

Chapter 4

Procurement Process

هنبدا نتكلم عن العمليات الرئيسية الي عندنا (شراء – انتاج – بيع) , هنتكلم في الشابتز دا علي عملية الشراء. بس قبل ما نبدأ في تفاصيلها لازم نتكلم عن ال master data و org data الي تخص العملية دي والي هنبدا بيهم في كل شابتز بعد كدا.

Organizational Data:

- 1-Client
- 2-Company code (CC)
- 3-Plant
- 4-Storage location (S Loc)
- 5-Purchasing organization (P Org)
- 6-Purchasing group

احنا عارفين اول 3 دول المستويات العامة و اخر 3 دول فرعين و هيختلفو في الشابتز الجاية يعني بيختلفو من عملية للتانية.

1-Plant

Is a location:

- That holds valuated stock (for distribution). **بخرن فيه**
- Where production planning is carried out. **مكان بنتج فيه**
- Where products and services are created.
- That contains service or maintenance facilities. **بقدم خدمات في**

Can be :Factory, warehouse, distribution center.

Can be assigned to one CC only.

A CC can have many plants.

2- Storage Location

- Storage locations are places within a plant where materials are kept until they are needed.

مكان تخزين فيه المنتجات بتاعتي وممكن تكون مواد خام او semi finished او finished

- More specific storage locations include: shelves, bins, cabinets, and trays.

مممكن يكون جواها رفوف او حاويات او دواليب

- A plant must have at least one storage location.
- A storage location can belong to only one plant.

3- Purchasing Organization

إدارة المشتريات في المنظمة

- A purchasing organization is the unit within an enterprise that performs activities related to purchasing for one or more plants.

- It evaluates and identifies vendors.
- It negotiates contracts and agreements, pricing, and other terms.

الجهة المسؤولة عن عمليات الشراء وبتختار الموردين وتتفاوض معهم بخصوص العقود والشروط والاسعار.

There are 3 models of Purchasing Org:

A- Enterprise-Level:

- also known as the cross-company code purchasing organization.
- is the most centralized model. مركزية عشان واحدة بس علي مستوى المنظمة.
- There is only one purchasing organization for the overall enterprise which purchases to all of the Company codes and all its plants.

عندي إدارة مشتريات واحدة على مستوى المنظمة كلها بتشتري لكل ال cc و ال plants

B- Company-Level Purchasing Org:

- also known as the cross-plant model.
- each company code has its own purchasing organization which responsible for all plants in this company code.

هنا كل CC بيكون ليها إدارة مشتريات خاصة بيها لوحدها ومسؤلة عن عمليات الشراء الي بتتم في كل ال plants الخاصة بيها.

زي كلية تجارة دي CC ليها إدارة مشتريات خاصة بيها وكلية حاسبات ليها إدارة مشتريات خاصة بيها برود.

C- Plant-Level Purchasing Org:

- Also known as plant-specific model.
- The **most decentralized** model. لا مركزي عشان موجود منه كتير.
- each plant has its own purchasing organization.

هنا كل plant بيكون ليها إدارة مشتريات خاصة بيها, لكن بتشتري الحجات الصغيرة البسيطة زي مواد تصنيع او زيوت تشحيم او أدوات .

اكتننا بنقول ان قسم business دا plant وليه إدارة مشتريات وقسم MIS ليه إدارة مشتريات كل منهم بيشترى أدوات للقسم الخاص بيه لوحده.

Reference Purchasing Org:

A hybrid model that consists of one centralized purchasing organization that can evaluate needs and opportunities and responsible for high-level decisions across the enterprise.

يعني لو انا plant علوز اجيب آلة بمليون جنيه دا يعتبر High-Level Decision يعني قرار كبير مينفعش اقرره مع نفسي لازم ارجع لادارة مشتريات اكبر مني تقرلي.

4- Purchasing Group

الافراد الي شغالين جوا إدارة المشتريات

- A purchasing group is an individual or a group of individuals who are responsible for purchasing activities for a material or a group of materials.
- Can be internal to the company or external.

