accruals are reversible</li></ul> |

**Answer Area**

| Configuration            | Action  |
|--------------------------|---|
| Applicable function area | <ul style="list-style-type: none"><li>Apply the scheme to revenue only</li><li>Apply the scheme to costs only</li><li>Apply the scheme to both revenue and costs</li></ul>                  |
| Accrual setup            | <ul style="list-style-type: none"><li>Specify the frequency of the accruals</li><li>Specify the journal type for the accruals</li><li>Specify whether the accruals are reversible</li></ul> |

 **Eventura** 8 months, 3 weeks ago

Correct. <https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/create-accrual-schemes>  
upvoted 1 times

 **denilson16** 2 years, 2 months ago

correct  
upvoted 2 times

 **sadiq\_d365** 3 years, 1 month ago

Seems correct  
upvoted 2 times

## Question #12

A company provides employee life insurance to all full-time employees. Employee life insurance policies are paid twice a year to the insurance company.

Transactions for current employees must be recognized in the general ledger twice a month with an employee's pay. Transactions for new employees must be recognized in the general ledger based upon the employee's first pay date.

You need to configure accrual schemes for the new fiscal year.

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

NOTE: Each correct selection is worth one point.

- A. For new employees, use a Credit accrual scheme. In the ledger accrual, set the offset to the first day of the fiscal year.
- B. For current employees, use a Credit accrual scheme. In the ledger accrual, set the offset to the employee's first pay date.
- C. For new employees, use a Debit accrual scheme. In the ledger accrual, set the offset to the employee's first pay date.
- D. For current employees, use a Debit accrual scheme. In the ledger accrual, set the offset to the first day of the fiscal year.

**Correct Answer: BD**

*Community vote distribution*

CD (93%)

7%

✉  **H\_Incandenza**  1 year, 8 months ago

I will be charitable in assuming this question was written prior to the interface being completely overhauled. Because my god is this a poorly written question.

In D365 as of today (7/8/22) there is no "offset:" there is a ledger accrual start date. There is no "debit" or "credit" accrual scheme: there is an "accrual account" option with either "account" or "offset account."

Further, it doesn't even explain what our journal entry is. There doesn't seem to be many accountants in the comments, but typically you would be debiting an expense account while crediting a liability account. (Then when paid, debit the liability against cash.)

So that being said, the setup makes no sense because none of the terms actually align with D365. The answers make no sense for the same reason, but also additionally there is no specifying of what is being accrued, the liability the expense, both or neither.

upvoted 11 times

✉  **Ramanya**  2 years, 2 months ago

**Selected Answer: CD**

For both current and new employees, it has to be Debit accrual scheme. The financial impact has to be same and only the date has to be different.

upvoted 10 times

✉  **angie97**  2 weeks, 3 days ago

**Selected Answer: BC**

A and D are not correct because for current employees, use a Debit accrual scheme. In the ledger accrual, set the offset to the first day of the fiscal year, are not valid configurations for the accrual schemes. Option A will not recognize the expense based on the employee's first pay date, but on the first day of the fiscal year, which is not the requirement. Option D will not reverse the accrual transactions on the employee's first pay date of the next period, but on the first day of the fiscal year, which is not the

upvoted 1 times

✉  **Freesia** 1 year, 5 months ago

**Selected Answer: CD**

C and D

Debit – The main account that you define will replace the debit main account on the journal voucher line. This account will also be used for the reversal of the deferral, based on the ledger accrual transactions.

upvoted 1 times

✉  **LoriHafner** 1 year, 5 months ago

I think I understand the wording in the question. By the time the 'new Fiscal Year' starts, and the 1st payment is paid to the life insurance, any new employees will become current employees. So, to prepare employees for the 1st insurance payment, any money collected at the start of the new Fiscal Year is a credit since the 1st payment has not yet posted. That is why B is correct.

Configuring the calendar for Debit accrual to begin at the 1st day of the new Fiscal Year ensures that the 2nd insurance payment is prepared and recorded properly.

The 1st day of the new fiscal year has not yet begun so credit to employee's 1st pay date until the Fiscal year does begin, and then once the Fiscal year begins, start the Debit accrual to properly record.

This is why I agree with the answer B&D.

upvoted 3 times

BenLearn 1 year, 9 months ago

CD is correct

Current employees must be twice a month (scheme starts at first date of fiscal year) (= D)

New employees must be on their first paydate (= C)

This automatically implies that it must be Debit

upvoted 2 times

Ramanya 2 years, 1 month ago

**Selected Answer: CD**

C, D are correct

upvoted 2 times

Niqs 2 years, 11 months ago

B and D are correct.

Inclusion of new employees is used to make the question quite tricky.

It is correct that the configuration of accrual schemes for the new fiscal year should only be done for current employees.

upvoted 4 times

finance\_BNE 2 years, 11 months ago

Correct answer is BD

this is buried within the QUESTION: - "You need to configure accrual schemes for the new fiscal year."

There are only current employees in the new year

upvoted 3 times

Indzitis 1 year, 9 months ago

But next year there will be new employees too. Why this is reason for B and D?

upvoted 1 times

Elsa 2 years, 11 months ago

B,C seems correct.

upvoted 1 times

vospr 3 years ago

Logically, accrual is a Debit of PL

upvoted 2 times

Elsa 3 years, 1 month ago

In my opinion, C,D are correct.

upvoted 5 times

sadiq\_d365 3 years, 1 month ago

C, D are correct

upvoted 3 times

d47447 3 years, 2 months ago

The correct answer is B and C

upvoted 4 times

Pir 3 years, 3 months ago

B and D are definitely wrong answers as both of them are for current employees only where as question also asks for new employee.

Calender, Fiscal and Allocation key are available as accrual basis. Also Posting options available are Beginning, Middle or End on Week, Month or Quarter basis. The only options mentioning about Fiscal year are A and D while also mentioning both new and current employees, so to me correct options look A and D.

upvoted 3 times

Cumo 3 years, 4 months ago

This Answer makes no sense, I think it is C and D. It cannot be both B and D.

upvoted 5 times

## Question #13

**HOTSPOT -**

A client plans to use the cost accounting module in Dynamics 365 Finance.

You need to associate the correct definitions to the correct cost accounting concepts.

Which terms match the definitions? To answer, select the appropriate configuration in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area****Definition/use**

Used to measure and quantify activities, such as machine hours that are used.

The result of a transfer via data connectors from general ledger entries, cost allocations, and posted cost entries in cost journals.

Anything that is selected for cost control. Costs or revenues are either directly posted on or allocated to these.

Used as a function to track and categorize costs.

Groups costs according to their shared characteristics.

**Cost accounting configuration**

|                 |
|-----------------|
| cost entry      |
| cost object     |
| cost element    |
| allocation base |

|                     |
|---------------------|
| cost entry          |
| cost element        |
| cost classification |
| allocation base     |

|                 |
|-----------------|
| cost entry      |
| cost object     |
| cost element    |
| allocation base |

|                     |
|---------------------|
| cost object         |
| cost element        |
| allocation base     |
| cost classification |

|                     |
|---------------------|
| cost entry          |
| cost element        |
| allocation base     |
| cost classification |

## Answer Area

### Definition/use

Used to measure and quantify activities, such as machine hours that are used.

### Cost accounting configuration

|                 |
|-----------------|
| cost entry      |
| cost object     |
| cost element    |
| allocation base |

|                     |
|---------------------|
| cost entry          |
| cost element        |
| cost classification |
| allocation base     |

|                 |
|-----------------|
| cost entry      |
| cost object     |
| cost element    |
| allocation base |

|                     |
|---------------------|
| cost object         |
| cost element        |
| allocation base     |
| cost classification |

|                     |
|---------------------|
| cost entry          |
| cost element        |
| allocation base     |
| cost classification |

### Correct Answer:

Anything that is selected for cost control. Costs or revenues are either directly posted on or allocated to these.

Used as a function to track and categorize costs.

Groups costs according to their shared characteristics.

### Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/cost-accounting/terms-cost-accounting>

 **D365FOConsultant** 1 year, 7 months ago

correct

upvoted 1 times

 **Eralda** 1 year, 7 months ago

On Exam 28/07/2022

upvoted 2 times

 **sadiq\_d365** 3 years, 1 month ago

Seems correct

upvoted 2 times

 **sadiq\_d365** 3 years, 1 month ago

<https://docs.microsoft.com/en-us/dynamics365/finance/cost-accounting/terms-cost-accounting>

upvoted 3 times

## Question #14

## Topic 1

An organization uses Dynamics 365 Finance.

Several posted journal entries contain invalid main account and dimension combinations. This leads to incorrect financial reporting.

You need to prevent these invalid combinations.

What should you do?

- A. Configure the account structure to specify which financial dimensions are valid for which main accounts.
- B. Train users to select the Validate button in the current journal configuration so that the correct account and dimension combination is used.
- C. Configure financial dimension sets to limit which financial dimensions are valid for which main accounts.
- D. Associate the correct main accounts to that financial dimension on the financial dimension setup form.

**Correct Answer: A**

References:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/general-ledger/configure-account-structures>

 **yuri\_rusanov** 1 year, 1 month ago

A is the correct answer:

<https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/configure-account-structures>

upvoted 1 times

 **sadiq\_d365** 3 years, 1 month ago

Seems correct

upvoted 4 times

## Question #15

## HOTSPOT -

A client plans to use Dynamics 365 Finance for year-end 1099 reporting in the United States.

You are viewing a vendor master data record on the 1099 FastTab.

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

Hot Area:

## Answer Area

## Question

Which prompt appears when the vendor invoice posts?

## Answer choice

- Tax type unknown
- No foreign entity indicator
- W-9 has not yet been received
- Check for W-9

You need to set up a default federal tax withholding type on an invoice journal. On the vendor record, what should you configure?

- 1099 box
- Federal tax ID
- W-9 received

## Answer Area

## Question

Which prompt appears when the vendor invoice posts?

Correct Answer:

## Answer choice

- Tax type unknown
- No foreign entity indicator
- W-9 has not yet been received**
- Check for W-9

You need to set up a default federal tax withholding type on an invoice journal. On the vendor record, what should you configure?

- 1099 box
- Federal tax ID**
- W-9 received

Rayhan83 2 weeks, 6 days ago

A: Check for W-9

B: 1099 box

upvoted 1 times

kripe86 1 year, 3 months ago

Why to put localisation question on the exam? I don't understand MS

upvoted 2 times

 **AliK1i** 1 year, 4 months ago

first answer is correct but 2nd answer should be Tax 1099 i think!

<https://learn.microsoft.com/en-us/dynamics365/finance/localizations/noam-usa-set-up-vndrs-1099-rprtg>

upvoted 3 times

 **Rageoxryan** 1 year, 6 months ago

Do people agree with the below? Is there a relevant MS page for this?

upvoted 1 times

 **H\_Incandenza** 1 year, 8 months ago

Second answer is wrong: it should be 1099 Box.

I'm trying to write out why, but ExamTopics won't accept my comment.

upvoted 3 times

 **hakonr** 2 years, 1 month ago

this must be check for W-9, cause W-9 not received is set to toggled off

upvoted 2 times

 **sadiq\_d365** 3 years, 1 month ago

Seems correct

upvoted 4 times

## Question #16

A legal entity has locations and customers in multiple states within the United States.

You need to ensure that taxable customers are charged sales tax for taxable items in their delivery location.

Which three settings must you configure? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. the Sales tax group on the Customer record
- B. the Terms of delivery setup
- C. the Item Sales tax group on the Item record
- D. the Sales reporting codes
- E. the Sales tax codes

**Correct Answer: ABE**

*Community vote distribution*



✉️ **Makisma** Highly Voted 3 years, 10 months ago

It should be A,C,E

upvoted 31 times

✉️ **KPS** Highly Voted 3 years, 11 months ago

Terms of delivery setup do not associate to a sales tax group.

However, item sales tax groups on the item record are critical to tax processing. If the item does not have a sales tax group taxes will never be charged.

Shouldn't this be A,C,E instead of A,B,E?

upvoted 17 times

✉️ **vbiz** Most Recent 3 months, 3 weeks ago

**Selected Answer: ACE**

The correct answer should be A, C, E

upvoted 1 times

✉️ **Willjorge23** 6 months ago

**Selected Answer: ACE**

ACE is correct

upvoted 1 times

✉️ **AdrienBnhm** 8 months, 3 weeks ago

**Selected Answer: ACE**

It's definitely A,C,E

If your sales tax code matrix is correct, you don't care about location. It can't be answer "B".

upvoted 1 times

✉️ **Alice9** 1 year, 2 months ago

The sales tax group needs to be in the delivery address of the customer, the item sales tax group is also required, the terms of delivery have to be setup and sales tax codes are also required. So A, B, C and E, but A should specify the delivery address of the customer needs a sales tax group. See "Advanced" for customer addresses.

upvoted 2 times

✉️ **AdrienBnhm** 8 months, 3 weeks ago

There are only 3 possible answers. It cannot be "B" as the delivery address is either contained on the customer's address or included within the Sales tax group. So B has no sense here.

Correct answers are A,C,E

upvoted 1 times

✉️ **Freesia** 1 year, 5 months ago

**Selected Answer: ACE**

I think A, C, E is correct.

<https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/indirect-taxes-overview>

<https://learn.microsoft.com/en-us/dynamics365/commerce/sales-tax-config>

upvoted 3 times

**H\_Incandenza** 1 year, 8 months ago

**Selected Answer: ACE**

A C E

The delivery setup is not what controls the location and thus tax code.

upvoted 7 times

**Solo\_1** 2 years, 1 month ago

Shouldn't this be A,C,E instead of A,B,E?

upvoted 3 times

**Travblaster** 2 years, 1 month ago

Sales tax can be calculated only if a sales tax group and an item sales tax group are selected for each transaction for which sales tax must be calculated or recorded.

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/set-up-sales-tax-groups-item-sales-tax-groups>

upvoted 3 times

**BBBM** 2 years, 2 months ago

**Selected Answer: ABE**

ABE are correct and here is my justification. The question asks for configuration on the Customer and not of the item. This immediately rules out the Item Sales Tax Group.

Answers:

- A would be needed because cannot save Customer Record without Sales Tax Group. Atleast in an AU entity, A is part of the correct answer.
- E is absolutely needed because that holds the %-ages for tax
- B I tested and found that even if you have a different Sales Tax Group on a delivery address, it doesn't work until you associate a "terms of delivery" code with sales tax override set as "Delivery". This leads me to believe that B is also needed.

upvoted 8 times

**Berda** 2 years, 2 months ago

I think ACE is correct - on the customer record you set up default sales tax group and if you need to specify sales tax depending on delivery location, then you can go to Customer record/Addresses/click on More options/choose Advanced - there in General section is possible to set up new/other sales tax group for specify delivery location.

upvoted 2 times

**Niqs** 2 years, 11 months ago

Answer should be A, C and E.

Requirement is to ensure that taxable customers are charged sales tax for taxable items.

For a sales tax to be calculated the basic setups that has to be configured are sales tax code, sales tax group and item sales tax group.

upvoted 4 times

**Elsa** 3 years ago

I think A,C,E

upvoted 3 times

**nabil93** 3 years, 1 month ago

ABE is the correct answer

upvoted 1 times

**Danny1989** 2 years, 7 months ago

Why?, Reference pls

upvoted 1 times

**sadiq\_d365** 3 years, 1 month ago

ABC seems correct

upvoted 2 times

**d47447** 3 years, 2 months ago

I guess the correct answer must be ABC

upvoted 2 times

## Question #17

You are configuring Dynamics 365 Finance.

You need to implement posting definitions for all available transaction types.

For which type of transactions can you implement posting definitions?

- A. Accounts payable, Accounts receivable, Bank, Budget, Payroll, and Purchasing
- B. Accounts payable, Bank, Budget, Fixed assets, and Payroll
- C. Accounts payable, Accounts receivable, Fixed assets, Payroll, and Purchasing
- D. Accounts payable, Accounts receivable, Budget, and Fixed assets

**Correct Answer: A**

*Community vote distribution*

A (100%)

 **BBBM**  2 years, 2 months ago

**Selected Answer: A**

A is correct. Navigate to Posting Definitions page, click new and select the Module field to open the available list. You will note that there is no option to select "Fixed Assets". This rules out B, C and D.

upvoted 11 times

 **D365FOConsultant**  1 year, 7 months ago

**Selected Answer: A**

Available module for posting definitions: AP, AR, Purchasing, Budget, Bank, GL, Payroll, Budget reservation

upvoted 2 times

 **BenLearn** 1 year, 10 months ago

A is correct, it simply lists all available tabs on the form 'Transaction posting definitions'

upvoted 1 times

 **AndrewX** 2 years, 3 months ago

check the Transaction posting definitions of post definition, you'll find out that A is the right answer.

upvoted 1 times

 **Shyma123** 2 years, 6 months ago

c is right

due to include the fixed asset

upvoted 1 times

 **sadiq\_d365** 3 years, 1 month ago

A is correct

upvoted 3 times

 **Pir** 3 years, 3 months ago

Payroll is also option, I have done it. E.g. provident fund from company and employee contribution both need to be deducted. So A is correct.

upvoted 2 times

 **vm7891** 3 years, 3 months ago

From the module: Accounts payable, Accounts receivable, Purchasing, Budget, Bank, General ledger, Payroll, Budget reservation

Hence A is correct

upvoted 2 times

 **TheInfinity** 3 years, 7 months ago

Same with Purchasing - AP is right, but there's no additional posting in "Purchasing" (actually - it's Procurement and sourcing).

That's why - D is the closest to be true.

Please also note, that there's no Inventory setup mentioned. Which brings the idea, that those items are not a complete list.

upvoted 1 times

 **TheInfinity** 3 years, 7 months ago

Therefore, A is the right answer

upvoted 3 times

 **TheInfinity** 3 years, 7 months ago

Correction :-) Here are the modules available for posting definitions:

AP, AR, Purchasing, Budget, Bank, GL, Payroll, Budget reservation

upvoted 2 times

✉ **TheInfinity** 3 years, 7 months ago

One extra info. Here are the Transactions that posting definitions are available for.

Purchasing, AP, Budget, Bank, AR, Payroll

The question is about transactions, so A is OK

upvoted 2 times

✉ **annade** 3 years, 7 months ago

Agree with Badetex. Payroll is not an option, but GL is.

upvoted 1 times

✉ **Badetex** 3 years, 9 months ago

Shouldn't this be "General ledger" instead of "Payroll"?

upvoted 1 times

## Question #18

## DRAG DROP -

You need to set up a process of tracking, recording, and analyzing costs associated with the products or activities of a nonmanufacturing organization.

You need to configure the prerequisite setup for the standard costing version for the current period.

In which order should you perform the actions? To answer, move all actions from the list of actions to the answer area and arrange them in the correct order.

Select and Place:

**Actions**

Assign ledger accounts to item postings that are related to standard cost variances

Define ledger accounts that are related to standard cost variances

Define inventory parameters that are related to standard costs

Create an item model group for standard costs

**Answer Area**

## Correct Answer:

**Actions**

Assign ledger accounts to item postings that are related to standard cost variances

Define ledger accounts that are related to standard cost variances

Define inventory parameters that are related to standard costs

Create an item model group for standard costs

**Answer Area**

Create an item model group for standard costs

Define ledger accounts that are related to standard cost variances

Assign ledger accounts to item postings that are related to standard cost variances

Define inventory parameters that are related to standard costs

## Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/cost-management/prerequisites-standard-costs>

**Titik** Highly Voted 2 years, 2 months ago

The answer is correct.

1. Create an item model group for standard costs.
2. Define ledger accounts that are related to standard cost variances.
3. Assign ledger accounts to item postings that are related to standard cost variances.
4. Define inventory parameters that are related to standard costs.
5. Create costing versions for standard costs.
6. Prepare an existing customer to use standard costs.

upvoted 6 times

**Bill135** Highly Voted 9 months, 1 week ago

I hate these questions because it doesn't matter if I create an item model group first or define ledger accounts

upvoted 5 times

**Sinergy** Most Recent 1 year, 4 months ago

Correct

upvoted 1 times

**Shivanshsan** 2 years ago

Correct

upvoted 1 times

**sadiq\_d365** 3 years, 1 month ago

correct

upvoted 2 times

## Question #19

A public sector company is configuring encumbrance for managing capital budgets.  
The finance department needs to configure posting definitions for bank transactions.  
You need to configure Dynamics 365 Finance for cash settlements.  
What should you do?

- A. Configure combined deposit amounts
- B. Configure budget appropriations
- C. Configure general ledger year-end close
- D. Configure advanced ledger entries

**Correct Answer:** A

✉  **Yael\_Shachen\_Tov**  2 years, 9 months ago

A:

Examples: Pooled cash settlements

Pooled cash accounting consists of amounts that are deposited by individual funds into a combined ledger account. This improves the control and custody over liquid assets, and promotes the efficient management of excess funds. These amounts can be managed by using a Treasurer's fund. Therefore, the appropriate proportional amount of the pooled cash and investment balances must be reported for each fund that participates in the pool. To guarantee this, appropriate due-to and due-from entries must be added to the settlements that transfer amounts from one fund to another to accomplish the settlement.

upvoted 8 times

✉  **Yael\_Shachen\_Tov** 2 years, 9 months ago

<https://docs.microsoft.com/en-us/dynamics365/finance/public-sector/posting-definitions-public-sector>

upvoted 2 times

✉  **TheInfinity**  3 years, 7 months ago

I'm not familiar with "combined deposit amounts" - the closest term is Deposit slip.

I'd rather hit D - advanced ledger entries. What do you think?

upvoted 5 times

✉  **BenLearn**  1 year, 9 months ago

The comment from Yael\_Shachen\_Tov is copied from:

<https://docs.microsoft.com/en-us/dynamics365/finance/public-sector/posting-definitions-public-sector>

Correct answer is A

upvoted 1 times

✉  **sadiq\_d365** 3 years, 1 month ago

D correct

upvoted 4 times

✉  **mya5** 3 years, 2 months ago

D is correct

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/set-up-advanced-ledger-entries-public-sector#:~:text=On%20the%20Advanced%20ledger%20entry,are%20posted%20to%20the%20ledger.>

upvoted 5 times

✉  **Pir** 3 years, 3 months ago

D is correct answer, advanced ledger entries only are related with budget and public sector for re-classification of financial dimensions for posted entries :<https://docs.microsoft.com/en-us/dynamics365/finance/public-sector/posting-definitions-public-sector>

upvoted 4 times

✉  **AN20** 3 years, 5 months ago

Key-word here: public sector. A is correct, if by it they mean "Pooled cash settlements" - <https://docs.microsoft.com/en-us/dynamics365/finance/public-sector/posting-definitions-public-sector>

upvoted 4 times

✉  **dualdasher** 3 years, 6 months ago

References please?

upvoted 1 times

## Question #20

DRAG DROP -

A retail company has outlets in multiple locations. Taxes vary depending on the location.

You need to configure the various components of the tax framework.

In which order should you perform the actions? To answer, move all actions from the list of actions to the answer area and arrange them in the correct order.

Select and Place:

| Actions  | Answer Area |
|--|-------------|
| Set up main accounts and ledger posting groups for sales tax   |             |
| Set up sales tax parameters on the application parameter pages |             |
| Set up sales tax groups and item sales tax groups              |             |
| Set up sales tax authorities and sales tax settlement periods  |             |
| Set up sales tax codes   |             |

Correct Answer:

| Actions  | Answer Area  |
|--|--|
| Set up main accounts and ledger posting groups for sales tax   | Set up main accounts and ledger posting groups for sales tax   |
| Set up sales tax parameters on the application parameter pages | Set up sales tax authorities and sales tax settlement periods  |
| Set up sales tax groups and item sales tax groups              | Set up sales tax codes   |
| Set up sales tax authorities and sales tax settlement periods  | Set up sales tax groups and item sales tax groups              |
| Set up sales tax codes   | Set up sales tax parameters on the application parameter pages |

References:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/general-ledger/indirect-taxes-overview>

 **saadnadir** Highly Voted  2 years, 9 months ago

Based on <https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/indirect-taxes-overview>

- Setup main accounts and ledger posting groups for tax
- Setup sales tax authorities and sales tax settlement periods
- Setup Sales tax codes
- Setup tax groups and item sales tax groups
- Setup sales parameters on the application parameter pages

upvoted 7 times

 **angie97** Most Recent  2 months, 4 weeks ago

There are multiple correct answers. What kind of questions are these?

upvoted 1 times

 **BenLearn** 1 year, 9 months ago

The sequence for the tax setup:

- a. Create main accounts (Required).
- b. Set up ledger posting groups for sales tax (Required).
- c. Set up sales tax authorities (Required).
- d. Set up sales tax settlement periods (Required).
- e. Set up sales tax reporting codes (Optional).
- f. Set up sales tax codes (Required).
- g. Set up sales tax groups (Required).
- h. Set up item sales tax groups (Required).
- i. Set up sales tax parameters on the application parameter pages (Required).

The correct order is: 1 (a+b) 4 (c+d) 5 (f) 3 (g+h) 2 (i)

Source: <https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/indirect-taxes-overview>

upvoted 3 times

 **sadiq\_d365** 3 years, 1 month ago

it is correct

upvoted 3 times

 **sadiq\_d365** 3 years, 1 month ago

14532 is correct

upvoted 4 times

 **sadiq\_d365** 3 years, 1 month ago

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/indirect-taxes-overview>

upvoted 1 times

 **DDV** 3 years, 3 months ago

the answer should be 4.1.5.3.2. Create first the Sales tax authority and Settlement period, then next the sales tax ledger posting.

upvoted 1 times

 **kripe86** 1 year, 2 months ago

i would do the same

upvoted 1 times

## Question #21

## HOTSPOT -

A client wants to ensure that transactions posted to the General Ledger have the correct combination of account number and dimensions.

The Services Industry P&L Account Structure has the following information:

| ACCOUNT STRUCTURES                                  |              | Description                    | Status  |
|---|--------------|--------------------------------|---------|
| Service Industries P&L                              |              | Service Industries Profit &... | Active  |
| <input type="checkbox"/> Only show overlapping rows |              |                                |         |
| MainAccount   | BusinessUnit | Department                     | Project |
| 400000..999999                                      | "";003..004  | "";022..028                    | "";*    |
| ServiceLine   | Active from  |                                |         |

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

Hot Area:

## Answer Area

## Question

What does the asterisk under the project dimension signify?

## Answer choice

- Blank values are allowed in the project dimension.
- Blank values are not allowed in the project dimension.
- Zero is not a valid value for the project dimension.
- Multiple project dimensions can be selected on the transaction line.
- Any project can be selected in this dimension.

What do the quotation marks signify in the business unit dimension?

- Blank values are allowed in this dimension.
- Blank values are not allowed in this dimension.
- Zero is not a valid value for this dimension.
- Multiple business units can be selected on this transaction line.
- Any business unit can be selected in this dimension.

## Correct Answer:

## Answer Area

## Question

What does the asterisk under the project dimension signify?

## Answer choice

- Blank values are allowed in the project dimension.
- Blank values are not allowed in the project dimension.
- Zero is not a valid value for the project dimension.
- Multiple project dimensions can be selected on the transaction line.
- Any project can be selected in this dimension.

What do the quotation marks signify in the business unit dimension?

- Blank values are allowed in this dimension.
- Blank values are not allowed in this dimension.
- Zero is not a valid value for this dimension.
- Multiple business units can be selected on this transaction line.
- Any business unit can be selected in this dimension.

## Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/configure-account-structures>

 **sadiq\_d365** Highly Voted  3 years, 1 month ago

correct

upvoted 5 times

 **AdrienBnhm** Most Recent 8 months, 3 weeks ago

Correct

upvoted 1 times

 **Raouf** 2 years, 9 months ago

Correct

upvoted 4 times

## Question #22

## HOTSPOT -

A rental service company with complex accrual requirements has accrual schemes set up in its implementation.

You need to ensure that all transactions for the company use an accrual scheme.

Which actions should you perform? To answer, select the appropriate configuration in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area**

| Procedure | Action |
|-----------|--------|
|-----------|--------|

## Create ledger journals

Use a voucher template to select the defined accrual scheme.  
Specify the accrual amount only on journal lines.  
Enter start date or end date for the accrual scheme to apply the defined frequency.  
Specify account or offset account for accruals only on journal lines.

## Perform inquiries

View the accrual transactions only after the accrual scheme transfers them to journal lines.  
Use the normal ledger transaction inquiries to check the posted journal.  
Use the accrual transaction inquiry to find the transactions for the accrual scheme.  
Specify account or offset account for accruals only on journal lines.

## Correct Answer:

**Answer Area**

| Procedure | Action |
|-----------|--------|
|-----------|--------|

## Create ledger journals

Use a voucher template to select the defined accrual scheme.  
Specify the accrual amount only on journal lines.  
Enter start date or end date for the accrual scheme to apply the defined frequency.  
Specify account or offset account for accruals only on journal lines.

## Perform inquiries

View the accrual transactions only after the accrual scheme transfers them to journal lines.  
Use the normal ledger transaction inquiries to check the posted journal.  
Use the accrual transaction inquiry to find the transactions for the accrual scheme.  
Specify account or offset account for accruals only on journal lines.

 **Newb007** 7 months, 2 weeks ago

I'm not sure about the first one? is it correct?

upvoted 1 times

 **cs\_b** 1 year, 1 month ago

I think for the second answer the third choice should be selected: use the inquiry (Transactions button) on the Ledger accruals form.

upvoted 3 times

## Question #23

DRAG DROP -

You are configuring a Dynamics 365 Finance environment for intercompany accounting. You create the following legal entities:

- ↪ CompanyA
- ↪ CompanyB

You need to configure intercompany accounting for both legal entities.

Which three actions should you perform in sequence? To answer, move the appropriate actions from the list of actions to the answer area and arrange them in the correct order.

NOTE: More than one order of answer choices is correct. You will receive credit for any of the correct orders you select.

Select and Place:

**Actions**

In each legal entity, configure an intercompany main account for Due to/Due from by using the Common account type.

In each legal entity, configure a journal name and set the Journal type to **Daily**.

Determine which legal entity will receive the accounting for supporting amounts.

In each legal entity, configure an intercompany main account for Due to/Due from by using the Balance sheet account type.

Set CompanyA as the originating company and CompanyB as the destination company.

**Answer Area****Correct Answer:****Actions**

In each legal entity, configure an intercompany main account for Due to/Due from by using the Common account type.

In each legal entity, configure a journal name and set the Journal type to **Daily**.

Determine which legal entity will receive the accounting for supporting amounts.

In each legal entity, configure an intercompany main account for Due to/Due from by using the Balance sheet account type.

Set CompanyA as the originating company and CompanyB as the destination company.

**Answer Area**

In each legal entity, configure an intercompany main account for Due to/Due from by using the Balance sheet account type.

In each legal entity, configure a journal name and set the Journal type to **Daily**.

Determine which legal entity will receive the accounting for supporting amounts.

**Reference:**

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/intercompany-accounting-setup>

denilson16 2 years, 1 month ago

CORRECT FROM THE DOCS:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/intercompany-accounting-setup>

- 1)First, you must create the intercompany main accounts to use for the Due to and Due from accounting entries.
- 2)Next, you must define a journal name. Set the Journal type field to Daily on the Journal names page
- 3)Finally, select which legal entity will receive the accounting for supporting amounts, such as cash discount or realized gains/losses for centralized payments.

upvoted 10 times

 **Eralda** Highly Voted 1 year, 7 months ago

On Exam 28/07/2022

upvoted 6 times

 **Newb007** Most Recent 7 months, 2 weeks ago

I hate this the last could be 3 or 5 Geez you microsoft <https://learn.microsoft.com/en-ca/training/modules/intercompany-accounting-dyn365-finance/2-setup>

upvoted 2 times

 **Titik** 2 years, 2 months ago

I think that 3 is correct as mentioned from the article of the link "Finally, select which legal entity will receive the accounting for supporting amounts".

And we do not know which legal entity is defined as the originating company versus the destination company, we cannot just define A as the originating company, so I think that 5 is not literally correct

upvoted 1 times

 **rizwanvu1980** 2 years, 4 months ago

3 should be replaced with 5

upvoted 1 times

 **Shakil1981** 2 years, 4 months ago

3 should be replaced with 5 IMO. Correct me if i am wrong

upvoted 1 times

 **Niqs** 2 years, 11 months ago

2 and 4 can be interchangeable

upvoted 1 times

 **Mobstar** 3 years ago

More than 1 order is correct in the question. The second correct one is 4,2,5

upvoted 1 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 3 times

## Question #24

An organization plans to set up intercompany accounting between legal entities within the organization.

Automatic transactions between legal entities must meet the following requirements:

- ⇒ Provide systemwide integration and streamlining to save time.
- ⇒ Minimize errors and create an audit trail with full visibility into business activities and transaction histories within the legal entities.

You need to set up intercompany accounting and create pairs of legal entities that can transact with each other, clearly defining the originating company and the destination company.

Which three actions should you perform? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Select intercompany journal names.
- B. Configure intercompany accounting in both the originating entity and destination entity.
- C. Create intercompany main accounts to use for the due to and due from accounting entries.
- D. Define intercompany accounting setup by creating legal entity pairs defining originating and destination companies.
- E. Configure intercompany accounting in the destination entity only.

**Correct Answer: ACD**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/intercompany-accounting-setup>

*Community vote distribution*

ACD (100%)

✉  **Aysenuremre**  2 years, 5 months ago

The Intercompany accounting setup is shared, so the setup is visible from within all legal entities.

So - not B

Answer : ACD

upvoted 11 times

✉  **AdrienBnhm**  8 months, 3 weeks ago

**Selected Answer: ACD**

ACD is correct

upvoted 1 times

✉  **Freesia** 1 year, 5 months ago

**Selected Answer: ACD**

A, C, D seems correct

<https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/intercompany-accounting-setup>

upvoted 2 times

✉  **gabe3456123** 1 year, 8 months ago

<https://docs.microsoft.com/en-us/learn/modules/intercompany-accounting-dyn365-finance/2-setup>

Seems like it should be ABC

upvoted 1 times

✉  **sadiq\_d365** 3 years, 1 month ago

bcd seems correct too

upvoted 2 times

✉  **sadiq\_d365** 3 years, 1 month ago

seems correct

upvoted 4 times

## Question #25

## DRAG DROP -

You are a controller in an organization. You are identifying cost drivers to see how changes in business activities affect the bottom line of your organization. You need to assess cost object performance to analyze actual versus budgeted cost and how resources are consumed.

You need to demonstrate your understanding of cost accounting terminology.

Which component maps to the cost accounting terminology?

To answer, drag the appropriate component to the correct cost accounting terminology. Each source may be used once. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

## Answer Area

| Components                                  | Cost accounting terminology | Component |
|---|-----------------------------|-----------|
| primary/secondary                           | Cost behavior               |           |
| fixed/variable/semi variable                | Allocation base             |           |
| products/projects/departments/cost center   | Cost objects                |           |
| machine hours/kilowatt hours/square footage | Cost element                |           |

## Correct Answer:

## Answer Area

| Components                                  | Cost accounting terminology | Component                                   |
|---|-----------------------------|---|
| primary/secondary                           | Cost behavior               | fixed/variable/semi variable                |
| fixed/variable/semi variable                | Allocation base             | machine hours/kilowatt hours/square footage |
| products/projects/departments/cost center   | Cost objects                | products/projects/departments/cost center   |
| machine hours/kilowatt hours/square footage | Cost element                | primary/secondary                           |

## Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/cost-accounting/terms-cost-accounting>

 **Alice9** 1 year, 3 months ago

Correct

upvoted 1 times

 **Sof13** 1 year, 7 months ago

Correct

upvoted 1 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 3 times

## Question #26

**SIMULATION -**

You are a functional consultant for Contoso Entertainment System USA (USMF).

You need to implement a quarterly accruals scheme for USMF. The accrual scheme settings must match the settings of the monthly and annual accrual schemes.

To complete this task, sign in to the Dynamics 365 portal.

**Correct Answer:** See explanation below.

Look at the monthly and annual accrual scheme settings. Create a quarterly accrual scheme with the same settings by using the following instructions:

1. Go to Navigation pane > Modules > General ledger > Journal setup > Accrual schemes.
2. Select New.
3. In the Accrual identification field, type a value.
4. In the Description of accrual scheme field, type a value.
5. In the Debit field, specify the desired values. The main account defined will replace the debit main account on the journal voucher line and it will also be used for the reversal of the deferral based on the ledger accrual transactions.
6. In the Credit field, specify the desired values. The main account defined will replace the credit main account on the journal voucher line and it will also be used for the reversal of the deferral based on the ledger accrual transactions.
7. In the Voucher field, select how you want the voucher determined when the transactions are posted.
8. In the Description field, type a value to describe the transactions that will be posted.
9. In the Period frequency field, select how often the transactions should occur.
10. In the Number of occurrences by period field, enter a number.
11. In the Post transactions field, select when the transactions should be posted, such as Monthly.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/create-accrual-schemes>

## Question #27

**SIMULATION -**

You are a functional consultant for Contoso Entertainment System USA (USMF).

USMF plans to implement a new manufacturing department that will be based in Australia.

You need to create a draft account structure for the new department. The account structure must use the same account structure as a department named

Manufacturing India and be named Manufacturing Australia.

To complete this task, sign in to the Dynamics 365 portal.

**Correct Answer:** See explanation below.

You need to create an account structure with the same structure as the department named Manufacturing India by using the following instructions.

1. Go to Navigation pane > Modules > General ledger > Chart of accounts > Structures > Configure account structures.
2. On the Action pane, click New to open the drop dialog.
3. In the Account structure field, type a name to describe the purpose of the account structure.
4. In the Description field, type a description to specify the purpose of the account structure.
5. Click Create.
6. In the Segments and allowed values, click Add segment.
7. In the dimensions list, select the dimension to add to the account structure.
8. At the end of the list, click Add segment.
9. Repeat step 6 to 9 as needed.
10. In the Allowed value details section, select the segment to edit the allowed values. For example, click the Main Account field.
11. In the Operator field, select an option, such as is between and includes.
12. In the Value field, type a value. For example, 600000.
13. In the through field, type a value. For example, 699999.
14. In the Allowed value details section, click Apply.
15. Repeat step 10 to 15 as needed.
16. In the Allowed value details section, click Add new criteria.
17. In the Operator field, select an option, such as is between and includes.
18. In the Value field, type a value. For example, 033.
19. In the through field, type a value. For example, 034.
20. Click Apply.
21. In the grid, select the segment to edit the allowed values. For example, Cost Center.
22. In the CostCenter field, type a value. For example, 007..021.
23. In the Segments and allowed values, click Add.
24. In the MainAccount field, type a value. For example, 600000..699999
25. In the grid, select the segment to edit the allowed values. For example, Department.
26. In the Department field, type a value. For example, 032.
27. In the CostCenter field, type a value. For example, 086.
28. On the Action pane, click Validate.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/create-account-structures>

 **Bandit1290**  3 years, 1 month ago

Highlight India then click Duplicate

upvoted 10 times

 **WaveMB**  2 years ago

Not correct as it is asking to create the same account structure as Manufacturing India and the solution explained is to create a new one from scratch.

You should duplicate Manufacturing India accounting structure instead.

upvoted 1 times

## Question #28

## SIMULATION -

You are a functional consultant for Contoso Entertainment System USA (USMF).

You need to assign the Accountant closing role for the USMF legal entity to an employee named Theresa Jayne.

To complete this task, sign in to the Dynamics 365 portal.

**Correct Answer:** See explanation below.

1. Navigate to System administration > Security > Assign users to roles
2. Select the 'Accountant Closing' role.
3. Click the 'Manually assign / exclude users' button
4. Select the Theresa Jayne user account and click the 'Assign to role' button.
5. Click the 'Assign organizations' button
6. Select the 'Grant access to specific organizations' option
7. Select the USMF legal entity and click the 'Grant' button.

Reference:

<https://www.dynamics-tips.com/system-administration/security-roles>

✉️  **viking1** 2 years, 4 months ago

There is no "Accountant Closing" role to be defined in the system administration module. Theresa Jayne also does not have a user account in the standard demo data, though that could well be different in the lab on the exam.

The correct approach would be:

1. Open General Ledger, Period close, Financial period close configuration.
2. Click the "Resources" tab.
3. If any of the employees in the list already has the closing role "Accountant" for USMF, drop down the company list and untick USMF
4. Click "New", select Theresa Jayne.
5. Click "Add", select "Accountant", drop down the company and tick USMF.
6. Click "Save"

upvoted 3 times

✉️  **DynamoUK** 1 year, 7 months ago

Correct. Although there's a conflict as the accountant closing role is already assigned to another person so it needs to be have USMF company removed and added to Theresa Jayne

upvoted 1 times

✉️  **Jay28** 3 years, 3 months ago

Is this correct or should be using Financial Period Close configuration and the Resource option there to assign Close Role

upvoted 4 times

## Question #29

## SIMULATION -

You are a functional consultant for Contoso Entertainment System USA (USMF).

You need to create a report that contains the sales tax settlements for the state of California during the quarter that began on January 1, 2017. To validate your results, save the file in Microsoft Excel format to the Downloads\Report folder.

To complete this task, sign in to the Dynamics 365 portal.

**Correct Answer:** See explanation below.

1. Navigate to Tax > Declarations > Report sales tax for settlement period.
2. Enter the 'From' date.
3. Select the settlement period (Quarter).
4. Click 'OK'.
5. Select Yes in the Create electronic tax document field.
6. Select the Downloads\Report folder and file format.
7. Click 'OK'.

✉️  **WaveMB** 2 years ago

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/view-posted-sales-tax-transactions>

1. In the navigation pane, go to Modules > Tax > Indirect taxes > Sales tax > Sales tax settlement periods.
2. Expand the Period intervals section.
3. Select the interval you are interested in.
4. You can further filter the list of posted sales tax transactions.

upvoted 3 times

✉️  **viking1** 2 years, 4 months ago

As of version 10.0.17, there is no "Create electronic tax document field" option, but it may be there in the exam lab, so select it if it is there. Also, there is no option to select a folder when generating the report. Generate the report to an Excel file, download it and move it into the Downloads\Report folder.

upvoted 1 times

## Question #30

You are a Dynamics 365 Finance expert for an organization.

You need to configure the Financial period close workspace.

Which three configuration processes should you use? Each correct answer presents a part of the solution.

NOTE: Each correct selection is worth one point.

- A. Create templates that contain the required tasks within the closing process and assign to closing role.
- B. Create a separate closing schedule for every legal entity.
- C. Assign a ledger calendar to the closing process.
- D. Create task areas and descriptions.
- E. Designate resources and their scope based on closing roles.

**Correct Answer: ADE**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/financial-period-close-workspace>

*Community vote distribution*

ADE (100%)

BenLearn Highly Voted 1 year, 9 months ago

ADE is correct

See menu: General ledger > Period close > Financial period close configuration

This page has the following tabs:

- Closing schedule
- Templates (the template defines the tasks to be done during the closing process)
- Calendars (these are not the ledger calendars! - defines only start and enddate together with specifications which weekdays) are valid
- Task areas (containing task id(s) and description)
- Resources (Employees linked to closing roles)
- Closing roles

What misleads is the fact the ledger calendars are found in the menu 'General Ledger > Period close'

upvoted 5 times

Better\_ask\_a\_Dev Most Recent 3 months, 1 week ago

Selected Answer: ADE

Correct

upvoted 1 times

Aysenuremre 2 years, 5 months ago

Correct

upvoted 2 times

sadiq\_d365 3 years, 1 month ago

seems correct

upvoted 2 times

## Question #31

You are a Dynamics 365 Finance consultant.

You are currently unable to collaborate or track progress toward month-end close across legal entities in the current system.

You need to resolve the issue.

What should you configure?

- A. Financial reporting
- B. Financial insights workspace
- C. Electronic reporting
- D. Financial period close workspace

**Correct Answer:** D

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/financial-period-close-workspace>

*Community vote distribution*

D (100%)

 **Better\_ask\_a\_Dev** 3 months, 1 week ago

**Selected Answer: D**

Correct

upvoted 1 times

 **diegoeamando** 1 year, 8 months ago

I also agree

upvoted 1 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 3 times

## Question #32

You are a Dynamics 365 Finance consultant. You plan to configure the allocation base, cost behavior, and cost distribution.

Which three actions do these configurations accomplish? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Spread costs from one cost object to one or more other cost objects by applying a relevant allocation base.
- B. Measure and quantify activities, such as machine hours that are used, kilowatt hours that are consumed, or square footage that is occupied.
- C. Spread the balance of the cost from one cost object to one or more other cost objects by applying a relevant allocation base.
- D. Control which journals can be used in the costing process.
- E. Classify costs according to their behavior in relation to changes in key business activities.

**Correct Answer: ABE**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/cost-accounting/terms-cost-accounting>

*Community vote distribution*

ABE (100%)

✉  **AdrienBnhm** 8 months, 3 weeks ago

**Selected Answer: ABE**

Look correct (agree with others' explanations)

upvoted 1 times

✉  **WaveMB** 2 years ago

**Selected Answer: ABE**

Cost distribution: used to distribute cost from one cost object to one or more other cost objects by applying a relevant allocation base  
Allocation base: used to measure and quantify activities, such as machine hours that are used, kilowatt hours that are consumed, or square footage that is occupied. It's used as basis for allocating costs to one or more cost objects

Cost behavior: classifies costs according to their behavior in relation to changes in key business activities

upvoted 1 times

✉  **Titik** 2 years, 2 months ago

Correct

A. Spread costs from one cost object to one or more other cost objects by applying a relevant allocation base. ----->Cost distribution  
B. Measure and quantify activities, such as machine hours that are used, kilowatt hours that are consumed, or square footage that is occupied. -->>>Allocation base

E. Classify costs according to their behavior in relation to changes in key business activities. ----->>>>> Cost behavior

upvoted 3 times

✉  **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 3 times

## Question #33

You are a finance consultant. Your client needs you to configure cash flow forecasting.

The client wants specific percentages of main accounts to contribute to different cash flow forecasts for other main accounts.

You need to configure Dynamics 365 for Finance to meet the needs of the client.

What should you do?

- A. On the Cash flow forecasting setup form, configure the primary main account to assign a percentage to the dependent account.
- B. Configure the parent/child relationship for the main account and subaccounts by using appropriate percentages.
- C. Configure the cash flow forecasting setup for Accounts Payable before you configure vendor posting profiles.
- D. On the Cash flow forecasting setup form, use the Dependent Accounts setup to specify which account and percentage is associated to the main account.

**Correct Answer:** D

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/cash-bank-management/cash-flow-forecasting>

✉️  **sadiq\_d365**  3 years, 1 month ago

correct

upvoted 6 times

✉️  **BenLearn**  1 year, 9 months ago

You can set up a dependent cash flow forecast for a main account that contains transactions that are directly related to transactions in another main account. Each line that you add in the In the Dependent accounts section creates a cash flow forecast amount in a dependent main account. This amount is a percentage of the cash flow amounts to the primary main account that you selected.

First, set the Main account field to the primary main account where transactions are expected to initially occur. Set the Dependent main account field to the account that will be affected by the initial transaction against the primary main account. Set appropriate values for the other fields on the line. You can change the value in the Percent field to reflect the effect of the primary main account on the dependent main account.

Source: <https://docs.microsoft.com/en-us/dynamics365/finance/cash-bank-management/cash-flow-forecasting>

upvoted 2 times

✉️  **DanielaR** 1 year, 3 months ago

So this is the correct answers, yes? D?

upvoted 1 times

## Question #34

A company plans to use Dynamics 365 Finance to calculate sales tax on sales orders.

You need to automatically calculate sales tax when the sales order is created.

Which three actions should you perform? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Assign values to the sales tax codes and assign the sales tax codes to the sales tax group associated to the customer.
- B. Assign all sales tax codes to the item sales tax group associated to the item being sold.
- C. Set up a default item sales tax group on the item being sold and set up a default sales tax group on the customer used on the sales order.
- D. Associate the sales tax jurisdictions to the item sales tax group associated to the item being sold.
- E. Set up a default sales tax code on the customer used on the sales order and set up a default item sales tax group on the item being sold.

**Correct Answer: ABE**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/indirect-taxes-overview>

Community vote distribution



✉ **linda3102** 3 years, 4 months ago

I think it should be A,B,C. User can set default sales tax group for customer, not default sales tax code  
upvoted 27 times

✉ **bigripdaddy** 1 year, 8 months ago

**Selected Answer: ABC**  
Dear ExamTopic, Please update the answer. Clearly you can not assign a tax code for customers.  
upvoted 10 times

✉ **angie97** 2 weeks, 3 days ago

**Selected Answer: ACE**  
A C E is the correct one  
upvoted 1 times

✉ **AdrienBnhm** 8 months, 3 weeks ago

**Selected Answer: ABC**  
ABC for sure  
upvoted 1 times

✉ **Zimkita** 1 year ago

**Selected Answer: ABC**  
Cant assign tax codes on a customer, but tax groups  
upvoted 2 times

✉ **Freesia** 1 year, 5 months ago

**Selected Answer: ABC**  
ABC also seems correct to me.  
On every transaction (sales/purchase document lines, journals, and so on), you must enter a sales tax group and an item sales tax group to calculate sales tax. Default groups are specified in master data (for example, customer, vendor, item, and procurement category), but you can manually change the groups on a transaction if you must. Both groups contain a list of sales tax codes, and the intersection of the two lists of sales tax codes determines the list of applicable sales tax codes for the transaction.  
<https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/indirect-taxes-overview>  
upvoted 1 times

✉ **H\_Incandenza** 1 year, 8 months ago

**Selected Answer: ABC**  
ABC

A) Correct: the rate (values) are assigned at the level of the code.  
B) Correct: you assign all sales tax codes to the ST groups so that no matter where you sell, the relevant code is used. (This is the opposite of the ST setup for customers who will typically only have a handful or less of relevant tax codes due to having a nexus in only a few tax jurisdictions.)  
C) Correct: items are associated to one (default) ST group; as are customers. However, each group has a one to many relationship with ST codes (see B)  
D) There are no "jurisdictions," only sales tax authorities and settlement periods  
E) Codes are not assigned directly to items / customers; they are mediated by sales tax groups.

upvoted 3 times

 **SefaK** 1 year, 8 months ago

**Selected Answer: ABC**

There isn't option for sales tax code in customer, So E is not true. Examtopic please fix these kind a questions' answers.

upvoted 2 times

 **AsiaF** 1 year, 9 months ago

**Selected Answer: ABC**

ABC - customer has sales tax group not code.

upvoted 2 times

 **denilson16** 2 years, 2 months ago

**Selected Answer: ABC**

Sales tax code cannot be setup on customers. "sales tax group" can.

upvoted 3 times

 **rizwanvu1980** 2 years, 4 months ago

ABC is correct

upvoted 2 times

 **rizwanvu1980** 2 years, 4 months ago

correct answer is ABC

upvoted 2 times

 **Adbroonen** 2 years, 9 months ago

You can't setup sales tax codes on customers, just sales tax groups. E is incorrect. The correct combination is ABC

upvoted 4 times

 **Yael\_Shachen\_Tov** 2 years, 9 months ago

ABC

C-The group is beeing assigned to customer and Item not the Code-Correct

upvoted 1 times

 **Niqs** 2 years, 11 months ago

A, B, and C are the correct answers. Sales tax group is the one we default on Customer account.

upvoted 1 times

 **Niqs** 2 years, 11 months ago

A, B, and C are the correct answers. Sales tax group is the one we default on Customer account.

upvoted 1 times

 **sadiq.d365** 3 years, 1 month ago

ABC correct

upvoted 2 times

## Question #35

## Topic 1

A client wants Dynamics 365 Finance to calculate sales tax on a sales order line once an item is added. The sales tax group is already populated with a value.

You need to ensure that the sales tax will calculate.

Which field should you populate?

- A. sales tax code
- B. item group
- C. customer address
- D. item sales tax group

**Correct Answer:** D

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/indirect-taxes-overview>

 **Elsa** 2 years, 11 months ago

correct

upvoted 4 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 3 times

## Question #36

A customer uses the sales tax functionality in Dynamics 365 Finance.

The customer reports that when a sales order is created, sales tax does not calculate on the line.

You need to determine why sales tax is not calculated.

What are two possible reasons? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. The sales tax group is populated on the line, but the item sales tax group is missing.
- B. The sales tax settlement account is not configured correctly.
- C. The sales tax authority is not set up for the correct jurisdiction.
- D. The sales tax code and item sales tax code are selected, but the sales tax group is not associated to both codes.
- E. The sales tax group and item sales tax group are selected, but the sales tax code is not associated with both groups.

**Correct Answer: AE**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/indirect-taxes-overview> <https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/set-up-sales-tax-groups-item-sales-tax-groups>

*Community vote distribution*

AE (100%)

 **Alice9** 1 year, 3 months ago

Correct

upvoted 1 times

 **bigripdaddy** 1 year, 8 months ago

**Selected Answer: AE**

Correct

upvoted 3 times

 **denilson16** 2 years, 2 months ago

**Selected Answer: AE**

correct

upvoted 2 times

 **Elsa** 2 years, 11 months ago

correct

upvoted 4 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 3 times

## Question #37

## SIMULATION -

You are a functional consultant for Contoso Entertainment System USA (USMF). USMF recently opened a new bank account in the Brazilian currency. You need to create a new bank account in the system for the new bank account. To complete this task, sign in to the Dynamics 365 portal.

**Correct Answer:** See explanation below.

1. Create a new bank account at Cash and bank management > Bank accounts > Bank accounts.
2. Complete all required fields. The following list includes some fields that might be required.
  - ⇒ Bank account (code)
  - ⇒ Bank account number
  - ⇒ Main account - This is the general ledger account that is used for posting.
  - ⇒ Currency
  - ⇒ SWIFT code
3. Enter Brazil-specific information:
  - ⇒ Select Bank in the Bank groups field. Confirm that the BIC and Corr. Bank account fields are correct. Also, confirm Address and Contact information on respective FastTabs and update accordingly.
  - ⇒ Define the number series for payment order generation in the P/O numeration field.
  - ⇒ For bank accounts in foreign currency, you can also define .docx templates for generation of payment orders in paper format in the following fields: Payment order in currency, Order template (currency sale), and Order template (currency purchase).

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/localizations/rus-local-settings-requisites-bank-module>

 **WaveMB** 1 year, 12 months ago

1. Navigate to Bank accounts page Cash and bank management > Bank accounts > Bank accounts.
2. Click New in the action pane to create a new bank account
3. Complete the following fields.
  - ⇒ Bank account
  - ⇒ Bank account number
  - ⇒ Main account - This is the general ledger account that is used for posting.
  - ⇒ In currency specify the brazilian currency
  - ⇒ IBAN
  - ⇒ SWIFT code

upvoted 1 times

 **Jay28** 3 years, 3 months ago

Why showing Russian Localisation link in Brazil bank account creation ?

upvoted 3 times

## Question #38

A client needs guidance on month-end closing procedures.

The client needs to be able to stop all teams except Accounts payable and General ledger from posting transactions for the month.

You need to configure Dynamics 365 Finance to allow only those two teams to transact during the period being closed.

Which three actions should you perform? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Create an access group called month end access for Accounts payable and General ledger team members.
- B. Set all modules to none to prevent any transactions from being posted.
- C. Configure the financial period close workspace tasks to the Accounts payable and General ledger teams only
- D. Move the period status to on hold for your client's one legal entity.
- E. Assign the security group month end access on the ledger calendar form for the modules they need access to.

**Correct Answer: ACE***Community vote distribution*

✉️ **Pir** Highly Voted 3 years, 3 months ago

A, B and E are correct options. Why B, because only access to two groups is mentioned, so no other options are stopping all users to post transactions.

upvoted 7 times

✉️ **H\_Incandenza** 1 year, 8 months ago

B is incorrect as it disallows ANYONE from posting. You need to modify the module access, but not to "none": instead you'll choose to allow a user group, AP or GL, one for each respective module.

upvoted 2 times

✉️ **sadiq\_d365** Highly Voted 3 years, 1 month ago

ABE correct

upvoted 5 times

✉️ **b35ea31** Most Recent 1 month, 2 weeks ago

**Selected Answer: ADE**

ADE is the correct answer.

upvoted 1 times

✉️ **AdrienBnhm** 8 months, 3 weeks ago

**Selected Answer: ACE**

C is correct cause it specifically allows users from groups to post transactions, and not any other user.

upvoted 1 times

✉️ **H\_Incandenza** 1 year, 8 months ago

**Selected Answer: ACE**

I've spelled out my answer in other replies.

I don't fully understand C, but I'm sure that B / D are not correct.

upvoted 2 times

✉️ **Titik** 1 year, 8 months ago

**Selected Answer: ACE**

As said by others, B and D are incorrect

upvoted 1 times

✉️ **bigripdaddy** 1 year, 8 months ago

**Selected Answer: ACE**

In my experience, If you sett all modules to none, nobody can use that period. So, B is not correct. ACE correct.

upvoted 1 times

✉️ **gabe3456123** 1 year, 8 months ago

ACE is correct. As for B&D - you cannot specify user group with these options.

upvoted 1 times

✉️ **BenLearn** 1 year, 9 months ago

See: General ledger > Period close > Ledger calendars

For each calendar you have to specify per legal entity what the period status is (open/on hold/closed) and per module specify the user group that can access

- A = correct, but should have been called 'user groups'
- B = incorrect because the user groups must be assigned to at least ACP and GL module (see E.)
- C = correct because the employees need access to their closing tasks
- D = incorrect 'On hold' blocks all postings (but can be reopened)
- E = correct, since this allows the users associated to the usergroup access they need

It is misleading that usergroups (form name)are called access groups and security group (their function)  
upvoted 2 times

✉ **AsiaF** 1 year, 9 months ago

**Selected Answer: ACE**

correct answer

upvoted 1 times

✉ **denilson16** 2 years, 2 months ago

**Selected Answer: ABE**

C - workspace is optional.

upvoted 1 times

✉ **BBBM** 2 years, 2 months ago

**Selected Answer: ABE**

C - Financial Period Close Workspace is an optional functionality and does nothing in restricting access. Also AP and GL teams could be posting transactions that are no necessarily required for the period to be closed. B is the only option which "prevents" other users (non AP and GL users) from posting transactions

upvoted 2 times

✉ **H\_Incandenza** 1 year, 8 months ago

Your last statement is incorrect: B is not the only option which "prevents" users from posting transactions. "E" does this as well. Remember there are two ways of restricting access: period status, or module access. E assigns single groups to module access, restricting everyone else but the AP / GL groups.

upvoted 1 times

✉ **hofla** 2 years, 8 months ago

B is not correct. If you set all modules to None, the month end access group will also be blocked from posting in the system. A and E are obviously correct, and of the remaining options only C will work, as B and D will stop all transactions. Answer: ACE

upvoted 1 times

✉ **Adbroonen** 2 years, 9 months ago

The correct answer is A,B,E. The period close workspace tasks help keep track of tasks still yet to be performed but is optional and doesn't impact the close process.

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/close-general-ledger-at-period-end>

upvoted 3 times

✉ **charmingstorm** 2 years, 10 months ago

is there a link?

upvoted 1 times

✉ **DerTraurig** 2 years, 11 months ago

somebody should change the correct answer to ABE

upvoted 2 times

✉ **Mo\_horseman** 3 years, 2 months ago

Yh I agree, A, B and E, configuring the work space to selected users only doesn't restrict the rest, which is the solution option C provides  
upvoted 4 times

## Question #39

An organization is upgrading to Dynamics 365 Finance.

One of the organization's legal entities needs to have different main accounts for a period of six months.

You need to configure the legal entity override dates.

Which two actions can you perform? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Set the value of the override date field at the legal entity level to be more restrictive.
- B. Set the value of the override date field at the shared level to be more restrictive.
- C. Set the value of the override date field at the legal level to be less restrictive.
- D. Set the value of the override date field at the shared level to be less restrictive.

**Correct Answer:** AD

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/plan-chart-of-accounts>

✉  **BenLearn**  1 year, 9 months ago

A is correct to prevent other companies posting on those accounts  
B is incorrect, because shared levels cannot be more restrictive than legal entity level  
C is incorrect since you need to block certain legal entities to post on these accounts  
D is required to allow that one entity to be able to post on those accounts

What is wrong in the question is 'Each correct answer presents a complete solution.' this should have been 'Each correct answer presents part of the solution.'

upvoted 5 times

✉  **H\_Incandenza**  1 year, 8 months ago

As of today (7/11/22) no one's comments answer my questions.

1) GL > Chart of Accounts > Accounts > Main Accounts > Legal Entity Overrides. When you "add" an override, the only way to set it is at the "legal entity level. So either this question is worded for a previous version of F&O, or I'm not at the right module.

2) Assuming that I'm not in the right module, I can't find any other place to set the legal entity overrides.

upvoted 3 times

✉  **Titik** 2 years, 2 months ago

Correct.

"In this scenario, you can use the Legal entity overrides section to identify the companies that the main account should be suspended for, the owner, and the period when the dimension is active. The overrides at the shared level can't be more restrictive than the overrides at the legal entity level."

upvoted 1 times

✉  **H\_Incandenza** 1 year, 8 months ago

You're quoting from the below link:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/plan-chart-of-accounts>

upvoted 1 times

✉  **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 3 times

## Question #40

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution. After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen. A client has one legal entity, two departments, and two divisions. The client is implementing Dynamics 365 Finance. The departments and divisions are set up as financial dimensions.

The client has the following requirements:

- ⇒ Only expense accounts require dimensions posted with the transactions.
- ⇒ Users must not have the option to select dimensions for a balance sheet account.

You need to configure the ledger to show applicable financial dimensions based on the main account selected in journal entry.

Solution: Configure default financial dimensions on expense accounts only.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: B**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/configure-account-structures>

*Community vote distribution*

B (100%)

 **AdrienBnhm** 8 months, 3 weeks ago

**Selected Answer: B**

Correct B.

Set those parameters in the Account Structure.

upvoted 1 times

## Question #41

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution. After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen. A client has one legal entity, two departments, and two divisions. The client is implementing Dynamics 365 Finance. The departments and divisions are set up as financial dimensions.

The client has the following requirements:

- ☞ Only expense accounts require dimensions posted with the transactions.
- ☞ Users must not have the option to select dimensions for a balance sheet account.

You need to configure the ledger to show applicable financial dimensions based on the main account selected in journal entry.

Solution: Configure two account structures: one for expense accounts and include applicable dimensions, and one for balance sheet and exclude financial dimensions.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: A**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/configure-account-structures>

*Community vote distribution*

A (67%)

B (33%)

 **Atherkh** 1 month, 3 weeks ago

**Selected Answer: A**

Set the dimensions in account structure.

upvoted 1 times

 **AdrienBnhm** 8 months, 3 weeks ago

**Selected Answer: B**

B is correct

upvoted 1 times

 **H\_Incandenza** 1 year, 8 months ago

**Selected Answer: A**

A is correct. See GL > Chart of Accounts > Structures > Configure Account Structures

upvoted 1 times

 **Shivanshsan** 2 years ago

A is correct

upvoted 3 times

 **Ramanya** 2 years, 1 month ago

**Selected Answer: A**

seems correct

upvoted 2 times

 **denilson16** 2 years, 2 months ago

**Selected Answer: B**

B is correct

upvoted 1 times

 **denilson16** 2 years, 2 months ago

sorry mistake. B is NOT correct

upvoted 2 times

 **charmingstorm** 2 years, 10 months ago

Shouldn't this be B?

upvoted 1 times

 **H\_Incandenza** 1 year, 8 months ago

No, it's A.

upvoted 1 times

 **Bandit1290** 3 years, 1 month ago

B is not correct. B says you to exclude financial dimensions for balance sheet accounts. The goal was to have an option

upvoted 2 times

 **sadiq\_d365** 3 years, 1 month ago

seems correct

upvoted 3 times

## Question #42

Topic 1

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

A client has one legal entity, two departments, and two divisions. The client is implementing Dynamics 365 Finance. The departments and divisions are set up as financial dimensions.

The client has the following requirements:

- ☞ Only expense accounts require dimensions posted with the transactions.
- ☞ Users must not have the option to select dimensions for a balance sheet account.

You need to configure the ledger to show applicable financial dimensions based on the main account selected in journal entry.

Solution: Configure one account structure for expense accounts and apply advanced rules.

Does the solution meet the goal?

A. Yes

B. No

### Correct Answer: B

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/configure-account-structures>

*Community vote distribution*

B (100%)

 **Atherkh** 1 month, 3 weeks ago

**Selected Answer: B**

We have to configure account structure to post the transactions.

upvoted 1 times

 **denilson16** 2 years, 2 months ago

**Selected Answer: B**

B is correct

upvoted 3 times

## Question #43

**DRAG DROP -**

A customer implements Dynamics 365 Finance.

The customer observes that during foreign currency revaluation of the Accounts Receivable subledger, the results are not as expected.

You need to re-run the foreign currency revaluation of the Accounts Receivable subledger.

Which currency revaluation method should you use for each requirement? To answer, drag the appropriate methods to the correct requirements.

Each method may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

| Methods      | Answer Area   |        |
|--------------|---|--------|
| Standard     |   |        |
| Minimum      | Revaluation is posted whether the result is a profit or loss.                               | Method |
| Invoice date | Revaluation is posted only if the result is a loss.   | Method |
|              | Revaluation uses the original exchange rate, which cancels any prior revaluation performed. | Method |

**Correct Answer:**

| Methods | Answer Area   |              |
|---------|---|--------------|
|         |   |              |
|         | Revaluation is posted whether the result is a profit or loss.                               | Standard     |
|         | Revaluation is posted only if the result is a loss.   | Minimum      |
|         | Revaluation uses the original exchange rate, which cancels any prior revaluation performed. | Invoice date |

**Reference:**<https://docs.microsoft.com/en-us/dynamics365/finance/cash-bank-management/foreign-currency-revaluation-accounts-payable-accounts-receivable>**Eralda** 1 year, 7 months ago

On Exam 28/07/2022

upvoted 3 times

**denilson16** 2 years, 2 months ago

correct

upvoted 2 times

**Yael\_Shachen\_Tov** 2 years, 9 months ago

Correct

upvoted 3 times

## Question #44

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution. Determine whether the solution meets the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.  
A customer uses Dynamics 365 Finance.

The controller notices incorrect postings to the ledger entered via journal.

The system must enforce the following:

- ☞ Expense accounts (6000-6998) require department, division, and project with all transactions. Customer dimension is optional.
- ☞ Revenue accounts (4000-4999) require department and division and allow project and customer dimensions.
- ☞ Liability accounts (2000-2999) should not have any dimensions posted.
- ☞ Expense account (6999) requires department, division, project and customer dimensions with all transactions.

You need to configure the account structure to meet the requirements.

Solution:

- ☞ Configure one account structure.
- ☞ Configure an advanced rule for Liability accounts (2000-2999) not to display any dimensions when selected.
- ☞ Configure an advanced rule for Expense account (6999) to require customer.
- ☞ Configure the structure with all dimension fields containing quotations.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: B**

Dimension fields containing quotations means that a blank value is accepted. This does not enforce a value being configured for the dimensions that are

'Required'.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/configure-account-structures>

 BenLearn 1 year, 9 months ago

Expense account (6999) requires department, division, project and customer dimensions with all transactions, so to configure an advanced rule for Expense account (6999) to (only!) require customer, does not do the Job.

B (No) is correct

upvoted 3 times

## Question #45

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution. Determine whether the solution meets the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen. A customer uses Dynamics 365 Finance.

The controller notices incorrect postings to the ledger entered via journal.

The system must enforce the following:

- ☞ Expense accounts (6000-6998) require department, division, and project with all transactions. Customer dimension is optional.
- ☞ Revenue accounts (4000-4999) require department and division and allow project and customer dimensions.
- ☞ Liability accounts (2000-2999) should not have any dimensions posted.
- ☞ Expense account (6999) requires department, division, project and customer dimensions with all transactions.

You need to configure the account structure to meet the requirements.

Solution:

- ☞ Configure two account structures: one for liability accounts listing the (2000-2999) range with no following dimensions and one for Expense and Revenue accounts.
- ☞ For Expense accounts (6000-6998) and Revenue accounts (4000-4999), configure asterisks in all dimension columns.
- ☞ For Expense account (6999), configure asterisks in all dimensions. Configure an asterisk and quotes in the customer dimension.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: B**

As asterisk in all dimension columns would mean that a value must be configured for all dimensions.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/configure-account-structures>

*Community vote distribution*

B (50%)

A (50%)

✉  **Daniel73847** 1 month, 2 weeks ago

**Selected Answer: B**

"For Expense accounts (6000-6998) and Revenue accounts (4000-4999), configure asterisks in all dimension columns", based on the requirement the customer dimension is optional, so the value could be blank, therefore it should be asterisk and quote.

upvoted 1 times

✉  **Omniaa\_abd\_elmonem75** 1 year, 5 months ago

**Selected Answer: A**

answer must be yes

upvoted 1 times

✉  **H\_Incandenza** 1 year, 8 months ago

This is really tricky. The first account structure is correct. Your second account structure should look like this where the order of segments is department, division, project, and customer and backslashes separate each segment:

-4000-4999: \* / \* / \* / "";\*  
-6000-6998: \* / \* / "";\* / "";\*  
-6999: \* / \* / \* / \*

So, comparing this to what the question states, the last value for 6999 should be an asterisk, not an asterisk and quote ("";\*). Similarly, the last two segments for 6000-6998 should NOT be asterisks but asterisks and quotes; while the same is true for the last segment of accounts 4000-4999.

Please, anyone, if I misstated this, correct me.

upvoted 3 times

✉  **Yael\_Shachen\_Tov** 2 years, 9 months ago

Correct

upvoted 4 times

## Question #46

## Topic 1

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution. Determine whether the solution meets the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.  
A customer uses Dynamics 365 Finance.

The controller notices incorrect postings to the ledger entered via journal.

The system must enforce the following:

- ☞ Expense accounts (6000-6998) require department, division, and project with all transactions. Customer dimension is optional.
- ☞ Revenue accounts (4000-4999) require department and division and allow project and customer dimensions.
- ☞ Liability accounts (2000-2999) should not have any dimensions posted.
- ☞ Expense account (6999) requires department, division, project and customer dimensions with all transactions.

You need to configure the account structure to meet the requirements.

Solution:

- ☞ Configure one account structure with department, division, project and customer dimensions.
- ☞ Configure asterisks in all columns for Expense accounts (6000-6999), Revenue accounts (4000-4999), and Liability accounts (2000-2999).

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: B**

As asterisk in all dimension columns would mean that a value must be configured for all dimensions.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/configure-account-structures>

## Question #47

## HOTSPOT -

You are asked to configure foreign currency revaluation in Dynamics 365 Finance.

You are viewing the main accounts.

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

Hot Area:

## Answer Area

**You need to configure revaluation for the main account. Based on the configuration, what should you do?**

- Select the Exchange rate type. Then select the Reporting currency exchange rate type.
- Select the Financial reporting exchange rate type. Then select the Currency translation type.
- Select the Exchange rate type. Then select the Financial reporting exchange rate type.

**What does the foreign currency revaluation process record in Accounts receivable and Accounts payable?**

- unrealized gain/loss
- realized gain/loss
- invoice amount is changed

Correct Answer:

## Answer Area

You need to configure revaluation for the main account. Based on the configuration, what should you do?

- Select the Exchange rate type. Then select the Reporting currency exchange rate type.
- Select the Financial reporting exchange rate type. Then select the Currency translation type.
- Select the Exchange rate type. Then select the Financial reporting exchange rate type.

What does the foreign currency revaluation process record in Accounts receivable and Accounts payable?

- unrealized gain/loss
- realized gain/loss
- invoice amount is changed

 **Pir**  3 years, 3 months ago

First answer is wrong. It should be Select Exchange rate type, then select the Reporting Currency exchange rate type. This option is not visible in screenshot but in D365 Main Account form, the option is there.

upvoted 16 times

 **axcks**  2 years ago

Answer is correct.

If the main account is marked for revaluation, enter the Exchange rate type. This exchange rate type will be used for revaluing the main account. A separate field, Financial reporting exchange rate type, is available for financial reporting. The two fields are not kept in sync, allowing for different exchange rate types to be used for revaluation and financial reporting.

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/foreign-currency-revaluation-general-ledger#prepare-to-run-foreign-currency-revaluation>

upvoted 10 times

 **Kev\_Sharp**  6 months, 1 week ago

Documentation clearly references "Financial reporting exchange rate type". <https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/foreign-currency-revaluation-general-ledger#prepare-to-run-foreign-currency-revaluation>

The field in D365 is clearly labelled "Reporting currency exchange rate type".

The Microsoft documentation doesn't align with the application regarding the field name.

In this case currency is spelled incorrectly in the top option so I will pick the bottom option

upvoted 2 times

 **Travblaster** 2 years, 1 month ago

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/foreign-currency-revaluation-general-ledger#prepare-to-run-foreign-currency-revaluation>

If the main account is marked for revaluation, enter the Exchange rate type. This exchange rate type will be used for revaluing the main account. A separate field, Financial reporting exchange rate type, is available for financial reporting. The two fields are not kept in sync, allowing for different exchange rate types to be used for revaluation and financial reporting.

Each accounting entry will post to the unrealized gain or loss and the main account being revalued.

upvoted 3 times

 **rizwanvu1980** 2 years, 4 months ago

in first part second is correct

upvoted 1 times

 **rizwanvu1980** 2 years, 4 months ago

second and first

upvoted 2 times

 **Bandit1290** 3 years, 1 month ago

Correct answer for #1 should be: Set foreign currency revaluation to "Yes", then select "Exchange Rate Type", then Select "Reporting Currency Exchange Rate Type"

upvoted 2 times

 **sadiq\_d365** 3 years, 1 month ago

part 1, second is correct

upvoted 1 times

 **sadiq\_d365** 3 years, 1 month ago

Seems correct

upvoted 1 times

 **mya5** 3 years, 2 months ago

Select Financial currency exchange rate type is correct. You can check under 'Prepare to run foreign currency revaluation'  
<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/foreign-currency-revaluation-general-ledger#prepare-to-run-foreign-currency-revaluation>

upvoted 4 times

 **mya5** 3 years, 2 months ago

financial reporting exchange rate\*

upvoted 1 times

## Question #48

DRAG DROP -

You are a consultant who is implementing Dynamics 365 Finance in your organization.

You need to set up currencies and exchange rates for a client.

Which three actions should you perform in sequence? To answer, move all actions from the list of actions to the answer area and arrange them in the correct order.

Select and Place:

**Actions**

Specify to currency only

Set up the currency exchange rate

Specify from and to currency

Determine the accounting currency used in the ledger

**Answer Area**

Correct Answer:

**Actions**

Specify to currency only

**Answer Area**

Determine the accounting currency used in the ledger



Set up the currency exchange rate

Specify from and to currency

**Pir** 3 years, 3 months ago

1. Determine Accounting currency
2. Specify From and To currency
3. Setup exchange rates.

This sequence is correct.

upvoted 25 times

**Alice9** 1 year, 2 months ago

Agree.

upvoted 3 times

**CA\_VB** 3 years, 3 months ago

The sequence does not seem right. Set Currency Exchange Rate should be after From Currency and To Currency.

upvoted 7 times

**BenLearn** 1 year, 10 months ago

The proper sequence is:

Menu: Cost accounting > Ledger setup > Currencies > Currency exchange rates

1. Select Exchange rate type
2. Press [+New]
3. Type From currency, To currency and Conversion factor
4. Add validity period (From date, To date, Start date, Exchange rate)

upvoted 3 times

 **Yael\_Shachen\_Tov** 2 years, 9 months ago

Not Correct

upvoted 1 times

 **Rageoxryan** Most Recent 1 year, 6 months ago

This answer seems to make 0 sense, surely you would specify the currencies first

upvoted 1 times

 **Rishibery** 2 years, 11 months ago

It is setup exchange rates and not exchange rate types.

Correct sequence:

1. Determine Accounting currency
2. Specify From and To currency
3. Setup exchange rates.

upvoted 5 times

 **sadiq\_d365** 3 years, 1 month ago

1. Determine Accounting currency
2. Setup exchange rates.
3. Specify From and To currency

upvoted 6 times

 **sadiq\_d365** 3 years, 1 month ago

It's correct

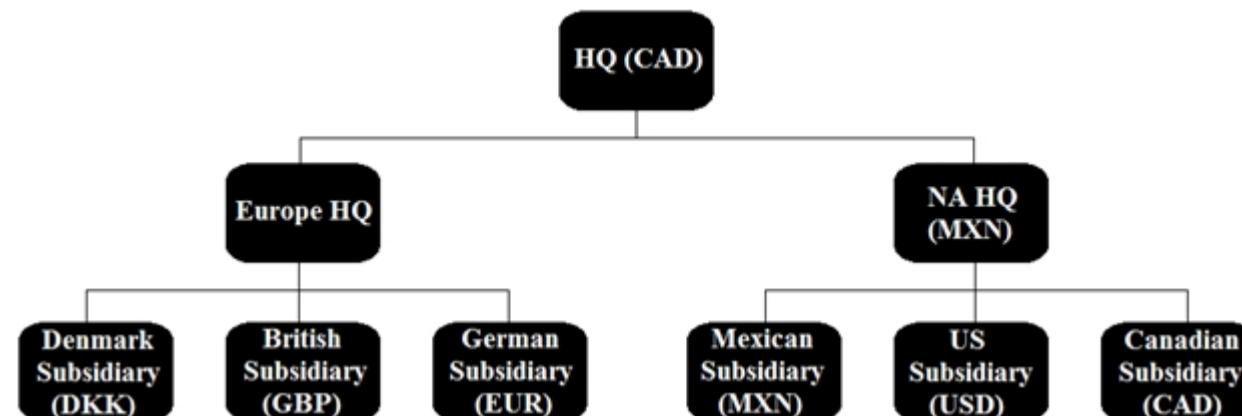
upvoted 1 times

## Question #49

## HOTSPOT -

You need to set up legal entity currencies and conversions in Dynamics 365 Finance.

You review the hierarchy for consolidation of multiple legal entities.



Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area****Question**

If you include all companies in one consolidation, the US subsidiary translates from American dollars to which currency?

**Answer choice**

|     |
|-----|
| USD |
| CAD |
| EUR |

If you include only Mexican, Canadian, and US subsidiaries in one consolidation, the US subsidiary translates from US dollars (USD) to which currency?

|     |
|-----|
| MXN |
| USD |
| EUR |

**Answer Area****Question**

If you include all companies in one consolidation, the US subsidiary translates from American dollars to which currency?

Correct Answer:

**Answer choice**

|     |
|-----|
| USD |
| CAD |
| EUR |

If you include only Mexican, Canadian, and US subsidiaries in one consolidation, the US subsidiary translates from US dollars (USD) to which currency?

|     |
|-----|
| MXN |
| USD |
| EUR |

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/financial-consolidations-currency-translation>

 **Kitma** 1 year, 6 months ago

correct

upvoted 2 times

 **Lpiti** 1 year, 8 months ago

Correct

upvoted 4 times

Yael\_Shachen\_Tov 2 years, 9 months ago

Correct

upvoted 4 times

Elsa 2 years, 11 months ago

correct

upvoted 3 times

sadiq\_d365 3 years, 1 month ago

correct

upvoted 3 times

## Question #50

Topic 1

You are configuring account structures and advanced rules in Dynamics 365 Finance.

All balance sheet accounts require Business Unit and Department dimensions.

The Shareholder distribution account requires an additional dimension for Principal.

You need to set up the account structures.

What are two possible ways to achieve the goal? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Create a new main account for each of the company's principals. Then, create an account structure for all balance sheet accounts that includes the required dimension.
- B. Create a new main account for Shareholder distribution. Add an advanced rule for the Principal dimension.
- C. Create an account structure for all the balance sheet accounts. Set up an advanced rule for the Shareholder distribution account for the Principal dimension.
- D. Create an account structure for balance sheet accounts without Shareholder distribution. Then, create a second account structure for Shareholder distribution that includes all required dimensions.

### Correct Answer: CD

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/configure-account-structures>

Community vote distribution

CD (100%)

olechrw Highly Voted 2 years, 1 month ago

Selected Answer: CD

correct

upvoted 5 times

denilson16 Most Recent 2 years, 2 months ago

Selected Answer: CD

correct 100%

upvoted 2 times

Elsa 2 years, 11 months ago

correct

upvoted 2 times

sadiq\_d365 3 years, 1 month ago

correct

upvoted 2 times

## Question #51

A client uses the standard trial balance in Dynamics 365 Finance.

The client has the following requirements:

- ⇒ ability to run the trial balance by main account, department, and division
- ⇒ ability to run the trial balance by just main account and department

You need to ensure that these options are visible in the trial balance report parameters.

What should you configure?

- A. ledger validation
- B. financial dimensions for department and division
- C. financial dimension sets
- D. account structure

**Correct Answer: C**

 **Solo\_1** 1 year, 12 months ago

Configure 'Financial Dimension Sets'

upvoted 1 times

 **Shivanshsan** 2 years ago

Correct

upvoted 1 times

 **Titik** 2 years, 2 months ago

Correct

"A dimension set is an ordered list of financial dimensions that can be used to summarize General ledger data in a user-defined way. A primary use of dimension sets is to define a trial balance."

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/financial-dimension-sets>

upvoted 2 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 2 times

## Question #52

## SIMULATION -

You are a functional consultant for a legal entity named Contoso Group (GLCO).

You plan to sell new products that will increase in quality over time.

You need to implement a solution that uses the Last in, First out (LIFO) inventory model for GLCO.

To complete this task, sign in to the Dynamics 365 portal.

**Correct Answer:** See explanation below.

You need to configure an Inventory Model Group for the new products.

1. For inventory model groups, navigate to Inventory management | Setup | Inventory | Item model groups.
2. Click **New** to create a new inventory model group.
3. In the **Cost method and cost recognition** section, configure the **Inventory Model** setting to Last in, First out (LIFO).
4. Click **Save** to save the inventory model group.

 **JoyZ23** 10 months, 3 weeks ago

Set up on Inventory management > Set up > Inventory > Item model groups

upvoted 1 times

 **DanielaR** 1 year, 4 months ago

This is SCM, right?

upvoted 1 times

 **Freesia** 1 year, 5 months ago

Is this a Finance question? Or SCM?

upvoted 1 times

 **ITVT** 1 year, 2 months ago

its SCM question.

upvoted 1 times

## Question #53

## Topic 1

## SIMULATION -

You are a functional consultant for Contoso Entertainment System USA (USMF).

You need to generate a trial balance report for the period of January 1, 2017 to December 31, 2017. To validate your results, save the file in Microsoft Excel format to the Downloads\Trial folder.

To complete this task, sign in to the Dynamics 365 portal.

**Correct Answer:** See explanation below.

1. Click General ledger > Reports > Transactions > Trial Balance
2. Enter the Start and End dates for the report.
3. Click Destinations ... to specify how you want to 'print' the report.
4. Select File as the destination.
5. Select the Downloads\Trial folder for the location.
6. Select Microsoft Excel for the file format.
7. Click OK to close the 'Print destination settings' form.
8. Click OK to 'print' (save) the report to the selected destination.