دول الأفراد أو الخبراء الي يقومو بعملية الشراء ممكن يكونو من داخل المنظمة او من خارج المنظمة زي السماسرة.

For example, a case in which a company needs to acquire land or a building. The company will retain a realtor to find the best suits their needs. In this case, the realtor serves as the external purchasing group.

مثلا معنديش في الشركة حد فاهم في شراء الأراضي ف هجيب سمسار يتفاوض و يجلي احسن قطعة ارض ب احسن سعر.

Master Data

1. Material Master
2. Vendor Master
3. Purchasing info record
4. Conditions

1- Material Master

بحتفظ فيها بكل البيانات الي تخص المنتجات عندي
وقولنا في شابتير 2 ان كل product بيكون ليه مجموعة من ال views

Material Master-Views

- | | |
|--------------|-----------------------|
| -Basic data | -Plant / Storage |
| -Purchasing | -Work Scheduling |
| -Accounting | -MRP |
| -Forecasting | -Classification |
| -Sales | -Warehouse Management |

هنتكلم عن 4 بس

Basic data view:

Description, unit of measure, weight, material group.

وصف للمنتجات, وحدة القياس و الوزن و النوع

Purchasing view: الخصائص الشرائية للمنتج

purchasing group, the goods receipt processing time, and the delivery tolerance

خصائص المنتجات علي حسب بيانات الشراء زي (مين اشترى - هيوصل امتي- الكمية المسموح بيها بالزيادة او النقصان)

Accounting View: الخصائص المالية الخاصة بالمنتج

the valuation currency, the valuation class, and the price control.

البيانات المالية والمحاسبية للمنتجات زي عملة التسعير و طبيعة تسجيلها محاسبيا و طريقة تسعيرها

The three options for price control are moving average price, standard price and future price.

هنا عندي 3 طرق تسعير, اول واحدة التكلفة القديمة + الجديدة واقسمها علي عدد الوحدات عشان اطلع سعر الوحدة

تاني طريقة اني احط سعر ثابت مش بيتغير إلا لما الشركة تحدد

تالت طريقة اني احط سعر بناء علي توقع سعر مستقبلي للمنتج

Plant/Storage View: الخصائص التخزينية للمنتج

The plant/storage view includes data that are needed to properly store materials such as :

- Storage requirements (hazard, temperature, etc.).
- Shelf life: that is, how long a material can be stored before it becomes obsolete or unusable.
- Weight, volume

بيانات التخزين زي متطلبات التخزين من حيث المخاطرة والحرارة, اقصى عمر للتخزين و حجم المنتج ووزنه

Views for other processes

- Forecasting. (Material Planning process)
- Sales. (Fulfillment process)
- Work Scheduling. (Production process)
- MRP. (Production process)
- Classification. (PLM process)
- Warehouse Management. (WM process)

Different material types have different required views.

Examples:

- Raw material: no sales view.
- Finished Goods: no purchasing view.
- Trading goods: no production related views.

2- Vendor Master

include the data needed to do business with a vendor and to execute transactions related to the vendors.

the vendor master are grouped into three segments:

- ✓ general data.
- ✓ accounting data.
- ✓ purchasing data.

A- Vendor- General Data

include the vendor's name, address, and communication information such as phone and fax numbers. These data are defined at the client level.

مثلا بيانات الموردين هتكون عند جامعة اسكندرية لانها ال كلائنت

B- Vendor- Accounting Data

include tax-related data, bank data, and payment terms and methods , These data are defined **at the company code level.**

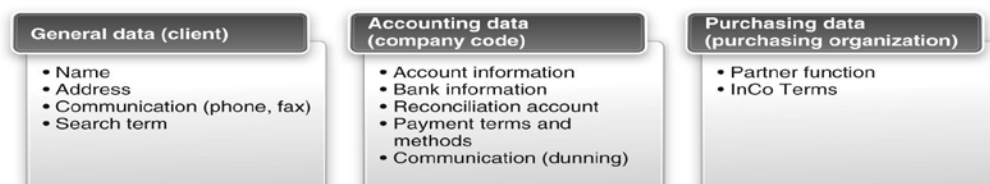
انا قولت ان كل CC مستقلة بنفسها ماليا وقانونيا, يعني المورد لما يجي يتعامل بيتعامل مع كل كلية لوحدها. مثلا لما يورد لكلية تجارة ياخذ منها كاش, ولما يورد لكلية حاسبات ياخذ منها شيكات, بمعنى ان عادي تختلف طرق الدفع لكل CC.