## Question #54

**DRAG DROP -**

A client plans to use financial statements in Dynamics 365 Finance. The client wants to process the statements by using various combinations of the components to create custom reports.

You need to associate the report components to the purpose. Which report components should you use for each purpose? To answer, drag the appropriate component to the correct purpose. Each component may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

**Components**

row definition

column definition

reporting tree

report definition

**Answer Area****Purpose**

Add descriptive lines on the report.

Specify the period to use when data is queried from financial dimensions.

Specify individual reporting units.

Select criteria and build the report.

**Component**

component

component

component

component

**Correct Answer:****Components****Answer Area****Purpose**

Add descriptive lines on the report.

Specify the period to use when data is queried from financial dimensions.

Specify individual reporting units.

Select criteria and build the report.

**Component**

row definition

column definition

reporting tree

report definition

**Reference:**<https://docs.microsoft.com/en-us/dynamics365/fin-ops-core/dev-itpro/analytics/financial-report-components>**sadiq\_d365** Highly Voted 3 years, 1 month ago

correct

upvoted 5 times

**python123** Most Recent 2 months, 3 weeks ago

correct

upvoted 1 times

## Question #55

**HOTSPOT -**

You are setting up main accounts in Dynamics 365 Finance.

You need to configure the main accounts to meet the requirements.

Which options should you use? To answer, select the appropriate configuration in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area****Setup Item description**

Prevent user entered data and allow only system-generated transactions to post to this account.

Change specific dimension values when this main account is used, for each legal entity.

Allow the user to specify dimension values when this main account is used, splitting out the posted value by percentage by dimension.

Ensure that users must post a value in the debit or credit column based on configuration.

Implement a user-defined setting for grouping and quantification of main accounts for reporting purposes.

**Main account setup item**

- Do not allow manual entry
- Accounts for automatic transactions
- Main account category
- Allocation terms

- Allocation terms
- Db/Cr requirement
- Main account category
- Legal entity overrides/Default dimensions

- Allocation terms
- Ledger allocation rules
- Legal entity overrides/Default dimensions
- Main account category

- Db/Cr requirement
- Db/Cr default
- Main account category
- Breakdown of voucher

- Main account category
- Account type
- Legal entity overrides/Default dimensions
- Db/Cr requirement

## Answer Area

### Setup Item description

### Main account setup item

Prevent user entered data and allow only system-generated transactions to post to this account.

|                                     |
|-------------------------------------|
| Do not allow manual entry           |
| Accounts for automatic transactions |
| Main account category               |
| Allocation terms                    |

Change specific dimension values when this main account is used, for each legal entity.

|   |
|---|
| Allocation terms                          |
| Db/Cr requirement                         |
| Main account category                     |
| Legal entity overrides/Default dimensions |

**Correct Answer:** Allow the user to specify dimension values when this main account is used, splitting out the posted value by percentage by dimension.

|   |
|---|
| Allocation terms                          |
| Ledger allocation rules                   |
| Legal entity overrides/Default dimensions |
| Main account category                     |

Ensure that users must post a value in the debit or credit column based on configuration.

|                       |
|-----------------------|
| Db/Cr requirement     |
| Db/Cr default         |
| Main account category |
| Breakdown of voucher  |

Implement a user-defined setting for grouping and quantification of main accounts for reporting purposes.

|   |
|---|
| Main account category                     |
| Account type                              |
| Legal entity overrides/Default dimensions |
| Db/Cr requirement                         |

 **CA\_VB**  3 years, 3 months ago

Correct answer for the last question is "Main Account Category" as it is mentioned as user defined.

upvoted 24 times

 **Pir**  3 years, 3 months ago

Last answer is wrong, user-defined categorization is not achieved by Account type but using Main account category.

upvoted 10 times

 **ddboissard**  1 year, 9 months ago

correct answer for the last question is "Main Account Category"

upvoted 2 times

 **denilson16** 2 years, 2 months ago

Correct answer for the last question is "Main Account Category" as it is mentioned as user defined.

upvoted 1 times

 **ThangN** 2 years, 10 months ago

the last questions correct is main account category

upvoted 2 times

 **Elsa** 2 years, 11 months ago

Agree with Pir 3.

upvoted 1 times

 **sadiq\_d365** 3 years, 1 month ago

Correct answer for the last question is "Main Account Category" as it is mentioned as user defined.

upvoted 3 times

 **Pir** 3 years, 3 months ago

Third answer is wrong also, it should be Ledger allocation rules, instead of Allocation terms.

upvoted 6 times

✉ **ganda** 3 years, 3 months ago

there's no reference docs/links to this..can you please send?

upvoted 2 times

✉ **sathvika** 3 years, 2 months ago

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/ledger-allocation-rules>

upvoted 1 times

✉ **sathvika** 3 years, 2 months ago

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/ledger-allocation-rules>

upvoted 1 times

✉ **mklentek** 3 years ago

The third is correct.

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/main-account-allocation-terms>

"In addition, you define the destination main account and financial dimensions where the amount will be allocated." Allocation terms allow you to distribute by dimension.

Correct me if I'm wrong but Ledger All. rules doesn't offer that. The link sathvika provided about ledger all. rules only mentions dimensions of offset entries to balance the destination

upvoted 3 times

✉ **DDV** 3 years, 3 months ago

For the last Q, the answer is Main account category for reporting purposes.

upvoted 2 times

## Question #56

DRAG DROP -

You are a Dynamics 365 Finance functional consultant. A legal entity processes and settles vendor payments on behalf of other legal entities in an organization.

You need to configure the centralized payment flow for the legal entity.

In which order should you perform the actions? To answer, move all actions from the list of actions to the answer area and arrange them in the correct order.

NOTE: More than one order of answer choices is correct. You will receive credit for any of the correct orders you select.

Select and Place:

**Actions**

- Map vendor accounts across all legal entities with the same address book ID
- Set up posting profiles for centralized payments
- Set up an intercompany account and create the organizational hierarchy for centralized payments
- Set up methods of payment for centralized payments

**Answer Area**

Correct Answer:

**Actions**

- Map vendor accounts across all legal entities with the same address book ID
- Set up posting profiles for centralized payments
- Set up an intercompany account and create the organizational hierarchy for centralized payments
- Set up methods of payment for centralized payments

**Answer Area**

- Set up an intercompany account and create the organizational hierarchy for centralized payments
- Map vendor accounts across all legal entities with the same address book ID
- Set up posting profiles for centralized payments
- Set up methods of payment for centralized payments

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/cash-bank-management/set-up-centralized-payments>

**sadiq\_d365** 3 years, 1 month ago

correct

upvoted 4 times

## Question #57

## Topic 1

A client has one legal entity and the following four dimensions configured: Business Unit, Cost Center, Department, and Division.

You need to configure the client's system to run the trial balance inquiry in the General ledger module so that it displays the trial balance two ways:

- ☞ Include the main account and all four dimensions.
- ☞ Include the main account and only the business unit and cost center dimensions.

What should you configure?

- A. two account structures
- B. two derived financial dimension hierarchies
- C. all financial dimensions by using the group dimension functionality
- D. two financial dimension sets

**Correct Answer: D***Community vote distribution*D (100%)

✉️  **Atherkh** 1 month, 2 weeks ago

**Selected Answer: D**

We can get the desired trial balance output by defining Dimension set".

upvoted 1 times

✉️  **AliK1i** 1 year, 4 months ago

Correct

upvoted 2 times

## Question #58

You are configuring intercompany accounting for a multicompny enterprise.

You need to set up the Due to and Due from accounts.

Which main account type should you use?

- A. Profit and loss
- B. Expense
- C. Balance sheet
- D. Liability
- E. Asset

**Correct Answer:** C

References:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/general-ledger/intercompany-accounting-setup>

*Community vote distribution*

C (100%)

 **Atherkh** 1 month, 2 weeks ago

**Selected Answer: C**

As intercompany balance might be Due to or Due from which are either Asset or Liability. Both are Balance Sheet items.

upvoted 1 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 3 times

## Question #59

**DRAG DROP -**

You are controller for a public sector organization. You need detailed fiscal tracking and reporting.

You need to set up fund types categorized under specific fund classes.

Which fund type can you set up for each fund class? To answer, drag the appropriate fund types to the correct fund classes. Each fund type may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

**Answer Area****Fund Types**

- capital project
- special revenue
- enterprise
- agency
- general
- internal service

**Fund class****Governmental***fund type***Fiduciary***fund type**fund type*

**Answer Area**

**Fund Types**

- capital project
- 
- enterprise
- 
- 
- internal service

**Correct Answer:**

**Fund class**

**Governmental**

**general**

**Fiduciary**

**special revenue**

**agency**

**References:**

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/public-sector/funds-public-sector>

 **vm7891** Highly Voted 3 years, 3 months ago

Governmental funds:

General fund

Special revenue funds

Capital project funds

Debt service funds

Proprietary, or business-type, funds:

Enterprise funds

Internal service funds

Fiduciary funds:

Trust funds

Agency funds

upvoted 19 times

 **Pir**  3 years, 3 months ago

Governmental funds can also include Capital Project fund.

upvoted 7 times

 **Niqs**  2 years, 11 months ago

Governmental: Special revenue, General and capital project

Fiduciary: Agency

upvoted 4 times

## Question #60

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution. After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen. A client has multiple legal entities set up in Dynamics 365 Finance. All companies and data reside in Dynamics 365 Finance.

The client currently uses a separate reporting tool to perform their financial consolidation and eliminations. They want to use Dynamics 365 Finance instead.

You need to configure the system and correctly perform eliminations.

Solution: Select Consolidate online in Dynamics 365 Finance. Include eliminations during the process or as a proposal. Set up the transactions to post in the legal entity configured for consolidations.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: B**

References:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/consolidation-elimination-overview>

*Community vote distribution*

B (100%)

✉ **DDV** 7 months, 2 weeks ago

The answer is A. Setup the elimination rules and post in the legal entity configured as the Consolidation company and the rest of the solution statements are correct.

upvoted 1 times

✉ **[Removed]** 1 year, 4 months ago

I think the elimination proposal alone is not enough. It has to be posted.

upvoted 1 times

✉ **Rageoxryan** 1 year, 6 months ago

**Selected Answer: B**

I also think B is correct, you are only posting transactions to 1 legal entity

upvoted 1 times

✉ **Yael\_Shachen\_Tov** 2 years, 9 months ago

I thing B is Correct

I still don't understand why B isn't correct??

upvoted 2 times

✉ **charmingstorm** 2 years, 10 months ago

I'm confused - should this be A? why?

upvoted 3 times

✉ **charmingstorm** 2 years, 10 months ago

I agree with Niqs

upvoted 1 times

✉ **Niqs** 2 years, 11 months ago

The answer is correct.

Instead of 'Set up the transactions to post' in the legal entity configured for consolidations the statement should be 'The transactions will be posted in the consolidation company'

upvoted 4 times

✉ **H\_Incandenza** 1 year, 7 months ago

I'm not disagreeing with you; however, I just want to register my frustration that the answer would hinge on such a vaguely worded phrase.

upvoted 6 times

✉ **Bisera** 11 months, 2 weeks ago

"The rules can be posted to any company that has Use for financial elimination process selected in the legal entity setup" which means entity configured for consolidation. I will say A is the correct answer.

upvoted 1 times

## Question #61

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution. After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen. A client has multiple legal entities set up in Dynamics 365 Finance. All companies and data reside in Dynamics 365 Finance.

The client currently uses a separate reporting tool to perform their financial consolidation and eliminations. They want to use Dynamics 365 Finance instead.

You need to configure the system and correctly perform eliminations.

Solution: Select Consolidate with import.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: B**

## References:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/consolidation-elimination-overview>

✉️  **DDV** 7 months, 2 weeks ago

The answer is A. All legal entities are residing in D365. One option for consolidation in this scenario is Consolidate with import. Create & define legal entity for consolidation, then import all legal entities transaction to this consolidated legal entity.

upvoted 1 times

✉️  **Aysenuremre** 2 years, 5 months ago

Answer : No .

We have subsidiaries on a different system. How can we consolidate them?

Use the Consolidate with import option to bring the balances into a consolidation company.

upvoted 1 times

✉️  **Mobstar** 2 years, 10 months ago

Since all data reside in D365, use consolidate online. Finance supports consolidations as an online consolidation, where the subsidiary companies are within the same database as the consolidated company.

If the subsidiary companies reside in a different database than the consolidated company, use Consolidate [Export to] on subsidiary company and Consolidate with Import in consolidated company.

upvoted 4 times

✉️  **Pir** 3 years, 3 months ago

This is one of the options as per link provided. So the answer should be Yes.

upvoted 1 times

✉️  **MeetVivian** 3 years, 2 months ago

But the question is "You need to correctly perform eliminations" but not as the link mentioned to consolidate data. Consolidate with import is the way to consolidate data.

upvoted 5 times

✉️  **Alice9** 1 year, 2 months ago

Agree, the solution needs to include a way to report eliminations.

upvoted 1 times

## Question #62

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution. After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen. A client has multiple legal entities set up in Dynamics 365 Finance. All companies and data reside in Dynamics 365 Finance.

The client currently uses a separate reporting tool to perform their financial consolidation and eliminations. They want to use Dynamics 365 Finance instead.

You need to configure the system and correctly perform eliminations.

Solution: Create a separate company in which you manually create the eliminations. Then, use that company in financial reporting or in the consolidation process.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: A**

References:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/consolidation-elimination-overview>

  **Aysenuremre**  2 years, 5 months ago

Yes

A separate company can be created and used to manually determine and post elimination transactions. This company can be used in the consolidation process or in financial reporting.

upvoted 7 times

  **Yael\_Shachen\_Tov**  2 years, 9 months ago

Correct

upvoted 2 times

## Question #63

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

A client has multiple legal entities set up in Dynamics 365 Finance. All companies and data reside in Dynamics 365 Finance.

The client currently uses a separate reporting tool to perform their financial consolidation and eliminations. They want to use Dynamics 365 Finance instead.

You need to configure the system and correctly perform eliminations.

Solution: Set up Elimination rules in the system. Then, run an elimination proposal. Configure the rules to post to any company that has Use for financial elimination process selected in the legal entity setup.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: A**

References:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/consolidation-elimination-overview>

## Question #64

**DRAG DROP -**

A public sector organization wants to set up the derived financial hierarchy to analyze posted transaction data.

You need to set up the derived financial hierarchy to generate an outgoing electronic document.

In which order should you perform the actions? To answer, move all actions from the list of actions to the answer area and arrange them in the correct order.

Select and Place:

**Actions**

- Create filter rules from the category nodes in the derived financial hierarchy
- Create a category hierarchy
- Assign derived financial hierarchy as the category type
- Associate the derived financial hierarchy with a legal entity
- Create and activate the filters in the derived financial hierarchy

**Answer Area****Correct Answer:****Actions**

- Create filter rules from the category nodes in the derived financial hierarchy
- Create a category hierarchy
- Assign derived financial hierarchy as the category type
- Associate the derived financial hierarchy with a legal entity
- Create and activate the filters in the derived financial hierarchy

**Answer Area**

- Create a category hierarchy
- Assign derived financial hierarchy as the category type
- Associate the derived financial hierarchy with a legal entity
- Create filter rules from the category nodes in the derived financial hierarchy
- Create and activate the filters in the derived financial hierarchy

**References:**

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/public-sector/tasks/set-up-derived-financial-hierarchy-public-sector>

**DynamoUK** 1 year, 7 months ago

This question looks misleading as the arrows on the answer area suggests to choose steps (horizontal), not to order steps (vertical).  
The answer is straightforward from <https://docs.microsoft.com/en-us/dynamics365/finance/public-sector/tasks/set-up-derived-financial-hierarchy-public-sector>

upvoted 2 times

**sadiq\_d365** 3 years, 1 month ago

correct

upvoted 2 times

**sadiq\_d365** 3 years, 1 month ago

<https://docs.microsoft.com/en-us/dynamics365/finance/public-sector/derived-financial-hierarchies-public-sector>

upvoted 1 times

## Question #65

You work for a company that receives invoices in foreign currencies.

You need to configure the currency exchange rate providers and exchange rate types.

What should you do?

- A. Configure exchange rate provider, create exchange rate type, and import the currency exchange rates.
- B. Select the appropriate HTML key values from the available exchange rate providers. Then, use the provider for importing one currency exchange rate type.
- C. Use a developer to write the HTML key values code to configure the currency exchange rate providers. Then, use the provider for importing a currency exchange rate type.
- D. Use a developer to write the XML key values code to configure the currency exchange rate providers. Then, use the provider for importing a currency exchange rate type.

**Correct Answer:** A

References:

<https://community.dynamics.com/365/financeandoperations/b/365operationsbysandeepchaudhury/posts/configure-currency-exchange-rate-providers-and-import-exchange-rates-automatically-in-dynamics-365-for-finance-and-operations>

 **Aysenuremre** Highly Voted 2 years, 6 months ago

Correct answer!

upvoted 6 times

 **WaveMB** Most Recent 1 year, 11 months ago

Link is no longer active. Could be check instead in

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/import-currency-exchange-rates>

upvoted 3 times

## Question #66

Users are posting project transactions and bank transactions incorrectly in the General journal. The client wants to prevent this from happening in the future.

You need to configure Dynamics 365 Finance to limit the account type transactions to only ledger.

What should you do?

- A. Use journal control to specify which account types are valid for the General ledger journal.
- B. Use advanced ledger entries to define the account types that can be used in the General ledger journal.
- C. Configure the voucher series associated with this journal to allow only ledger account types.
- D. Create a journal template that has ledger as the account type and offset account type.

**Correct Answer: B**

*Community vote distribution*

A (100%)

 **DSin**  3 years, 10 months ago

Answer is A and not B. Advance Ledger Entries are used in Public Sector  
upvoted 26 times

 **annade**  3 years, 7 months ago

A is correct  
<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/general-journal-processing>  
Journal control – You can set up restrictions on the company and account type, and also the segment values.  
upvoted 13 times

 **DDV**  7 months, 2 weeks ago

The answer is A.  
upvoted 1 times

 **Freesia** 1 year, 5 months ago

**Selected Answer: A**  
Agree. Should be A  
<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/general-journal-processing>  
Journal control – You can set up restrictions on the company and account type, and also the segment values.  
upvoted 1 times

 **Chrismarie37** 1 year, 5 months ago

definitely A  
upvoted 2 times

 **H\_Incandenza** 1 year, 7 months ago

**Selected Answer: A**  
A is correct  
upvoted 2 times

 **VipulPal** 1 year, 11 months ago

A is correct.  
upvoted 1 times

 **Sharkz** 1 year, 12 months ago

**Selected Answer: A**  
Answer is Clearly A ! since to impose restriction the user must use Journal control rather than Advance ledger entries  
upvoted 1 times

 **Ramanya** 2 years ago

**Selected Answer: A**  
A is correct  
upvoted 2 times

 **olechrw** 2 years, 1 month ago

**Selected Answer: A**  
A is correct, you can limit it there  
upvoted 1 times

denilson16 2 years, 1 month ago

**Selected Answer: A**

Answer is A

upvoted 1 times

rizwanvu1980 2 years, 4 months ago

A is correct

upvoted 1 times

ThangN 2 years, 10 months ago

A is correct

upvoted 2 times

BattTom 2 years, 10 months ago

A sounds the right one

upvoted 2 times

sadiq\_d365 3 years, 1 month ago

A correct

upvoted 2 times

DDV 3 years, 3 months ago

For me it is also A as the correct answer.

upvoted 2 times

Pir 3 years, 3 months ago

A controls which accounts types are allowed to post.

upvoted 3 times

## Question #67

Topic 1

### SIMULATION -

You are a functional consultant for Contoso Entertainment System USA (USMF).

You plan to settle accounts by receiving cash payments in US currency.

You need to create a cash receipts journal that uses the US dollar currency.

To complete this task, sign in to the Dynamics 365 portal.

**Correct Answer:** See explanation below.

1. Navigate to Finance > Cash Receipt Journals.
2. Click the +New link to add a new cash receipt journal.
3. Fill in the required fields including the currency field.

michaeltoba 1 year, 8 months ago

The question seems to be a Dynamics Business central question

upvoted 1 times

Lilliam 2 years, 9 months ago

Agree.. there is no such as thing as a Finance workspace. Cash payment journal with a method of payment = cash.

upvoted 1 times

ru4dynamics 3 years ago

Either the question or answer is not from a Dynamics 365 Finance. There is no such a module or a workspace "Finance". Cash entries can be entered via journal with a type "Cash"

upvoted 1 times

## Question #68

## Topic 1

## SIMULATION -

You are a functional consultant for Contoso Entertainment System USA (USMF).

You need to apply a constant currency exchange rate to calculate the reporting currency value of fixed assets.

To complete this task, sign in to the Dynamics 365 portal.

**Correct Answer:** See explanation below.

The currency Translation Type needs to be set to Current. This option uses the last rate on or before the period specified in the report regardless of what the exchange rate was at the time of purchase for each asset.

1. Navigate to General Ledger > Chart of Accounts > Accounts > Main Accounts.
2. Select the Financial Reporting account.
3. In the Reporting currency exchange rate type, select Current from the drop-down list.
4. Click Save to save the changes.

✉️  **Aysenuremre** 2 years, 5 months ago

Fixed assets > Setup > Add reporting currency amounts to fixed asset books.

<https://www.linkedin.com/pulse/re-run-add-reporting-currency-amounts-fixed-asset-books-sourav-dam/>

upvoted 2 times

✉️  **Freesia** 1 year, 5 months ago

Thanks!

upvoted 1 times

## Question #69

An organization plans to use defined journal names for each purpose. They want to ensure that journal processing is easier and more secure.

The organization has the following requirements:

- ☞ Set up restrictions on the account type and segment values.
- ☞ Capture data accurately for offset accounts, currency, and financial dimensions.
- ☞ Maintain internal control and establish materiality limits.

You need to set up journal name elements to meet these requirements.

Which three journal elements should you configure? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. workflow approval
- B. account type
- C. journal type
- D. default values
- E. journal control

**Correct Answer: ADE**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/general-journal-processing>

 **Titik** Highly Voted 2 years, 2 months ago

Correct

"On the Journal names page, you can set up the following elements:

Workflow approval – To increase internal control, define journal workflows that establish materiality limits for review and approval steps, based on criteria such as total debit amount. You set up workflows for the general journals on the General ledger workflows page.

Default values – Select default values for offset accounts, currency, and financial dimensions.

Journal control – You can set up restrictions on the company and account type, and also the segment values."

upvoted 6 times

 **semsem4777** Highly Voted 2 years, 12 months ago

correct

upvoted 5 times

 **sadiq\_d365** Most Recent 3 years, 1 month ago

correct

upvoted 4 times

## Question #70

HOTSPOT -

You must configure journal controls in Dynamics 365 Finance.

**PAYROLL: PAYROLL JOURNAL****Journal control**

| Journal name | Description     |
|--------------|-----------------|
| Payroll      | Payroll Journal |

Which account types can be posted?

| Add            | Remove       |
|----------------|--------------|
| Company acc... | Account type |
| <All>          | Ledger       |

Which segment values are valid for this journal?

| Add            | Remove            | Segment    | From value        | To value   |
|----------------|-------------------|------------|-------------------|------------|
| Company acc... | Account structure | Contoso    | Manufacturing P&L | Department |
| Contoso        | Manufacturing P&L | Department | 022               | 027        |

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area**

What is the function of this journal control?

|   |
|---|
| Limit who can use the journal   |
| Limit which company and departments can be used in the journal                                |
| Allow the use of the journal to all but a specific company, account structure, and dimensions |
| Restrict the use of the journal to specific user groups                                       |

To which account type is the journal name restricted?

|   |
|---|
| Payroll journal for the Contoso company, where the account structure Manufacturing P&L uses Dimension-Department 022 to 027         |
| Payroll journal for all but the Contoso company, where the account structure Manufacturing P&L uses Dimension-Department 022 to 027 |
| Only the Payroll journal will be restricted   |
| Payroll journal for Ledger types  |

Correct Answer:

**Answer Area**

What is the function of this journal control?

|   |
|---|
| Limit who can use the journal   |
| Limit which company and departments can be used in the journal                                |
| Allow the use of the journal to all but a specific company, account structure, and dimensions |
| Restrict the use of the journal to specific user groups                                       |

To which account type is the journal name restricted?

|   |
|---|
| Payroll journal for the Contoso company, where the account structure Manufacturing P&L uses Dimension-Department 022 to 027         |
| Payroll journal for all but the Contoso company, where the account structure Manufacturing P&L uses Dimension-Department 022 to 027 |
| Only the Payroll journal will be restricted   |
| Payroll journal for Ledger types  |

References:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/general-ledger/general-journal-processing>

  DDV Highly Voted 3 years, 3 months ago

The answer on the 2nd question should be D, Account type "Ledger" and this is what being asked. " The journal control on the journal name Payroll is restricted to the Account type "Ledger" as it is shown in the setup/configuration of the the Journal control.

upvoted 6 times

  Newb007 Most Recent 7 months, 1 week ago

ITS #1 is B and #2 is D. Why is it 2? because Journal Control defines what is allowed... not what is not allowed. "Allow the use of the journal to ALL BUT specific company, account structure, and dimensions."..... THIS IS INCORRECT because of the words ALL BUT think about it. sort of tricky wording... same with #2 its restricting out options not restrict from choosing an option (Ledger Account Type)

upvoted 1 times

✉ **Newb007** 7 months, 1 week ago

Why is it D\*\*\*\*\*

upvoted 1 times

✉ **Newb007** 7 months, 1 week ago

Woops lol... Why is it B\*\*\*\*?

upvoted 1 times

✉ **DanielaR** 1 year, 3 months ago

3rd and 4th are correct answers.

upvoted 2 times

✉ **Kitma** 1 year, 6 months ago

Answers should be : 2 & 4

upvoted 3 times

✉ **WaveMB** 1 year, 11 months ago

Answers should be corrected to:

- What is the function of this journal control?: Allow the use of the journal to all but specific company, account structure, and dimensions.
- To which account type is the journal name restricted?: Payroll journal for ledger types

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/general-journal-processing>

upvoted 4 times

✉ **kripe86** 1 year, 1 month ago

"all but.." it means to all, except specific company...

upvoted 2 times

✉ **Freesia** 1 year, 5 months ago

Agree.

upvoted 2 times

✉ **VipulPal** 1 year, 11 months ago

3rd and 4th are correct answers.

upvoted 4 times

✉ **Alice9** 1 year, 3 months ago

Agree.

<https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/general-journal-processing#journal-names>

upvoted 1 times

✉ **Freesia** 1 year, 5 months ago

Agree.

upvoted 1 times

✉ **Niqs** 2 years, 8 months ago

Since for the second item the question was which "account type", I think the best answer should be 'Payroll journal for ledger types'.

upvoted 1 times

✉ **Shaban** 2 years, 9 months ago

3&4 seem Correct

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/general-journal-processing>

upvoted 4 times

✉ **Shaban** 2 years, 9 months ago

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/general-journal-processing>

upvoted 1 times

✉ **sadiq\_d365** 3 years, 1 month ago

3 and 4th seems correct

upvoted 4 times

✉ **DDV** 3 years, 3 months ago

The question is to which account type it is restricted. Therefore, the answer should be D, Account type Ledger.

upvoted 3 times

✉ **CA\_VB** 3 years, 3 months ago

The correct answer should be D, as question is referring to Account Type.

upvoted 3 times

✉ **Jay28** 3 years, 3 months ago

Is the 2nd answer correct ? Should it not be D.

upvoted 4 times

## Question #71

## HOTSPOT -

You create a financial dimension set named MA + DEPT + PROJ as shown in the following screenshot. The financial dimension set includes the following dimensions:

- ⇒ Main Account
- ⇒ Department

## Project -

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

Hot Area:

**Answer Area****Question**

Which statement about the newly created financial dimension set is correct?

**Answer choice**

The named dimensions are selected and in the correct order  
In reports, the financial dimensions will be seen in order from right to left  
The financial dimension set is ready to be used in reporting

Which options are available for balances when they are created?

▼  
Enter balances  
Rebuild balances

**Correct Answer:**

**Answer Area****Question**

Which statement about the newly created financial dimension set is correct?

**Answer choice**

The named dimensions are selected and in the correct order  
In reports, the financial dimensions will be seen in order from right to left  
The financial dimension set is ready to be used in reporting

Which options are available for balances when they are created?

▼  
Enter balances  
Rebuild balances

 **Dori111** 9 months, 1 week ago

correct

upvoted 1 times

## Question #72

## DRAG DROP -

A client has Accounts payable invoices in their legal entity in three different currencies. It is month-end, and the client needs to run the foreign currency revaluation process to correctly understand their currency exposure.

You need to set up Dynamics 365 Finance to perform foreign currency revaluation.

In which order should you perform the actions? To answer, move all actions from the list of actions to the answer area and arrange them in the correct order.

NOTE: More than one order of answer choices is correct. You will receive credit for any of the correct orders you select.

Select and Place:

**Actions****Answer Area**

In the foreign currency revaluation preview form, ensure that the foreign currency proposal is correct. Then post the revaluation.



In the Accounts payable module, select the periodic task foreign currency revaluation. Then, specify the parameters for revaluation and perform the revaluation.

In the General ledger module, select the periodoc task foreign currency revaluation. Then, specify the accounts eligible for revaluation, excluding the Accounts payable account, select the currency, and select preview before posting.

On the main account setup form, set foreign currency revaluation to on for the Accounts payable account. Then, specify the exchange rate type.

**Correct Answer:****Actions****Answer Area**

In the foreign currency revaluation preview form, ensure that the foreign currency proposal is correct. Then post the revaluation.



In the Accounts payable module, select the periodic task foreign currency revaluation. Then, specify the parameters for revaluation and perform the revaluation.

In the General ledger module, select the periodoc task foreign currency revaluation. Then, specify the accounts eligible for revaluation, excluding the Accounts payable account, select the currency, and select preview before posting.

On the main account setup form, set foreign currency revaluation to on for the Accounts payable account. Then, specify the exchange rate type.

In the General ledger module, select the periodoc task foreign currency revaluation. Then, specify the accounts eligible for revaluation, excluding the Accounts payable account, select the currency, and select preview before posting.

On the main account setup form, set foreign currency revaluation to on for the Accounts payable account. Then, specify the exchange rate type.

In the Accounts payable module, select the periodic task foreign currency revaluation. Then, specify the parameters for revaluation and perform the revaluation.

In the foreign currency revaluation preview form, ensure that the foreign currency proposal is correct. Then post the revaluation.

**viking1** Highly Voted 2 years, 4 months ago

4231 and 4312 should both be correct options here. It doesn't matter in which order you do the GL and AP revaluations

upvoted 6 times

**Rayhan83** 2 weeks, 6 days ago

I will stick with 4 2 3 1

upvoted 1 times

**DDV** Most Recent 7 months, 2 weeks ago

Incorrect answer. The instruction stated, "more than one order answer choices is correct, and that is 2 & 3. Therefore, the correct order sequence for the answer is 4, 2, 3, & 1. Please note in the GL, AP is excluded in running the FCR. The last order no. 4 is correct, reviewing the Preview before posting for both GL & AP foreign currency revaluation.

upvoted 1 times

**\_WANTED\_** 8 months, 3 weeks ago

Sequence is correct

Foreign currency revaluation is also available in Accounts receivable (AR) and Accounts payable (AP). If you are using those modules, the outstanding transactions should be revalued using the foreign currency revaluation in those modules. The AR and AP foreign currency revaluation will create an accounting entry in General ledger to reflect the unrealized gain or loss, ensuring that the subledgers and general ledger can be reconciled. Because the AR and AP foreign currency revaluation create accounting entries in General ledger, the accounts receivable and accounts payable main accounts should be excluded from the General ledger foreign currency revaluation.

upvoted 2 times

**kripe86** 1 year, 3 months ago

This question is totally wrong. They want to reevaluate AP. You should not reevaluate AP and then GL Accounts for AP for the second time...  
upvoted 4 times

**AsiaF** 1 year, 9 months ago

"NOTE: More than one order of answer choices is correct. You will receive credit for any of the correct orders you select." - MEANS, TWO OPTIONS ARE CORRECT.

upvoted 1 times

**Bandit1290** 3 years, 1 month ago

They are only revaluing AP not the GL. You do not have to define the revaluation at the GL Account level.

upvoted 2 times

**sadiq\_d365** 3 years, 1 month ago

4231 is correct sequence

upvoted 4 times

**Findal** 3 years, 2 months ago

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/indirect-taxes-overview>

upvoted 1 times

**Findal** 3 years, 2 months ago

Wrong link^

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/foreign-currency-revaluation-general-ledger>

upvoted 1 times

**Mo\_horseman** 3 years, 2 months ago

more than 1 sequence is correct, if the G/L comes 1st or last , as long as the steps from AP are in the stated order, either answer would still be correct

upvoted 4 times

**Pir** 3 years, 3 months ago

Correction, GL reevaluation should be in the last.

upvoted 1 times

**Pir** 3 years, 3 months ago

I think either all steps are not correct, specifically GL, because the question's scenario is specific to Account Payable invoices, which is already catered by AP period revaluation task. However, if all options have to be correctly placed in sequence, I would put GL option at second last, instead of first order. Rest is ok.

upvoted 2 times

## Question #73

**HOTSPOT -**

A company is using vendors to produce components for its products.

Journal types are not configured to support vendor invoices.

You need to identify and configure journals to use for vendor invoices.

Which journal types should you use? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

| <b>Purpose</b>                                | <b>Journal types</b>  |                        |                  |                                       |                             |                          |
|---|---|------------------------|------------------|---------------------------------------|-----------------------------|--------------------------|
| Calculate internal cost rates by cost center. | <table border="1"><tr><td>Statistic transactions</td></tr><tr><td>Invoice register</td></tr><tr><td>Cash</td></tr><tr><td>Vendor invoice pool Journal</td></tr><tr><td>Vendor invoice recording</td></tr></table> | Statistic transactions | Invoice register | Cash                                  | Vendor invoice pool Journal | Vendor invoice recording |
| Statistic transactions                        |   |                        |                  |                                       |                             |                          |
| Invoice register                              |   |                        |                  |                                       |                             |                          |
| Cash  |   |                        |                  |                                       |                             |                          |
| Vendor invoice pool Journal                   |   |                        |                  |                                       |                             |                          |
| Vendor invoice recording                      |   |                        |                  |                                       |                             |                          |
| Submit pay statements for payment.            | <table border="1"><tr><td>Approval</td></tr><tr><td>Invoice register</td></tr><tr><td>Payroll Disbursement</td></tr><tr><td>Vendor Invoice pool</td></tr><tr><td>Vendor invoice recording</td></tr></table>       | Approval               | Invoice register | Payroll Disbursement                  | Vendor Invoice pool         | Vendor invoice recording |
| Approval                                      |   |                        |                  |                                       |                             |                          |
| Invoice register                              |   |                        |                  |                                       |                             |                          |
| Payroll Disbursement                          |   |                        |                  |                                       |                             |                          |
| Vendor Invoice pool                           |   |                        |                  |                                       |                             |                          |
| Vendor invoice recording                      |   |                        |                  |                                       |                             |                          |
| Post retail transactions.                     | <table border="1"><tr><td>Approval</td></tr><tr><td>Invoice register</td></tr><tr><td>Vendor invoice pool excluding posting</td></tr><tr><td>Cash</td></tr><tr><td>Vendor invoice recording</td></tr></table>     | Approval               | Invoice register | Vendor invoice pool excluding posting | Cash                        | Vendor invoice recording |
| Approval                                      |   |                        |                  |                                       |                             |                          |
| Invoice register                              |   |                        |                  |                                       |                             |                          |
| Vendor invoice pool excluding posting         |   |                        |                  |                                       |                             |                          |
| Cash  |   |                        |                  |                                       |                             |                          |
| Vendor invoice recording                      |   |                        |                  |                                       |                             |                          |
| Set funds for a specific purpose.             | <table border="1"><tr><td>Approval</td></tr><tr><td>Invoice register</td></tr><tr><td>Vendor invoice pool excluding posting</td></tr><tr><td>Vendor invoice pool</td></tr><tr><td>Budget</td></tr></table>        | Approval               | Invoice register | Vendor invoice pool excluding posting | Vendor invoice pool         | Budget                   |
| Approval                                      |   |                        |                  |                                       |                             |                          |
| Invoice register                              |   |                        |                  |                                       |                             |                          |
| Vendor invoice pool excluding posting         |   |                        |                  |                                       |                             |                          |
| Vendor invoice pool                           |   |                        |                  |                                       |                             |                          |
| Budget  |   |                        |                  |                                       |                             |                          |

| Purpose                                       | Journal types  |
|---|--|
| Calculate internal cost rates by cost center. | <div style="border: 1px solid black; padding: 5px;"> <p>Statistic transactions</p> <p>Invoice register</p> <p>Cash</p> <p><b>Vendor invoice pool Journal</b></p> <p>Vendor invoice recording</p> </div>                              |
| Submit pay statements for payment.            | <div style="border: 1px solid black; padding: 5px;"> <p>Approval</p> <p>Invoice register</p> <p><b>Payroll Disbursement</b></p> <p>Vendor Invoice pool</p> <p>Vendor invoice recording</p> </div>                                    |
| Correct Answer:                               | <div style="border: 1px solid black; padding: 5px;"> <p><b>Post retail transactions.</b></p> <p>Approval</p> <p>Invoice register</p> <p>Vendor invoice pool excluding posting</p> <p>Cash</p> <p>Vendor invoice recording</p> </div> |
| Set funds for a specific purpose.             | <div style="border: 1px solid black; padding: 5px;"> <p>Approval</p> <p>Invoice register</p> <p>Vendor invoice pool excluding posting</p> <p><b>Vendor invoice pool</b></p> <p><b>Budget</b></p> </div>                              |

 **Pir**  3 years, 3 months ago

two answers are incorrect. Calculate internal cost rates by cost center, should be statistic transactions. Retail statement posting should be Cash journal which is RUS localized option in Journal types documentation.

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/about-ledger-journal-types>

upvoted 15 times

 **Eventura**  8 months, 1 week ago

1-A (Statistic) # 2-C (Payroll Disbursement) # 3-D (Cash) # 4-E (Budget)

upvoted 6 times

 **Freesia**  1 year, 5 months ago

Not straightforward,  
but this helps:

<https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/ledger-journal-types>

upvoted 1 times

 **Kitma** 1 year, 6 months ago

Answers should be: statistic - payroll disbursement - cash & budget

upvoted 2 times

 **denilson16** 2 years, 1 month ago

for 1 it should be A (Statistical) and for 3 it should be C (Cash)

upvoted 2 times

 **Weeva** 2 years, 9 months ago

answer area is not relevant to question it's not a drop list question

upvoted 2 times

 **Bandit1290** 3 years, 1 month ago

What does this question even have to do with Accounts Payable journals. This is a bad question

upvoted 1 times

 **DDV** 3 years, 3 months ago

The link provided by Pir is helpful. From that linked verified the answer on Q1 should be Statistic transaction and on the Q3 should be Cash journal type.

upvoted 1 times

 **Jay28** 3 years, 3 months ago

for 1 it should be A (Statistical) and for 3 it should be C (Cash)

upvoted 4 times

## Question #74

## HOTSPOT -

You are asked to configure a main account in Dynamics 365 Finance.

Main accounts - chart of accounts: Shared

General

|  |  |  |   |  |  |
|--|--|--|---|--|--|
| <input type="button" value="Σ Totals"/>  | <input type="button" value="Assign template"/> | <input type="button" value="Additional consolidation accounts"/> | <input type="button" value="Currency code validation"/> |  |  |
| <b>IDENTIFICATION</b>  |  | <b>Reporting type</b>  | <b>DB/CR requirement</b>                                | <b>ADMINISTRATION</b>                              |  |
| Main account   | 606700   | Main account category  | ADMINEXP  | <input type="checkbox"/> Suspended                 | Field to transfer balance on closing sheet |
| Name   | Moving Expense                                 | Balance control  |   | <input type="checkbox"/> Do not allow manual entry | Active from                                |
| LEDGER   |  | DB/CR default  | Debit   | <input type="checkbox"/> Active to                 | Close type                                 |
| Main account type  | Expense  | Offset account   |   |  | Not applicable                             |
| <b>RELATED ACCOUNTS</b>  |  |  |   |  |  |
| Offset account   |  |  |   |  |  |
| Opening account  |  |  |   |  |  |
| <b>CURRENCY TRANSLATION</b>  |  |  |   |  |  |
| Financial reporting exchange rate...   |  |  |   |  |  |
| Default  |  |  |   |  |  |
| Currency translation type  |  |  |   |  |  |
| Average  |  |  |   |  |  |
| Advanced rules   |  |  |   |  |  |
| <ul style="list-style-type: none"> <li>▲ Manufacturing P&amp;L</li> <li>▲ Project: Project</li> <li>▶ Project</li> </ul> |  |  |   |  |  |

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

Hot Area:

## Answer Area

## Questions

## Answer choices

What is true about the main account configuration?

- It is locked for direct journal entries.
- It will only accept debit transactions.
- It will use the currency translation type Average to post foreign currency revaluation.
- It requires an additional financial dimension.

Which field is required when you create a new main account?

- Main account type
- DB/CR default
- Default currency
- Financial reporting exchange rate

**Correct Answer:****Answer Area****Questions****Answer choices**

What is true about the main account configuration?

- |   |
|---|
| It is locked for direct journal entries.  |
| It will only accept debit transactions.   |
| It will use the currency translation type Average to post foreign currency revaluation. |
| It requires an additional financial dimension.  |

Which field is required when you create a new main account?

- |                                   |
|-----------------------------------|
| Main account type                 |
| DB/CR default                     |
| Default currency                  |
| Financial reporting exchange rate |

 **cs\_b**  1 year, 1 month ago

Currency translation type is only used for consolidation, and only when the consolidation is done by Financial reporting. I guess the answer should be that "It requires an additional dimension", since an Advanced rule is displayed in the lower part of the picture.

upvoted 5 times

 **lc23**  6 months, 2 weeks ago

Currency translation type for Financial Reporting is set to Average, that means that when you translate a financial report, the system will use the Average type of traslation for that purpose. This does not have anything to do with the foreing currency revaluation posting. So the correct answer should be "It requires an additional dimension"

upvoted 1 times

 **AliK1i** 1 year, 4 months ago

Correct

upvoted 2 times

## Question #75

DRAG DROP -

You are implementing Dynamics 365 Finance. A new product is being released.

The system must track the probability of the new product by cost center and you must use the cost control workspace.

You need to configure the system.

Which option should you use? To answer, drag the appropriate option to the correct requirement. Each value may be used once, more than once, or not at all.

You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

| Options               | Answer Area                    |        |
|-----------------------|--------------------------------|--------|
| Cost element          | Requirement                    | Option |
| Statistical dimension | Month over month profitability | Option |
| Cost object           | New product                    | Option |
|                       | Cost center                    | Option |

Correct Answer:

| Options               | Answer Area                    |                       |
|-----------------------|--------------------------------|-----------------------|
| Cost element          | Requirement                    | Option                |
| Statistical dimension | Month over month profitability | Statistical dimension |
| Cost object           | New product                    | Cost element          |
|                       | Cost center                    | Cost object           |

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/cost-accounting/terms-cost-accounting>

 **DanielaR** Highly Voted 1 year, 4 months ago

Statistical dimension. Object, Object  
<https://learn.microsoft.com/en-us/dynamics365/finance/cost-accounting/terms-cost-accounting>

upvoted 11 times

 **python123** Most Recent 2 months, 3 weeks ago

Cost Element, Cost Object & Cost Object  
 Cost object

Any type of object that is selected for cost control. Costs or revenues are either directly posted on or allocated to cost objects. Some typical cost objects are:

Products  
 Projects  
 Departments  
 Cost centers

Primary cost elements represent the cost flow from financial accounting to Cost accounting. The structure typically corresponds to the profit and loss account structure in the general ledger where a cost element can correspond to a main account.

upvoted 2 times

 **QueenShi** 3 months, 1 week ago

Some typical cost objects are products and cost centers. Element should not be #2. Month over month profitability I can't imagine statistical dimension being correct as the definition on the cost accounting page for Microsoft Learn is "A statistical dimension and its members are used to register and control non-monetary entries in Cost accounting" and I would say profitability is a monetary entry.

upvoted 1 times

 **AliK1i** 1 year, 4 months ago

Tricky one! I think should be Cost Element, Cost Object & Statistical dimensions

<https://learn.microsoft.com/en-us/dynamics365/finance/cost-accounting/terms-cost-accounting>

upvoted 2 times

### Question #76

Topic 1

Manual entry of currency exchange rates must be discontinued. Currency exchange rates must use the current rate values provided by the European Central

Bank. The exchange rate entries and updates must be automated.

You need to configure the system.

Which two options should you use? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Configure the exchange rate provider
- B. Run currency revaluation
- C. Create the currencies
- D. Configure dual currency
- E. Run the import currency exchange rate process

**Correct Answer:** AE

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/import-currency-exchange-rates>

 **python123** 2 months, 3 weeks ago

Correct

upvoted 1 times

 **AliK1i** 1 year, 4 months ago

Correct

upvoted 2 times

## Question #77

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution. After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen. A client has one legal entity, two departments, and two divisions. The client is implementing Dynamics 365 Finance. The departments and divisions are set up as financial dimensions.

The client has the following requirements:

- ☞ Only expense accounts require dimensions posted with the transactions.
- ☞ Users must not have the option to select dimensions for a balance sheet account.

You need to configure the ledger to show applicable financial dimensions based on the main account selected in journal entry.

Solution: Configure one account structure for expense accounts and include applicable dimensions.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: B**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/configure-account-structures>

 **Mike2000** 1 month, 3 weeks ago

B is correct because you need make two different account structures.

1st for expense account that will include applicable dimensions

2nd for balancesheet accounts that will exclude dimensions

upvoted 1 times

 **AliK1i** 1 year, 4 months ago

B is correct answer

upvoted 3 times

## Question #78

**DRAG DROP -**

You are using Microsoft Excel to complete budget planning for the next fiscal year.

Budget template data must be gathered in real time from Dynamics 365 Finance during the budget planning process.

You need to create a budget planning template by using Microsoft Excel.

Which three actions should you perform in sequence? To answer, move the appropriate actions from the list of actions to the answer area and arrange them in the correct order.

Select and Place:

| Actions  | Answer Area |
|--|-------------|
| Upload the template.   |             |
| Generate the template.                                       |             |
| Add data connector fields.                                   |             |
| Enter data from the current year's budget planning template. |             |

**Correct Answer:**

| Actions                | Answer Area  |
|------------------------|--|
|                        | Enter data from the current year's budget planning template. |
| Generate the template. |  |
|                        | Add data connector fields.                                   |
|                        | Upload the template.   |

Step 1: Enter data from the current year's budget planning template.

Create a new template from existing data

Step 2: Add data connector fields.

Microsoft Excel can change and quickly analyze data. The Excel Data Connector app interacts with Excel workbooks and OData services that are created for publicly exposed data entities. The Excel Data Connector add-in enables Excel to become a seamless part of the user experience. The Excel Data Connector add-in is built by using the Office Web add-ins framework.

Step 3: Upload the template.

When you have your Excel template customized the way you want, you can upload it into Dynamics 365. Where you upload the template determines its availability.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/fin-ops-core/dev-itpro/office-integration/office-integration>

<https://portal.dynamics365support.com/knowledgebase/article/KA-01250/en-us>

✉️  **Alice9**  1 year, 3 months ago

1. Generate template
2. Add data connector fields
3. Upload template

<https://learn.microsoft.com/en-us/dynamics365/finance/budgeting/budget-planning-excel-templates>

Doesn't the data auto-populate?

upvoted 7 times

✉️  **Bisera** 11 months, 2 weeks ago

This is correct  
upvoted 1 times

✉️  **cs\_b**  1 year, 1 month ago

There is no such thing as "Add data connector fields" when you create a Budget planning template for Excel. You need to create a Layout first which contains the columns of the template, after that "Generate" (which generates the Excel file) and "Upload" (which connects the Excel file with the Layout).

upvoted 2 times

## Question #79

You need to configure cash flow reports.

Which three actions should you perform? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Configure the behavior for forecasts of transactions that affect the liquidity accounts of the company.
- B. Identify and list all the liquidity accounts.
- C. Define the number sequence.
- D. Configure the account structure.
- E. Run the cash flow calculation process.

**Correct Answer:** ABE

To obtain a forecast of the cash flow, you must complete the following tasks:

\* Identify and list all the liquidity accounts. Liquidity accounts are the company's accounts for cash or cash equivalents.

\* Configure the behavior for forecasts of transactions that affect the company's liquidity accounts.

After you've completed these tasks, you can calculate and analyze forecasts of the cash flow and upcoming currency requirements.

The forecasting process uses transaction information that is entered in the system, and the calculation process forecasts the expected cash impact of each transaction.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/cash-bank-management/cash-flow-forecasting>

 AliK1i 1 year, 4 months ago

Correct

upvoted 1 times

## Question #80

You are implementing Dynamics 365 Finance.

Sales tax payable must be posted to the same collection of accounts across all legal entities.

You need to configure the sales tax.

What should you use?

- A. Posting group
- B. Tax jurisdiction
- C. Use tax payable account
- D. Tax group

**Correct Answer: A**

You can set up Ledger posting groups for sales tax.

Sales tax is calculated and posted to main accounts that are specified in Ledger posting groups. Ledger posting groups are attached to each sales tax code. You can set up individual ledger posting groups for each sales tax code, use one ledger posting group for all sales tax codes or assign multiple ledger posting groups to the sales tax codes.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/set-up-ledger-posting-groups-sales-tax>

*Community vote distribution*

A (100%)

 **Alice9** 1 year, 2 months ago

Ledger posting group to be precise.

upvoted 1 times

 **AliK1i** 1 year, 4 months ago

**Selected Answer: A**

A is correct

upvoted 1 times

## Question #81

DRAG DROP -

You are implementing Dynamics 365 Finance and have deployed one instance with the following legal entities:

| Company  | Comments  | Currency                     |
|----------|---|------------------------------|
| CompanyA | CompanyA is the main office location. CompanyA is located in Canada.  | Canadian dollar              |
| CompanyB | CompanyB includes company executives and headquarters. CompanyB is located in the United States.  | United States dollar         |
| CompanyC | CompanyC is a subsidiary that is located in the United Kingdom.<br><br>CompanyC does business with CompanyA and CompanyB by using the British pound sterling. | British pound sterling (GBP) |

You need to configure the ledger.

Which ledger currencies should be configured? To answer, drag the appropriate currency type to the ledger currency. Each currency type may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

| Currency types | Answer Area                                    |               |
|----------------|--|---------------|
| USD            | Ledger currency<br>CompanyA Reporting currency | Currency type |
| CAD            | CompanyB Accounting currency                   | Currency type |
| GBP            |  |               |

Correct Answer:

| Currency types | Answer Area                                    |               |
|----------------|--|---------------|
| USD            | Ledger currency<br>CompanyA Reporting currency | Currency type |
| CAD            | CompanyB Accounting currency                   | CAD           |
| GBP            |  | GBP           |

Box 1: CAD -

Reporting currency is the currency used for operational reporting to the government bodies.

Accounting currency is what your legal entity uses for amounts calculation. It is unique per the legal entity. Reporting currency is the currency used for operational reporting to the government bodies

Box 2: GBP -

Accounting currency is what your legal entity uses for amounts calculation. It is unique per the legal entity.

 **Rageoxryan** Highly Voted 1 year, 6 months ago

Why would B be £? I think it would be USD

upvoted 12 times

 **Alice9** Highly Voted 1 year, 3 months ago

- Reporting currency is usually based for consolidation based on HQ location, so USD for all entities

- I understand accounting currency to be functional currency and different every entity but for Company B likely USD

let me know your thoughts.

upvoted 10 times

 **Bisera** 11 months, 3 weeks ago

I agree, it should be USD for both options

upvoted 3 times

 **kripe86** 1 year, 2 months ago

i would actually say the same. As company A is not HQ and they are asking for reporting currency, i assume that it should be USD

upvoted 4 times

 **Hajni** Most Recent 9 months ago

USD, USD for both.

upvoted 4 times

 **DanielaR** 1 year, 4 months ago

CAD, USD

upvoted 5 times

 **AliK1i** 1 year, 4 months ago

Second answer is USD

upvoted 4 times

## Question #82

DRAG DROP -

You are implementing Dynamics 365 Finance.

You must associate items with an item model group. An inventory close must not be required.

You need to configure the item model group.

Which costing method should you use? To answer, drag the appropriate costing method to the correct system behavior. Each costing method may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

| Costing methods            | Answer Area | System behavior  | Costing method |
|----------------------------|-------------|--|----------------|
| Moving average             |             | The inventory unit cost must be based on an expected cost. | Costing method |
| Weighted average           |             | The purchase cost changes but the inventory cost does not. | Costing method |
| First in, first out (FIFO) |             |  |                |
| Standard cost              |             |  |                |

Correct Answer:

| Costing methods            | Answer Area | System behavior  | Costing method |
|----------------------------|-------------|--|----------------|
| Moving average             |             | The inventory unit cost must be based on an expected cost. | Standard cost  |
| Weighted average           |             |  | Moving average |
| First in, first out (FIFO) |             |  |                |
| Standard cost              |             |  |                |

Box 1: Standard cost -

Standard costs are estimates of the cost of goods sold -- that is, the cost required to produce your products. They usually consist of three parts: direct materials, direct labor, and manufacturing overhead.

Box 2: Moving average -

Moving average is a perpetual costing method based on the average principle, where the costs on inventory issues do not change when the purchase cost does.

Incorrect:

\* Weighted average is an inventory model based on an average that results from the multiplication of each component (item transaction) by a factor (cost price) reflecting its importance (quantity). Another way to say this is that weighted average is an inventory model that assigns the cost of issue transactions based on the mean value of all inventory received during the period, plus any on-hand inventory from the previous period.

\* First in, First out (FIFO) is an inventory model in which the first acquired receipts are issued first. Financially updated issues from inventory are settled against the first financially updated receipts into inventory, based on the financial date of the inventory transaction.

Reference:

<https://www.fool.com/the-ascent/small-business/accounting/articles/standard-cost/> <https://docs.microsoft.com/en-us/dynamics365/supply-chain/cost-management/moving-average>

✉  **Aamir66** 1 year, 2 months ago

In Moving average, the cost does change.. isn't it? I thought its Standard for both. Any links for this?

upvoted 3 times

✉  **foexams** 9 months ago

Moving average is a perpetual costing method based on the average principle, where the costs on inventory issues do not change when the purchase cost does.

<https://learn.microsoft.com/en-us/dynamics365/supply-chain/cost-management/moving-average>

upvoted 1 times

✉  **AliK1i** 1 year, 4 months ago

Correct

upvoted 1 times

## Question #83

You are implementing Dynamics 365 Finance.

You must configure a more accurate cash flow forecast related to sales tax. The sales tax calculation should be based on the expected transaction amounts and dates.

You need to configure the cash flow forecast.

Which setup should you use?

- A. Bridging accounts
- B. Sales forecast defaults
- C. Dependent accounts
- D. Purchasing forecast defaults

**Correct Answer: B**

Cash flow forecasting can be integrated with General ledger, Accounts payable, Accounts receivable, Budgeting and inventory management. The forecasting process uses transaction information that is entered in the system, and the calculation process forecasts the expected cash impact of each transaction.

Note: In the Purchasing forecast defaults section, you can select default purchasing behaviors for cash flow forecasting. Three fields determine the time of the cash impact: Time between delivery date and invoice date, Terms of payment, and Time between invoice due date and payment date. The forecast will use the default setting for the Terms of payment field only if a value isn't specified on the transaction. Use a term of payment to describe the most typical number of days for each part of the process.

Sales tax authority payments -

The Cash flow sales tax authority payments feature predicts the cash flow impact of sales tax payments. It uses unpaid sales tax transactions, tax settlement periods, and the tax period payment term to predict the date and amount of cash flow payments.

Incorrect:

Not A: A bridged payment is a payment that is posted to the general ledger in two steps. Typically, this approach is used when the method of payment is set to

Bank, and you must post transactions to the bank account only when the transaction has cleared the bank.

Not B: If your organization has configured multiple forecasts, save your users time and select one to be displayed by default when they open the Forecasts page.

With Dynamics 365 Sales forecasting, we are introducing a new set of capabilities that empower organizations to natively create and manage bottom-up sales forecast processes.

Accurate forecasting helps everyone on the team:

Sellers can manage their pipeline and focus time more effectively, by identifying the deals they need to close to meet quotas.

Sales managers and leaders can plan sales team execution and meet sales forecasts more confidently with greater flexibility and a clearer view into bottom-up projections, all the while gaining a deeper understanding of those opportunities that impact the business.

Sales enablement managers can benefit from greater flexibility to offer more granular and meaningful guidance that accurately reflects sales execution.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/cash-bank-management/cash-flow-forecasting> <https://docs.microsoft.com/en-us/dynamics365-release-plan/2020wave1/dynamics365-sales/forecasting>

 **Bisera** 11 months, 2 weeks ago

B is correct

upvoted 1 times

 **Alice9** 1 year, 3 months ago

Seems the answer is none of the above?

upvoted 2 times

 **Alice9** 1 year, 2 months ago

Sales tax payable can be set up as a dependent account perhaps.

<https://learn.microsoft.com/en-us/dynamics365/finance/cash-bank-management/cash-flow-forecasting>

upvoted 3 times

 **kripe86** 1 year, 3 months ago

This question is a mess. How can the answer be B, if the help text says, B is incorrect?

upvoted 3 times

## Question #84

## Topic 1

You plan to manage delinquent customers by monitoring the collection process in Dynamics 365 Finance.

You need to use the Collections list page to monitor the collection process.

What must you do first?

- A. Set up customer groups.
- B. Set up customer pools.
- C. Update financials.
- D. Age customer balances.

**Correct Answer:** *B*

Collections customer pools -

Customer pools are queries that define a group of customer records. You can use these grouped records to view information for the customer accounts that are included, and to manage collections or aging processes for them. You can use customer pools to filter information on the collections list pages. You also can use them to filter the customer accounts that are included when aging snapshots are created.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/cm-collections-concepts>

 **kripe86** Highly Voted 1 year, 3 months ago

I think the answer should be D. You can use customer pools, but you don't have to. But without aging the customers, you won't see the real results.

upvoted 5 times

 **Alice9** 1 year, 3 months ago

Agree. Customer pools are optional.

upvoted 1 times

 **sergeyitaly** Most Recent 1 year ago

D. Age customer balances: This involves determining the age of outstanding customer balances to identify delinquent customers who have not paid their debts. Ageing balances is done by assigning each outstanding invoice to a specific time bucket based on the number of days past due, such as 1-30 days, 31-60 days, etc.

Therefore, the correct answer is D.

upvoted 2 times

## Question #85

You are the controller of a multi-entity organization that uses the same chart of accounts and fiscal periods across all entities. You use the financial report designer in Dynamics 365 Finance to create, maintain, deploy, and view financial statements.

You need to generate consolidated financial statements by using a building block group to aggregate data across companies and financial dimensions.

Which three actions should you perform? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Create a column definition and use the period and year to map the appropriate periods for each company.
- B. Create a row definition that includes all appropriate accounts in all companies in the rows.
- C. Create a column definition that includes a financial dimension column for each company.
- D. Create a reporting tree that includes a reporting node for each company.
- E. Use the Reporting Unit field to select the tree and reporting unit for each column.

**Correct Answer:** BCD

Single-level and multilevel consolidations across legal entities

The simplest method for consolidating by using Financial reporting is to use reporting trees to aggregate data across companies that have the same chart of accounts and fiscal periods. Here are the high-level steps to consolidate by using a reporting tree.

1. Create a row definition, and make sure that all appropriate accounts in all companies are included in the rows. (B)
2. Create a column definition that includes all the columns that are required for the report that you're creating. (C)
3. Create a reporting tree that includes a reporting node for each company that you're using on consolidated reports. (D)

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/generating-consolidated-financial-statements>

*Community vote distribution*



✉  **Flo2021** 5 days, 18 hours ago

Selecting C as one element means to create a report showing companies side-by-side: Hence missing element is E. Hence my answer in summary: B,C,E.

upvoted 1 times

✉  **yuri\_rusanov** 1 year, 1 month ago

**Selected Answer: BCD**

BCD is the correct answer, refer to <https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/generating-consolidated-financial-statements>

upvoted 1 times

✉  **AliK1i** 1 year, 4 months ago

**Selected Answer: BCD**

Correct answer

upvoted 3 times

✉  **Rageoxryan** 1 year, 6 months ago

**Selected Answer: ABD**

Should this not be ABD? As everything is shared across all entities?

upvoted 4 times

✉  **AliK1i** 1 year, 4 months ago

No, A applies to companies with different fiscal calendars

upvoted 2 times

## Question #86

**HOTSPOT -**

A company wants to track balance sheet accounts 10000..39999 by using different dimensions than their profit and loss accounts 40000..99999.

The company wants to track the Customer financial dimension for profit and loss accounts.

The company sets up the following structure:

**Balance sheet  
accounts**

| Main account | Business unit |
|--------------|---------------|
| 10000..39999 | *;**          |

**Profit and loss account structure**

| Main account | Business unit | Department | Cost center |
|--------------|---------------|------------|-------------|
| 40000..99999 | *;**          | *;**       | *;**        |

**Advanced rule for adding a Customer**

Criteria: Where Main account is between 40000..99999, then add customer.

**Customer**

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

Hot Area:

Which action must you perform so that you can post transactions to profit and loss accounts?

- Specify a business unit only.
- Specify a customer only.
- Specify a cost center only.
- Specify a department only.
- Specify a business unit, department, cost center, and customer.

What is the minimum number of account structures that the company must use?

- 1
- 2
- 3

**Correct Answer:**

Which action must you perform so that you can post transactions to profit and loss accounts?

- Specify a business unit only.
- Specify a customer only.
- Specify a cost center only.
- Specify a department only.
- Specify a business unit, department, cost center, and customer.

What is the minimum number of account structures that the company must use?

- 1
- 2
- 3

Box 1: Specify a business unit, department, cost center, and customer.

Example -

To illustrate a best practice for setting up an account structure, let's assume that a company wants to track their balance sheet accounts (100000..399999) at the account and business unit financial dimension level. For revenue and expense accounts (400000..999999), they track financial dimensions Business Unit,

Department, and Cost center. If they make a sale, they also like to track Customer. Using this scenario, it would be recommended to have two account structures assigned to the company's ledger - one for Balance sheet accounts, and one for Profit and Loss accounts. To optimize the user experience and validation,

Customer should be an advanced rule that is only used when a sales account is used.

Box 2: 2 -

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/configure-account-structures>

 **Alice9** Highly Voted 1 year, 3 months ago

Only need to specify customer per the advanced rule. The rest can be blank based on the " ".

upvoted 10 times

 **Grzegorz123** Highly Voted 1 year, 4 months ago

Why ? only customer is obligatory. The others are optional. In my opinion Specify a customer only is required.

upvoted 6 times

 **Ic23** Most Recent 6 months, 1 week ago

BU, Dept and CC can be blank

upvoted 1 times

 **AliK1i** 1 year, 4 months ago

I think customer only for second one

upvoted 4 times

## Question #87

## HOTSPOT -

You are implementing a Dynamics 365 Finance general ledger module for a client that has multiple legal entities.

The client has the following requirements:

- ☞ Post journal entries for all companies from one legal entity.
- ☞ Configure automatic creation of due to/due from transactions based on when LegalEntityA transacts with LegalEntityB.
- ☞ Automatically split the dollar amount in half between DimensionA and DimensionB when the journal is posted.
- ☞ Set up fixed or variable allocations, and then review the allocations in a journal before posting.
- ☞ Automatically post yearend results to account 30016 during yearend close.

You need to configure the system.

Which system capability should you configure? To answer, select the appropriate configuration in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

| Client requirement  | System capability  |
|---|--|
| You must configure automatic creation of due to/due from transactions based on when LegalEntityA transacts with LegalEntityB. | <div style="border: 1px solid black; padding: 5px; height: 100px; width: 100%;"><p>intercompany journal<br/>global journal entry<br/>ledger allocation rules<br/>accounts for automatic transactions</p></div> |
| You must automatically split the dollar amount in half between DimensionA and DimensionB when the journal is posted.          | <div style="border: 1px solid black; padding: 5px; height: 100px; width: 100%;"><p>ledger allocation rules<br/>allocation terms<br/>accounts for automatic transactions<br/>intercompany journal</p></div>     |
| You must set up fixed or variable allocations, and then review the allocations in a journal before posting.                   | <div style="border: 1px solid black; padding: 5px; height: 100px; width: 100%;"><p>intercompany journal<br/>ledger allocation rules<br/>allocation terms<br/>accounts for automatic transactions</p></div>     |
| The system must automatically post year-end results to account 30016 during year-end close.                                   | <div style="border: 1px solid black; padding: 5px; height: 100px; width: 100%;"><p>ledger allocation rules<br/>allocation terms<br/>accounts for automatic transactions<br/>intercompany journal</p></div>     |

**Correct Answer:**

| <b>Client requirement</b>   | <b>System capability</b>   |
|---|--|
| You must configure automatic creation of due to/due from transactions based on when LegalEntityA transacts with LegalEntityB. | <div style="border: 1px solid black; padding: 5px; width: fit-content;">intercompany journal<br/>global journal entry<br/>ledger allocation rules<br/>accounts for automatic transactions</div>    |
| You must automatically split the dollar amount in half between DimensionA and DimensionB when the journal is posted.          | <div style="border: 1px solid black; padding: 5px; width: fit-content;">ledger allocation rules<br/>allocation terms<br/>accounts for automatic transactions<br/>intercompany journal</div>        |
| You must set up fixed or variable allocations, and then review the allocations in a journal before posting.                   | <div style="border: 1px solid black; padding: 5px; width: fit-content;">intercompany journal<br/>ledger allocation rules<br/>allocation terms<br/>accounts for automatic transactions</div>        |
| The system must automatically post year-end results to account 30016 during year-end close.                                   | <div style="border: 1px solid black; padding: 5px; width: fit-content;">ledger allocation rules<br/>allocation terms<br/><b>accounts for automatic transactions</b><br/>intercompany journal</div> |

Box 1: intercompany journal -

Box 2: allocation terms -

Allocation terms are used to distribute amounts across multiple ledger account combinations. They help ensure that expenses or revenues are charged to the correct object in accounting.

Box 3: ledger allocation rules -

Box 4: accounts for automatic transactions

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/main-account-allocation-terms>

## Question #88

**HOTSPOT -**

A customer implements Dynamics 365 Finance.

The customer needs to use the cost accounting module for the following:

- ☞ Track the square footage occupied at each of the customer's store locations.
- ☞ Track and categorize costs as primary or secondary.
- ☞ Classify costs as direct or indirect

You need to configure the system.

NOTE: Each correct selection is worth one point.

Hot Area:

| Requirement   | Configuration option  |
|---|---|
| Track square footage occupied at each location.     | <ul style="list-style-type: none"><li>Allocation base</li><li>Cost classification</li><li>Cost behavior</li><li>Cost control unit</li></ul>                                 |
| Track and categorize costs as primary or secondary. | <ul style="list-style-type: none"><li>Cost element</li><li>Cost distribution</li><li>Cost classification</li><li>Cost object</li></ul>                                      |
| Classify costs as direct or indirect.               | <ul style="list-style-type: none"><li>Cost classification by traceability</li><li>Cost classification by elements</li><li>Cost behavior</li><li>Cost distribution</li></ul> |

**Correct Answer:**

| <b>Requirement</b>                                  | <b>Configuration option</b>   |                                     |                                 |                     |                   |
|---|---|-------------------------------------|---------------------------------|---------------------|-------------------|
| Track square footage occupied at each location.     | <table border="1"> <tr><td style="background-color: #90EE90;">Allocation base</td></tr> <tr><td>Cost classification</td></tr> <tr><td>Cost behavior</td></tr> <tr><td>Cost control unit</td></tr> </table>  | Allocation base                     | Cost classification             | Cost behavior       | Cost control unit |
| Allocation base                                     |   |                                     |                                 |                     |                   |
| Cost classification                                 |   |                                     |                                 |                     |                   |
| Cost behavior                                       |   |                                     |                                 |                     |                   |
| Cost control unit                                   |   |                                     |                                 |                     |                   |
| Track and categorize costs as primary or secondary. | <table border="1"> <tr><td style="background-color: #90EE90;">Cost element</td></tr> <tr><td style="background-color: #90EE90;">Cost distribution</td></tr> <tr><td>Cost classification</td></tr> <tr><td>Cost object</td></tr> </table>                                      | Cost element                        | Cost distribution               | Cost classification | Cost object       |
| Cost element  |   |                                     |                                 |                     |                   |
| Cost distribution                                   |   |                                     |                                 |                     |                   |
| Cost classification                                 |   |                                     |                                 |                     |                   |
| Cost object   |   |                                     |                                 |                     |                   |
| Classify costs as direct or indirect.               | <table border="1"> <tr><td style="background-color: #90EE90;">Cost classification by traceability</td></tr> <tr><td style="background-color: #90EE90;">Cost classification by elements</td></tr> <tr><td>Cost behavior</td></tr> <tr><td>Cost distribution</td></tr> </table> | Cost classification by traceability | Cost classification by elements | Cost behavior       | Cost distribution |
| Cost classification by traceability                 |   |                                     |                                 |                     |                   |
| Cost classification by elements                     |   |                                     |                                 |                     |                   |
| Cost behavior                                       |   |                                     |                                 |                     |                   |
| Cost distribution                                   |   |                                     |                                 |                     |                   |

**Box 1: Allocation base -**

The allocation base is used to measure and quantify activities, such as machine hours that are used, kilowatt hours that are consumed, or square footage that is occupied. It's used as basis for allocating costs to one or more cost objects.

**Box 2: Cost distribution -**

Is used to distribute cost from one cost object to one or more other cost objects by applying a relevant allocation base. Cost distribution and cost allocation differ in that cost distribution always occurs at the level of the primary cost element of the original cost and no reciprocal processing.

**Box 3: Cost classification by traceability****Cost classification -**

Cost classification groups costs according to their shared characteristics. For example, costs can be grouped by elements, traceability, and behavior.

By elements " Materials, labor, and expenses.

By traceability " Direct costs and indirect costs. Direct costs are assigned directly to cost objects. Indirect costs aren't directly traceable to cost objects. Indirect costs are allocated to cost objects.

By behavior " Fixed, variable, and semi-variable.

Incorrect:

\* Cost control unit

The cost control unit represents the cost structure. The structure determines how cost flows in a hierarchical order between cost object dimensions and their respective cost objects.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/cost-accounting/terms-cost-accounting>

✉  **som33**  1 year, 6 months ago

For the second one i think the answer should be Cost Element

Cost element

Used as a function to track and categorize costs. There are two types of cost elements: primary and secondary.

<https://docs.microsoft.com/en-us/dynamics365/finance/cost-accounting/terms-cost-accounting>

upvoted 10 times

✉  **Grzegorz123**  1 year, 4 months ago

For me also - Cost Element should be correct answer in the second box

Cost element

Used as a function to track and categorize costs. There are two types of cost elements: primary and secondary.

upvoted 6 times

 **DDV** Most Recent 7 months, 1 week ago

The answer is not correct because Cost element is either Primary or Secondary.

upvoted 2 times

 **DanielaR** 1 year, 4 months ago

Second- Cost element

upvoted 4 times

## Question #89

An exchange rate provider has been configured for Dynamics 365 Finance.

Foreign currency transactions using the Euro and the US dollar use a fixed exchange rate for European Central Bank holidays and all days between April 1 and

June 30. Foreign currency transactions from March 1 to June 30 fail to post.

You need to reconfigure the system to post transactions for this period.

Which two configuration changes should you make to the ledgers? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Add a key named FloatCurrencies and set the value to True.
- B. Set Create necessary currency pairs to True.
- C. Set Import as of start date to Apr01.
- D. Add a key named BaseCurrency and value of USD.
- E. Set Prevent import on national holiday to True.

**Correct Answer: CD**

Multiple records in different transaction currencies can be aggregated, compared, or analyzed with regard to a single currency, by using an exchange rate. This is known as the base currency. You first define a base currency for the organization and then define exchange rates to associate the base currency with transaction currencies. The base currency is the currency in which other currencies are quoted. The exchange rate is the value of a transaction currency equal to one base currency.

Incorrect:

Not E: Prevent import on national holiday- This check box manages the import of the exchange rate for public holiday's date. For example, if you select this check box and use the European Central Bank as the exchange rate provider, the system will not update the exchange rate on a public holiday that is related to the current legal entity. This option might not be available for some providers.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/customerengagement/on-premises/developer/transaction-currency-currency-entity>

 Flo2021 5 days, 17 hours ago

Note: "Each correct answer presents part of the solution" = meaning:  
None of the answers presents the complete solution.

C and E will be part of the solution, to be completed with other settings:

Import from March 1 to March 30 + Prevent import on national holiday = true

Import from April 1 to June 30 + Single rate for date range = true

etc.

upvoted 1 times

 python123 2 months, 3 weeks ago

My answers: B and C

I think D is wrong.

upvoted 1 times

 DDV 7 months, 1 week ago

It seems the choices for the answer are not matching, very confusing.

upvoted 2 times

 kripe86 1 year, 3 months ago

Can somebody say, if the answer is right? the help text is for Dynamics 365 for Customer Engagement, therefore i don't see it any right.

upvoted 2 times

## Question #90

A company manufactures air filtering units for industrial manufacturing plants.

During the acquisition of one of the components that is used in the unit an agreement is reached that the \$25,000 component will be paid for in the following schedule:

- ☞ The first payment will be \$10,000.
- ☞ The remaining balance will be distributed equally and due on the 15th of the month for the next three months.

You need to configure the system for the payment schedule.

What should you do?

- A. Use the Specified allocation method.
- B. Enter \$25,000 in the Amount of Transaction Quantity field.
- C. Specify a fixed quantity payment of 5.
- D. Set the Fixed allocation method Fixed Amount field for the monthly amount.

**Correct Answer: D**

Note: Set up payment schedules with TDS allocation

1. Go to Accounts payable > Payment setup > Payment schedules.
2. On the Action Pane, select New to create a payment schedule, and enter the required details.
3. In the Allocation field, select the method to use to allocate the payment for the payment schedule: a) Total " One total amount b) Fixed amount " Due divided on a specified fixed amount c) Fixed quantity " Due divided in specified no of installments d) Specified " Unproportionate amount in unproportionate no of interval
4. Enter the other required details, and then close the page.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/localizations/apac-ind-tds-payment-schedule-setup-with-tds-allocation>

*Community vote distribution*

A (100%)

python123 2 months, 3 weeks ago

A

Select Allocation Method: Under the General Tab in the Payment Schedule section, you should select the 'Specified' allocation method. This method allows you to set unproportionate amounts in unproportionate numbers of intervals, which suits your payment structure of one initial payment followed by equal distributions.

upvoted 1 times

Sbibi 3 months, 1 week ago

I think it should be A, we need to distribute the remaining amount

upvoted 1 times

kripe86 1 year, 2 months ago

**Selected Answer: A**

After reading this, i would say A is a correct one: <https://community.dynamics.com/365/supply-chain-management/b/explore-microsoft-dynamics-365-together/posts/vendor-payment-schedule-in-microsoft-dynamics-365-finance-and-operations>

upvoted 1 times

[Removed] 1 year, 4 months ago

**Selected Answer: A**

I think it should be A:

The 1st due for the 10k;

The next 3 5k each in 3 lines;

upvoted 4 times

kripe86 1 year, 2 months ago

I think that only the remaining amount should be distributed. The first payment won't be made by an distribution.

upvoted 1 times

Alice9 1 year, 2 months ago

Agree that it is probably A.

upvoted 1 times

AliK1i 1 year, 4 months ago

Correct

upvoted 2 times

 **Newb007** 7 months, 2 weeks ago

This AliK1i person says 'correct' on all the comments ... don't fall for it

upvoted 5 times

## Question #91

## Topic 1

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution. Determine whether the solution meets the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.  
A customer uses Dynamics 365 Finance.

The controller notices incorrect postings to the ledger entered via journal.

The system must enforce the following:

- ☞ Expense accounts (6000-6998) require department, division, and project with all transactions. Customer dimension is optional.
- ☞ Revenue accounts (4000-4999) require department and division and allow project and customer dimensions.
- ☞ Liability accounts (2000-2999) should not have any dimensions posted.
- ☞ Expense account (6999) requires department, division, project and customer dimensions with all transactions.

You need to configure the account structure to meet the requirements.

Solution:

- ☞ Configure two account structures.
- ☞ For Expense Accounts (6000-6998), configure asterisks in department division, and project. Configure an asterisk and quotations in customer dimension.
- ☞ For Revenue accounts (4000-4999), configure asterisks in department and division. Configure an asterisk and quotations in project and customer dimensions.
- ☞ For Expense account (6999), configure asterisks in department division, project, and customer dimensions.
- ☞ Liability accounts (2000-2999) are in the second account structure with no following dimensions.

Does the solution meet the goal?

A. Yes

B. No

### Correct Answer: A

Expense accounts (6000-6998) require department, division, and project with all transactions. Customer dimension is optional.

Solution: For Expense Accounts (6000-6998), configure asterisks in department division, and project. Configure an asterisk and quotations in customer dimension

Revenue accounts (4000-4999) require department and division and allow project and customer dimensions.

Solution: or Revenue accounts (4000-4999), configure asterisks in department and division. Configure an asterisk and quotations in project and customer dimensions.

Liability accounts (2000-2999) should not have any dimensions posted.

Solution: Liability accounts (2000-2999) are in the second account structure with no following dimensions.

Expense account (6999) requires department, division, project and customer dimensions with all transactions.

Solution: For Expense account (6999), configure asterisks in department division, project, and customer dimensions.

Also included in the solution: Configure two account structures.

## Question #92

A company uses Dynamics 365 Finance. The company is based in the United States and sells a product online. The product is shipped to the United States, Canada, and Mexico. The product is sourced from Brazil. Legal entities must be set up for each country/region. One ledger account must be used to track sales tax payable. You need to configure the system to track Use Tax. Which two parameters should you configure? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. single sales tax code for Brazil
- B. ledger posting group
- C. single sales tax code for the United States
- D. taxation rule
- E. tax code for each legal entity

**Correct Answer:** BE

B: Set up ledger posting groups for sales tax. Required. Ledger posting groups define the main accounts for recording and paying sales taxes.

E: Set up sales tax codes. Required. Sales tax codes contain the tax rates and calculation rules for each sales tax. Sales tax codes are related to a sales tax settlement period and a ledger posting group.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/indirect-taxes-overview>

✉  **cs\_b** 1 year ago

Use tax is a simple checkbox on the tax code, so it needs a tax code per country. A description can be found here:

<https://community.dynamics.com/365/financeandoperations/b/msdynamics365-empowered-community/posts/how-to-setup-european-use-tax-mechanism-concept-and-configuration>

upvoted 2 times

✉  **Daniel73847** 2 months, 1 week ago

Based on the KB of your link, the answer is correct.

upvoted 1 times

✉  **sergeyitaly** 1 year ago

B. Ledger posting group: This parameter is used to group ledger accounts that have similar posting characteristics, such as tax liability accounts. You should configure a single ledger posting group for all legal entities that will track sales tax payable.

D. Taxation rule: This parameter is used to define how tax is calculated and posted for specific tax codes. You should configure a taxation rule for Use Tax, which is a tax on the use or consumption of products that were not subject to sales tax at the time of purchase. The taxation rule should be configured to apply to all legal entities that will track Use Tax.

A, C, and E are not directly related to tracking Use Tax. A single sales tax code for Brazil or the United States would not be sufficient to track Use Tax, as Use Tax is a separate tax that is applied in addition to sales tax. Tax codes for each legal entity would be used to track sales tax, but not specifically Use Tax.

SERG serg

e2-e4

That is a chess notation for the opening move of a pawn in front of the King. It is also called the King's Pawn opening.

upvoted 2 times

## Question #93

The controller at a company has multiple employees who enter standard General ledger journals. The controller wants to review these journal entries before they are posted. Currently, journals entries are posted without review.

You need to configure Dynamics 365 Finance to help set up a system led review process to meet the controller's needs.

Which functionality should you configure?

- A. a Ledger daily journal workflow that uses the organizational hierarchy for journal posting, associated with the General ledger journal name
- B. a saved query in the Voucher inquiries form for the controller to view all general journals posted to the ledger
- C. a manual journal approval with the journal assigned to the user group that the employees are assigned to
- D. the controller's security role so that he has approval privileges for General ledger journals

**Correct Answer: A**

Some organizations require that journals be approved by a user other than the person who entered the journal. To set up an approval process, you can create a workflow.

A workflow represents a business process. It defines how a document flows through the system and indicates who must complete a task or approve a document.

Reference:

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/set-up-general-ledger-workflows>

*Community vote distribution*

A (50%) C (50%)

 **AliK1i** Highly Voted 1 year, 4 months ago

Correct

upvoted 5 times

 **angie97** Most Recent 2 weeks ago

**Selected Answer: A**

The option C, a manual journal approval with the journal assigned to the user group that the employees are assigned to, was a valid setting in Dynamics AX 2012, but it is not available in Dynamics 365 Finance. The functionality of user groups has been replaced by security groups in Dynamics 365 Finance, and the journal approval process is now handled by workflows. Therefore, the option C is not a valid option for Dynamics 365 Finance

upvoted 1 times

 **CPSKtestaccount** 2 months, 4 weeks ago

**Selected Answer: C**

The same with Question #103

upvoted 1 times

 **CPSKtestaccount** 2 months, 4 weeks ago

The same with Question #103,

it should be C 

upvoted 1 times

 **Newb007** 7 months ago

Not sure about this one... theres another repeat question that gives C as the answer. This makes sense because we aren't sure the Controller is higher up in the Org hierarchy

upvoted 3 times

 **DDV** 7 months, 1 week ago

The answer is correct. Workflow includes the setup of will be the approver, and the Controller can be setup as the Approver.

upvoted 2 times

 **cs\_b** 1 year, 1 month ago

It should be C. The controller is probably not the manager of all employees in the organizational hierarchy, who enter journal lines.

upvoted 2 times

## Question #94

**DRAG DROP -**

A customer implements Dynamics 365 Finance.

You need to configure bank reconciliation settings.

What should you do? To answer, drag the appropriate configuration options to the correct requirements. Each configuration option may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

| Configuration options | Answer Area | Requirement  | Configuration option |
|-----------------------|-------------|--|----------------------|
| Document number       |             | Reconcile if a deposit slip number matches a bank statement. |                      |
| Opposite amount       |             | Reconcile if a bank statement includes a fee.                |                      |
| Payment reference     |             |  |                      |
| Transaction type      |             |  |                      |

**Correct Answer:**

| Configuration options | Answer Area | Requirement  | Configuration option |
|-----------------------|-------------|--|----------------------|
| Document number       |             | Reconcile if a deposit slip number matches a bank statement. |                      |
| Opposite amount       |             | Reconcile if a bank statement includes a fee.                |                      |
| Payment reference     |             |  | Payment reference    |
| Transaction type      |             |  | Transaction type     |

Box 1: Payment reference -

Deposit slip and bridged transactions to address bank/card/payment provider fees in bank statement and bank reconciliation in Microsoft Dynamics 365 Finance and Operations

Steps -

Create general journal -

Load bridge transactions -

Create additional journal line and provide the account for fees and use offset as bank as previous line

\* enable deposit slip on both lines and use same payment reference after posting journal use functions to prepare deposit slip after generating deposit slip check bank statement and bank transactions

Box 2: Transaction type -

Create transactions for entries, such as fees and interest, that are on the bank statement but that are not recorded in Finance. Enter the Bank transaction type and appropriate financial dimensions.

Reference:

<https://community.dynamics.com/ax/b/happyd365fo/posts/deposit-slip-and-bridged-transactions-to-address-bank-card-payment-provider-fees-in-bank-statement-and-bank-reconciliation-in-microsoft-dynamics-365-finance-and-operations> <https://docs.microsoft.com/en-us/dynamics365/finance/cash-bank-management/reconcile-bank-account>

## Question #95

## Topic 1

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution. After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

A client wants general journals to be used only to post ledger-type transactions.

You need to set up journal configuration to achieve the requirement.

Solution: Set up a default offset account on the journal name.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: B**

Instead Solution: Set up the journal control to specify the account structure and ledger segment.

A journal name can be used only for adjustments. In this case, you can specify that only the Ledger account type is valid across all companies.

**Which account types can be posted?**

Add Remove

| Company accounts | Account type |
|------------------|--------------|
| <All>            | Ledger       |

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/general-journal-processing>

## Question #96

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution. After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

A client wants general journals to be used only to post ledger-type transactions.

You need to set up journal configuration to achieve the requirement.

Solution: Set up the journal control to specify the account structure and ledger segment.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: B**

Instead Solution: Set up the journal control to specify the account structure and ledger segment.

A journal name can be used only for adjustments. In this case, you can specify that only the Ledger account type is valid across all companies.

**Which account types can be posted?**

| Add              | Remove       |
|------------------|--------------|
| Company accounts | Account type |
| <All>            | Ledger       |

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/general-journal-processing>

✉  **Alice9**  1 year, 2 months ago

B is correct. It should be journal control - Account types.

upvoted 6 times

✉  **yuri\_rusanov**  1 year, 1 month ago

A is the correct answer.

upvoted 2 times

✉  **ITVT** 1 year, 2 months ago

it should be A!

upvoted 3 times

✉  **AliK1i** 1 year, 4 months ago

A is correct

upvoted 3 times

## Question #97

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution. After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

A client wants general journals to be used only to post ledger-type transactions.

You need to set up journal configuration to achieve the requirement.

Solution: Set up the journal control on the general journal to the account type of ledger.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: A**

A journal name can be used only for adjustments. In this case, you can specify that only the Ledger account type is valid across all companies.

**Which account types can be posted?**

Add Remove

| Company accounts | Account type |
|------------------|--------------|
| <All>            | Ledger       |

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/general-journal-processing>

## Question #98

## HOTSPOT -

A company is implementing Dynamics 365 Finance.

The company must be able to record sales orders in the following currencies: USD, EUR, and GBP.

☞ Company A uses USD as the accounting and reporting currency.

☞ Company B uses GBP as the accounting and reporting currency.

☞ Each company is consolidated into Company CON that uses EUR as the accounting and reporting currency.

Assets and liabilities are revalued at the current exchange rate.

You need to configure the system to meet the requirements.

Which option should you use? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

## Answer Area

## Requirement

Establish the currency exchange rates needed to report the total value of open Accounts receivable from Company A in Company CON.

## Option

|   |
|---|
| An imported exchange rate for EUR to USD dated yesterday            |
| A derived historical exchange rate for USD to EUR dated yesterday   |
| A manually entered exchange rate for USD to EUR dated last week     |
| An imported historical exchange rate for EUR to USD dated last week |

Create a Ledger elimination rule for intercompany transactions.

|  |
|--|
| Create a new legal entity and set the Use for financial elimination process to Yes.                    |
| Set the Use for financial elimination process to Yes for either legal entities Company A or Company B. |
| Set the Use for financial elimination process to Yes for both legal entities Company A and Company B.  |

## Correct Answer:

## Answer Area

## Requirement

Establish the currency exchange rates needed to report the total value of open Accounts receivable from Company A in Company CON.

## Option

|   |
|---|
| An imported exchange rate for EUR to USD dated yesterday            |
| A derived historical exchange rate for USD to EUR dated yesterday   |
| A manually entered exchange rate for USD to EUR dated last week     |
| An imported historical exchange rate for EUR to USD dated last week |

Create a Ledger elimination rule for intercompany transactions.

|  |
|--|
| Create a new legal entity and set the Use for financial elimination process to Yes.                    |
| Set the Use for financial elimination process to Yes for either legal entities Company A or Company B. |
| Set the Use for financial elimination process to Yes for both legal entities Company A and Company B.  |

Box 1: An imported exchange rate for EUR to USD dated yesterday.

If a legal entity has received invoices in foreign currencies, the foreign currency must be converted into the local currency. This means that up-to-date exchange rates for different currencies are required.

Before you can import exchange rates, you must set up the information that is required by the providers who offer the exchange rates. Use the Configure exchange rate providers page to select the exchange rate providers.

Import as of - This parameter manages whether to import as of the current date or for a specific date range. If you want to use a date range, enter or select the start and end dates.

Box 2: Set the Use for financial elimination process to Yes for both legal entities Company A and Company B

The setup for eliminations is found in the Setup area of the Consolidations module. After you enter a description for the rule, you must pick the company that the elimination journal will post to. This should be a company that has Use for financial elimination process selected in the Legal entity setup.

Note: Elimination rules can be set up in the system, and then processed during the consolidation process or through an elimination proposal.

The rules can be posted to any company that has Use for financial elimination process selected in the legal entity setup.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/import-currency-exchange-rates> <https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/consolidation-elimination-overview>

[Removed] 1 year, 4 months ago

The 2nd one, "Create a new legal entity and set the Use for financial elimination process to Yes" seems right.

upvoted 9 times

Rayhan83 2 weeks, 6 days ago

A: option 2  
B: option 1  
upvoted 1 times

**Flo2021** 3 weeks, 4 days ago  
Companies A + B can't be used for eliminations if they aren't defined as consolidation companies.  
upvoted 2 times

**Avi\_Levi1555** 3 months, 1 week ago  
but why EUR to USD, should be the opposite? you need to translate USD to euro.  
upvoted 3 times

**Alice9** 1 year, 3 months ago  
Not clear on the yesterday or last week reference.  
upvoted 2 times

**Alice9** 1 year, 2 months ago  
Keyword "current rate" so yesterday makes more sense.  
upvoted 2 times

### Question #99

### Topic 1

You use Dynamics 365 Finance for daily bank reconciliation.

You must use the BAI2 bank statement format.

You need to configure the import bank statement format for the bank reconciliation process.

What should you do?

- A. Import the bank statement as a template for the bank statement format.
- B. Set up a batch job to import the bank statement.
- C. Set up an import project for the bank statement in a Data management workspace using files provided by Microsoft.
- D. Set up a journal name to import a bank statement transaction.

#### Correct Answer: C

**Newb007** 7 months ago  
Its C <https://learn.microsoft.com/en-us/dynamics365/finance/cash-bank-management/set-up-advanced-bank-reconciliation-import-process>  
upvoted 4 times

**RDeen** 7 months, 1 week ago  
The answer should be A  
upvoted 1 times

## Question #100

You are implementing Dynamics 365 Finance.

Subledger entries must transfer automatically to the general ledger.

You need to configure a batch transfer rule.

Which two options should you select? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point

- A. Asynchronous
- B. Scheduled batch
- C. Batch jobs
- D. Scheduler job

**Correct Answer: AD**

*Community vote distribution*

AB (67%)

AC (33%)

 **arstephen** Highly Voted 10 months ago

A and B is the Answer

Subledger transfer to the general ledger:

The following options are available for transferring subledger batches:

Asynchronous – Transfer of the subledger accounting entries to the general ledger is scheduled immediately. The General ledger voucher will be recorded as soon as resources are available to process the request on the server.

Scheduled batch – The subledger accounting entries that must be transferred are added to the processing queue in General ledger.

upvoted 11 times

 **QueenShi** Most Recent 3 months, 1 week ago

AB - navigate to General ledger > Ledger setup > General ledger parameters >Batch transfer rules. On this form there is a field called Transfer mode. If not already selected try Schedule batch or Asynchronous. Scheduled batch allows the user to define a recurring batch that will execute and transfer source document data from the subledger to the general ledger. The customer can configure the batch recurrence based on how quickly they need to see their subledger data in general ledger. If the transfer needs to occur almost immediately use the Asynchronous setting. This setting will start the transfer automatically after the subledger posting completes. The transfer is setup to run as a batch job so there can be up to a 1 minute delay for the transfer to occur.

upvoted 4 times

 **Kev\_Sharp** 6 months ago

**Selected Answer: AC**

Answer A & C based on "<https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/subledger-transfer>"

A. Asynchronous because of this statement in the article "The use of scheduled batch for transfer to General Ledger should only be required in special cases..."

C. Batch jobs due to this statement "Asynchronous transfer of subledger batches requires that the batch server is set up, online, and working because batch tasks are created for immediate execution on the batch server."

upvoted 1 times

 **DDV** 7 months, 1 week ago

AB is the answer. See this link for reference: <https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/subledger-transfer>

upvoted 2 times

 **Eventura** 8 months, 1 week ago

**Selected Answer: AB**

<https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/subledger-transfer>

upvoted 2 times

 **huynq185** 8 months, 3 weeks ago

AB

<https://community.dynamics.com/forums/thread/details/?threadid=eca6bbb1-05f9-4414-a426-190a79cf439e>

upvoted 2 times

 **Bisera** 11 months ago

Batch transfer rule should be configured. So correct answer B and C.

upvoted 3 times

**Question #101****Topic 1**

A customer uses bank reconciliation functionality in Dynamics 365 Finance.

The customer finds a transaction in a closed fiscal period that must be corrected.

You need to correct the transaction.

How should you make this correction?

- A. Use the Correction amount field.
- B. Open the fiscal pend.
- C. Create a new line for the transaction in the closed period.
- D. Create a new line for the transaction in an open period.

**Correct Answer: D***Community vote distribution* D (100%) **bernardas** 11 months ago**Selected Answer: D**

If the fiscal period of the transaction to be corrected is closed, the Correction amount field can't be used. Instead, create a line that has a transaction date that is in an open fiscal period for the correction. In this case, you must add the financial dimensions that were used on the original transaction, and also the offset main account.

<https://learn.microsoft.com/en-us/dynamics365/finance/cash-bank-management/reconcile-bank-account>

upvoted 2 times

**Question #102****Topic 1**

You are implementing Dynamics 365 Finance.

You commonly complete the sale of goods across international borders.

You need to configure the system.

What should you use?

- A. bank statements
- B. purchase agreement
- C. letters of credit
- D. promissory note

**Correct Answer: C** **CPSKtestaccount** 2 months, 4 weeks ago

correct

<https://learn.microsoft.com/en-us/dynamics365/finance/cash-bank-management/letters-of-credit>

upvoted 1 times

## Question #103

The controller at a company has multiple employees who enter standard General ledger journals. The controller wants to review these journal entries before they are posted. Currently, journals entries are posted without review.

You need to configure Dynamics 365 Finance to help set up a system led review process to meet the controller's needs.

Which functionality should you configure?

- A. an Advanced ledger entry workflow that uses the organizational hierarchy for journal posting, associated with the Advanced ledger journal name
- B. an alert that is sent to the controller when a journal name is created
- C. a manual journal approval with the journal assigned to the controller's user group
- D. the controller's security role so that he has approval privileges for General ledger journals

**Correct Answer:** C

*Community vote distribution*

A (100%)

✉  **angie97** 2 weeks ago

**Selected Answer: A**

The option C, a manual journal approval with the journal assigned to the user group that the employees are assigned to, was a valid setting in Dynamics AX 2012, but it is not available in Dynamics 365 Finance. The functionality of user groups has been replaced by security groups in Dynamics 365 Finance, and the journal approval process is now handled by workflows. Therefore, the option C is not a valid option for Dynamics 365 Finance

upvoted 2 times

✉  **Newb007** 7 months, 2 weeks ago

Read These 2 links... I think the answer is correct not need for "Advanced ledger workflow" <https://learn.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/set-up-general-ledger-workflows> <https://learn.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/set-up-financial-journal-approvals>

upvoted 3 times

✉  **Newb007** 7 months, 2 weeks ago

So C is correct

upvoted 3 times

## Question #104

You are implementing Dynamics 365 Finance.

Sales tax should be calculated when the sales orders are entered. During testing, you find the sales tax is not calculating as expected.

You need to validate sales tax has been set up correctly.

Which two actions should you do? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Validate the default item sales tax group setup for the item being sold.
- B. Associate the sales tax jurisdiction to the item sales tax group associated to the item being sold.
- C. Validate a default sales tax code has been set up on the customer from the sales order.
- D. Validate the sales tax group setting on the customer from the sales order.
- E. Validate a default item sales tax code has been set up on the item being sold.

**Correct Answer: AE**

*Community vote distribution*

AD (100%)

✉  **Bisera**  11 months, 2 weeks ago

A & D in my opinion are correct

upvoted 11 times

✉  **Ic23**  6 months ago

A and D are correct

"Item sales tax code" does not exist. "Sales tax code" does exist, but you can't set it up for an item.

upvoted 3 times

✉  **Conrad123** 7 months, 1 week ago

**Selected Answer: AD**

E cannot be defaulted

upvoted 1 times

✉  **val1888** 9 months, 3 weeks ago

AD for sure, tax code can't be defaulted

upvoted 4 times

## Question #105

A company uses Dynamics 365 Finance to include multiple business units as a financial dimension.

All customer payment journals must be posted to the headquarters' business unit financial dimension.

You need to configure the accounts receivable journal name.

What should you configure?

- A. Journal control
- B. Posting restriction
- C. Default financial dimension
- D. Journal approval

**Correct Answer: A**

*Community vote distribution*

C (100%)

 angie97 2 months, 3 weeks ago

**Selected Answer: C**

The correct answer is C. Default financial dimension.

Explanation:

In Dynamics 365 Finance, when you want to ensure that all customer payment journals are posted to a specific financial dimension by default, you should configure the "Default financial dimension" for the relevant journal. This setting allows you to set a default value for a financial dimension that will be automatically populated in the journal lines.

upvoted 4 times

## Question #106

A company has implemented Dynamics 365 Finance.

The company has three different banks where they hold funds. Each bank holds three separate accounts, totaling nine accounts for the company. The system must use default bank information when a new account is created. All bank balances for a single bank account must be updated simultaneously.

You need to configure the system.

Which two entities should you use? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. bank account
- B. bank reasons
- C. bank reconciliation
- D. bank group

**Correct Answer: AD**

## Question #107

## Topic 1

A company has implemented Dynamics 365 Finance.

The company requires better visibility into their cash flow and wants to reconcile bank accounts daily with a timely view of check deposits.

You need to configure the bank accounts for more accurate timing of cash flow.

What should you configure?

- A. Pending balance
- B. Account posting type
- C. Bridging accounts
- D. Advanced bank reconciliation

**Correct Answer:** D

## Question #108

A company uses Microsoft Dynamics 365 Finance. You are evaluating delinquent customers. You examine aging balances and determine that a customer's balance must be written off.

You need to use journal lines to perform the write-off process.

Which two journal line types will be created? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. General ledger entry
- B. Not sufficient funds (NSF) payment entry
- C. Customer entry
- D. Item transaction entry

**Correct Answer: AD**

*Community vote distribution*

AC (100%)

 **Bisera** Highly Voted 11 months, 1 week ago

Should be A and C

upvoted 11 times

 **Atherkh** Most Recent 1 month, 1 week ago

Selected Answer: AC

Nothing to do inventory.

upvoted 1 times

 **CPSKtestaccount** 2 months, 4 weeks ago

Selected Answer: AC

A and C

upvoted 1 times

 **StefanKuijs** 5 months, 2 weeks ago

Selected Answer: AC

Item is already sold, so nothing to be posted on Item

upvoted 1 times

 **Conrad123** 7 months, 1 week ago

Selected Answer: AC

answer is a and c

upvoted 2 times

 **DDV** 7 months, 1 week ago

The answer is AC.

upvoted 1 times

 **Eventura** 7 months, 3 weeks ago

Selected Answer: AC

Should be A and C

upvoted 1 times

 **huynq185** 8 months, 3 weeks ago

AC

<https://learn.microsoft.com/en-us/dynamics365/finance/accounts-receivable/tasks/create-write-off-journal-customer>

upvoted 1 times

## Question #109

A company has implemented Dynamics 365 Finance.

The company pays taxes quarterly to the states of Florida, Nebraska, and Washington. These states have been set up as tax authorities within Dynamics 365 Finance.

You need to configure the system to remit tax payments.

What should you do?

- A. Associate the vendor record to the tax authority.
- B. Set up a customer record for the tax authority.
- C. Associate the vendor record to the settlement period.
- D. Set up the jurisdiction and associate the jurisdiction to the tax authority.

**Correct Answer: A**

*Community vote distribution*

A (100%)

✉️  **Simaoliveira2000**  11 months, 1 week ago

Should be D.

upvoted 6 times

✉️  **Newb007** 7 months ago

NOPE A <https://learn.microsoft.com/en-ca/training/modules/configure-tax-module-dyn365-finance/3-authorities>

upvoted 3 times

✉️  **Conrad123**  7 months, 1 week ago

**Selected Answer: A**

I cannot find this jurisdiction thing in D365 manual or directly in D365... i guess it was present in AX2012: <https://learn.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/set-up-sales-tax-jurisdictions> so it seems A is the correct answer.

upvoted 3 times

✉️  **Newb007** 7 months ago

You got it A is correct

<https://learn.microsoft.com/en-ca/training/modules/configure-tax-module-dyn365-finance/3-authorities>.

upvoted 3 times

## Question #110

You are configuring taxes in Dynamics 365 Finance for a client.

Vendor invoices require a five percent sales tax calculation. Per government rules, the client can recover only 60 percent of this five percent sales tax amount against certain commodities. The remaining 40 percent is non-recoverable.

You need to configure the sales taxes to post to the expense account.

Where should you configure the sales tax percentage?

- A. Sales tax group
- B. Ledger posting groups
- C. Tax code
- D. Item sales tax group

**Correct Answer:** D

*Community vote distribution*

C (100%)

 **Suvadipg55** 1 month, 4 weeks ago

**Selected Answer: C**

Tax codes in Dynamics 365 Finance typically include the percentage information and help determine how much of the sales tax should be posted to various accounts. In this case, you would configure the sales tax percentage within the tax code to meet the specific requirement of the client, where 60 percent is recoverable and 40 percent is non-recoverable against certain commodities.

upvoted 1 times

 **CPSKtestaccount** 2 months, 4 weeks ago

**Selected Answer: C**

Sales tax code - in values you can set up a percentage value as well as non-deductible percentage.

upvoted 1 times

 **Ic23** 6 months ago

There is no way to set up a percentage in an Item sales tax group. Percentages are only set up for Tax codes.

upvoted 2 times

 **Conrad123** 7 months, 1 week ago

**Selected Answer: C**

Sales tax code - in values you can set up a percentage value as well as non-deductible percentage.

upvoted 1 times

 **Conrad123** 7 months, 1 week ago

Sales tax code - in values you can set up a percentage value as well as non-deductible percentage.

upvoted 1 times

 **Sco365** 8 months, 3 weeks ago

**Selected Answer: C**

Tax code is the answer

upvoted 2 times

 **krentron** 10 months ago

**Selected Answer: C**

I think it is C. Sales tax code to be more accurate.

upvoted 1 times

 **Bisera** 11 months, 2 weeks ago

**Selected Answer: C**

I think C is right answer

upvoted 3 times

 **bernardas** 11 months, 2 weeks ago

**Selected Answer: C**

Sales tax code values form has field "Non deductible %"

upvoted 4 times

## Question #111

Topic 1

You have implemented Dynamics 365 Finance.

You must update the fiscal year to a 4-4-5 quarterly configuration.

You need to configure the fiscal year.

What should you do?

- A. Set up the length of the period to 1 year and divide the period according to the quarterly configuration.
- B. Configure the period length to 12 months and adjust the ending date of each period.
- C. Configure the period length to 1 year and adjust the ending date of each period.
- D. Set up the length of the period to 13 months.

**Correct Answer: A***Community vote distribution*A horizontal blue progress bar with the text "A (100%)" in white at its end.

✉  **Rayhan83** 2 weeks, 6 days ago

**Selected Answer: A**

Its correct = A

<https://ellipsesolutions.com/setup-new-fiscal-year-calendar-4-4-5-5-4-4-periods-microsoft-dynamics-ax-2012/>

upvoted 1 times

✉  **esinsahan** 5 months ago

I think A is correct. We can adjust the quarters in the fiscal calendar.

upvoted 1 times

✉  **Newb007** 7 months, 2 weeks ago

this is B right?

upvoted 1 times

The controller at a company has multiple employees who enter standard General ledger journals. The controller wants to review these journal entries before they are posted. Currently, journals entries are posted without review.

You need to configure Dynamics 365 Finance to help set up a system led review process to meet the controller's needs.

Which functionality should you configure?

- A. an Advanced ledger entry workflow that uses the organizational hierarchy for journal posting, associated with the Advanced ledger journal name
- B. an alert that is sent to the controller when a journal name is created
- C. a Ledger daily journal workflow that uses the organizational hierarchy for journal posting, associated with the General ledger journal name
- D. signing limit policies with the controller when a journal name is created

**Correct Answer:** C

 **python123** 2 months, 1 week ago

Same as #122, but the answer is different. I think C is right answer.

upvoted 1 times

## Question #113

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

A client wants general journals to be used only to post ledger-type transactions.

You need to set up journal configuration to achieve the requirement.

Solution: Set up posting restrictions on the general journal.

Does the solution meet the goal?

- A. Yes
- B. No

**Correct Answer:** B

*Community vote distribution*

B (100%)

 **DeeTeee** 7 months ago

**Selected Answer: B**

I would use Journal control in Journal names so I would choose B

upvoted 1 times

 **Conrad123** 7 months, 1 week ago

**Selected Answer: B**

It seems it is to general solution...

upvoted 1 times

## Question #114

You are implementing Dynamics 365 Finance.

You need to enable electronic fund transfers (EFT) for vendors.

Which three steps must you complete? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Enable the EFT format as a method of payment within Accounts payable.
- B. Import a new Electronic reporting (ER) configuration into Lifecycle Services (LCS).
- C. Import the X++ file format.
- D. Import the payment model into the Electronic reporting (ER) repository.
- E. Export Electronic reporting (ER) configuration from Lifecycle Services (LCS).

**Correct Answer:** ADE

 **Daniel73847** 2 months, 1 week ago

I think the answer is correct: ADE

upvoted 1 times

 **Daniel73847** 2 months, 1 week ago

<https://msdynamicsworld.com/story/electronic-reporting-power-dynamics-365-finance-and-operations-0>

upvoted 1 times

 **val1888** 9 months, 3 weeks ago

should be ABD

upvoted 4 times

 **Conrad123** 7 months, 1 week ago

Why B? I can only accept A and D... but i have no idea which is the third answer?

upvoted 2 times

## Question #115

The JAX sales tax group include the following tax codes:

- Jacksonville
- Duval CT
- FL
- FL Special 1
- FL Special 2
- FL Special 3
- FL Special 5

The default item sales tax group includes the following tax codes:

- Jacksonville
- Duval CT
- FL
- FL Special 1
- FL Special 2
- FL Special 3
- FL Special 4
- Lake Worth
- Palm Beach CT

You assign the JAX sales tax group as the sales tax group, and default item sales tax group on the sales order.

You need to select the tax code used for tax calculation on the sales order.

What should you choose?

A. Jacksonville -

Duval CT -

FL -

FL Special 1 -

FL Special 2 -

FL Special 3 -

FL Special 4 -

Lake Worth -

Palm Beach CT

B. Jacksonville -

Duval CT -

FL -

FL Special 2 -

FL Special 3 -

FL Special 5

C. Jacksonville -

Duval CT -

FL -

FL Special 1 -

FL Special 2 -

FL Special 3

D. Jacksonville -

Duval CT -

FL -

FL Special 1 -

FL Special 2 -

FL Special 3 -

FL Special 5

**Correct Answer: C**

*Community vote distribution*

C (100%)

 **Conrad123** 7 months, 1 week ago

**Selected Answer: C**

Sales tax code comes as a result of matrix: sales tax group / item sales tax group

upvoted 2 times

**Question #116**

**Topic 1**

A United States-based company uses Dynamics 365 Finance to collect and report sales tax. The company has a main account for each state where they collect and report sales tax.

The system must transfer the tax liability for each state to their respective main account automatically every month when they run the settle and post sales tax process.

You need to configure Dynamics 365 Finance.

What should you do?

- A. Create a sales tax settlement period for each state.
- B. Select a vendor account during the sales tax group setup.
- C. Create a sales tax ledger posting group for each state. Associate a settlement account to a main account for vendor accounts in the vendor posting profile.
- D. Create a sales tax authority for each state and associate the authority with the respective main account.

**Correct Answer: C**

## Question #117

A company uses Microsoft Dynamics 365 Finance.

The system displays the following error when you try to acquire a fixed asset:

Account for the transaction type, value model, does not exist for fixed asset ASSET-001.

You need to resolve the error.

What should you do?

- A. Link a main account to the asset group book.
- B. Create a main account for the acquisition transaction type.
- C. Enter a main account in the fixed asset posting profiles for the acquisition.
- D. Complete the offset account in the journal for the acquisition.

**Correct Answer: C**

**Question #118****HOTSPOT**

-

**Case study**

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**To start the case study**

-

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**Background**

-

Munson's Pickles and Preserves Farm grows and distributes produce, jellies, and jams. The company's corporate headquarters is located in Dallas, TX. Munson's has one operations center and seven regional distribution centers in the United States.

The company has two wholly owned subsidiaries that operate in Canada. The Canadian entity owns an entity in France.

Munson's plans to expand into Latin America by purchasing the last 25 percent of a subsidiary that they own in Costa Rica. This process is expected to complete within the next two years.

The company plans to implement Dynamics 365 Finance and Dynamics 365 Supply Chain to meet their growing business needs.

**Current environment. General**

-

Munson's uses a mix of internally-developed legacy systems that handle their finance and distribution activities. The company has an isolated CRM system.

- Both Canadian subsidiaries have two departments: marketing and operations.
- Financial reporting is difficult due to data residing in disparate systems.
- Financial reporting is currently performed by using Microsoft Excel.
- Pre-orders in the current system are difficult to track because the order management system is not integrated with the finance system.
- Pickle sales post to one revenue account, but this does not allow for targeted reporting by pickle cut and type.

**Current environment. Organization**

The following chart shows Accounting/Reporting Currencies and Tax ID, if applicable.

- Typically, vendor invoices are received prior to receipt of product.
- The following fixed assets are sold for a loss:

1. BUILD-100

2. CAR-1233

- At the regional distribution centers, the value for physical inventory does not match the inventory in the financial system.
- Munson's rents their corporate office. Rent is not paid by purchase order. Rent is due once a quarter.
- Allocations are performed manually.
- Barrels are inventoried by site and warehouse.
- Munson's has multiple depreciation and tax books for all of their fixed asset equipment.
- Budgets are posted at the department level for each legal entity.

Requirements. Sales

-

- Customers should be able to pre-order for fall release of pickles.
- Three-way matching must be enforced for all purchases.
- Fixed asset sale transactions require a ledger account entered at the time of transaction.
- Fixed assets purchased must be automatically created in fixed asset module. This includes inventory items and write in purchase orders/non-inventoried items.
- One dollar from every sale must be tracked and donated at the end of each month to a charitable organization.
- Purchasing budgets must be enforced at the main account level.

Requirements. Finances

-

- Accounts payable must be able to enter vendor invoices on the day they were received to be settled against when product is received.
- Accounts payable must be able to enter vendor invoices to accrue expense without specifying a purchase order at the time of entry.
- Postage expenses must be split evenly across the regional distribution centers automatically.
- Administrative expenses must be distributed across the regional distribution centers by percentage of fulfillment orders monthly.
- Pickling machines depreciation must be uniquely recorded for visibility but not post to the ledger.

Issues

-

- During implementation testing, User1 indicates that after packing slips are generated for purchase orders, there are no ledger postings.
- User2 indicates that fixed assets purchased on a purchase order do not show up in the Fixed Assets module.
- User3 reports that they are seeing inconsistent application of the one-dollar donation from all sales orders.
- User4 in the Canadian subsidiary is able to purchase supplies for marketing despite exceeding the marketing department budget.
- User5 reports that when purchasing a non-inventoried computer, the system is automatically assigning it to the buildings fixed asset group.

You need to perform financial consolidation and elimination for Munson's.

How should you perform consolidation for each part of the organization? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

## Answer Area

| Organization component | Technique   |
|------------------------|---|
| Costa Rica             | <p>Legal entity configured for partial ownership<br/>Dimension considered for partial ownership<br/>Legal entity configured for elimination<br/>Dimension configured for elimination</p>  |
| Canadian subsidiaries  | <p>Legal entities configured to consolidate in Canadian dollars (CAD) and then to US dollars (USD)<br/>Legal entities configured with an accounting currency of US dollars (USD)<br/>Legal entities configured to eliminate in Canadian dollars (CAD) and then to US dollars (USD)<br/>Legal entities configured as elimination companies in Canadian dollars (CAD)</p> |
| Regional offices       | <p>Financial dimension as sites<br/>Legal entities in US dollars (USD)<br/>Legal entities in Canadian dollars (CAD)</p>   |

## Answer Area

| Organization component | Technique  |
|------------------------|--|
| Costa Rica             | <p>Legal entity configured for partial ownership<br/>Dimension considered for partial ownership<br/><b>Legal entity configured for elimination</b><br/>Dimension configured for elimination</p>  |
| Canadian subsidiaries  | <p><b>Legal entities configured to consolidate in Canadian dollars (CAD) and then to US dollars (USD)</b><br/>Legal entities configured with an accounting currency of US dollars (USD)<br/>Legal entities configured to eliminate in Canadian dollars (CAD) and then to US dollars (USD)<br/>Legal entities configured as elimination companies in Canadian dollars (CAD)</p> |
| Correct Answer:        | <p><b>Financial dimension as sites</b><br/>Legal entities in US dollars (USD)<br/>Legal entities in Canadian dollars (CAD)</p>   |

**Question #119****Case study -**

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**Background -**

First Up Consultants is a global engineering and consulting organization based in Atlanta. The organization assists customers with various implementation projects. The organization provides both consulting services and custom software development.

First Up Consultants was recently acquired by a Canadian engineering firm that uses Dynamics 365 Finance. The firm requires First Up Consultants to transition to the solution by 2022.

First Up Consultants employs consultants that travel globally, which requires extensive expense management capabilities. First Up Consultants offers software as a service (SaaS) products to customers by using monthly and quarterly subscriptions.

**Current environment. Travel and expense**

The company is currently in Phase 2 of their Dynamics 365 Finance implementation.

- Consultants submit all travel receipts by using inter-office mail to the team admin for processing, but First Up Consultants wants to modernize this experience.
- Expense reports are manually approved and signed by the employee's manager.

**Current environment. Finance -**

- First Up Consultants operates on a 4-5-4 calendar.
- Accounting for revenue has been difficult with the SaaS offerings. This has led to implementing Dynamics 365 Finance Revenue recognition.
- Revenue recognition has been live for 3 months.
- Adatum Corporation pays quarterly for use of the First Up Consultants web design application, starting from the day of use.
- Fourth Coffee pays monthly for use of the First Up Consultants photograph editing application with a contract starting August 1 and payment starting September 1.
- Adventure Works Cycles pays per use of the First Up Consultant video platform.
- A blocking rule is set up to prevent a sales order from processing if a customer exceeds a credit limit.
- Customer credit is set up at the account level for VanAarsdel, Ltd.
- Tailspin Toys is owned by Wingtip Toys. The companies have a credit limit of \$60,000 and \$100,000, respectively.

### Current environment. Revenue allocation

The company reports the following revenue allocation percentages:

| Line of business     | Revenue percentage |
|----------------------|--------------------|
| Web design           | 60 percent         |
| Video platform       | 5 percent          |
| Photography software | 10 percent         |
| Consulting           | 25 percent         |

### Current environment. Tax -

VAT tax recovery is required for eligible international business trip expenses. Bank reconciliation is manual and performed by using monthly mailed account statements.

The company collects sales taxes from the following states:

| Physical presence liability | State       | Rate         |
|-----------------------------|-------------|--------------|
| X                           | Texas       | 6.25 percent |
| X                           | Mississippi | 7 percent    |
| X                           | Tennessee   | 7 percent    |
| X                           | Georgia     | 4.5 percent  |
|                             | Alabama     | 4 percent    |
|                             | Vermont     | 6 percent    |
|                             | Kansas      | 6.5 percent  |

### Requirements -

#### Travel and expense -

- First Up Consultants requires that employees start using corporate cards for all travel expenses.
- All expenses over \$50 require a receipt.
- Beer cannot be expensed.
- Employees may use the corporate card for personal expenses during work travel, but expenses must be categorized correctly.
- Client entertainment expenses totaling more than \$250 must be audited.
- Employees require a mobile expense experience.
- Expense report entries must be validated when a transaction line is entered.
- Employees require the ability to capture receipts by using a mobile device.
- First Up Consultants requires the ability to reimburse employees in their paychecks for expenses incurred on personal cards.

### Financials -

- A virtual thirteenth month is required for year-end transactions.
- Each day, a validation file must go to First Up Consultants bank detailing all vendor checks paid.
- Except fees, all matched transactions must clear automatically during bank reconciliation.
- The accounts payable team must verify expense reports prior to posting.
- Only payables are allowed to be posted to a prior period up to seven days into the new period.

### Issues -

- User1 installed the Expense Management Service add-in and implemented the auto-match and create expense from receipt features, but the receipt images do not match the corporate card transactions.
- Employee1 submits an expense report for a business trip to Europe, but the report is not visible on the expense tax recovery page.
- Employees provided feedback that the system lets them know of an expense report policy violation only after the entire expense report is

submitted.

- Members of the finance department observe sales orders that posted into a closed period.
- The finance team observed that for sales order invoice 1234, the price incorrectly posts to a revenue account when it should be deferring.
- Employee2 purchased supplies for a holiday party and needs to be reimbursed.
- A customer orders software licenses for the offices in Tennessee and Alabama.
- Expense reports for unapproved items are posting.
- VanArsdel, Ltd. exceeded its credit limit but the sales order was processed.
- Tailspin Toys purchases \$70,000 in custom software development.

You need to address the posting of sales orders to a closed period.

What should you do?

- A. Permanently close the period for all modules.
- B. Use a ledger calendar to update period status.
- C. Permanently close the fiscal year.
- D. Use a ledger calendar to update module access.
- E. Divide the period.

**Correct Answer: D**

**Question #120****HOTSPOT**

-

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| X                           | Tennessee   | 7 percent    |
| X                           | Georgia     | 4.5 percent  |
|                             | Alabama     | 4 percent    |
|                             | Vermont     | 6 percent    |
|                             | Kansas      | 6.5 percent  |

#### Requirements

#### Travel and expense

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- Beer cannot be expensed.
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- Only payables are allowed to be posted to a prior period up to seven days into the new period.

## Issues

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  - Employees provided feedback that the system lets them know of an expense report policy violation only after the entire expense report is submitted.
  - Members of the finance department observe sales orders that posted into a closed period.
  - The finance team observed that for sales order invoice 1234, the price incorrectly posts to a revenue account when it should be deferring.
  - Employee2 purchased supplies for a holiday party and needs to be reimbursed.
  - A customer orders software licenses for the offices in Tennessee and Alabama.
  - Expense reports for unapproved items are posting.
  - VanArsdel, Ltd. exceeded its credit limit but the sales order was processed.
  - Tailspin Toys purchases \$70,000 in custom software development.

You need to validate the sales tax Postings for Tennessee and Alabama.

Which tax selections meet the requirement? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

## Answer Area

| Sales order | Tax selection  |
|-------------|--|
| Tennessee   | <ul style="list-style-type: none"><li>Item sales tax all and sales tax group no tax</li><li>Item sales tax all and sales tax group 7 percent</li><li>Item sales tax use tax and sales tax group 4.5 percent</li><li>Item sales tax use tax and sales tax group 7 percent</li></ul> |
| Alabama     | <ul style="list-style-type: none"><li>Item sales tax all and sales tax group no tax</li><li>Item sales tax all and sales tax group 4 percent</li><li>Item sales tax all and sales tax group 4.5 percent</li></ul>  |

**Answer Area****Sales order****Tax selection**

Tennessee

Correct Answer:

- Item sales tax all and sales tax group no tax
- Item sales tax all and sales tax group 7 percent
- Item sales tax use tax and sales tax group 4.5 percent
- Item sales tax use tax and sales tax group 7 percent**

Alabama

- Item sales tax all and sales tax group no tax
- Item sales tax all and sales tax group 4 percent**
- Item sales tax all and sales tax group 4.5 percent

**Question #121****Topic 1**

A company plans to implement Dynamics 365 Finance. The company manages a high volume of customers.

The finance team wants to enable the following capabilities for each set of customers:

- Create sales budgets.
- Generate trade statistics such as weekly sales.
- Define ledger posting.
- Define terms of payment.

You need to select functionality that defines clusters of customers.

Which configuration should you select?

- A. Customer groups
- B. Customer payment terms
- C. Customer posting profiles
- D. Customer sales agreements

**Correct Answer: A**

## Question #122

## Topic 1

The controller at a company has multiple employees who enter standard General ledger journals. The controller wants to review these journal entries before they are posted. Currently, journals entries are posted without review.

You need to configure Dynamics 365 Finance to help set up a system led review process to meet the controller's needs.

Which functionality should you configure?

- A. the controller's security role so that he has approval privileges for General ledger journals
- B. an Advanced ledger entry workflow that uses the organizational hierarchy for journal posting, associated with the Advanced ledger journal name
- C. a Ledger daily journal workflow that uses the organizational hierarchy for journal posting, associated with the General ledger journal name
- D. a manual journal approval with the journal assigned to the user group that the employees are assigned to

**Correct Answer:** D

*Community vote distribution*

C (100%)

python123 2 months, 1 week ago

C is right answer. same as question 112  
upvoted 3 times

angie97 2 months, 3 weeks ago

**Selected Answer: C**

It is C  
upvoted 2 times

## Topic 2 - Question Set 2

### Question #1

Topic 2

DRAG DROP -

A client observes that some customers are late paying their invoices. The client wants to use the Credit and Collections functionality to send collection letters to customers.

You need to configure the system to support collection letter functionality and processing.

In which order should you perform the actions? To answer, move all actions from the list of actions to the answer area and arrange them in the correct order.

Select and Place:

| Actions   | Answer Area |
|---|-------------|
| Post the collection letter  |             |
| Link the collection letter sequence to the customer posting profile |             |
| Set up the Form Notes in the Credit and collections module          |             |
| Define the collection letter sequence                               |             |
| Generate the collection letter                                      |             |

Correct Answer:

| Actions   | Answer Area |
|---|-------------|
| Post the collection letter  |             |
| Link the collection letter sequence to the customer posting profile |             |
| Set up the Form Notes in the Credit and collections module          |             |
| Define the collection letter sequence                               |             |
| Generate the collection letter                                      |             |

Reference:

<http://d365tour.com/en/microsoft-dynamics-d365o/finance-d365fo-en/collection-letters/>

✉  **huynq185** 8 months, 3 weeks ago

The given Answer is correct

upvoted 1 times

✉  **bernardas** 11 months, 2 weeks ago

Form note setup is quite independent step. Why does it is the first?

upvoted 2 times

✉  **Aysenuremre** 2 years, 5 months ago

Correct Answer

upvoted 4 times

## Question #2

## HOTSPOT -

A company sells goods to a customer. You enter an invoice for the customer on June 25. The invoice is eligible for a cash discount of two percent if it is paid in five days, and a discount of one percent if it paid in 14 days.

You need to create a payment journal when the invoices are settled on specific dates.

Which setup options should you use? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

## Answer Area

## Payment date

June 29

## Settlement amount

|   |
|---|
| The payment for invoice TH10 is \$1,000.00. No cash discount is taken           |
| The payment for invoice TH10 is \$980.00. A cash discount of 2 percent is taken |
| The payment for invoice TH10 is \$990.00. A cash discount of 1 percent is taken |

## July 1

|   |
|---|
| The payment for invoice TH10 is \$990.00. A cash discount of 1 percent is taken |
| The payment for invoice TH10 is \$1,000.00. No cash discount is taken           |
| The payment for invoice TH10 is \$980.00. A cash discount of 2 percent is taken |

## Answer Area

## Payment date

June 29

## Settlement amount

|   |
|---|
| The payment for invoice TH10 is \$1,000.00. No cash discount is taken           |
| The payment for invoice TH10 is \$980.00. A cash discount of 2 percent is taken |
| The payment for invoice TH10 is \$990.00. A cash discount of 1 percent is taken |

Correct Answer:

## July 1

|   |
|---|
| The payment for invoice TH10 is \$990.00. A cash discount of 1 percent is taken |
| The payment for invoice TH10 is \$1,000.00. No cash discount is taken           |
| The payment for invoice TH10 is \$980.00. A cash discount of 2 percent is taken |

 **Newb007** 7 months, 2 weeks ago

... so a basic counting days question lol? this makes me think there is some catch... I hate MS exams  
upvoted 2 times

 **Yael\_Shachen\_Tov** 2 years, 9 months ago

Correct!  
upvoted 3 times

 **sadiq\_d365** 3 years, 1 month ago

correct  
upvoted 3 times

## Question #3

## HOTSPOT -

A private sector client needs item groups set up to support the procurement process.

The Audio Item group posting for a purchase order is configured as shown:

| Account type                         | Main account |
|--------------------------------------|--------------|
| Cost of purchased materials received | 140200       |
| Purchase expenditure, un-invoiced    | 200140       |
| Cost of purchased materials invoiced | 140200       |
| Purchase expenditure for product     | 600170       |
| Discount                             |              |
| Fixed receipt price profit           |              |
| Fixed receipt price loss             | V            |

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area**

Which action will the system perform when a purchase order is confirmed without posting definitions configured?

- The transaction will generate a credit entry to cost of purchase materials received.
- The transaction will generate a debit entry to cost of purchase materials invoiced.
- The transaction will generate a reversing entry.
- The transaction will not generate a posting.

Which accounts will be credited and debited when a purchase order is received?

- 200140 – credit, 140200 – debit
- 140200 – credit, 200140 – debit
- 600170 – credit, 140200 – debit

**Correct Answer:****Answer Area**

Which action will the system perform when a purchase order is confirmed without posting definitions configured?

- The transaction will generate a credit entry to cost of purchase materials received.
- The transaction will generate a debit entry to cost of purchase materials invoiced.
- The transaction will generate a reversing entry.
- The transaction will not generate a posting.

Which accounts will be credited and debited when a purchase order is received?

- 200140 – credit, 140200 – debit
- 140200 – credit, 200140 – debit
- 600170 – credit, 140200 – debit

✉  **Marrgita**  3 years, 3 months ago

2nd for me correct is DR 140200 CR 200140

upvoted 16 times

✉  **BenLearn**  1 year, 10 months ago

1st answer is correct - without posting definitions there wont be a posting when confirming a purchase order

2nd answer incorrect

- Debit (Cost of purchased materials received) 140200 (usually: 'Stock received')

- Credit (Purchase expenditure, un-invoiced) 200140 (usually: 'Invoices to be received')

upvoted 8 times

✉  **yuri\_rusanov**  1 year, 1 month ago

1st answer - correct

2nd answer DR 140200 CR 200140

upvoted 3 times

✉  **Daniel73847** 2 months, 1 week ago

Does that mean the answers are correct? I am so confused now.

upvoted 2 times

✉  **Alice9** 1 year, 2 months ago

2nd is correct: <https://dynamics365foworld.wordpress.com/2018/10/01/item-groups-in-dynamics-365/>

upvoted 3 times

✉  **DanielaR** 1 year, 4 months ago

First is ok, second DR 140200 CR 200140

upvoted 2 times

✉  **pcm\_stj** 2 years, 2 months ago

Also think the proposed solution is correct.

upvoted 1 times

✉  **andstr** 2 years, 3 months ago

Answers is correct

upvoted 1 times

✉  **ThangN** 2 years, 10 months ago

2nd correct is DR 140200 CR 200140

upvoted 4 times

✉  **sadiq\_d365** 3 years, 1 month ago

2nd correct is DR 140200 CR 200140

upvoted 2 times

## Question #4

A client uses Dynamics 365 Finance for accounts receivable.

You need to configure the method of payment to enforce the accounts receivable clerk to enter the wire number for the received electronic payment.

Which item should you set up as mandatory?

- A. Select bank transaction type
- B. Select payment reference
- C. Select Payment ID
- D. Select Deposit slip

**Correct Answer:** B

*Community vote distribution*

B (100%)

 **Yael\_Shachen\_Tov** Highly Voted  2 years, 9 months ago

Payment Reference= Seems Correct

<https://docs.microsoft.com/en-us/dynamics365/finance/localizations/tasks/set-up-mandatory-payment-references>

upvoted 7 times

 **Yael\_Shachen\_Tov** 2 years, 9 months ago

Part of "payment Control"

upvoted 1 times

 **Conrad123** Most Recent  7 months, 1 week ago

Selected Answer: B

Probably it is payment reference:

<https://learn.microsoft.com/en-us/dynamics365/finance/cash-bank-management/tasks/customer-payment-overview>

But in the method of payment -> payment control you can enable both payment reference as well as payment ID. What is more, you can enable payment ID in payment attributes.

upvoted 1 times

 **AliK1i** 1 year, 4 months ago

Selected Answer: B

B is correct

upvoted 1 times

 **Yael\_Shachen\_Tov** 2 years, 9 months ago

payment ID

<https://docs.microsoft.com/en-us/dynamics365/finance/localizations/tasks/no-00002-customer-payment-based-payment-id>

upvoted 3 times

 **Yael\_Shachen\_Tov** 2 years, 9 months ago

Part of "Payment attributes"- Information Field!

upvoted 1 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 3 times

## Question #5

## HOTSPOT -

A company has delinquent customers.

You need to configure Dynamics 365 Finance to meet the following requirements:

- ⇒ Send communication to the customers detailing their past-due invoices.
- ⇒ Use the system to automatically calculate a late charges.
- ⇒ Create a group of customers for a collection agent to monitor.
- ⇒ View a list of customers with colored indicators of a customer's payment status.

You need to associate the correct system functionality to manage delinquent customers based on these business requirements.

Which functionality should you use? To answer, select the appropriate configuration in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area****Business requirement**

- Send communication to the customers detailing their past-due invoices.

**Delinquency Management functionality**

|                        |
|------------------------|
| customer statement     |
| collection letter      |
| aged customer balances |

- Use the system to automatically calculate a late charge.

|                |
|----------------|
| interest codes |
| biling codes   |
| auto charges   |

- Create a group of customers for a collection agent to monitor.

|                          |
|--------------------------|
| customer pools           |
| aging period definitions |
| customer groups          |

- View a list of customers with colored indicators of a customer's payment status.

|                         |
|-------------------------|
| aged balances           |
| period definitions      |
| customer aging snapshot |

**Answer Area****Business requirement**

Send communication to the customers detailing their past-due invoices.

**Delinquency Management functionality**

|                        |
|------------------------|
| customer statement     |
| collection letter      |
| aged customer balances |

Use the system to automatically calculate a late charge.

|                |
|----------------|
| interest codes |
| biling codes   |
| auto charges   |

**Correct Answer:**

Create a group of customers for a collection agent to monitor.

|                          |
|--------------------------|
| customer pools           |
| aging period definitions |
| customer groups          |

View a list of customers with colored indicators of a customer's payment status.

|                         |
|-------------------------|
| aged balances           |
| period definitions      |
| customer aging snapshot |

**Reference:**

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/accounts-receivable/tasks/review-collections-information>

✉  **Jesmen**  3 years, 10 months ago

late payment charge should be interest code, not charge code. Charge code on item, interest on late payment.

upvoted 14 times

✉  **riazahmad82** 3 years, 8 months ago

I agree, late payment charges are calculated through interest not through Auto charges.

upvoted 3 times

✉  **annade** 3 years, 7 months ago

I wonder if they were thinking of the reminder fee but call it an "auto charge".

"Enter the fee that will be charged when this collection letter is posted."

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/tasks/create-collection-letter-sequence>

upvoted 1 times

✉  **Makisma**  3 years, 10 months ago

Shouldn't the last one be Aged balances. Period definition just defines the aging period and does not list the customer payment statuses

upvoted 10 times

✉  **Joeman** 3 years, 10 months ago

I agree: <https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/tasks/review-collections-information>, search for aged balances

upvoted 3 times

✉  **Flo2021**  3 weeks, 4 days ago

Last one should be "Period definitions" (Aging period definitions)

upvoted 1 times

✉  **Conrad123** 7 months, 1 week ago

Functionalities:

1. Collection letter
2. Interest codes
3. Customer pools
4. Aged balances

upvoted 3 times

✉  **ITVT** 1 year, 2 months ago

it's about the functionality!

not what to do.

upvoted 2 times

✉  **Alice9** 1 year, 3 months ago

Question 2: interest codes

Question 4: aged balances

upvoted 2 times

 **bbp** 3 years, 10 months ago

This is debatable. You need to configure Dynamics 365 for Finance and Operations to meet the following requirements: Key word in previous sentence is CONFIGURE.

Associate the correct system functionality to manage delinquent customers based on these business requirements. Key word is FUNCTIONALITY.

The system has to be configured with the Aging period definitions, which include the Colored Indicators of a customer's payment status. The indicators are visible on the Customer Aging Snapshot. So technically, Period Definitions would be correct in this case. It is all in the way the individual interprets Microsoft's intent for the question.

upvoted 6 times

 **Sophs** 3 years, 10 months ago

Should be the customer aged snap shot <https://docs.microsoft.com/en-us/learn/modules/configure-credit-collections-dyn365-finance/3-credit-comp>

upvoted 2 times

## Question #6

## HOTSPOT -

A client confirms a sales order in Dynamics 365 Finance.

You are viewing the confirmed sales order.

The screenshot shows the Microsoft Dynamics 365 Sales Order screen. The ribbon menu includes options like Edit, New, Delete, SALES ORDER, SELL, MANAGE, PICK AND PACK, INVOICE, RETAIL, GENERAL, WAREHOUSE, TRANSPORTATION, and various buttons for GENERATE, PROCESS, APPLY, JOURNALS, and PREPAYMENT. The main area displays a sales order header for '000784: Contoso, Ltd.' and a grid of sales order lines. One line item is selected, showing 'A0001' as the item number and 'HDMI 6' Cables' as the product name. The quantity is listed as '10.00' with a unit of 'Pcs'.

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area**

What should you select to view the original document and print preview to reprint this document?

- Pro forma confirmation
- Sales order confirmation journal
- Confirm sales order

What should you select to view the service fee that was added to the confirmed sales order?

- the Inventory menu in the Sales order line area, and then select Transactions
- the Charges button on the ribbon
- the Supplementary items button on the ribbon
- the Sales order line menu in the Sales order line area, and then select Order events

Correct Answer:

**Answer Area**

What should you select to view the original document and print preview to reprint this document?

- Pro forma confirmation
- Sales order confirmation journal
- Confirm sales order

What should you select to view the service fee that was added to the confirmed sales order?

- the Inventory menu in the Sales order line area, and then select Transactions
- the Charges button on the ribbon
- the Supplementary items button on the ribbon
- the Sales order line menu in the Sales order line area, and then select Order events

**BetoQ** 2 years, 11 months ago

Correcto

upvoted 3 times

**sadiq\_d365** 3 years, 1 month ago

correct

upvoted 3 times

## Question #7

DRAG DROP -

th

An organization sells monthly service subscriptions. The organization sends invoices to customers on the 15 of every month in the amount of \$450.00.

You need to set up, configure, and process recurring free text invoices for the customers.

In which order should you perform the actions? To answer, move all actions from the list of actions to the answer area and arrange them in the correct order.

Select and Place:

**Actions**

Assign the template to the customers that you want to invoice

Post recurring free text invoices through the periodic posting button

Process the recurring invoice by specifying the invoice date and the template to generate the invoices from

Create a free text invoice template with header, line, accounting distribution, and financial dimension information

Print recurring free text invoices

**Answer Area**

## Correct Answer:

**Actions**

Assign the template to the customers that you want to invoice

Post recurring free text invoices through the periodic posting button

Process the recurring invoice by specifying the invoice date and the template to generate the invoices from

Create a free text invoice template with header, line, accounting distribution, and financial dimension information

Print recurring free text invoices

**Answer Area**

Create a free text invoice template with header, line, accounting distribution, and financial dimension information

Assign the template to the customers that you want to invoice

Process the recurring invoice by specifying the invoice date and the template to generate the invoices from

Post recurring free text invoices through the periodic posting button

Print recurring free text invoices

## Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/accounts-receivable/set-up-process-recurring-invoices>

**sadiq\_d365** 3 years, 1 month ago

correct

upvoted 3 times

**sadiq\_d365** 3 years, 1 month ago

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/set-up-process-recurring-invoices>

upvoted 2 times

## Question #8

A company has many customers who are not paying invoices on time.  
You need to use the collection letter functionality to manage customer delinquencies.  
What are two possible ways to achieve the goal? Each correct answer presents part of the solution.  
NOTE: Each correct selection is worth one point.

- A. Cancel the collection letters after they are created and posted.
- B. Print all of the collection letters.
- C. Delete the collection letters after posting when an error occurs.
- D. Post the collection letters.

**Correct Answer:** BD

Reference:

<http://d365tour.com/en/microsoft-dynamics-d365o/finance-d365fo-en/collection-letters/>

*Community vote distribution*

BD (100%)

 **Eventura** 7 months, 2 weeks ago

**Selected Answer: BD**

Correct

upvoted 1 times

 **BenLearn** 1 year, 10 months ago

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/tasks/process-collection-letters>

upvoted 2 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 4 times

## Question #9

## Topic 2

A company plans to allocate revenue across occurrences by using recognition basis.  
Which recognition basis can you use?

- A. Mid-month split
- B. Revenue schedule
- C. Actual start date
- D. Monthly

**Correct Answer:** D

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-setup>

*Community vote distribution*

D (100%)

 **AliK1i** 1 year, 4 months ago

**Selected Answer: D**

correct

upvoted 1 times

## Question #10

## HOTSPOT -

A client is using Dynamics 365 Finance for sales order processing and accounts receivable. The client has two customer groups and two Accounts receivable trade accounts. Foreign customers in Group 80 are assigned to account 12001. Domestic customers in Group 40 are assigned to account 12000.

You are viewing the client's current setup of Customer posting profiles.

The screenshot shows the Dynamics 365 Finance interface for 'Customer posting profiles'. The 'Foreign' posting profile is selected. In the 'Setup' section, there are fields for 'Account code' and 'Account/Group number', which are currently empty. Below these are dropdowns for 'Summary account', 'Liquidity account for payments', 'Sales tax prepayments', 'Liabilities for discount account', 'Collection letter sequence', and 'Interest code'. Under 'Table restrictions', there are checkboxes for 'Allow automatic settlement' (set to 'Yes'), 'Interest' (set to 'Yes'), 'Collection letter' (set to 'Yes'), and 'Close' (unchecked). A sidebar on the left lists other posting profiles: 'Foreign Customers' (selected), 'Domestic Customers', 'General Profile', and 'Prepayments'.

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area****Question**

Which setup should you use to restrict this posting profile to customers belonging to customer group 80?

**Answer choice**

Select Add under account code, select Table, and then select customer group 80.

Select Add under account code, select Group, and then select customer group 80.

Select Add under account code, and then select All.

Which configuration should you use to have the system automatically post the receivable to the foreign accounts receivable trade account upon invoice posting?

Select account 12001 in the Account code field.  
Select account 12001 in the Summary account field.  
Select account 12001 in the Liquidity account for payments field.

**Correct Answer:****Answer Area****Question**

Which setup should you use to restrict this posting profile to customers belonging to customer group 80?

**Answer choice**

Select Add under account code, select Table, and then select customer group 80.

Select Add under account code, select Group, and then select customer group 80.

Select Add under account code, and then select All.

Which configuration should you use to have the system automatically post the receivable to the foreign accounts receivable trade account upon invoice posting?

Select account 12001 in the Account code field.

Select account 12001 in the Summary account field.

Select account 12001 in the Liquidity account for payments field.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/customer-posting-profiles>

✉  **Jay28** Highly Voted  3 years, 3 months ago

2nd question, answer should be summary account

upvoted 29 times

✉  **Shyma123** Highly Voted  2 years, 6 months ago

must be summary code

upvoted 10 times

✉  **andstr** Most Recent  2 years, 3 months ago

System automatically posts to SUMMARY ACCOUNT upon invoicing.

upvoted 4 times

✉  **MahmoudSaeed** 2 years, 8 months ago

Q2- Summary account

upvoted 5 times

✉  **sadiq\_d365** 3 years, 1 month ago

Q2 summary account

upvoted 5 times

✉  **Fozo** 3 years, 2 months ago

Q2 summary account

upvoted 5 times

✉  **DDV** 3 years, 3 months ago

Q2 - the answer should be Summary account.

upvoted 4 times

## Question #11

**SIMULATION -**

You are a functional consultant for Contoso Entertainment System USA (USMF).

You plan to run several reports in USMF that list all the write-off transactions.

You need to replace the write-off reason used by the system for USMF to use a reason of `Bad debts.

To complete this task, sign in to the Dynamics 365 portal.

**Correct Answer:** See explanation below.

You need to add a write-off reason for USMF and set it as the default.

1. Go to Navigation pane > Modules > Credit and collections > Setup > Accounts receivable parameters.
2. Click the Collections tab.
3. Click the Edit icon in the Write-Off section.
4. Add a new Write-Off reason if it doesn't exist.
5. Tick the **Default** checkbox next to the new Write-Off reason.
6. Click the Save button to save the changes.

 **Aysenuremre** 2 years, 5 months ago

Correct

upvoted 1 times

## Topic 2

A company signs a four-year contract for an IT support project. The manager wants to know how the revenue amounts will be allocated across the four-year period.

You need to implement a revenue schedule to determine the revenue amounts for each month.

Which setup should you use?

- A. 60 months
- B. 48 months
- C. 4 years
- D. 4 months

**Correct Answer:** B

Revenue schedules -

A revenue schedule must be created for each occurrence that revenue can be deferred for. For example, if your organization offers support over six-month, 12- month, 18-month, and 24-month periods, you must create a revenue schedule for each period.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-setup>

*Community vote distribution*

 B (100%)

 **Eventura** 7 months, 2 weeks ago

**Selected Answer: B**

Correct

upvoted 1 times

 **AliK1i** 1 year, 4 months ago

correct

upvoted 1 times

## Question #13

DRAG DROP -

You have implemented Dynamics 365 Finance.

You must configure revenue recognition to handle deferring revenue and revenue reallocation.

You need to configure the posting profile.

What should you do? To answer, drag the appropriate posting profiles to the correct scenario. Each posting profile may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

**Posting currencies**

Deferred revenue

Deferred cost of goods sold

Partial invoice revenue clearing

**Answer Area****Scenario**

Value when the sales order line has a revenue schedule assigned

**Posting currency**

Posting currency

Reallocation of revenue

Posting currency

Correct Answer:

**Posting currencies**

Deferred revenue

Deferred cost of goods sold

Partial invoice revenue clearing

**Answer Area****Scenario**

Value when the sales order line has a revenue schedule assigned

**Posting currency**

Deferred revenue

Reallocation of revenue

Partial invoice revenue clearing

Box 1: Deferred revenue -

Deferred revenue  $\rightarrow$  Enter the main account for the revenue price that posts to deferred revenue (instead of revenue). The revenue price is deferred if the sales order line has a revenue schedule.

Box 2: Partial invoice revenue clearing

Partial invoice revenue clearing  $\rightarrow$  Enter the main account for the clearing account that is used either when the sales order is partially invoiced or when reallocation occurs. The balance in this account returns to 0 (zero) when the sales orders are fully invoiced.

Incorrect:

Deferred cost of goods sold  $\rightarrow$  Enter the main account for the cost of goods sold amount that posts to deferred cost of goods sold if the revenue is also deferred.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-setup>

 **AliK1i** 1 year, 4 months ago

correct answer

<https://learn.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-setup>

view the posting profiles section

upvoted 3 times

## Question #14

A company plans to allocate revenue across occurrences by using recognition basis.

Which recognition basis can you use?

- A. Median price
- B. Revenue schedule
- C. First of next month
- D. Monthly

**Correct Answer: D**

Recognition basis  $\rightarrow$  The recognition basis determines how the revenue price is allocated across the occurrences.

\* Monthly  $\rightarrow$  The amount is allocated equally across the number of months that is defined in the Monthly by days  $\rightarrow$  The amount is allocated based on the actual days in each calendar month. occurrences.

\* Etc.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-setup>

*Community vote distribution*

D (100%)

 **AliK1i** 1 year, 4 months ago

**Selected Answer: D**

Correct

upvoted 1 times

## Question #15

**DRAG DROP -**

You manage customer credit and collections in a Dynamics 365 Finance implementation.

At the beginning of each month, you must send collection letters to customers whose payments are overdue.

You need to configure the collection letter functionality.

Which four actions should you perform in sequence? To answer, move the appropriate actions from the list of actions to the answer area and arrange them in the correct order.

Select and Place:

**Actions**

- Post the collection letter.
- Generate the collection letter.
- Create a customer group.
- Link the collection letter sequence to a customer posting profile.
- Define the collection letter sequence.

**Answer Area****Correct Answer:****Actions**

- 
- 
- Create a customer group.
- 
- 

**Answer Area**

- Define the collection letter sequence.
- Link the collection letter sequence to a customer posting profile.
- Post the collection letter.
- Generate the collection letter.

Step 1: Define the collection letter sequence.

Set up a collection letter sequence on the posting profile

Step 2: Link the collection letter sequence to a customer profile.

Step 3: Post the collection letter.

See step 9 below.

Print collection letters -

1. Go to navigation pane > Modules > Credit and collections > Collection letter > Review and process collection letters.

2. In the Status field, select Created.

3. In the Printed field, select Not printed.

4. Select Print.

5. Select Collection letter note.

6. In the Parameters section, enter the cutoff date for postings.

7. Expand the Records to include section and enter the details of the Collection letter note.

8. Select OK to print the collection letter.

9. Post the collection letter. Etc.

Step 4: Generate the collection letter.

Each collection letter is also associated with a collection letter code. The collection letter code is associated with individual transactions and is used to determine when the next collection letter should be generated for each transaction. For example, if a transaction is more than 30 days overdue, the collection letter code determines that the next collection letter will be sent when the transaction becomes 60 days overdue, if it isn't paid before then.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/tasks/process-collection-letters>

  [Removed]  1 year, 4 months ago

I think we should generate the collection letter and then post it.

upvoted 14 times

Eventura **Highly Voted** 7 months, 2 weeks ago

Define...  
Link...  
Generate...  
Post...  
upvoted 5 times

bernardas **Most Recent** 11 months, 2 weeks ago

Process collection letters  
This is a 2-step process:  
1) Generation of the collection letters  
2) Printing/Cancellation (if needed) and Posting of the letters  
I believe posting is the last step.  
<http://d365tour.com/en/microsoft-dynamics-d365o/finance-d365fo-en/collection-letters/>  
upvoted 2 times

AliK1i 1 year, 4 months ago

correct  
upvoted 1 times

## Question #16

**DRAG DROP -**

A company that sells computer equipment uses Microsoft Dynamics 365 Finance. The company is creating bundles that include a computer and a three-year warranty.

The company configures revenue recognition.

You need to configure revenue types for the bundle components.

Which revenue type should you use? To answer, drag the appropriate revenue types to the correct components. Each revenue type may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

**Revenue types**

Essential

Nonessential

Post contract support (PCS)

**Answer Area****Components**

Computer

Warranty

**Revenue types**

Revenue type

Revenue type

**Correct Answer:****Revenue types**

Essential

Nonessential

Post contract support (PCS)

**Answer Area****Components**

Computer

Warranty

**Revenue types**

Essential

Post contract support (PCS)

Box 1: Essential -

Essential – The item is a primary source of an organization's revenue. This value is the default setting.

Box 2: Post contract support (PCS)

Post contract support – The item supports other elements that are included in the sale to the customer. The revenue price is distributed across the essential and nonessential products that are included in the sale. Depending on setup, PCS items might not require that contract start and end dates be defined on the sales order line.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-setup>

✉  **Newb007** 7 months, 2 weeks ago

Revenue type – Select the revenue type that defines the released product:

Essential – The item is a primary source of an organization's revenue. This value is the default setting.

Nonessential – The item isn't a primary source of an organization's revenue. When the median price settings are used, the price is 'carved out' to the median price and then allocated. For example, an essential item has a fixed price that must be recognized for revenue. If there is a discount, the discount might be carved out of the essential item revenue, but only up to the fixed price amount. The rest of the discount is taken out of the revenue for nonessential items. Alternatively, the discount might not be carved out of the essential item revenue.

Post contract support – The item supports other elements that are included in the sale to the customer. The revenue price is distributed across the essential and nonessential products that are included in the sale. Depending on setup, PCS items might not require that contract start and end dates be defined on the sales order line.

upvoted 2 times

✉  **AliK1i** 1 year, 4 months ago

correct

upvoted 2 times

✉  **Newb007** 7 months, 2 weeks ago

OK NVM this guy is right allot^^. sorry I doubted you earlier my bro

upvoted 2 times

## Question #17

You maintain account control and bank balances for a company. You have a \$100,000 credit limit from a bank.

You must prevent the bank account from going below the defined credit limit when a transaction is posted.

You need to configure the bank account credit limit.

What should you do?

- A. Add \$100,000<sup>+</sup> in the bank credit limit.
- B. Add \$100,000 in the bank credit limit.
- C. Define a credit limit of \$100,000 on the invoicing vendor account
- D. Set the Control Balance option to credit in the General ledger account associated with the bank account.

**Correct Answer: A**

Set up a bank account credit limit (see step 7 below).

Use the Bank accounts form to enter a valid bank account number, routing type, and routing number, and enter your cash credit or overdraft limit for payment transactions.

1. Click Cash and bank management > Common > Bank accounts.
2. Click Bank account to open the Bank accounts form.
3. In the Bank account field, enter the unique bank account number. Enter the name of the bank in the Name field.
4. In the Routing number type field, select the routing number type as FW, CP, or CH.
5. In the Routing number field, enter the routing number for the bank. The routing number is validated based on the routing type selected.
6. In the Bank account number field, enter a bank account number that contains 7 to 14 digits.
7. In the Credit limit field, enter the credit limit. This is a negative number.
8. Close the form to save your changes.

Reference:

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/usa-create-a-payment-journal-and-validate-the-credit-limit-for-a-bank>

✉  **Flo2021** 3 weeks, 4 days ago

Credit limit needs to be entered as negative number, presume A has a minus sign which is not shown correctly here...

upvoted 2 times

✉  **Mike2000** 1 month, 2 weeks ago

Too much confession answer is not clear what's type.

upvoted 1 times

✉  **Alice9** 1 year, 2 months ago

It should be a negative number or -\$100,000 per the link provided.

upvoted 1 times

✉  **Maria\_Nastevska** 1 year, 3 months ago

can't really see the difference between option A and B ?

upvoted 2 times

✉  **ITVT** 1 year, 2 months ago

same....

upvoted 2 times

## Question #18

## HOTSPOT -

A company manufactures air filtering units for industrial manufacturing plants.

The company offers specific incentives if customers pay within a certain number of days to include:

- ⇒ 10 percent off if paid in full within 5 days
- ⇒ 5 percent off if paid in full within 10 days

Customers who pay by electronic funds transfer (EFT) will be charged \$15 per transfer.

You need to configure the system.

Which option should you use? To answer, select the appropriate configuration in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

| Scenario                                       | Option   |
|--|--|
| Customer pays within 5 days.                   | <ul style="list-style-type: none"><li>Cash discount</li><li>Payment schedule</li><li>Posting profile</li></ul> |
| An EFT clears the bank within 2 business days. | <ul style="list-style-type: none"><li>Payment fee</li><li>Payment term</li><li>Payment schedule</li></ul>      |

## Correct Answer:

| Scenario                                       | Option   |
|--|--|
| Customer pays within 5 days.                   | <ul style="list-style-type: none"><li>Cash discount</li><li>Payment schedule</li><li>Posting profile</li></ul> |
| An EFT clears the bank within 2 business days. | <ul style="list-style-type: none"><li>Payment fee</li><li>Payment term</li><li>Payment schedule</li></ul>      |

Box 1: Cash discount -

Cash discounts are setup and shared for Accounts payable and Accounts receivable. The cash discount available can be defined on the customer invoice or vendor invoice, and will be taken if the invoice is paid within the cash discount date.

Box 2: Payment fee -

You can create payment fees for customer payments.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/cash-bank-management/cash-discounts>

 AliK1i 1 year, 4 months ago

correct

upvoted 1 times

## Question #19

A client uses Dynamics 365 Finance for accounts receivable.  
You need to ensure that accounts receivable clerks add the wire number for electronic payments.  
Which item should you set up as mandatory in the method of payment?

- A. bank transaction type
- B. payment ID
- C. payment reference
- D. deposit slip

**Correct Answer: A**

Enter the Bank transaction type to identify the type of payment used by your bank. The bank transaction type is used during the bank reconciliation process, and can make reconciliation easier.

Incorrect:

Not B: In the Method of payment field, enter an ID for the method of payment. The Method of payment ID is shown on invoices and payments, so make it descriptive enough to understand what type of payment is being recorded, and for what bank account.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/tasks/establish-customer-method-payment>

*Community vote distribution*

C (100%)

 **AndreaGaray** Highly Voted  1 year, 5 months ago

Payment Reference is the correct answer.

upvoted 11 times

 **AlexMukandila** Highly Voted  12 months ago

Same question #4 Topic 2 with the correct response : Payment reference. C is the correct.

upvoted 5 times

 **CPSKCTestaccount** Most Recent  2 months, 4 weeks ago

**Selected Answer: C**

Payment Reference is the correct answer

upvoted 2 times

 **Eventura** 7 months, 2 weeks ago

**Selected Answer: C**

Payment Reference

upvoted 2 times

 **Henry87** 1 year ago

C is correct

upvoted 1 times

 **JasmineSK** 1 year, 3 months ago

**Selected Answer: C**

Payment reference

upvoted 1 times

 **Janjira** 1 year, 4 months ago

C is correct.

upvoted 2 times

## Question #20

**HOTSPOT -**

You are implementing Dynamics 365 Finance.

You must manage aging customer balances by sending communications to the customers detailing their past due invoices and automatically including a late charge.

You need to configure Dynamics 365 Finance functionality.

How should you configure the functionality? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

| Requirement   | Functionality   |                    |                    |               |
|---|---|--------------------|--------------------|---------------|
| Send communications to customers detailing their past due invoices. | <table border="1"><tr><td>Collection letters</td></tr><tr><td>Account statements</td></tr><tr><td>Aged balances</td></tr></table> | Collection letters | Account statements | Aged balances |
| Collection letters  |   |                    |                    |               |
| Account statements  |   |                    |                    |               |
| Aged balances   |   |                    |                    |               |

| Enable system-generated late charges. | |                | |----------------| | Billing codes  | | Interest codes | | Charges        | |

Correct Answer:

| Requirement   | Functionality   |                    |                    |               |
|---|---|--------------------|--------------------|---------------|
| Send communications to customers detailing their past due invoices. | <table border="1"><tr><td>Collection letters</td></tr><tr><td>Account statements</td></tr><tr><td>Aged balances</td></tr></table> | Collection letters | Account statements | Aged balances |
| Collection letters  |   |                    |                    |               |
| Account statements  |   |                    |                    |               |
| Aged balances   |   |                    |                    |               |

| Enable system-generated late charges. | |                | |----------------| | Billing codes  | | Interest codes | | Charges        | |

Box 1: Collection letters -

Control collection letters at the customer level

If collection letters are set up at the transaction level, multiple letters might be generated for a customer, based on transaction aging. If transactions appear in different letter sequences, separate collection letters will be generated for each group of overdue transactions for the customer. Therefore, an individual customer might receive, for example, one collection letter for transactions that are 60 days overdue and another collection letter for transactions that are 90 days overdue.

Incorrect:

\* Not Aged balances

View the balances on the Aged balances list and on the Collection page

Go to Credit and collections > Collections > Aged balances. The list page shows the balances for the customer. The aging icon shows the aging period for the oldest transaction.

Select a customer with a balance.

Expand the Aging fact box area to view the aged balances. The aging period definition for the fact box is taken from the default aging period definition specified in the parameters. You can change it using the Collect menu.

Recommended content -

Create a free text in -

Box 2: Charges -

To define auto charges by channel in Commerce, follow these steps.

1. Go to Accounts receivable > Charges setup > Auto charges.

2. Etc.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/tasks/process-collection-letters> <https://docs.microsoft.com/en-us/dynamics365/commerce/auto-charges-by-channel>

✉️  **AliK1i**  1 year, 4 months ago

first answer is correct.

2nd answer should be interest codes

upvoted 16 times

✉️  **lc23**  5 months, 3 weeks ago

Second answer is interest codes

<https://learn.microsoft.com/en-us/training/modules/configure-credit-collections-dyn365-finance/4-interest-rates>

upvoted 2 times

## Question #21

DRAG DROP -

A company is implementing Dynamics 365 Finance.

The company needs the ability to handle deferring revenue, reallocations, revenue schedules, and milestone-based recognition.

You need to configure the functionality.

What should you do? To answer, drag the appropriate functionality to the correct requirement. Each functionality may be used once, more than once, or not at all.

You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

| Functionalities             | Answer Area | Requirement  | Functionality |
|-----------------------------|-------------|--|---------------|
| Revenue recognition journal |             | Move revenue from the deferred revenue account to the revenue account. |               |
| Revenue schedule            |             | Create a correcting entry for a posted invoice after reallocation.     |               |
| Recognition basis           |             |  |               |
| Update contract terms       |             |  |               |

## Correct Answer:

| Functionalities             | Answer Area | Requirement  | Functionality               |
|-----------------------------|-------------|--|-----------------------------|
| Revenue recognition journal |             | Move revenue from the deferred revenue account to the revenue account. | Revenue schedule            |
| Revenue schedule            |             | Create a correcting entry for a posted invoice after reallocation.     | Revenue recognition journal |
| Recognition basis           |             |  |                             |
| Update contract terms       |             |  |                             |

## Box 1: Revenue schedule -

In general, the revenue recognition process can be used to perform these tasks:

Allocate revenue, to help ensure that the appropriate revenue price is recognized, based on the value of the components on multi-element orders.

Defer revenue, based on a revenue schedule that represents the contractual time frame and percentages for recognizing revenue over time.

## Box 2: Revenue recognition journals

A new journal type has been introduced for revenue recognition. The journal is required and is used in two scenarios.

The first scenario occurs.

The second scenario occurs when a journal is created after reallocation occurs. Reallocation occurs when a sales order line is added to a previously invoiced sales order, or when a new sales order is created that includes a line that is part of the original contract. If an invoice was posted before the new sales order line is added, a correcting accounting entry must be created for the posted customer invoice.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-overview> <https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-setup>

AliK1i Highly Voted  1 year, 4 months ago

I think both answers should be Revenue Recognition Journals, see below:

The journal is required and is used in two scenarios.

The first scenario occurs after all the contractual obligations are met, when the deferred revenue is recognized by creating a revenue recognition journal that is based on the details of the revenue schedule. The journal contains an accounting entry that moves the balance from the deferred revenue ledger account to the revenue ledger account.

The second scenario occurs when a journal is created after reallocation occurs. Reallocation occurs when a sales order line is added to a previously invoiced sales order, or when a new sales order is created that includes a line that is part of the original contract. If an invoice was posted before the new sales order line is added, a correcting accounting entry must be created for the posted customer invoice.

The journal is set up on the Journal names page (Revenue recognition > Setup > Journal names). The journal type must be set to Revenue recognition.

<https://learn.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-setup>

upvoted 9 times

DanielaR Highly Voted  1 year, 4 months ago

Both : Revenue recognition journals

Revenue recognition journals

A new journal type has been introduced for revenue recognition. The journal is required and is used in two scenarios.

The first scenario occurs after all the contractual obligations are met, when the deferred revenue is recognized by creating a revenue recognition journal that is based on the details of the revenue schedule. The journal contains an accounting entry that moves the balance from the deferred revenue ledger account to the revenue ledger account.

The second scenario occurs when a journal is created after reallocation occurs. Reallocation occurs when a sales order line is added to a previously invoiced sales order, or when a new sales order is created that includes a line that is part of the original contract. If an invoice was posted before the new sales order line is added, a correcting accounting entry must be created for the posted customer invoice.

The journal is set up on the Journal names page (Revenue recognition > Setup > Journal names). The journal type must be set to Revenue recognition.

upvoted 5 times

## Question #22

Topic 2

A cable and internet company implements Dynamics 365 Finance.

The primary line of business for the company is internet services. The company also sells routers and modems to customers for an additional one-time cost.

You need to configure revenue recognition.

What should you configure?

- A. Create a revenue schedule for the internet service, router, and modem.
- B. Configure the internet service as essential.
- C. Configure the internet service, router, and modem as essential.
- D. Create the router and modem sales to post to deferred revenue.

### Correct Answer: B

Essential — The item is a primary source of an organization's revenue. This value is the default setting.

Nonessential — The item isn't a primary source of an organization's revenue. When the median price settings are used, the price is 'carved out' to the median price and then allocated.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-setup>

 **AliK1i** 1 year, 4 months ago

correct

upvoted 1 times

## Question #23

## DRAG DROP -

You are configuring Microsoft Dynamics 365 Finance. Your company sells televisions, radios, and warranties. Televisions are considered the primary revenue source. You enter a sales order and add the three products. A discount is applied on the order.

Televisions must have a fixed price for revenue recognition. The revenue of warranties must be allocated to all televisions. Any remaining discount can be applied by using the radios. Released products must be configured so that applied discounts will have the requested impact on the revenue recognition.

You need to configure the released products.

Which revenue type should you use? To answer, drag the appropriate revenue type to the correct products. Each revenue type may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

**Revenue types** Essential Nonessential Post contract support (PCS)**Answer Area****Product** Radios Televisions Warranties**Revenue type****Correct Answer:****Revenue types** Essential Nonessential Post contract support (PCS)**Answer Area****Product** Radios Televisions Warranties**Revenue type** Nonessential Essential Post contract support (PCS)**Box 1: Nonessential -**

Nonessential € The item isn't a primary source of an organization's revenue. When the median price settings are used, the price is 'carved out' to the median price and then allocated.

**Box 2: Essential -**

Essential € The item is a primary source of an organization's revenue. This value is the default setting.

**Box 3: Post contract support (PCS)**

Post contract support € The item supports other elements that are included in the sale to the customer. The revenue price is distributed across the essential and nonessential products that are included in the sale. Depending on setup, PCS items might not require that contract start and end dates be defined on the sales order line.

**Reference:**

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-setup>

 **AliK1i** 1 year, 4 months ago

correct

upvoted 3 times

## Question #24

## Topic 2

A company uses Microsoft Dynamics 365 Finance. You create revenue allocation schedules for items.

You need to link a revenue allocation schedule to an item.

Which two pages should you use? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Item group
- B. Revenue allocation journal
- C. Released item
- D. Item posting profile
- E. Charges group

**Correct Answer:** AC

On the Setup basis page, add a record for each item group that the item is supporting. When the revenue allocation occurs, the revenue price will be distributed across the essential and nonessential parts for the PCS item.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-setup>

 **AliK1i** 1 year, 4 months ago

correct

upvoted 1 times

## Question #25

DRAG DROP -

You have implemented Dynamics 365 Finance.

You must implement interest fees to encourage customers to pay on time.

You need to configure interest fees.

Which functionality should be configured? To answer, drag the appropriate functionality to the correct scenario. Each functionality may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

| Functionalities | Answer Area | Scenario   | Functionality |
|-----------------|-------------|--|---------------|
| Credit note     |             | A long-standing customer must have their interest fee waved.   |               |
| Invoice         |             | A customer's interest fee was waved last month but did not pay their balance – an interest fee must be reinstated. |               |
| Interest note   |             |  |               |

Correct Answer:

| Functionalities | Answer Area | Scenario   | Functionality |
|-----------------|-------------|--|---------------|
| Credit note     |             | A long-standing customer must have their interest fee waved.   | Credit note   |
| Invoice         |             | A customer's interest fee was waved last month but did not pay their balance – an interest fee must be reinstated. | Interest note |
| Interest note   |             |  |               |

Box 1: Credit note -

You use the Create credit note page to prepare a credit note for a customer when the customer returns items that have been ordered and received. A credit note is an invoice with a negative amount.

Box 2: Interest note.

An interest note is a business document that informs customers when interest or fees have been charged to their account. When you waive or reverse interest or fees, a credit note or adjustment invoice is automatically created to settle the charges.

Reference:

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/prepare-a-credit-note> <https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/waive-reinstate-reverse-interest-fees>

 **Mus786007**  1 year, 2 months ago

2nd should be invoice

<https://learn.microsoft.com/en-us/dynamics365/finance/accounts-receivable/waive-reinstate-reverse-interest-fees>  
upvoted 8 times

 **python123**  2 months, 2 weeks ago

2nd should be invoice

An invoice that has a debit amount is created, and the amount is automatically settled against the charges that were previously waived. The actual interest notes aren't reinstated. Instead, an invoice is created that shows the amount that is due from the customer.

upvoted 2 times

 **Conrad123** 7 months, 1 week ago

1. Credit note, 2. Invoice (Reinstate whole interest notes together with all the interest and fees that they include)

upvoted 3 times

## Question #26

## Topic 2

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution. After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

You are managing credit and collections.

You need to set up mandatory credit limits for all customer documents.

Solution: Define a credit limit for each customer and select the Mandatory credit limit check box on the Customers form.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: B**

Instead: Solution: Select the Balance + All credit type in the Accounts receivable parameters form.

Select the Mandatory credit limit check box in the Customers form.

Note:

Select from the following options:

None — Do not check credit limits. You can override this option for a specific customer by selecting the Mandatory credit limit check box in the Customers form. If you do this, the credit limit is checked against the customer balance.