كل دا بقي بيظهر ف accounting data فيه البيانات المالية الخاصة بال vendor

C- Vendor- Purchasing Data أي حاجة تخص عملية الشراء

include various terms related to determining prices, creating and communicating purchase orders, verifying invoices, and other steps involved in executing purchases with the vendor, these data are defined **at the purchasing organizational level.**

زي طريقة التسعير بيني وبين المورد, و الضرايب علي الشحنات مين هيتحملها ان ولا المورد , معلومات عن الفواتير واي حاجة تخص عملية الشراء



3- Purchasing info Record

- a purchasing info record is a **combination of material and vendor data.**
- it contains data specific to **one vendor** and **one material** or **material group.**
- Data in purchasing info record are grouped into **general data** and **purchasing org data.**

ريكورد بيكون فيه داتا تخص عملية الشراء الي بيني وبين المورد

مزيج من داتا تخص الماتريال و المورد

بيكون فيه معلومات عن مورد واحد و ايه المواد او مجموعة المواعيد الي جبتها منها

General Data: vendor number, material number, other data used for communication (contact info and number)

Purchasing Data: based on agreements with the vendor regarding delivery time, delivery tolerance , quantities and pricing conditions.

Spy Gear
Vendor 100006

Info record 5300000816	
Vendor:	100006
Material:	SHRT1000
Purchasing org:	US00


Planned delivery time: 4 days

Conditions

Price/Unit: \$15
Discount: 4% etc.

Last purchase order
4500006398

Material SHRT1000



4- Conditions

These data are used to determine the prices, discounts, taxes, freight, and so on for the materials. الاحكام والشروط الي تتبعها الشركة في عملية الشراء

Item Categories

-Defines the process used to procure the item الطريقة الي بجيب بيها المنتجات

1- Standard :

دا الشراء العادي بيعت للمورد طلب وهو بيعتلي العرض بتاعه ولما أوافق عليه يشحنلي الطلبية وبيعتلي الفاتورة

2- Subcontracting: يشتري منه خدمة:

A company sends material to a vendor, who uses them to create semi-finished or finished products and the vendor sends the products back to the company.

ببيعته مواد خام هو يصنعها ويبيعتهالي في شكل semi-finished او finished وانا اكمل عليها

3- Consignment:

Liability and the company pays the vendor only when it uses the material from the stock.

هنا انا باخذ مواد من المورد واخزنها عندي واديله حق الي استعملته منها بس.

4- Service: مشتريتش حاجة ملموسة

دي الخدمات زي مثلا لو جبت حد يعمل صيانة للألات او المعدات او يدهنلي الشركة او يقدملي خدمات مختلفة .

5- Stock Transfer:

Is the process which an organization uses the procurement process to obtain materials from another plant within the same organization.

مش يشتري حاجة مجرد انقل مخزون من فرع ل فرع ثاني عشان لو عندي عجز في احدي الفروع

6- Third Party order:

Refers to items that the vendor ships directly to a customer not to the company.

مثلا كاستمر طالب مني حاجة وهي مش عندي, ف هطلبها من مورد وادفع فلوسها بس أقوله ابعتها علي الكاستمر علي طول الي هو طرف ثالث في البيعة.

بيكون منتشر اكثر في ال trading goods لاني مش بعمل عليها أي تعديلات ف ممكن اخلي المورد يبعثها علي طول للكاستمر واحاسب انا عليها.

Account Determination

The process whereby the system determines which general ledger accounts will be assigned to record the impact of materials purchasing.

الأثر المحاسبي لعملية الشراء هيسمع عندي في انهي حساب جوا ال G-L

و المنتجات الي يشتريها بتكون نوعين:

1)stock materials:

Such as **raw materials** for later use in the production process and **trading goods** for resales to customers.