Balance — The credit limit is checked against the customer balance.

Balance + packing slip or product receipt — The credit limit is checked against the customer balance and deliveries.

Balance + All — The credit limit is checked against the customer balance, deliveries, and open orders.

Reference:

<https://docs.microsoft.com/en>

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution. After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

You are managing credit and collections.

You need to set up mandatory credit limits for all customer documents.

Solution: Select the Balance + packing slip credit type in the Accounts receivable parameters form.

Select the Mandatory credit limit check box in the Customers form.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: B**

Instead: Solution: Select the Balance + All credit type in the Accounts receivable parameters form.

Select the Mandatory credit limit check box in the Customers form.

Note:

Select from the following options:

None ↗ Do not check credit limits. You can override this option for a specific customer by selecting the Mandatory credit limit check box in the Customers form. If you do this, the credit limit is checked against the customer balance.

Balance ↗ The credit limit is checked against the customer balance.

Balance + packing slip or product receipt ↗ The credit limit is checked against the customer balance and deliveries.

Balance + All ↗ The credit limit is checked against the customer balance, deliveries, and open orders.

Reference:

<https://docs.microsoft.com/en>

**Question #28**

**Topic 2**

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

You are managing credit and collections.

You need to set up mandatory credit limits for all customer documents.

Solution: Select the Balance + All credit type in the Accounts receivable parameters form.

Select the Mandatory credit limit check box in the Customers form.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: A**

Select from the following options:

None ↗ Do not check credit limits. You can override this option for a specific customer by selecting the Mandatory credit limit check box in the Customers form. If you do this, the credit limit is checked against the customer balance.

Balance ↗ The credit limit is checked against the customer balance.

Balance + packing slip or product receipt ↗ The credit limit is checked against the customer balance and deliveries.

Balance + All ↗ The credit limit is checked against the customer balance, deliveries, and open orders.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/sales-marketing/credit-limits-customers>

## Question #29

## HOTSPOT -

You are implementing Dynamics 365 Finance.

The company charges a convenience cost of \$15 for payments received from customers as an electronic fund transfer (EFT). The company also charges 10 percent interest on invoices that are not paid within the 30-day net terms.

You need to configure the system.

Which option should you configure? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

| Requirement         | Option  |
|---------------------|---|
| EFT charge          | <ul style="list-style-type: none"><li>Payment fee</li><li>Cash settlement</li><li>Payment service</li><li>Interest</li></ul>  |
| Late payment charge | <ul style="list-style-type: none"><li>Payment fee</li><li>Cash settlement</li><li>Payment schedule</li><li>Interest</li></ul> |

| Requirement         | Option  |
|---------------------|---|
| EFT charge          | <ul style="list-style-type: none"><li>Payment fee</li><li>Cash settlement</li><li>Payment service</li><li>Interest</li></ul>  |
| Correct Answer:     | <ul style="list-style-type: none"><li>Payment fee</li><li>Cash settlement</li><li>Payment schedule</li><li>Interest</li></ul> |
| Late payment charge | <ul style="list-style-type: none"><li>Payment fee</li><li>Cash settlement</li><li>Payment schedule</li><li>Interest</li></ul> |

Box 1: Payment fee -

You can define vendor payment fees.

Box 2: Interest -

You can use different interest rates for different periods for delayed payments in trade transactions. For each finance charge term code, you can specify multiple interest rates so that you can calculate finance charges with multiple interest rates for a specific period. This is helpful if you charge different interest on payments that are late. The interest calculation is the same for each financial charge, with variation only in the rate of interest for a specific period.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/tasks/define-vendor-payment-fees> <https://docs.microsoft.com/en-us/dynamics365/business-central/finance-how-to-set-up-multiple-interest-rates>

Currently there are no comments in this discussion, be the first to comment!

## Question #30

## HOTSPOT

A company uses Microsoft Dynamics 365 Finance to manage their computer hardware and support services.

A customer purchases the following three items on a sales order:

- laptop
- two tutoring sessions for use within the first year after purchase
- one-year warranty

Which item should you consider for the revenue recognition process? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

**Answer Area**

**Revenue recognition**  
At the time of invoicing

**Item**

|                   |
|-------------------|
| Laptop            |
| Tutoring sessions |
| Warranty          |

On a schedule that is based on occurrence

|                   |
|-------------------|
| Laptop            |
| Tutoring sessions |
| Warranty          |

**Answer Area**

**Revenue recognition**  
At the time of invoicing

**Item**

|                   |
|-------------------|
| Laptop            |
| Tutoring sessions |
| Warranty          |

On a schedule that is based on occurrence

|                   |
|-------------------|
| Laptop            |
| Tutoring sessions |
| Warranty          |

**Correct Answer:**

 **python123** 2 months, 2 weeks ago

Correct

upvoted 2 times

## Question #31

A company uses Microsoft Dynamics 365 Finance to manage customer support contracts.

You need to validate a revenue recognition schedule for a customer.

In which two pages can you view the revenue recognition schedule? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point

- A. the revenue schedules details
- B. an invoiced sales order
- C. the revenue schedules
- D. an invoiced purchase order
- E. the revenue recognition schedule

**Correct Answer: AC**

*Community vote distribution*

AE (100%)

✉ **Flo2021** 4 days, 16 hours ago  
so my anwser would be: B & E.  
upvoted 1 times

✉ **Flo2021** 4 days, 16 hours ago  
A is setup as well. The real outcome can be seen by looking at the Voucher transactions of the invoiced sales order (same source as per below comment: "The final step is to invoice the sales order. If you look at the invoice's voucher, you will notice that the revenue for items S0001 and S0008 was deferred (\$321.21 + 160.61 = 481.82), and the remaining amount for item S0012 was posted to revenue (1,017.18). These values add up to \$1,499, which matches the sum of the sales order lines.")  
upvoted 1 times

✉ **chuechie** 8 months, 2 weeks ago  
**Selected Answer: AE**  
A & E, C is setup  
upvoted 3 times

✉ **Newb007** 7 months, 2 weeks ago  
True. E is here. <https://learn.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-so-basics>  
upvoted 1 times

## Question #32

## Topic 2

A company manufactures and installs air filtering units for industrial manufacturing plants.

The air filtering units are manufactured to order. The company realized the value of the sales in the following manner:

- 25 percent at the time of the sale
- 50 percent when the unit is shipped
- 25 percent when the unit is installed

Additionally, a three-year warranty is sold with each unit. Revenue for the warranty is recognized equally in each year the warranty covers.

You need to configure revenue recognition.

What should you do?

- A. Create one revenue schedule with milestones.
- B. Create a new revenue schedule for each unit.
- C. Create a reallocation posting for the warranty revenue.
- D. Create the revenue schedule so that it uses the contract terms.

**Correct Answer: D**

## Question #33

You are configuring revenue recognition reallocation processing in Microsoft Dynamics 365 Finance.

You must recalculate revenue prices when the contract terms for a sale change.

What are three characteristics of the revenue recognition reallocation process? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point

- A. The revenue recognition reallocation process cannot be run on project sales orders.
- B. The revenue recognition reallocation process can be reversed after it is run.
- C. You can run the revenue recognition reallocation process multiple times.
- D. If multiple sales orders are involved, all sales orders must be for the same customer account.
- E. The revenue recognition reallocation process can be run for sales orders with different transaction currencies.
- F. The revenue recognition reallocation process can only be run one time. All changes must be finalized.

**Correct Answer:** BCD

*Community vote distribution*

CD (100%)

✉️  **python123** 2 months, 2 weeks ago

I think B is correct

<https://learn.microsoft.com/en-us/dynamics365/finance/accounts-receivable/rev-rec-reallocation-scenario-4>

upvoted 1 times

✉️  **CPSKtestaccount** 2 months, 4 weeks ago

**Selected Answer: CD**

CD is correct, i am not sure about A or B

<https://learn.microsoft.com/en-us/dynamics365/finance/accounts-receivable/rev-rec-reallocation>

upvoted 1 times

✉️  **Newb007** 7 months ago

where did everyone go ? I need you guys... I thinks its A C D ?

upvoted 1 times

## Question #34

## HOTSPOT

A company manufactures and installs units for industrial manufacturing plans.

Revenue for the units recognized based on a median price when the unit install. A three-year warranty is sold with each unit. Revenue for the warranty is recognized equally in each year the warranty covers.

You need to configure and process revenue recognition.

Which parameter should you configure? To answer select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

## Answer Area

## Requirement

The item median price cannot be adjusted beyond the configured percentage.

## Parameter

Allocation amount  
Last Price  
Exclude from Carve-out

Validate the amount posted during revenue recognition.

Revenue price  
Allocation amount  
Recognition basis

## Answer Area

## Requirement

The item median price cannot be adjusted beyond the configured percentage.

## Parameter

Allocation amount  
Last Price  
**Exclude from Carve-out**

Correct Answer:

Validate the amount posted during revenue recognition.

Revenue price  
Allocation amount  
**Recognition basis**

✉  **CPSKtestaccount** 2 months, 4 weeks ago

<https://learn.microsoft.com/en-us/dynamics365/business-central/finance-allocate-revenue-costs>  
upvoted 1 times

✉  **python123** 2 months, 2 weeks ago

This is for business central, not F&O  
upvoted 2 times

 **chuechie** 8 months, 2 weeks ago  
Exclude from Carve-out and Allocation amount  
upvoted 2 times

### Question #35

*Topic 2*

A customer implements Dynamics 365 Finance and wants to use the recurring invoice feature for accounts receivable.

The recurring invoice template includes the start date and frequency. However, when the Generate recurring invoices job processes, invoices are not created despite the criteria being met.

You need to ensure that invoices are generated.

What should you do?

- A. Assign an invoice template to a customer on the invoice tab of the customer record.
- B. Set the maximum billing amount on the recurring invoice template.
- C. Associate a customer to the invoice template on the invoice template form.
- D. Assign an invoice template to the customer posting profile.

**Correct Answer: A**

 **Newb007** 7 months, 2 weeks ago  
CORRECT. <https://learn.microsoft.com/en-us/dynamics365/finance/accounts-receivable/set-up-process-recurring-invoices>  
upvoted 3 times

## Question #36

DRAG DROP

A company is implementing Dynamics 365 Finance.

The company maintains two different bank accounts from the same bank.

You need to set up and generate positive pay for the bank accounts.

Which four actions should you perform in sequence? To answer, move the appropriate actions from the list of actions to the answer area and arrange them in the correct order.

## Actions

- Generate the positive pay file for the bank accounts.
- Confirm the positive pay file.
- Recall a positive pay file.
- Set up the numbering sequence on the **Cash and bank management parameters** page.
- Set up a transformation input format file for each bank account.
- Generate the positive pay file for each bank account.
- Set up a transformation input format file for the bank.

## Answer area

|  |
|--|
|  |
|  |
|  |
|  |



Correct Answer:

- Answer area
- Set up a transformation input format file for the bank.
  - Set up the numbering sequence on the **Cash and bank management parameters** page.
  - Generate the positive pay file for the bank accounts.
  - Confirm the positive pay file.

- ✉ **CPSKtestaccount** 2 months, 4 weeks ago  
<https://learn.microsoft.com/ja-jp/dynamics365/finance/accounts-payable/set-up-positive-pay-er>  
upvoted 2 times
- ✉ **chuechie** 8 months, 2 weeks ago  
Sequence is correct  
upvoted 4 times
- ✉ **buhl** 10 months, 4 weeks ago  
Last step must be recall  
See <https://learn.microsoft.com/en-us/dynamics365/finance/accounts-payable/set-up-generate-positive-pay-files>  
upvoted 2 times
- ✉ **python123** 2 months, 2 weeks ago  
If you must change a positive pay file, you can recall it.  
upvoted 2 times
- ✉ **jiksfdb765** 4 months, 1 week ago  
Doesn't have to be: If you must change a positive pay file, you can recall it.  
<https://learn.microsoft.com/en-us/dynamics365/finance/accounts-payable/set-up-generate-positive-pay-files>  
upvoted 1 times

## Question #37

## HOTSPOT

A company charges customers for freight costs. These charges are not added to the items on the order.

You need to configure the charge code for Accounts receivable.

What should you configure? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

## Answer Area

**Type field**      **Options**

## Debit field

Item  
Ledger account  
Customer/Vendor

## Credit field

Item  
Ledger account  
Customer/Vendor

## Answer Area

**Type field**      **Options**

## Debit field

Item  
Ledger account  
Customer/Vendor

Correct Answer:

## Credit field

Item  
Ledger account  
Customer/Vendor

foexams 8 months, 4 weeks ago

Correct

<https://learn.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/create-charges-codes>

upvoted 2 times

## Question #38

## HOTSPOT

Your company uses Dynamics 365 Finance:

You must record an interest expense that occurs every month: It must be recorded the same way each month. Your manager wants each interest posting to use the number scheme "INT-XXXX", with XXXX representing a sequential number.

You need to configure the system.

What should you create? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

## Answer Area

| Requirement      | Option  |
|------------------|---|
| Interest payment | <input type="checkbox"/> Voucher template<br><input type="checkbox"/> Accrual scheme<br><input type="checkbox"/> Posting definition   |
| Numbering scheme | <input type="checkbox"/> Number sequence for the voucher<br><input type="checkbox"/> Number sequence for the vendor<br><input type="checkbox"/> Number sequence for the Accounts payable main account<br><input type="checkbox"/> Default dimension for the Accounts payable main account |

| Answer Area     |                  |   |
|-----------------|------------------|---|
|                 | Requirement      | Option  |
| Correct Answer: | Interest payment | <input type="checkbox"/> Voucher template<br><input type="checkbox"/> Accrual scheme<br><input checked="" type="checkbox"/> <b>Posting definition</b>   |
|                 | Numbering scheme | <input checked="" type="checkbox"/> <b>Number sequence for the voucher</b><br><input type="checkbox"/> Number sequence for the vendor<br><input type="checkbox"/> Number sequence for the Accounts payable main account<br><input type="checkbox"/> Default dimension for the Accounts payable main account |

 Flo2021 3 weeks, 4 days ago

1st Answer should be "Voucher template". Accrual schemes are used if accounts used in the Journal are going to be replaced by different accounts during the posting process - which is not the case here. "Posting defintion" doesn't apply neither bcs. the interest is recorded as an expense and not charged to a Customer via interest note.

upvoted 2 times

 Daniel73847 2 months, 1 week ago

I think the first question should be Accrual schemes, the question is talking about the interest posting recorded in the same way each month  
upvoted 1 times

 Daniel73847 2 months, 1 week ago

Here is the KB link: <https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/accruals-overview>

upvoted 1 times

✉ **Dalgy** 4 months, 1 week ago

1st is correct. You can find the Interest note option on the page Transaction posting definition Document type Account receivable  
upvoted 1 times

✉ **vbiz** 4 months, 2 weeks ago

I think the first one should be "Accrual scheme"  
upvoted 1 times

✉ **chuechie** 8 months, 2 weeks ago

1st answer is accrual scheme  
upvoted 2 times

✉ **Newb007** 7 months, 2 weeks ago

could be voucher template.. its sort of asking for both. "recorded the same way". but ya the interest payments also.... another classic MS question  
upvoted 2 times

## Question #39

A company plans to allocate revenue across occurrences by using recognition basis.

Which recognition basis can you use?

- A. Actual start date
- B. Mid-month split
- C. First of month
- D. Monthly by dates

**Correct Answer: A**

*Community vote distribution*

D (100%)

✉  **Suzemagooze** 2 months ago

**Selected Answer: D**

Actual start date is a recognition convention not a recognition basis. Monthly by days is the only one that's actually a recognition basis.  
upvoted 2 times

✉  **vbiz** 4 months, 2 weeks ago

**Selected Answer: D**

According to explanation at the link: <https://learn.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-setup> , I think D is the correct answer  
upvoted 1 times

✉  **vbiz** 4 months, 2 weeks ago

According to explanation at the link: <https://learn.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-setup> , I think D is the correct answer  
upvoted 1 times

✉  **chuechie** 8 months, 2 weeks ago

Answer is correct

Recognition basis – The recognition basis determines how the revenue price is allocated across the occurrences.

Monthly by days – The amount is allocated based on the actual days in each calendar month.

Monthly – The amount is allocated equally across the number of months that is defined in the occurrences.

Occurrences – The amount is allocated equally across the occurrences, but it can include an extra period if you select Actual start date as the recognition convention.

Fiscal period by days – The amount is allocated based on the actual days in each fiscal period.

The results of Monthly by days and Fiscal period by days will be the same when the fiscal periods follow calendar months. The only exception is when the recognition convention is set to End of month/period, and the Contract start date and End date fields are left blank on a sales order line.

upvoted 1 times

✉  **huynq185** 8 months, 3 weeks ago

D is correct answer

<https://learn.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-setup>

upvoted 2 times

✉  **Bisera** 11 months, 2 weeks ago

D is correct answer

upvoted 3 times

## Question #40

## HOTSPOT

A company uses Dynamics 365 Finance.

The company has prepaid insurance expenses at the beginning of the calendar year that cover the entire year. The company must expense the prepaid insurance automatically and equally during a month-end process.

You need to configure the accrual scheme.

How should you configure the accrual scheme? To answer, select the appropriate options in the answer area.

NOTE: Each correct answer is worth one point.

**Answer Area**

| Configuration option            | Classification   |
|---------------------------------|--|
| Debit                           | Prepaid insurance account<br>Insurance expense account |
| Credit                          | Prepaid insurance account<br>Insurance expense account |
| Accrual basis                   | Calendar<br>Allocation key<br>Fiscal                   |
| Post in week, month, or quarter | Beginning<br>Middle<br>End                             |

**Answer Area**

| Configuration option            | Classification   |
|---------------------------------|--|
| Debit                           | Prepaid insurance account<br>Insurance expense account |
| Credit                          | Prepaid insurance account<br>Insurance expense account |
| Correct Answer:                 | Calendar<br>Allocation key<br>Fiscal                   |
| Accrual basis                   | Beginning<br>Middle<br>End                             |
| Post in week, month, or quarter | Beginning<br>Middle<br>End                             |

Debit: Prepaid insurance account (will replace the expense account )

Credit: either of the two

upvoted 1 times

python123 2 months, 2 weeks ago

Debit: Insurance expense account - increase the expense

Credit: Prepaid insurance account - decrease the asset account

Accrual basis : Calendar

Post in week, month, or quarter: by end of every month

upvoted 3 times

## Question #41

Topic 2

DRAG DROP

A company uses Dynamics 365 Finance.

You need to use the advanced bank reconciliation feature to reconcile bank transactions.

In which order should you perform the actions? To answer, move all actions from the list of actions to the answer area and arrange them in the correct order.

### Actions

Reconcile the bank statement.

Post the bank statement.

Import an electronic bank statement.

Validate the bank statement.

### Answer area

1

2

3

4



| Answer area |                                      |
|-------------|--------------------------------------|
| 1           | Import an electronic bank statement. |
| 2           | Validate the bank statement.         |
| 3           | Reconcile the bank statement.        |
| 4           | Post the bank statement.             |

Correct Answer:

| Answer area |                                      |
|-------------|--------------------------------------|
| 1           | Import an electronic bank statement. |
| 2           | Validate the bank statement.         |
| 3           | Reconcile the bank statement.        |
| 4           | Post the bank statement.             |

python123 2 months, 2 weeks ago

<https://learn.microsoft.com/en-us/dynamics365/finance/cash-bank-management/advanced-bank-reconciliation-overview>

upvoted 1 times

python123 2 months, 2 weeks ago

correct

<https://learn.microsoft.com/en-us/dynamics365/finance/cash-bank-management/advanced-bank-reconciliation-overview>

upvoted 1 times

**Question #42****DRAG DROP**

-

**Case study**

-

This is a case study. Case studies are not timed separately. You can use as much exam time as you would like to complete each case. However, there may be additional case studies and sections on this exam. You must manage your time to ensure that you are able to complete all questions included on this exam in the time provided.

To answer the questions included in a case study, you will need to reference information that is provided in the case study. Case studies might contain exhibits and other resources that provide more information about the scenario that is described in the case study. Each question is independent of the other questions in this case study.

At the end of this case study, a review screen will appear. This screen allows you to review your answers and to make changes before you move to the next section of the exam. After you begin a new section, you cannot return to this section.

**To start the case study**

-

To display the first question in this case study, click the Next button. Use the buttons in the left pane to explore the content of the case study before you answer the questions. Clicking these buttons displays information such as business requirements, existing environment, and problem statements. If the case study has an All Information tab, note that the information displayed is identical to the information displayed on the subsequent tabs. When you are ready to answer a question, click the Question button to return to the question.

**Background**

-

First Up Consultants is a global engineering and consulting organization based in Atlanta. The organization assists customers with various implementation projects. The organization provides both consulting services and custom software development.

First Up Consultants was recently acquired by a Canadian engineering firm that uses Dynamics 365 Finance. The firm requires First Up Consultants to transition to the solution by 2022.

First Up Consultants employs consultants that travel globally, which requires extensive expense management capabilities. First Up Consultants offers software as a service (SaaS) products to customers by using monthly and quarterly subscriptions.

**Current environment. Travel and expense**

The company is currently in Phase 2 of their Dynamics 365 Finance implementation.

- Consultants submit all travel receipts by using inter-office mail to the team admin for processing, but First Up Consultants wants to modernize this experience.
- Expense reports are manually approved and signed by the employee's manager.

**Current environment. Finance**

-

- First Up Consultants operates on a 4-5-4 calendar.
- Accounting for revenue has been difficult with the SaaS offerings. This has led to implementing Dynamics 365 Finance Revenue recognition.
- Revenue recognition has been live for 3 months.

- Adatum Corporation pays quarterly for use of the First Up Consultants web design application, starting from the day of use.
- Fourth Coffee pays monthly for use of the First Up Consultants photograph editing application with a contract starting August 1 and payment starting September 1.
- Adventure Works Cycles pays per use of the First Up Consultant video platform.
- A blocking rule is set up to prevent a sales order from processing if a customer exceeds a credit limit.
- Customer credit is set up at the account level for VanArsdel, Ltd.
- Tailspin Toys is owned by Wingtip Toys. The companies have a credit limit of \$60,000 and \$100,000, respectively.

#### Current environment. Revenue allocation

The company reports the following revenue allocation percentages:

| Line of business     | Revenue percentage |
|----------------------|--------------------|
| Web design           | 60 percent         |
| Video platform       | 5 percent          |
| Photography software | 10 percent         |
| Consulting           | 25 percent         |

#### Current environment. Tax

VAT tax recovery is required for eligible international business trip expenses. Bank reconciliation is manual and performed by using monthly mailed account statements.

The company collects sales taxes from the following states:

| Physical presence liability | State       | Rate         |
|-----------------------------|-------------|--------------|
| X                           | Texas       | 6.25 percent |
| X                           | Mississippi | 7 percent    |
| X                           | Tennessee   | 7 percent    |
| X                           | Georgia     | 4.5 percent  |
|                             | Alabama     | 4 percent    |
|                             | Vermont     | 6 percent    |
|                             | Kansas      | 6.5 percent  |

#### Requirements

#### Travel and expense

- First Up Consultants requires that employees start using corporate cards for all travel expenses.
- All expenses over \$50 require a receipt.
- Beer cannot be expensed.
- Employees may use the corporate card for personal expenses during work travel, but expenses must be categorized correctly.
- Client entertainment expenses totaling more than \$250 must be audited.
- Employees require a mobile expense experience.
- Expense report entries must be validated when a transaction line is entered.
- Employees require the ability to capture receipts by using a mobile device.
- First Up Consultants requires the ability to reimburse employees in their paychecks for expenses incurred on personal cards.

#### Financials

- A virtual thirteenth month is required for year-end transactions.

- Each day, a validation file must go to First Up Consultants bank detailing all vendor checks paid.
- Except fees, all matched transactions must clear automatically during bank reconciliation.
- The accounts payable team must verify expense reports prior to posting.
- Only payables are allowed to be posted to a prior period up to seven days into the new period.

## Issues

- - User1 installed the Expense Management Service add-in and implemented the auto-match and create expense from receipt features, but the receipt images do not match the corporate card transactions.
  - Employee1 submits an expense report for a business trip to Europe, but the report is not visible on the expense tax recovery page.
  - Employees provided feedback that the system lets them know of an expense report policy violation only after the entire expense report is submitted.
  - Members of the finance department observe sales orders that posted into a closed period.
  - The finance team observed that for sales order invoice 1234, the price incorrectly posts to a revenue account when it should be deferring.
  - Employee2 purchased supplies for a holiday party and needs to be reimbursed.
  - A customer orders software licenses for the offices in Tennessee and Alabama.
  - Expense reports for unapproved items are posting.
  - VanArsdel, Ltd. exceeded its credit limit but the sales order was processed.
  - Tailspin Toys purchases \$70,000 in custom software development.

You need to configure revenue recognition.

Which revenue type is associated with the line of business? To answer, drag the appropriate revenue types to the correct lines of business. Each revenue type may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

| Revenue types               | Answer Area  |                  |               |            |              |                |              |
|-----------------------------|--|------------------|---------------|------------|--------------|----------------|--------------|
| Essential                   | <table border="1"><thead><tr><th>Line of business</th><th>Revenue types</th></tr></thead><tbody><tr><td>Web design</td><td>Revenue type</td></tr><tr><td>Video platform</td><td>Revenue type</td></tr></tbody></table> | Line of business | Revenue types | Web design | Revenue type | Video platform | Revenue type |
| Line of business            | Revenue types  |                  |               |            |              |                |              |
| Web design                  | Revenue type   |                  |               |            |              |                |              |
| Video platform              | Revenue type   |                  |               |            |              |                |              |
| Non-essential               |  |                  |               |            |              |                |              |
| Post contract support (PCS) |  |                  |               |            |              |                |              |

| Correct Answer:  | Answer Area  |                  |               |            |           |                |               |
|------------------|--|------------------|---------------|------------|-----------|----------------|---------------|
|                  | <table border="1"><thead><tr><th>Line of business</th><th>Revenue types</th></tr></thead><tbody><tr><td>Web design</td><td>Essential</td></tr><tr><td>Video platform</td><td>Non-essential</td></tr></tbody></table> | Line of business | Revenue types | Web design | Essential | Video platform | Non-essential |
| Line of business | Revenue types  |                  |               |            |           |                |               |
| Web design       | Essential  |                  |               |            |           |                |               |
| Video platform   | Non-essential  |                  |               |            |           |                |               |

## Question #43

DRAG DROP

You are implementing revenue recognition functionality in Microsoft Dynamics 365 Finance.

You need to configure revenue schedules to meet the following requirements:

- Agreement start and end dates must be determined by the system.
- Determine revenue price allocation across the occurrences based on contract terms.

Which feature should you use? To answer, drag the appropriate features to the correct requirements. Each feature may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

| Features                    | Answer Area | Requirements   | Feature |
|-----------------------------|-------------|--|---------|
| Recognition basis           |             | Agreement start and end dates must be determined by the system.                    | Feature |
| Recognition convention      |             | Determine revenue price allocation across the occurrences based on contract terms. | Feature |
| Automatic contract terms    |             |  |         |
| Post contract support (PCS) |             |  |         |

| Correct Answer: | Answer Area | Requirements  | Feature                                       |
|-----------------|-------------|---|---|
|                 |             | Agreement start and end dates must be determined by the system.<br>Determine revenue price allocation across the occurrences based on contract terms. | Automatic contract terms<br>Recognition basis |

## Question #44

A company uses the credit and collections features of Dynamics 365 Finance to track invoices and incoming payments from customers.

You need to configure the automatic collection task.

Which two options should you configure? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Posting profiles
- B. Aging period definitions
- C. Process hierarchy
- D. Quiet days

Correct Answer: CD

## Question #45

## Topic 2

A company plans to allocate revenue across occurrences by using recognition basis.

Which recognition basis can you use?

- A. Mid-month split
- B. First of month
- C. Monthly by days
- D. First of next month

**Correct Answer:** C

*Community vote distribution*

C (100%)

 **angie97** 1 week, 6 days ago

**Selected Answer: C**

<https://learn.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-setup>

upvoted 1 times

### Topic 3 - Question Set 3

#### Question #1

Topic 3

##### SIMULATION -

You are a functional consultant for Contoso Entertainment System USA (USMF).

You need to automate the allocation of a prepaid expense of 2 percent of all product sales. The allocation must be posted to account number 222222.

To complete this task, sign in to the Dynamics 365 portal.

**Correct Answer:** See explanation below.

You need to configure a prepayment percentage for all items. The instructions below are for a single item. For this question, you need to select 'All' for all items, enter 2 in the percentage field and select account number 222222 in the account field.

To set up prepayment percentages for items, customers, and vendors

For an item, you can set up a default prepayment percentage for all customers, a specific customer, or a customer price group.



1. Choose the

icon, enter Items, and then choose the related link.

2. Select an item, and then choose the Prepayment Percentages action.

3. On the Sales Prepayment Percentages page, fill in the fields as necessary. Hover over a field to read a short description.

Reference:

<https://docs.microsoft.com/en-gb/dynamics365/business-central/finance-set-up-prepayments>

✉ **Alice9** 1 year, 3 months ago

This sounds like it requires a ledger allocation rule:

<https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/ledger-allocation-rules>

There is a similar rule for Tax accrual with mathematical operation. It would be similar except different source and destination accounts, and multiply by 0.02 instead of 0.34

upvoted 1 times

✉ **BenLearn** 1 year, 10 months ago

Here you find the proper solution:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/customer-prepayments>

- Create a customer posting profile for prepayments.
- Set the Posting profile with prepayment journal voucher parameter. (Accounts receivable > Setup > Accounts receivable parameters)

upvoted 1 times

✉ **Marrgita** 3 years, 3 months ago

Agree, this answer doesn't seem right. I do this using Main account/Legal entity overrides\_Allocation term. Question isn't about prepayment, but about prepaid expenses.

upvoted 2 times

✉ **Jay28** 3 years, 3 months ago

Answer doesn't seem right and link is for Business Central.

upvoted 2 times

## Question #2

## HOTSPOT -

You are creating a payment proposal that shows invoices that are eligible to be paid.

You display the Accounts payable Payment proposal screen from the Accounts payable payment journal.

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

Hot Area:

## Answer Area

## Question

What should you do to pay only Vendor-001 and run the proposal by due date?

## Answer choice

Select Vendor-001 as the vendor account. Select invoices by Due date.  
Select Vendor-001 as the vendor account. Select invoices by Due date and Cash discount date.  
Only select Due date in Select invoices by.  
Only select invoices by Due date and Cash discount date.

What should you do if your client wants to pay only vendors who accept electronic methods of payment and want to pay a maximum of \$50,000?

Select Electronic as the method of payment. Enter \$50,000 as the amount limit.  
Select USD as the currency payment. Enter \$50,000 as the amount limit.  
Only select Electronic as the method of payment.  
Only enter \$50,000 as the amount limit.

## Correct Answer:

## Answer Area

## Question

What should you do to pay only Vendor-001 and run the proposal by due date?

## Answer choice

Select Vendor-001 as the vendor account. Select invoices by Due date.  
Select Vendor-001 as the vendor account. Select invoices by Due date and Cash discount date.  
Only select Due date in Select invoices by.  
Only select invoices by Due date and Cash discount date.

What should you do if your client wants to pay only vendors who accept electronic methods of payment and want to pay a maximum of \$50,000?

Select Electronic as the method of payment. Enter \$50,000 as the amount limit.  
Select USD as the currency payment. Enter \$50,000 as the amount limit.  
Only select Electronic as the method of payment.  
Only enter \$50,000 as the amount limit.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/create-vendor-payments-payment-proposal>

python123 2 months, 2 weeks ago

correct

upvoted 1 times

sadiq\_d365 3 years, 1 month ago

correct

upvoted 3 times

## Question #3

## HOTSPOT -

A client needs to configure Accounts payment vendor methods of payment to meet the following business requirements:

- ☞ Configure the electronic method of payment to create one electronic payment for all of the invoices due.
- ☞ Configure the system to ensure that all payments made with an electronic method of payment also forces the user to select which payment has been used.

You display the Methods of payment setup screen.

| Method of payment     | Period | Description        | Grace period | Payment status |
|-----------------------|--------|--------------------|--------------|----------------|
| ELECTRONIC<br>Invoice |        | Electronic payment | 0            | None           |

| File formats             |                                    |
|--------------------------|------------------------------------|
| <input type="checkbox"/> | Bank transaction type is mandatory |
| <input type="checkbox"/> | Offset account has the type bank   |
| <input type="checkbox"/> | Check number is mandatory          |
| <input type="checkbox"/> | Payment specification is mandatory |
| <input type="checkbox"/> | Payment ID is mandatory            |
| <input type="checkbox"/> | Payment note is mandatory          |
| <input type="checkbox"/> | Payment reference is mandatory     |

| Payment control          |         |                                    |
|--------------------------|---------|------------------------------------|
| <input type="checkbox"/> | Enabled | Description                        |
| <input type="checkbox"/> |         | Bank transaction type is mandatory |
| <input type="checkbox"/> |         | Offset account has the type bank   |
| <input type="checkbox"/> |         | Check number is mandatory          |
| <input type="checkbox"/> |         | Payment specification is mandatory |
| <input type="checkbox"/> |         | Payment ID is mandatory            |
| <input type="checkbox"/> |         | Payment note is mandatory          |
| <input type="checkbox"/> |         | Payment reference is mandatory     |

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

Hot Area:

## Answer Area

## Question

How can you create a single electronic payment for all of the invoices due?

## Answer choice

Select Total from the Period list.  
Select Invoice from the Period list.  
Select None from the Payment status list.

How can you force the user to select which type of electronic payment has been used?

Select Payment specification is mandatory.  
Select Payment reference is mandatory.  
Select Bank Transaction type is mandatory.  
Select Payment ID is mandatory.

Correct Answer:

## Answer Area

## Question

How can you create a single electronic payment for all of the invoices due?

## Answer choice

Select Total from the Period list.  
Select Invoice from the Period list.  
Select None from the Payment status list.

How can you force the user to select which type of electronic payment has been used?

Select Payment specification is mandatory.  
Select Payment reference is mandatory.  
Select Bank Transaction type is mandatory.  
Select Payment ID is mandatory.

✉  **BattTom**  2 years, 10 months ago

I think the answer provided is correct, with bank transaction type you are forced to define the "type" of transaction with the main account handled in the payment transaction

upvoted 6 times

✉  **Aysenuremre**  2 years, 5 months ago

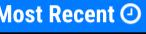
<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/set-up-a-method-of-payment-for-checks>

1. TOTAL

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/rus-set-up-a-method-of-payment>

2.Bank Transaction

upvoted 5 times

✉  **chuechie**  8 months, 2 weeks ago

Total and Payment specification

upvoted 1 times

✉  **yuri404** 2 years, 3 months ago

2nd question : payment specification is mandatory

upvoted 3 times

✉  **Yael\_Shachen\_Tov** 2 years, 9 months ago

Secont Q:Payment ID is under the "Payment attributes" Fasttab, and doesn't Control the J Bank Transaction Type- Correct

"

upvoted 2 times

✉  **sadiq\_d365** 3 years, 1 month ago

Payment ID is mandatory for the second part.

upvoted 2 times

✉  **ru4dynamics** 3 years, 1 month ago

The question was about payment type, not payment ID.

upvoted 1 times

## Question #4

DRAG DROP -

A client wants to use Dynamics 365 Finance invoice validation functionality.

You need to recommend the invoice validation functionality that meets their requirements.

Which functionality should you recommend for each requirement? To answer, drag the appropriate functionality to the correct requirement. Each functionality may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

|                                     |  | Answer Area   |  |
|-------------------------------------|--|---------------|--|
| Functionalities                     | Requirement  | Functionality |  |
| charges matching                    | Match freight transactions.                                    |               |  |
| line-level matching                 | Compare unit price or purchase order to unit price of invoice. |               |  |
| invoice totals matching             | Multiple invoices for one purchase order line.                 |               |  |
| price totals for line item matching |  |               |  |

Correct Answer:

|                         |  | Answer Area                         |  |
|-------------------------|--|-------------------------------------|--|
| Functionalities         | Requirement  | Functionality                       |  |
|                         | Match freight transactions.                                    | charges matching                    |  |
|                         | Compare unit price or purchase order to unit price of invoice. | line-level matching                 |  |
| invoice totals matching | Multiple invoices for one purchase order line.                 | price totals for line item matching |  |
|                         |  |                                     |  |

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/tasks/set-up-accounts-payable-invoice-matching-validation>

 **sadiq\_d365** Highly Voted 3 years, 1 month ago

correct

upvoted 5 times

 **Yael\_Shachen\_Tov** Highly Voted 2 years, 9 months ago

Correct

upvoted 5 times

 **David963** Most Recent 1 year, 10 months ago

correct

upvoted 4 times

## Question #5

## HOTSPOT -

You need to configure invoice validation for vendors in Dynamics 365 Finance.

You are viewing the Accounts payable parameter for Invoice validation.

The screenshot shows the 'Accounts payable parameters' page in Dynamics 365. The 'Invoice validation' tab is active. Key settings shown include:

- Enable invoice matching validation:** Yes (selected)
- Post invoice with discrepancies:** Require approval
- Automatically update invoice header ...:** No (selected)
- Match invoice totals:** No (selected)
- Display invoice totals match icon:** If greater than tolerance
- Invoice totals tolerance percentage:** 0.00
- Line matching policy:** Two-way matching
- Display unit price match icon:** If greater than tolerance
- Purchase price total tolerance percent:** 0.00
- Display price total match icon:** If greater than tolerance
- Allow matching policy override:** Lower or higher than compa...
- Match price totals:** Amount
- Purchase price total tolerance:** 0.00
- Match charges:** No (selected)
- Display charges match icon:** If greater than tolerance
- Charges tolerance percentage:** 0.00

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area**

You need to configure invoice validation for two-way matching to match price totals. Which option should you use?

- Enable invoice matching validation, set Match invoice totals to two-way matching, and set tolerance.
- Enable invoice matching validation, set Match invoice totals to yes, and set tolerance.
- Enable invoice matching validation, set Line matching policy to two-way matching, select match price totals, and set tolerance.

You need to prevent users from posting an invoice that has discrepancies without first getting approval for payment. Which option should you use?

- Allow with warning
- Error do not proceed
- Require approval
- Submit to workflow

**Correct Answer:****Answer Area**

You need to configure invoice validation for two-way matching to match price totals. Which option should you use?

- Enable invoice matching validation, set Match invoice totals to two-way matching, and set tolerance.
- Enable invoice matching validation, set Match invoice totals to yes, and set tolerance.
- Enable invoice matching validation, set Line matching policy to two-way matching, select match price totals, and set tolerance.

You need to prevent users from posting an invoice that has discrepancies without first getting approval for payment. Which option should you use?

- Allow with warning
- Error do not proceed
- Require approval
- Submit to workflow

## Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/tasks/set-up-accounts-payable-invoice-matching-validation>

✉  **sadiq\_d365**  3 years, 1 month ago

correct

upvoted 6 times

✉  **AndrewX**  2 years, 3 months ago

The answer to the 1st question should be 2.

Questions asks for total match, not line level match. And invoice total matching is fixed to 2 way matching.

upvoted 1 times

✉  **BBBM** 2 years, 2 months ago

Option 2 is incorrect - Invoice totals matches the invoice total to the PO and not the pricing of the item. Item prices can be different even if the totals match. The question is looking to match item Price Totals (not invoice totals). 3 is correct.

upvoted 1 times

## Question #6

QUESTION NO: 86 -

You are setting up the Accounts payable module and vendor invoice policies for an organization.

You need to set up vendor invoice policies that run when vendor invoices are posted in the system.

In which two ways can you set up the policies? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Set up invoice matching validation for vendor invoice policy.
- B. Configure the vendor invoice workflow to run the policies.
- C. Run the policies when you post a vendor invoice by using the Vendor invoice page and when you open the Vendor invoice policy violations page.
- D. Apply the policies to invoices that were created in the invoice register or invoice journal.

**Correct Answer:** BC

Reference:

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/key-tasks-vendor-invoice-policies>

 **JAB1988** 1 month ago

BC

<https://learn.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/key-tasks-vendor-invoice-policies>

"Vendor invoice policies are run when you post a vendor invoice by using the Vendor invoice form and when you open the vendor invoice Policy violations form. You can also configure the vendor invoice workflow to run vendor invoice policies every time that you submit an invoice to workflow."

upvoted 1 times

 **H\_Incandenza** 1 year, 7 months ago

The more documentation I read, the less this question / topic makes sense to me.

First, I think the question is asking about "running" policies not setting them up. You can "set up" a policy via a workflow; you can run it via the workflow.

For C, as of 7.15.22, there is no "Vendor Invoice" Page. I assume they mean "pending vendor invoices." From there you can navigate to a policy violation page, but again: you don't set up the policies from within this module.

For D, I see in the documentation that, yes, policies don't apply if the invoice was created in the register or journal (see <https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/tasks/set-up-vendor-invoice-policies>). But then I don't understand: what do these policies actually apply to then?

upvoted 2 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 3 times

 **Marrgita** 3 years, 3 months ago

more relative

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/tasks/set-up-vendor-invoice-policies>

upvoted 4 times

## Question #7

A client is implementing Accounts payable. The client wants to establish three-way matching for 100 of their 5,000 stocked items from a specific vendor.

The client requires the ability to have items that require only two-way matching and specific items that require three-way matching.

You need to configure the system in the most efficient manner to achieve these requirements.

What should you do?

- A. Configure a company matching policy of a three-way match
- B. Configure a company matching policy of non-required and specify the items that require a three-way match
- C. Configure a company matching policy of two-way matching and set the matching policy for specific item and vendor combination level to three-way matching
- D. Configure a company matching policy of two-way matching and specify the items that require a three-way match
- E. Configure a company matching policy of two-way matching and specify the vendors that require a three-way match

**Correct Answer:** C

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/accounts-payable/tasks/set-up-accounts-payable-invoice-matching-validation>

✉️ [User] [Removed] 1 year, 4 months ago

Released product -> Purchase -> Tax invoice matching (Matching policy)

upvoted 1 times

✉️ [User] Yael\_Shachen\_Tov 2 years, 9 months ago

When you are doing the test:(PO--->Reciecie--->invoice)Look at the Fastab :setup, field: "matching Policy

upvoted 2 times

✉️ [User] Yael\_Shachen\_Tov 2 years, 9 months ago

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/three-way-matching-policies>

upvoted 2 times

✉️ [User] mklentek 3 years ago

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/tasks/set-up-accounts-payable-invoice-matching-validation>

upvoted 1 times

## Question #8

## HOTSPOT -

You need to configure an Accounts payable charge for freight for a company. The company requires that the system include the freight amount in the invoice to be paid to the vendor and record the expense in main account 600120 "Freight In."

The screenshot shows the Dynamics 365 Finance and Operations interface. The top navigation bar says 'Dynamics 365 Finance and Operations' and 'Accounts payable > Charges setup > Charges codes'. Below the navigation is a toolbar with 'Save', '+ New', 'Delete', 'Translations', 'External codes', and 'OPTIONS'. A 'Filter' input field is also present. On the left, a list of charge codes includes 'FEE', 'FREIGHT', 'HANDLING', 'INSTALL', 'INSURANCE', 'INTERNAL', 'MISC ITEM', 'REBATE', and 'Vend Freight'. The 'FREIGHT' row is highlighted with a blue border. The main area is titled 'CHARGES CODES' and contains fields for 'Charges code' (set to 'FREIGHT'), 'Description' (set to 'Freight'), 'Item sales tax group' (dropdown), and 'Maximum amount' (set to '0.00'). Below this is a 'Posting' section with 'DEBIT' and 'CREDIT' type dropdowns, and an 'ACCOUNTS PAYABLE' section with a 'Compare purchase order and invoice...' link and a 'NO' toggle switch.

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

Hot Area:

## Answer Area

| Questions  | Answer choice   |
|--|---|
| Which type should you select in the Debit column?  | <input type="button" value="▼"/> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">           Item<br/>           Ledger account<br/>           Customer/Vendor         </div> |
| Which type should you select in the Credit column? | <input type="button" value="▼"/> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">           Item<br/>           Ledger account<br/>           Customer/Vendor         </div> |

## Answer Area

| Questions  | Answer choice   |
|--|---|
| Which type should you select in the Debit column?  | <input type="button" value="▼"/> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">           Item<br/> <span style="background-color: #c0e0ff;">Ledger account</span><br/>           Customer/Vendor         </div> |
| Which type should you select in the Credit column? | <input type="button" value="▼"/> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">           Item<br/> <span style="background-color: #c0e0ff;">Ledger account</span><br/>           Customer/Vendor         </div> |

**vm7891** Highly Voted  3 years, 4 months ago

Debit - Ledger  
Credit - Customer/Vendor  
upvoted 32 times

**DDV** Highly Voted  3 years, 3 months ago

Yes, Credit should be Customer/Vendor for the auto posting of AR or AP ledger posting profile.  
upvoted 6 times

**vbiz** Most Recent  4 months, 2 weeks ago

Debit -Ledger  
Credit - Customer/Vendor

upvoted 1 times

denilson16 2 years, 1 month ago

Debit - Ledger  
Credit- customer/vendor  
upvoted 2 times

pcm\_stj 2 years, 1 month ago

The correct answer is:  
Debit the freight expense to the Ledger account  
Credit the customer/vendor account as we are increasing our liabilities.  
upvoted 4 times

pani1 2 years, 9 months ago

Debit - Ledger  
Credit- customer/vendor  
upvoted 4 times

Niqs 2 years, 11 months ago

Credit column should be: Customer/Vendor as the requirement is to include the freight amount in the invoice to be paid to the vendor .  
upvoted 3 times

sadiq\_d365 3 years, 1 month ago

Debit ledger  
Credit customer/vendor  
upvoted 3 times

Fozo 3 years, 2 months ago

Debit ledger  
Credit customer/vendor  
upvoted 5 times

Pir 3 years, 3 months ago

Both cannot be ledger, of course Debit is expense i.e.ledger account, and Credit is vendor's liability to be paid as mentioned in scenario.  
upvoted 4 times

## Question #9

## Topic 3

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

A customer uses Dynamics 365 Finance. The customer creates a purchase order for purchase \$20,000 of office furniture.

You need to configure the system to ensure that the funds are reserved when the purchase order is confirmed.

Solution: Configure item posting groups for purchase requisitions.

Does the solution meet the goal?

A. Yes

B. No

### Correct Answer: B

BenLearn 1 year, 10 months ago

This is about a purchase order already made.  
A purchase requisition is the process to have approval before a purchase order is made  
<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/about-purchase-order-posting-types>  
upvoted 1 times

## Question #10

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

A customer uses Dynamics 365 Finance. The customer creates a purchase order for purchase \$20,000 of office furniture.

You need to configure the system to ensure that the funds are reserved when the purchase order is confirmed.

Solution: Set up posting definitions for purchase requisitions.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer:** B

 BenLearn 1 year, 10 months ago

This is about a purchase order already made.

A purchase requisition is the process to have approval before a purchase order is made

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/about-purchase-order-posting-types>

upvoted 1 times

## Question #11

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

A customer uses Dynamics 365 Finance. The customer creates a purchase order for purchase \$20,000 of office furniture.

You need to configure the system to ensure that the funds are reserved when the purchase order is confirmed.

Solution: Configure a posting definition for purchase orders.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: A**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/example-posting-definitions>

*Community vote distribution*

A (100%)

 **AsiaF** 1 year, 9 months ago

YES

When you enable encumbrance processing by selecting Enable encumbrance process on the General ledger parameters page, posting definitions must be used to record encumbrances to the general ledger for any accounts that should be reserved. In most cases, all expense accounts are reserved on the balance sheet.

upvoted 1 times

 **erin1320** 1 year, 12 months ago

**Selected Answer: A**

Agreed with what denilson16 said about encumbrances.

upvoted 1 times

 **denilson16** 2 years, 1 month ago

With posting definitions you can setup PO Encumbrances. So that when you confirm the PO, the encumbrance is posted to the GL and the amount is reserved.

upvoted 2 times

 **rizwanvu1980** 2 years, 4 months ago

the Prepayment action reserves funds for the PO So correct answer is B

upvoted 1 times

 **Aysenuremre** 2 years, 6 months ago

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/procurement/purchase-order-approval-confirmation>

Answer: B

Because : the Prepayment action reserves funds for the PO

upvoted 1 times

 **Yael\_Shachen\_Tov** 2 years, 9 months ago

Example: Purchase order encumbrances

When you enable encumbrance processing by selecting Enable encumbrance process on the General ledger parameters page, posting definitions must be used to record encumbrances to the general ledger for any accounts that should be reserved. In most cases, all expense accounts are reserved on the balance sheet.

Posting definitions for encumbrances are set up for the Purchasing module on the Posting definitions page. Then, in the Purchasing area of the Transaction posting definitions page, you can select the Purchase order transaction type to associate the posting definition with purchase orders.

All voucher transactions for purchase order encumbrances must balance (that is, debits must equal credits) in each unique dimension on a voucher.

upvoted 4 times

## Question #12

**DRAG DROP -**

A customer plans to implement invoice validation policies.

You need to recommend the features needed to meet each of the customer's requirements.

What should you recommend? To answer, drag the appropriate features to the correct requirements. Each feature may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

| Feature                 | Answer Area | Requirement   | Feature |
|-------------------------|-------------|---|---------|
| Line level              |             | Specify two-way matches.                              | Feature |
| Invoice totals matching |             | Specify three-way matches.                            | Feature |
| Charges matching        |             | Compare sales taxes on purchase orders with invoices. | Feature |

Correct Answer:

| Feature                 | Answer Area | Requirement   | Feature                 |
|-------------------------|-------------|---|-------------------------|
| Line level              |             | Specify two-way matches.                              | Line level              |
| Invoice totals matching |             | Specify three-way matches.                            | Line level              |
| Charges matching        |             | Compare sales taxes on purchase orders with invoices. | Invoice totals matching |

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/tasks/set-up-accounts-payable-invoice-validation>

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 4 times

## Question #13

## Topic 3

You are configuring vendor collaboration security roles for external vendors. You manually set up a vendor contact.

You need to assign the Vendor (external) role to this vendor.

Which tasks can this vendor perform?

- A. Activate or deactivate the association between a contact person and a vendor account.
- B. Delete any contact person that they have created.
- C. View and modify contact person information, such as the person's title, email address, and telephone number.
- D. View consignment inventory.

**Correct Answer:** D

Note:

There are several versions of this question in the exam. The question has two possible correct answers:

- 1. View consignment inventory.
- 2. Maintain vendor collaboration invoices.

Other incorrect answer options you may see on the exam include the following:

- 1. Add a new or existing contact person to the vendor accounts that they are a contact for.
- 2. Request a new user account for a contact person by using the Provision user action.
- 3. Deny or allow a contact person's access to documents on the vendor collaboration interface that are specific to the vendor account.
- 4. Maintain vendor collaboration invoices.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/procurement/set-up-maintain-vendor-collaboration>

 **RaheelKhan** 2 years, 1 month ago

Correct

upvoted 2 times

## Question #14

You are configuring the Accounts payable module for a company.

The company needs to set a limit on the charges they will pay for specific items.

You need to set up the limit for charges.

Which two actions should you perform? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Enable invoice matching validation in the Accounts payable parameters
- B. Enter the maximum amount when you set up the charges code
- C. Use budget control with the specified charges code
- D. Set the maximum charge amount in the Accounts payable parameters
- E. Define the maximum charge amount on the vendor record

**Correct Answer:** AB

 **andstr** 2 years, 3 months ago

AB is correct

"In the Maximum amount field, type the maximum amount that is allowed for this charges code.

This field is used to validate charges for vendor invoices. You can enable the validation of charges in the Accounts payable parameters form. In the Invoice validation area, select the Enable invoice matching validation check box."

upvoted 2 times

 **H\_Incandenza** 1 year, 7 months ago

Appreciate the quote. In the future, it's helpful if you can add the URL.

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/create-charges-codes>

upvoted 2 times

 **sadiq\_d365** 3 years, 1 month ago

AB correct

upvoted 3 times

 **DDV** 3 years, 3 months ago

I think AB is correct.

upvoted 4 times

 **Juandres0705** 3 years, 9 months ago

B and D? Not sure how invoice matching has anything to do with charge limits?

upvoted 1 times

 **Juandres0705** 3 years, 9 months ago

I stand corrected, it is A and B: <http://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/create-charges-codes>

upvoted 9 times

## Question #15

You are configuring vendor collaboration security roles for external vendors. You manually set up a vendor contact. You need to assign the Vendor (external) role to this vendor. Which tasks can this vendor perform?

- A. Request a new user account for a contact person by using the Provision user action.
- B. Maintain vendor collaboration invoices.
- C. Delete any contact person that they have created.
- D. View and modify contact person information, such as the person's title, email address, and telephone number.

**Correct Answer: B**

## Note:

There are several versions of this question in the exam. The question has two possible correct answers:

1. View consignment inventory.
2. Maintain vendor collaboration invoices.

Other incorrect answer options you may see on the exam include the following:

1. Add a new or existing contact person to the vendor accounts that they are a contact for.
2. Request a new user account for a contact person by using the Provision user action.
3. Deny or allow a contact person's access to documents on the vendor collaboration interface that are specific to the vendor account.
4. Maintain vendor collaboration invoices.

## References:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/procurement/set-up-maintain-vendor-collaboration>

*Community vote distribution*

 B (100%)

 **yax23**  3 years, 1 month ago

How can maintain vendor collaboration invoices be both correct and incorrect?

upvoted 6 times

 **angie97**  1 week, 6 days ago

**Selected Answer: B**

B is correct, tricky one Vendor Admin (external) and Vendor (external) may cause confusion

<https://learn.microsoft.com/en-us/dynamics365/supply-chain/procurement/set-up-maintain-vendor-collaboration>

upvoted 1 times

 **AliK1i** 1 year, 4 months ago

**Selected Answer: B**

<https://learn.microsoft.com/en-us/dynamics365/supply-chain/procurement/set-up-maintain-vendor-collaboration>

upvoted 1 times

 **exam\_info** 2 years, 8 months ago

B is correct.

The Vendor (external) role can be used for external vendors that will work with purchase orders. External users who have this security role can perform the following tasks:

Respond to and view information about purchase orders.

-> Maintain vendor collaboration invoices.

View consignment inventory.

View and respond to RFQs.

View vendor information.

upvoted 3 times

 **MahmoudSaeed** 2 years, 8 months ago

A is Correct

upvoted 1 times

 **gabe3456123** 1 year, 8 months ago

Provision user is designated for the "admin" security role. In this case, B is correct.

upvoted 1 times

 **kulisa\_f** 2 years, 11 months ago  
correct  
upvoted 1 times

## Question #16

HOTSPOT -

Save + New Delete Payment specification Payment fee setup Remittance files for vendors File analyze OPTIONS

**METHODS OF PAYMENT - VENDORS**

| Method of payment | Period | Description   | Grace period | Payment status |
|-------------------|--------|---------------|--------------|----------------|
| CHECK             | Total  | Check payment | 5            | None           |

**General**

|                       |  |                                  |  |
|-----------------------|--|----------------------------------|--|
| FILE<br>Last file No. | POSTING<br>Account type                | PROMISSORY NOTE<br>Type of draft | ELECTRONIC PAYMENT PROCESSING<br>Direct debt |
| 0                     | Bank                                   | No draft                         | No <input checked="" type="checkbox"/>       |
| Today                 | Payment account                        | NF-E FEDERAL                     |  |
| 3                     | OPERATIONS                             | Method of payment                |  |
| Date                  | Bridging posting                       |                                  |  |
|                       | No <input checked="" type="checkbox"/> |                                  |  |
|                       | Postdated check clearing posting       |                                  |  |
|                       | No <input checked="" type="checkbox"/> |                                  |  |
|                       | Bridging account                       |                                  |  |
|                       |  |                                  |  |
|                       | Bank transaction type                  |                                  |  |
|                       | 03                                     |                                  |  |

You are asked to configure the method of payments for vendors.

You are viewing an Accounts payable method of payment.

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area****Question**

How many checks will be generated for three customer invoices for the same customer?

**Answer choice**

|       |
|-------|
| zero  |
| one   |
| three |

How many additional days will be added to the discount date or the due date?

|       |
|-------|
| zero  |
| three |
| five  |

**Answer Area****Question**

How many checks will be generated for three customer invoices for the same customer?

**Answer choice**

|       |
|-------|
| zero  |
| one   |
| three |

Correct Answer:

How many additional days will be added to the discount date or the due date?

|       |
|-------|
| zero  |
| three |
| five  |

gabe3456123 1 year, 8 months ago

correct

upvoted 1 times

 **RaheelKhan** 2 years ago

I am confused in Vendor OR Customer in question # 1  
upvoted 1 times

 **Kazut** 2 years, 1 month ago

<https://docs.microsoft.com/en-us/dynamicsax-2012//methods-of-payment-vendors-form?redirectedfrom=MSDN>  
upvoted 2 times

 **rizwanvu1980** 2 years, 4 months ago

one and five  
upvoted 2 times

 **Tincho066** 2 years, 10 months ago

1.- Zero  
2.- Five  
upvoted 2 times

 **sadiq\_d365** 3 years, 1 month ago

correct  
upvoted 2 times

## Question #17

DRAG DROP -

A company makes frequent payments to its vendors by using various due dates and discounts.

You need to set up and create a vendor payment by using a payment proposal.

In which order should you perform the actions? To answer, move all actions from the list of actions to the answer area and arrange them in the correct order.

Select and Place:

**Actions**

Create a payment journal record

Create a payment proposal

Generate payments

Verify the selected invoices, and then create payments for them

Select invoices for payment by due date and cash discount

**Answer Area**

Correct Answer:

**Actions****Answer Area**

Create a payment journal record

Create a payment proposal

Select invoices for payment by due date and cash discount

Verify the selected invoices, and then create payments for them

Generate payments

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/cash-bank-management/tasks/vendor-payment-overview>

**sadiq\_d365** 3 years, 1 month ago

correct

upvoted 3 times

## Question #18

## HOTSPOT -

You are setting up the process for an expense report approval in Dynamics 365 Finance.

You need to assign permission for each participant in the workflow approval process to perform their tasks.

Which action can each participant perform? To answer, select the appropriate option in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area**

| Participant    | Action  |
|----------------|---|
| originator     | <ul style="list-style-type: none"><li>Review the document</li><li>Start a workflow instance</li><li>Delegate the document</li><li>Release the document</li></ul>                          |
| decision maker | <ul style="list-style-type: none"><li>Make a choice related to the document</li><li>Start a workflow instance</li><li>Make changes to the document</li><li>Approve the document</li></ul> |
| approver       | <ul style="list-style-type: none"><li>Reject the document</li><li>Start the workflow instance</li><li>Make changes to the document</li></ul>  |

**Answer Area**

| Participant                    | Action  |
|--------------------------------|---|
| originator                     | <ul style="list-style-type: none"><li>Review the document</li><li>Start a workflow instance</li><li>Delegate the document</li><li>Release the document</li></ul>                          |
| Correct Answer: decision maker | <ul style="list-style-type: none"><li>Make a choice related to the document</li><li>Start a workflow instance</li><li>Make changes to the document</li><li>Approve the document</li></ul> |
| approver                       | <ul style="list-style-type: none"><li>Reject the document</li><li>Start the workflow instance</li><li>Make changes to the document</li></ul>  |

References:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/fin-and-ops/organization-administration/workflow-actions>

 **Yael\_Shachen\_Tov** 2 years, 9 months ago

Correct

upvoted 4 times

 **sadiq\_d365** 3 years, 1 month ago

CORRECT

upvoted 3 times

## Question #19

**HOTSPOT -**

You plan to implement Dynamics 365 Finance.

You need to configure the system to meet the following requirements:

- ☞ Post vendor invoices in a journal.
- ☞ Create payments to vendors.
- ☞ Post headcount transactions.
- ☞ Process intercompany transactions.

Which journal types should you use? To answer, select the appropriate configuration in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area****Requirement****Journal type**

Post vendor invoices in a journal.

|                          |
|--------------------------|
| ▼                        |
| vendor invoice recording |
| daily                    |
| vendor invoice pool      |

Create payments to vendors.

|                          |
|--------------------------|
| ▼                        |
| vendor disbursement      |
| vendor invoice recording |
| customer payment         |
| vendor invoice register  |

Post headcount transactions.

|             |
|-------------|
| ▼           |
| statistic   |
| daily       |
| budget      |
| elimination |

Process intercompany transactions.

|            |
|------------|
| ▼          |
| daily      |
| statistic  |
| allocation |
| budget     |

**Answer Area****Requirement**

Post vendor invoices in a journal.

**Journal type**

|                          |
|--------------------------|
| ▼                        |
| vendor invoice recording |
| daily                    |
| vendor invoice pool      |

Create payments to vendors.

|                          |
|--------------------------|
| ▼                        |
| vendor disbursement      |
| vendor invoice recording |
| customer payment         |
| vendor invoice register  |

**Correct Answer:**

Post headcount transactions.

|             |
|-------------|
| ▼           |
| statistic   |
| daily       |
| budget      |
| elimination |

Process intercompany transactions.

|            |
|------------|
| ▼          |
| daily      |
| statistic  |
| allocation |
| budget     |

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/ledger-journal-types>

✉  **Cumo**  3 years, 4 months ago

Intercompany is a daily journal

upvoted 20 times

✉  **Newb007**  7 months, 1 week ago

APPARENTLY Intercompany is a daily journal!

upvoted 1 times

✉  **Kitma** 1 year, 6 months ago

Intercompany = daily journal

upvoted 1 times

✉  **denilson16** 2 years, 1 month ago

Intercompany is daily. Allocation is for creating allocation transactions of cz.

upvoted 2 times

✉  **ThangN** 2 years, 10 months ago

Intercompany is daily

upvoted 4 times

✉  **SDabz** 2 years, 11 months ago

Agree intercompany should be daily <https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/intercompany-accounting-setup>

upvoted 4 times

✉  **Niqs** 2 years, 11 months ago

Intercompany transactions uses journals with journal type: daily.

upvoted 3 times

✉  **sadiq\_d365** 3 years, 1 month ago

Intercompany is a daily journal

upvoted 3 times

✉  **Pir** 3 years, 3 months ago

Intercompany should be daily: <https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/ledger-journal-types>

upvoted 2 times

✉  **DDV** 3 years, 3 months ago

Yes, intercompany journal type is daily.

upvoted 2 times

 ma\_v 3 years, 4 months ago

Agree. Should be daily.

upvoted 4 times

## Question #20

Topic 3

DRAG DROP -

You are processing checks in Dynamics 365 Finance for a client.

You need to identify the outcome of the processed checks.

What is the check status for each scenario? To answer, drag the appropriate check statuses to the scenarios. Each check status may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

### Check statuses

- Cancelled
- Created
- Paid
- Void

### Answer Area

#### Scenario

- Lost in the mail to vendor and AP manager reversed the payment transaction
- Rejected from the payment transfer form
- Either generated or generated and posted
- Fixed check number method and unused checks are available in the system

#### Check status

- Check status
- Check status
- Check status
- Check status

## Correct Answer:

### Check statuses

- Cancelled
- Created
- Paid
- Void

### Answer Area

#### Scenario

- Lost in the mail to vendor and AP manager reversed the payment transaction
- Rejected from the payment transfer form
- Either generated or generated and posted
- Fixed check number method and unused checks are available in the system

#### Check status

- Cancelled
- Void
- Paid
- Created

## Question #21

You are configuring vendor collaboration security roles for external vendors. You manually set up a vendor contact.

You need to assign the Vendor (external) role to this vendor.

Which task can this vendor perform?

- A. View consignment inventory.
- B. Add a new or existing contact person to the vendor accounts that they are a contact for.
- C. Deny or allow a contact person's access to documents on the vendor collaboration interface that are specific to the vendor account.
- D. View and modify contact person information, such as the person's title, email address, and telephone number.

**Correct Answer: D**

The Vendor admin (external) role can be used for external vendors that maintain vendor contact information and make requests to provision new vendor collaboration users. External users who have this security role can perform the following tasks:

View and modify contact person information, such as the person's title, email address, and telephone number.

Add a new or existing contact person to the vendor accounts that they are a contact for.

Delete any contact person that they have created.

Etc.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/procurement/set-up-maintain-vendor-collaboration>

*Community vote distribution*

A (100%)

✉  **AlexMukandila**  12 months ago

**Selected Answer: A**

If you assign the Vendor Admin (external) role D might yes be correct,  
But in this actual case its just a sign Vendor (external) role which is assigned. A is the correct answer. 100%  
upvoted 7 times

✉  **angie97** 1 week, 6 days ago

Correct - <https://learn.microsoft.com/en-us/dynamics365/supply-chain/procurement/set-up-maintain-vendor-collaboration>  
upvoted 1 times

✉  **CPSKtestaccount**  2 months, 4 weeks ago

**Selected Answer: A**

A is the correct answer  
upvoted 1 times

✉  **vbiz** 4 months, 2 weeks ago

**Selected Answer: A**

The correct answer for Vendor (external) is A: <https://learn.microsoft.com/en-us/dynamics365/supply-chain/procurement/set-up-maintain-vendor-collaboration>  
upvoted 1 times

✉  **AlexMukandila** 12 months ago

A is the correct answer  
upvoted 2 times

✉  **madhubhag** 1 year, 5 months ago

A is correct answer  
upvoted 3 times

✉  **AndreaGaray** 1 year, 5 months ago

A is the correct answer. The setup is for Vendor (external) role not vendor admin  
upvoted 2 times

## Question #22

You are implementing Dynamics 365 Finance. You configure an invoice validation policy to use three-way matching and use a three percent tolerance for invoice totals.

A user enters a vendor invoice journal. The invoice validation policy is not applied.

You need to troubleshoot the policy.

What is the issue with the policy?

- A. Validation is only performed on vendor invoice entries.
- B. The tolerance percentage is too high.
- C. Validation is only performed on invoice register entries.
- D. Validation is configured to check for price and quantity.

**Correct Answer: A**

Vendor invoice policies are run when you post a vendor invoice by using the Vendor invoice page and when you open the vendor invoice Policy violations page.

You can also configure the vendor invoice workflow to run vendor invoice policies every time that you submit an invoice to workflow.

Vendor invoice policies do not apply to invoices that were created in the invoice register or invoice journal.

Invoice matching validation does not use vendor invoice policies, but is instead set up in the Accounts payable parameters page.

Incorrect:

Not C: Vendor invoice policies do not apply to invoices that were created in the invoice register or invoice journal.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/tasks/set-up-vendor-invoice-policies>

*Community vote distribution*

D (100%)

✉ **Flo2021** 4 days, 12 hours ago

Correction: Suppose D is correct / Vendor invoice entry (A) doesn't have quantities / prices.

upvoted 1 times

✉ **Flo2021** 3 weeks, 3 days ago

I would say A: "You configure an invoice validation policy to use three-way matching and use a three percent tolerance for invoice totals." -> D doesn't say anything on Invoice totals

upvoted 1 times

✉ **vbiz** 4 months, 2 weeks ago

**Selected Answer: D**

Since "Vendor invoice policies do not apply to invoices that were created in the invoice register or invoice journal."

(<https://learn.microsoft.com/en-us/dynamics365/finance/accounts-receivable/tasks/set-up-vendor-invoice-policies>), I would answer D, according to validations on PO

upvoted 3 times

✉ **kripe86** 1 year, 2 months ago

The right answer should be... can be applied only on purchase order invoices.

upvoted 1 times

## Question #23

## HOTSPOT -

A company uses Dynamics 365 Finance.

The company requires a receipt for any employee expense that is \$25 or more.

You need to configure an expense management policy.

How should you configure the expense receipt required rule detail? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area**

## Expense receipts required rule details

Effective date  
10/13/2021

Expiration date  
Never

Is inherited?  
 No

**IF THE FOLLOWING IS TRUE:**

[Test](#)

Get values from the following legal en...

**EITHER**

**Where**  
Currency  
Expense line type  
Transaction Amount  
Amount per day per catalog

Equal to  
Not equal to  
Greater than  
Greater than or equal to

value  
0  
25  
USD  
Expense

**And**

Purpose  
Receipt number  
Receipt attached  
Payment method

No

**DO THE FOLLOWING**

Do not allow users to submit until they enter justification.  
Do not allow users to approve until they enter justification.  
Allow users to submit and approve but display warning message.  
Do not allow users to submit or approve and display error message.

Text

**OK**

**Cancel**

**Correct Answer:****Answer Area**

Expense receipts required rule details

Effective date

10/13/2021

Expiration date

Never

Is inherited?

 No**IF THE FOLLOWING IS TRUE:**[Test](#)

Get values from the following legal en...

[▼](#)[Clear](#)**EITHER****Where**

|                            |
|----------------------------|
| Currency                   |
| Expense line type          |
| <b>Transaction Amount</b>  |
| Amount per day per catalog |

|                                 |
|---------------------------------|
| Equal to                        |
| Not equal to                    |
| Greater than                    |
| <b>Greater than or equal to</b> |

|          |
|----------|
| value    |
| equal to |
| value    |

|           |
|-----------|
| 0         |
| <b>25</b> |
| USD       |
| Expense   |

|  |
|--|
|  |
|--|

[Delete](#)**And**

|                         |
|-------------------------|
| Purpose                 |
| Receipt number          |
| <b>Receipt attached</b> |
| Payment method          |

|          |
|----------|
| equal to |
|----------|

|       |
|-------|
| value |
|-------|

|    |
|----|
| No |
|----|

|                        |
|------------------------|
| <a href="#">Delete</a> |
|------------------------|

**DO THE FOLLOWING**

|   |
|---|
| <b>Do not allow users to submit until they enter justification.</b> |
| Do not allow users to approve until they enter justification.       |
| Allow users to submit and approve but display warning message.      |
| Do not allow users to submit or approve and display error message.  |

Text

[Text](#)[OK](#)[Cancel](#)

Reference:

<https://www.loganconsulting.com/blog/expense-management-using-policies-in-microsoft-dynamics-365/> **python123** 2 months, 2 weeks ago

The question doesn't talk about approve, it is about submit the expense report, the user has to change something to meet requirement.

upvoted 1 times

 **Eventura** 7 months, 2 weeks ago

The "Do the Following" should be "Do not allow users to submit or approve and display error message". The question don't talk about justifications.

upvoted 4 times

## Question #24

A company uses Dynamics 365 Finance to manage billing and expenses for projects. Team members complete expense reports and submit the expense reports to a project manager for approval.

Each expense report must contain expense lines for one project only. Expense reports that are submitted without a project specified must be rejected.

You need to configure an expense report approval workflow.

Which three actions should you take? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Create an expenditure reviewers' group in Expense management.
- B. Create a user group for project managers and add all project managers to the group.
- C. Create an expense report workflow.
- D. Set up a condition to run an approval step only if the expense report has a project specified. Set the workflow assignment to Expenditure reviewers.
- E. Set up an automatic action to reject expense report lines that do not have projects specified. Set the workflow assignment to Expenditure reviewers.

**Correct Answer: ACD**

C: When you have finished entering all lines on the expense report and have attached receipts according to company policy, you must submit the expense report to a workflow.

D: If you are an expense approver, you are notified when an expense requires your attention. Some expense workflows might have conditional decisions, depending on the workflow configuration.

Reference:

<https://docs.microsoft.com/en-us/learn/modules/create-process-expense-reports/08-submit-to-workflow> <https://docs.microsoft.com/en-us/learn/modules/create-process-expense-reports/09-approve-expense>

  **Alice9** Highly Voted 1 year, 3 months ago

- A) is somewhat correct, but it's not a group but a policy to have PM's setup as "expenditure reviewers"
- C) Create an expense report workflow, and
- E) automatic action should be to reject if projects not specified, otherwise directed to expenditure reviewers

<https://learn.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/set-up-expenditure-reviewer-configurations>

upvoted 5 times

  **Newb007** Most Recent 7 months ago

its ACD. watchout for projectS<<<< vs project. D. Set up a condition to run an approval step only if the expense report has a project specified. Set the workflow assignment to Expenditure reviewers.

E. Set up an automatic action to reject expense report lines that do not have projects specified. Set the workflow assignment to Expenditure reviewers.

upvoted 2 times

  **python123** 2 months, 2 weeks ago

I think it is typo. E is correct one

upvoted 1 times

  **D365FOConsultant** 1 year, 5 months ago

"submit the expense reports to a project manager for approval" answer should be B

upvoted 1 times

## Question #25

DRAG DROP -

You are implementing Dynamics 365 Finance.

You must track freight charges. Freight amounts must be included in the vendor invoice amount and the expense recorded in a ledger account defined for Freight.

You need to configure the Accounts payable charges.

How should you set up the charges? To answer, drag the appropriate posting type to the correct account type. Each posting type may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

| Posting types  | Answer Area                     |              |
|----------------|---------------------------------|--------------|
| Ledger account | Account type<br>Debit<br>Credit | Posting type |
| Vendor         |                                 |              |
| Item           |                                 |              |

| Posting types  | Answer Area                     |                |
|----------------|---------------------------------|----------------|
| Ledger account | Account type<br>Debit<br>Credit | Posting type   |
| Vendor         |                                 | Item           |
| Item           |                                 | Ledger account |

Box 1: Item -

Two configurations for Accounts payable charges codes on the Charges code page (Accounts payable > Charges setup > Charges code) can cause a purchase order to affect the valuation of inventory assets:

For charges codes where the Debit type field is set to Item and the Credit type field is set to Ledger account, the ledger account that is selected as the absorption account acts as a stock variation account.

For charges codes where the Debit type field is set to Item and the Credit type field is set to Customer/Vendor, the charge will be accounted as material cost, and the stock variation account of the item will be used.

European special accounting rule

Box 2: Ledger account -

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/cost-management/post-to-charge-account-accounting-principle>

 **BITechnologies** Highly Voted 1 year, 6 months ago

Freight amounts must be included in the vendor invoice amount  
its mean Vendor Must be at the credit side

Debit freight Ledger

Credit Vendor

upvoted 18 times

 **python123** Most Recent 2 months, 2 weeks ago

Debit : Ledger- freight expense

Credit: Vendor

upvoted 1 times

 **vbiz** 4 months, 2 weeks ago

It should be Debit Ledger - Credit Vendor

upvoted 2 times

 **emanmoharram95** 1 year ago

Should be Ledger/Vendor

upvoted 2 times

 **kripe86** 1 year, 2 months ago

Should be Ledger/Vendor

upvoted 3 times

## Question #26

Topic 3

A company implements Dynamics 365 Finance. The company uses a third party to provide support services.

You need to configure a payment method to allow the company to reimburse any expenses reported by the third-party service provider.

Which two methods should you use? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Vendor
- B. Bank
- C. Worker
- D. Ledger

**Correct Answer:** AD

## Question #27

Topic 3

You are configuring vendor collaboration security roles for external vendors. You manually set up a vendor contact.

You need to assign the Vendor (external) role to this vendor.

Which task can this vendor perform?

- A. View consignment inventory.
- B. Add a new or existing contact person to the vendor accounts that they are a contact for.
- C. Deny or allow a contact person's access to documents on the vendor collaboration interface that are specific to the vendor account.
- D. Delete any contact person that they have created.

**Correct Answer:** A

 **Newb007** 7 months, 1 week ago

FOR THE THIRD TIME its A! lol. View consignment inventory.

upvoted 4 times

## Question #28

DRAG DROP

A company uses Dynamics 365 Finance for expense management.

The company has multiple legal entities and multiple departments. Each department may have a different expense policy that may conflict with the legal entity expense policy.

You need to configure prioritization of department expense policy over legal entity expense policy.

Which three actions should you perform in sequence?

To answer, move the appropriate actions from the list of actions to the answer area and arrange them in the correct order.

| Actions   | Answer Area |
|---|-------------|
| Set the order of precedence in Policy parameter.  | 1           |
| Create an organization hierarchy for the legal entities.  | 2           |
| Create an organization hierarchy for the departments.   | 3           |
| Add a department organization hierarchy into the Procurement internal control organization hierarchy purpose. |             |
| Add a department organization hierarchy to the Expenditure internal control organization hierarchy purpose.   |             |
| Add a department hierarchy to the Security organization hierarchy purpose.                                    |             |

**Correct Answer:** 1 Create an organization hierarchy for the departments.  
2 Add a department organization hierarchy to the Expenditure internal control organization hierarchy purpose.  
3 Set the order of precedence in Policy parameter.

From my point of view correct. Legal entity hierarchy not needed in the policy parameters - there is a default called "Companies".  
upvoted 1 times

 Flo2021 3 weeks, 3 days ago

From my point of view correct. Legal entity hierarchy not needed in the policy parameters - there is a default called "Companies".  
upvoted 1 times

 Newb007 7 months, 1 week ago

I think this looks right? or is it legal entity hierarchy instead of department?  
upvoted 1 times

## Question #29

HOTSPOT

A company implements basic budgeting functionality in Dynamics 365 Finance.

The company has 6-digit mam account numbers. Two account structures are used as follows:

- Profit and loss, which includes main account for revenue and expense account.
- Balance sheet, which includes main account for asset liability, and equity.

The accounts start with the following numbers:

Asset: 1

Liability: 2

Equity: 3

Revenue: 4

Cost of goods sold: 5

Selling expense: 6

Administration expense: 7

Other Income and expense: 8

The company allows budget transfers only between the selling expense account and revenue accounts.

You need to configure a budget transfer rule for the selling expense account.

What should you configure?

To answer, select the appropriate option in the answer area.

NOTE: Each correct answer is worth one point.

### Answer Area

#### Configuration option

Account structure

|                 |
|-----------------|
| Balance sheet   |
| Profit and loss |

Where

|               |
|---------------|
| Main account  |
| Business unit |
| Department    |

Operator

|             |
|-------------|
| Is          |
| Is like     |
| Ends with   |
| Begins with |

Value

|        |
|--------|
| *      |
| 600000 |
| 699999 |
| 6      |

#### Configuration option

#### Classification

Account structure

|               |
|---------------|
| Balance sheet |
|---------------|

Correct Answer:

Where

|               |
|---------------|
| Business unit |
|---------------|

Operator

|         |
|---------|
| Is like |
|---------|

Value

|        |
|--------|
| 699999 |
|--------|

✉ bernardas Highly Voted 11 months, 2 weeks ago

To my mind:  
Profit and loss  
Main account  
Begins with  
6

upvoted 19 times

✉ zietus 1 month ago

The same  
upvoted 1 times

✉ vbiz 4 months, 2 weeks ago

I agree, I would have answered the same  
upvoted 1 times

## Question #30

## Topic 3

A company uses expense management in Dynamics 365 Finance. The company has two legal entities.

CompanyA reimburses employees for travel-related expenses. CompanyB plans to reimburse remote employees monthly for travel-related expenses. All employees are required to complete expense reports.

You need to configure the expense type that can be used for both companies.

Which expense type category should you use?

- A. Case
- B. Shared
- C. Project
- D. Procurement

**Correct Answer: B**

*Community vote distribution*

B (100%)

 **CPSKtestaccount** 2 months, 4 weeks ago

**Selected Answer: B**

correct

<https://learn.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/create-expense-categories#create-shared-expense-categories>

upvoted 1 times

## Question #31

### Case study -

This is a case study. Case studies are not timed separately. You can use as much exam time as you would like to complete each case. However, there may be additional case studies and sections on this exam. You must manage your time to ensure that you are able to complete all questions included on this exam in the time provided.

To answer the questions included in a case study, you will need to reference information that is provided in the case study. Case studies might contain exhibits and other resources that provide more information about the scenario that is described in the case study. Each question is independent of the other questions in this case study.

At the end of this case study, a review screen will appear. This screen allows you to review your answers and to make changes before you move to the next section of the exam. After you begin a new section, you cannot return to this section.

### To start the case study -

To display the first question in this case study, click the Next button. Use the buttons in the left pane to explore the content of the case study before you answer the questions. Clicking these buttons displays information such as business requirements, existing environment, and problem statements. If the case study has an All Information tab, note that the information displayed is identical to the information displayed on the subsequent tabs. When you are ready to answer a question, click the Question button to return to the question.

### Background -

First Up Consultants is a global engineering and consulting organization based in Atlanta. The organization assists customers with various implementation projects. The organization provides both consulting services and custom software development.

First Up Consultants was recently acquired by a Canadian engineering firm that uses Dynamics 365 Finance. The firm requires First Up Consultants to transition to the solution by 2022.

First Up Consultants employs consultants that travel globally, which requires extensive expense management capabilities. First Up Consultants offers software as a service (SaaS) products to customers by using monthly and quarterly subscriptions.

### Current environment. Travel and expense

The company is currently in Phase 2 of their Dynamics 365 Finance implementation.

- Consultants submit all travel receipts by using inter-office mail to the team admin for processing, but First Up Consultants wants to modernize this experience.
- Expense reports are manually approved and signed by the employee's manager.

### Current environment. Finance -

- First Up Consultants operates on a 4-5-4 calendar.
- Accounting for revenue has been difficult with the SaaS offerings. This has led to implementing Dynamics 365 Finance Revenue recognition.
- Revenue recognition has been live for 3 months.
- Adatum Corporation pays quarterly for use of the First Up Consultants web design application, starting from the day of use.
- Fourth Coffee pays monthly for use of the First Up Consultants photograph editing application with a contract starting August 1 and payment starting September 1.
- Adventure Works Cycles pays per use of the First Up Consultant video platform.
- A blocking rule is set up to prevent a sales order from processing if a customer exceeds a credit limit.
- Customer credit is set up at the account level for VanAarsdel, Ltd.
- Tailspin Toys is owned by Wingtip Toys. The companies have a credit limit of \$60,000 and \$100,000, respectively.

### Current environment. Revenue allocation

The company reports the following revenue allocation percentages:

| Line of business     | Revenue percentage |
|----------------------|--------------------|
| Web design           | 60 percent         |
| Video platform       | 5 percent          |
| Photography software | 10 percent         |
| Consulting           | 25 percent         |

### Current environment. Tax -

VAT tax recovery is required for eligible international business trip expenses. Bank reconciliation is manual and performed by using monthly mailed account statements.

The company collects sales taxes from the following states:

| Physical presence liability | State       | Rate         |
|-----------------------------|-------------|--------------|
| X                           | Texas       | 6.25 percent |
| X                           | Mississippi | 7 percent    |
| X                           | Tennessee   | 7 percent    |
| X                           | Georgia     | 4.5 percent  |
|                             | Alabama     | 4 percent    |
|                             | Vermont     | 6 percent    |
|                             | Kansas      | 6.5 percent  |

### Requirements -

#### Travel and expense -

- First Up Consultants requires that employees start using corporate cards for all travel expenses.
- All expenses over \$50 require a receipt.
- Beer cannot be expensed.
- Employees may use the corporate card for personal expenses during work travel, but expenses must be categorized correctly.
- Client entertainment expenses totaling more than \$250 must be audited.
- Employees require a mobile expense experience.
- Expense report entries must be validated when a transaction line is entered.
- Employees require the ability to capture receipts by using a mobile device.
- First Up Consultants requires the ability to reimburse employees in their paychecks for expenses incurred on personal cards.

### Financials -

- A virtual thirteenth month is required for year-end transactions.
- Each day, a validation file must go to First Up Consultants bank detailing all vendor checks paid.
- Except fees, all matched transactions must clear automatically during bank reconciliation.
- The accounts payable team must verify expense reports prior to posting.
- Only payables are allowed to be posted to a prior period up to seven days into the new period.

### Issues -

- User1 installed the Expense Management Service add-in and implemented the auto-match and create expense from receipt features, but the receipt images do not match the corporate card transactions.
- Employee1 submits an expense report for a business trip to Europe, but the report is not visible on the expense tax recovery page.
- Employees provided feedback that the system lets them know of an expense report policy violation only after the entire expense report is

submitted.

- Members of the finance department observe sales orders that posted into a closed period.
- The finance team observed that for sales order invoice 1234, the price incorrectly posts to a revenue account when it should be deferring.
- Employee2 purchased supplies for a holiday party and needs to be reimbursed.
- A customer orders software licenses for the offices in Tennessee and Alabama.
- Expense reports for unapproved items are posting.
- VanArsdel, Ltd. exceeded its credit limit but the sales order was processed.
- Tailspin Toys purchases \$70,000 in custom software development.

You need to address the employees issue regarding expense report policy violations.

Which parameter should you use?

- A. Validate expense purpose
- B. Evaluate expense management policies
- C. Policy rule type
- D. Pre-authorization of travel is mandatory

**Correct Answer: B**

*Community vote distribution*

 B (100%)

✉  Flo2021 3 weeks, 3 days ago  
for me, this sounds like C.

Same quote as below:  
You can define three types of policies:

Warning: Allows the worker to submit an expense report or travel requisition but the expense will be marked for all approvers and for later reporting.

Error: Requires the worker to revise the expense to comply with the policy before submitting the expense report or travel requisition.

Justification: Requires the worker or a manager to enter a justification for exceeding the policy amount before submitting the expense report or travel requisition.

upvoted 1 times

✉  Daniel73847 2 months, 1 week ago

**Selected Answer: B**

<https://learn.microsoft.com/en-us/dynamics365/project-operations/expense/set-up-policies>

upvoted 2 times

## Question #32

### HOTSPOT

-

### Case study

-

This is a case study. Case studies are not timed separately. You can use as much exam time as you would like to complete each case. However, there may be additional case studies and sections on this exam. You must manage your time to ensure that you are able to complete all questions included on this exam in the time provided.

To answer the questions included in a case study, you will need to reference information that is provided in the case study. Case studies might contain exhibits and other resources that provide more information about the scenario that is described in the case study. Each question is independent of the other questions in this case study.

At the end of this case study, a review screen will appear. This screen allows you to review your answers and to make changes before you move to the next section of the exam. After you begin a new section, you cannot return to this section.

### To start the case study

-

To display the first question in this case study, click the Next button. Use the buttons in the left pane to explore the content of the case study before you answer the questions. Clicking these buttons displays information such as business requirements, existing environment, and problem statements. If the case study has an All Information tab, note that the information displayed is identical to the information displayed on the subsequent tabs. When you are ready to answer a question, click the Question button to return to the question.

### Background

-

First Up Consultants is a global engineering and consulting organization based in Atlanta. The organization assists customers with various implementation projects. The organization provides both consulting services and custom software development.

First Up Consultants was recently acquired by a Canadian engineering firm that uses Dynamics 365 Finance. The firm requires First Up Consultants to transition to the solution by 2022.

First Up Consultants employs consultants that travel globally, which requires extensive expense management capabilities. First Up Consultants offers software as a service (SaaS) products to customers by using monthly and quarterly subscriptions.

### Current environment. Travel and expense

The company is currently in Phase 2 of their Dynamics 365 Finance implementation.

- Consultants submit all travel receipts by using inter-office mail to the team admin for processing, but First Up Consultants wants to modernize this experience.
- Expense reports are manually approved and signed by the employee's manager.

### Current environment. Finance

-

- First Up Consultants operates on a 4-5-4 calendar.
- Accounting for revenue has been difficult with the SaaS offerings. This has led to implementing Dynamics 365 Finance Revenue recognition.
- Revenue recognition has been live for 3 months.

- Adatum Corporation pays quarterly for use of the First Up Consultants web design application, starting from the day of use.
- Fourth Coffee pays monthly for use of the First Up Consultants photograph editing application with a contract starting August 1 and payment starting September 1.
- Adventure Works Cycles pays per use of the First Up Consultant video platform.
- A blocking rule is set up to prevent a sales order from processing if a customer exceeds a credit limit.
- Customer credit is set up at the account level for VanArsdel, Ltd.
- Tailspin Toys is owned by Wingtip Toys. The companies have a credit limit of \$60,000 and \$100,000, respectively.

#### Current environment. Revenue allocation

The company reports the following revenue allocation percentages:

| Line of business     | Revenue percentage |
|----------------------|--------------------|
| Web design           | 60 percent         |
| Video platform       | 5 percent          |
| Photography software | 10 percent         |
| Consulting           | 25 percent         |

#### Current environment. Tax

VAT tax recovery is required for eligible international business trip expenses. Bank reconciliation is manual and performed by using monthly mailed account statements.

The company collects sales taxes from the following states:

| Physical presence liability | State       | Rate         |
|-----------------------------|-------------|--------------|
| X                           | Texas       | 6.25 percent |
| X                           | Mississippi | 7 percent    |
| X                           | Tennessee   | 7 percent    |
| X                           | Georgia     | 4.5 percent  |
|                             | Alabama     | 4 percent    |
|                             | Vermont     | 6 percent    |
|                             | Kansas      | 6.5 percent  |

#### Requirements

#### Travel and expense

- First Up Consultants requires that employees start using corporate cards for all travel expenses.
- All expenses over \$50 require a receipt.
- Beer cannot be expensed.
- Employees may use the corporate card for personal expenses during work travel, but expenses must be categorized correctly.
- Client entertainment expenses totaling more than \$250 must be audited.
- Employees require a mobile expense experience.
- Expense report entries must be validated when a transaction line is entered.
- Employees require the ability to capture receipts by using a mobile device.
- First Up Consultants requires the ability to reimburse employees in their paychecks for expenses incurred on personal cards.

#### Financials

- A virtual thirteenth month is required for year-end transactions.

- Each day, a validation file must go to First Up Consultants bank detailing all vendor checks paid.
- Except fees, all matched transactions must clear automatically during bank reconciliation.
- The accounts payable team must verify expense reports prior to posting.
- Only payables are allowed to be posted to a prior period up to seven days into the new period.

## Issues

- - User1 installed the Expense Management Service add-in and implemented the auto-match and create expense from receipt features, but the receipt images do not match the corporate card transactions.
  - Employee1 submits an expense report for a business trip to Europe, but the report is not visible on the expense tax recovery page.
  - Employees provided feedback that the system lets them know of an expense report policy violation only after the entire expense report is submitted.
  - Members of the finance department observe sales orders that posted into a closed period.
  - The finance team observed that for sales order invoice 1234, the price incorrectly posts to a revenue account when it should be deferring.
  - Employee2 purchased supplies for a holiday party and needs to be reimbursed.
  - A customer orders software licenses for the offices in Tennessee and Alabama.
  - Expense reports for unapproved items are posting.
  - VanArsdel, Ltd. exceeded its credit limit but the sales order was processed.
  - Tailspin Toys purchases \$70,000 in custom software development.

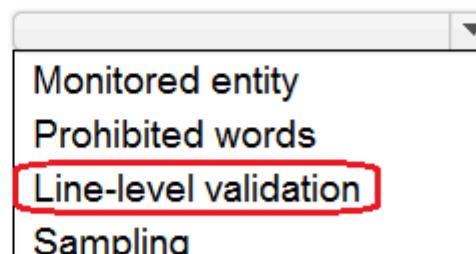
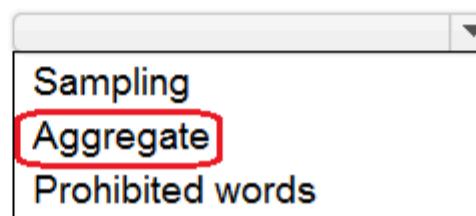
You need to prevent prohibited expenses from posting.

Which configurations should you use? To answer, select the appropriate options in the answer area

NOTE: Each correct selection is worth one point.

## Answer Area

| Requirement          | Configuration  |
|----------------------|--|
| Unapproved items     | <ul style="list-style-type: none"><li>Monitored entity</li><li>Prohibited words</li><li>Line-level validation</li><li>Sampling</li></ul> |
| Client entertainment | <ul style="list-style-type: none"><li>Sampling</li><li>Aggregate</li><li>Prohibited words</li></ul>                                      |

**Answer Area****Requirement****Unapproved items****Correct Answer:****Configuration****Client entertainment**

✉ Flo2021 3 weeks, 3 days ago

ref "Client entertainment": No idea, but to me it sounds more like certain key-words should be detected. Therefore going for option "Prohibited words".

upvoted 1 times

**Question #33****Topic 3**

You are configuring vendor collaboration security roles for external vendors. You manually set up a vendor contact.

You need to assign the Vendor (external) role to this vendor.

Which task can this vendor perform?

- A. Delete any contact person that they have created.
- B. Activate or deactivate the association between a contact person and a vendor account.
- C. Add a new or existing contact person to the vendor accounts that they are a contact for.
- D. View consignment inventory.

**Correct Answer: D**

## Question #34

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

You manage a Dynamics 365 Finance implementation.

You must provide the budget versus actual reporting in near real time.

You need to configure the ledger budgets and forecasts workspace to track expenses over budget and revenue under budget.

Solution: Select organization hierarchy from the Configure my workspace form. Set an expense budget threshold percent.

Does the solution meet the goal?

- A. Yes
- B. No

**Correct Answer: A**

*Community vote distribution*

B (100%)

 **angie97** 1 week, 6 days ago

**Selected Answer: B**

The solution does not meet the goal, Mandatory are:

1. Set up budget control on the Budgeting parameters page
2. Define budget control rules for the main accounts and financial dimensions that you want to track.
3. Update budget balances for the budget register entries that you want to use for budget control.
4. Enable budget control for the legal entity on the General ledger parameters page.

upvoted 1 times

 **Rayhan83** 2 weeks, 6 days ago

**Selected Answer: B**

Option B.

upvoted 1 times

 **Flo2021** 3 weeks, 3 days ago

This is not enough, you also need a budget model (amidst other things). Therfore "No".

upvoted 2 times

## Question #35

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

You manage a Dynamics 365 Finance implementation.

You must provide the budget versus actual reporting in near real time.

You need to configure the ledger budgets and forecasts workspace to track expenses over budget and revenue under budget.

Solution: Configure an expense dimension set, expense budget threshold, revenue dimension set, and revenue budget threshold percent field values on the Configure my workspace form.

Does the solution meet the goal?

- A. Yes
- B. No

**Correct Answer:** *B*

## Question #36

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

You manage a Dynamics 365 Finance implementation.

You must provide the budget versus actual reporting in near real time.

You need to configure the ledger budgets and forecasts workspace to track expenses over budget and revenue under budget.

Solution: Define a budget model. Set active forecasting process to the current year forecast.

Does the solution meet the goal?

- A. Yes
- B. No

**Correct Answer: B**

*Community vote distribution*

A (100%)

 **zietus** 1 month ago

**Selected Answer: A**

Yes. Defining a budget model and setting an active forecasting process to the current year forecast allows for the tracking of expenses over budget and revenue under budget. By defining a budget model, you establish the structure and parameters for budgeting and forecasting. Setting an active forecasting process to the current year ensures that the system is constantly updating and reflecting the most recent financial data, enabling near real-time reporting on budget versus actual expenses and revenues. This solution aligns with best practices for budgeting and forecasting in Dynamics 365 Finance and facilitates timely financial analysis and decision-making.

upvoted 2 times

## Question #37

## HOTSPOT

A company implements expense management in Dynamics 365 Finance to manage employee travel expenses.

The current per diem setup on the Expense management parameters page is as follows:

Standard view ▾

### Expense management parameters

| General                   | Set up defaults for per diem rate tiers |   |  |
|---------------------------|---|---|--|
| Financial                 | FIRST DAY AND LAST DAY DEFAULTS         | MEAL REDUCTIONS                                     | PER DIEM ROUNDING  |
| Per diem                  | Minimum hours for per diem<br>0.00      | Reduction in percentage for breakfast<br>0.00       | Per diem rounding<br>Normal rounding ▾   |
| Fax cover pages           | Meal percent<br>0.00                    | Reduction in percentage for lunch<br>0.00           | PER DIEM CALCULATION<br>Base per diem calculation on<br>Calendar day with time ▾ |
| Anti-corruption           | Hotel percent<br>0.00                   | Reduction in percentage for dinner<br>0.00          |  |
| Automatic receipt capture | Other percent<br>0.00                   | Calculate meal reduction by<br>Meal type per trip ▾ |  |

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

#### Answer Area

Which configuration deducts fifteen percent of the per diem if employees stay at hotels that have complimentary breakfast?

Set Reduction in percentage for breakfast to 15  
Set Calculate meal reduction by to Meal type per day  
Set Meal percent to 15  
Set Reduction in percentage for lunch and Reduction in percentage for dinner to 85

Which configuration ensures that employees can request per diem if they work at least half a day on the first and last day of business travel in a standard 40-hour work week?

Keep Base per diem calculation on set to Calendar day with time  
Set Minimum hours for per diem to 4  
Change Per diem rounding to Always round up  
Set Minimum hours for per diem to 4 and Other percent to 50

|  |  |
|--|--|
| <b>Answer Area</b><br>Which configuration deducts fifteen percent of the per diem if employees stay at hotels that have complimentary breakfast?<br><br><b>Correct Answer:</b><br>Which configuration ensures that employees can request per diem if they work at least half a day on the first and last day of business travel in a standard 40-hour work week? | <div style="border: 1px solid black; padding: 5px; min-height: 100px;">           Set Reduction in percentage for breakfast to 15<br/>           Set Calculate meal reduction by to Meal type per day<br/>           Set Meal percent to 15<br/>           Set Reduction in percentage for lunch and Reduction in percentage for dinner to 85         </div> <div style="border: 1px solid black; padding: 5px; min-height: 100px;">           Keep Base per diem calculation on set to Calendar day with time<br/>           Set Minimum hours for per diem to 4<br/>           Change Per diem rounding to Always round up<br/>           Set Minimum hours for per diem to 4 and Other percent to 50         </div> |
|--|--|

 Flo2021 3 weeks, 3 days ago

Second should be "Set Min. hours for per diem to 4"

upvoted 1 times

## Question #38

## Topic 3

You are configuring Dynamics 365 Finance.

Transactions are being approved for all sales transactions. This configuration results in numerous fraudulent transactions.

The payment provider requires verification of the following information in order to authorize transactions:

- account holder name
- billing address
- postal code

You need to configure the system to only approve transactions with a verified address.

Which option should you select for credit card authorization?

- A. Postal code
- B. Billing address
- C. Always accept transaction
- D. Account holder

**Correct Answer: B**

## Question #39

## HOTSPOT

You manage a Dynamics 365 Finance implementation.

New system users are incorrectly posting payment transactions. You must use payment controls for bank payments by using checks for customer's due invoices to restrict new users from posting to customer payment journals.

You need to set up payment control for validation while using a method of payment in a journal entry.

Which actions should you use? To answer, select the appropriate options in the answer area.

## Answer Area

## Requirement

Verify that the offset account type selected is the bank value for a payment journal posting.

## Action

- Configure electronic reporting for a bank.
- Configure journal names for a payment journal.
- Configure an offset account with a type of bank.
- Configure a method of payment for journals.

Verify that the check number is entered for a payment journal posting.

- Configure check and electronic payments.
- Configure the export format.
- Configure methods of payment as check in the file format.
- Configure check number to be a mandatory value.

## Answer Area

## Requirement

Verify that the offset account type selected is the bank value for a payment journal posting.

## Action

- Configure electronic reporting for a bank.
- Configure journal names for a payment journal.
- Configure an offset account with a type of bank.
- Configure a method of payment for journals.

## Correct Answer:

Verify that the check number is entered for a payment journal posting.

- Configure check and electronic payments.
- Configure the export format.
- Configure methods of payment as check in the file format.
- Configure check number to be a mandatory value.

## Question #40

## HOTSPOT

A company plans to implement expense management in Dynamics 365 Finance.

The finance manager requires the following functionality:

- Define rules that employees must follow to submit an expense report.
- Share expense classifications between expense management and project accounting.
- Approve expenses on behalf of another employee.

You need to recommend configuration options.

Which configuration options should you recommend?

To answer, select the appropriate options in the answer area.

**Answer Area****Required functionality**

Define rules to submit an expense report.

**Configuration option**

|                    |
|--------------------|
| Expense policies   |
| Approval workflow  |
| Expense categories |

Share expense classifications.

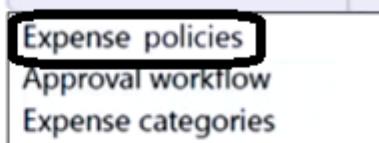
|                       |
|-----------------------|
| Project types         |
| Expense categories    |
| Intercompany expenses |

Approve expenses on behalf of another employee.

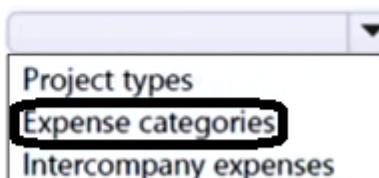
|                    |
|--------------------|
| Personal expenses  |
| Expense delegation |
| Approval workflow  |

**Answer Area****Required functionality**

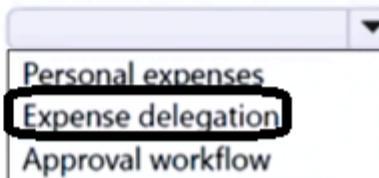
Define rules to submit an expense report.

**Configuration option****Correct Answer:**

Share expense classifications.



Approve expenses on behalf of another employee.

**Question #41****Topic 3**

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

A company uses Dynamics 365 Finance.

The customer payment journal must only be available for selection by the accounts receivable user group.

You need to configure the accounts receivable journal name to meet the requirement.

Solution: Configure the journal control.

Does the solution meet the goal?

- A. Yes
- B. No

**Correct Answer: B**

## Question #42

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

A company uses Dynamics 365 Finance.

The customer payment journal must only be available for selection by the accounts receivable user group.

You need to configure the accounts receivable journal name to meet the requirement.

Solution: Configure blocking and select private for the user group value.

Does the solution meet the goal?

- A. Yes
- B. No

**Correct Answer: B**

## Question #43

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

A company uses Dynamics 365 Finance.

The customer payment journal must only be available for selection by the accounts receivable user group.

You need to configure the accounts receivable journal name to meet the requirement.

Solution: Configure the journal approval.

Does the solution meet the goal?

- A. Yes
- B. No

**Correct Answer: A**

 Flo2021 3 weeks, 3 days ago

must be B. Posting restrictions would do the job, not Journal approval.

upvoted 2 times

**Topic 4 - Question Set 4****Question #1****Topic 4****DRAG DROP -**

You are creating a budget for an organization.

The organization requires that allocations be performed automatically as part of budget planning.

You need to invoke allocations at a specific budget planning stage.

Which three actions should you perform in sequence? To answer, move the appropriate actions from the list of actions to the answer area and arrange them in the correct order.

Select and Place:

**Actions**

Set up Task approval for the workflow

Add an automated task for budget planning stage allocation at the desired workflow stage

Create a stage allocation on the Budget planning configuration page

Create an allocation schedule on the Budget planning configuration page

**Answer Area****Correct Answer:****Actions**

Set up Task approval for the workflow

Add an automated task for budget planning stage allocation at the desired workflow stage

Create a stage allocation on the Budget planning configuration page

Create an allocation schedule on the Budget planning configuration page

**Answer Area**

Create an allocation schedule on the Budget planning configuration page

Create a stage allocation on the Budget planning configuration page

Add an automated task for budget planning stage allocation at the desired workflow stage

**Reference:**

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/budget-planning-data-allocation>

✉ **Newb007** 7 months, 1 week ago

GORRECT Automating allocations during a workflow

One powerful feature enables allocations to be performed automatically as part of a budget planning workflow. As a budget plan moves through its workflow, automated tasks can invoke an allocation at a specified budget planning stage.

To set up automated allocation, you must first create an allocation schedule on the Budget planning configuration page. The allocation schedule defines the allocation method that will be used when the automated allocation is run, and the values of the various allocation options (see the previous section for descriptions).

Next, you create a stage allocation on the Budget planning configuration page. The stage allocation assigns an allocation schedule to the budget planning workflow and stage.

Finally, add an automated task for budget planning stage allocation at the desired workflow stage. In the following example, two budget planning stage allocations (outlined in red) have been inserted into the workflow.

upvoted 2 times

✉ **Bisera** 11 months, 3 weeks ago

Correct

upvoted 1 times

✉ **cebaud** 1 year, 11 months ago

Correct

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/budget-planning-data-allocation>

upvoted 1 times

✉ **sadiq\_d365** 3 years, 1 month ago

CORRECT

upvoted 2 times

## Question #2

## Topic 4

You are configuring budgeting components in Dynamics 365 Finance.

You need to configure multiple budgets.

What are three budgeting options you can use? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Cost management budget, including Production and Resource groups
- B. Sales budget, including Campaigns and Events
- C. Workforce budget, including Compensation groups and Positions
- D. Project budget, including Items and Fees
- E. Ledger budget, including Revenue and Expense types

**Correct Answer:** CDE

✉ **riazahmad82** Highly Voted  3 years, 8 months ago

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/budgeting-overview>

upvoted 5 times

✉ **Newb007** Most Recent  7 months, 1 week ago

Workforce budgets – Workforce budgeting includes detailed budget cost component planning for positions, compensation groups, and so on.  
Fixed assets budgets – Based on fixed asset information, you can calculate planned depreciation and record other planned transactions that are related to fixed assets.

Project budgets – In the projects module, you can create detailed project forecasts. The projects forecasts will include details about the planned hours, expenses, fees, and items.

Demand forecasting – Based on historical transaction data, you can estimate future inventory demand and create demand forecasts.

upvoted 1 times

✉ **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 2 times

## Question #3

## HOTSPOT -

You are setting up a budget plan to accurately portray the projected budget for a company.

You need to select the appropriate allocation method for data distribution.

Which allocation methods should you use? To answer, select the appropriate configuration in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area****Requirement**

Allocate budget plan lines to the destination scenario based on the percentages and financial dimensions that are defined in a selected budget allocation term.

**Allocation method**

- Aggregate
- Allocate to Dimension
- Distribute
- Copy from Plan

Allow budget amounts that are prepared at a lower level in the organization to be consolidated at a higher level.

- Distribute
- Allocate Across Periods
- Aggregate
- Allocate to Dimension

Transfer amounts that were budgeted at a higher level to a lower level of the organization for detailed review and adjustment before they can receive upper-level approval.

- Allocate Across Periods
- Distribute
- Copy from Budget Plan
- Aggregate

Enable budget amounts that are prepared at a higher level in the organization to be spread out for more localized review.

- Distribute
- Aggregate
- Copy from budget plan
- Allocate to dimension

**Answer Area****Requirement**

Allocate budget plan lines to the destination scenario based on the percentages and financial dimensions that are defined in a selected budget allocation term.

**Allocation method**

- Aggregate
- Allocate to Dimension**
- Distribute
- Copy from Plan

Allow budget amounts that are prepared at a lower level in the organization to be consolidated at a higher level.

- Distribute
- Allocate Across Periods
- Aggregate**
- Allocate to Dimension**

Correct Answer:

Transfer amounts that were budgeted at a higher level to a lower level of the organization for detailed review and adjustment before they can receive upper-level approval.

- Allocate Across Periods
- Distribute
- Copy from Budget Plan**
- Aggregate

Enable budget amounts that are prepared at a higher level in the organization to be spread out for more localized review.

- Distribute**
- Aggregate
- Copy from budget plan
- Allocate to dimension

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/budget-planning-data-allocation>

 Aamir66 1 year, 2 months ago

#3 and #4 sound very similar. #3 does not clarify in the statement that the higher level is not the Parent, which makes the Distribution also a possible answer, isn't it? Isn't that the difference really?

upvoted 2 times

 **Dayakar\_Reddy** 2 years, 8 months ago

Correct

upvoted 4 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 4 times

## Question #4

A client is using the budget planning process in Dynamics 365 Finance.  
Your client requires the ability to plan for a one-year, three-year, and five year-budget.  
You need to configure the various year length options to be used in the budgeting module.  
What should you do?

- A. Configure budget control
- B. Configure budget codes
- C. Configure budget cycles
- D. Configure budget allocation terms

**Correct Answer: B***Community vote distribution* C (100%)

 **Joeman**  3 years, 10 months ago  
C. Configure budget cycles  
upvoted 27 times

 **Toorsie**  3 years, 10 months ago  
Budget cycle related to start and end dates?  
upvoted 8 times

 **vbiz**  4 months, 2 weeks ago  
**Selected Answer: C**  
C - Budget cycles  
upvoted 2 times

 **AliK1i** 1 year, 4 months ago  
**Selected Answer: C**  
C correct  
upvoted 3 times

 **AsiaF** 1 year, 9 months ago  
**Selected Answer: C**  
C is correct  
upvoted 4 times

 **Solo\_1** 2 years, 1 month ago  
Budget Cycles  
upvoted 3 times

 **pcm\_stj** 2 years, 1 month ago  
**Selected Answer: C**  
C.  
A budget cycle allows you to define the time span for that budget control.  
upvoted 3 times

 **denilson16** 2 years, 1 month ago  
**Selected Answer: C**  
C is correct.  
upvoted 3 times

 **BBBM** 2 years, 2 months ago  
**Selected Answer: C**  
<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/budget-control-overview-configuration>

Budget cycle time span  
After basic budgeting is configured, you can define the time, or the starting and ending periods, for budgeting and budget control on the Budget cycle time span page. Budget cycles often correspond to fiscal calendars but can span fiscal years.

upvoted 2 times

 **mandebvu** 2 years, 7 months ago

Budget Cycle is correct .

Budget code doesn't have anything relating to periods

upvoted 3 times

 **sadiq\_d365** 3 years, 1 month ago

C seems correct

upvoted 3 times

 **manass** 3 years, 5 months ago

My guess Budget control is the correct:

Budget control can have multiple budget cycle and each cycle span for specific period

upvoted 3 times

 **Antomap** 3 years, 8 months ago

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/budget-control-overview-configuration>

upvoted 1 times

 **Cecos** 3 years, 8 months ago

C. Is correct

upvoted 3 times

 **Richard\_G** 3 years, 9 months ago

Budget planning processes – Budget planning processes determine how budget plans can be updated, routed, reviewed, and approved in the budgeting organization hierarchy. A budget planning process is linked to a budget cycle and an organization through a legal entity.

upvoted 1 times

## Question #5

**DRAG DROP -**

A company needs to create budget plan templates for its budgeting process.

You need to create the budget plan templates.

In which order should you perform the actions? To answer, move all actions from the list of actions to the answer area and arrange them in the correct order.

Select and Place:

**Actions**

Generate budget plan templates

Define budgeting financial dimension sets

Create budget plan columns

Create budget plan document layouts

**Answer Area****Correct Answer:****Actions**

Generate budget plan templates

Define budgeting financial dimension sets

Create budget plan columns

Create budget plan document layouts

**Answer Area**

Define budgeting financial dimension sets

Create budget plan columns

Create budget plan document layouts

Generate budget plan templates

**viking1** 2 years, 4 months ago

The dimension sets are not required for the column definitions, so the order of dimension sets and columns shouldn't really matter. However, following the process of Dimension sets, Columns, Layouts and then templates leads to a more natural workflow, so this seems correct.

upvoted 3 times

**sadiq\_d365** 3 years, 1 month ago

seems correct

upvoted 2 times

## Question #6

A company uses Dynamics 365 Finance to manage budgets.

You need to reallocate funds during the year.

Which budget code should you use?

- A. Carry-forward
- B. Zero-based
- C. Pre-encumbrance
- D. Transfer

**Correct Answer:** D

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/basic-budgeting-overview-configuration>

*Community vote distribution*

D (100%)

✉️  **Eventura** 7 months, 2 weeks ago

**Selected Answer: D**

Correct

upvoted 1 times

✉️  **Yael\_Shachen\_Tov** 2 years, 9 months ago

I didn't find the specific explanation of the different codes

upvoted 1 times

✉️  **DerTaurig** 2 years, 11 months ago

That not really correct, because it should be a budget type which is part of a budget code.

upvoted 3 times

✉️  **sadiq\_d365** 3 years, 1 month ago

Seem correct

upvoted 2 times

## Question #7

## HOTSPOT -

A client is implementing the Budgeting module in Dynamics 365 Finance.

You need to configure the correct budget control area to meet the client's requirements.

☞ Track budgeting control on purchase requisitions.

☞ Include unposted actual transactions in the calculation of the remaining budget for the period.

☞ Allow specific individuals to post transactions that exceed the budget.

☞ Specify main accounts that are subject to budget control, instead of selecting Main account as a dimension for budgeting.

What should you configure? To answer, select the appropriate configuration in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area****Client requirement**

Track budgeting control on purchase requisitions.

Include unposted actual transactions in the calculation of the remaining budget for the period.

Allow specific individuals to post transactions that exceed the budget.

Specify main accounts that are subject to budget control, instead of selecting Main account as a dimension for budgeting.

**Setup area**

|                             |
|-----------------------------|
| Documents and journals      |
| Budget funds available      |
| Define budget control rules |
| Define message levels       |

|                        |
|------------------------|
| Documents and journals |
| Budget funds available |
| Select main accounts   |
| Assign budget models   |

|                         |
|-------------------------|
| Define message levels   |
| Budget funds available  |
| Over budget permissions |
| Define budget groups    |

|                         |
|-------------------------|
| Budget funds available  |
| Over budget permissions |
| Define budget groups    |
| Select main accounts    |

**Answer Area****Client requirement**

Track budgeting control on purchase requisitions.

**Setup area**

|                             |
|-----------------------------|
| ▼                           |
| Documents and journals      |
| Budget funds available      |
| Define budget control rules |
| Define message levels       |

|                        |
|------------------------|
| ▼                      |
| Documents and journals |
| Budget funds available |
| Select main accounts   |
| Assign budget models   |

|                         |
|-------------------------|
| ▼                       |
| Define message levels   |
| Budget funds available  |
| Over budget permissions |
| Define budget groups    |

|                         |
|-------------------------|
| ▼                       |
| Budget funds available  |
| Over budget permissions |
| Define budget groups    |
| Select main accounts    |

Correct Answer:

Allow specific individuals to post transactions that exceed the budget.

Specify main accounts that are subject to budget control, instead of selecting Main account as a dimension for budgeting.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/budget-control-overview-configuration>

 **viking1** 2 years, 4 months ago

Correct

upvoted 2 times

## Question #8

A company plans to use Dynamics 365 Finance.

You need to configure basic budgeting.

Which set of actions must you perform?

A.

- ☞ Define a budget journal
- ☞ Define budgeting parameters
- ☞ Define budgeting dimensions
- ☞ Create budget models and codes
- ☞ Define number sequences

B.

- ☞ Define budget journal exchange rate types
- ☞ Define budgeting parameters and number sequences
- ☞ Define budgeting dimensions
- ☞ Create budget models
- ☞ Define budget codes

C.

- ☞ Define a budget journal
- ☞ Define budgeting parameters and number sequences
- ☞ Define budgeting dimensions
- ☞ Create budget models and codes
- ☞ Setup budget allocation terms

D.

- ☞ Define budget exchange rate types
- ☞ Define budgeting parameters and number sequences
- ☞ Define financial dimensions
- ☞ Create budget models
- ☞ Define budget codes

**Correct Answer: B**

Reference:

<https://docs.microsoft.com/en-us/learn/modules/configure-use-basic-budgeting-budget-control-dyn365-finance/4-overview>

✉  **Atherkh** 1 month, 1 week ago

"B" is correct answer, as in option "D" it says "Financial Dimension" instead "Budgeting Dimensions".

upvoted 1 times

✉  **blackgodfatha** 1 year, 1 month ago

D is correct

upvoted 1 times

✉  **Alice9** 1 year, 2 months ago

Letter D, with one caveat, it should be budgeting dimensions.

upvoted 1 times

✉  **DanielaR** 1 year, 4 months ago

D

<https://learn.microsoft.com/en-us/training/modules/configure-use-basic-budgeting-budget-control-dyn365-finance/4-overview>

upvoted 2 times

✉  **Alice9** 1 year, 3 months ago

Agree!

upvoted 1 times

✉  **AliK1i** 1 year, 4 months ago

D is correct

upvoted 1 times

✉  **H\_Incandenza** 1 year, 7 months ago

D

See the provided link, and read the list VERY carefully; for a few of the options they are substituting out single words that completely change the meaning of the phrase.

upvoted 3 times

✉ **gabe3456123** 1 year, 8 months ago

C is the correct answer.

<https://docs.microsoft.com/en-us/learn/modules/configure-use-basic-budgeting-budget-control-dyn365-finance/5-configure>

upvoted 1 times

✉ **eknilssen** 1 year, 9 months ago

Anyone who knows for the exam: how in tuned are the answeres here in examtopics? I mean: the answer really seems to be D, however, it comes out as marked B. On the exam I would have answered D, do you think I will get it right then or incorrect?

upvoted 2 times

✉ **AsiaF** 1 year, 9 months ago

<https://docs.microsoft.com/en-us/learn/modules/configure-use-basic-budgeting-budget-control-dyn365-finance/4-overview>

upvoted 1 times

✉ **denilson16** 2 years, 1 month ago

B correct:

Required - Define budget exchange rates

Required - Define budgeting parameters and number sequences

Required - Define financial dimensions for budgeting

Required - Create budget models

Required - Define budget codes

Optional - Define budget transfer rules

Optional - Set up budgeting workflows

Optional - Set up budget allocation terms

upvoted 3 times

✉ **AsiaF** 1 year, 9 months ago

In B is "Define budget journal exchange rate types" JOURNAL. In D are all you mentioned.

1, 2,3,4 and 5.

upvoted 1 times

✉ **rizwanvu1980** 2 years, 4 months ago

B is correct as per Link

upvoted 4 times

✉ **Titik** 2 years, 2 months ago

Yes I agree.

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/define-financial-dimensions-for-budgeting>

Define financial dimensions for Budgeting = Define Budgeting dimensions

upvoted 2 times

✉ **rizwanvu1980** 2 years, 4 months ago

D is correct

upvoted 2 times

✉ **TicToq** 2 years, 7 months ago

answer is D

<https://docs.microsoft.com/en-us/learn/modules/configure-use-basic-budgeting-budget-control-dyn365-finance/4-overview>

upvoted 2 times

✉ **TBlock123** 2 years, 8 months ago

I think it should be D

<https://docs.microsoft.com/en-us/learn/modules/configure-use-basic-budgeting-budget-control-dyn365-finance/4-overview>

upvoted 2 times

✉ **Weeva** 2 years, 9 months ago

C is the answer you need to define at least one journal otherwise u won't be able o enter budget entry

upvoted 2 times

✉ **Toeters365** 2 years, 8 months ago

That seems correct.

upvoted 1 times

✉ **BetoQ** 2 years, 10 months ago

Budgeting dimension is the correct name.

upvoted 3 times

✉ **BB365** 2 years, 10 months ago

should be D.

upvoted 1 times

## Question #9

## Topic 4

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution. After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen. A company is preparing to complete yearly budgets.

The company plans to use the Budget module in Dynamics 365 Finance for budget management.

You need to create the new budgets.

Solution: Combine budgets from multiple legal entities to a master budget.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: B**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/budget-planning-overview-configuration>

 **H\_Incandenza** Highly Voted 1 year, 7 months ago

So, I've went through an exploration of the budget module- basic, planning and control- but until this question I had never thought about how to integrate budgets between multiple legal entities, nor does the link address this.

<https://community.dynamics.com/365/financeandoperations/f/dynamics-365-for-finance-and-operations-forum/417698/budgeting-can-i-create-a-budget-centrally-for-all-legal-entities>

The above link is the quickest answer I could find, which is that no, you can't readily combine budgets across legal entities.

upvoted 5 times

 **giosit** Most Recent 2 years, 2 months ago

correct

upvoted 2 times

## Question #10

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution. After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

A company is preparing to complete yearly budgets.

The company plans to use the Budget module in Dynamics 365 Finance for budget management.

You need to create the new budgets.

Solution: Create budget plans for multiple scenarios.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: A**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/budget-planning-overview-configuration>

  **jpsblak** 3 years, 10 months ago

Sorry, Comment applies to Question 61

upvoted 1 times

  **jpsblak** 3 years, 10 months ago

"Yes" is the correct answer -> Click on Link and scroll to Typical tasks: "Create budget plans to define the expected revenue and expenditures for a budget cycle."

upvoted 2 times

## Question #11

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution. After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

A company is preparing to complete yearly budgets.

The company plans to use the Budget module in Dynamics 365 Finance for budget management.

You need to create the new budgets.

Solution: Create budget plans to define the revenues for a budget.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: B**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/budget-planning-overview-configuration>

Community vote distribution

B (100%)

 **Yael\_Shachen\_Tov** Highly Voted  2 years, 9 months ago

I thing B is correct.

Because the sentence "Create budget plans to define the revenues for a budget"- is partially correct....it should define the Expenditure too---- for the budget cycle

upvoted 5 times

 **Rayhan83** Most Recent  2 weeks, 6 days ago

Selected Answer: B

Does the solution meet the goal?

B: No

upvoted 1 times

 **cpremkiran** 3 years, 8 months ago

A: TRUE

You can use budget planning to perform the following tasks:

Create budget plans to define the expected revenue and expenditures for a budget cycle.

Analyze and update budget plans for multiple scenarios.

Automatically route the budget plans, together with worksheets, justification documents, and other attachments, for review and approval.

Consolidate multiple budget plans from a lower level of the organization into a single parent budget plan at a higher level. You can also develop a single budget plan at a higher level of the organization and allocate the budget to lower levels.

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/budget-planning-overview-configuration>

upvoted 2 times

 **TheInfinity** 3 years, 7 months ago

Yes, it's true.. but only partially. It does not meet the entire goal. It's a common thing that those exam questions are not 100% accurate :-(

upvoted 4 times

 **Noriii** 2 years, 3 months ago

Option A seems correct.

upvoted 1 times

## Question #12

A customer uses Dynamics 365 Finance to manage budgets.

You review a customer's budget funds available calculation and discover that the budget amounts posted two weeks ago are not reflected in the budget control check on a purchase order.

You verify that budget control is set to active.

You need to determine why the budget posted two weeks ago is not reflecting correctly.

What should you do?

- A. Verify that available budget funds are configured appropriately.
- B. Post a budget transfer to add the correct funds.
- C. Verify whether budget plans are still in draft status.
- D. Compare the budget control active date to the date of the posted register entries to verify that it was active at the time of posting.

**Correct Answer:** D

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/budget-control-overview-configuration>

*Community vote distribution*

D (100%)

✉️  gabe3456123 1 year, 8 months ago

**Selected Answer: D**

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/budget-control-overview-configuration>

upvoted 2 times

## Question #13

A company configures budget controls at the beginning of the year.

Which three budget control transaction actions occur when the budget control is turned off mid-year. Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Activities are unrecorded for budget control purposes.
- B. Budget register entries that have been posted after budget control is turned off will not be considered for budget control.
- C. Posted documents might incorrectly reflect any relieving amounts or balances in inquiries and reports that are related to budget control.
- D. Budget checks are performed.
- E. You can view the budget reporting through financial reports.

**Correct Answer:** ABC

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/budget-control-overview-configuration>

*Community vote distribution*

ABC (100%)

 **Eventura** 7 months, 2 weeks ago

**Selected Answer: ABC**

Correct

upvoted 1 times

 **hazelnootje** 2 years, 12 months ago

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/budget-control-overview-configuration> After budget control is turned on and active, and after transactions are posted, it should not be turned off mid-year. When budget control is turned off, activities aren't recorded for budget control purposes, and budget checks are no longer performed. Therefore, documents that have already been posted might not correctly reflect any relieving amounts or balances in inquiries and reports that are related to budget control. These include budget control statistics for any downstream or adjusting documents and journals. Additionally, note that transactions, including budget register entries, that have been posted before budget control is turned on aren't considered for budget control.

upvoted 3 times

 **sadiq\_d365** 3 years, 1 month ago

seems correct

upvoted 4 times

## Question #14

You are setting up the yearly budget for an organization for the year 2019.

You need to set up the budget register entries.

Which two fields must be set up when creating register entries? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Budget cycle
- B. Budget manager
- C. Budget code
- D. Budget model

**Correct Answer:** CD

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/basic-budgeting-overview-configuration>

*Community vote distribution*

CD (100%)

 **Eventura** 7 months, 2 weeks ago

**Selected Answer: CD**

Correct

upvoted 1 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 4 times

## Question #15

You are configuring the basic budgeting for a Dynamics 365 Finance environment.

You need to configure the types of entries allowed.

Which two configurations can you use? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. The budget register entry journals require both Expense and Revenue amount types.
- B. Budget register entry line needs a main account and amount to be valid.
- C. Budget register entry journals must be allocated across all fiscal periods.
- D. Budget register entry lines must select only one account structure.
- E. The budget register entries can contain either Expense or Revenue amount types.

**Correct Answer:** DE

*Community vote distribution*

DE (100%)

✉ **Atherkh** 1 month, 1 week ago

**Selected Answer: DE**

The question requires to identify type of entries allowed which is either expenses or Revenue. And these can't be allowed without account structure.

upvoted 1 times

✉ **Jimmie007** 1 year, 4 months ago

**Selected Answer: DE**

Correct

upvoted 1 times

✉ **olechrw** 2 years, 1 month ago

**Selected Answer: DE**

correct

upvoted 3 times

✉ **Yael\_Shachen\_Tov** 2 years, 9 months ago

B isn't Correct/

Main account not need to be specified/....rather but the structure

upvoted 1 times

✉ **Yael\_Shachen\_Tov** 2 years, 9 months ago

D E- Correct

upvoted 5 times

✉ **Solo\_1** 1 year, 12 months ago

Budget register entry lines must select only one account structure.

The budget register entries can contain either Expense or Revenue amount types.

upvoted 1 times

✉ **sadiq\_d365** 3 years, 1 month ago

BE seems correct

upvoted 1 times

✉ **DerTaurig** 2 years, 11 months ago

an amount of zero is allowed which means that answer B isn't correct

upvoted 3 times

✉ **vm7891** 3 years, 3 months ago

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/basic-budgeting-overview-configuration>

upvoted 1 times

✉ **vm7891** 3 years, 3 months ago

The Budget register entries defaulting of amount type feature allows the default amount type within a budget register entry to be an amount type other than expense. The budget register entry line now will default to expense when the main account type is expense; will default to revenue when the main account type is expense; and will default to expense for all other account types.

upvoted 1 times

## Question #16

A company is preparing to complete yearly budgets.  
The company plans to use the Budget module in Dynamics 365 Finance for budget management.  
You need to create the new budgets.  
What should you do?

- A. Create budget plans for multiple scenarios.
- B. Create budget plans to define the revenues for a budget.
- C. Combine previous year budgets into a single budget.

**Correct Answer: A**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/budget-planning-overview-configuration>*Community vote distribution*A (100%)

✉️  **Eventura** 7 months, 2 weeks ago

**Selected Answer: A**

Correct

upvoted 1 times

✉️  **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 4 times

## Question #17

**DRAG DROP -**

A company uses Dynamics 365 Finance to manage the budget planning process.

The company wants to create a new budget planning process while using the existing budget planning configuration.

You need to create and configure a working budget planning process.

In which order should you perform the actions? To answer, move all actions from the list of actions to the answer area and arrange them in the correct order.

Select and Place:

| Actions                             | Answer area |
|-------------------------------------|-------------|
| Select Layout then select Activate. | >           |
| Select Ledger and Budget cycle.     | >           |
| Select Budget Planning workflow.    | <           |
| Select Default account structure.   | <           |
| Select Organization hierarchy.      | <           |

**Correct Answer:**

| Actions | Answer area |
|---------|-------------|
|         | >           |
|         | <           |
|         | <           |
|         | <           |
|         | <           |

Example: Create a budget planning process

Julia needs to create and activate a new budget planning process combining all the setup above to start entering budget plans. Budget planning process defines what budgeting organizations, workflow, layouts and templates will be used for creating budget plans.

6.1. Navigate to Budgeting > Setup > Budget planning > Budget planning process, and create a new record.

Budget planning process " DEMF budgeting FY2016

Budget cycle " FY2016 -

Ledger " DEMF -

Default account structure " Manufacturing P&L

Organization hierarchy " pick the hierarchy created in the beginning of the lab

Budget planning workflow " assign Auto " Approve workflow for Finance department

In budget planning stage rules and templates, for each workflow Budget planning stage pick if Adding lines and Modifying lines is allowed and what Layout should be used by default

Note: You can create additional document layouts and assign them to be available in budget planning workflow stage by clicking Alternate layouts button.

Alternate layouts.

6.2. Select Actions > Activate to activate this budget planning workflow.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/budget-plan>

✉  **angie97** 2 months, 3 weeks ago

1. Budget cycle & Legler
2. Default account structure
3. Organizational hierarchy
4. Workflow
5. Layout

upvoted 3 times

✉  **AliK1i** 1 year, 4 months ago

correct

upvoted 1 times

### Question #18

*Topic 4*

You need to ensure the budget only reflects a single annual cost of living increase for Humongous Insurance employees.

What should you do? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Align the calendar year to a single budget cycle.
- B. Align a calendar year to multiple budget cycles.
- C. Align the fiscal year to a single budget cycle.
- D. Align the fiscal year to multiple budget cycles.

**Correct Answer:** AB

✉  **angie97** 2 months, 3 weeks ago

Humongous Enterprise out of nowhere in Topic 4?

upvoted 1 times

## Question #19

## HOTSPOT

A company implements Dynamics 365 Finance. The company has six departments for budget planning purposes.

The company is budget planning and requires the following scenarios:

- A previous year budgeted scenario will be generated by the finance department.
- The baseline scenario will be generated based on the previous year budget scenarios with some increase.
- A baseline scenario will be sent to each department to review.
- Department requested scenarios will be keyed in by a department manager based on their review of the baseline scenario.
- Department requested scenarios will be aggregated back to the finance department, so finance can see the total budget requested.
- Finance will approve the final budget in Department approved scenario.

You need to configure allocation schedules to populate a baseline column for each department in the review process.

How should you configure budget planning? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

**Budget planning configuration**

Parameters      **Budget planning allocation schedules**

Scenarios      Define the allocation schedules that will be used during workflow processing. The allocation schedules will populate the budget planning scenarios based on the estimates from other scenarios.

Stages      + Add    Remove      ⌂ Filter

Allocation schedule      Baseline to Each Department

Ledger      USMF

**ALLOCATION**

Allocation method

Distribute  
Aggregate  
Allocate across period  
Copy from budget plan

**SOURCE**

Source scenario

Baseline  
Previous year budgeted  
Department requested  
Department approved

**DESTINATION**

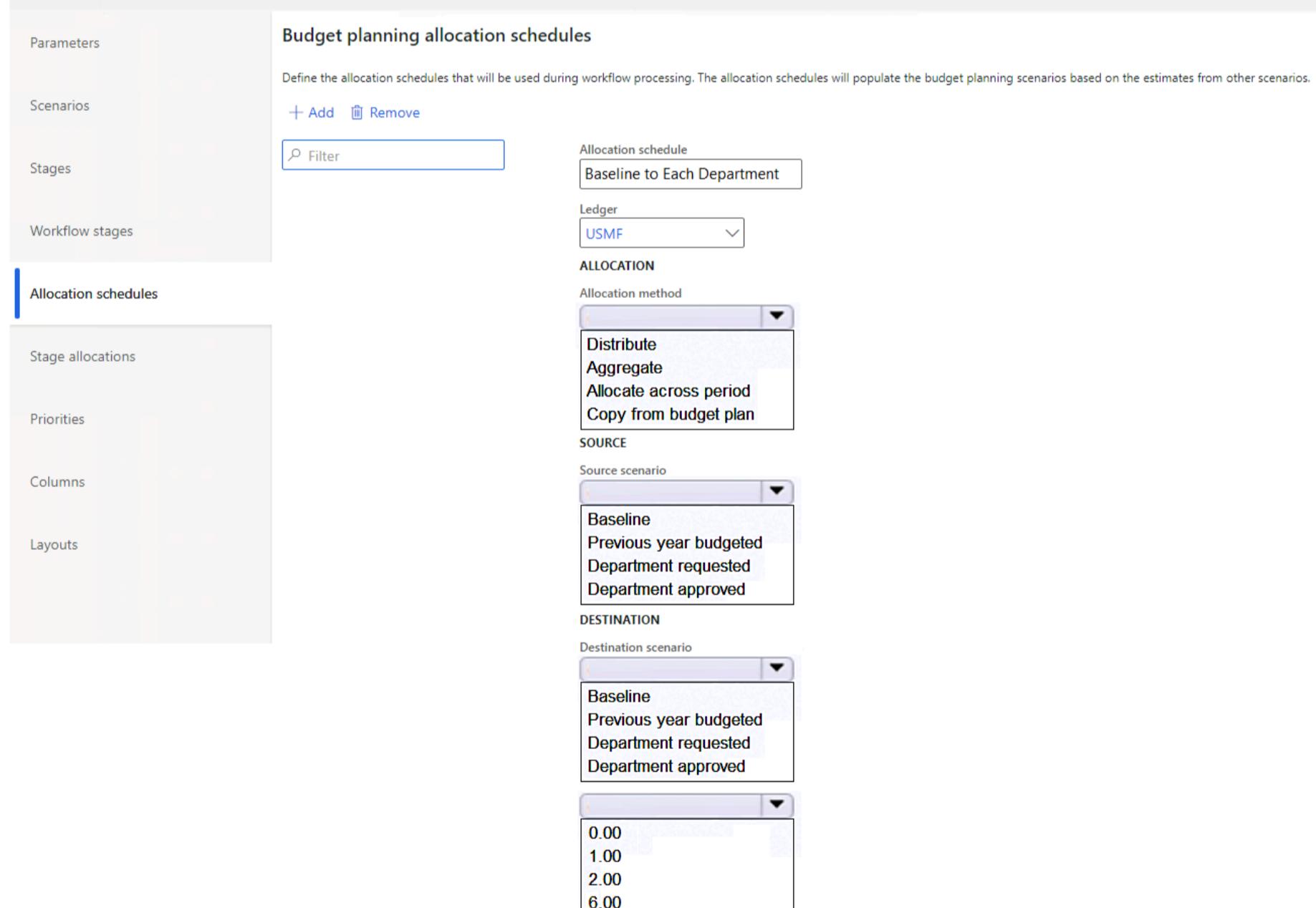
Destination scenario

Baseline  
Previous year budgeted  
Department requested  
Department approved

0.00  
1.00  
2.00  
6.00

Allocation schedules

Stage allocations  
Priorities  
Columns  
Layouts



**Budget planning configuration**

Parameters

**Budget planning allocation schedules**

Define the allocation schedules that will be used during workflow processing. The allocation schedules will populate the budget planning scenarios based on the estimates from other scenarios.

Scenarios

+ Add    Remove

Stages

Filter

Workflow stages

Allocation schedule

Baseline to Each Department

Ledger

USMF

## ALLOCATION

## Allocation method

Distribute

Aggregate

Allocate across period

Copy from budget plan

## SOURCE

Source scenario

Baseline

Previous year budgeted

Department requested

Department approved

## DESTINATION

Destination scenario

Baseline

Previous year budgeted

Department requested

Department approved

0.00

1.00

2.00

6.00

**Correct Answer:**

## Question #20

## HOTSPOT

A company implemented Dynamics 365 Finance less than a year ago. All departments have exceeded their fiscal year budgets.

The following business rules must be implemented to keep the company's spending on budget.

- Operations must be allowed to exceed budget.
- Marketing must receive warnings when they are over budget.
- Sales must not exceed its budget.
- All departments must have a calculation in place to determine what they can spend.
- Budget funds do not need to be recorded in the general ledger.

You need to configure budget controls.

Which configuration option should you use? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

**Answer Area**

| Department | Configuration  |
|------------|--|
| Operations | <input type="checkbox"/> Over budget permissions<br><input type="checkbox"/> Message levels<br><input type="checkbox"/> Budget funds available<br><input type="checkbox"/> Budget reservations for encumbrances<br><input type="checkbox"/> Budget reservations for pre-encumbrances |
| Marketing  | <input type="checkbox"/> Over budget permissions<br><input type="checkbox"/> Message levels<br><input type="checkbox"/> Budget funds available<br><input type="checkbox"/> Budget reservations for encumbrances<br><input type="checkbox"/> Budget reservations for pre-encumbrances |
| Sales      | <input type="checkbox"/> Over budget permissions<br><input type="checkbox"/> Message levels<br><input type="checkbox"/> Budget funds available<br><input type="checkbox"/> Budget reservations for encumbrances<br><input type="checkbox"/> Budget reservations for pre-encumbrances |
| All        | <input type="checkbox"/> Over budget permissions<br><input type="checkbox"/> Message levels<br><input type="checkbox"/> Budget funds available<br><input type="checkbox"/> Budget reservations for encumbrances<br><input type="checkbox"/> Budget reservations for pre-encumbrances |

**Answer Area****Department****Configuration**

Operations

- Over budget permissions
- Message levels
- Budget funds available
- Budget reservations for encumbrances
- Budget reservations for pre-encumbrances

Marketing

- Over budget permissions
- Message levels
- Budget funds available
- Budget reservations for encumbrances
- Budget reservations for pre-encumbrances

Correct Answer:  
Sales

- Over budget permissions
- Message levels
- Budget funds available
- Budget reservations for encumbrances
- Budget reservations for pre-encumbrances

All

- Over budget permissions
- Message levels
- Budget funds available
- Budget reservations for encumbrances
- Budget reservations for pre-encumbrances

 **AZITA7** 6 months, 1 week ago

Sales : Budget Funds available.

All : PE

upvoted 3 times

## Question #21

## Topic 4

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

After you answer a question in this section, you will NOT be able to return to it. As a result, these questions will not appear in the review screen.

You are managing credit and collections.

You need to set up mandatory credit limits for all customer documents.

Solution: Select None as the credit type in the Accounts receivable parameters form.

Select the Mandatory credit limit check box in the Customers form.

Does the solution meet the goal?

- A. Yes
- B. No

**Correct Answer: B**

 **python123** 2 months, 1 week ago

Same question as Topic2 #26-28

upvoted 1 times

## Question #22

## HOTSPOT

A company uses Dynamics 365 Finance. The company includes six departments that participate in the budget planning process.

The finance department generates a previous year budget scenario. You must generate a new baseline scenario that is based on the previous year's budget scenario.

Department managers must be able to enter their budget requests in the baseline scenario. All department requests must be made available to the finance department so that they can determine the total budget funds requested and approve the budget scenario.

You need to configure the allocation schedule.

How should you configure the schedule for the baseline scenario? To answer, select the appropriate options in the dialog box in the answer area.

NOTE: Each correct selection is worth one point.

## Budget planning configuration

**Budget planning allocation schedules**

Define the allocation schedules that will be used during workflow processing. The allocation schedules will populate the budget planning scenarios based on the estimates from other scenarios.

**Allocation schedule:** Baseline Scenario

**Ledger:** USMF

**ALLOCATION**

**Allocation method:**

- Distribute
- Aggregate
- Allocate across period
- Copy from budget plan

**Period key:**

- 40- NO CHANGE
- 10- MONTLY
- NONE

**SOURCE**

**Source scenario:**

- Baseline
- Previous year budgeted
- Department requested
- Department approved

**DESTINATION**

**Destination scenario:**

- Baseline
- Previous year budgeted
- Department requested
- Department approved

**Multiply by:** 1.00

**Append to plan:** No

**Allocation schedules:**

- Stage allocations
- Priorities
- Columns
- Layouts

**Budget planning configuration**

**Budget planning allocation schedules**

Define the allocation schedules that will be used during workflow processing. The allocation schedules will populate the budget planning scenarios based on the estimates from other scenarios.

+ Add    Remove

Allocation schedule: Baseline Scenario

Ledger: USMF

ALLOCATION

Allocation method:

- Distribute (highlighted)
- Aggregate
- Allocate across period
- Copy from budget plan

Period key:

- 40- NO CHANGE (highlighted)
- 1U-MONTHLY
- NONE

SOURCE

Source scenario:

- Baseline (highlighted)
- Previous year budgeted
- Department requested
- Department approved

DESTINATION

Destination scenario:

- Baseline
- Previous year budgeted (highlighted)
- Department requested (highlighted)
- Department approved

Multiply by: 1.00

Append to plan: No

**Correct Answer:****Question #23****Topic 4****DRAG DROP**

A company uses basic budgeting functionality in Dynamics 365 Finance. The company has four sales territories in the same legal entity. Each territory uses its own budget model. Users view budget versus actual values for each sales territory.

Users must be able to view budget versus actual values for all four territories in the same inquiry.

You need to configure the basic budgeting functionality for the view.

Which three actions should you perform in sequence?

To answer, move the appropriate actions from the list of actions to the answer area and arrange them in the correct order.

**Actions**

Run budget versus actual for each sales territory budget model, including the submodel.

Assign the new budget model to a budget cycle in the budget control parameters.

Add four sales territories budget models as submodels.

Run budget versus actual for the new budget model, including the submodel.

Create a new budget model.

**Answer Area**

|   |  |
|---|--|
| 1 |  |
| 2 |  |
| 3 |  |

**Answer Area**

- 1 Create a new budget model.
- 2 Add four sales territories budget models as submodels.
- 3 Run budget versus actual for the new budget model, including the submodel.

**Correct Answer:**

## Question #24

A company implements basic budgeting functionality in Dynamics 365 Finance in multiple departments that belong to the same legal entity.

Managers must be able to identify and track budgets by department.

You need to configure the system.

What should you configure?

- A. Budget model with sub-models
- B. Budget transfer rules
- C. Budget codes and budget types
- D. Budget entries workflows

**Correct Answer: A**

*Community vote distribution*

A (100%)

 **Eventura** 7 months, 2 weeks ago

**Selected Answer: A**

Correct. <https://learn.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/create-budget-models>

upvoted 1 times

## Question #25

You create a parent budget for the next fiscal year of a parent company. The parent company is configured as its own legal entity.

Franchises are configured as separate legal entities. The parent company sets the budget for each franchise based on the past year's performance.

Ledger allocation rules, periods allocation keys, and budget allocation terms have not been created. Budget line items must be allocated to the budget for each franchise.

You need to ensure the franchise budgets are allocated.

What should you do?

- A. Create ledger allocation rules. Set the allocation method to use ledger allocation rules.
- B. Create period allocation keys. Set the allocation method to allocate across periods.
- C. Set the allocation method to distribute.
- D. Set the allocation method to aggregate.
- E. Create budget allocation terms. Set the allocation method to allocate to dimensions.

**Correct Answer: C**

**Question #26**

A company implements basic budgeting functionality in Dynamics 365 Finance.

Budget managers must be notified of a budget register posting task after a finance director approves an entry.

You need to configure the system.

Which workflow element should you use?

- A. Commitment approval
- B. Update budget balances budget register
- C. Budget planning stage allocation
- D. Approve budget account entry

**Correct Answer:** B

 Flo2021 3 weeks, 3 days ago

For me, that's D - combined with Budget register entry workflow.

upvoted 1 times

**Question #27**

DRAG DROP

A company uses basic budgeting functionality in Dynamics 365 Finance.

The company wants to add fixed asset depreciation expenses to its budget register entry. The depreciation expense must be automatically calculated.

You need to create budget register entries for fixed asset depreciation expense.

Which four actions should you perform in sequence?

To answer, move the appropriate actions from the list of actions to the answer area and arrange them in the correct order.

**Actions****Answer Area**

- Transfer the budget amount to budget register entries.
- Create the fixed asset budget journal.
- Use a depreciation proposal for the budget amount.
- Update the budget balance.
- Create budget register entries.

**Answer Area**

- Create the fixed asset budget journal.
- Use a depreciation proposal for the budget amount.
- Transfer the budget amount to budget register entries.
- Update the budget balance.

**Correct Answer:**

## Question #28

## Topic 4

A company implements basic budgeting functionality in Dynamics 365 Finance.

The company wants to allocate budget register entries for sales expense amounts to each period based on a predetermined percentage.

You need to configure the allocation.

Which functionality should you use?

- A. Budget control
- B. Budget transfer rule
- C. Allocation term
- D. Period allocation key

**Correct Answer:** C

✉️  Flo2021 3 weeks, 3 days ago

Typo: Clearly D.

upvoted 1 times

✉️  Flo2021 3 weeks, 3 days ago

Clearly C, just try a Budget register entry and you will see the function "Allocate across periods" which uses period keys.

upvoted 1 times

## Question #29

DRAG DROP

A company uses the basic budgeting functionality in Dynamics 365 Finance. You are creating the budget in the system for the upcoming fiscal year.

The company uses budget workflow approvals to process budget entries. The company plans to split a business unit named IT and Infrastructure into two business units: Business Applications and IT Infrastructure.

You need to create the budget for the two business units based on 1.5 times the original business unit actuals from the past year.

Which four actions should you perform in sequence?

To answer, move the appropriate actions from the list of actions to the answer area and arrange them in the correct order.

## Actions

## Answer Area

Add a new line to select IT and Infrastructure with an Amount type expense and add a comment to explain that the business unit budget must be split between the business units Business Applications and IT Infrastructure.

In the Allocate to dimensions form, select the separate Business Applications and IT Infrastructure business units, and enter a factor of 1.5.

In the Allocate to dimensions form, select the appropriate predefined allocation term for splitting the budget balance between both business units.

On the Budget register entry form, select the budget model corresponding to the new fiscal year.

Submit the Budget register entry to the approval workflow.

In the Transfer balances form, filter on the IT and Infrastructure business unit and enter a factor of 1.5 for the last fiscal year selection.



**Answer Area**

On the Budget register entry form, select the budget model corresponding to the new fiscal year.

In the Allocate to dimensions form, select the appropriate predefined allocation term for splitting the budget balance between both business units.

**Correct Answer:**

In the Transfer balances form, filter on the IT and Infrastructure business unit and enter a factor of 1.5 for the last fiscal year selection.

Submit the Budget register entry to the approval workflow.

 **Flo2021** 3 weeks, 3 days ago

With other words: 4 - 6 - 3 - 5

upvoted 1 times

 **Flo2021** 3 weeks, 3 days ago

first transfer last year's actual balances with factor 1.5, then allocate to new business units (otherwise there is nothing to allocate to). Otherwise correct.

upvoted 1 times

## Question #30

## HOTSPOT

A company implements basic budgeting functionality in Dynamics 365 Finance.

The company wants to achieve the following:

- Distribute budget amounts across financial dimensions.
- Require an approval workflow for budget transfers to the sales department.
- Approve a specific set of budget entries.

You need to configure the required basic budgeting functionality.

Which functionalities should you configure?

To answer, select the appropriate options in the answer area.

NOTE: Each correct answer is worth one point.

**Answer Area****Requirement**

Distribute budget amounts across financial dimensions.

Require an approval workflow for budget transfers to the sales department.

Approve a specific set of budget entries.

**Functionality**

|  |
|--|
| Period allocation key  |
| Budget allocation terms  |
| Financial dimensions for budgeting                             |
| Budget allocation terms  |
| Budget entry approval workflow                                 |
| Budget transfer rules  |
| Budget codes and budget approval workflow                      |
| Reason codes for budget approval                               |
| Budget entry approval workflow with participant budget manager |

**Answer Area****Requirement**

Distribute budget amounts across financial dimensions.

**Correct Answer:** Require an approval workflow for budget transfers to the sales department.

**Functionality**

|  |
|--|
| Period allocation key  |
| Budget allocation terms  |
| Financial dimensions for budgeting                             |
| Budget allocation terms  |
| Budget entry approval workflow                                 |
| Budget transfer rules  |
| Budget codes and budget approval workflow                      |
| Reason codes for budget approval                               |
| Budget entry approval workflow with participant budget manager |

**Question #31**

You configure the basic budgeting functionality of Dynamics 365 Finance. You add budget values and actuals in the system.

You need to compare the budget values with the actual values.

Which three actions should you perform?

Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Compare customer and vendor balances and budget register entries that are posted in the system.
- B. Review budget and actual amounts that are spread across fiscal periods.
- C. Generate a report on the differences between the actual fixed assets amounts and the preliminary budgeted amounts in the system.
- D. Review general ledger transactions that are included in the calculated actuals amounts.
- E. Drill through the details of the budget amount in budget register entries posted in the system.

**Correct Answer:** *BCD*

**Question #32**

DRAG DROP

A company uses basic budgeting functionality in Dynamics 365 Finance.

A budget manager plans to review and approve budget register entries in the system.

You need to set up approval workflows.

Which four actions should you perform in sequence?

To answer, move the appropriate actions from the list of actions to the answer area and arrange them in the correct order.

| <b>Actions</b>  |
|---|
| Select Budget manager as a type of participant.                         |
| Create a workflow for the workflow type Budget account entry workflow.  |
| Create a workflow for the workflow type Budget register entry workflow. |
| Activate the workflow.  |
| Assign the workflow to a budget code.                                   |
| Define budget control rules for all financial dimension values.         |

| <b>Answer Area</b> |                      |   |
|--------------------|----------------------|---|
| 1                  | <input type="text"/> |  |
| 2                  | <input type="text"/> |  |
| 3                  | <input type="text"/> |   |
| 4                  | <input type="text"/> |   |

| <b>Answer Area</b> |  |
|--------------------|--|
| 1                  | <input type="text"/> Create a workflow for the workflow type Budget register entry workflow. |
| 2                  | <input type="text"/> Assign the workflow to a budget code.                                   |
| 3                  | <input type="text"/> Select Budget manager as a type of participant.                         |
| 4                  | <input type="text"/> Activate the workflow.  |

**Topic 5 - Question Set 5****Question #1****Topic 5****HOTSPOT -**

You are the purchase manager of an organization. You purchase a laptop for your office for \$2,000. You plan to create a purchase order and acquire the new fixed asset through the purchase order at time of invoicing.

You set up the system as follows: Fixed assets are automatically created during product receipt or vendor invoice posting and the capitalization threshold for the computers group (COMP) is set to \$1,600.

You need to automatically create a fixed asset record when you post an acquisition transaction for the asset after you post the invoice.

How should you configure the fixed asset parameters to meet the criteria? To answer, select the appropriate option in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area****Criteria****Field configuration**

Create a fixed asset from a purchase order.

- Select Allow asset acquisition from Purchasing.
- Select Create asset during product receipt or invoice posting.
- Set up the capitalization threshold amount.**
- Select Restrict asset acquisition posting to a user group.

Enable acquisitions to occur when invoice is posted.

- Select Allow asset acquisition from Purchasing.
- Set up the capitalization threshold amount.**
- Select Restrict asset acquisition posting to a user group.
- Select Create asset during product receipt or invoice posting.

**Correct Answer:**

**Answer Area****Criteria****Field configuration**

Create a fixed asset from a purchase order.

- Select Allow asset acquisition from Purchasing.**
- Select Create asset during product receipt or invoice posting.
- Set up the capitalization threshold amount.**
- Select Restrict asset acquisition posting to a user group.

Enable acquisitions to occur when invoice is posted.

- Select Allow asset acquisition from Purchasing.
- Set up the capitalization threshold amount.**
- Select Restrict asset acquisition posting to a user group.
- Select Create asset during product receipt or invoice posting.**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/acquire-assets-procurement>

 **Marrgita**  3 years, 3 months ago

visa versa. 1st question 2nd answer. 2nd question 1st answer.

upvoted 27 times

 **mya5** 3 years, 2 months ago

agreed

upvoted 3 times

 **Mobstar**  2 years, 10 months ago

The given answer is correct. The question is "How should you configure the fixed asset parameters to meet the criteria?" The fixed asset parameters for Purchase order is "create acquisition from purchasing" while for acquisition on invoicing it is "create acquisition during product receipt or invoicing". the reference is <https://docs.microsoft.com/en-us/learn/modules/manage-fixed-assets-dyn365-finance/6-methods>

upvoted 6 times

✉ **Mobstar** 2 years, 10 months ago

<https://docs.microsoft.com/en-us/learn/modules/configure-fixed-assets-mgmt-dyn365-finance/5-configure>  
upvoted 1 times

✉ **Mobstar** 2 years, 10 months ago

Marrgita is correct. The way the references were written is confusing. Thinking about again - creating the acquisition from purchase order means before invoicing i.e. during product receipt or invoicing.

upvoted 3 times

✉ **python123** Most Recent 2 months, 2 weeks ago

The given answer is correct.

<https://learn.microsoft.com/en-us/training/modules/configure-fixed-assets-mgmt-dyn365-finance/5-configure>

upvoted 1 times

✉ **bigripdaddy** 1 year, 8 months ago

The answers of the questions is visa versa

upvoted 3 times

✉ **David963** 1 year, 10 months ago

correct

upvoted 1 times

✉ **denilson16** 2 years, 1 month ago

answers are inverted.1st question 2nd answer. 2nd question 1st answer

upvoted 2 times

✉ **denilson16** 2 years, 1 month ago

actually from the docs it looks correct the given answers

upvoted 2 times

✉ **sadiq\_d365** 3 years, 1 month ago

agreed

upvoted 2 times

## Question #2

DRAG DROP -

A client is implementing fixed assets in Dynamics 365 Finance.

You need to specify which parameters should be configured to meet the business requirements.

Which parameters meet the requirements? To answer, drag the appropriate parameters to the correct requirements. Each parameter may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

| Parameters           | Answer Area | Requirement                            | Parameter |
|----------------------|-------------|--|-----------|
| posting profile      |             | Specify a depreciation account.        |           |
| depreciation profile |             | Specify a scrap account.               |           |
| asset book           |             | Track independent life cycle of asset. |           |

Correct Answer:

| Parameters           | Answer Area | Requirement                            | Parameter       |
|----------------------|-------------|--|-----------------|
| posting profile      |             | Specify a depreciation account.        | posting profile |
| depreciation profile |             | Specify a scrap account.               | posting profile |
| asset book           |             | Track independent life cycle of asset. | asset book      |

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/tasks/set-up-fixed-asset-posting-profiles> <https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/set-up-fixed-assets>

denilson16 2 years, 1 month ago

correct

upvoted 2 times

Yael\_Shachen\_Tov 2 years, 9 months ago

Fix asset page-->Fasttab:Book= Asset Book

upvoted 1 times

sadiq\_d365 3 years, 1 month ago

correct

upvoted 3 times

## Question #3

An organization acquires a building.

You need to register and record the building as an asset building in Dynamics 365 Finance.

What are three possible ways to achieve the goal? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Select an account type of Fixed Asset and a transaction type of Acquisition with a General Journal
- B. Eliminate the project to a fixed asset
- C. Create a sales invoice to record and register the fixed asset
- D. Select an acquisition transaction type within a fixed asset journal
- E. Use the sales order process to acquire the asset

**Correct Answer:** ABD

 **bbp**  3 years, 10 months ago

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/enter-fixed-asset-transactions>

upvoted 7 times

 **JRadar**  1 year, 7 months ago

Bad choices as no where in the questions does it say the company was building the asset- just said acquired which typically means purchased.

upvoted 3 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 2 times

## Question #4

You are the accounts receivable manager of an organization. The organization recently sold machinery to a customer.

You need to register a transaction for the sale of the machinery by using a free text invoice for fixed assets.

Which transaction type should you use?

- A. Acquisition
- B. Value adjustments
- C. Depreciation
- D. Disposal

**Correct Answer: D**

*Community vote distribution*

D (100%)

 **bbp**  3 years, 10 months ago

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/enter-fixed-asset-transactions>:

For free text invoices, the fixed asset transaction type is always Disposal - sale.

upvoted 5 times

 **AliK1i**  1 year, 4 months ago

 **Selected Answer: D**

D is correct

upvoted 1 times

 **sadiq\_d365** 3 years, 1 month ago

correct

upvoted 4 times

## Question #5

You are the controller for an organization. The company purchased six service trucks. You observe that your accountant set up Fixed assets "vehicles in the wrong fixed asset group.

You need to achieve the following:

- ☞ Change the fixed asset group so that the existing fixed asset transactions for the original fixed asset are canceled and regenerated for the new fixed asset.
- ☞ Ensure that all books for the existing fixed asset are created for the new fixed asset. Any information that was set up for the original fixed asset is copied to the new fixed asset.
- ☞ Close the old fixed asset number in the old fixed assets group and create a new fixed asset number in the new fixed assets group.
- ☞ Ensure that the historical transactions are transferred to the new fixed asset.
- ☞ Ensure Historical Depreciation expense entries do not change.

What should you do?

- A. Reclassify the fixed asset
- B. Change the fixed asset group and keep the same fixed asset number
- C. Copy the fixed asset
- D. Transfer the fixed assets

**Correct Answer: A**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/fixed-assets/tasks/reclassify-fixed-assets>

*Community vote distribution*

A (100%)

 **AliK1i** 1 year, 4 months ago

**Selected Answer: A**

A is correct

upvoted 1 times

 **Solo\_1** 1 year, 12 months ago

A. Reclassify the Fixed Asset

upvoted 4 times

 **viking1** 2 years, 4 months ago

A - Reclassify, is correct. Reclassifying the asset performs all of these steps.

upvoted 2 times

 **Aysenuremre** 2 years, 5 months ago

A. correct

upvoted 2 times

 **Arunlal** 2 years, 7 months ago

Thank you for the link

upvoted 1 times

 **bbp** 3 years, 10 months ago

Bad Link. Link not found error:

Good Link:

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/tasks/reclassify-fixed-assets>

upvoted 4 times

## Question #6

You are configuring the Fixed assets module for a Dynamics 365 Finance environment.

You need to create a fixed asset.

Which two settings are required? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. the property type
- B. the group
- C. the number sequence
- D. the type
- E. the name

**Correct Answer: BE**

The type and number sequence are configured in the group so you don't need to enter those values.

Reference:

<https://ellipsesolutions.com/dynamics-365-finance-operations-fixed-asset-acquisition-options/>

*Community vote distribution*

BC (83%) BE (17%)

✉ **Nenopin** Highly Voted 3 years, 2 months ago

Official steps mention Group (B) and Name (E)

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/tasks/create-fixed-asset>

upvoted 7 times

✉ **Makidho** Highly Voted 3 years ago

I just tried it. Mandatory is the Group and the type (however, the type is already specified when you create a group). I could save without a name. However, i dont think its best practice to leave out a name. I would choose B & E

upvoted 7 times

✉ **Kev\_Sharp** Most Recent 6 months ago

**Selected Answer: BC**

"The Fixed asset group field is the only required field when you create a fixed asset."

<https://learn.microsoft.com/en-us/training/modules/configure-fixed-assets-mgmt-dyn365-finance/5-configure>

The number sequence is the only other option close to correct.

"The Number field will default if you have enabled Autonumber fixed assets functionality in the Fixed assets parameters and the Fixed asset group. If not, you must enter a unique number to identify the fixed asset."

<https://learn.microsoft.com/en-us/dynamics365/finance/fixed-assets/tasks/create-fixed-asset>

The name is not required, nor is the property type or the type

upvoted 2 times

✉ **Eventura** 7 months, 2 weeks ago

**Selected Answer: BC**

Group and Number is mandatory.

upvoted 2 times

✉ **chuechie** 8 months, 2 weeks ago

**Selected Answer: BE**

Group and name

upvoted 1 times

✉ **DanielaR** 1 year, 4 months ago

B&D correct answer

upvoted 1 times

✉ **AsiaF** 1 year, 9 months ago

**Selected Answer: BC**

Mandatory Group and nr

upvoted 1 times

✉ **Pir** 3 years, 3 months ago

B and C are correct, because Group is mandatory and Fixed Asset Number either manual or via number sequence. But Name is never mandatory, but optional, try your self.

upvoted 5 times

 **hofla** 2 years, 8 months ago

The fixed asset number is mandatory, but the question says "number sequence". You can't assign a number sequence to an individual fixed asset.

upvoted 1 times

 **DDV** 3 years, 3 months ago

The Name pertains to the specific name of the FA that will be created. During creation of fixed asset, you shall attach the FA group and it will simplify the process of creating new FA as it will inherit all the setups of the attached FA group.

upvoted 1 times

 **DDV** 3 years, 3 months ago

When you setup/config the FA group, you already included the property type, the number sequence, and the type. Therefore, the answer BE is correct, Group and Name.

upvoted 3 times

 **Jay28** 3 years, 3 months ago

It should be B and C

upvoted 3 times

## Question #7

## HOTSPOT -

You manage fixed assets in Dynamics 365 Finance.

You have the following requirements:

- ⇒ Purchase a fixed asset on a purchase order by using a procurement category.
- ⇒ Purchase a fixed asset on a purchase order by using an item number.
- ⇒ Post specific tax transactions for fixed assets by using a journal.

You need to associate the appropriate process in the system with the corresponding business requirement.

Which actions should you perform? To answer, select the appropriate configuration in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area****Business requirement**

Purchase a fixed asset on a purchase order by using a procurement category

**Process/configurations**

|   |
|---|
| <p>Configure Business Rules for fixed asset determination</p> <p>Create a fixed asset purchasing policy</p> <p>Create a fixed asset hierarchy</p> <p>Create a default fixed asset group</p> |
|---|

Purchase a fixed asset on a purchase order by using an item number

|  |
|--|
| <p>Select new fixed asset on purchase order line</p> <p>Select fixed asset financial dimension</p> <p>Create a fixed asset and reference purchase order number</p> |
|--|

Post specific tax transactions for fixed assets via journal

|  |
|--|
| <p>Create a journal and assign the tax posting layer</p> <p>Create a journal and assign a specific voucher sequence</p> <p>Use a fixed asset-specific sales tax code</p> <p>Use a fixed asset-specific sales tax group</p> |
|--|

**Correct Answer:****Answer Area****Business requirement**

Purchase a fixed asset on a purchase order by using a procurement category

**Process/configurations**

|   |
|---|
| <p>Configure Business Rules for fixed asset determination</p> <p>Create a fixed asset purchasing policy</p> <p>Create a fixed asset hierarchy</p> <p>Create a default fixed asset group</p> |
|---|

Purchase a fixed asset on a purchase order by using an item number

|  |
|--|
| <p>Select new fixed asset on purchase order line</p> <p>Select fixed asset financial dimension</p> <p>Create a fixed asset and reference purchase order number</p> |
|--|

Post specific tax transactions for fixed assets via journal

|  |
|--|
| <p>Create a journal and assign the tax posting layer</p> <p>Create a journal and assign a specific voucher sequence</p> <p>Use a fixed asset-specific sales tax code</p> <p>Use a fixed asset-specific sales tax group</p> |
|--|

## Reference:

<https://www.loganconsulting.com/blog/fixed-asset-determination-rules-in-d365-for-finance-and-operations/>

 Alice9 1 year, 2 months ago

For the third question, the answer should be to create a journal name for Fixed Assets tax with posting layer "tax."

<https://learn.microsoft.com/en-us/dynamics365/finance/fixed-assets/post-fixed-asset-transactions-posting-layers>

upvoted 1 times

 **Aamir66** 1 year, 2 months ago

The reference from Logan consulting was mind blowing. thanks!

upvoted 2 times

## Question #8

Topic 5

You manage fixed assets using Microsoft Dynamics 365 Finance.

You need to define capitalization thresholds.

Which page should you use?

- A. Main account
- B. Released item
- C. Fixed asset posting profile
- D. Fixed asset group

### Correct Answer: D

Configure fixed assets components.

The Fixed asset group field is the only required field when you create a fixed asset. The value of this field determines the default value of several informational fields for the asset.

The Capitalization threshold field determines the assets that are depreciated. If a purchase line is selected as a fixed asset, but it doesn't meet the specified capitalization threshold, a fixed asset is still created or updated, but the Calculate prorated depreciation option is set to No.

Therefore, the asset won't be automatically depreciated as part of the depreciation proposals.

Note: To manually create an asset record, follow these steps.

1. Go to Navigation pane > Modules > Fixed assets > Fixed assets > Fixed assets.
2. On the Action pane, select New.
3. In the Fixed asset group field, enter or select a value. The Number field will default if you have enabled Autonumber fixed assets functionality in the Fixed assets parameters and the Fixed asset group. If not, you must enter a unique number to identify the fixed asset.
4. Etc.

Reference:

<https://docs.microsoft.com/en-us/learn/modules/configure-fixed-assets-mgmt-dyn365-finance/5-configure>

*Community vote distribution*

D (100%)

 **Alice9** 1 year, 3 months ago

Correct

upvoted 1 times

 **AliK1i** 1 year, 4 months ago

**Selected Answer: D**

<https://learn.microsoft.com/en-us/dynamics365/finance/fixed-assets/acquire-assets-procurement>

upvoted 1 times

## Question #9

**DRAG DROP -**

A company is implementing Microsoft Dynamics 365 Finance.

The company is configuring depreciation for company vehicles. Vehicles must be depreciated by using straight-line service life on the 15th day of each month.

You need to configure vehicle depreciation.

What should you use? To answer, drag the appropriate features to the correct requirements. Each feature may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

| Features   | Answer Area | Requirement                        | Feature |
|------------|-------------|------------------------------------|---------|
| Method     |             | Straight-line service life         | Feature |
| Convention |             | 15 <sup>th</sup> day of each month | Feature |

Correct Answer:

| Features   | Answer Area | Requirement                        | Feature    |
|------------|-------------|------------------------------------|------------|
| Method     |             | Straight-line service life         | Method     |
| Convention |             | 15 <sup>th</sup> day of each month | Convention |

Box 1: Method -

When you set up a fixed asset depreciation profile and select Straight line service life in the Method field in the Depreciation profiles page, 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.

Box 2: Convention -

Depreciation conventions are used to determine when and how depreciation is calculated for both the year when the fixed asset is acquired and the year when the fixed asset is disposed of.

Example: Mid month (15th of month)

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/straight-line-service-life-depreciation> <https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/fixed-asset-depreciation-conventions>

 **Newb007** 7 months, 1 week ago

CORRECT <https://learn.microsoft.com/en-us/dynamics365/finance/fixed-assets/depreciation-methods-conventions>

upvoted 1 times

 **AliK1i** 1 year, 4 months ago

correct

upvoted 1 times

## Question #10

## HOTSPOT -

A company uses Dynamics 365 Finance to manage fixed assets. The company's fiscal year is set as the calendar year.