مواد يستخدمها بشكل مباشر في البيزنس بتاعي

2)Consumable materials: مواد استهلاكية:

materials that are **acquired to be consumed** by or used within the organization, which people in the organization use during the course of their day-to-day work.

مواد استهلاكية مش داخلة بشكل مباشر في البيزنس بتاعي, زي المنظفات وزيوت تشحيم الآلات و الدهانات و حبر الطباعة

Stock Types / Status

- 1) **Unrestricted use.** مخزون عادي محتفظ بيه لغرض الاستخدام
- 2) **In quality inspection.** مخزون محتفظ بيه لحد ما اخذ منه عينات وافحصه
- 3) **Blocked stock (damaged, unusable, wrong delivery).**

المخزون او البضاعة التالفة الغير قابلة للاستخدام او الي وصلني عن طريق الخطأ

- 4) **Stock in transit.**

دة المخزون الي بكون محتفظ بيه مؤقتا لحد ما انقله من مكان لمكان ثاني , مثلا استلمت شحنة في Plant وانا هنقلها ل plant ثانية

Goods Movement

- A transaction that causes a change in stock (value or status).
- The goods movement is associated with receiving materials from a vendor, shipping them to a customer, or “moving” them from one location within the company to another.

مثلا لو انا اشتريت بضاعة انا كدا زودت المخزون الي عندي و زودت قيمته, ولو اخدت منه ف انا كدا قللت من كميته و قيمته

1-Goods Receipt:

- records the receipt of materials into storage, which results in an **increase in quantity and value of stock**.
- company usually generates a goods receipt when it **receives materials** from a vendor or from the **production process**.

عملية بتحصل لما يكون عندي **increase** في المخزون الي عندي ويحصل لما استقبل مخزون من مورد او عملية الإنتاج بينتج عنها مخزون .

2-Goods issue:

- when materials are removed from storage, in which results is a **reduce in quantity and value of stock**.
- when the company **ships materials to a customer** or uses them for **internal consumption** (to produce other materials).

هنا عندي نقص في المخزون نتيجة اني شحنته للعميل او استخدمته في انتاج مواد ثانية.

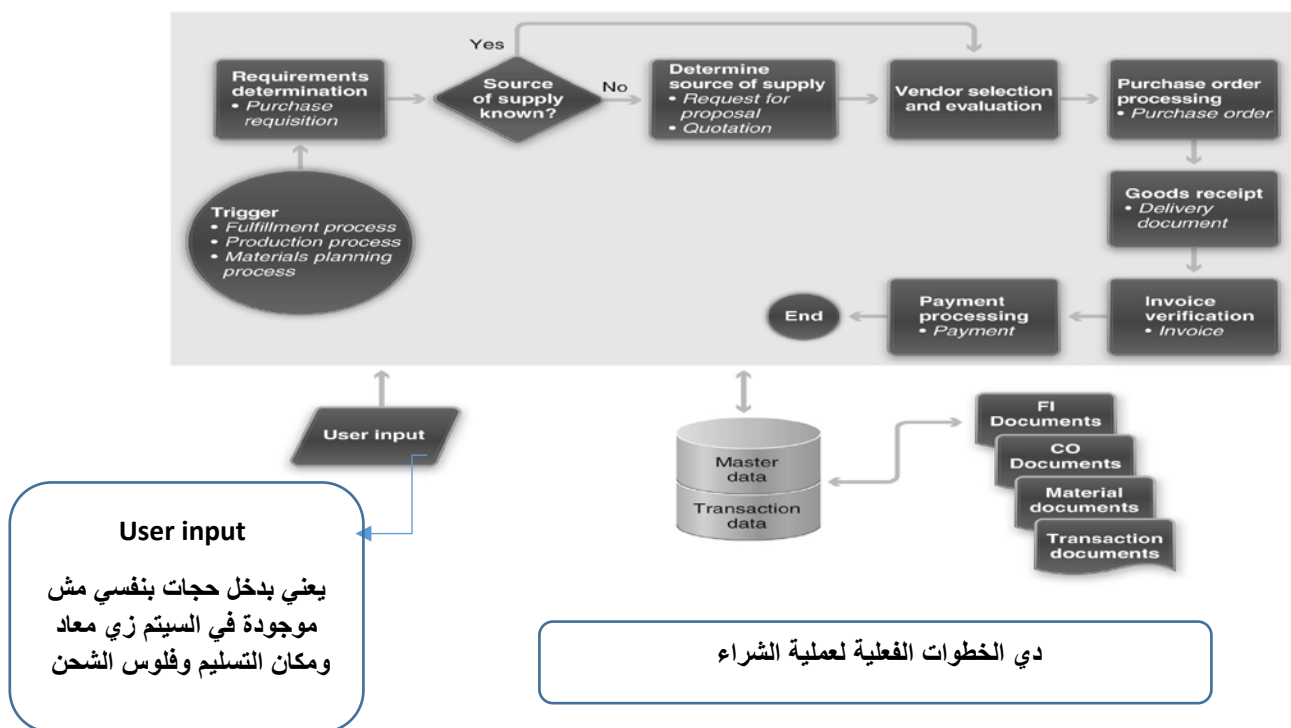
3- Stock Transfer:

- **Physical movement** of material between storage locations.
- Materials can be transferred between storage locations, between plants within the same company codes, or from CC to CC.

3- Transfer Posting: لا بزود ولا بقلل, بغير حالته بس

- Results in a change in **material status or type**.
- we can transfer posting to **redefine a material** (Ex, from in quality inspection to unrestricted) or to **change a material type** (from raw material to finished goods).
- Transfer Posting **may or may not** involve the physical movement of material from one location to another. يعني ممكن بعد ما غيرت حالته انقله من مكان لمكان ثاني.

مثلا كان عندي بضاعة تحت الفحص ولما فحصتها ولقيتها تمام حولت حالتها من **inquality inspection** ل **unrestricted use** يعني اقدر استخدمها دلوقتي بعد ما فحصتها.



Process Steps:

- 1-Trigger دي لازم تتحفظ في كل عملية
- 2-Data قراية
- 3-Task details نعرفها
- 4-Outcomes تتحفظ برودو

1-purchase requisition

اول خطوة في عملية الشراء هي اننا بنبعث طلب ل إدارة المشتريات, وبنعمل كدا لما نكون عاوزين ننتج او نبيع لعميل ونلاقي ان المخزون خلص ف نجيب غيره, او ممكن اجيب عادي من غير ما يكون خلص, مثلا خايف من زيادة الأسعار ف اجيب كمية دلوقتي

Trigger:

- Other Processes.
- Manually.

Data:

- **User input:** Dates, materials (لو ملهائش داتا عندي), quantities.
- **Master data:** Material master, Vendor, Info record.
- **Organizational data:** Client, CC, Purchasing Group.

Output:

Document: **Purchase requisition**

2-purchase Order

دلوقتي جه طلب purchase req لادارة المشتريات وواقفت عليه اتحول ل purchase order
ممكن يطلبو علي طول من مورد او يبعثو لكل الموردين و المورد الي يدينا اقل سعر اشتري منه ودا اسمه
RFQ يعني Request for Quotation او Quotation

Trigger:

- Purchase Requisition.
- RFQ Or Quotation.

Data:

- **Master Data:** Material master, Vendor, Info record, conditions
- **Transaction Documents:** Purchase requisition, RFQ, Quotation
- **User Input.**

Task:

- Determine Source of supplies.
- Create purchase order.

Output:

- Purchase order
- Purchase requisition update. بعمل ابدیت انو خلاص اتحول لامر شراء
- communicate with the vendor.

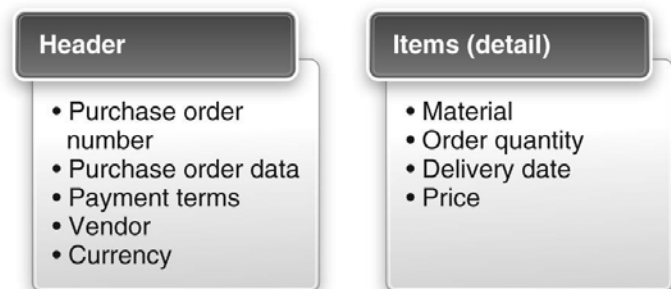
Purchase Order Structure

Header:

- Document number, dates.
- Vendor, currency, terms.
- PO total.