The company requires two books for each fixed asset. The company has the following requirements for the books:

| Book purpose | Requirements  |
|--------------|---|
| Accounting   | <ul style="list-style-type: none"> <li>Depreciate assets by using the straight-line method.</li> <li>Depreciate assets starting on the date that an asset is placed in service.</li> <li>Run depreciation each fiscal period.</li> </ul>  |
| Tax          | <ul style="list-style-type: none"> <li>Depreciate assets by using the 200 percent reducing balance method.</li> <li>Assign half of yearly depreciation for the first and last year and full year depreciation for every other year during the service life of the asset.</li> <li>Run depreciation each fiscal year.</li> </ul> |

You need to configure a fixed asset group book setup to meet the requirements.

Which depreciation conventions and depreciation profiles should you use? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area**

| Book purpose | Depreciation convention   | Depreciation profile   |
|--------------|---|--|
| Accounting   | <input type="checkbox"/> None<br><input type="checkbox"/> Full month<br><input type="checkbox"/> Mid-month (1st of month)<br><input type="checkbox"/> Mid-month (15th of month) | <input type="checkbox"/> Straight line service life – Yearly<br><input type="checkbox"/> Straight line service life – Fiscal period<br><input type="checkbox"/> Straight line life remaining – Yearly<br><input type="checkbox"/> Manual – Fiscal period |
| Tax          | <input type="checkbox"/> None<br><input type="checkbox"/> Half year<br><input type="checkbox"/> Half year (start of year)<br><input type="checkbox"/> Half year (next year)     | <input type="checkbox"/> 200% reducing balance – Yearly<br><input type="checkbox"/> 200% reducing balance – Fiscal period<br><input type="checkbox"/> Consumption – Yearly<br><input type="checkbox"/> Consumption – Fiscal period                       |

**Correct Answer:****Answer Area**

| Book purpose | Depreciation convention  | Depreciation profile   |
|--------------|--|--|
| Accounting   | <input checked="" type="checkbox"/> None<br><input type="checkbox"/> Full month<br><input type="checkbox"/> Mid-month (1st of month)<br><input type="checkbox"/> Mid-month (15th of month) | <input checked="" type="checkbox"/> Straight line service life – Yearly<br><input checked="" type="checkbox"/> Straight line service life – Fiscal period<br><input type="checkbox"/> Straight line life remaining – Yearly<br><input type="checkbox"/> Manual – Fiscal period |
| Tax          | <input type="checkbox"/> None<br><input type="checkbox"/> Half year<br><input checked="" type="checkbox"/> Half year (start of year)<br><input type="checkbox"/> Half year (next year)     | <input checked="" type="checkbox"/> 200% reducing balance – Yearly<br><input checked="" type="checkbox"/> 200% reducing balance – Fiscal period<br><input type="checkbox"/> Consumption – Yearly<br><input type="checkbox"/> Consumption – Fiscal period                       |

Box 1: None -

You can select either Calendar or Fiscal in the Depreciation year field in the Depreciation profiles page. The selection defines the options that are available in the

Period frequency field.

If you select Fiscal in the Depreciation year field, the straight line service life depreciation is used. It is calculated based on the fiscal year, which is defined by the fiscal calendar that is specified for the book, or by the fiscal calendar that is selected in the Ledger page. Fiscal calendars are set up in the Fiscal calendars page.

Note: If you select Calendar, 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)

Box 2: Straight line service life - Fiscal period

When you set up a fixed asset depreciation profile and select Straight line service life in the Method field in the Depreciation profiles page, 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.

You can select either Calendar or Fiscal in the Depreciation year field in the Depreciation profiles page.

Incorrect:

Not Straight line life remaining:

When you set up a fixed asset depreciation profile and select Straight line life remaining in the Method field on the Depreciation profiles page, the depreciation of fixed assets that are assigned to the depreciation profile is based on the remaining service life of the asset.

Box 3: Half year (start of year)

Box 4: 200% reducing balance - Yearly

To set up 200% reducing balance depreciation, you must also select options in the Depreciation year field and the Period frequency field on the Depreciation profiles page. The options that are available in the Period frequency field vary, depending on the value that you select in the Depreciation year field.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/depreciation-methods-conventions> <https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/straight-line-service-life-depreciation> <https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/200-percent-reducing-balance-depreciation>

✉  **AliK1i**  1 year, 4 months ago

first one for accounting answers are correct.

For tax following answers are correct:

Depreciation Convention: Half year

Depreciation Profile: 200% reducing balance - fiscal period

<https://learn.microsoft.com/en-us/dynamics365/finance/fixed-assets/fixed-asset-depreciation-conventions>

upvoted 8 times

✉  **vbiz** 4 months, 1 week ago

I agree

upvoted 1 times

✉  **Alice9** 1 year, 3 months ago

Agree with AliK1i

upvoted 1 times

✉  **python123**  2 months, 2 weeks ago

Tax runs fiscal yearly, the accounting runs fiscal period

upvoted 1 times

## Question #11

## HOTSPOT -

A company is configuring the Microsoft Dynamics 365 Finance Fixed asset module.

You must configure depreciation for fixed assets. The company has the following assets and requirements:

| Asset  | Comments  | Depreciation method                                      |
|--------|---|--|
| Asset1 | Asset1 has a useful life of five years.                       | Depreciate 40 percent each year.                         |
| Asset2 | Asset2 is a company laptop that has a three-year useful life. | Depreciate the laptop over three years in equal amounts. |

You need to configure the assets to meet the depreciation requirements.

Which depreciation method should you use? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area****Asset                      Depreciation method****Asset1**

- Double declining balance
- Straight line
- 125% reducing balance
- 150% reducing balance

**Asset2**

- Straight line
- Factor
- Double declining balance
- Consumption

## Answer Area

### Asset      Depreciation method

Asset1

- Correct Answer:
- Double declining balance
  - Straight line
  - 125% reducing balance
  - 150% reducing balance

Asset2

- Straight line
- Factor
- Double declining balance
- Consumption

Box 1: Double declining balance -

When you set up a fixed asset depreciation profile and select 200% reducing balance in the Method field on the Depreciation profiles page, fixed assets that are assigned the depreciation profile are depreciated by the same percentage in each depreciation period. The percentage is calculated based on the service life of the asset. For example, if an asset has a service life of five years, the percentage is calculated as 40 percent ( $200\% : 5$ ).

This method is also known as double declining balance.

Box 2: Straight line -

When you set up a fixed asset depreciation profile and select Straight line service life in the Method field in the Depreciation profiles page, 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.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/200-percent-reducing-balance-depreciation>

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/straight-line-service-life-depreciation>

 **python123** 2 months, 2 weeks ago

I agree

upvoted 1 times

 **AliK1i** 1 year, 4 months ago

correct

upvoted 1 times

## Question #12

## HOTSPOT -

A company is implementing Dynamics 365 Finance.

The company purchases fixed assets using a purchase order. The company must post tax-specific transactions related to the fixed assets so the transactions can be reported separately.

You need to configure the system.

What should you configure? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area****Requirement**

Purchase a fixed asset on a purchase order using a procurement category.

**Functionality**

- Fixed asset determination rules
- Fixed asset purchasing policy
- Depreciation methods

Record specific tax transactions for fixed assets via journal.

- Posting layers
- Depreciation methods
- Report definitions

**Correct Answer:****Answer Area****Requirement**

Purchase a fixed asset on a purchase order using a procurement category.

**Functionality**

- Fixed asset determination rules
- Fixed asset purchasing policy
- Depreciation methods

Record specific tax transactions for fixed assets via journal.

- Posting layers
- Depreciation methods
- Report definitions

## Box 1: Depreciation methods -

When you use a method where the asset is automatically created and acquired, you can set up the system to verify whether the purchase amount of the fixed asset meets a specified capitalization threshold for asset depreciation. If so, the Depreciation option will be selected in the books for the asset when it is created from Accounts payable.

## Box 2: Posting layers -

Post fixed asset transactions to posting layers.

Fixed asset journals are defined by using the Journal names page at General ledger > Journal setup > Journal names. Each journal that you can post depreciations in is defined by its journal name for only one posting layer.

## Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/acquire-assets-procurement> <https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/post-fixed-asset-transactions-posting-layers>

 **AliK1i**  1 year, 4 months ago

first one should be Fixed Asset determination policy  
upvoted 18 times

 **chuechie**  8 months, 2 weeks ago

1st is Fixed asset determination rules  
upvoted 5 times

## Question #13

A company uses Microsoft Dynamics 365 Finance. The company purchases, creates, and acquires fixed assets by using purchase orders. The system must acquire the fixed asset when a vendor invoice is posted. You need to process the transaction. What should you do?

- A. Select a procurement category in a purchase order line and leave the fixed asset group blank.
- B. Manually create a fixed asset before the fixed asset number is added to the purchase order.
- C. Leave the fixed asset number blank on the purchase order.
- D. Run a fixed asset acquisition proposal before a fixed asset number can be added to a purchase order.

**Correct Answer: B**

The following methods are available for integrating Fixed assets and Accounts payable, and you must use the same method for all fixed assets:

\* You manually create a fixed asset before you add the fixed asset number to the line on the purchase order or vendor invoice. No acquisition transaction is posted for the asset when you post the vendor invoice.

Note: Also -

- \* You manually create a fixed asset before you add the fixed asset number to the line on the purchase order or vendor invoice. An acquisition transaction automatically is posted for the asset when you post the vendor invoice. This is the default method.
- \* A fixed asset automatically is created when you post a product receipt or vendor invoice that has the Create a new fixed asset check box selected. An acquisition transaction automatically is posted for the asset when you post the vendor invoice.
- \* A fixed asset automatically is created when you post a product receipt or vendor invoice that has the Create a new fixed asset check box selected. No acquisition transaction is posted for the asset when you post the vendor invoice.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/acquire-assets-procurement>

*Community vote distribution*

B (100%)

✉  bernardas 11 months, 2 weeks ago

To my mind answer is A. "Once, I determine that this is not a computer, the correct Fixed asset group is automatically applied and will create a new fixed asset record. You can continue with your normal PO processing to eventually capitalize your fixed asset." This step is from the link provided in some question before <https://www.loganconsulting.com/blog/fixed-asset-determination-rules-in-d365-for-finance-and-operations/>

upvoted 1 times

✉  kripe86 1 year, 2 months ago

This can't be b....

upvoted 1 times

✉  Aamir66 1 year, 2 months ago

It literally says, company CREATES and acquires Fixed Assets via PO, then how is the correct answer 'Manualy create a Fixed Asset'.. ?

upvoted 1 times

✉  AliK1i 1 year, 4 months ago

**Selected Answer: B**

<https://learn.microsoft.com/en-us/dynamics365/finance/fixed-assets/acquire-assets-procurement>

upvoted 2 times

✉  python123 2 months, 2 weeks ago

according the link, it is B

You manually create a fixed asset before you add the fixed asset number to the line on the purchase order or vendor invoice. An acquisition transaction automatically is posted for the asset when you post the vendor invoice. This is the default method.

upvoted 2 times

## Question #14

## HOTSPOT -

A company is implementing Microsoft Dynamics 365 Finance. The company plans to implement the Fixed asset module.

You have the following requirements:

- ☞ Post transactions to the tax depreciation book at the same interval as the primary book.
- ☞ Tax transactions must be journalized without being recorded in the general ledger.

You need to configure the fixed asset books.

Which configuration option should you use? To answer, drag the appropriate configurations to the correct requirements. Each configuration may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

| Configurations          | Answer Area  |  |
|-------------------------|--|--|
| Derived                 |  |  |
| Posting layer           | Post transactions to the tax depreciation book at the same interval as the primary book. |  |
| Depreciation convention | Tax transactions must be journalized without being recorded in the general ledger.       |  |
| Value model             |  |  |

## Correct Answer:

| Configurations          | Answer Area  |               |
|-------------------------|--|---------------|
| Derived                 |  |               |
| Posting layer           | Post transactions to the tax depreciation book at the same interval as the primary book. | Derived       |
| Depreciation convention | Tax transactions must be journalized without being recorded in the general ledger.       | Posting layer |
| Value model             |  |               |

## Box 1: Derived -

Books that are set up to post transactions at intervals other than the primary book intervals must be attached to the fixed asset as separate books and not as derived books.

## Box 2: Posting layer -

Each fixed asset transaction is posted to the general ledger. Typically, both a ledger account and a ledger offset account are affected. It is important to select the correct transaction type for fixed asset transactions because the transaction type connects the transaction to the posting profile. The posting profile determines which ledger accounts are used for posting in the general ledger.

## Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/derived-books> <https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/post-fixed-asset-journals>

✉  **Kev\_Sharp** 5 months, 4 weeks ago

Derived

<https://learn.microsoft.com/en-us/dynamics365/finance/fixed-assets/derived-books>

Posting layer

You can also disable posting to the general ledger for the book by setting the Post to general ledger field to No. The Posting layer field is then automatically set to None.

<https://learn.microsoft.com/en-us/dynamics365/finance/fixed-assets/post-fixed-asset-transactions-posting-layers>

upvoted 1 times

✉  **cs\_b** 1 year ago

For tax transactions that shouldn't be posted in GL, I can't see a valid solution here. Posting on another layer means it is still posted in the GL, so one would need another book here, where the option "Post to general ledger" is set to "No".

upvoted 1 times

## Question #15

DRAG DROP -

A company is implementing Microsoft Dynamics 365 Finance.

The company is configuring the fixed asset functionality and has the following requirements:

- ☞ Manually add an additional depreciation amount the first year a machine is put in service.
- ☞ Depreciate a company vehicle based on the number of miles it has traveled.

You need to configure the depreciation for the assets.

Which depreciation method should you use? To answer, drag the appropriate depreciation methods to the correct assets. Each method may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

| <b>Depreciation methods</b> | <b>Answer Area</b> |                            |
|-----------------------------|--------------------|----------------------------|
| Bonus                       | <b>Asset</b>       | <b>Depreciation method</b> |
| Consumption                 | Machine            |                            |
| Straight-line service life  | Vehicle            |                            |
| 150% reducing balance       |                    |                            |

Correct Answer:

| <b>Depreciation methods</b> | <b>Answer Area</b> |                            |
|-----------------------------|--------------------|----------------------------|
| Bonus                       | <b>Asset</b>       | <b>Depreciation method</b> |
| Consumption                 | Machine            | Bonus                      |
| Straight-line service life  | Vehicle            | Consumption                |
| 150% reducing balance       |                    |                            |

Box 1: Bonus -

Manually add an additional depreciation amount the first year a machine is put in service.

For bonus depreciation, you can take extra or bonus depreciation amounts during the first year that the asset is put in service and depreciated.

Bonus depreciation must be taken before any other depreciation calculations.

Box 2: Consumption -

Depreciate a company vehicle based on the number of miles it has traveled.

If you set up a depreciation profile for fixed assets and select Consumption in the Method field on the Depreciation profiles page, fixed assets are assigned to the depreciation profile based on their usage. You don't have to set up percentages and intervals on the Depreciation profiles page. After you create a depreciation profile that uses the Consumption method, you can set up the method in various ways.

Incorrect:

\* When you set up a fixed asset depreciation profile and select 150% reducing balance in the Method field on the Depreciation profiles page, fixed assets that are assigned the depreciation profile are depreciated by the same percentage in each depreciation period. This percentage is calculated based on the service life of the asset. For example, if an asset has a service life of five years, the percentage is calculated as 30 percent ( $150\% \div 5$ ).

\* When you set up a fixed asset depreciation profile and select Straight line service life in the Method field in the Depreciation profiles page, 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.

The difference in the depreciation amount that is calculated between straight line service life remaining and straight line service life is when there is an adjustment posted to the asset.

To set up straight line service life depreciation, you must also select options in the Depreciation year and Period frequency fields in the

Depreciation profiles page.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/bonus-depreciation> <https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/consumption-depreciation>

 **AliK1i** 1 year, 4 months ago

correct

<https://learn.microsoft.com/en-us/dynamics365/finance/fixed-assets/consumption-depreciation>

<https://learn.microsoft.com/en-us/dynamics365/finance/fixed-assets/bonus-depreciation>

upvoted 1 times

## Question #16

A company uses Microsoft Dynamics 365 Finance and Dynamics 365 Project Operations.

The company must be able to estimate the costs of a project and create a fixed asset by using the project cost estimate.

You need to ensure that the company can create a fixed asset from a project.

Which project type should you use?

- A. Time and material
- B. Cost
- C. Internal
- D. Investment
- E. Fixed price

**Correct Answer: D**

Investment -

Investment projects are projects that do not produce immediate earnings. They are typically used for long-term internal projects in which the costs have to be capitalized. The following are also true of investment projects:

Only costs for items, hours, and expenses can be recorded for an investment project.

Costs in an investment project are tracked and controlled by using the Project management and accounting Estimate feature.

Investment projects can be set up with an optional maximum capitalization limit.

As an investment project progresses, you record its costs in WIP accounts, where the costs are held until the project is completed. When the project is eliminated, you transfer the WIP value to a fixed asset, a ledger account, or a new project.

Incorrect:

\* Time and material

In Time and material projects, the customer is billed for all costs that are incurred on a project. These include costs for hours, expenses, items, and fees.

\* Cost project

Like Investment projects, Cost projects are typically used to track internal projects, and only hours, expenses, and items can be recorded for cost projects. Cost projects are usually of shorter duration than investment projects. Unlike Investment projects, Cost projects cannot be capitalized to balance sheet accounts.

Instead, their project transactions are posted only to profit and loss accounts.

\* Internal

Internal projects are used to track costs on a project that is internal to your organization. This type of project can provide a planning tool to manage resource consumption

\* Fixed-price

The invoices in fixed-price projects consist of on-account transactions. These projects are invoiced according to a billing schedule that is based on a project contract. Revenue for a fixed-price project can be calculated and posted throughout the project by using the completed percentage method, or when the project is finished, by using the completed contract method. Companies can often benefit from using the value of the work in process (WIP) to calculate the degree of completion of a project or group of projects.

Reference:

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/about-project-types>

*Community vote distribution*

D (100%)

✉️  **AlexMukandila** 12 months ago

**Selected Answer: D**

Investment

upvoted 2 times

✉️  **AliK1i** 1 year, 4 months ago

Correct

upvoted 1 times

## Question #17

Your company uses Dynamics 365 Finance.

All fixed assets are categorized by asset type. For example, office furniture is sequentially numbered, has the same service life, and uses the same depreciation deduction calculation.

You need to configure the system.

Which two parameters should you set up? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. depreciation convention
- B. derived book
- C. depreciation profile
- D. fixed asset group

**Correct Answer: AD**

Depreciation conventions are used to determine when and how depreciation is calculated for both the year when the fixed asset is acquired and the year when the fixed asset is disposed of.

Depreciation conventions can be assigned to the setup for a fixed asset group book.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/fixed-asset-depreciation-conventions>

*Community vote distribution*

CD (100%)

 **vbiz** 4 months, 1 week ago

**Selected Answer: CD**

I think it should be C and D

upvoted 1 times

 **kripe86** 1 year, 2 months ago

shouldn't this be C and D?

upvoted 2 times

 **Alice9** 1 year, 3 months ago

You also need the depreciation profile. Right?

upvoted 1 times

 **AliK1i** 1 year, 4 months ago

Correct

upvoted 1 times

## Question #18

You are migrating data from a legacy system to Dynamics 365 Finance.

The legacy customer master data does not include a customer grouping. Customers must be assigned to a group.

You need to configure the posting profile.

What should you set up?

- A. an interest code for a group of customers
- B. a revenue account for sales orders transactions for a group of customers
- C. terms of payment for a group of customers
- D. a payable account for specific customers

**Correct Answer:** D

*Community vote distribution*

A (100%)

✉️  **Kev\_Sharp** 5 months, 4 weeks ago

**Selected Answer: A**

<https://learn.microsoft.com/en-us/dynamics365/finance/accounts-receivable/customer-posting-profiles>

upvoted 1 times

✉️  **python123** 2 months, 2 weeks ago

Maybe is Account code. I don't understand why it is interest code.

I think B is correct.

upvoted 1 times

✉️  **chuechie** 8 months, 2 weeks ago

Receivable account not revenue account so B is not correct.

A - is the only option available for customer posting profile.

upvoted 2 times

✉️  **krentron** 10 months ago

I think B is correct

upvoted 3 times

✉️  **Bisera** 11 months ago

Is seems to me that B is correct choice

upvoted 2 times

## Question #19

A company uses Dynamics 365 Finance to manage fixed assets. The company uses a legal entity for accounting and a legal entity for tax purposes. The company has 15 different fixed asset groups.

The company creates a new fixed asset group named Conveyor. You create a new fixed asset that uses the Conveyor fixed asset group. The fixed asset is not associated with a legal entity.

You need to ensure that both legal entities are associated with new fixed assets that you create for the Conveyor group.

What should you configure?

- A. a fixed asset posting profile
- B. a group book setup
- C. a new fixed asset book
- D. a new depreciation profile

**Correct Answer:** C

 **Flo2021** 2 weeks, 6 days ago

Seems correct to me, since it's in the fixed asset book where the depreciation profile (certainly different for tax) is set.

upvoted 1 times

## Question #20

You are using Microsoft Dynamics 365 Finance.

You need to acquire a fixed asset.

What are three possible ways to achieve the goal? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Use a sales invoice.
- B. Select a fixed asset account type and transaction type acquisition in a general journal.
- C. Select a fixed asset procurement category on the purchase order line.
- D. Use a budget plan.
- E. Eliminate an investment project once it is finished.

**Correct Answer:** BCE

*Community vote distribution*

 BCE (100%)

 **Eventura** 7 months, 2 weeks ago

**Selected Answer: BCE**

Correct

upvoted 2 times

## Question #21

## Topic 5

A company implements Microsoft Dynamics 365 Finance to manage fixed assets. The company adds a laptop as a fixed asset.

You run a depreciation proposal. You observe that laptops are not eligible for depreciation.

You need to determine why you cannot depreciate the laptops.

Which feature should you review?

- A. Depreciation convention
- B. Net book value
- C. Capitalization threshold
- D. Number sequence
- E. Posting layer

**Correct Answer:** C

*Community vote distribution*

C (100%)

 bernardas 11 months, 2 weeks ago

**Selected Answer: C**

The Capitalization threshold field determines the assets that are depreciated. If a purchase line is selected as a fixed asset, but it doesn't meet the specified capitalization threshold, a fixed asset is still created or updated, but the Calculate depreciation option is set to No. Therefore, the asset won't be automatically depreciated as part of the depreciation proposals.

<https://learn.microsoft.com/en-us/dynamics365/finance/fixed-assets/set-up-fixed-assets>

upvoted 3 times

## Question #22

DRAG DROP

A company that manufactures consumer electronics goods uses Microsoft Dynamics 365 Finance.

You need to configure capitalization thresholds for products based on the following requirements:

| Product            | Capitalization threshold |
|--------------------|--------------------------|
| Televisions        | \$10,000                 |
| All other products | No specific threshold    |

In which order should you perform the actions? To answer, move all actions from the list of actions to the answer area and arrange them in the correct order.

## Actions

Define and configure the procurement categories and link to the products.

Create fixed asset groups.

Define an organization-wide business rule for fixed asset determination.

Define an organization-wide identifier for fixed assets.

## Answer area



Correct Answer:

Answer area

Create fixed asset groups.

Define an organization-wide identifier for fixed assets.

Define and configure the procurement categories and link to the products.

Define an organization-wide business rule for fixed asset determination.

Kev\_Sharp 5 months, 4 weeks ago

Correct order is

1. Define and configure the procurement categories and link to the products
2. Create fixed asset groups
3. Define an organization-wide identifier for fixed assets
4. Define an organization-wide business rule for fixed asset determination

<https://learn.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/about-fixed-asset-determination-rules>

upvoted 3 times

## Question #23

DRAG DROP

A company is implementing Microsoft Dynamics 365 Finance.

The company has multiple vehicles. You depreciate all vehicles by using the straight-line service life depreciation method. The same ledger account is used to record the transaction when vehicle assets are acquired.

You need to configure the vehicles as fixed assets in the system.

Which feature should you use? To answer, drag the appropriate features to the correct requirements. Each feature may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

**Features****Posting layer****Fixed asset type****Fixed asset groups****Posting profile****Answer Area****Requirement****Ledger accounts for acquisition****Feature****All vehicles with same depreciation****Answer Area****Requirement****Correct Answer:** **Ledger accounts for acquisition****Feature****Posting profile****All vehicles with same depreciation****Fixed asset groups****Kev\_Sharp** 5 months, 4 weeks ago<https://learn.microsoft.com/en-us/training/modules/configure-fixed-assets-mgmt-dyn365-finance/4-relationships>

upvoted 1 times

**Eventura** 7 months, 2 weeks ago

Correct.

upvoted 2 times

## Question #24

## Topic 5

A company uses Microsoft Dynamics 365 Finance and Dynamics 365 Project Operations.

The company must associate fixed assets with subprojects to track the money that the company spends to maintain assets.

You need to configure subprojects to track the associated fixed asset transactions.

Which two types of subprojects can you use? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Cost
- B. Investment
- C. Fixed price
- D. Time and material
- E. Internal

**Correct Answer: AE**

*Community vote distribution*

AE (100%)

 **Kev\_Sharp** 5 months, 4 weeks ago

**Selected Answer: AE**

"The project type must be either Internal or Cost project."

<https://learn.microsoft.com/en-us/training/modules/configure-fixed-assets-mgmt-dyn365-finance/7-integrate>

upvoted 2 times

## Question #25

DRAG DROP

A company uses Microsoft Dynamics 365 Finance.

You receive a new purchase invoice. You must process the invoice as a fixed asset that complies with applicable tax regulations. Double entry is not permitted for asset acquisitions.

You need to configure the asset and books.

In which order should you perform the actions? To answer, move all actions from the list of actions to the answer area and arrange them in the correct order.

| Actions   | Answer area   |
|---|---|
| On the current value model, select the tax value model as derived value model.                                  |   |
| Create a new fixed asset ID and complete the fixed asset group.   |    |
| Create two new value models. A model related to the current posting layer and a model related to the tax layer. |    |
| Link both value models to the fixed asset.  |   |

| Answer area   |
|---|
| Create two new value models. A model related to the current posting layer and a model related to the tax layer. |
| On the current value model, select the tax value model as derived value model.                                  |
| Create a new fixed asset ID and complete the fixed asset group.   |
| Link both value models to the fixed asset.  |

 Flo2021 2 weeks, 6 days ago

obviously AX2012 content here...

upvoted 1 times

## Question #26

## HOTSPOT

A company is implementing Microsoft Dynamics 365 Finance.

The company is implementing the Fixed asset module and requires the following configuration:

- Set the threshold for fixed asset acquisitions at \$10,000.
- Fixed asset acquisitions must be allowed from purchasing.

You need to configure the system.

Which parameter should you use? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

**Answer Area****Requirement**

Set the threshold for fixed asset acquisitions at \$10,000.

**Parameter**

Consider capitalization threshold  
Capitalization threshold  
Allow multiple acquisitions  
Minimum depreciation amount

Fixed asset acquisitions must be allowed from purchasing.

Create asset during product receipt or invoice posting  
Check for fixed assets creation during line entry  
Allow asset acquisition from purchasing  
Allow multiple acquisitions

**Answer Area****Requirement**

Set the threshold for fixed asset acquisitions at \$10,000.

**Parameter**

Consider capitalization threshold  
**Capitalization threshold**  
Allow multiple acquisitions  
Minimum depreciation amount

Correct Answer:

Fixed asset acquisitions must be allowed from purchasing.

Create asset during product receipt or invoice posting  
**Check for fixed assets creation during line entry**  
**Allow asset acquisition from purchasing**  
Allow multiple acquisitions

 **Kev\_Sharp** 5 months, 4 weeks ago

Capitalization threshold

Allow asset acquisition from purchasing

<https://learn.microsoft.com/en-us/training/modules/configure-fixed-assets-mgmt-dyn365-finance/5-configure>

upvoted 2 times

## Question #27

A company uses Microsoft Dynamics 365 Finance.

You need to reclassify a fixed asset.

Which three actions does the system perform when an asset is reclassified? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. The system will generate reclassification journals.
- B. The new books of the new fixed asset contain the date of the reclassification in the Acquisition date field.
- C. All books for the existing fixed asset are created for the new fixed asset.
- D. The existing fixed asset transactions for the original fixed asset are canceled and regenerated for the new fixed asset.
- E. The new fixed asset only cancels out possible depreciations because the reclassification date is filled in in the Acquisition date field.

**Correct Answer:** *BCD*

 **Newb007** 7 months, 1 week ago

CORRECT <https://learn.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/reclassify-fixed-assets>

upvoted 2 times

## Question #28

A client is implementing accounts receivable in Dynamics 365 Finance.

You need to determine which requirements can be met by configuring the customer posting profile.

Which three requirements can be met? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Specifying a receivable account for certain customers
- B. Setting an interest code for a group of customers
- C. Specifying a revenue account for sales orders transactions
- D. Setting terms of payment for a group of customers
- E. Setting the liquidity ledger account used for cash flow forecast

**Correct Answer: ABE**

*Community vote distribution*

ABE (100%)

✉️  **CPSKtestaccount** 2 months, 3 weeks ago

**Selected Answer: ABE**

<https://learn.microsoft.com/en-us/dynamics365/finance/accounts-receivable/customer-posting-profiles>  
upvoted 1 times

✉️  **Chanpran** 10 months ago

**Selected Answer: ABE**

Correct  
upvoted 1 times

✉️  **bernardas** 11 months, 2 weeks ago

**Selected Answer: ABE**

correct  
upvoted 1 times

## Question #29

## HOTSPOT

You are implementing Microsoft Dynamics 365 Finance.

You need to implement processes for updating fixed assets and creating fixed asset transactions.

Which process should you use? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

## Answer Area

## Requirement

Change the dimension value for one or more of the value models associated with an asset.

## Process

- Mass transfer
- Mass update
- Reclassification
- Change asset group

Change the depreciation convention for one or more assets.

- Mass transfer
- Mass update
- Reclassification
- Change asset group

Change the asset group and ensure that transactions are updated based on the new asset group.

- Mass transfer
- Mass update
- Reclassification
- Change asset group

## Correct Answer:

## Requirement

Change the dimension value for one or more of the value models associated with an asset.

## Process

- Mass update

Change the depreciation convention for one or more assets.

- Mass update

Change the asset group and ensure that transactions are updated based on the new asset group.

- Mass update

✉ **Kev\_Sharp** 5 months, 4 weeks ago

Mass transfer

<https://learn.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/transfer-fixed-assets>

Mass update

<https://learn.microsoft.com/en-us/dynamics365/finance/fixed-assets/fixed-asset-mass-update>

Reclassification

<https://learn.microsoft.com/en-us/dynamics365/finance/fixed-assets/tasks/reclassify-fixed-assets>

upvoted 4 times

✉ **vbiz** 4 months, 1 week ago

I would answer the same

upvoted 1 times

✉ **chuechie** 8 months, 2 weeks ago

3rd is reclass

upvoted 3 times

✉ **foexams** 8 months, 2 weeks ago

<https://learn.microsoft.com/en-us/dynamics365/finance/fixed-assets/tasks/reclassify-fixed-assets>

upvoted 1 times

### Question #30

Topic 5

A company uses Microsoft Dynamics 365 Finance to manage fixed assets.

The company uses laptops for three years and then sells the laptops externally.

You need to process laptop sales.

What should you do?

- A. Create a fixed asset disposal journal.
- B. Use a free text invoice to record the sale.
- C. Create a sales order for the sale of the asset.
- D. Use an inventory movement journal to record the disposal.

**Correct Answer: B**

*Community vote distribution*

B (67%)

A (33%)

✉ **Daniel73847** 2 months ago

**Selected Answer: A**

<https://learn.microsoft.com/en-us/dynamics365/finance/fixed-assets/dispose-of-a-fixed-asset-as-scrap>

upvoted 1 times

✉ **Eventura** 7 months, 2 weeks ago

**Selected Answer: B**

Answer B is correct to sale a fixed asset.

upvoted 2 times

✉ **chuechie** 8 months, 2 weeks ago

Correct answer is A

upvoted 1 times

✉ **python123** 2 months, 2 weeks ago

A is correct answer

upvoted 1 times

**Topic 6 - Testlet 1****Question #1****Topic 6****Introductory Info**

Case study -

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To start the case study -

To display the first question in this case study, click the Next button. Use the buttons in the left pane to explore the content of the case study before you answer the questions. Clicking these buttons displays information such as business requirements, existing environment, and problem statements. If the case study has an

All Information tab, note that the information displayed is identical to the information displayed on the subsequent tabs. When you are ready to answer a question, click the Question button to return to the question.

Background -

Fourth Coffee is a coffee and supplies manufacturer based in Seattle. The company recently purchased CompanyA, based in the United States, and CompanyB, based in Canada, in order to increase production of their award-winning espresso machine and distribution of their dark roast coffee beans, respectively.

Fourth Coffee has set up CompanyA and CompanyB in their Dynamics 365 Finance to gain better visibility into the companies' profitability.

CompanyA and

CompanyB will continue to operate as subsidiaries of Fourth Coffee, but all operational companies will be consolidated under Fourth Coffee Holding Company in

US dollars (USD) for reporting purposes.

The current organizational chart is shown below:



Current environment -

Systemwide setup -

Dynamics 365 Finance in Microsoft Azure is used to manage the supply chain, retail, and financials.

All companies share a Chart of Accounts.

Two dimensions are used: Department and Division.

Budgeting is controlled at the department level.

Customers and vendors are defined as two groups: Domestic and International.

Mandatory credit check is set to No.

Consolidate online is used for the consolidation of all companies.

International main accounts are subject to foreign currency revaluation.

The purchasing budget is used to enforce purchasing limits.

General ledger accounts -

| <b>Account numbers</b> | <b>Account description</b>                                 |
|------------------------|--|
| 1200                   | Domestic Accounts Receivable (USD)                         |
| 1201                   | International Accounts Receivable (Canadian dollars [CAD]) |
| 2000                   | Domestic Accounts Payable (USD)                            |
| 2001                   | International Accounts Payable (CAD)                       |

**Fourth Coffee -**

The base currency is USD.

Three item groups are used: coffee, supplies, and nonstock.

The standard sales tax method is used.

Acquiring fixed assets requires a purchase order.

All customer payment journals require a deposit slip.

CustomerX is a taxable company.

CustomerY is a tax-exempt company.

CustomerZ is a taxable company.

VendorA is a Colombian supplier of coffee beans and belongs to the international vendor group.

VendorB is a Peruvian supplier of coffee machine filters and belongs to the international vendor group.

VendorC is a Texas supplier of espresso valves and belongs to the domestic vendor group.

**CompanyA -**

The base currency is USD.

-

It consists of a marketing department and a digital division.

A 4-5-4 calendar structure is used.

The standard sales tax method is used.

**CompanyB -**

The base currency is CAD.

The conditional sales tax method is used.

**Requirements -****Reporting -**

A consolidated Fourth Coffee financial report is required in USD currency.

Fourth Coffee and its subsidiaries need to be able to report sales by item type.

Year-end adjustments need to be reported separately in a different period to view financial reporting inclusive and exclusive of year-end adjustments.

**Issues -**

User1 observes that a General journal was used in error to post to the Domestic Accounts Receivable trade account.

User2 has to repeatedly reclassify vendor invoice journals in Fourth Coffee Company that are posted to the marketing department and digital division.

When User3 posts an Accounts receivable payment journal, a deposit slip is not generated.

User4 observes an increase in procurement department expenses for supplies.

User5 observes that sales tax is not calculating on a sales order for CustomerZ.

User6 observes that sales tax is calculating for CustomerY.

User7 observes that the sales tax payment report is excluding posted invoice transactions.

User8 in CompanyA attempts to set up the sales tax receivable account on the sales tax posting form.

User9 in CompanyA needs to purchase three tablets by using a purchase order and record the devices as fixed assets.

CustomerX requires a credit check when making a purchase and is currently at their credit limit.

**Question****HOTSPOT -**

You need to configure settings to resolve User1's issue.

Which settings should you use? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

### Answer Area

#### Requirement

Establish account 1200 as a system-generated trade account.

#### Setting

|                               |
|-------------------------------|
| Do not allow manual entry     |
| Balance control               |
| Posting type – vendor balance |

Ensure account 1201 reflects currency exposure.

|                              |
|------------------------------|
| Foreign currency revaluation |
| Exchange rate type           |
| Balance control              |

### Answer Area

#### Requirement

Establish account 1200 as a system-generated trade account.

#### Setting

|                               |
|-------------------------------|
| Do not allow manual entry     |
| Balance control               |
| Posting type – vendor balance |

Correct Answer:

Ensure account 1201 reflects currency exposure.

|                              |
|------------------------------|
| Foreign currency revaluation |
| Exchange rate type           |
| Balance control              |

 **Yael\_Shachen\_Tov** Highly Voted 2 years, 9 months ago

Correct

on the account settings - the checkboxes have to be "YES"

upvoted 5 times

## Question #2

**Introductory Info**

Case study -

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Background -

Fourth Coffee is a coffee and supplies manufacturer based in Seattle. The company recently purchased CompanyA, based in the United States, and CompanyB, based in Canada, in order to increase production of their award-winning espresso machine and distribution of their dark roast coffee beans, respectively.

Fourth Coffee has set up CompanyA and CompanyB in their Dynamics 365 Finance to gain better visibility into the companies' profitability.

CompanyA and

CompanyB will continue to operate as subsidiaries of Fourth Coffee, but all operational companies will be consolidated under Fourth Coffee Holding Company in

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Mandatory credit check is set to No.

Consolidate online is used for the consolidation of all companies.

International main accounts are subject to foreign currency revaluation.

The purchasing budget is used to enforce purchasing limits.

General ledger accounts -

| Account numbers | Account description  |
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Fourth Coffee -

The base currency is USD.

Three item groups are used: coffee, supplies, and nonstock.

The standard sales tax method is used.

Acquiring fixed assets requires a purchase order.

All customer payment journals require a deposit slip.

CustomerX is a taxable company.

CustomerY is a tax-exempt company.

CustomerZ is a taxable company.

VendorA is a Colombian supplier of coffee beans and belongs to the international vendor group.

VendorB is a Peruvian supplier of coffee machine filters and belongs to the international vendor group.

VendorC is a Texas supplier of espresso valves and belongs to the domestic vendor group.

CompanyA -

The base currency is USD.

-

It consists of a marketing department and a digital division.

A 4-5-4 calendar structure is used.

The standard sales tax method is used.

CompanyB -

The base currency is CAD.

The conditional sales tax method is used.

Requirements -

Reporting -

A consolidated Fourth Coffee financial report is required in USD currency.

Fourth Coffee and its subsidiaries need to be able to report sales by item type.

Year-end adjustments need to be reported separately in a different period to view financial reporting inclusive and exclusive of year-end adjustments.

Issues -

User1 observes that a General journal was used in error to post to the Domestic Accounts Receivable trade account.

User2 has to repeatedly reclassify vendor invoice journals in Fourth Coffee Company that are posted to the marketing department and digital division.

When User3 posts an Accounts receivable payment journal, a deposit slip is not generated.

User4 observes an increase in procurement department expenses for supplies.

User5 observes that sales tax is not calculating on a sales order for CustomerZ.

User6 observes that sales tax is calculating for CustomerY.

User7 observes that the sales tax payment report is excluding posted invoice transactions.

User8 in CompanyA attempts to set up the sales tax receivable account on the sales tax posting form.

User9 in CompanyA needs to purchase three tablets by using a purchase order and record the devices as fixed assets.

CustomerX requires a credit check when making a purchase and is currently at their credit limit.

## Question

You need to correct the sales tax setup to resolve User5's issue.

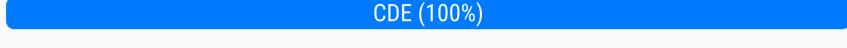
Which three actions should you perform? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Populate the sales tax code on the sales order line.
- B. Assign the sales tax group to CustomerY.
- C. Assign the relevant sales tax code to both the sales tax and item sales tax groups.
- D. Populate the item sales tax group field on the sales order line.
- E. Populate the sales tax group field on the sales order line.

**Correct Answer: CDE**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/indirect-taxes-overview>*Community vote distribution* CDE (100%)  **H\_Incandenza**  1 year, 7 months ago**Selected Answer: CDE**

Correct:

- A) You never specify the sales tax code on a sales order; it's always specify the two tax groups: one for item, one for customer.
- B) Question was about customer Z not Y

upvoted 5 times

  **angie97** 2 months, 2 weeks ago

I do agree with the statement above.

upvoted 1 times

## Question #3

**Introductory Info**

Case study -

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Background -

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Fourth Coffee -

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All customer payment journals require a deposit slip.  
CustomerX is a taxable company.  
CustomerY is a tax-exempt company.  
CustomerZ is a taxable company.  
VendorA is a Colombian supplier of coffee beans and belongs to the international vendor group.  
VendorB is a Peruvian supplier of coffee machine filters and belongs to the international vendor group.  
VendorC is a Texas supplier of espresso valves and belongs to the domestic vendor group.

CompanyA -

The base currency is USD.

It consists of a marketing department and a digital division.

A 4-5-4 calendar structure is used.

The standard sales tax method is used.

CompanyB -

The base currency is CAD.

The conditional sales tax method is used.

Requirements -

Reporting -

A consolidated Fourth Coffee financial report is required in USD currency.

Fourth Coffee and its subsidiaries need to be able to report sales by item type.

Year-end adjustments need to be reported separately in a different period to view financial reporting inclusive and exclusive of year-end adjustments.

Issues -

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User8 in CompanyA attempts to set up the sales tax receivable account on the sales tax posting form.

User9 in CompanyA needs to purchase three tablets by using a purchase order and record the devices as fixed assets.

CustomerX requires a credit check when making a purchase and is currently at their credit limit.

## Question

You need to troubleshoot the reporting issue for User7.

Why are some transactions being excluded?

- A. User7 is running the report in CompanyB.
- B. User7 is running the report in CompanyA.
- C. The report is correctly excluding CustomerY transactions.
- D. The report is correctly excluding CustomerZ transactions.

**Correct Answer: C**

*Community vote distribution*

A (75%)

C (25%)

angie97 1 week, 5 days ago

Selected Answer: A

C is not correct because CustomerY is a tax-exempt company, and therefore no sales tax is calculated or posted for its transactions. The sales tax payment report will not include any tax-exempt transactions, regardless of the sales tax method used

upvoted 1 times

blackgodfatha 1 year, 1 month ago

Selected Answer: A

"C" would imply that CustomerY is the only customer that is transacting.

upvoted 2 times

Alice9 1 year, 2 months ago

It can be B and/or C for conditional sales tax, and tax exempt.

upvoted 1 times

Alice9 1 year, 2 months ago

\*Meant to say A and C

upvoted 1 times

H\_Incandenza 1 year, 7 months ago

Selected Answer: C

correct

upvoted 1 times

Anna79 1 year, 9 months ago

Wrong answer, correct answer is for sure A.

refer to Microsoft docs:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/indirect-taxes-overview> in Conditional Sales Tax section

Conditional sales tax is a sales tax that is paid proportionally to the actual amount that is paid on an invoice. Conversely, standard sales tax is calculated at invoicing time. Conditional sales tax must be paid to the sales tax authority when the payment is posted, not when the invoice is posted. When the invoice is posted, the transaction must be reported on the sales tax book report. However, the transaction must be excluded from the sales tax payment report.

upvoted 3 times

H\_Incandenza 1 year, 7 months ago

You're overthinking it. It's "C."

upvoted 2 times

Yael\_Shachen\_Tov 2 years, 9 months ago

Why B doesn't

correct too?

Company Bis using the Conditional Sales tax functionality which allowed to present the TAX only when the INV is being settled with payment /

upvoted 1 times

Yael\_Shachen\_Tov 2 years, 9 months ago

I mean A Not B

upvoted 1 times

Mo\_horseman 3 years, 2 months ago

Correct, customer Y Is a Tax free /Tax exempt company, i.e no taxes, consequently, excluding the posted transactions is correct here

upvoted 1 times

## Question #4

**Introductory Info**

Case study -

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All Information tab, note that the information displayed is identical to the information displayed on the subsequent tabs. When you are ready to answer a question, click the Question button to return to the question.

Background -

Fourth Coffee is a coffee and supplies manufacturer based in Seattle. The company recently purchased CompanyA, based in the United States, and CompanyB, based in Canada, in order to increase production of their award-winning espresso machine and distribution of their dark roast coffee beans, respectively.

Fourth Coffee has set up CompanyA and CompanyB in their Dynamics 365 Finance to gain better visibility into the companies' profitability.

CompanyA and

CompanyB will continue to operate as subsidiaries of Fourth Coffee, but all operational companies will be consolidated under Fourth Coffee Holding Company in

US dollars (USD) for reporting purposes.

The current organizational chart is shown below:



Current environment -

Systemwide setup -

Dynamics 365 Finance in Microsoft Azure is used to manage the supply chain, retail, and financials.

All companies share a Chart of Accounts.

Two dimensions are used: Department and Division.

Budgeting is controlled at the department level.

Customers and vendors are defined as two groups: Domestic and International.

Mandatory credit check is set to No.

Consolidate online is used for the consolidation of all companies.

International main accounts are subject to foreign currency revaluation.

The purchasing budget is used to enforce purchasing limits.

General ledger accounts -

| Account numbers | Account description  |
|-----------------|--|
| 1200            | Domestic Accounts Receivable (USD)                         |
| 1201            | International Accounts Receivable (Canadian dollars [CAD]) |
| 2000            | Domestic Accounts Payable (USD)                            |
| 2001            | International Accounts Payable (CAD)                       |

Fourth Coffee -

The base currency is USD.

Three item groups are used: coffee, supplies, and nonstock.

The standard sales tax method is used.

Acquiring fixed assets requires a purchase order.

All customer payment journals require a deposit slip.

CustomerX is a taxable company.

CustomerY is a tax-exempt company.

CustomerZ is a taxable company.

VendorA is a Colombian supplier of coffee beans and belongs to the international vendor group.

VendorB is a Peruvian supplier of coffee machine filters and belongs to the international vendor group.

VendorC is a Texas supplier of espresso valves and belongs to the domestic vendor group.

CompanyA -

The base currency is USD.

-

It consists of a marketing department and a digital division.

A 4-5-4 calendar structure is used.

The standard sales tax method is used.

CompanyB -

The base currency is CAD.

The conditional sales tax method is used.

Requirements -

Reporting -

A consolidated Fourth Coffee financial report is required in USD currency.

Fourth Coffee and its subsidiaries need to be able to report sales by item type.

Year-end adjustments need to be reported separately in a different period to view financial reporting inclusive and exclusive of year-end adjustments.

Issues -

User1 observes that a General journal was used in error to post to the Domestic Accounts Receivable trade account.

User2 has to repeatedly reclassify vendor invoice journals in Fourth Coffee Company that are posted to the marketing department and digital division.

When User3 posts an Accounts receivable payment journal, a deposit slip is not generated.

User4 observes an increase in procurement department expenses for supplies.

User5 observes that sales tax is not calculating on a sales order for CustomerZ.

User6 observes that sales tax is calculating for CustomerY.

User7 observes that the sales tax payment report is excluding posted invoice transactions.

User8 in CompanyA attempts to set up the sales tax receivable account on the sales tax posting form.

User9 in CompanyA needs to purchase three tablets by using a purchase order and record the devices as fixed assets.

CustomerX requires a credit check when making a purchase and is currently at their credit limit.

## Question

You need to configure settings to resolve User8's issue.

What should you select?

- A. a main account in the sales tax payable field
- B. a main account in the settlement account field
- C. the Conditional sales tax checkbox
- D. the Standard sales tax checkbox

**Correct Answer: B**

 **viking1** Highly Voted 2 years, 4 months ago

The question doesn't actually say what user 8's issue is. Just that the user is attempting some setup, without mentioning what issue is encountered.

upvoted 9 times

 **Berda**  2 years, 3 months ago

B is right answer.

"In the Settlement account field, select the main account that the net balance of the ledger accounts specified in the Use tax payable and Sales tax receivable fields will be posted."

This means to set up only Sales tax receivable account is part of configuring, the whole resolve is to set the Settlement account field too.

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/set-up-ledger-posting-groups-sales-tax>

upvoted 6 times

 **Flo2021**  2 weeks, 3 days ago

see my comments to Q7

upvoted 1 times

 **Alice9** 1 year, 2 months ago

Possibly A if apply sales tax taxation rules is checked in the GL parameters.

"In the Sales tax receivable field, select the main account for incoming taxes that are received from the tax authority. Vendors collect taxes on behalf of the tax authority when you buy taxable goods and services. This field is not available if the Apply sales tax taxation rules option is selected in the General ledger parameters page. Instead, sales taxes that are paid to vendors are debited to the same account as the purchase."

upvoted 1 times

 **khussain** 2 years, 5 months ago

Correct Answer should be "A".

User8 is attempting to set up Sales Receivable Account which should be entered in the Sales Tax Payable field

upvoted 2 times

 **H\_Incandenza** 1 year, 7 months ago

Payables and receivables are completely different my man. Payables = liability. Receivable = asset.

B is the correct answer.

upvoted 1 times

 **MahmoudSaeed** 2 years, 8 months ago

Correct Answer is A

upvoted 2 times

 **Yael\_Shachen\_Tov** 2 years, 9 months ago

I am not sure A or B

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/set-up-ledger-posting-groups-sales-tax>

upvoted 2 times

 **Mobstar** 2 years, 11 months ago

Ignore previous comments. The correct solution is B - set up both the sales tax receivable account and the settlement account. A is wrong because setting up the sales tax payable account does not address user8's issue.

upvoted 1 times

 **Mobstar** 2 years, 11 months ago

The correct solution is C i.e. to set up both the sales tax receivable account and the settlement account. A is wrong because setting up the sales tax payable account does not address user8's issue i.e. sales tax receivables.

upvoted 1 times

 **Mobstar** 2 years, 11 months ago

The correct answer is B. You can create multiple ledger posting groups for sales tax and assign it to specific or all tax codes. AR and AP could have individual posting groups. Neither will be complete without a settlement account.

"In the Settlement account field, select the main account that the net balance of the ledger accounts specified in the Use tax payable and Sales tax receivable fields will be posted".

Reference: <https://docs.microsoft.com/en-us/learn/modules/configure-tax-module-dyn365-finance/>

upvoted 2 times

 **Fozo** 3 years, 1 month ago

A is the correct answer

upvoted 1 times

 **Pir** 3 years, 3 months ago

Either question is missing some details, payable and receivable are two separate fields and the Main accounts are set in both of these as per their field names. How can payable be set in receivable and vice versa. This question is missing some details.

upvoted 2 times

 **Marrgita** 3 years, 3 months ago

I guess correct is A

upvoted 1 times

## Question #5

**Introductory Info**

Case study -

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Background -

Fourth Coffee is a coffee and supplies manufacturer based in Seattle. The company recently purchased CompanyA, based in the United States, and CompanyB, based in Canada, in order to increase production of their award-winning espresso machine and distribution of their dark roast coffee beans, respectively.

Fourth Coffee has set up CompanyA and CompanyB in their Dynamics 365 Finance to gain better visibility into the companies' profitability.

CompanyA and

CompanyB will continue to operate as subsidiaries of Fourth Coffee, but all operational companies will be consolidated under Fourth Coffee Holding Company in

US dollars (USD) for reporting purposes.

The current organizational chart is shown below:



Current environment -

Systemwide setup -

Dynamics 365 Finance in Microsoft Azure is used to manage the supply chain, retail, and financials.

All companies share a Chart of Accounts.

Two dimensions are used: Department and Division.

Budgeting is controlled at the department level.

Customers and vendors are defined as two groups: Domestic and International.

Mandatory credit check is set to No.

Consolidate online is used for the consolidation of all companies.

International main accounts are subject to foreign currency revaluation.

The purchasing budget is used to enforce purchasing limits.

General ledger accounts -

| Account numbers | Account description  |
|-----------------|--|
| 1200            | Domestic Accounts Receivable (USD)                         |
| 1201            | International Accounts Receivable (Canadian dollars [CAD]) |
| 2000            | Domestic Accounts Payable (USD)                            |
| 2001            | International Accounts Payable (CAD)                       |

Fourth Coffee -

The base currency is USD.

Three item groups are used: coffee, supplies, and nonstock.

The standard sales tax method is used.

Acquiring fixed assets requires a purchase order.

All customer payment journals require a deposit slip.

CustomerX is a taxable company.

CustomerY is a tax-exempt company.

CustomerZ is a taxable company.

VendorA is a Colombian supplier of coffee beans and belongs to the international vendor group.

VendorB is a Peruvian supplier of coffee machine filters and belongs to the international vendor group.

VendorC is a Texas supplier of espresso valves and belongs to the domestic vendor group.

CompanyA -

The base currency is USD.

It consists of a marketing department and a digital division.

A 4-5-4 calendar structure is used.

The standard sales tax method is used.

CompanyB -

The base currency is CAD.

The conditional sales tax method is used.

Requirements -

Reporting -

A consolidated Fourth Coffee financial report is required in USD currency.

Fourth Coffee and its subsidiaries need to be able to report sales by item type.

Year-end adjustments need to be reported separately in a different period to view financial reporting inclusive and exclusive of year-end adjustments.

Issues -

User1 observes that a General journal was used in error to post to the Domestic Accounts Receivable trade account.

User2 has to repeatedly reclassify vendor invoice journals in Fourth Coffee Company that are posted to the marketing department and digital division.

When User3 posts an Accounts receivable payment journal, a deposit slip is not generated.

User4 observes an increase in procurement department expenses for supplies.

User5 observes that sales tax is not calculating on a sales order for CustomerZ.

User6 observes that sales tax is calculating for CustomerY.

User7 observes that the sales tax payment report is excluding posted invoice transactions.

User8 in CompanyA attempts to set up the sales tax receivable account on the sales tax posting form.

User9 in CompanyA needs to purchase three tablets by using a purchase order and record the devices as fixed assets.

CustomerX requires a credit check when making a purchase and is currently at their credit limit.

## Question

DRAG DROP -

You need to assist User3 with generating a deposit slip to meet Fourth Coffee's requirement.

Which five actions should you perform in sequence? To answer, move the appropriate actions from the list of actions to the answer area and arrange them in the correct order.

NOTE: More than one order of answer choices is correct. You will receive credit for any of the correct orders you select.

Select and Place:

| Actions   | Answer Area   |
|---|---|
| Select the <b>use a deposit slip</b> check box.                               |   |
| Enter a transaction type.   |   |
| Select <b>manage deposits</b> on the bank account form.                       |   |
| Enter the journal line with account and offset account and payment reference. |   |
| Select <b>Deposit slip</b> from the functions menu and select <b>ok</b> .     |   |
| Post the journal.   |   |

Correct Answer:

| Actions   | Answer Area   |
|---|---|
|   | Enter the journal line with account and offset account and payment reference.   |
|   | Select the <b>use a deposit slip</b> check box.   |
| Select <b>manage deposits</b> on the bank account form. |   |
|   | Enter a transaction type.   |
|   | Post the journal.   |
|   | Select <b>Deposit slip</b> from the functions menu and select <b>ok</b> .   |

Reference:

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/create-a-deposit-slip>

 **Eventura** 7 months, 2 weeks ago

Seems correct. <https://learn.microsoft.com/en-us/dynamics365/finance/accounts-receivable/tasks/deposit-customer-payments>  
upvoted 1 times

 **Alice9** 1 year, 2 months ago

Transaction type appears to mean "method of payment"?  
upvoted 1 times

 **Sharkz** 2 years, 1 month ago

As per the link provided seems correct!  
upvoted 2 times

## Question #6

**Introductory Info**

Case study -

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Background -

Fourth Coffee is a coffee and supplies manufacturer based in Seattle. The company recently purchased CompanyA, based in the United States, and CompanyB, based in Canada, in order to increase production of their award-winning espresso machine and distribution of their dark roast coffee beans, respectively.

Fourth Coffee has set up CompanyA and CompanyB in their Dynamics 365 Finance to gain better visibility into the companies' profitability.

CompanyA and

CompanyB will continue to operate as subsidiaries of Fourth Coffee, but all operational companies will be consolidated under Fourth Coffee Holding Company in

US dollars (USD) for reporting purposes.

The current organizational chart is shown below:



Current environment -

Systemwide setup -

Dynamics 365 Finance in Microsoft Azure is used to manage the supply chain, retail, and financials.

All companies share a Chart of Accounts.

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Budgeting is controlled at the department level.

Customers and vendors are defined as two groups: Domestic and International.

Mandatory credit check is set to No.

Consolidate online is used for the consolidation of all companies.

International main accounts are subject to foreign currency revaluation.

The purchasing budget is used to enforce purchasing limits.

General ledger accounts -

| Account numbers | Account description  |
|-----------------|--|
| 1200            | Domestic Accounts Receivable (USD)                         |
| 1201            | International Accounts Receivable (Canadian dollars [CAD]) |
| 2000            | Domestic Accounts Payable (USD)                            |
| 2001            | International Accounts Payable (CAD)                       |

Fourth Coffee -

The base currency is USD.

Three item groups are used: coffee, supplies, and nonstock.  
The standard sales tax method is used.  
Acquiring fixed assets requires a purchase order.  
All customer payment journals require a deposit slip.  
CustomerX is a taxable company.  
CustomerY is a tax-exempt company.  
CustomerZ is a taxable company.  
VendorA is a Colombian supplier of coffee beans and belongs to the international vendor group.  
VendorB is a Peruvian supplier of coffee machine filters and belongs to the international vendor group.  
VendorC is a Texas supplier of espresso valves and belongs to the domestic vendor group.

CompanyA -

The base currency is USD.

It consists of a marketing department and a digital division.

A 4-5-4 calendar structure is used.

The standard sales tax method is used.

CompanyB -

The base currency is CAD.

The conditional sales tax method is used.

Requirements -

Reporting -

A consolidated Fourth Coffee financial report is required in USD currency.

Fourth Coffee and its subsidiaries need to be able to report sales by item type.

Year-end adjustments need to be reported separately in a different period to view financial reporting inclusive and exclusive of year-end adjustments.

Issues -

User1 observes that a General journal was used in error to post to the Domestic Accounts Receivable trade account.

User2 has to repeatedly reclassify vendor invoice journals in Fourth Coffee Company that are posted to the marketing department and digital division.

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User8 in CompanyA attempts to set up the sales tax receivable account on the sales tax posting form.

User9 in CompanyA needs to purchase three tablets by using a purchase order and record the devices as fixed assets.

CustomerX requires a credit check when making a purchase and is currently at their credit limit.

## Question

You need to view the results of Fourth Coffee Holding Company's consolidation.

Which three places show the results of financial consolidation? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. a financial report run against the company Fourth Coffee
- B. a trial balance in the Fourth Coffee Holding Company
- C. a trial balance in the company Fourth Coffee
- D. a financial report run against the Fourth Coffee Holding Company
- E. the consolidations form in Fourth Coffee Holding Company

### Correct Answer: BDE

*Community vote distribution*

**BDE (100%)**

 **axcks** 1 year, 11 months ago

**Selected Answer: BDE**

all operational companies will be consolidated under Fourth Coffee Holding Company in US dollars (USD) for reporting purposes.

upvoted 2 times

 **viking1** 2 years, 4 months ago

All companies consolidate to the holding company, BDE is correct

upvoted 2 times

## Question #7

**Introductory Info**

Case study -

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Background -

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CompanyA and

CompanyB will continue to operate as subsidiaries of Fourth Coffee, but all operational companies will be consolidated under Fourth Coffee Holding Company in

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Customers and vendors are defined as two groups: Domestic and International.

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Consolidate online is used for the consolidation of all companies.

International main accounts are subject to foreign currency revaluation.

The purchasing budget is used to enforce purchasing limits.

General ledger accounts -

| Account numbers | Account description  |
|-----------------|--|
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| 2000            | Domestic Accounts Payable (USD)                            |
| 2001            | International Accounts Payable (CAD)                       |

Fourth Coffee -

The base currency is USD.

Three item groups are used: coffee, supplies, and nonstock.

The standard sales tax method is used.

Acquiring fixed assets requires a purchase order.

All customer payment journals require a deposit slip.

CustomerX is a taxable company.

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VendorA is a Colombian supplier of coffee beans and belongs to the international vendor group.

VendorB is a Peruvian supplier of coffee machine filters and belongs to the international vendor group.

VendorC is a Texas supplier of espresso valves and belongs to the domestic vendor group.

CompanyA -

The base currency is USD.

It consists of a marketing department and a digital division.

A 4-5-4 calendar structure is used.

The standard sales tax method is used.

CompanyB -

The base currency is CAD.

The conditional sales tax method is used.

Requirements -

Reporting -

A consolidated Fourth Coffee financial report is required in USD currency.

Fourth Coffee and its subsidiaries need to be able to report sales by item type.

Year-end adjustments need to be reported separately in a different period to view financial reporting inclusive and exclusive of year-end adjustments.

Issues -

User1 observes that a General journal was used in error to post to the Domestic Accounts Receivable trade account.

User2 has to repeatedly reclassify vendor invoice journals in Fourth Coffee Company that are posted to the marketing department and digital division.

When User3 posts an Accounts receivable payment journal, a deposit slip is not generated.

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User7 observes that the sales tax payment report is excluding posted invoice transactions.

User8 in CompanyA attempts to set up the sales tax receivable account on the sales tax posting form.

User9 in CompanyA needs to purchase three tablets by using a purchase order and record the devices as fixed assets.

CustomerX requires a credit check when making a purchase and is currently at their credit limit.

## Question

You need to configure the system to resolve User8's issue.

What should you select?

- A. the Standard sales tax checkbox
- B. the Conditional sales tax checkbox
- C. a main account in the settlement account field
- D. a main account in the sales tax payable field

**Correct Answer: C**

*Community vote distribution*



✉ Flo2021 2 weeks, 3 days ago

USMF in Contoso has the GL-parameter "Apply sales taxation rules" switched to "YES". In this case, no Sales tax receivable case will appear in the form Ledger posting groups. Which means, no Input tax deduction is applicable in this case, hence D - Sales tax payable seems the correct answer here.

upvoted 1 times

✉ Kev\_Sharp 5 months, 4 weeks ago

**Selected Answer: C**

<https://learn.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/set-up-ledger-posting-groups-sales-tax>

upvoted 1 times

✉ AliK1i 1 year, 4 months ago

**Selected Answer: C**

C is correct

upvoted 1 times

✉ erin1320 1 year, 11 months ago

**Selected Answer: C**

The correct answer is C.

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/set-up-ledger-posting-groups-sales-tax>

upvoted 1 times

✉ axcks 1 year, 11 months ago

**Selected Answer: D**

In the Sales tax receivable field, select the main account for incoming taxes that are received from the tax authority.

upvoted 2 times

✉ Mobstar 2 years, 11 months ago

The correct solution is to set up both the sales tax receivable account and the settlement account. Setting up the sales tax payable account does not address user8's issue.

upvoted 2 times

✉ Mobstar 2 years, 11 months ago

The correct answer is C. You can create multiple ledger posting groups for sales tax and assign it to specific or all tax codes. AR and AP could have individual posting groups. Neither will be complete without a settlement account.

"In the Settlement account field, select the main account that the net balance of the ledger accounts specified in the Use tax payable and Sales tax receivable fields will be posted".

Reference: <https://docs.microsoft.com/en-us/learn/modules/configure-tax-module-dyn365-finance/>

upvoted 2 times

✉ Fozo 3 years, 1 month ago

D is the correct answer

upvoted 3 times

## Question #8

**Introductory Info**

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Fourth Coffee -

The base currency is USD.

Three item groups are used: coffee, supplies, and nonstock.

The standard sales tax method is used.

Acquiring fixed assets requires a purchase order.

All customer payment journals require a deposit slip.

CustomerX is a taxable company.

CustomerY is a tax-exempt company.

CustomerZ is a taxable company.

VendorA is a Colombian supplier of coffee beans and belongs to the international vendor group.

VendorB is a Peruvian supplier of coffee machine filters and belongs to the international vendor group.

VendorC is a Texas supplier of espresso valves and belongs to the domestic vendor group.

CompanyA -

The base currency is USD.

-

It consists of a marketing department and a digital division.

A 4-5-4 calendar structure is used.

The standard sales tax method is used.

CompanyB -

The base currency is CAD.

The conditional sales tax method is used.

Requirements -

Reporting -

A consolidated Fourth Coffee financial report is required in USD currency.

Fourth Coffee and its subsidiaries need to be able to report sales by item type.

Year-end adjustments need to be reported separately in a different period to view financial reporting inclusive and exclusive of year-end adjustments.

Issues -

User1 observes that a General journal was used in error to post to the Domestic Accounts Receivable trade account.

User2 has to repeatedly reclassify vendor invoice journals in Fourth Coffee Company that are posted to the marketing department and digital division.

When User3 posts an Accounts receivable payment journal, a deposit slip is not generated.

User4 observes an increase in procurement department expenses for supplies.

User5 observes that sales tax is not calculating on a sales order for CustomerZ.

User6 observes that sales tax is calculating for CustomerY.

User7 observes that the sales tax payment report is excluding posted invoice transactions.

User8 in CompanyA attempts to set up the sales tax receivable account on the sales tax posting form.

User9 in CompanyA needs to purchase three tablets by using a purchase order and record the devices as fixed assets.

CustomerX requires a credit check when making a purchase and is currently at their credit limit.

## Question

**HOTSPOT -**

The posting configuration for a purchase order is shown as follows:

**Posting**

Sales order    **Purchase order**    Inventory    Production    Standard cost variance

**Select**

- Cost of purchased materials received
- Purchase expenditure, un-invoiced
- Cost of purchased materials invoiced
- Purchase expenditure for product
- Discount
- Fixed receipt price profit
- Fixed receipt price loss
- Fixed receipt price offset
- Charge
- Stock variation
- Purchase, accrual

|       | Item code | Item relation | Category relation | Account code | Account relation | Main account |
|-------|-----------|---------------|-------------------|--------------|------------------|--------------|
| Group | Coffee    | ▼             |                   | All          | ▼                | 200190       |
| All   |           |               |                   | Table        | VendorB          | 200180       |
| All   |           |               |                   | All          |                  | 200140       |

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.

NOTE: Each correct selection is worth one point.

Hot Area:

**Answer Area**

When Fourth Coffee receives espresso valves from VendorC, to which account is the purchase accrual posted?

|        |
|--------|
| 200140 |
| 200170 |
| 200180 |
| 200190 |

When Fourth Coffee receives filters from VendorB, to which account is the purchase accrual posted?

|        |
|--------|
| 200140 |
| 200170 |
| 200180 |
| 200190 |

**Answer Area**

When Fourth Coffee receives espresso valves from VendorC, to which account is the purchase accrual posted?

|        |
|--------|
| 200140 |
| 200170 |
| 200180 |
| 200190 |

Correct Answer:

When Fourth Coffee receives filters from VendorB, to which account is the purchase accrual posted?

|        |
|--------|
| 200140 |
| 200170 |
| 200180 |
| 200190 |

 **AsiaF** 1 year, 9 months ago

Correct

upvoted 2 times

 **alexderev** 2 years, 9 months ago

I think that espresso valves are not coffee but the coffee machine's parts. Since the first answer is right.

upvoted 4 times

 **Yael\_Shachen\_Tov** 2 years, 9 months ago

What is the Item Group of

Vendor C?

Vendor B?

upvoted 1 times

✉ **BattTom** 2 years, 10 months ago

First answer \*140 since espresso is a coffee type item  
upvoted 1 times

✉ **denilson16** 2 years, 1 month ago

coffee valve is not coffee...it is a spare part of the coffee machine. therefore answers are rights.  
upvoted 1 times

✉ **stalker25** 2 years, 10 months ago

I think the first question has wrong answer. I guess espresso is part of item group Coffee and priority Table/Group/All, so in that case it should use account: 200190  
<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/vendor-posting-profiles>  
upvoted 2 times

✉ **denilson16** 2 years, 1 month ago

coffee valve is not coffee...it is a spare part of the coffee machine. therefore answers are rights.  
upvoted 1 times

## Question #9

**Introductory Info**

Case study -

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At the end of this case study, a review screen will appear. This screen allows you to review your answers and to make changes before you move to the next section of the exam. After you begin a new section, you cannot return to this section.

To start the case study -

To display the first question in this case study, click the Next button. Use the buttons in the left pane to explore the content of the case study before you answer the questions. Clicking these buttons displays information such as business requirements, existing environment, and problem statements. If the case study has an

All Information tab, note that the information displayed is identical to the information displayed on the subsequent tabs. When you are ready to answer a question, click the Question button to return to the question.

Background -

Fourth Coffee is a coffee and supplies manufacturer based in Seattle. The company recently purchased CompanyA, based in the United States, and CompanyB, based in Canada, in order to increase production of their award-winning espresso machine and distribution of their dark roast coffee beans, respectively.

Fourth Coffee has set up CompanyA and CompanyB in their Dynamics 365 Finance to gain better visibility into the companies' profitability.

CompanyA and

CompanyB will continue to operate as subsidiaries of Fourth Coffee, but all operational companies will be consolidated under Fourth Coffee Holding Company in

US dollars (USD) for reporting purposes.

The current organizational chart is shown below:



Current environment -

Systemwide setup -

Dynamics 365 Finance in Microsoft Azure is used to manage the supply chain, retail, and financials.

All companies share a Chart of Accounts.

Two dimensions are used: Department and Division.

Budgeting is controlled at the department level.

Customers and vendors are defined as two groups: Domestic and International.

Mandatory credit check is set to No.

Consolidate online is used for the consolidation of all companies.

International main accounts are subject to foreign currency revaluation.

The purchasing budget is used to enforce purchasing limits.

General ledger accounts -

| Account numbers | Account description  |
|-----------------|--|
| 1200            | Domestic Accounts Receivable (USD)                         |
| 1201            | International Accounts Receivable (Canadian dollars [CAD]) |
| 2000            | Domestic Accounts Payable (USD)                            |
| 2001            | International Accounts Payable (CAD)                       |

Fourth Coffee -

The base currency is USD.

Three item groups are used: coffee, supplies, and nonstock.

The standard sales tax method is used.

Acquiring fixed assets requires a purchase order.

All customer payment journals require a deposit slip.

CustomerX is a taxable company.

CustomerY is a tax-exempt company.

CustomerZ is a taxable company.

VendorA is a Colombian supplier of coffee beans and belongs to the international vendor group.

VendorB is a Peruvian supplier of coffee machine filters and belongs to the international vendor group.

VendorC is a Texas supplier of espresso valves and belongs to the domestic vendor group.

CompanyA -

The base currency is USD.

It consists of a marketing department and a digital division.

A 4-5-4 calendar structure is used.

The standard sales tax method is used.

CompanyB -

The base currency is CAD.

The conditional sales tax method is used.

Requirements -

Reporting -

A consolidated Fourth Coffee financial report is required in USD currency.

Fourth Coffee and its subsidiaries need to be able to report sales by item type.

Year-end adjustments need to be reported separately in a different period to view financial reporting inclusive and exclusive of year-end adjustments.

Issues -

User1 observes that a General journal was used in error to post to the Domestic Accounts Receivable trade account.

User2 has to repeatedly reclassify vendor invoice journals in Fourth Coffee Company that are posted to the marketing department and digital division.

When User3 posts an Accounts receivable payment journal, a deposit slip is not generated.

User4 observes an increase in procurement department expenses for supplies.

User5 observes that sales tax is not calculating on a sales order for CustomerZ.

User6 observes that sales tax is calculating for CustomerY.

User7 observes that the sales tax payment report is excluding posted invoice transactions.

User8 in CompanyA attempts to set up the sales tax receivable account on the sales tax posting form.

User9 in CompanyA needs to purchase three tablets by using a purchase order and record the devices as fixed assets.

CustomerX requires a credit check when making a purchase and is currently at their credit limit.

## Question

HOTSPOT -

You need to prevent a reoccurrence of User2's issue.

How should you configure the system? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

### Answer Area

| Requirement                                   | Configuration  |
|---|--|
| Configure valid dimensions for Fourth Coffee. | Set up account structure excluding the marketing department and digital division.<br>Set up financial dimension set excluding the marketing department and digital division.<br>Set up account structure including the marketing department and digital division.<br>Set up financial dimension set including the marketing department and digital division. |
| Configure valid dimensions for CompanyA.      | Set up account structure excluding the marketing department and digital division.<br>Set up financial dimension set excluding the marketing department and digital division.<br>Set up account structure including the marketing department and digital division.<br>Set up financial dimension set including the marketing department and digital division. |
| Assign valid dimensions.                      | Assign relevant account structure to the legal entity ledger.<br>Configure relevant financial dimension set in the legal entity.<br>Set up posting definitions.  |

Correct Answer:

### Answer Area

| Requirement                                   | Configuration  |
|---|--|
| Configure valid dimensions for Fourth Coffee. | Set up account structure excluding the marketing department and digital division.<br><b>Set up financial dimension set excluding the marketing department and digital division.</b><br>Set up account structure including the marketing department and digital division.<br>Set up financial dimension set including the marketing department and digital division.        |
| Configure valid dimensions for CompanyA.      | Set up account structure excluding the marketing department and digital division.<br>Set up financial dimension set excluding the marketing department and digital division.<br><b>Set up account structure including the marketing department and digital division.</b><br><b>Set up financial dimension set including the marketing department and digital division.</b> |
| Assign valid dimensions.                      | Assign relevant account structure to the legal entity ledger.<br><b>Configure relevant financial dimension set in the legal entity.</b><br>Set up posting definitions.   |

 **Dayakar\_Reddy** Highly Voted  2 years, 8 months ago

I think answer would be 1.1, 2.3 and 3.1

upvoted 12 times

 **Jay28** Highly Voted  3 years, 3 months ago

Shouldn't this be account structure rather than dimension set

upvoted 10 times

 **H\_Incandenza** Most Recent  1 year, 7 months ago

So, the point that everyone is ignoring is you don't exclude / include marketing from EITHER the account structure or the financial dimension set.

The question is worded very poorly.

To exclude them from the account structure would mean no departments or divisions at all; that can't be right!

But to exclude them from the financial dimension sets is incorrect to: this would just mean that you can report balances for given combinations of financial dimension sets.

You actually would exclude them from financial dimension VALUES. E.g. you create the financial dimensions of departments and division; then create the values for each (what departments, what divisions). Finally, you create an account structure.

...

Now, that may sound pedantic, but financial dimension values and financial dimension sets really are completely different things, even though a lot of people, veterans included, would struggle to articulate the difference.

upvoted 2 times

 **karimbelhedi** 2 years, 5 months ago

Two dimensions are used: Department and Division.

upvoted 1 times

 **Aysenuremre** 2 years, 5 months ago

Company A is a subsidiaries so EXCLUDING!

Answer

1.1.

2.2.

3.1

upvoted 1 times

 **Tincho066** 2 years, 10 months ago

Fourth Coffee Account Structure EXCLUDE

Company A Account Structure EXCLUDE

Assign relevant account structure to the legal entity ledger

upvoted 4 times

 **Wazzastudiesalot** 2 years, 11 months ago

Fourth Coffee Account Structure EXCLUDE

Company A Account Structure INCLUDE

Then assign

upvoted 4 times

 **Bandit1290** 3 years, 1 month ago

Every Answer listed is WRONG. Need to exclude the financial dimension from the account structure. Make sure you assign the correct acct structure to the ledger

upvoted 3 times

 **Pir** 3 years, 3 months ago

Valid dimensions means you need to configure account structure, as it also combination of financial dimensions which are valid.

upvoted 3 times

 **CA\_VB** 3 years, 3 months ago

Account structure is the right answer and not dimension set.

upvoted 4 times

## Question #10

**Introductory Info**

Case study -

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To start the case study -

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All Information tab, note that the information displayed is identical to the information displayed on the subsequent tabs. When you are ready to answer a question, click the Question button to return to the question.

Background -

Fourth Coffee is a coffee and supplies manufacturer based in Seattle. The company recently purchased CompanyA, based in the United States, and CompanyB, based in Canada, in order to increase production of their award-winning espresso machine and distribution of their dark roast coffee beans, respectively.

Fourth Coffee has set up CompanyA and CompanyB in their Dynamics 365 Finance to gain better visibility into the companies' profitability.

CompanyA and

CompanyB will continue to operate as subsidiaries of Fourth Coffee, but all operational companies will be consolidated under Fourth Coffee Holding Company in

US dollars (USD) for reporting purposes.

The current organizational chart is shown below:



Current environment -

Systemwide setup -

Dynamics 365 Finance in Microsoft Azure is used to manage the supply chain, retail, and financials.

All companies share a Chart of Accounts.

Two dimensions are used: Department and Division.

Budgeting is controlled at the department level.

Customers and vendors are defined as two groups: Domestic and International.

Mandatory credit check is set to No.

Consolidate online is used for the consolidation of all companies.

International main accounts are subject to foreign currency revaluation.

The purchasing budget is used to enforce purchasing limits.

General ledger accounts -

| Account numbers | Account description  |
|-----------------|--|
| 1200            | Domestic Accounts Receivable (USD)                         |
| 1201            | International Accounts Receivable (Canadian dollars [CAD]) |
| 2000            | Domestic Accounts Payable (USD)                            |
| 2001            | International Accounts Payable (CAD)                       |

Fourth Coffee -

The base currency is USD.

Three item groups are used: coffee, supplies, and nonstock.

The standard sales tax method is used.

Acquiring fixed assets requires a purchase order.

All customer payment journals require a deposit slip.

CustomerX is a taxable company.

CustomerY is a tax-exempt company.

CustomerZ is a taxable company.

VendorA is a Colombian supplier of coffee beans and belongs to the international vendor group.

VendorB is a Peruvian supplier of coffee machine filters and belongs to the international vendor group.

VendorC is a Texas supplier of espresso valves and belongs to the domestic vendor group.

CompanyA -

The base currency is USD.

It consists of a marketing department and a digital division.

A 4-5-4 calendar structure is used.

The standard sales tax method is used.

CompanyB -

The base currency is CAD.

The conditional sales tax method is used.

Requirements -

Reporting -

A consolidated Fourth Coffee financial report is required in USD currency.

Fourth Coffee and its subsidiaries need to be able to report sales by item type.

Year-end adjustments need to be reported separately in a different period to view financial reporting inclusive and exclusive of year-end adjustments.

Issues -

User1 observes that a General journal was used in error to post to the Domestic Accounts Receivable trade account.

User2 has to repeatedly reclassify vendor invoice journals in Fourth Coffee Company that are posted to the marketing department and digital division.

When User3 posts an Accounts receivable payment journal, a deposit slip is not generated.

User4 observes an increase in procurement department expenses for supplies.

User5 observes that sales tax is not calculating on a sales order for CustomerZ.

User6 observes that sales tax is calculating for CustomerY.

User7 observes that the sales tax payment report is excluding posted invoice transactions.

User8 in CompanyA attempts to set up the sales tax receivable account on the sales tax posting form.

User9 in CompanyA needs to purchase three tablets by using a purchase order and record the devices as fixed assets.

CustomerX requires a credit check when making a purchase and is currently at their credit limit.

## Question

You need to configure the financial reporting fiscal calendar for CustomerX.

What should you do?

- A. Use the ledger calendar to set up the 4-5-4 calendar.
- B. Configure the fiscal calendar to include a 13 th closing period.
- C. Configure the ledger calendar to include a 13 th closing period.
- D. Use the closing period adjustments form.

### Correct Answer: D

CustomerX is a taxable company.

CustomerX requires a credit check when making a purchase and is currently at their credit limit.

Reporting: financial reporting inclusive and exclusive of year-end adjustments.

 Flo2021 2 weeks, 3 days ago

I would say B, they require a separate closing period.

upvoted 1 times

## Topic 7 - Testlet 10

### Question #1

### Topic 7

#### Introductory Info

Case study -

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To start the case study -

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Background -

Alpine Ski House has three partially owned franchises and 10 fully owned resorts throughout the United States and Canada. Alpine Ski House's percentage ownership of the franchises is between two and 10 percent.

Alpine Ski House is undergoing an implementation of Dynamics 365 Finance and Dynamics 365 Supply Chain Management to transform their financial management and logistics capabilities across the franchises. Implementation is complete for Alpine Ski House's corporate offices, two US franchises, and one

Canadian franchise. The remaining franchises are in varying stages of the implementation. Two new resort projects are in the budget planning stages and will open in the next fiscal year.

Current environment -

Organization and general ledger -

Each franchise is set up as a legal entity in Dynamics 365 Finance.

Alpine Ski House Corporate uses financial dimensions for their fully owned resorts.

Each resort is a financial dimension named resort.

Each fully owned resort has two divisions: marketing and operations.

Only Profit and Loss account postings require the division dimension.

Corporate handles the advertising and administration of the fully owned resorts.

-

Corporate uses Dynamics 365 Project Management and Accounting to manage construction of new resorts.

Budgeting -

Organizational budgeting is decentralized but rolls up to one organizational corporate budget.

Each resort manager performs budgeting in Dynamics 365 Finance.

Budget preparation begins this month. All operational resorts will submit their budgets in two weeks.

Sales and tax -

Sales tax is configured and used by all resorts that operate in the United States.

You configure one US sales tax vendor account and assign the vendor account to the settlement periods for reporting.

You use accounts receivable charges to track donations.

Existing purchasing contracts -

Each franchise resort has an individual contract with a local supplier of their choosing to purchase at least \$10,000 worth of supplies during the calendar year.

The franchise resorts in one US state receive a two percent discount on meat and vegetable purchases in excess of \$8,000 per year.

A franchise resort in Utah has agreed to purchase 1,000 units of beef at market price from a local supplier.

Alpine Ski House uses a vendor collaboration portal to track purchase orders and requests for quotes.

Vendors request access to the vendor collaboration portal by using a workflow which runs on a nightly schedule.

#### Intercompany setup -

Vendor123 resides in US franchise Company1 and is set up for intercompany transactions. Customer345 resides in Canada franchise Company1 and is set up for intercompany transactions.

#### Requirements -

##### Franchises -

Each franchise must pay two percent of monthly sales to Alpine Ski House Corporate.

Each franchise must report their own financials to Alpine Ski House Corporate monthly.

US franchises require a three-way-match on all purchases, with a 1-percent price tolerance.

Canadian franchises require a three-way-match on all purchases except paper products, which have a 10-percent price tolerance.

##### Corporate -

Advertising costs must be balanced across the 10 resorts monthly. These costs must be split across the 12 resorts once construction of the final two resorts is completed.

Administration costs must be split across the 10 resorts proportional to the amount of sales generated.

One percent of all pack and individual ski pass sales must be donated quarterly to an environmental protection organization.

▪

The finance department must be able to see purchasing contracts and discounts for vendors based on volume spend.

##### Employees -

All employee expense reports that contain the word entertainment must be reviewed for audit purposes. If a journal is posted incorrectly, the entire journal and not just the incorrect line must be fully reversed for audit purposes.

##### Resorts -

All resorts must use Dynamics 365 Finance for budgeting and must first be approved by the regional manager. Purchased fixed assets must automatically be acquired at product receipt.

##### Issues -

User1 reports that irrelevant dimensions display in the drop down when entering a General journal.

User2 reports that dimension 00 is being used for all balance sheet accounts.

User3 tries to generate the quarterly sales tax liability payment for a specific state but does not see any payables available for that state's vendor.

User4 receives a call from a vendor who cannot access the vendor collaboration portal but needs immediate access.

User5 notices a large amount of entertainment expenses being posted without an audit review.

User6 needs to have visibility into the increase in budget that is necessary to staff the two new resorts opening next year.

User7 needs to use Dynamics 365 Finance for situational budgeting planning with the ability to increase and decrease the existing plans by certain percentages.

User8 made a mistake while posting a 1,000-line journal and reverses the entire journal but cannot find the lines that included errors during the reversal.

User9 made a mistake while posting a 55-line journal and reverses the entire journal.

User10 realizes that the purchase of five new computers did not acquire five new fixed assets upon receipt.

#### Question

##### DRAG DROP -

You need to configure the system to for existing purchasing contracts.

Which commitment types should you use? To answer, drag the appropriate commitment types to the correct requirements. Each commitment type may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

**Commitment types**

|                        |
|------------------------|
| Value                  |
| Product value          |
| Product category value |
| Product quantity       |

**Answer Area****Requirement**

Local supplier agreement

Utah agreement

**Commitment type**

|  |
|--|
|  |
|--|

|  |
|--|
|  |
|--|

Correct Answer:

**Commitment types**

|                        |
|------------------------|
|                        |
| Product value          |
| Product category value |
|                        |

**Answer Area****Requirement**

Local supplier agreement

Utah agreement

**Commitment type**

|       |
|-------|
| Value |
|-------|

|                  |
|------------------|
| Product quantity |
|------------------|

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/procurement/tasks/create-purchase-agreement>

 **AliK1i** 1 year, 4 months ago

Correct but below link better ref

<https://learn.microsoft.com/en-us/dynamics365/supply-chain/procurement/purchase-agreements>

upvoted 1 times

## Question #2

### Introductory Info

#### Case study -

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#### Background -

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Alpine Ski House is undergoing an implementation of Dynamics 365 Finance and Dynamics 365 Supply Chain Management to transform their financial management and logistics capabilities across the franchises. Implementation is complete for Alpine Ski House's corporate offices, two US franchises, and one

Canadian franchise. The remaining franchises are in varying stages of the implementation. Two new resort projects are in the budget planning stages and will open in the next fiscal year.

#### Current environment -

##### Organization and general ledger -

Each franchise is set up as a legal entity in Dynamics 365 Finance.

Alpine Ski House Corporate uses financial dimensions for their fully owned resorts.

Each resort is a financial dimension named resort.

Each fully owned resort has two divisions: marketing and operations.

Only Profit and Loss account postings require the division dimension.

Corporate handles the advertising and administration of the fully owned resorts.

▪

Corporate uses Dynamics 365 Project Management and Accounting to manage construction of new resorts.

##### Budgeting -

Organizational budgeting is decentralized but rolls up to one organizational corporate budget.

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Budget preparation begins this month. All operational resorts will submit their budgets in two weeks.

##### Sales and tax -

Sales tax is configured and used by all resorts that operate in the United States.

You configure one US sales tax vendor account and assign the vendor account to the settlement periods for reporting.

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##### Existing purchasing contracts -

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Alpine Ski House uses a vendor collaboration portal to track purchase orders and requests for quotes.

Vendors request access to the vendor collaboration portal by using a workflow which runs on a nightly schedule.

**Intercompany setup -**

Vendor123 resides in US franchise Company1 and is set up for intercompany transactions. Customer345 resides in Canada franchise Company1 and is set up for intercompany transactions.

**Requirements -****Franchises -**

Each franchise must pay two percent of monthly sales to Alpine Ski House Corporate.

Each franchise must report their own financials to Alpine Ski House Corporate monthly.

US franchises require a three-way-match on all purchases, with a 1-percent price tolerance.

Canadian franchises require a three-way-match on all purchases except paper products, which have a 10-percent price tolerance.

**Corporate -**

Advertising costs must be balanced across the 10 resorts monthly. These costs must be split across the 12 resorts once construction of the final two resorts is completed.

Administration costs must be split across the 10 resorts proportional to the amount of sales generated.

One percent of all pack and individual ski pass sales must be donated quarterly to an environmental protection organization.

▪

The finance department must be able to see purchasing contracts and discounts for vendors based on volume spend.

**Employees -**

All employee expense reports that contain the word entertainment must be reviewed for audit purposes. If a journal is posted incorrectly, the entire journal and not just the incorrect line must be fully reversed for audit purposes.

**Resorts -**

All resorts must use Dynamics 365 Finance for budgeting and must first be approved by the regional manager. Purchased fixed assets must automatically be acquired at product receipt.

**Issues -**

User1 reports that irrelevant dimensions display in the drop down when entering a General journal.

User2 reports that dimension 00 is being used for all balance sheet accounts.

User3 tries to generate the quarterly sales tax liability payment for a specific state but does not see any payables available for that state's vendor.

User4 receives a call from a vendor who cannot access the vendor collaboration portal but needs immediate access.

User5 notices a large amount of entertainment expenses being posted without an audit review.

User6 needs to have visibility into the increase in budget that is necessary to staff the two new resorts opening next year.

User7 needs to use Dynamics 365 Finance for situational budgeting planning with the ability to increase and decrease the existing plans by certain percentages.

User8 made a mistake while posting a 1,000-line journal and reverses the entire journal but cannot find the lines that included errors during the reversal.

User9 made a mistake while posting a 55-line journal and reverses the entire journal.

User10 realizes that the purchase of five new computers did not acquire five new fixed assets upon receipt.

**Question**

You need to prevent the issue from reoccurring for User5.

What should you do?

- A. Use the audit list search query type.
- B. Set up the aggregate query type for entertainment expenses.
- C. Set up the sampling query type for entertainment expenses.
- D. Add more keywords to the audit policy.

**Correct Answer: D**

*Community vote distribution*

D (100%)

✉  **Dalgy** 4 months ago

D is correct.

Question is about query types that can be used in audit policies:

<https://learn.microsoft.com/en-us/training/modules/set-up-configure-expense-management/evaluate-policies-audit-workbench>

upvoted 1 times

✉  **H\_Incandenza** 1 year, 7 months ago

**Selected Answer: D**

My best guess. As abildscales noted, the question is a little vague on specifics.

upvoted 1 times

✉  **abildscales** 2 years, 2 months ago

I don't get why more keywords are needed. It says the word entertainment must be entered by the employee or else the entire journal will be returned. So why add keywords besides entertainment ?

upvoted 1 times

✉  **H\_Incandenza** 1 year, 7 months ago

I think that's the idea: the expenses are de facto entertainment without using the word entertainment.

I don't like any of the other choices.

upvoted 1 times

## Question #3

### Introductory Info

#### Case study -

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#### Background -

Alpine Ski House has three partially owned franchises and 10 fully owned resorts throughout the United States and Canada. Alpine Ski House's percentage ownership of the franchises is between two and 10 percent.

Alpine Ski House is undergoing an implementation of Dynamics 365 Finance and Dynamics 365 Supply Chain Management to transform their financial management and logistics capabilities across the franchises. Implementation is complete for Alpine Ski House's corporate offices, two US franchises, and one

Canadian franchise. The remaining franchises are in varying stages of the implementation. Two new resort projects are in the budget planning stages and will open in the next fiscal year.

#### Current environment -

##### Organization and general ledger -

Each franchise is set up as a legal entity in Dynamics 365 Finance.

Alpine Ski House Corporate uses financial dimensions for their fully owned resorts.

Each resort is a financial dimension named resort.

Each fully owned resort has two divisions: marketing and operations.

Only Profit and Loss account postings require the division dimension.

Corporate handles the advertising and administration of the fully owned resorts.

Corporate uses Dynamics 365 Project Management and Accounting to manage construction of new resorts.

##### Budgeting -

Organizational budgeting is decentralized but rolls up to one organizational corporate budget.

Each resort manager performs budgeting in Dynamics 365 Finance.

Budget preparation begins this month. All operational resorts will submit their budgets in two weeks.

##### Sales and tax -

Sales tax is configured and used by all resorts that operate in the United States.

You configure one US sales tax vendor account and assign the vendor account to the settlement periods for reporting.

You use accounts receivable charges to track donations.

##### Existing purchasing contracts -

Each franchise resort has an individual contract with a local supplier of their choosing to purchase at least \$10,000 worth of suppliers during the calendar year.

The franchise resorts in one US state receive a two percent discount on meat and vegetable purchases in excess of \$8,000 per year.

A franchise resort in Utah has agreed to purchase 1,000 units of beef at market price from a local supplier.

Alpine Ski House uses a vendor collaboration portal to track purchase orders and requests for quotes.

Vendors request access to the vendor collaboration portal by using a workflow which runs on a nightly schedule.

**Intercompany setup -**

Vendor123 resides in US franchise Company1 and is set up for intercompany transactions. Customer345 resides in Canada franchise Company1 and is set up for intercompany transactions.

**Requirements -****Franchises -**

Each franchise must pay two percent of monthly sales to Alpine Ski House Corporate.

Each franchise must report their own financials to Alpine Ski House Corporate monthly.

US franchises require a three-way-match on all purchases, with a 1-percent price tolerance.

Canadian franchises require a three-way-match on all purchases except paper products, which have a 10-percent price tolerance.

**Corporate -**

Advertising costs must be balanced across the 10 resorts monthly. These costs must be split across the 12 resorts once construction of the final two resorts is completed.

Administration costs must be split across the 10 resorts proportional to the amount of sales generated.

One percent of all pack and individual ski pass sales must be donated quarterly to an environmental protection organization.

▪

The finance department must be able to see purchasing contracts and discounts for vendors based on volume spend.

**Employees -**

All employee expense reports that contain the word entertainment must be reviewed for audit purposes. If a journal is posted incorrectly, the entire journal and not just the incorrect line must be fully reversed for audit purposes.

**Resorts -**

All resorts must use Dynamics 365 Finance for budgeting and must first be approved by the regional manager. Purchased fixed assets must automatically be acquired at product receipt.

**Issues -**

User1 reports that irrelevant dimensions display in the drop down when entering a General journal.

User2 reports that dimension 00 is being used for all balance sheet accounts.

User3 tries to generate the quarterly sales tax liability payment for a specific state but does not see any payables available for that state's vendor.

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User8 made a mistake while posting a 1,000-line journal and reverses the entire journal but cannot find the lines that included errors during the reversal.

User9 made a mistake while posting a 55-line journal and reverses the entire journal.

User10 realizes that the purchase of five new computers did not acquire five new fixed assets upon receipt.

**Question**

The Canadian franchise purchases excess ski equipment from the US franchise. Two sets of skis are purchased totaling USD1,000.

When the purchase invoice is prepared, USD10,000 is keyed in by mistake.

Which configuration determines the result for this intercompany trade scenario?

- A. Post invoices with discrepancies is set to require approval.
- B. Match invoice totals is set to yes.
- C. Three-way match policy is configured.
- D. Two-way match policy is configured.
- E. Post invoices with discrepancies is set to allow with warning.

**Correct Answer: C**

✉ **kripe86** 1 year, 2 months ago

I understand the question so, that they are asking how it could have happened. So the right answer would be D. Matching is not setup....  
upvoted 1 times

✉ **Alice9** 1 year, 2 months ago

A and C, I believe.  
upvoted 1 times

✉ **D365FOConsultant** 1 year, 6 months ago

Requirement: Canadian franchises require a three-way-match on all purchases except paper products, which have a 10-percent price tolerance.  
Answer: A  
upvoted 1 times

✉ **Anna79** 1 year, 9 months ago

Requirements says = Canadian franchises require a three-way-match on all purchases except paper products, which have a 10-percent price tolerance.  
I think correct answer is A because Canadian Franchises buy ski equipment, not paper products with tolerance, so this invoice should have three-way matching and discrepancies need be approved  
upvoted 2 times

✉ **AndrewX** 2 years, 2 months ago

I think the answer should be BCD.  
Because it validates the invoice amount VS purchase order amount, and BCD does that.  
upvoted 2 times

## Question #4

### Introductory Info

#### Case study -

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#### Current environment -

##### Organization and general ledger -

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##### Budgeting -

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Budget preparation begins this month. All operational resorts will submit their budgets in two weeks.

##### Sales and tax -

Sales tax is configured and used by all resorts that operate in the United States.

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User8 made a mistake while posting a 1,000-line journal and reverses the entire journal but cannot find the lines that included errors during the reversal.

User9 made a mistake while posting a 55-line journal and reverses the entire journal.

User10 realizes that the purchase of five new computers did not acquire five new fixed assets upon receipt.

**Question**

You need to resolve the issue that User4 reports.

What should you do?

- A. Change the status of the vendor collaboration request
- B. Create a vendor account with the systemexternaluser role and the vendor admin (external) role
- C. Remove the externalsystemuser role from the vendor
- D. Manually create the vendor account with the systemuser role

**Correct Answer: A**

## Topic 8 - Testlet 11

### Question #1

Topic 8

#### Introductory Info

##### Case study -

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##### Background -

First Up Consultants is a global finance and accounting company.

Financial needs at organizations are constantly changing. When global companies become too large, it becomes too difficult for them to scale to meet their global operational needs. First Up Consultants provides 'Finance as a Service' capabilities.

Some large corporations complement their existing finance staff by engaging select services of First Up Consultants. Other large corporations outsource their entire finance operation to First Up Consultants.

First Up Consultants has hundreds of customers at any time. One such customer, Humongous Insurance, is updating its Dynamics Finance 365 implementation.

Another customer, Trey Research, is setting up its first Dynamics 365 Finance implementation.

##### Current environment -

##### Ledger -

Humongous Insurance is a US-based company and operates its fiscal year from January 1 to December 31. Humongous Insurance reports across all its subsidiaries in consolidated financial reports.

Trey Research is a Canadian-based company that operates its fiscal year from April 1 to March 31.

Humongous Insurance employees receive an annual cost of living increase.

##### Requirements -

##### Ledger -

One of Humongous Insurance's companies provides insurance to government clients and must separate that particular company into its own subsidiary.

The Humongous subsidiary will operate in China, which requires a fiscal year from February 1 to January 31.

Transactions must be posted in the business of record.

Humongous Insurance's subsidiary requires accounting entries to be posted from the subledger to the general ledger by 5:00 PM each day.

Trey Research requires accounting entries to be posted from the subledger to the ledger immediately.

##### Fiscal calendars -

You must create three new fiscal calendars:

A fiscal calendar named FebJan that runs from Feb 1 to Jan 31.

A fiscal calendar named AprMar that runs from April 1 to March 31.

A fiscal calendar named JanDec that runs from January 1 to December 31.

##### Accounts -

Trey Research must track bank account balances and transactions for each province in which it operates.

The bank statement must be sent to the physical address of the home office.

#### Promotion -

Humongous Insurance's subsidiary plans to celebrate its new subsidiary status by sending out free gifts to existing policyholders based on the tier of their policy.

Promotional items are ordered for distribution and once received must be tracked within Dynamics 365 Finance.

#### Taxes -

As part of the spinoff to a subsidiary, Humongous Insurance's subsidiaries taxes must be changed from US government rates to Chinese government rates.

Humongous Insurance's subsidiary must track use taxes that are not claimed or reported to the Chinese tax agency.

#### Reporting -

The CEO of Humongous Insurance needs to view the insurance products that customers plan to purchase. The report must show all transactions made over the last two years.

The corporate vice president of Humongous Insurance's subsidiary needs to view the forecasted cash impact of specific products purchased. The report must show only new transactions.

#### Expenses -

Expenses must be paid using the following requirements:

| <b>Employee's home entity</b>  | <b>Entity that work is for</b> | <b>Entity responsible for expense payment</b> |
|--------------------------------|--------------------------------|---|
| Humongous Insurance            | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |
| Humongous Insurance            | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |

#### Credit card processing -

Humongous Insurance requires all credit card transactions to include line-item details.

Humongous Insurance's subsidiary requires the shipping address, merchant address, and tax information, but cannot include any order line details.

Trey Research requires all credit card transactions include transaction date, transaction amount, description, and line-item details.

#### Compliance and compensation -

Trey Research must be able to audit any modifications to its budget.

Humongous Insurance employees must receive raises four times per budget cycle.

#### Question

##### HOTSPOT -

You need to configure credit card processing for all three companies.

Which option should you use? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

## Answer Area

| Legal entity                   | Data support   |
|--------------------------------|--|
| Humongous Insurance            | <div style="border: 1px solid black; padding: 5px; width: fit-content;"><span style="float: right;">▼</span><p>Level 1</p><p>Level 2</p><p>Level 3</p></div> |
| Humongous Insurance subsidiary | <div style="border: 1px solid black; padding: 5px; width: fit-content;"><span style="float: right;">▼</span><p>Level 1</p><p>Level 2</p><p>Level 3</p></div> |
| Trey Research                  | <div style="border: 1px solid black; padding: 5px; width: fit-content;"><span style="float: right;">▼</span><p>Level 1</p><p>Level 2</p><p>Level 3</p></div> |

## Answer Area

| Legal entity                                   | Data support   |
|--|--|
| Humongous Insurance                            | <div style="border: 1px solid black; padding: 5px; width: fit-content;"><span style="float: right;">▼</span><p>Level 1</p><p>Level 2</p><p>Level 3</p></div> |
| Correct Answer: Humongous Insurance subsidiary | <div style="border: 1px solid black; padding: 5px; width: fit-content;"><span style="float: right;">▼</span><p>Level 1</p><p>Level 2</p><p>Level 3</p></div> |
| Trey Research                                  | <div style="border: 1px solid black; padding: 5px; width: fit-content;"><span style="float: right;">▼</span><p>Level 1</p><p>Level 2</p><p>Level 3</p></div> |

Box 1: Level 3 -

Humongous Insurance requires all credit card transactions to include line-item details.

Level 3 → Transfer all Level 2 information, plus order line information.

Note: Data support -

For each credit card type that is supported, you can specify the level of data support. The level controls how much information about a transaction is transferred to the payment service. Be sure to check with your provider to determine whether it can provide this information. Here are the options for the level of data support:

Level 1 → Transfer the transaction date, transaction amount, and description.

Level 2 → Transfer all Level 1 information, plus the shipping and merchant addresses, and tax information.

Level 3 " Transfer all Level 2 information, plus order line information.

Box 2: Level 2 -

Humongous Insurance's subsidiary requires the shipping address, merchant address, and tax information, but cannot include any order line details.

Box 3: Level 3 -

Trey Research requires all credit card transactions include transaction date, transaction amount, description, and line-item details.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/credit-card-authorizations>

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**Compliance and compensation -**

Trey Research must be able to audit any modifications to its budget.

Humongous Insurance employees must receive raises four times per budget cycle.

**Question**

You need to ensure the promotional gifts are posted to the correct account.

What should you use?

- A. Field groups
- B. Classification groups
- C. Customer credit groups
- D. Item groups
- E. Bank groups

**Correct Answer: B**

Customer classification groups -

Create and maintain customer classification groups to prioritize customers in the Customer classification groups form.

Note: Promotion -

Humongous Insurance's subsidiary plans to celebrate its new subsidiary status by sending out free gifts to existing policyholders based on the tier of their policy.

Promotional items are ordered for distribution and once received must be tracked within Dynamics 365 Finance.

Incorrect:

\* You can define groups of customers who have a shared credit limit. The individual credit limit that is defined on the customer invoice account is also considered.

Members of a customer credit group can be selected from different legal entities. When you add a customer to the list of customers in the customer credit group, the expiration date of the credit limit for each customer is changed to the expiration date that is assigned to the group.

Reference:

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/accounts-receivable-setup-overview>

 **blackgodfatha** Highly Voted  1 year, 1 month ago

Seems like this should be "D" Item Groups

upvoted 9 times

**Topic 9 - Testlet 12****Question #1****Topic 9****Introductory Info**

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Background -

First Up Consultants is a global engineering and consulting organization based in Atlanta. The organization assists customers with various implementation projects. The organization provides both consulting services and custom software development.

First Up Consultants was recently acquired by a Canadian engineering firm that uses Dynamics 365 Finance. The firm requires First Up Consultants to transition to the solution by 2022.

First Up Consultants employs consultants that travel globally, which requires extensive expense management capabilities. First Up Consultants offers software as a service (SaaS) products to customers by using monthly and quarterly subscriptions.

Current environment. Travel and expense

The company is currently in Phase 2 of their Dynamics 365 Finance implementation.

Consultants submit all travel receipts by using inter-office mail to the team admin for processing, but First Up Consultants wants to modernize this experience.

Expense reports are manually approved and signed by the employee's manager.

Current environment. Finance -

First Up Consultants operates on a 4-5-4 calendar.

Accounting for revenue has been difficult with the SaaS offerings. This has led to implementing Dynamics 365 Finance Revenue recognition.

Revenue recognition has been live for 3 months.

Adatum Corporation pays quarterly for use of the First Up Consultants web design application, starting from the day of use.

Fourth Coffee pays monthly for use of the First Up Consultants photograph editing application with a contract starting August 1 and payment starting

September 1.

Adventure Works Cycles pays per use of the First Up Consultant video platform.

A blocking rule is set up to prevent a sales order from processing if a customer exceeds a credit limit.

Customer credit is set up at the account level for VanAarsdel, Ltd.

Tailspin Toys is owned by Wingtip Toys. The companies have a credit limit of \$60,000 and \$100,000, respectively.

Current environment. Revenue allocation

The company reports the following revenue allocation percentages:

| Line of business     | Revenue percentage |
|----------------------|--------------------|
| Web design           | 60 percent         |
| Video platform       | 5 percent          |
| Photography software | 10 percent         |
| Consulting           | 25 percent         |

Current environment. Tax -

VAT tax recovery is required for eligible international business trip expenses. Bank reconciliation is manual and performed by using monthly mailed account statements.

The company collects sales taxes from the following states:

| <b>Physical presence liability</b> | <b>State</b> | <b>Rate</b>  |
|------------------------------------|--------------|--------------|
| X                                  | Texas        | 6.25 percent |
| X                                  | Mississippi  | 7 percent    |
| X                                  | Tennessee    | 7 percent    |
| X                                  | Georgia      | 4.5 percent  |
|                                    | Alabama      | 4 percent    |
|                                    | Vermont      | 6 percent    |
|                                    | Kansas       | 6.5 percent  |

Requirements -

Travel and expense -

First Up Consultants requires that employees start using corporate cards for all travel expenses.

All expenses over \$50 require a receipt.

Beer cannot be expensed.

Employees may use the corporate card for personal expenses during work travel, but expenses must be categorized correctly.

Client entertainment expenses totaling more than \$250 must be audited.

Employees require a mobile expense experience.

Expense report entries must be validated when a transaction line is entered.

Employees require the ability to capture receipts by using a mobile device.

First Up Consultants requires the ability to reimburse employees in their paychecks for expenses incurred on personal cards.

Financials -

A virtual thirteenth month is required for year-end transactions.

Each day, a validation file must go to First Up Consultants bank detailing all vendor checks paid.

Except fees, all matched transactions must clear automatically during bank reconciliation.

The accounts payable team must verify expense reports prior to posting.

Only payables are allowed to be posted to a prior period up to seven days into the new period.

Issues -

User1 installed the Expense Management Service add-in and implemented the auto-match and create expense from receipt features but the receipt images do not match the corporate card transactions.

Employee1 submits an expense report for a business trip to Europe, but the report is not visible on the expense tax recovery page.

Employees provided feedback that the system lets them know of an expense report policy violation only after the entire expense report is submitted.

Members of the finance department observe sales orders that posted into a closed period.

The finance team observed that for sales order invoice 1234, the price incorrectly posts to a revenue account when it should be deferring.

Employee2 purchased supplies for a holiday party and needs to be reimbursed.

A customer orders software licenses for the offices in Tennessee and Alabama.

Expense reports for unapproved items are posting.

VanArsdel, Ltd. exceeded its credit limit but the sales order was processed.

Tailspin Toys purchases \$70,000 in custom software development.

### Question

You need to ensure that captured employee mobile receipts automatically match the transactions to resolve the User1 issue.

Which feature should you enable?

- A. Define expense policy for receipts
- B. Expense reports re-imagined
- C. Expense management workspace
- D. Show receipts during itemization

### Correct Answer: B

Note: User1 installed the Expense Management Service add-in and implemented the auto-match and create expense from receipt features but the receipt images do not match the corporate card transactions.

In the Feature management workspace, turn on the following features:

- ⇒ Expense reports re-imagined
- ⇒ Auto-match and create an expense from receipt
- ⇒ Install add-in before enabling the feature.

Reference:

<https://www.linkedin.com/pulse/expense-management-add-in-dynamics-365-finance-eralp-erakalin>

 **AliK1i** 1 year, 4 months ago

Correct

<https://learn.microsoft.com/en-us/training/modules/set-up-configure-expense-management/08-receipt-processing>

upvoted 1 times

## Question #2

### Introductory Info

#### Case study -

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#### To start the case study -

To display the first question in this case study, click the Next button. Use the buttons in the left pane to explore the content of the case study before you answer the questions. Clicking these buttons displays information such as business requirements, existing environment, and problem statements. If the case study has an All Information tab, note that the information displayed is identical to the information displayed on the subsequent tabs. When you are ready to answer a question, click the Question button to return to the question.

#### Background -

First Up Consultants is a global engineering and consulting organization based in Atlanta. The organization assists customers with various implementation projects. The organization provides both consulting services and custom software development.

First Up Consultants was recently acquired by a Canadian engineering firm that uses Dynamics 365 Finance. The firm requires First Up Consultants to transition to the solution by 2022.

First Up Consultants employs consultants that travel globally, which requires extensive expense management capabilities. First Up Consultants offers software as a service (SaaS) products to customers by using monthly and quarterly subscriptions.

#### Current environment. Travel and expense

The company is currently in Phase 2 of their Dynamics 365 Finance implementation.

Consultants submit all travel receipts by using inter-office mail to the team admin for processing, but First Up Consultants wants to modernize this experience.

Expense reports are manually approved and signed by the employee's manager.

#### Current environment. Finance -

First Up Consultants operates on a 4-5-4 calendar.

Accounting for revenue has been difficult with the SaaS offerings. This has led to implementing Dynamics 365 Finance Revenue recognition.

Revenue recognition has been live for 3 months.

Adatum Corporation pays quarterly for use of the First Up Consultants web design application, starting from the day of use.

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A blocking rule is set up to prevent a sales order from processing if a customer exceeds a credit limit.

Customer credit is set up at the account level for VanAarsdel, Ltd.

Tailspin Toys is owned by Wingtip Toys. The companies have a credit limit of \$60,000 and \$100,000, respectively.

#### Current environment. Revenue allocation

The company reports the following revenue allocation percentages:

| Line of business     | Revenue percentage |
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| Web design           | 60 percent         |
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#### Current environment. Tax -

VAT tax recovery is required for eligible international business trip expenses. Bank reconciliation is manual and performed by using monthly mailed account statements.

The company collects sales taxes from the following states:

| <b>Physical presence liability</b> | <b>State</b> | <b>Rate</b>  |
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| X                                  | Texas        | 6.25 percent |
| X                                  | Mississippi  | 7 percent    |
| X                                  | Tennessee    | 7 percent    |
| X                                  | Georgia      | 4.5 percent  |
|                                    | Alabama      | 4 percent    |
|                                    | Vermont      | 6 percent    |
|                                    | Kansas       | 6.5 percent  |

#### Requirements -

##### Travel and expense -

First Up Consultants requires that employees start using corporate cards for all travel expenses.

All expenses over \$50 require a receipt.

Beer cannot be expensed.

Employees may use the corporate card for personal expenses during work travel, but expenses must be categorized correctly.

Client entertainment expenses totaling more than \$250 must be audited.

Employees require a mobile expense experience.

Expense report entries must be validated when a transaction line is entered.

Employees require the ability to capture receipts by using a mobile device.

First Up Consultants requires the ability to reimburse employees in their paychecks for expenses incurred on personal cards.

##### Financials -

A virtual thirteenth month is required for year-end transactions.

Each day, a validation file must go to First Up Consultants bank detailing all vendor checks paid.

Except fees, all matched transactions must clear automatically during bank reconciliation.

The accounts payable team must verify expense reports prior to posting.

Only payables are allowed to be posted to a prior period up to seven days into the new period.

##### Issues -

User1 installed the Expense Management Service add-in and implemented the auto-match and create expense from receipt features but the receipt images do not match the corporate card transactions.

Employee1 submits an expense report for a business trip to Europe, but the report is not visible on the expense tax recovery page.

Employees provided feedback that the system lets them know of an expense report policy violation only after the entire expense report is submitted.

Members of the finance department observe sales orders that posted into a closed period.

The finance team observed that for sales order invoice 1234, the price incorrectly posts to a revenue account when it should be deferring.

Employee2 purchased supplies for a holiday party and needs to be reimbursed.

A customer orders software licenses for the offices in Tennessee and Alabama.

Expense reports for unapproved items are posting.

VanArsdel, Ltd. exceeded its credit limit but the sales order was processed.

Tailspin Toys purchases \$70,000 in custom software development.

#### Question

##### HOTSPOT -

You need to configure the expense module for reimbursement.

How should you configure the expense module? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

| Requirement  | Configuration  |
|--|--|
| The employee records a holiday party supplies expense. | <ul style="list-style-type: none"> <li>Use the default payment method by category.</li> <li><b>Configure the personal card expense category.</b></li> <li>Use the default corporate card method of payment.</li> <li>Select the transaction from the credit card import.</li> </ul>            |
| The employee is reimbursed.                            | <ul style="list-style-type: none"> <li>Configure the employee as a vendor.</li> <li>Configure the employee as a customer.</li> <li>Reimburse the employee through the expense management workspace.</li> <li><b>Reconcile the expense through a credit card transaction import.</b></li> </ul> |

Correct Answer:

| Requirement  | Configuration   |
|--|---|
| The employee records a holiday party supplies expense. | <ul style="list-style-type: none"> <li>Use the default payment method by category.</li> <li><b>Configure the personal card expense category.</b></li> <li>Use the default corporate card method of payment.</li> <li>Select the transaction from the credit card import.</li> </ul>                   |
| The employee is reimbursed.                            | <ul style="list-style-type: none"> <li>Configure the employee as a vendor.</li> <li>Configure the employee as a customer.</li> <li><b>Reimburse the employee through the expense management workspace.</b></li> <li><b>Reconcile the expense through a credit card transaction import.</b></li> </ul> |

Box 1: Configure the personal card expense category

Employee2 purchased supplies for a holiday party and needs to be reimbursed.

First Up Consultants requires the ability to reimburse employees in their paychecks for expenses incurred on personal cards.

Expense categories and shared categories

When employees create an expense report, each expense that they record must be associated with an expense category. Expense categories are derived from shared categories that can be shared across the legal entities in your organization. These categories can also be shared in Project management and accounting, depending on the way that your organization is defined. Based on the definition of your organization and guidance from the implementation team, determine whether the categories that are used in Expense management will be used only in Expense management, or whether they should be shared between Project management and accounting and Expense management.

Box 2: Reconcile the expense through a credit card transaction import

Import and maintain credit card transactions

Expense-related credit card transactions can be set up so that they are automatically imported on a recurring schedule. Alternatively, the transactions can be manually imported as they are required. The credit card transactions are imported through the Credit card transactions data entity.

Incorrect:

- \* Configure the employee as a vendor
- \* Reimburse the employee through the expense management workspace

Reference:

<https://docs.microsoft.com/en-us/dynamics365/project-operations/prod-exp/plan-expense-management> <https://docs.microsoft.com/en-us/dynamics365/project-operations/prod-exp/import-credit-card>

 Daniel73847 2 months ago

I think the answers are correct, based on the KB shared in the reference: <https://learn.microsoft.com/en-us/dynamics365/project-operations/prod-exp/plan-expense-management>

upvoted 1 times

 Vico93 6 months ago

I think in second question should be A (Vendor)...

upvoted 2 times



## Topic 10 - Testlet 13

### Question #1

### Topic 10

#### Introductory Info

Case study -

This is a case study. Case studies are not timed separately. You can use as much exam time as you would like to complete each case. However, there may be additional case studies and sections on this exam. You must manage your time to ensure that you are able to complete all questions included on this exam in the time provided.

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To start the case study -

To display the first question in this case study, click the Next button. Use the buttons in the left pane to explore the content of the case study before you answer the questions. Clicking these buttons displays information such as business requirements, existing environment, and problem statements. If the case study has an All Information tab, note that the information displayed is identical to the information displayed on the subsequent tabs. When you are ready to answer a question, click the Question button to return to the question.

Background -

Munson's Pickles and Preserves Farm grows and distributes produce, jellies, and jams. The company's corporate headquarters is located in Dallas, TX. Munson's has one operations center and seven regional distribution centers in the United States.

The company has two wholly owned subsidiaries that operate in Canada. The Canadian entity owns an entity in France.

Munson's plans to expand into Latin America by purchasing the last 25 percent of a subsidiary that they own in Costa Rica. This process is expected to complete within the next two years.

The company plans to implement Dynamics 365 Finance and Dynamics 365 Supply Chain to meet their growing business needs.

Current environment. General -

Munson's uses a mix of internally-developed legacy systems that handle their finance and distribution activities. The company has an isolated CRM system.

Both Canadian subsidiaries have two departments: marketing and operations.

Financial reporting is difficult due to data residing in disparate systems.

Financial reporting is currently performed by using Microsoft Excel.

Pre-orders in the current system are difficult to track because the order management system is not integrated with the finance system.

Pickle sales post to one revenue account, but this does not allow for targeted reporting by pickle cut and type.

Current environment. Organization

The following chart shows Accounting/Reporting Currencies and Tax ID, if applicable.

Typically, vendor invoices are received prior to receipt of product.

The following fixed assets are sold for a loss:

1. BUILD-100
2. CAR-1233

At the regional distribution centers, the value for physical inventory does not match the inventory in the financial system.

Munson's rents their corporate office. Rent is not paid by purchase order. Rent is due once a quarter.

Allocations are performed manually.

Barrels are inventoried by site and warehouse.

Munson's has multiple depreciation and tax books for all of their fixed asset equipment.

Budgets are posted at the department level for each legal entity.

Requirements. Sales -

Customers should be able to pre-order for fall release of pickles.

Three-way matching must be enforced for all purchases.

Fixed asset sale transactions require a ledger account entered at the time of transaction.

Fixed assets purchased must be automatically created in fixed asset module. This includes inventory items and write in purchase orders/non-inventoried items.

One dollar from every sale needs must be tracked and donated at the end of each month to a charitable organization.

Purchasing budgets must be enforced at the main account level.

#### Requirements. Finances -

Accounts payable must be able to enter vendor invoices on the day they were received to be settled against when product is received.

Accounts payable must be able to enter vendor invoices to accrue expense without specifying a purchase order at the time of entry.

Postage expenses must be split evenly across the regional distribution centers automatically.

Administrative expenses must be distributed across the regional distribution centers by percentage of fulfillment orders monthly.

Pickling machines depreciation must be uniquely recorded for visibility but not post to the ledger.

#### Issues -

During implementation testing, User1 indicates that after packing slips are generated for purchase orders, there are no ledger postings.

User2 indicates that fixed assets purchased on a purchase order do not show up in the Fixed Assets module.

User3 reports that they are seeing inconsistent application of the one-dollar donation from all sales orders.

User4 in the Canadian subsidiary is able to purchase supplies for marketing despite exceeding the marketing department budget.

User5 reports that when purchasing a non-inventoried computer, the system is automatically assigning it to the buildings fixed asset group.

#### Question

Which configuration makes it possible for User4 to make a purchase?

- A. Budget model configuration is configured to allow certain purchases to exceed budget.
- B. Budget is posted at the dimension level. Budget control is managed at main account level.
- C. Budget funds available are configured to allow dimension budget overrides.
- D. Budget is posted at the main account level. Budget control is managed at the department level.

**Correct Answer: B**

## Topic 11 - Testlet 14

### Question #1

### Topic 11

#### Introductory Info

Case study -

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To start the case study -

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Background -

Alpine Ski House has three partially owned franchises and 10 fully owned resorts throughout the United States and Canada. Alpine Ski House's percentage ownership of the franchises is between two and 10 percent.

Alpine Ski House is undergoing an implementation of Dynamics 365 Finance and Dynamics 365 Supply Chain Management to transform their financial management and logistics capabilities across the franchises. Implementation is complete for Alpine Ski House's corporate offices, two US franchises, and one

Canadian franchise. The remaining franchises are in varying stages of the implementation. Two new resort projects are in the budget planning stages and will open in the next fiscal year.

Current environment -

Organization and general ledger -

Each franchise is set up as a legal entity in Dynamics 365 Finance.

Alpine Ski House Corporate uses financial dimensions for their fully owned resorts.

Each resort is a financial dimension named resort.

Each fully owned resort has two divisions: marketing and operations.

Only Profit and Loss account postings require the division dimension.

Corporate handles the advertising and administration of the fully owned resorts.

▪

Corporate uses Dynamics 365 Project Management and Accounting to manage construction of new resorts.

Budgeting -

Organizational budgeting is decentralized but rolls up to one organizational corporate budget.

Each resort manager performs budgeting in Dynamics 365 Finance.

Budget preparation begins this month. All operational resorts will submit their budgets in two weeks.

Sales and tax -

Sales tax is configured and used by all resorts that operate in the United States.

You configure one US sales tax vendor account and assign the vendor account to the settlement periods for reporting.

You use accounts receivable charges to track donations.

Existing purchasing contracts -

Each franchise resort has an individual contract with a local supplier of their choosing to purchase at least \$10,000 worth of supplies during the calendar year.

The franchise resorts in one US state receive a two percent discount on meat and vegetable purchases in excess of \$8,000 per year.

A franchise resort in Utah has agreed to purchase 1,000 units of beef at market price from a local supplier.

Alpine Ski House uses a vendor collaboration portal to track purchase orders and requests for quotes.

Vendors request access to the vendor collaboration portal by using a workflow which runs on a nightly schedule.

#### Intercompany setup -

Vendor123 resides in US franchise Company1 and is set up for intercompany transactions. Customer345 resides in Canada franchise Company1 and is set up for intercompany transactions.

#### Requirements -

##### Franchises -

Each franchise must pay two percent of monthly sales to Alpine Ski House Corporate.

Each franchise must report their own financials to Alpine Ski House Corporate monthly.

US franchises require a three-way-match on all purchases, with a 1-percent price tolerance.

Canadian franchises require a three-way-match on all purchases except paper products, which have a 10-percent price tolerance.

##### Corporate -

Advertising costs must be balanced across the 10 resorts monthly. These costs must be split across the 12 resorts once construction of the final two resorts is completed.

Administration costs must be split across the 10 resorts proportional to the amount of sales generated.

One percent of all pack and individual ski pass sales must be donated quarterly to an environmental protection organization.

▪

The finance department must be able to see purchasing contracts and discounts for vendors based on volume spend.

##### Employees -

All employee expense reports that contain the word entertainment must be reviewed for audit purposes. If a journal is posted incorrectly, the entire journal and not just the incorrect line must be fully reversed for audit purposes.

##### Resorts -

All resorts must use Dynamics 365 Finance for budgeting and must first be approved by the regional manager. Purchased fixed assets must automatically be acquired at product receipt.

##### Issues -

User1 reports that irrelevant dimensions display in the drop down when entering a General journal.

User2 reports that dimension 00 is being used for all balance sheet accounts.

User3 tries to generate the quarterly sales tax liability payment for a specific state but does not see any payables available for that state's vendor.

User4 receives a call from a vendor who cannot access the vendor collaboration portal but needs immediate access.

User5 notices a large amount of entertainment expenses being posted without an audit review.

User6 needs to have visibility into the increase in budget that is necessary to staff the two new resorts opening next year.

User7 needs to use Dynamics 365 Finance for situational budgeting planning with the ability to increase and decrease the existing plans by certain percentages.

User8 made a mistake while posting a 1,000-line journal and reverses the entire journal but cannot find the lines that included errors during the reversal.

User9 made a mistake while posting a 55-line journal and reverses the entire journal.

User10 realizes that the purchase of five new computers did not acquire five new fixed assets upon receipt.

#### Question

##### HOTSPOT -

You need to configure the system to meet the budget preparation requirements.

What should you do? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

## Answer Area

| Requirement for | Action   |
|-----------------|--|
| New resorts     | <ul style="list-style-type: none"> <li>Generate a budget plan from a project forecast.</li> <li>Create a project forecast.</li> <li>Generate a budget plan from forecast positions.</li> <li>Create a position hierarchy.</li> </ul>                                       |
| User6           | <ul style="list-style-type: none"> <li>Generate a budget plan from forecast positions.</li> <li>Create a position hierarchy.</li> <li>Generate a budget plan from a project forecast.</li> <li>Create new open positions.</li> </ul>                                       |
| User7           | <ul style="list-style-type: none"> <li>Generate a budget plan from a budget plan.</li> <li>Generate a budget plan from a general ledger.</li> <li>Generate a budget plan from budget register entries.</li> <li>Generate a budget plan from forecast positions.</li> </ul> |

Correct Answer:

## Answer Area

| Requirement for | Action   |
|-----------------|--|
| New resorts     | <ul style="list-style-type: none"> <li>Generate a budget plan from a project forecast.</li> <li>Create a project forecast.</li> <li>Generate a budget plan from forecast positions.</li> <li>Create a position hierarchy.</li> </ul>                                       |
| User6           | <ul style="list-style-type: none"> <li>Generate a budget plan from forecast positions.</li> <li>Create a position hierarchy.</li> <li>Generate a budget plan from a project forecast.</li> <li>Create new open positions.</li> </ul>                                       |
| User7           | <ul style="list-style-type: none"> <li>Generate a budget plan from a budget plan.</li> <li>Generate a budget plan from a general ledger.</li> <li>Generate a budget plan from budget register entries.</li> <li>Generate a budget plan from forecast positions.</li> </ul> |

 **viking1**  2 years, 4 months ago

For the second question, the correct answer is to create the budget plan from forecast positions. Budget plans are not created directly from positions, open or not, so forecast positions have to be created from the positions, and then the budget plan is created from that.

upvoted 6 times

## Question #2

### Introductory Info

#### Case study -

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#### Background -

Alpine Ski House has three partially owned franchises and 10 fully owned resorts throughout the United States and Canada. Alpine Ski House's percentage ownership of the franchises is between two and 10 percent.

Alpine Ski House is undergoing an implementation of Dynamics 365 Finance and Dynamics 365 Supply Chain Management to transform their financial management and logistics capabilities across the franchises. Implementation is complete for Alpine Ski House's corporate offices, two US franchises, and one

Canadian franchise. The remaining franchises are in varying stages of the implementation. Two new resort projects are in the budget planning stages and will open in the next fiscal year.

#### Current environment -

##### Organization and general ledger -

Each franchise is set up as a legal entity in Dynamics 365 Finance.

Alpine Ski House Corporate uses financial dimensions for their fully owned resorts.

Each resort is a financial dimension named resort.

Each fully owned resort has two divisions: marketing and operations.

Only Profit and Loss account postings require the division dimension.

Corporate handles the advertising and administration of the fully owned resorts.

Corporate uses Dynamics 365 Project Management and Accounting to manage construction of new resorts.

##### Budgeting -

Organizational budgeting is decentralized but rolls up to one organizational corporate budget.

Each resort manager performs budgeting in Dynamics 365 Finance.

Budget preparation begins this month. All operational resorts will submit their budgets in two weeks.

##### Sales and tax -

Sales tax is configured and used by all resorts that operate in the United States.

You configure one US sales tax vendor account and assign the vendor account to the settlement periods for reporting.

You use accounts receivable charges to track donations.

##### Existing purchasing contracts -

Each franchise resort has an individual contract with a local supplier of their choosing to purchase at least \$10,000 worth of suppliers during the calendar year.

The franchise resorts in one US state receive a two percent discount on meat and vegetable purchases in excess of \$8,000 per year.

A franchise resort in Utah has agreed to purchase 1,000 units of beef at market price from a local supplier.

Alpine Ski House uses a vendor collaboration portal to track purchase orders and requests for quotes.

Vendors request access to the vendor collaboration portal by using a workflow which runs on a nightly schedule.

**Intercompany setup -**

Vendor123 resides in US franchise Company1 and is set up for intercompany transactions. Customer345 resides in Canada franchise Company1 and is set up for intercompany transactions.

**Requirements -****Franchises -**

Each franchise must pay two percent of monthly sales to Alpine Ski House Corporate.

Each franchise must report their own financials to Alpine Ski House Corporate monthly.

US franchises require a three-way-match on all purchases, with a 1-percent price tolerance.

Canadian franchises require a three-way-match on all purchases except paper products, which have a 10-percent price tolerance.

**Corporate -**

Advertising costs must be balanced across the 10 resorts monthly. These costs must be split across the 12 resorts once construction of the final two resorts is completed.

Administration costs must be split across the 10 resorts proportional to the amount of sales generated.

One percent of all pack and individual ski pass sales must be donated quarterly to an environmental protection organization.

▪

The finance department must be able to see purchasing contracts and discounts for vendors based on volume spend.

**Employees -**

All employee expense reports that contain the word entertainment must be reviewed for audit purposes. If a journal is posted incorrectly, the entire journal and not just the incorrect line must be fully reversed for audit purposes.

**Resorts -**

All resorts must use Dynamics 365 Finance for budgeting and must first be approved by the regional manager. Purchased fixed assets must automatically be acquired at product receipt.

**Issues -**

User1 reports that irrelevant dimensions display in the drop down when entering a General journal.

User2 reports that dimension 00 is being used for all balance sheet accounts.

User3 tries to generate the quarterly sales tax liability payment for a specific state but does not see any payables available for that state's vendor.

User4 receives a call from a vendor who cannot access the vendor collaboration portal but needs immediate access.

User5 notices a large amount of entertainment expenses being posted without an audit review.

User6 needs to have visibility into the increase in budget that is necessary to staff the two new resorts opening next year.

User7 needs to use Dynamics 365 Finance for situational budgeting planning with the ability to increase and decrease the existing plans by certain percentages.

User8 made a mistake while posting a 1,000-line journal and reverses the entire journal but cannot find the lines that included errors during the reversal.

User9 made a mistake while posting a 55-line journal and reverses the entire journal.

User10 realizes that the purchase of five new computers did not acquire five new fixed assets upon receipt.

**Question**

You need to configure budget planning for Alpine Ski House Corporate.

Which two components should you configure? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. budget control workflow
- B. budget planning hierarchy
- C. organizational hierarchy
- D. operational budget register entry
- E. budget planning workflow

**Correct Answer: BE**

Note: Two new resort projects are in the budget planning stages and will open in the next fiscal year.

Budget preparation begins this month. All operational resorts will submit their budgets in two weeks.

User6 needs to have visibility into the increase in budget that is necessary to staff the two new resorts opening next year.

B: Organization hierarchy for budget planning

On the Organization hierarchy page, you can specify an organization hierarchy as a budget planning hierarchy for each budget planning process.

The budget planning hierarchy doesn't have to match the standard organization hierarchy that is used for other purposes. Because this hierarchy is used to aggregate and distribute data, you might want it to have a different structure.

E: Budget planning workflows → Budget planning workflows consist of and define budget planning stages. Budget planning workflows are associated with budgeting workflows. Budgeting workflows are the automated and manual processes that move budget plans through the budget planning stages.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/budget-planning-overview-configuration>

*Community vote distribution*

BE (100%)

✉  **Daniel73847** 2 months ago

**Selected Answer: BE**

Based on the reference KB, answers are correct, budget planning hierarchy is more accurate.

upvoted 1 times

✉  **cs\_b** 1 year ago

Maybe rather C, because a budget planning hierarchy is automatically created based on the organizational hierarchy.

upvoted 1 times

**Topic 12 - Testlet 15****Question #1****Topic 12****Introductory Info**

Case study -

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All Information tab, note that the information displayed is identical to the information displayed on the subsequent tabs. When you are ready to answer a question, click the Question button to return to the question.

Background -

Fourth Coffee is a coffee and supplies manufacturer based in Seattle. The company recently purchased CompanyA, based in the United States, and CompanyB, based in Canada, in order to increase production of their award-winning espresso machine and distribution of their dark roast coffee beans, respectively.

Fourth Coffee has set up CompanyA and CompanyB in their Dynamics 365 Finance to gain better visibility into the companies' profitability.

CompanyA and

CompanyB will continue to operate as subsidiaries of Fourth Coffee, but all operational companies will be consolidated under Fourth Coffee Holding Company in

US dollars (USD) for reporting purposes.

The current organizational chart is shown below:



Current environment -

Systemwide setup -

Dynamics 365 Finance in Microsoft Azure is used to manage the supply chain, retail, and financials.

All companies share a Chart of Accounts.

Two dimensions are used: Department and Division.

Budgeting is controlled at the department level.

Customers and vendors are defined as two groups: Domestic and International.

Mandatory credit check is set to No.

Consolidate online is used for the consolidation of all companies.

International main accounts are subject to foreign currency revaluation.

The purchasing budget is used to enforce purchasing limits.

General ledger accounts -

| <b>Account numbers</b> | <b>Account description</b>                                 |
|------------------------|--|
| 1200                   | Domestic Accounts Receivable (USD)                         |
| 1201                   | International Accounts Receivable (Canadian dollars [CAD]) |
| 2000                   | Domestic Accounts Payable (USD)                            |
| 2001                   | International Accounts Payable (CAD)                       |

**Fourth Coffee -**

The base currency is USD.

Three item groups are used: coffee, supplies, and nonstock.

The standard sales tax method is used.

Acquiring fixed assets requires a purchase order.

All customer payment journals require a deposit slip.

CustomerX is a taxable company.

CustomerY is a tax-exempt company.

CustomerZ is a taxable company.

VendorA is a Colombian supplier of coffee beans and belongs to the international vendor group.

VendorB is a Peruvian supplier of coffee machine filters and belongs to the international vendor group.

VendorC is a Texas supplier of espresso valves and belongs to the domestic vendor group.

**CompanyA -**

The base currency is USD.

-

It consists of a marketing department and a digital division.

A 4-5-4 calendar structure is used.

The standard sales tax method is used.

**CompanyB -**

The base currency is CAD.

The conditional sales tax method is used.

**Requirements -****Reporting -**

A consolidated Fourth Coffee financial report is required in USD currency.

Fourth Coffee and its subsidiaries need to be able to report sales by item type.

Year-end adjustments need to be reported separately in a different period to view financial reporting inclusive and exclusive of year-end adjustments.

**Issues -**

User1 observes that a General journal was used in error to post to the Domestic Accounts Receivable trade account.

User2 has to repeatedly reclassify vendor invoice journals in Fourth Coffee Company that are posted to the marketing department and digital division.

When User3 posts an Accounts receivable payment journal, a deposit slip is not generated.

User4 observes an increase in procurement department expenses for supplies.

User5 observes that sales tax is not calculating on a sales order for CustomerZ.

User6 observes that sales tax is calculating for CustomerY.

User7 observes that the sales tax payment report is excluding posted invoice transactions.

User8 in CompanyA attempts to set up the sales tax receivable account on the sales tax posting form.

User9 in CompanyA needs to purchase three tablets by using a purchase order and record the devices as fixed assets.

CustomerX requires a credit check when making a purchase and is currently at their credit limit.

**Question****HOTSPOT -**

You need to configure the budgeting module to meet Fourth Coffee's requirements.

Which configuration should you use for each task? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

### Answer Area

#### Task

#### Configuration

Solve User4's issue.

- budget control documents and journals
- budget control assign budget models
- budget control budget funds available

Set the dimension level of the organization budget.

- division
- department
- main account

Set the dimension level of the budget control.

- division
- department
- main account

Correct Answer:

### Answer Area

#### Task

#### Configuration

Solve User4's issue.

- budget control documents and journals
- budget control assign budget models
- budget control budget funds available

Set the dimension level of the organization budget.

- division
- department
- main account

Set the dimension level of the budget control.

- division
- department
- main account

Box 1: budget control documents and journals

On the Documents and journals tab, you can select which source documents and journals will be subject to budget control checks, and whether the checks will occur at the level of the line entry or the whole document.

Note: User4 observes an increase in procurement department expenses for supplies.

Incorrect:

\* Budget funds available

On the Budget funds available tab, you can define the formula that is used to calculate available budget funds. Depending on how conservatively an organization manages its financial resources, or depending on regulations or industry requirements, the calculation can include draft or unposted documents.

\* Assign budget models

On the Assign budget models tab, you assign budget models to the budget cycle time spans that should be included in budget control.

Box 2: division -

Two dimensions are used: Department and Division.

Box 3: department -

Note: Budgeting is controlled at the department level.

The purchasing budget is used to enforce purchasing limits.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/budget-control-overview-configuration>

## Topic 13 - Testlet 16

### Question #1

### Topic 13

#### Introductory Info

Case study -

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Background -

First Up Consultants is a global finance and accounting company.

Financial needs at organizations are constantly changing. When global companies become too large, it becomes too difficult for them to scale to meet their global operational needs. First Up Consultants provides 'Finance as a Service' capabilities.

Some large corporations complement their existing finance staff by engaging select services of First Up Consultants. Other large corporations outsource their entire finance operation to First Up Consultants.

First Up Consultants has hundreds of customers at any time. One such customer, Humongous Insurance, is updating its Dynamics Finance 365 implementation.

Another customer, Trey Research, is setting up its first Dynamics 365 Finance implementation.

Current environment -

Ledger -

Humongous Insurance is a US-based company and operates its fiscal year from January 1 to December 31. Humongous Insurance reports across all its subsidiaries in consolidated financial reports.

Trey Research is a Canadian-based company that operates its fiscal year from April 1 to March 31.

Humongous Insurance employees receive an annual cost of living increase.

Requirements -

Ledger -

One of Humongous Insurance's companies provides insurance to government clients and must separate that particular company into its own subsidiary.

The Humongous subsidiary will operate in China, which requires a fiscal year from February 1 to January 31.

Transactions must be posted in the business of record.

Humongous Insurance's subsidiary requires accounting entries to be posted from the subledger to the general ledger by 5:00 PM each day.

Trey Research requires accounting entries to be posted from the subledger to the ledger immediately.

Fiscal calendars -

You must create three new fiscal calendars:

A fiscal calendar named FebJan that runs from Feb 1 to Jan 31.

A fiscal calendar named AprMar that runs from April 1 to March 31.

A fiscal calendar named JanDec that runs from January 1 to December 31.

Accounts -

Trey Research must track bank account balances and transactions for each province in which it operates.

The bank statement must be sent to the physical address of the home office.

#### Promotion -

Humongous Insurance's subsidiary plans to celebrate its new subsidiary status by sending out free gifts to existing policyholders based on the tier of their policy.

Promotional items are ordered for distribution and once received must be tracked within Dynamics 365 Finance.

#### Taxes -

As part of the spinoff to a subsidiary, Humongous Insurance's subsidiaries taxes must be changed from US government rates to Chinese government rates.

Humongous Insurance's subsidiary must track use taxes that are not claimed or reported to the Chinese tax agency.

#### Reporting -

The CEO of Humongous Insurance needs to view the insurance products that customers plan to purchase. The report must show all transactions made over the last two years.

The corporate vice president of Humongous Insurance's subsidiary needs to view the forecasted cash impact of specific products purchased. The report must show only new transactions.

#### Expenses -

Expenses must be paid using the following requirements:

| <b>Employee's home entity</b>  | <b>Entity that work is for</b> | <b>Entity responsible for expense payment</b> |
|--------------------------------|--------------------------------|---|
| Humongous Insurance            | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |
| Humongous Insurance            | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |

#### Credit card processing -

Humongous Insurance requires all credit card transactions to include line-item details.

Humongous Insurance's subsidiary requires the shipping address, merchant address, and tax information, but cannot include any order line details.

Trey Research requires all credit card transactions include transaction date, transaction amount, description, and line-item details.

#### Compliance and compensation -

Trey Research must be able to audit any modifications to its budget.

Humongous Insurance employees must receive raises four times per budget cycle.

#### Question

##### HOTSPOT -

You need to ensure Trey Research meets the compliance requirement.

Which budget technology should you implement? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. the Excel budget template
- B. budget codes
- C. budgeting workflows
- D. set-based budget processing

#### Correct Answer: BC

#### Compliance and compensation -

Trey Research must be able to audit any modifications to its budget.

Humongous Insurance employees must receive raises four times per budget cycle.

Use the Budget codes form to set up budget codes for budget register entries. You can use budget codes to categorize budget types.

Budget codes let you have an audit trail of approved budget modifications throughout the course of the budget cycle.

If a workflow is associated with a budget code, the workflow will be enabled for all budget register entries that use that budget code, and workflow steps must be completed before the budget register entry can reach the Completed stage.

Note: C: Budget planning workflows  
Budget planning workflows consist of and define budget planning stages. Budget planning workflows are associated with budgeting workflows. Budgeting workflows are the automated and manual processes that move budget plans through the budget planning stages.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/budget-planning-overview-configuration> <https://docs.microsoft.com/en-us/dynamicsax-2012//budget-codes-form?redirectedfrom=MSDN>

## Topic 14 - Testlet 17

### Question #1

### Topic 14

#### Introductory Info

Case study -

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Background -

Munson's Pickles and Preserves Farm grows and distributes produce, jellies, and jams. The company's corporate headquarters is located in Dallas, TX. Munson's has one operations center and seven regional distribution centers in the United States.

The company has two wholly owned subsidiaries that operate in Canada. The Canadian entity owns an entity in France.

Munson's plans to expand into Latin America by purchasing the last 25 percent of a subsidiary that they own in Costa Rica. This process is expected to complete within the next two years.

The company plans to implement Dynamics 365 Finance and Dynamics 365 Supply Chain to meet their growing business needs.

Current environment. General -

Munson's uses a mix of internally-developed legacy systems that handle their finance and distribution activities. The company has an isolated CRM system.

Both Canadian subsidiaries have two departments: marketing and operations.

Financial reporting is difficult due to data residing in disparate systems.

Financial reporting is currently performed by using Microsoft Excel.

Pre-orders in the current system are difficult to track because the order management system is not integrated with the finance system.

Pickle sales post to one revenue account, but this does not allow for targeted reporting by pickle cut and type.

Current environment. Organization

The following chart shows Accounting/Reporting Currencies and Tax ID, if applicable.

Typically, vendor invoices are received prior to receipt of product.

The following fixed assets are sold for a loss:

1. BUILD-100
2. CAR-1233

At the regional distribution centers, the value for physical inventory does not match the inventory in the financial system.

Munson's rents their corporate office. Rent is not paid by purchase order. Rent is due once a quarter.

Allocations are performed manually.

Barrels are inventoried by site and warehouse.

Munson's has multiple depreciation and tax books for all of their fixed asset equipment.

Budgets are posted at the department level for each legal entity.

Requirements. Sales -

Customers should be able to pre-order for fall release of pickles.

Three-way matching must be enforced for all purchases.

Fixed asset sale transactions require a ledger account entered at the time of transaction.

Fixed assets purchased must be automatically created in fixed asset module. This includes inventory items and write in purchase orders/non-inventoried items.

One dollar from every sale needs must be tracked and donated at the end of each month to a charitable organization.

Purchasing budgets must be enforced at the main account level.

#### Requirements. Finances -

Accounts payable must be able to enter vendor invoices on the day they were received to be settled against when product is received.

Accounts payable must be able to enter vendor invoices to accrue expense without specifying a purchase order at the time of entry.

Postage expenses must be split evenly across the regional distribution centers automatically.

Administrative expenses must be distributed across the regional distribution centers by percentage of fulfillment orders monthly.

Pickling machines depreciation must be uniquely recorded for visibility but not post to the ledger.

#### Issues -

During implementation testing, User1 indicates that after packing slips are generated for purchase orders, there are no ledger postings.

User2 indicates that fixed assets purchased on a purchase order do not show up in the Fixed Assets module.

User3 reports that they are seeing inconsistent application of the one-dollar donation from all sales orders.

User4 in the Canadian subsidiary is able to purchase supplies for marketing despite exceeding the marketing department budget.

User5 reports that when purchasing a non-inventoried computer, the system is automatically assigning it to the buildings fixed asset group.

### Question

You need to identify the root cause for the error that User5 is experiencing.

What should you check?

- A. Fixed asset rules
- B. Fixed asset determination rules
- C. Fixed asset posting profiles
- D. Fixed asset books
- E. Fixed asset depreciation profiles

**Correct Answer: B**

 **Yael\_Shachen\_Tov** 2 years, 9 months ago

In my previous blogs, I have touched on the different module integrations with fixed assets. However, I have not discussed a great feature called fixed asset determination rules. These rules combine the functionality of procurement and sourcing, product information management and fixed assets to allow users to automatically create fixed assets from purchase orders when selecting a procurement category. The determination rules take the guess work out of the users hands to ensure that these assets are properly recorded in your system

<https://www.loganconsulting.com/blog/fixed-asset-determination-rules-in-d365-for-finance-and-operations/>

upvoted 3 times

 **Yael\_Shachen\_Tov** 2 years, 9 months ago

B- The explanation

upvoted 2 times

 **H\_Incandenza** 1 year, 7 months ago

Thank you for the link   great explanation for a feature I didn't know existed

upvoted 2 times

## Question #2

### Introductory Info

#### Case study -

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#### Background -

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The company has two wholly owned subsidiaries that operate in Canada. The Canadian entity owns an entity in France.

Munson's plans to expand into Latin America by purchasing the last 25 percent of a subsidiary that they own in Costa Rica. This process is expected to complete within the next two years.

The company plans to implement Dynamics 365 Finance and Dynamics 365 Supply Chain to meet their growing business needs.

#### Current environment. General -

Munson's uses a mix of internally-developed legacy systems that handle their finance and distribution activities. The company has an isolated CRM system.

Both Canadian subsidiaries have two departments: marketing and operations.

Financial reporting is difficult due to data residing in disparate systems.

Financial reporting is currently performed by using Microsoft Excel.

Pre-orders in the current system are difficult to track because the order management system is not integrated with the finance system.

Pickle sales post to one revenue account, but this does not allow for targeted reporting by pickle cut and type.

#### Current environment. Organization

The following chart shows Accounting/Reporting Currencies and Tax ID, if applicable.

Typically, vendor invoices are received prior to receipt of product.

The following fixed assets are sold for a loss:

1. BUILD-100

2. CAR-1233

At the regional distribution centers, the value for physical inventory does not match the inventory in the financial system.

Munson's rents their corporate office. Rent is not paid by purchase order. Rent is due once a quarter.

Allocations are performed manually.

Barrels are inventoried by site and warehouse.

Munson's has multiple depreciation and tax books for all of their fixed asset equipment.

Budgets are posted at the department level for each legal entity.

#### Requirements. Sales -

Customers should be able to pre-order for fall release of pickles.

Three-way matching must be enforced for all purchases.

Fixed asset sale transactions require a ledger account entered at the time of transaction.

Fixed assets purchased must be automatically created in fixed asset module. This includes inventory items and write in purchase orders/non-inventoried items.

One dollar from every sale needs must be tracked and donated at the end of each month to a charitable organization.

Purchasing budgets must be enforced at the main account level.

**Requirements. Finances -**

Accounts payable must be able to enter vendor invoices on the day they were received to be settled against when product is received.

Accounts payable must be able to enter vendor invoices to accrue expense without specifying a purchase order at the time of entry.

Postage expenses must be split evenly across the regional distribution centers automatically.

Administrative expenses must be distributed across the regional distribution centers by percentage of fulfillment orders monthly.

Pickling machines depreciation must be uniquely recorded for visibility but not post to the ledger.

**Issues -**

During implementation testing, User1 indicates that after packing slips are generated for purchase orders, there are no ledger postings.

User2 indicates that fixed assets purchased on a purchase order do not show up in the Fixed Assets module.

User3 reports that they are seeing inconsistent application of the one-dollar donation from all sales orders.

User4 in the Canadian subsidiary is able to purchase supplies for marketing despite exceeding the marketing department budget.

User5 reports that when purchasing a non-inventoried computer, the system is automatically assigning it to the buildings fixed asset group.

**Question****DRAG DROP -**

You need to select the functionality to meet the requirement.

Which features should you use? To answer, drag the appropriate features to the correct requirements. Each feature may be used once or not at all.

You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

| <b>Features</b>         | <b>Answer Area</b>            |         |
|-------------------------|-------------------------------|---------|
| <b>Requirements</b>     | <b>Feature</b>                |         |
| Posting layer - custom  | Pickling machine depreciation | Feature |
| Posting layer - current | Regular depreciation          | Feature |
| Posting layer - tax     |                               |         |

**Correct Answer:**

| <b>Features</b>         | <b>Answer Area</b>            |                         |
|-------------------------|-------------------------------|-------------------------|
| <b>Requirements</b>     | <b>Feature</b>                |                         |
| Posting layer - custom  | Pickling machine depreciation | Posting layer - current |
| Posting layer - current | Regular depreciation          | Posting layer - tax     |
| Posting layer - tax     |                               |                         |

**Reference:**

<https://www.mscloudexperts.com/how-to-set-up-fixed-assets-to-register-transactions-in-posting-layers/>

✉  **chenbenhua**  1 year, 5 months ago

it should be the other way around.

upvoted 5 times

✉  **vbiz**  4 months, 1 week ago

According to the statement "Pickling machines depreciation must be uniquely recorded for visibility but not post to the ledger.", I think the correct answer to the first question must be "None", which is not an available option.

upvoted 2 times

✉  **cs\_b** 1 year ago

There is again no right answer for this: " Pickling machines depreciation must be uniquely recorded for visibility but not post to the ledger." If you select any posting layer it will be posted to the ledger.

upvoted 2 times

 **Alice9** 1 year, 2 months ago

Not specific enough. Depreciation for reporting is current layer. Depreciation for tax is tax layer.

upvoted 1 times

## Topic 15 - Testlet 18

### Question #1

### Topic 15

#### Introductory Info

Case study -

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Background -

Alpine Ski House has three partially owned franchises and 10 fully owned resorts throughout the United States and Canada. Alpine Ski House's percentage ownership of the franchises is between two and 10 percent.

Alpine Ski House is undergoing an implementation of Dynamics 365 Finance and Dynamics 365 Supply Chain Management to transform their financial management and logistics capabilities across the franchises. Implementation is complete for Alpine Ski House's corporate offices, two US franchises, and one

Canadian franchise. The remaining franchises are in varying stages of the implementation. Two new resort projects are in the budget planning stages and will open in the next fiscal year.

Current environment -

Organization and general ledger -

Each franchise is set up as a legal entity in Dynamics 365 Finance.

Alpine Ski House Corporate uses financial dimensions for their fully owned resorts.

Each resort is a financial dimension named resort.

Each fully owned resort has two divisions: marketing and operations.

Only Profit and Loss account postings require the division dimension.

Corporate handles the advertising and administration of the fully owned resorts.

▪

Corporate uses Dynamics 365 Project Management and Accounting to manage construction of new resorts.

Budgeting -

Organizational budgeting is decentralized but rolls up to one organizational corporate budget.

Each resort manager performs budgeting in Dynamics 365 Finance.

Budget preparation begins this month. All operational resorts will submit their budgets in two weeks.

Sales and tax -

Sales tax is configured and used by all resorts that operate in the United States.

You configure one US sales tax vendor account and assign the vendor account to the settlement periods for reporting.

You use accounts receivable charges to track donations.

Existing purchasing contracts -

Each franchise resort has an individual contract with a local supplier of their choosing to purchase at least \$10,000 worth of supplies during the calendar year.

The franchise resorts in one US state receive a two percent discount on meat and vegetable purchases in excess of \$8,000 per year.

A franchise resort in Utah has agreed to purchase 1,000 units of beef at market price from a local supplier.

Alpine Ski House uses a vendor collaboration portal to track purchase orders and requests for quotes.

Vendors request access to the vendor collaboration portal by using a workflow which runs on a nightly schedule.

#### Intercompany setup -

Vendor123 resides in US franchise Company1 and is set up for intercompany transactions. Customer345 resides in Canada franchise Company1 and is set up for intercompany transactions.

#### Requirements -

##### Franchises -

Each franchise must pay two percent of monthly sales to Alpine Ski House Corporate.

Each franchise must report their own financials to Alpine Ski House Corporate monthly.

US franchises require a three-way-match on all purchases, with a 1-percent price tolerance.

Canadian franchises require a three-way-match on all purchases except paper products, which have a 10-percent price tolerance.

##### Corporate -

Advertising costs must be balanced across the 10 resorts monthly. These costs must be split across the 12 resorts once construction of the final two resorts is completed.

Administration costs must be split across the 10 resorts proportional to the amount of sales generated.

One percent of all pack and individual ski pass sales must be donated quarterly to an environmental protection organization.

▪

The finance department must be able to see purchasing contracts and discounts for vendors based on volume spend.

##### Employees -

All employee expense reports that contain the word entertainment must be reviewed for audit purposes. If a journal is posted incorrectly, the entire journal and not just the incorrect line must be fully reversed for audit purposes.

##### Resorts -

All resorts must use Dynamics 365 Finance for budgeting and must first be approved by the regional manager. Purchased fixed assets must automatically be acquired at product receipt.

##### Issues -

User1 reports that irrelevant dimensions display in the drop down when entering a General journal.

User2 reports that dimension 00 is being used for all balance sheet accounts.

User3 tries to generate the quarterly sales tax liability payment for a specific state but does not see any payables available for that state's vendor.

User4 receives a call from a vendor who cannot access the vendor collaboration portal but needs immediate access.

User5 notices a large amount of entertainment expenses being posted without an audit review.

User6 needs to have visibility into the increase in budget that is necessary to staff the two new resorts opening next year.

User7 needs to use Dynamics 365 Finance for situational budgeting planning with the ability to increase and decrease the existing plans by certain percentages.

User8 made a mistake while posting a 1,000-line journal and reverses the entire journal but cannot find the lines that included errors during the reversal.

User9 made a mistake while posting a 55-line journal and reverses the entire journal.

User10 realizes that the purchase of five new computers did not acquire five new fixed assets upon receipt.

#### Question

You need to acquire the fixed assets that are associated with the purchase orders.

What should you do?

- A. Select the fixed asset checkbox on the invoice.
- B. Create the fixed assets in the fixed asset module and then acquire the asset.
- C. Create the fixed assets in the fixed asset module and then select the fixed asset checkbox on the product receipt.
- D. Reverse the product receipt and then repost it.

#### Correct Answer: A

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/acquire-assets-procurement>

✉️  **Lpiti** 1 year, 7 months ago

It shouldn't be C??

upvoted 2 times

✉️  **Bisera** 11 months, 3 weeks ago

A fixed asset automatically is created when you post a product receipt or vendor invoice that has the Create a new fixed asset check box selected. So, C is not the correct answer.

upvoted 1 times

**Topic 16 - Testlet 19****Question #1****Topic 16****Introductory Info**

Case study -

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Background -

Fourth Coffee is a coffee and supplies manufacturer based in Seattle. The company recently purchased CompanyA, based in the United States, and CompanyB, based in Canada, in order to increase production of their award-winning espresso machine and distribution of their dark roast coffee beans, respectively.

Fourth Coffee has set up CompanyA and CompanyB in their Dynamics 365 Finance to gain better visibility into the companies' profitability.

CompanyA and

CompanyB will continue to operate as subsidiaries of Fourth Coffee, but all operational companies will be consolidated under Fourth Coffee Holding Company in

US dollars (USD) for reporting purposes.

The current organizational chart is shown below:



Current environment -

Systemwide setup -

Dynamics 365 Finance in Microsoft Azure is used to manage the supply chain, retail, and financials.

All companies share a Chart of Accounts.

Two dimensions are used: Department and Division.

Budgeting is controlled at the department level.

Customers and vendors are defined as two groups: Domestic and International.

Mandatory credit check is set to No.

Consolidate online is used for the consolidation of all companies.

International main accounts are subject to foreign currency revaluation.

The purchasing budget is used to enforce purchasing limits.

General ledger accounts -

| <b>Account numbers</b> | <b>Account description</b>                                 |
|------------------------|--|
| 1200                   | Domestic Accounts Receivable (USD)                         |
| 1201                   | International Accounts Receivable (Canadian dollars [CAD]) |
| 2000                   | Domestic Accounts Payable (USD)                            |
| 2001                   | International Accounts Payable (CAD)                       |

**Fourth Coffee -**

The base currency is USD.

Three item groups are used: coffee, supplies, and nonstock.

The standard sales tax method is used.

Acquiring fixed assets requires a purchase order.

All customer payment journals require a deposit slip.

CustomerX is a taxable company.

CustomerY is a tax-exempt company.

CustomerZ is a taxable company.

VendorA is a Colombian supplier of coffee beans and belongs to the international vendor group.

VendorB is a Peruvian supplier of coffee machine filters and belongs to the international vendor group.

VendorC is a Texas supplier of espresso valves and belongs to the domestic vendor group.

**CompanyA -**

The base currency is USD.

-

It consists of a marketing department and a digital division.

A 4-5-4 calendar structure is used.

The standard sales tax method is used.

**CompanyB -**

The base currency is CAD.

The conditional sales tax method is used.

**Requirements -****Reporting -**

A consolidated Fourth Coffee financial report is required in USD currency.

Fourth Coffee and its subsidiaries need to be able to report sales by item type.

Year-end adjustments need to be reported separately in a different period to view financial reporting inclusive and exclusive of year-end adjustments.

**Issues -**

User1 observes that a General journal was used in error to post to the Domestic Accounts Receivable trade account.

User2 has to repeatedly reclassify vendor invoice journals in Fourth Coffee Company that are posted to the marketing department and digital division.

When User3 posts an Accounts receivable payment journal, a deposit slip is not generated.

User4 observes an increase in procurement department expenses for supplies.

User5 observes that sales tax is not calculating on a sales order for CustomerZ.

User6 observes that sales tax is calculating for CustomerY.

User7 observes that the sales tax payment report is excluding posted invoice transactions.

User8 in CompanyA attempts to set up the sales tax receivable account on the sales tax posting form.

User9 in CompanyA needs to purchase three tablets by using a purchase order and record the devices as fixed assets.

CustomerX requires a credit check when making a purchase and is currently at their credit limit.

**Question**

You need to ensure that User9's purchase is appropriately recorded.

Which three steps should you perform? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Select a fixed asset group at the line level.
- B. Set the new fixed asset toggle to yes at the line level.
- C. Enter three purchase order lines, enter quantity of 1.
- D. Enter one purchase order line, enter quantity of 3.
- E. Select a financial dimension at the line level.

**Correct Answer:** ABC

Reference:

<https://www.columbusglobal.com/en-us/blog/how-to-purchase-a-fixed-asset-through-a-po-with-dynamics-365>

*Community vote distribution*

ABC (100%)

 H\_Incandenza 1 year, 7 months ago

**Selected Answer:** ABC

correct

upvoted 1 times

 gian84 2 years, 10 months ago

correct

upvoted 3 times

## Topic 17 - Testlet 2

### Question #1

### Topic 17

#### Introductory Info

Case study -

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Background -

Munson's Pickles and Preserves Farm grows and distributes produce, jellies, and jams. The company's corporate headquarters is located in Dallas, TX. Munson's has one operations center and seven regional distribution centers in the United States.

The company has two wholly owned subsidiaries that operate in Canada. The Canadian entity owns an entity in France.

Munson's plans to expand into Latin America by purchasing the last 25 percent of a subsidiary that they own in Costa Rica. This process is expected to complete within the next two years.

The company plans to implement Dynamics 365 Finance and Dynamics 365 Supply Chain to meet their growing business needs.

Current environment. General -

Munson's uses a mix of internally-developed legacy systems that handle their finance and distribution activities. The company has an isolated CRM system.

Both Canadian subsidiaries have two departments: marketing and operations.

Financial reporting is difficult due to data residing in disparate systems.

Financial reporting is currently performed by using Microsoft Excel.

Pre-orders in the current system are difficult to track because the order management system is not integrated with the finance system.

Pickle sales post to one revenue account, but this does not allow for targeted reporting by pickle cut and type.

Current environment. Organization

The following chart shows Accounting/Reporting Currencies and Tax ID, if applicable.

Typically, vendor invoices are received prior to receipt of product.

The following fixed assets are sold for a loss:

1. BUILD-100
2. CAR-1233

At the regional distribution centers, the value for physical inventory does not match the inventory in the financial system.

Munson's rents their corporate office. Rent is not paid by purchase order. Rent is due once a quarter.

Allocations are performed manually.

Barrels are inventoried by site and warehouse.

Munson's has multiple depreciation and tax books for all of their fixed asset equipment.

Budgets are posted at the department level for each legal entity.

Requirements. Sales -

Customers should be able to pre-order for fall release of pickles.

Three-way matching must be enforced for all purchases.

Fixed asset sale transactions require a ledger account entered at the time of transaction.

Fixed assets purchased must be automatically created in fixed asset module. This includes inventory items and write in purchase orders/non-inventoried items.

One dollar from every sale needs must be tracked and donated at the end of each month to a charitable organization.

Purchasing budgets must be enforced at the main account level.

#### Requirements. Finances -

Accounts payable must be able to enter vendor invoices on the day they were received to be settled against when product is received.

Accounts payable must be able to enter vendor invoices to accrue expense without specifying a purchase order at the time of entry.

Postage expenses must be split evenly across the regional distribution centers automatically.

Administrative expenses must be distributed across the regional distribution centers by percentage of fulfillment orders monthly.

Pickling machines depreciation must be uniquely recorded for visibility but not post to the ledger.

#### Issues -

During implementation testing, User1 indicates that after packing slips are generated for purchase orders, there are no ledger postings.

User2 indicates that fixed assets purchased on a purchase order do not show up in the Fixed Assets module.

User3 reports that they are seeing inconsistent application of the one-dollar donation from all sales orders.

User4 in the Canadian subsidiary is able to purchase supplies for marketing despite exceeding the marketing department budget.

User5 reports that when purchasing a non-inventoried computer, the system is automatically assigning it to the buildings fixed asset group.

#### Question

##### HOTSPOT -

You need to determine the root cause for User1's issue.

Which configuration options should you check? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

#### Answer Area

| Item purchased | Configuration option  |
|----------------|---|
| Computer       | <input type="checkbox"/> Item groups<br><input type="checkbox"/> Procurement categories<br><input type="checkbox"/> Purchasing policies<br><input type="checkbox"/> Item model groups |
| Barrels        | <input type="checkbox"/> Item groups<br><input type="checkbox"/> Purchasing policies<br><input type="checkbox"/> Item model groups  |

**Answer Area****Item purchased**

Computer

**Configuration option**

|                        |
|------------------------|
| Item groups            |
| Procurement categories |
| Purchasing policies    |
| Item model groups      |

**Correct Answer:**

Barrels

|                     |
|---------------------|
| Item groups         |
| Purchasing policies |
| Item model groups   |

axcks 1 year, 11 months ago

User1 indicates that after packing slips are generated for purchase orders, there are no ledger postings.

The issues related to ledger posing.

Computer -> non stock -> purchasing policy

Barrels -> item groups

item model group -> inventory dimension

procurement category -> product attribute.

upvoted 1 times

Mobstar 2 years, 11 months ago

I provided the wrong answer in previous comment. The correct answer for Computer is Purchase policies if Computer is setup as a procurement category. Answer for barrel remains the same i.e. Item model group.

upvoted 3 times

BattTom 2 years, 10 months ago

computers are part of rental policies so answer should be purchasing policies

office rent is only paid and dosent transit from purch order

upvoted 4 times

Mobstar 2 years, 11 months ago

Both stocked and non-stocked item require item model group. In this context, Item groups controls actual ledger posting I.e. GL accounts while Item model group controls ledger integration (posting of physical and financial inventory), cost recognition options, inventory policy e.t.c.

Relevant settings 'post physical inventory' and 'accrue liability on product receipt'. If we assume Computer refers to a procurement category, then it will not normally produce a ledger transaction on receipt. Therefore, the correct answers are Procurement category for computer and item model group for barrels, assuming the correct posting setup (standard or item group) has been applied of course.

upvoted 2 times

Pir 3 years, 3 months ago

Computer if fixed asset, does not have Item Model Group include physical checkbox, because stocked checkbox is not checked for a fixed asset. However, for inventory item like Barrel, the checkbox "Include physical value" in item model group is enabled and should be ticked.

So in case of Computer (a fixed asset), answer should be Item Group, and in case of barrel (inventoried item), it should be Item model group to have checkbox "Include physical value".

upvoted 2 times

Mobstar 2 years, 11 months ago

Both stocked and non stocked item require item model group. The include physical value option relates to whether inventory transactions are created. This should not be confused with packing slip option. So computer and barrel, both require item model group. As the question did not differentiate between types of purchase orders, the answer would be same for stocked and non stocked items.

upvoted 3 times

Jay28 3 years, 3 months ago

Barrels--it should be Item model group--Physical posting is not ticked.

upvoted 3 times

## Question #2

### Introductory Info

Case study -

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To start the case study -

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Background -

Munson's Pickles and Preserves Farm grows and distributes produce, jellies, and jams. The company's corporate headquarters is located in Dallas, TX. Munson's has one operations center and seven regional distribution centers in the United States.

The company has two wholly owned subsidiaries that operate in Canada. The Canadian entity owns an entity in France.

Munson's plans to expand into Latin America by purchasing the last 25 percent of a subsidiary that they own in Costa Rica. This process is expected to complete within the next two years.

The company plans to implement Dynamics 365 Finance and Dynamics 365 Supply Chain to meet their growing business needs.

Current environment. General -

Munson's uses a mix of internally-developed legacy systems that handle their finance and distribution activities. The company has an isolated CRM system.

Both Canadian subsidiaries have two departments: marketing and operations.

Financial reporting is difficult due to data residing in disparate systems.

Financial reporting is currently performed by using Microsoft Excel.

Pre-orders in the current system are difficult to track because the order management system is not integrated with the finance system.

Pickle sales post to one revenue account, but this does not allow for targeted reporting by pickle cut and type.

Current environment. Organization

The following chart shows Accounting/Reporting Currencies and Tax ID, if applicable.

Typically, vendor invoices are received prior to receipt of product.

The following fixed assets are sold for a loss:

1. BUILD-100

2. CAR-1233

At the regional distribution centers, the value for physical inventory does not match the inventory in the financial system.

Munson's rents their corporate office. Rent is not paid by purchase order. Rent is due once a quarter.

Allocations are performed manually.

Barrels are inventoried by site and warehouse.

Munson's has multiple depreciation and tax books for all of their fixed asset equipment.

Budgets are posted at the department level for each legal entity.

Requirements. Sales -

Customers should be able to pre-order for fall release of pickles.

Three-way matching must be enforced for all purchases.

Fixed asset sale transactions require a ledger account entered at the time of transaction.

Fixed assets purchased must be automatically created in fixed asset module. This includes inventory items and write in purchase orders/non-inventoried items.

One dollar from every sale needs must be tracked and donated at the end of each month to a charitable organization.

Purchasing budgets must be enforced at the main account level.

**Requirements. Finances -**

Accounts payable must be able to enter vendor invoices on the day they were received to be settled against when product is received.

Accounts payable must be able to enter vendor invoices to accrue expense without specifying a purchase order at the time of entry.

Postage expenses must be split evenly across the regional distribution centers automatically.

Administrative expenses must be distributed across the regional distribution centers by percentage of fulfillment orders monthly.

Pickling machines depreciation must be uniquely recorded for visibility but not post to the ledger.

**Issues -**

During implementation testing, User1 indicates that after packing slips are generated for purchase orders, there are no ledger postings.

User2 indicates that fixed assets purchased on a purchase order do not show up in the Fixed Assets module.

User3 reports that they are seeing inconsistent application of the one-dollar donation from all sales orders.

User4 in the Canadian subsidiary is able to purchase supplies for marketing despite exceeding the marketing department budget.

User5 reports that when purchasing a non-inventoried computer, the system is automatically assigning it to the buildings fixed asset group.

**Question****DRAG DROP -**

You need to process expense allocations.

Which features should you use? To answer, drag the appropriate features to the correct requirements. Each feature may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

| <b>Features</b>          | <b>Answer Area</b>        |                |
|--------------------------|---------------------------|----------------|
|                          | <b>Requirement</b>        | <b>Feature</b> |
| Main account allocations | Process postage expenses. | Feature        |
| Ledger allocation rules  | Process admin expenses.   | Feature        |
| Accounting distributes   |                           |                |

**Correct Answer:**

| <b>Features</b>          | <b>Answer Area</b>        |                         |
|--------------------------|---------------------------|-------------------------|
|                          | <b>Requirement</b>        | <b>Feature</b>          |
| Main account allocations | Process postage expenses. | Ledger allocation rules |
| Ledger allocation rules  | Process admin expenses.   | Ledger allocation rules |
| Accounting distributes   |                           |                         |

**Reference:**

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/ledger-allocation-rules>

 **Jay28**  3 years, 3 months ago

Postage expense-should this not be main account allocation (terms) as it is requirement automatically.

upvoted 17 times

 **Berda**  2 years, 3 months ago

For Process postage expensive is right answer Main account allocation (means Allocation terms), because there is a requirement "AUTOMATICALLY".

For Administrative expenses is right answer Ledger allocation rules (method of BASIS, which can distribute by percentage), because this action occurs monthly (not immediately with posting).

upvoted 6 times

 **H\_Incandenza** Most Recent 1 year, 7 months ago

Agree with Jay28 and Berda; though Postage expense could \*almost\* be accomplished with ledger allocation rules, LARs will not perform the allocation automatically; allocation terms (they frustratingly call this main account allocation) are required to do that.

upvoted 1 times

 **Yael\_Shachen\_Tov** 2 years, 9 months ago

Correct

Evenly and percentage are methods defined by Ledger allocation Rules

upvoted 1 times

## Question #3

### Introductory Info

#### Case study -

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Munson's plans to expand into Latin America by purchasing the last 25 percent of a subsidiary that they own in Costa Rica. This process is expected to complete within the next two years.

The company plans to implement Dynamics 365 Finance and Dynamics 365 Supply Chain to meet their growing business needs.

#### Current environment. General -

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Pickle sales post to one revenue account, but this does not allow for targeted reporting by pickle cut and type.

#### Current environment. Organization

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Customers should be able to pre-order for fall release of pickles.

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Purchasing budgets must be enforced at the main account level.

#### Requirements. Finances -

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User5 reports that when purchasing a non-inventoried computer, the system is automatically assigning it to the buildings fixed asset group.

#### Question

You need to configure system functionality for pickle type reporting.

What should you use?

- A. item model groups
- B. item groups
- C. procurement category hierarchies
- D. financial dimensions
- E. procurement categories

**Correct Answer: B**

 **scorcher** Highly Voted 3 years, 1 month ago

It says that pickles are posted to a single account for revenue, but I feel they are leaning more to the idea that you can utilize item groups for reporting without bringing product specific information into financial dimensions. Even the use of product dimensions is an applicable thought, but in my experience I wouldn't think a financial dimension is the right call in the real world. If the question had said, financially report by pickle type/cut, then I could agree with dimensions.

upvoted 9 times

 **Aamir66** 1 year, 2 months ago

Where have you seen Item Groups being used in reporting? Financial dimensions are only available for reporting as far as I know.

upvoted 1 times

 **Yael\_Shachen\_Tov** Most Recent 2 years, 9 months ago

Item Group

upvoted 1 times

 **Pir** 3 years, 3 months ago

D. Financial dimension is correct answer, as mentioned in question, the postings is into one main account which does not help in reporting. That is the main reason for financial dimensions to come into being.

It can be two Custom financial dimensions for Cut and Type as mentioned by Jay.

upvoted 1 times

 **Jay28** 3 years, 3 months ago

financial dimensions is probably more suitable. if a pickle (single product) has a 'cut' and 'type' and we want to analyse it, it is possible by assigning the 2 dimensions to it and analyse overall pickle revenue by cut/type.

upvoted 1 times

## Question #4

### Introductory Info

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Financial reporting is currently performed by using Microsoft Excel.

Pre-orders in the current system are difficult to track because the order management system is not integrated with the finance system.

Pickle sales post to one revenue account, but this does not allow for targeted reporting by pickle cut and type.

#### Current environment. Organization

The following chart shows Accounting/Reporting Currencies and Tax ID, if applicable.

Typically, vendor invoices are received prior to receipt of product.

The following fixed assets are sold for a loss:

1. BUILD-100

2. CAR-1233

At the regional distribution centers, the value for physical inventory does not match the inventory in the financial system.

Munson's rents their corporate office. Rent is not paid by purchase order. Rent is due once a quarter.

Allocations are performed manually.

Barrels are inventoried by site and warehouse.

Munson's has multiple depreciation and tax books for all of their fixed asset equipment.

Budgets are posted at the department level for each legal entity.

#### Requirements. Sales -

Customers should be able to pre-order for fall release of pickles.

Three-way matching must be enforced for all purchases.

Fixed asset sale transactions require a ledger account entered at the time of transaction.

Fixed assets purchased must be automatically created in fixed asset module. This includes inventory items and write in purchase orders/non-inventoried items.

One dollar from every sale needs must be tracked and donated at the end of each month to a charitable organization.

Purchasing budgets must be enforced at the main account level.

**Requirements. Finances -**

Accounts payable must be able to enter vendor invoices on the day they were received to be settled against when product is received.

Accounts payable must be able to enter vendor invoices to accrue expense without specifying a purchase order at the time of entry.

Postage expenses must be split evenly across the regional distribution centers automatically.

Administrative expenses must be distributed across the regional distribution centers by percentage of fulfillment orders monthly.

Pickling machines depreciation must be uniquely recorded for visibility but not post to the ledger.

**Issues -**

During implementation testing, User1 indicates that after packing slips are generated for purchase orders, there are no ledger postings.

User2 indicates that fixed assets purchased on a purchase order do not show up in the Fixed Assets module.

User3 reports that they are seeing inconsistent application of the one-dollar donation from all sales orders.

User4 in the Canadian subsidiary is able to purchase supplies for marketing despite exceeding the marketing department budget.

User5 reports that when purchasing a non-inventoried computer, the system is automatically assigning it to the buildings fixed asset group.

**Question**

You need to configure the regional distribution centers.

Which three actions should you perform? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Configure a site
- B. Associate the financial dimension to the site
- C. Configure a financial dimension
- D. Configure a legal entity
- E. Associate the legal entity to the site

**Correct Answer: ABC**

Reference:

<https://exploredynamics365.home.blog/2020/10/05/ledger-allocation-in-microsoft-dynamics-365-finance-and-operations-part-1/>

## Topic 18 - Testlet 3

### Question #1

### Topic 18

#### Introductory Info

Case study -

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Background -

Alpine Ski House has three partially owned franchises and 10 fully owned resorts throughout the United States and Canada. Alpine Ski House's percentage ownership of the franchises is between two and 10 percent.

Alpine Ski House is undergoing an implementation of Dynamics 365 Finance and Dynamics 365 Supply Chain Management to transform their financial management and logistics capabilities across the franchises. Implementation is complete for Alpine Ski House's corporate offices, two US franchises, and one

Canadian franchise. The remaining franchises are in varying stages of the implementation. Two new resort projects are in the budget planning stages and will open in the next fiscal year.

Current environment -

Organization and general ledger -

Each franchise is set up as a legal entity in Dynamics 365 Finance.

Alpine Ski House Corporate uses financial dimensions for their fully owned resorts.

Each resort is a financial dimension named resort.

Each fully owned resort has two divisions: marketing and operations.

Only Profit and Loss account postings require the division dimension.

Corporate handles the advertising and administration of the fully owned resorts.

-

Corporate uses Dynamics 365 Project Management and Accounting to manage construction of new resorts.

Budgeting -

Organizational budgeting is decentralized but rolls up to one organizational corporate budget.

Each resort manager performs budgeting in Dynamics 365 Finance.

Budget preparation begins this month. All operational resorts will submit their budgets in two weeks.

Sales and tax -

Sales tax is configured and used by all resorts that operate in the United States.

You configure one US sales tax vendor account and assign the vendor account to the settlement periods for reporting.

You use accounts receivable charges to track donations.

Existing purchasing contracts -

Each franchise resort has an individual contract with a local supplier of their choosing to purchase at least \$10,000 worth of supplies during the calendar year.

The franchise resorts in one US state receive a two percent discount on meat and vegetable purchases in excess of \$8,000 per year.

A franchise resort in Utah has agreed to purchase 1,000 units of beef at market price from a local supplier.

Alpine Ski House uses a vendor collaboration portal to track purchase orders and requests for quotes.

Vendors request access to the vendor collaboration portal by using a workflow which runs on a nightly schedule.

Intercompany setup -

Vendor123 resides in US franchise Company1 and is set up for intercompany transactions. Customer345 resides in Canada franchise Company1 and is set up for intercompany transactions.

Requirements -

Franchises -

Each franchise must pay two percent of monthly sales to Alpine Ski House Corporate.

Each franchise must report their own financials to Alpine Ski House Corporate monthly.

US franchises require a three-way-match on all purchases, with a 1-percent price tolerance.

Canadian franchises require a three-way-match on all purchases except paper products, which have a 10-percent price tolerance.

Corporate -

Advertising costs must be balanced across the 10 resorts monthly. These costs must be split across the 12 resorts once construction of the final two resorts is completed.

Administration costs must be split across the 10 resorts proportional to the amount of sales generated.

One percent of all pack and individual ski pass sales must be donated quarterly to an environmental protection organization.

▪

The finance department must be able to see purchasing contracts and discounts for vendors based on volume spend.

Employees -

All employee expense reports that contain the word entertainment must be reviewed for audit purposes. If a journal is posted incorrectly, the entire journal and not just the incorrect line must be fully reversed for audit purposes.

Resorts -

All resorts must use Dynamics 365 Finance for budgeting and must first be approved by the regional manager. Purchased fixed assets must automatically be acquired at product receipt.

Issues -

User1 reports that irrelevant dimensions display in the drop down when entering a General journal.

User2 reports that dimension 00 is being used for all balance sheet accounts.

User3 tries to generate the quarterly sales tax liability payment for a specific state but does not see any payables available for that state's vendor.

User4 receives a call from a vendor who cannot access the vendor collaboration portal but needs immediate access.

User5 notices a large amount of entertainment expenses being posted without an audit review.

User6 needs to have visibility into the increase in budget that is necessary to staff the two new resorts opening next year.

User7 needs to use Dynamics 365 Finance for situational budgeting planning with the ability to increase and decrease the existing plans by certain percentages.

User8 made a mistake while posting a 1,000-line journal and reverses the entire journal but cannot find the lines that included errors during the reversal.

User9 made a mistake while posting a 55-line journal and reverses the entire journal.

User10 realizes that the purchase of five new computers did not acquire five new fixed assets upon receipt.

## Question

DRAG DROP -

You need to configure ledger allocations to meet the requirements.

What should you configure? To answer, drag the appropriate setups to the correct requirements. Each setup may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

### Options

|                  |              |
|------------------|--------------|
| Fixed percentage | Basis        |
| Equally          | Fixed weight |

### Answer Area

| Requirement             | Option |
|-------------------------|--------|
| Advertising expenses    | Option |
| Administration expenses | Option |

**Correct Answer:****Options**

|                  |              |
|------------------|--------------|
| Fixed percentage |              |
|                  | Fixed weight |

**Answer Area**

| Requirement             | Option  |
|-------------------------|---------|
| Advertising expenses    | Equally |
| Administration expenses | Basis   |

**Reference:**

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/ledger-allocation-rules>

 **H\_Incandenza** 1 year, 7 months ago

Just a quick observation: when they ask questions about which allocation method to use, its rare that the answer is fixed weight / percentage.

The reason being that, in most circumstances both methods will suffice. So they tend not to make good answers.

upvoted 3 times

 **Sharkz** 2 years ago

The given answer is correct.

upvoted 2 times

## Question #2

### Introductory Info

#### Case study -

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Canadian franchise. The remaining franchises are in varying stages of the implementation. Two new resort projects are in the budget planning stages and will open in the next fiscal year.

#### Current environment -

##### Organization and general ledger -

Each franchise is set up as a legal entity in Dynamics 365 Finance.

Alpine Ski House Corporate uses financial dimensions for their fully owned resorts.

Each resort is a financial dimension named resort.

Each fully owned resort has two divisions: marketing and operations.

Only Profit and Loss account postings require the division dimension.

Corporate handles the advertising and administration of the fully owned resorts.

Corporate uses Dynamics 365 Project Management and Accounting to manage construction of new resorts.

##### Budgeting -

Organizational budgeting is decentralized but rolls up to one organizational corporate budget.

Each resort manager performs budgeting in Dynamics 365 Finance.

Budget preparation begins this month. All operational resorts will submit their budgets in two weeks.

##### Sales and tax -

Sales tax is configured and used by all resorts that operate in the United States.

You configure one US sales tax vendor account and assign the vendor account to the settlement periods for reporting.

You use accounts receivable charges to track donations.

##### Existing purchasing contracts -

Each franchise resort has an individual contract with a local supplier of their choosing to purchase at least \$10,000 worth of suppliers during the calendar year.

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Vendors request access to the vendor collaboration portal by using a workflow which runs on a nightly schedule.

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**Requirements -****Franchises -**

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**Corporate -**

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▪

The finance department must be able to see purchasing contracts and discounts for vendors based on volume spend.

**Employees -**

All employee expense reports that contain the word entertainment must be reviewed for audit purposes. If a journal is posted incorrectly, the entire journal and not just the incorrect line must be fully reversed for audit purposes.

**Resorts -**

All resorts must use Dynamics 365 Finance for budgeting and must first be approved by the regional manager. Purchased fixed assets must automatically be acquired at product receipt.

**Issues -**

User1 reports that irrelevant dimensions display in the drop down when entering a General journal.

User2 reports that dimension 00 is being used for all balance sheet accounts.

User3 tries to generate the quarterly sales tax liability payment for a specific state but does not see any payables available for that state's vendor.

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User8 made a mistake while posting a 1,000-line journal and reverses the entire journal but cannot find the lines that included errors during the reversal.

User9 made a mistake while posting a 55-line journal and reverses the entire journal.

User10 realizes that the purchase of five new computers did not acquire five new fixed assets upon receipt.

**Question**

You need to adjust the sales tax configuration to resolve the issue for User3.

What should you do?

- A. Create multiple settlement periods and assign them to the US tax vendor.
- B. Create multiple sales tax remittance vendors and assign them to the settlement period.
- C. Run the payment proposal to generate the sales tax liability payments.
- D. Create a state-specific settlement period and assign the US tax vendor to the settlement period.

**Correct Answer: D**

 karimbelhedi 2 years, 5 months ago

we assign a settlement period to a tax code not assign a vendor tax to a settlement period !

upvoted 1 times

 **AsiaF** 1 year, 9 months ago

We assign Authority (vendor) to Sales tax settlement periods.

upvoted 3 times

 **kripe86** 1 year, 2 months ago

It is not necessary to assign a vendor to an authority...

upvoted 1 times

## Question #3

### Introductory Info

#### Case study -

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#### Background -

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Canadian franchise. The remaining franchises are in varying stages of the implementation. Two new resort projects are in the budget planning stages and will open in the next fiscal year.

#### Current environment -

##### Organization and general ledger -

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Alpine Ski House Corporate uses financial dimensions for their fully owned resorts.

Each resort is a financial dimension named resort.

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Corporate uses Dynamics 365 Project Management and Accounting to manage construction of new resorts.

##### Budgeting -

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Budget preparation begins this month. All operational resorts will submit their budgets in two weeks.

##### Sales and tax -

Sales tax is configured and used by all resorts that operate in the United States.

You configure one US sales tax vendor account and assign the vendor account to the settlement periods for reporting.

You use accounts receivable charges to track donations.

##### Existing purchasing contracts -

Each franchise resort has an individual contract with a local supplier of their choosing to purchase at least \$10,000 worth of suppliers during the calendar year.

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Vendors request access to the vendor collaboration portal by using a workflow which runs on a nightly schedule.

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**Corporate -**

Advertising costs must be balanced across the 10 resorts monthly. These costs must be split across the 12 resorts once construction of the final two resorts is completed.

Administration costs must be split across the 10 resorts proportional to the amount of sales generated.

One percent of all pack and individual ski pass sales must be donated quarterly to an environmental protection organization.

The finance department must be able to see purchasing contracts and discounts for vendors based on volume spend.

**Employees -**

All employee expense reports that contain the word entertainment must be reviewed for audit purposes. If a journal is posted incorrectly, the entire journal and not just the incorrect line must be fully reversed for audit purposes.

**Resorts -**

All resorts must use Dynamics 365 Finance for budgeting and must first be approved by the regional manager. Purchased fixed assets must automatically be acquired at product receipt.

**Issues -**

User1 reports that irrelevant dimensions display in the drop down when entering a General journal.

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User8 made a mistake while posting a 1,000-line journal and reverses the entire journal but cannot find the lines that included errors during the reversal.

User9 made a mistake while posting a 55-line journal and reverses the entire journal.

User10 realizes that the purchase of five new computers did not acquire five new fixed assets upon receipt.

**Question**

You need to determine the cause of the issue that User1 reports.

What are two possible causes for the issue? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. The account structure is in draft status.
- B. The financial dimensions were created in the incorrect legal entity.
- C. User1's security is incorrectly set up.
- D. The account structure has an asterisk for all dimensions.
- E. The account structure has quotations for all dimensions.

**Correct Answer: DE**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/configure-account-structures>*Community vote distribution* BD (100%)

 **blackgodfatha** 1 year, 1 month ago

Should be A/D

upvoted 1 times

 **kripe86** 1 year, 2 months ago

**Selected Answer: BD**

Quotations are for allowing blank in dimensions.

So i think that the right answer is dimensions created in a wrong company or asterix in the structure

upvoted 2 times

## Topic 19 - Testlet 4

### Question #1

### Topic 19

#### Introductory Info

Case study -

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Background -

First Up Consultants is a global finance and accounting company.

Financial needs at organizations are constantly changing. When global companies become too large, it becomes too difficult for them to scale to meet their global operational needs. First Up Consultants provides 'Finance as a Service' capabilities.

Some large corporations complement their existing finance staff by engaging select services of First Up Consultants. Other large corporations outsource their entire finance operation to First Up Consultants.

First Up Consultants has hundreds of customers at any time. One such customer, Humongous Insurance, is updating its Dynamics Finance 365 implementation.

Another customer, Trey Research, is setting up its first Dynamics 365 Finance implementation.

Current environment -

Ledger -

Humongous Insurance is a US-based company and operates its fiscal year from January 1 to December 31. Humongous Insurance reports across all its subsidiaries in consolidated financial reports.

Trey Research is a Canadian-based company that operates its fiscal year from April 1 to March 31.

Humongous Insurance employees receive an annual cost of living increase.

Requirements -

Ledger -

One of Humongous Insurance's companies provides insurance to government clients and must separate that particular company into its own subsidiary.

The Humongous subsidiary will operate in China, which requires a fiscal year from February 1 to January 31.

Transactions must be posted in the business of record.

Humongous Insurance's subsidiary requires accounting entries to be posted from the subledger to the general ledger by 5:00 PM each day.

Trey Research requires accounting entries to be posted from the subledger to the ledger immediately.

Fiscal calendars -

You must create three new fiscal calendars:

A fiscal calendar named FebJan that runs from Feb 1 to Jan 31.

A fiscal calendar named AprMar that runs from April 1 to March 31.

A fiscal calendar named JanDec that runs from January 1 to December 31.

Accounts -

Trey Research must track bank account balances and transactions for each province in which it operates.

The bank statement must be sent to the physical address of the home office.

#### Promotion -

Humongous Insurance's subsidiary plans to celebrate its new subsidiary status by sending out free gifts to existing policyholders based on the tier of their policy.

Promotional items are ordered for distribution and once received must be tracked within Dynamics 365 Finance.

#### Taxes -

As part of the spinoff to a subsidiary, Humongous Insurance's subsidiaries taxes must be changed from US government rates to Chinese government rates.

Humongous Insurance's subsidiary must track use taxes that are not claimed or reported to the Chinese tax agency.

#### Reporting -

The CEO of Humongous Insurance needs to view the insurance products that customers plan to purchase. The report must show all transactions made over the last two years.

The corporate vice president of Humongous Insurance's subsidiary needs to view the forecasted cash impact of specific products purchased. The report must show only new transactions.

#### Expenses -

Expenses must be paid using the following requirements:

| <b>Employee's home entity</b>  | <b>Entity that work is for</b> | <b>Entity responsible for expense payment</b> |
|--------------------------------|--------------------------------|---|
| Humongous Insurance            | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |
| Humongous Insurance            | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |

#### Credit card processing -

Humongous Insurance requires all credit card transactions to include line-item details.

Humongous Insurance's subsidiary requires the shipping address, merchant address, and tax information, but cannot include any order line details.

Trey Research requires all credit card transactions include transaction date, transaction amount, description, and line-item details.

#### Compliance and compensation -

Trey Research must be able to audit any modifications to its budget.

Humongous Insurance employees must receive raises four times per budget cycle.

#### Question

##### HOTSPOT -

You need to configure the fiscal year calendars for each legal entity.

How should you configure the fiscal year calendars? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

## Answer Area

### Legal entity

Humongous Insurance

### Fiscal year calendar

|        |
|--------|
| JanDec |
| FebJan |
| AprMar |

Humongous Insurance subsidiary

|        |
|--------|
| JanDec |
| FebJan |
| AprMar |

Trey Research

|        |
|--------|
| JanDec |
| FebJan |
| AprMar |

## Answer Area

### Legal entity

Humongous Insurance

### Fiscal year calendar

|        |
|--------|
| JanDec |
| FebJan |
| AprMar |

Correct Answer: Humongous Insurance subsidiary

|        |
|--------|
| JanDec |
| FebJan |
| AprMar |

Trey Research

|        |
|--------|
| JanDec |
| FebJan |
| AprMar |

Box 1: JanDec -

Humongous Insurance is a US-based company and operates its fiscal year from January 1 to December 31.

Note: You must create three new fiscal calendars:

- ↳ A fiscal calendar named FebJan that runs from Feb 1 to Jan 31.
- ↳ A fiscal calendar named AprMar that runs from April 1 to March 31.
- ↳ A fiscal calendar named JanDec that runs from January 1 to December 31.

Box 2: FebJan -

The Humongous subsidiary will operate in China, which requires a fiscal year from February 1 to January 31.

**Box 3: AprMar -**

Trey Research is a Canadian-based company that operates its fiscal year from April 1 to March 31.

## Question #2

### Introductory Info

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#### Current environment -

#### Ledger -

Humongous Insurance is a US-based company and operates its fiscal year from January 1 to December 31. Humongous Insurance reports across all its subsidiaries in consolidated financial reports.

Trey Research is a Canadian-based company that operates its fiscal year from April 1 to March 31.

Humongous Insurance employees receive an annual cost of living increase.

#### Requirements -

#### Ledger -

One of Humongous Insurance's companies provides insurance to government clients and must separate that particular company into its own subsidiary.

The Humongous subsidiary will operate in China, which requires a fiscal year from February 1 to January 31.

Transactions must be posted in the business of record.

Humongous Insurance's subsidiary requires accounting entries to be posted from the subledger to the general ledger by 5:00 PM each day.

Trey Research requires accounting entries to be posted from the subledger to the ledger immediately.

#### Fiscal calendars -

You must create three new fiscal calendars:

A fiscal calendar named FebJan that runs from Feb 1 to Jan 31.

A fiscal calendar named AprMar that runs from April 1 to March 31.

A fiscal calendar named JanDec that runs from January 1 to December 31.

#### Accounts -

Trey Research must track bank account balances and transactions for each province in which it operates.

The bank statement must be sent to the physical address of the home office.

**Promotion -**

Humongous Insurance's subsidiary plans to celebrate its new subsidiary status by sending out free gifts to existing policyholders based on the tier of their policy.

Promotional items are ordered for distribution and once received must be tracked within Dynamics 365 Finance.

**Taxes -**

As part of the spinoff to a subsidiary, Humongous Insurance's subsidiaries taxes must be changed from US government rates to Chinese government rates.

Humongous Insurance's subsidiary must track use taxes that are not claimed or reported to the Chinese tax agency.

**Reporting -**

The CEO of Humongous Insurance needs to view the insurance products that customers plan to purchase. The report must show all transactions made over the last two years.

The corporate vice president of Humongous Insurance's subsidiary needs to view the forecasted cash impact of specific products purchased. The report must show only new transactions.

**Expenses -**

Expenses must be paid using the following requirements:

| <b>Employee's home entity</b>  | <b>Entity that work is for</b> | <b>Entity responsible for expense payment</b> |
|--------------------------------|--------------------------------|---|
| Humongous Insurance            | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |
| Humongous Insurance            | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |

**Credit card processing -**

Humongous Insurance requires all credit card transactions to include line-item details.

Humongous Insurance's subsidiary requires the shipping address, merchant address, and tax information, but cannot include any order line details.

Trey Research requires all credit card transactions include transaction date, transaction amount, description, and line-item details.

**Compliance and compensation -**

Trey Research must be able to audit any modifications to its budget.

Humongous Insurance employees must receive raises four times per budget cycle.

**Question****HOTSPOT -**

You need to configure the cash flow management reports.

How should you configure cash flow management? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

## Answer Area

### Legal entity

Humongous Insurance

### Cash flow forecast calculation method

|       |
|-------|
| Total |
| New   |
| None  |

Humongous Insurance subsidiary

|       |
|-------|
| Total |
| New   |
| None  |

Correct Answer:

## Answer Area

### Legal entity

Humongous Insurance

### Cash flow forecast calculation method

|       |
|-------|
| Total |
| New   |
| None  |

Humongous Insurance subsidiary

|       |
|-------|
| Total |
| New   |
| None  |

Box 1: Total -

Reporting: The CEO of Humongous Insurance needs to view the insurance products that customers plan to purchase. The report must show all transactions made over the last two years.

Humongous Insurance reports across all its subsidiaries in consolidated financial reports.

Calculate the cash flow forecast by using the Calculate cash flow forecasts page. You can calculate either the full cash flow forecast or an incremental cash flow forecast.

\* To clear all cash flow forecast transactions and recalculate, set the Cash flow forecast calculation method field to Total. We recommend that you use this approach if you haven't updated the cash flow forecasts for a long time.

Box 2: New -

Reporting: The corporate vice president of Humongous Insurance's subsidiary needs to view the forecasted cash impact of specific products purchased. The report must show only new transactions.

To update the existing cash flow information for new transactions only, set the Cash flow forecast calculation method field to New. The page will show the date when your cash flow calculation was last run.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/cash-bank-management/cash-flow-forecasting>

## Question #3

### Introductory Info

#### Case study -

This is a case study. Case studies are not timed separately. You can use as much exam time as you would like to complete each case. However, there may be additional case studies and sections on this exam. You must manage your time to ensure that you are able to complete all questions included on this exam in the time provided.

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At the end of this case study, a review screen will appear. This screen allows you to review your answers and to make changes before you move to the next section of the exam. After you begin a new section, you cannot return to this section.

#### To start the case study -

To display the first question in this case study, click the Next button. Use the buttons in the left pane to explore the content of the case study before you answer the questions. Clicking these buttons displays information such as business requirements, existing environment, and problem statements. If the case study has an All Information tab, note that the information displayed is identical to the information displayed on the subsequent tabs. When you are ready to answer a question, click the Question button to return to the question.

#### Background -

First Up Consultants is a global finance and accounting company.

Financial needs at organizations are constantly changing. When global companies become too large, it becomes too difficult for them to scale to meet their global operational needs. First Up Consultants provides 'Finance as a Service' capabilities.

Some large corporations complement their existing finance staff by engaging select services of First Up Consultants. Other large corporations outsource their entire finance operation to First Up Consultants.

First Up Consultants has hundreds of customers at any time. One such customer, Humongous Insurance, is updating its Dynamics Finance 365 implementation.

Another customer, Trey Research, is setting up its first Dynamics 365 Finance implementation.

#### Current environment -

#### Ledger -

Humongous Insurance is a US-based company and operates its fiscal year from January 1 to December 31. Humongous Insurance reports across all its subsidiaries in consolidated financial reports.

Trey Research is a Canadian-based company that operates its fiscal year from April 1 to March 31.

Humongous Insurance employees receive an annual cost of living increase.

#### Requirements -

#### Ledger -

One of Humongous Insurance's companies provides insurance to government clients and must separate that particular company into its own subsidiary.

The Humongous subsidiary will operate in China, which requires a fiscal year from February 1 to January 31.

Transactions must be posted in the business of record.

Humongous Insurance's subsidiary requires accounting entries to be posted from the subledger to the general ledger by 5:00 PM each day.

Trey Research requires accounting entries to be posted from the subledger to the ledger immediately.

#### Fiscal calendars -

You must create three new fiscal calendars:

A fiscal calendar named FebJan that runs from Feb 1 to Jan 31.

A fiscal calendar named AprMar that runs from April 1 to March 31.

A fiscal calendar named JanDec that runs from January 1 to December 31.

#### Accounts -

Trey Research must track bank account balances and transactions for each province in which it operates.

The bank statement must be sent to the physical address of the home office.

**Promotion -**

Humongous Insurance's subsidiary plans to celebrate its new subsidiary status by sending out free gifts to existing policyholders based on the tier of their policy.

Promotional items are ordered for distribution and once received must be tracked within Dynamics 365 Finance.

**Taxes -**

As part of the spinoff to a subsidiary, Humongous Insurance's subsidiaries taxes must be changed from US government rates to Chinese government rates.

Humongous Insurance's subsidiary must track use taxes that are not claimed or reported to the Chinese tax agency.

**Reporting -**

The CEO of Humongous Insurance needs to view the insurance products that customers plan to purchase. The report must show all transactions made over the last two years.

The corporate vice president of Humongous Insurance's subsidiary needs to view the forecasted cash impact of specific products purchased. The report must show only new transactions.

**Expenses -**

Expenses must be paid using the following requirements:

| <b>Employee's home entity</b>  | <b>Entity that work is for</b> | <b>Entity responsible for expense payment</b> |
|--------------------------------|--------------------------------|---|
| Humongous Insurance            | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |
| Humongous Insurance            | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |

**Credit card processing -**

Humongous Insurance requires all credit card transactions to include line-item details.

Humongous Insurance's subsidiary requires the shipping address, merchant address, and tax information, but cannot include any order line details.

Trey Research requires all credit card transactions include transaction date, transaction amount, description, and line-item details.

**Compliance and compensation -**

Trey Research must be able to audit any modifications to its budget.

Humongous Insurance employees must receive raises four times per budget cycle.

**Question**

You need to reconfigure the taxing jurisdiction for Humongous Insurance's subsidiary.

What should you do?

- A. Configure sales tax groups for transactions that occur in China.
- B. Change the reporting currency.
- C. Configure dual currency support for sales tax.
- D. Change the sales tax settlement period authority.

**Correct Answer: D**

Sales tax authorities are entities to which collected sales tax needs to be reported and paid. You can pay sales taxes to the authority directly or through a vendor account that you create for the sales tax authority. If you do this, the company can use its usual payment routines to pay the sales tax authority on time. If you do not set up the tax authority as a vendor, someone must prepare a manual payment to the tax authority on the appropriate due date.

**Note: Taxes -**

As part of the spinoff to a subsidiary, Humongous Insurance's subsidiaries taxes must be changed from US government rates to Chinese government rates.

Humongous Insurance's subsidiary must track use taxes that are not claimed or reported to the Chinese tax agency.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/set-up-sales-taxAuthorities>

## Question #4

### Introductory Info

#### Case study -

This is a case study. Case studies are not timed separately. You can use as much exam time as you would like to complete each case. However, there may be additional case studies and sections on this exam. You must manage your time to ensure that you are able to complete all questions included on this exam in the time provided.

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At the end of this case study, a review screen will appear. This screen allows you to review your answers and to make changes before you move to the next section of the exam. After you begin a new section, you cannot return to this section.

#### To start the case study -

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#### Background -

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Financial needs at organizations are constantly changing. When global companies become too large, it becomes too difficult for them to scale to meet their global operational needs. First Up Consultants provides 'Finance as a Service' capabilities.

Some large corporations complement their existing finance staff by engaging select services of First Up Consultants. Other large corporations outsource their entire finance operation to First Up Consultants.

First Up Consultants has hundreds of customers at any time. One such customer, Humongous Insurance, is updating its Dynamics Finance 365 implementation.

Another customer, Trey Research, is setting up its first Dynamics 365 Finance implementation.

#### Current environment -

#### Ledger -

Humongous Insurance is a US-based company and operates its fiscal year from January 1 to December 31. Humongous Insurance reports across all its subsidiaries in consolidated financial reports.

Trey Research is a Canadian-based company that operates its fiscal year from April 1 to March 31.

Humongous Insurance employees receive an annual cost of living increase.

#### Requirements -

#### Ledger -

One of Humongous Insurance's companies provides insurance to government clients and must separate that particular company into its own subsidiary.

The Humongous subsidiary will operate in China, which requires a fiscal year from February 1 to January 31.

Transactions must be posted in the business of record.

Humongous Insurance's subsidiary requires accounting entries to be posted from the subledger to the general ledger by 5:00 PM each day.

Trey Research requires accounting entries to be posted from the subledger to the ledger immediately.

#### Fiscal calendars -

You must create three new fiscal calendars:

A fiscal calendar named FebJan that runs from Feb 1 to Jan 31.

A fiscal calendar named AprMar that runs from April 1 to March 31.

A fiscal calendar named JanDec that runs from January 1 to December 31.

#### Accounts -

Trey Research must track bank account balances and transactions for each province in which it operates.

The bank statement must be sent to the physical address of the home office.

**Promotion -**

Humongous Insurance's subsidiary plans to celebrate its new subsidiary status by sending out free gifts to existing policyholders based on the tier of their policy.

Promotional items are ordered for distribution and once received must be tracked within Dynamics 365 Finance.

**Taxes -**

As part of the spinoff to a subsidiary, Humongous Insurance's subsidiaries taxes must be changed from US government rates to Chinese government rates.

Humongous Insurance's subsidiary must track use taxes that are not claimed or reported to the Chinese tax agency.

**Reporting -**

The CEO of Humongous Insurance needs to view the insurance products that customers plan to purchase. The report must show all transactions made over the last two years.

The corporate vice president of Humongous Insurance's subsidiary needs to view the forecasted cash impact of specific products purchased. The report must show only new transactions.

**Expenses -**

Expenses must be paid using the following requirements:

| <b>Employee's home entity</b>  | <b>Entity that work is for</b> | <b>Entity responsible for expense payment</b> |
|--------------------------------|--------------------------------|---|
| Humongous Insurance            | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |
| Humongous Insurance            | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |

**Credit card processing -**

Humongous Insurance requires all credit card transactions to include line-item details.

Humongous Insurance's subsidiary requires the shipping address, merchant address, and tax information, but cannot include any order line details.

Trey Research requires all credit card transactions include transaction date, transaction amount, description, and line-item details.

**Compliance and compensation -**

Trey Research must be able to audit any modifications to its budget.

Humongous Insurance employees must receive raises four times per budget cycle.

**Question****HOTSPOT -**

You need to ensure accounting entries are transferred from subledgers to general ledgers.

How should you configure the batch transfer rule? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

| Legal entity                   | Action  |
|--------------------------------|---|
| Humongous Insurance subsidiary | <ul style="list-style-type: none"> <li>Configure subledger transfers as Asynchronous.</li> <li>Configure subledger transfers as Scheduled batch.</li> <li><b>Configure subledger transfers as Synchronous.</b></li> </ul> |
| Trey Research                  | <ul style="list-style-type: none"> <li>Configure subledger transfers as Asynchronous.</li> <li>Configure subledger transfers as Scheduled batch.</li> <li><b>Configure subledger transfers as Synchronous.</b></li> </ul> |

Correct Answer:

| Legal entity                   | Action  |
|--------------------------------|---|
| Humongous Insurance subsidiary | <ul style="list-style-type: none"> <li>Configure subledger transfers as Asynchronous.</li> <li><b>Configure subledger transfers as Scheduled batch.</b></li> <li>Configure subledger transfers as Synchronous.</li> </ul> |
| Trey Research                  | <ul style="list-style-type: none"> <li><b>Configure subledger transfers as Asynchronous.</b></li> <li>Configure subledger transfers as Scheduled batch.</li> <li>Configure subledger transfers as Synchronous.</li> </ul> |

Box 1: Configure subledger transfer as a scheduled batch

Humongous Insurance's subsidiary requires accounting entries to be posted from the subledger to the general ledger by 5:00 PM each day.

Box 2: Configure subledger transfer as Synchronous

Trey Research requires accounting entries to be posted from the subledger to the ledger immediately.

The following options are available for transferring subledger batches:

Asynchronous – Transfer of the subledger accounting entries to the general ledger is scheduled immediately. The General ledger voucher will be recorded as soon as resources are available to process the request on the server.

Scheduled batch – The subledger accounting entries that must be transferred are added to the processing queue in General ledger. The entries in the queue will be processed in the order that they are received in. Each General ledger voucher will update accounts at the scheduled time if resources are available to process the batch job on the server.

Incorrect:

\* synchronuous

In version 8.1, changes were made to allow the transfer of rules, which deprecated the Synchronous option.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/subledger-transfer>

 **Daniel73847** 1 month, 4 weeks ago

I think the 2nd question should be Synchronous, because it requires posted from the subledger to the ledger immediately.  
upvoted 1 times

## Question #5

### Introductory Info

#### Case study -

This is a case study. Case studies are not timed separately. You can use as much exam time as you would like to complete each case. However, there may be additional case studies and sections on this exam. You must manage your time to ensure that you are able to complete all questions included on this exam in the time provided.

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At the end of this case study, a review screen will appear. This screen allows you to review your answers and to make changes before you move to the next section of the exam. After you begin a new section, you cannot return to this section.

#### To start the case study -

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#### Background -

First Up Consultants is a global finance and accounting company.

Financial needs at organizations are constantly changing. When global companies become too large, it becomes too difficult for them to scale to meet their global operational needs. First Up Consultants provides 'Finance as a Service' capabilities.

Some large corporations complement their existing finance staff by engaging select services of First Up Consultants. Other large corporations outsource their entire finance operation to First Up Consultants.

First Up Consultants has hundreds of customers at any time. One such customer, Humongous Insurance, is updating its Dynamics Finance 365 implementation.

Another customer, Trey Research, is setting up its first Dynamics 365 Finance implementation.

#### Current environment -

#### Ledger -

Humongous Insurance is a US-based company and operates its fiscal year from January 1 to December 31. Humongous Insurance reports across all its subsidiaries in consolidated financial reports.

Trey Research is a Canadian-based company that operates its fiscal year from April 1 to March 31.

Humongous Insurance employees receive an annual cost of living increase.

#### Requirements -

#### Ledger -

One of Humongous Insurance's companies provides insurance to government clients and must separate that particular company into its own subsidiary.

The Humongous subsidiary will operate in China, which requires a fiscal year from February 1 to January 31.

Transactions must be posted in the business of record.

Humongous Insurance's subsidiary requires accounting entries to be posted from the subledger to the general ledger by 5:00 PM each day.

Trey Research requires accounting entries to be posted from the subledger to the ledger immediately.

#### Fiscal calendars -

You must create three new fiscal calendars:

A fiscal calendar named FebJan that runs from Feb 1 to Jan 31.

A fiscal calendar named AprMar that runs from April 1 to March 31.

A fiscal calendar named JanDec that runs from January 1 to December 31.

#### Accounts -

Trey Research must track bank account balances and transactions for each province in which it operates.

The bank statement must be sent to the physical address of the home office.

**Promotion -**

Humongous Insurance's subsidiary plans to celebrate its new subsidiary status by sending out free gifts to existing policyholders based on the tier of their policy.

Promotional items are ordered for distribution and once received must be tracked within Dynamics 365 Finance.

**Taxes -**

As part of the spinoff to a subsidiary, Humongous Insurance's subsidiaries taxes must be changed from US government rates to Chinese government rates.

Humongous Insurance's subsidiary must track use taxes that are not claimed or reported to the Chinese tax agency.

**Reporting -**

The CEO of Humongous Insurance needs to view the insurance products that customers plan to purchase. The report must show all transactions made over the last two years.

The corporate vice president of Humongous Insurance's subsidiary needs to view the forecasted cash impact of specific products purchased. The report must show only new transactions.

**Expenses -**

Expenses must be paid using the following requirements:

| <b>Employee's home entity</b>  | <b>Entity that work is for</b> | <b>Entity responsible for expense payment</b> |
|--------------------------------|--------------------------------|---|
| Humongous Insurance            | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |
| Humongous Insurance            | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |

**Credit card processing -**

Humongous Insurance requires all credit card transactions to include line-item details.

Humongous Insurance's subsidiary requires the shipping address, merchant address, and tax information, but cannot include any order line details.

Trey Research requires all credit card transactions include transaction date, transaction amount, description, and line-item details.

**Compliance and compensation -**

Trey Research must be able to audit any modifications to its budget.

Humongous Insurance employees must receive raises four times per budget cycle.

**Question****HOTSPOT -**

You need to configure expense management for Humongous Insurance and its subsidiary.

Which options should you use? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

| Legal entity                   | Legal entity for intercompany tax posting source      | Legal entity for intercompany tax posting destination |
|--------------------------------|---|---|
| Humongous Insurance            | Humongous Insurance<br>Humongous Insurance subsidiary | Humongous Insurance<br>Humongous Insurance subsidiary |
| Humongous Insurance subsidiary | Humongous Insurance<br>Humongous Insurance subsidiary | Humongous Insurance<br>Humongous Insurance subsidiary |

Correct Answer:

| Legal entity                   | Legal entity for intercompany tax posting source      | Legal entity for intercompany tax posting destination |
|--------------------------------|---|---|
| Humongous Insurance            | Humongous Insurance<br>Humongous Insurance subsidiary | Humongous Insurance<br>Humongous Insurance subsidiary |
| Humongous Insurance subsidiary | Humongous Insurance<br>Humongous Insurance subsidiary | Humongous Insurance<br>Humongous Insurance subsidiary |

Box 1: Humongous Insurance -

Taxes -

As part of the spinoff to a subsidiary, Humongous Insurance's subsidiaries taxes must be changed from US government rates to Chinese government rates.

Humongous Insurance's subsidiary must track use taxes that are not claimed or reported to the Chinese tax agency.

In the Legal entity for intercompany tax posting field, select whether to post intercompany tax amounts to the legal entity where the transaction originates or to the legal entity where the intercompany transactions are posted to. Use the information in the following table to decide which legal entity to select.

Destination - Select this option if your organization uses U.S. sales and use tax. (This is your only option if the Apply U.S. taxation rules option is selected in the General ledger parameters form.)

Sales tax amounts for intercompany transactions are posted to the legal entity that the expense or revenue is being distributed to.

Source - Sales tax amounts for intercompany transactions are posted to the legal entity where the payable to the vendor, the receivable to the customer, or a bank account is recorded.

Note:

Intercompany transaction - A transaction between legal entities that are part of the same organization that consolidates the accounts of the legal entities.

Destination legal entity - The legal entity that the expense or revenue is being distributed to, or a bank account.

Source legal entity - The legal entity where the payable to the vendor or the receivable to the customer is recorded.

Box 2: Humongous Insurance -

Box 3: Humongous Insurance subsidiary

Box 4: Humongous Insurance -

Reference:

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/posting-sales-tax-amounts-for-intercompany-transactions>

## Question #6

### Introductory Info

#### Case study -

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Another customer, Trey Research, is setting up its first Dynamics 365 Finance implementation.

#### Current environment -

#### Ledger -

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Trey Research is a Canadian-based company that operates its fiscal year from April 1 to March 31.

Humongous Insurance employees receive an annual cost of living increase.

#### Requirements -

#### Ledger -

One of Humongous Insurance's companies provides insurance to government clients and must separate that particular company into its own subsidiary.

The Humongous subsidiary will operate in China, which requires a fiscal year from February 1 to January 31.

Transactions must be posted in the business of record.

Humongous Insurance's subsidiary requires accounting entries to be posted from the subledger to the general ledger by 5:00 PM each day.

Trey Research requires accounting entries to be posted from the subledger to the ledger immediately.

#### Fiscal calendars -

You must create three new fiscal calendars:

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A fiscal calendar named JanDec that runs from January 1 to December 31.

#### Accounts -

Trey Research must track bank account balances and transactions for each province in which it operates.

The bank statement must be sent to the physical address of the home office.

**Promotion -**

Humongous Insurance's subsidiary plans to celebrate its new subsidiary status by sending out free gifts to existing policyholders based on the tier of their policy.

Promotional items are ordered for distribution and once received must be tracked within Dynamics 365 Finance.

**Taxes -**

As part of the spinoff to a subsidiary, Humongous Insurance's subsidiaries taxes must be changed from US government rates to Chinese government rates.

Humongous Insurance's subsidiary must track use taxes that are not claimed or reported to the Chinese tax agency.

**Reporting -**

The CEO of Humongous Insurance needs to view the insurance products that customers plan to purchase. The report must show all transactions made over the last two years.

The corporate vice president of Humongous Insurance's subsidiary needs to view the forecasted cash impact of specific products purchased. The report must show only new transactions.

**Expenses -**

Expenses must be paid using the following requirements:

| <b>Employee's home entity</b>  | <b>Entity that work is for</b> | <b>Entity responsible for expense payment</b> |
|--------------------------------|--------------------------------|---|
| Humongous Insurance            | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |
| Humongous Insurance            | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |

**Credit card processing -**

Humongous Insurance requires all credit card transactions to include line-item details.

Humongous Insurance's subsidiary requires the shipping address, merchant address, and tax information, but cannot include any order line details.

Trey Research requires all credit card transactions include transaction date, transaction amount, description, and line-item details.

**Compliance and compensation -**

Trey Research must be able to audit any modifications to its budget.

Humongous Insurance employees must receive raises four times per budget cycle.

**Question****HOTSPOT -**

You need to configure currencies for the legal entities.

How should you configure currencies? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Requirement**

Humongous Insurance base currency

**Currency**

A dropdown menu titled "Currency" containing the following options: CAD, CHF, CNY, and USD. The menu has a dark grey header bar and a light grey footer bar.

|     |
|-----|
| CAD |
| CHF |
| CNY |
| USD |

Humongous Insurance subsidiary base currency

A dropdown menu titled "Currency" containing the following options: CAD, CHF, CNY, and USD. The menu has a dark grey header bar and a light grey footer bar.

|     |
|-----|
| CAD |
| CHF |
| CNY |
| USD |

Trey Research base currency

A dropdown menu titled "Currency" containing the following options: CAD, CHF, CNY, and USD. The menu has a dark grey header bar and a light grey footer bar.

|     |
|-----|
| CAD |
| CHF |
| CNY |
| USD |

**Requirement**

Humongous Insurance base currency

**Currency**

A dropdown menu titled "Currency" containing the following options: CAD, CHF, CNY, and USD. The "USD" option is highlighted with a green background. The menu has a dark grey header bar and a light grey footer bar.

|     |
|-----|
| CAD |
| CHF |
| CNY |
| USD |

Humongous Insurance subsidiary base currency

A dropdown menu titled "Currency" containing the following options: CAD, CHF, CNY, and USD. The "CNY" option is highlighted with a green background. The menu has a dark grey header bar and a light grey footer bar.

|     |
|-----|
| CAD |
| CHF |
| CNY |
| USD |

Correct Answer:

Trey Research base currency

A dropdown menu titled "Currency" containing the following options: CAD, CHF, CNY, and USD. The "CAD" option is highlighted with a green background. The menu has a dark grey header bar and a light grey footer bar.

|     |
|-----|
| CAD |
| CHF |
| CNY |
| USD |

Box 1: USD -

Humongous Insurance is a US-based company.

Box 2: CNY -

The Humongous subsidiary will operate in China.

As part of the spinoff to a subsidiary, Humongous Insurance's subsidiaries taxes must be changed from US government rates to Chinese government rates.

Box 3: CAD -

Trey Research is a Canadian-based company.

## Introductory Info

### Case study -

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Some large corporations complement their existing finance staff by engaging select services of First Up Consultants. Other large corporations outsource their entire finance operation to First Up Consultants.

First Up Consultants has hundreds of customers at any time. One such customer, Humongous Insurance, is updating its Dynamics Finance 365 implementation.

Another customer, Trey Research, is setting up its first Dynamics 365 Finance implementation.

### Current environment -

#### Ledger -

Humongous Insurance is a US-based company and operates its fiscal year from January 1 to December 31. Humongous Insurance reports across all its subsidiaries in consolidated financial reports.

Trey Research is a Canadian-based company that operates its fiscal year from April 1 to March 31.

Humongous Insurance employees receive an annual cost of living increase.

#### Requirements -

#### Ledger -

One of Humongous Insurance's companies provides insurance to government clients and must separate that particular company into its own subsidiary.

The Humongous subsidiary will operate in China, which requires a fiscal year from February 1 to January 31.

Transactions must be posted in the business of record.

Humongous Insurance's subsidiary requires accounting entries to be posted from the subledger to the general ledger by 5:00 PM each day.

Trey Research requires accounting entries to be posted from the subledger to the ledger immediately.

#### Fiscal calendars -

You must create three new fiscal calendars:

A fiscal calendar named FebJan that runs from Feb 1 to Jan 31.

A fiscal calendar named AprMar that runs from April 1 to March 31.

A fiscal calendar named JanDec that runs from January 1 to December 31.

#### Accounts -

Trey Research must track bank account balances and transactions for each province in which it operates.

The bank statement must be sent to the physical address of the home office.

**Promotion -**

Humongous Insurance's subsidiary plans to celebrate its new subsidiary status by sending out free gifts to existing policyholders based on the tier of their policy.

Promotional items are ordered for distribution and once received must be tracked within Dynamics 365 Finance.

**Taxes -**

As part of the spinoff to a subsidiary, Humongous Insurance's subsidiaries taxes must be changed from US government rates to Chinese government rates.

Humongous Insurance's subsidiary must track use taxes that are not claimed or reported to the Chinese tax agency.

**Reporting -**

The CEO of Humongous Insurance needs to view the insurance products that customers plan to purchase. The report must show all transactions made over the last two years.

The corporate vice president of Humongous Insurance's subsidiary needs to view the forecasted cash impact of specific products purchased. The report must show only new transactions.

**Expenses -**

Expenses must be paid using the following requirements:

| <b>Employee's home entity</b>  | <b>Entity that work is for</b> | <b>Entity responsible for expense payment</b> |
|--------------------------------|--------------------------------|---|
| Humongous Insurance            | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |
| Humongous Insurance            | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |

**Credit card processing -**

Humongous Insurance requires all credit card transactions to include line-item details.

Humongous Insurance's subsidiary requires the shipping address, merchant address, and tax information, but cannot include any order line details.

Trey Research requires all credit card transactions include transaction date, transaction amount, description, and line-item details.

**Compliance and compensation -**

Trey Research must be able to audit any modifications to its budget.

Humongous Insurance employees must receive raises four times per budget cycle.

**Question**

You need to configure the posting groups for Humongous Insurance's subsidiary.

Which ledger posting group field should you use?

- A. Sales tax payable
- B. Sales tax receivable
- C. Customer case discount
- D. Use tax payable
- E. Use tax expense

**Correct Answer: A**

Set up Ledger posting groups for sales tax

In the Sales tax payable field, select the main account for outgoing sales taxes that are payable to the tax authority. Sales taxes are collected on behalf of the tax authority when you sell taxable goods and services.

Incorrect:

- \* In the Sales tax receivable field, select the main account for incoming taxes that are received from the tax authority. Vendors collect taxes on behalf of the tax authority when you buy taxable goods and services. This field is not available if the Apply sales tax taxation rules option is selected in the General ledger parameters page. Instead, sales taxes that are paid to vendors are debited to the same account as the purchase.
- \* In the Use tax expense field, select the main account for posting deductible Use taxes that are not claimed or reported to the tax authority by vendors as part of

EU reverse charge GST/HST. The Use tax option must be selected for the Sales tax code in the Sales tax group that is used in the transaction. This field won't be available if the Apply sales tax taxation rules option is selected on the General ledger parameters page.

- \* In the Use tax payable field, select the main account for posting incoming Use taxes that are payable to tax authorities. The Use tax option must be selected in the Sales tax code in the Sales tax group to post Use tax. If Apply sales tax taxation rules option is selected in General ledger parameters page, the offset is posted to the transaction's expense account.

Note:

Requirements, Ledger -

- ↳ One of Humongous Insurance's companies provides insurance to government clients and must separate that particular company into its own subsidiary.
- ↳ The Humongous subsidiary will operate in China, which requires a fiscal year from February 1 to January 31.
- ↳ Transactions must be posted in the business of record.
- ↳ Humongous Insurance's subsidiary requires accounting entries to be posted from the subledger to the general ledger by 5:00 PM each day.

Taxes -

As part of the spinoff to a subsidiary, Humongous Insurance's subsidiaries taxes must be changed from US government rates to Chinese government rates.

Humongous Insurance's subsidiary must track use taxes that are not claimed or reported to the Chinese tax agency.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/set-up-ledger-posting-groups-sales-tax>

 **Flo2021** 2 weeks, 2 days ago

Should be D: background of the reverse charge principle lies in the fact that some vendors don't report the taxes to the tax authority - and the receiving company nevertheless deducts those taxes as deductible input taxex.

upvoted 1 times

 **kripe86** 1 year, 2 months ago

This question makes no sense. What posting groups? For what? It is not written in the question.

upvoted 3 times

**Topic 20 - Testlet 5****Question #1****Topic 20****Introductory Info**

Case study -

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All Information tab, note that the information displayed is identical to the information displayed on the subsequent tabs. When you are ready to answer a question, click the Question button to return to the question.

Background -

Fourth Coffee is a coffee and supplies manufacturer based in Seattle. The company recently purchased CompanyA, based in the United States, and CompanyB, based in Canada, in order to increase production of their award-winning espresso machine and distribution of their dark roast coffee beans, respectively.

Fourth Coffee has set up CompanyA and CompanyB in their Dynamics 365 Finance to gain better visibility into the companies' profitability.

CompanyA and

CompanyB will continue to operate as subsidiaries of Fourth Coffee, but all operational companies will be consolidated under Fourth Coffee Holding Company in

US dollars (USD) for reporting purposes.

The current organizational chart is shown below:



Current environment -

Systemwide setup -

Dynamics 365 Finance in Microsoft Azure is used to manage the supply chain, retail, and financials.

All companies share a Chart of Accounts.

Two dimensions are used: Department and Division.

Budgeting is controlled at the department level.

Customers and vendors are defined as two groups: Domestic and International.

Mandatory credit check is set to No.

Consolidate online is used for the consolidation of all companies.

International main accounts are subject to foreign currency revaluation.

The purchasing budget is used to enforce purchasing limits.

General ledger accounts -

| <b>Account numbers</b> | <b>Account description</b>                                 |
|------------------------|--|
| 1200                   | Domestic Accounts Receivable (USD)                         |
| 1201                   | International Accounts Receivable (Canadian dollars [CAD]) |
| 2000                   | Domestic Accounts Payable (USD)                            |
| 2001                   | International Accounts Payable (CAD)                       |

**Fourth Coffee -**

The base currency is USD.

Three item groups are used: coffee, supplies, and nonstock.

The standard sales tax method is used.

Acquiring fixed assets requires a purchase order.

All customer payment journals require a deposit slip.

CustomerX is a taxable company.

CustomerY is a tax-exempt company.

CustomerZ is a taxable company.

VendorA is a Colombian supplier of coffee beans and belongs to the international vendor group.

VendorB is a Peruvian supplier of coffee machine filters and belongs to the international vendor group.

VendorC is a Texas supplier of espresso valves and belongs to the domestic vendor group.

**CompanyA -**

The base currency is USD.

-

It consists of a marketing department and a digital division.

A 4-5-4 calendar structure is used.

The standard sales tax method is used.

**CompanyB -**

The base currency is CAD.

The conditional sales tax method is used.

**Requirements -****Reporting -**

A consolidated Fourth Coffee financial report is required in USD currency.

Fourth Coffee and its subsidiaries need to be able to report sales by item type.

Year-end adjustments need to be reported separately in a different period to view financial reporting inclusive and exclusive of year-end adjustments.

**Issues -**

User1 observes that a General journal was used in error to post to the Domestic Accounts Receivable trade account.

User2 has to repeatedly reclassify vendor invoice journals in Fourth Coffee Company that are posted to the marketing department and digital division.

When User3 posts an Accounts receivable payment journal, a deposit slip is not generated.

User4 observes an increase in procurement department expenses for supplies.

User5 observes that sales tax is not calculating on a sales order for CustomerZ.

User6 observes that sales tax is calculating for CustomerY.

User7 observes that the sales tax payment report is excluding posted invoice transactions.

User8 in CompanyA attempts to set up the sales tax receivable account on the sales tax posting form.

User9 in CompanyA needs to purchase three tablets by using a purchase order and record the devices as fixed assets.

CustomerX requires a credit check when making a purchase and is currently at their credit limit.

**Question**

You need to determine why CustomerX is unable to confirm another sales order.

What are two possible reasons? Each answer is a complete solution.

NOTE: Each correct selection is worth one point.

- A. The credit limit parameter is set to Balance + All.
- B. The credit limit is set to 0.
- C. An inventory item is out of stock.
- D. The inventory safety stock is set to 0.

**Correct Answer: AC**

*Community vote distribution*

AB (50%)

AC (50%)

✉ **H\_Incandenza** 1 year, 7 months ago

**Selected Answer: AC**

Please test this yourself to confirm, but if you have a credit limit set to zero, then there is no credit limit.

Therefore (B) cannot be a reason for holding up the sales order.

denilson16 makes the point that the confirmation of a sales order for which there is no inventory shouldn't affect the ability to confirm; depending on settings in (item model group) it could affect later stages. I tested that and I think that is correct, but I'm guessing that there might be certain settings for which confirmation IS held up for zero stock items.

I'm voting A-C.

upvoted 2 times

✉ **denilson16** 2 years, 1 month ago

**Selected Answer: AB**

confirmation is reserving the stock but no check on on hand. so it should be a and b

upvoted 2 times

✉ **Wuying** 2 years, 2 months ago

Hi all, would you please clarify for C? As we internally discussed the answer should be AB. Thanks in advance!

upvoted 1 times

✉ **Yael\_Shachen\_Tov** 2 years, 9 months ago

What is D?

C-When i am trying to confirm SO with out of stock item, i am receiving "Operation Completed" Note

upvoted 1 times

✉ **karimbeldedi** 2 years, 5 months ago

you have to verify the item model group (Physical negative inventory)

upvoted 1 times

✉ **ABet** 2 years, 10 months ago

A - B. CustomerX requires credit check and is currently at their credit limit.

upvoted 3 times

## Topic 21 - Testlet 6

### Question #1

### Topic 21

#### Introductory Info

Case study -

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Background -

Munson's Pickles and Preserves Farm grows and distributes produce, jellies, and jams. The company's corporate headquarters is located in Dallas, TX. Munson's has one operations center and seven regional distribution centers in the United States.

The company has two wholly owned subsidiaries that operate in Canada. The Canadian entity owns an entity in France.

Munson's plans to expand into Latin America by purchasing the last 25 percent of a subsidiary that they own in Costa Rica. This process is expected to complete within the next two years.

The company plans to implement Dynamics 365 Finance and Dynamics 365 Supply Chain to meet their growing business needs.

Current environment. General -

Munson's uses a mix of internally-developed legacy systems that handle their finance and distribution activities. The company has an isolated CRM system.

Both Canadian subsidiaries have two departments: marketing and operations.

Financial reporting is difficult due to data residing in disparate systems.

Financial reporting is currently performed by using Microsoft Excel.

Pre-orders in the current system are difficult to track because the order management system is not integrated with the finance system.

Pickle sales post to one revenue account, but this does not allow for targeted reporting by pickle cut and type.

Current environment. Organization

The following chart shows Accounting/Reporting Currencies and Tax ID, if applicable.

Typically, vendor invoices are received prior to receipt of product.

The following fixed assets are sold for a loss:

1. BUILD-100
2. CAR-1233

At the regional distribution centers, the value for physical inventory does not match the inventory in the financial system.

Munson's rents their corporate office. Rent is not paid by purchase order. Rent is due once a quarter.

Allocations are performed manually.

Barrels are inventoried by site and warehouse.

Munson's has multiple depreciation and tax books for all of their fixed asset equipment.

Budgets are posted at the department level for each legal entity.

Requirements. Sales -

Customers should be able to pre-order for fall release of pickles.

Three-way matching must be enforced for all purchases.

Fixed asset sale transactions require a ledger account entered at the time of transaction.

Fixed assets purchased must be automatically created in fixed asset module. This includes inventory items and write in purchase orders/non-inventoried items.

One dollar from every sale needs must be tracked and donated at the end of each month to a charitable organization.

Purchasing budgets must be enforced at the main account level.

#### Requirements. Finances -

Accounts payable must be able to enter vendor invoices on the day they were received to be settled against when product is received.

Accounts payable must be able to enter vendor invoices to accrue expense without specifying a purchase order at the time of entry.

Postage expenses must be split evenly across the regional distribution centers automatically.

Administrative expenses must be distributed across the regional distribution centers by percentage of fulfillment orders monthly.

Pickling machines depreciation must be uniquely recorded for visibility but not post to the ledger.

#### Issues -

During implementation testing, User1 indicates that after packing slips are generated for purchase orders, there are no ledger postings.

User2 indicates that fixed assets purchased on a purchase order do not show up in the Fixed Assets module.

User3 reports that they are seeing inconsistent application of the one-dollar donation from all sales orders.

User4 in the Canadian subsidiary is able to purchase supplies for marketing despite exceeding the marketing department budget.

User5 reports that when purchasing a non-inventoried computer, the system is automatically assigning it to the buildings fixed asset group.

#### Question

You need to recommend a solution to prevent User3's issue from recurring.

What should you recommend?

- A. Configure automatic charge codes.
- B. Create a service item.
- C. Configure a sales order template.
- D. Create a procurement category.

**Correct Answer: A**

## Question #2

### Introductory Info

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#### Current environment. General -

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Financial reporting is currently performed by using Microsoft Excel.

Pre-orders in the current system are difficult to track because the order management system is not integrated with the finance system.

Pickle sales post to one revenue account, but this does not allow for targeted reporting by pickle cut and type.

#### Current environment. Organization

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2. CAR-1233

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#### Requirements. Sales -

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**Requirements. Finances -**

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Pickling machines depreciation must be uniquely recorded for visibility but not post to the ledger.

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User4 in the Canadian subsidiary is able to purchase supplies for marketing despite exceeding the marketing department budget.

User5 reports that when purchasing a non-inventoried computer, the system is automatically assigning it to the buildings fixed asset group.

**Question**

You need to configure Accounts Receivable to take pre-orders.

Which feature should you use?

- A. Settle cloud transactions
- B. Accounting source explorer
- C. Settle open transactions
- D. Customer aging report
- E. Voucher transactions

**Correct Answer: C**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/cash-bank-management/settlement-overview>

*Community vote distribution*

C (100%)

✉️  **Daniel73847** 1 month, 3 weeks ago

**Selected Answer: C**

Based on the Ref KB, the answer is correct

upvoted 1 times

✉️  **Matea01** 4 months ago

Who approves this nonsense???

upvoted 1 times

✉️  **blackgodfatha** 1 year, 1 month ago

Yeah it doesn't make sense. This needs to be updated.

upvoted 1 times

✉️  **kripe86** 1 year, 2 months ago

what .... i don't get the question and the answers to it...

upvoted 1 times

## Topic 22 - Testlet 7

### Question #1

### Topic 22

#### Introductory Info

Case study -

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Background -

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Financial needs at organizations are constantly changing. When global companies become too large, it becomes too difficult for them to scale to meet their global operational needs. First Up Consultants provides 'Finance as a Service' capabilities.

Some large corporations complement their existing finance staff by engaging select services of First Up Consultants. Other large corporations outsource their entire finance operation to First Up Consultants.

First Up Consultants has hundreds of customers at any time. One such customer, Humongous Insurance, is updating its Dynamics Finance 365 implementation.

Another customer, Trey Research, is setting up its first Dynamics 365 Finance implementation.

Current environment -

Ledger -

Humongous Insurance is a US-based company and operates its fiscal year from January 1 to December 31. Humongous Insurance reports across all its subsidiaries in consolidated financial reports.

Trey Research is a Canadian-based company that operates its fiscal year from April 1 to March 31.

Humongous Insurance employees receive an annual cost of living increase.

Requirements -

Ledger -

One of Humongous Insurance's companies provides insurance to government clients and must separate that particular company into its own subsidiary.

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Transactions must be posted in the business of record.

Humongous Insurance's subsidiary requires accounting entries to be posted from the subledger to the general ledger by 5:00 PM each day.

Trey Research requires accounting entries to be posted from the subledger to the ledger immediately.

Fiscal calendars -

You must create three new fiscal calendars:

A fiscal calendar named FebJan that runs from Feb 1 to Jan 31.

A fiscal calendar named AprMar that runs from April 1 to March 31.

A fiscal calendar named JanDec that runs from January 1 to December 31.

Accounts -

Trey Research must track bank account balances and transactions for each province in which it operates.

The bank statement must be sent to the physical address of the home office.

#### Promotion -

Humongous Insurance's subsidiary plans to celebrate its new subsidiary status by sending out free gifts to existing policyholders based on the tier of their policy.

Promotional items are ordered for distribution and once received must be tracked within Dynamics 365 Finance.

#### Taxes -

As part of the spinoff to a subsidiary, Humongous Insurance's subsidiaries taxes must be changed from US government rates to Chinese government rates.

Humongous Insurance's subsidiary must track use taxes that are not claimed or reported to the Chinese tax agency.

#### Reporting -

The CEO of Humongous Insurance needs to view the insurance products that customers plan to purchase. The report must show all transactions made over the last two years.

The corporate vice president of Humongous Insurance's subsidiary needs to view the forecasted cash impact of specific products purchased. The report must show only new transactions.

#### Expenses -

Expenses must be paid using the following requirements:

| <b>Employee's home entity</b>  | <b>Entity that work is for</b> | <b>Entity responsible for expense payment</b> |
|--------------------------------|--------------------------------|---|
| Humongous Insurance            | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance            | Humongous Insurance                           |
| Humongous Insurance subsidiary | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |
| Humongous Insurance            | Humongous Insurance subsidiary | Humongous Insurance subsidiary                |

#### Credit card processing -

Humongous Insurance requires all credit card transactions to include line-item details.

Humongous Insurance's subsidiary requires the shipping address, merchant address, and tax information, but cannot include any order line details.

Trey Research requires all credit card transactions include transaction date, transaction amount, description, and line-item details.

#### Compliance and compensation -

Trey Research must be able to audit any modifications to its budget.

Humongous Insurance employees must receive raises four times per budget cycle.

#### Question

##### DRAG DROP -

You need to create Trey Research's bank accounts.

Which three actions should you perform in sequence? To answer, move the appropriate actions from the list of actions to the answer area and arrange them in the correct order.

NOTE: More than one order of answer choices is correct. You will receive credit for any of the correct orders you select.

Select and Place:

| Actions   | Answer area  |
|---|--|
| Configure cash and bank management parameters.                    |  |
| Create a bank group named Group1.                                 |  |
| Create each bank account. Set the bank group to Group1.           |  |
| Create a batch job. Set the job description name to Group1.       |  |
| Create each bank account. Set the classification group to Group1. | <br> |
| Create a classification group named Group1.                       |  |

**Correct Answer:**

| Actions   | Answer area  |
|---|--|
| Configure cash and bank management parameters.                    | Configure cash and bank management parameters.   |
| Create a bank group named Group1.                                 | Create a bank group named Group1.  |
| Create each bank account. Set the bank group to Group1.           |  |
| Create a batch job. Set the job description name to Group1.       |  |
| Create each bank account. Set the classification group to Group1. | <br> |
| Create a classification group named Group1.                       |  |

Step 1: Configure cash and bank management parameters.

Some forms, related to cash and bank management setup and maintenance, require information or parameter settings to navigate to them.

Step 2: Configure a bank group named Group1.

Scenario: Accounts -

Trey Research must track bank account balances and transactions for each province in which it operates.

The bank statement must be sent to the physical address of the home office.

Task: Setting up cash and bank management information

Form name: Bank groups -

Usage: Set up general information about the bank groups in which you have bank accounts.

Step 3: Create each bank account. Set the bank group to Group1.

Reference:

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/setting-up-and-maintaining-cash-and-bank-management>

**Topic 23 - Testlet 8****Question #1****Topic 23****Introductory Info**

Case study -

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Background -

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First Up Consultants was recently acquired by a Canadian engineering firm that uses Dynamics 365 Finance. The firm requires First Up Consultants to transition to the solution by 2022.

First Up Consultants employs consultants that travel globally, which requires extensive expense management capabilities. First Up Consultants offers software as a service (SaaS) products to customers by using monthly and quarterly subscriptions.

Current environment. Travel and expense

The company is currently in Phase 2 of their Dynamics 365 Finance implementation.

Consultants submit all travel receipts by using inter-office mail to the team admin for processing, but First Up Consultants wants to modernize this experience.

Expense reports are manually approved and signed by the employee's manager.

Current environment. Finance -

First Up Consultants operates on a 4-5-4 calendar.

Accounting for revenue has been difficult with the SaaS offerings. This has led to implementing Dynamics 365 Finance Revenue recognition.

Revenue recognition has been live for 3 months.

Adatum Corporation pays quarterly for use of the First Up Consultants web design application, starting from the day of use.

Fourth Coffee pays monthly for use of the First Up Consultants photograph editing application with a contract starting August 1 and payment starting

September 1.

Adventure Works Cycles pays per use of the First Up Consultant video platform.

A blocking rule is set up to prevent a sales order from processing if a customer exceeds a credit limit.

Customer credit is set up at the account level for VanAarsdel, Ltd.

Tailspin Toys is owned by Wingtip Toys. The companies have a credit limit of \$60,000 and \$100,000, respectively.

Current environment. Revenue allocation

The company reports the following revenue allocation percentages:

| Line of business     | Revenue percentage |
|----------------------|--------------------|
| Web design           | 60 percent         |
| Video platform       | 5 percent          |
| Photography software | 10 percent         |
| Consulting           | 25 percent         |

Current environment. Tax -

VAT tax recovery is required for eligible international business trip expenses. Bank reconciliation is manual and performed by using monthly mailed account statements.

The company collects sales taxes from the following states:

| <b>Physical presence liability</b> | <b>State</b> | <b>Rate</b>  |
|------------------------------------|--------------|--------------|
| X                                  | Texas        | 6.25 percent |
| X                                  | Mississippi  | 7 percent    |
| X                                  | Tennessee    | 7 percent    |
| X                                  | Georgia      | 4.5 percent  |
|                                    | Alabama      | 4 percent    |
|                                    | Vermont      | 6 percent    |
|                                    | Kansas       | 6.5 percent  |

Requirements -

Travel and expense -

First Up Consultants requires that employees start using corporate cards for all travel expenses.

All expenses over \$50 require a receipt.

Beer cannot be expensed.

Employees may use the corporate card for personal expenses during work travel, but expenses must be categorized correctly.

Client entertainment expenses totaling more than \$250 must be audited.

Employees require a mobile expense experience.

Expense report entries must be validated when a transaction line is entered.

Employees require the ability to capture receipts by using a mobile device.

First Up Consultants requires the ability to reimburse employees in their paychecks for expenses incurred on personal cards.

Financials -

A virtual thirteenth month is required for year-end transactions.

Each day, a validation file must go to First Up Consultants bank detailing all vendor checks paid.

Except fees, all matched transactions must clear automatically during bank reconciliation.

The accounts payable team must verify expense reports prior to posting.

Only payables are allowed to be posted to a prior period up to seven days into the new period.

Issues -

User1 installed the Expense Management Service add-in and implemented the auto-match and create expense from receipt features but the receipt images do not match the corporate card transactions.

Employee1 submits an expense report for a business trip to Europe, but the report is not visible on the expense tax recovery page.

Employees provided feedback that the system lets them know of an expense report policy violation only after the entire expense report is submitted.

Members of the finance department observe sales orders that posted into a closed period.

The finance team observed that for sales order invoice 1234, the price incorrectly posts to a revenue account when it should be deferring.

Employee2 purchased supplies for a holiday party and needs to be reimbursed.

A customer orders software licenses for the offices in Tennessee and Alabama.

Expense reports for unapproved items are posting.

VanArsdel, Ltd. exceeded its credit limit but the sales order was processed.

Tailspin Toys purchases \$70,000 in custom software development.

### Question

You need to configure the system to meet the fiscal year requirements.

What should you do?

- A. Add an additional fiscal year.
- B. Divide the twelfth period.
- C. Add an additional period to ledger calendars.
- D. Create a closing period.
- E. Create a new fiscal calendar.

**Correct Answer: E**

Create fiscal calendars, fiscal years, and periods

You can create and delete fiscal calendars, fiscal years, and periods on the Fiscal calendars page. You can also divide existing periods and create closing periods that can be used to close a fiscal year.

A closing period is used to separate general ledger transactions that are generated when a fiscal year is closed. When the closing transactions are in one fiscal period, it is easier to create financial statements that either include or exclude different types of closing entries. If a fiscal year is divided into 12 fiscal periods, the closing period is usually the 13th period.

Note: Configuring calendars for the ledger

Another component of the ledger is the fiscal calendar. A fiscal calendar must be selected for each legal entity. You can use the same fiscal calendar in more than one legal entity. When you select a fiscal calendar for the ledger, a copy is made. This copy is referred to as the ledger calendar. The ledger calendar lets you select the status of the periods and the modules in each period.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/fiscal-calendars-fiscal-years-periods>

 **Peachtree2022**  11 months, 2 weeks ago

Should be D

upvoted 6 times

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### Question

You need to identify the posting issue with sales order 1234.

What should you do?

- A. Correct the recognition basis.
- B. Correct the recognition convention.
- C. Validate that the revenue recognition schedule is populated on the sales order line.
- D. Validate that the revenue recognition schedule is populated on the sales order header.
- E. Update the revenue price allocation.

### Correct Answer: C

The finance team observed that for sales order invoice 1234, the price incorrectly posts to a revenue account when it should be deferring.

Revenue recognition on sales orders.

Determine when revenue recognition should occur. A revenue schedule is used to determine when revenue should be recognized.

Determine the revenue price. The revenue price is calculated based on the setup of the released products. The revenue price is never shown to the customer but is used only for the accounting of the sales order invoice. The sales order lines and the documents that are printed as part of the sale continue to show the unit/list price.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-so-basics>

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#### Requirements -

##### Travel and expense -

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A customer orders software licenses for the offices in Tennessee and Alabama.

Expense reports for unapproved items are posting.

VanArsdel, Ltd. exceeded its credit limit but the sales order was processed.

Tailspin Toys purchases \$70,000 in custom software development.

#### Question

##### HOTSPOT -

You need to identify why the sales orders were sent to customers.

Which configuration allowed the sales orders to be sent? To answer, select the appropriate configuration in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

### Sales Order

VanArdel, Ltd.

### Configuration

|                |
|----------------|
| Exclusion rule |
| Blocking rule  |
| Credit group   |
| Grace days     |

|                 |
|-----------------|
| Credit group    |
| Credit limit    |
| Grace days      |
| Average balance |

Tailspin Toys

### Sales Order

VanArdel, Ltd.

### Configuration

|                |
|----------------|
| Exclusion rule |
| Blocking rule  |
| Credit group   |
| Grace days     |

|                 |
|-----------------|
| Credit group    |
| Credit limit    |
| Grace days      |
| Average balance |

Correct Answer:

Tailspin Toys

Box 1: Exclusion rule -

VanArdel, Ltd. exceeded its credit limit but the sales order was processed.

Set up blocking rules and exclusion rules

When a customer initiates a sales transaction, the information on the sales order is reviewed against a set of blocking rules that guide the decision of whether or not to extend credit to the customer and allow the sale to move forward. You can also define exclusions that will override the blocking rules and allow a sales order to be processed.

Box 2: Credit limit -

The credit management blocking rules can apply to an individual customer, or a group of customers. Blocking rules define responses to the following circumstances:

- ⌚ Number of days overdue
- ⌚ Accounts status
- ⌚ Terms of payment
- ⌚ Credit limit expired
- ⌚ Overdue amount
- ⌚ Sales order amount
- ⌚ Portion of available credit used

Current environment. Finance: A blocking rule is set up to prevent a sales order from processing if a customer exceeds a credit limit.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/cm-sales-order-credit-holds>

 **chenbenhua** 1 year, 5 months ago  
I think question 2 should be credit group  
upvoted 4 times

## Topic 24 - Testlet 9

### Question #1

### Topic 24

#### Introductory Info

Case study -

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Background -

Munson's Pickles and Preserves Farm grows and distributes produce, jellies, and jams. The company's corporate headquarters is located in Dallas, TX. Munson's has one operations center and seven regional distribution centers in the United States.

The company has two wholly owned subsidiaries that operate in Canada. The Canadian entity owns an entity in France.

Munson's plans to expand into Latin America by purchasing the last 25 percent of a subsidiary that they own in Costa Rica. This process is expected to complete within the next two years.

The company plans to implement Dynamics 365 Finance and Dynamics 365 Supply Chain to meet their growing business needs.

Current environment. General -

Munson's uses a mix of internally-developed legacy systems that handle their finance and distribution activities. The company has an isolated CRM system.

Both Canadian subsidiaries have two departments: marketing and operations.

Financial reporting is difficult due to data residing in disparate systems.

Financial reporting is currently performed by using Microsoft Excel.

Pre-orders in the current system are difficult to track because the order management system is not integrated with the finance system.

Pickle sales post to one revenue account, but this does not allow for targeted reporting by pickle cut and type.

Current environment. Organization

The following chart shows Accounting/Reporting Currencies and Tax ID, if applicable.

Typically, vendor invoices are received prior to receipt of product.

The following fixed assets are sold for a loss:

1. BUILD-100
2. CAR-1233

At the regional distribution centers, the value for physical inventory does not match the inventory in the financial system.

Munson's rents their corporate office. Rent is not paid by purchase order. Rent is due once a quarter.

Allocations are performed manually.

Barrels are inventoried by site and warehouse.

Munson's has multiple depreciation and tax books for all of their fixed asset equipment.

Budgets are posted at the department level for each legal entity.

Requirements. Sales -

Customers should be able to pre-order for fall release of pickles.

Three-way matching must be enforced for all purchases.

Fixed asset sale transactions require a ledger account entered at the time of transaction.

Fixed assets purchased must be automatically created in fixed asset module. This includes inventory items and write in purchase orders/non-inventoried items.

One dollar from every sale needs must be tracked and donated at the end of each month to a charitable organization.

Purchasing budgets must be enforced at the main account level.

#### Requirements. Finances -

Accounts payable must be able to enter vendor invoices on the day they were received to be settled against when product is received.

Accounts payable must be able to enter vendor invoices to accrue expense without specifying a purchase order at the time of entry.

Postage expenses must be split evenly across the regional distribution centers automatically.

Administrative expenses must be distributed across the regional distribution centers by percentage of fulfillment orders monthly.

Pickling machines depreciation must be uniquely recorded for visibility but not post to the ledger.

#### Issues -

During implementation testing, User1 indicates that after packing slips are generated for purchase orders, there are no ledger postings.

User2 indicates that fixed assets purchased on a purchase order do not show up in the Fixed Assets module.

User3 reports that they are seeing inconsistent application of the one-dollar donation from all sales orders.

User4 in the Canadian subsidiary is able to purchase supplies for marketing despite exceeding the marketing department budget.

User5 reports that when purchasing a non-inventoried computer, the system is automatically assigning it to the buildings fixed asset group.

### Question

DRAG DROP -

You need to configure the system to meet invoicing requirement.

Which features should you use? To answer, drag the appropriate features to the correct requirements. Each feature may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

| Feature                 | Answer Area | Requirement                   | Feature |
|-------------------------|-------------|-------------------------------|---------|
| Pending vendor invoice  |             | Enter early product invoices. | Feature |
| Vendor invoice journal  |             | Pay rent.                     | Feature |
| Vendor invoice register |             | Enter accrual invoices.       | Feature |

#### Correct Answer:

| Feature | Answer Area | Requirement                   | Feature                 |
|---------|-------------|-------------------------------|-------------------------|
|         |             | Enter early product invoices. | Pending vendor invoice  |
|         |             | Pay rent.                     | Vendor invoice journal  |
|         |             | Enter accrual invoices.       | Vendor invoice register |

#### Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/vendor-invoices-overview>

✉  **D365FOConsultant** 1 year, 7 months ago

Answer is correct:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/vendor-invoices-overview>

The vendor invoice register lets you quickly enter invoices that don't reference a purchase order, so that you can accrue the expense.

The vendor invoice journal lets you quickly enter invoices that don't reference a purchase order, in a single step.

The Open vendor invoices and Pending vendor invoices pages let you create vendor invoices from confirmed purchase orders.

upvoted 4 times

✉  **kripe86** 1 year, 2 months ago

I still don't get the usage of pending invoices... If i want to have the invoices in the system, i want them to be posted somewhere. So i would go through Invoice register. There you can still put PO number in there....To enter invoice as pending invoice is waste of time.

But ... yes... from MS point of view the answer is correct

upvoted 1 times

✉  **Aysenuremre** 2 years, 5 months ago

Enter accrual invoices = invoice journal

Pay rent = invoice register

upvoted 1 times

 **karimbeldhedi** 2 years, 5 months ago

pay rent is not an invoice.

why a rent have to be entered by an invoice register and not an invoice journal ?

upvoted 2 times

 **Suzemagooze** 2 years, 11 months ago

Answer is correct, read link provided.

upvoted 3 times

 **Jay28** 3 years, 2 months ago

Accrual Invoice=Vendor Invoice Journal

upvoted 1 times