Line Items:

- Material number, description.
- Quantity, price, item total.
- Delivery date.



Many Purchase Requisitions can be converted to one purchase

order. يعني ممكن يكون عندي كذا طلب شراء احوالهم لامر شراء واحد واجيب الحجات
كلها مرة واحدة بدل ما اعمل كذا اوردر منفصل

3-Goods Receipt

بعد ما بعت امر الشراء للمورد هيبعتلي البضاعة وهستلمها ف لازم اثبت اثر دا علي المنتجات بتاعتي والاثر المحاسبي.

Trigger:

Delivery from the vendor

لأنها مش هتبدأ غير لما المورد بيعتلي الطلبية واستلمها

Data:

Master data.

Documents: purchase order, Delivery document.

بقرن الداتا في purchase order مع الداتا بتاعت ال Delivery Document عشان اتأكد انها نفس الداتا وكل حاجة مذبوبة ومفيش حاجة ناقصة

User input: (Verification, Changes, Receiving plant, storage location, Movement type).

Task:

- Verify materials receipt. للتحأكد ان العملية تمت بشكل سليم
- Create General ledger document. ابدأ اعمل GL عشان اسجل فيه الأثر المالي للعملية

Outcome:

Material documents مستندات بالبضاعة الي وصلت

Financial Accounting documents. مستندات مالية الناتجة عن شراء البضاعة.

Material master update: stock. بعمل ابدیت للماتريل ماستر عشان ازود المنتجات الجديدة الي وصلت ك كمية

GL accounts update. بسجل الأثر المالي لعملية الشراء في دفتر الأستاذ

PO history: material document added. اخر حاجة بعمل ابدیت لامر الشراء وبثبت اني اشتريت

4-invoice Verification

بعد ما البضاعة وصلتلي المورد هيبعتلي الفاتورة ف لازم اتأكد ان البضاعة الي علي الفاتورة هي فعلا الي وصلتلي وان مفيش أي أخطاء.

Trigger:

Invoice from the vendor

Data:

- Purchase Order
- Material documents
- invoice
- User input (Verification)

Tasks:

Three-way match:

- The vendor invoice الفاتورة الي المورد بعتهالي
- The purchased order أمر الشراء بتاعي
- The receiving report تقرير استلام الشحنة

لازم الداتا في ال 3 تكون متطابقة عشان الكد الفاتورة

Outcome:

- invoice Document بسجل علي السيستم مستند الفاتورة الي هدفها
- Financial Accounting Documents بسجل المستندات المحاسبية الخاصة بالفاتورة
- GL: Vendor account هزود رصيد المورد عندي
- PO history: invoice document added يعمل ابديت لامر الشراء واثبت فيه الفاتورة
- Material Master Update
 - stock value
 - Moving average price (if using moving price)

اخر حاجة هعمل ابديت للماتريال ماستر بتاعي و ازود قيمة المخزون الموجود عندي وابدأ احسب تسعيرة من الأول لانني اشتريت منتجات جديدة ودا في حالة لو انا بستخدم طريقة المتوسط في حساب تكلفة المخزون

5-Payment

Trigger:

- Verified Invoice

Data:

- Data from the invoice
- Data from the vendor master. (payment method, account, address)
- User input. (verification)

Tasks:

- select a payment method.
- select Bank.
- select items.
- calculate amount.
- post payment document.

Outcomes:

- Payment to the Vendor
- Financial Accounting Documents.
- Update GL Accounts.

Reporting

Source of data: الداتا الي محتاجها عشان اعمل تقارير عن عملية الشراء

- ✓ Organizational data.
- ✓ Master data.
- ✓ Transaction data. (documents) (Purchasing documents, Material documents, Accounting documents, Invoice documents)

عندنا نوعين من التقارير الي تخص عملية الشراء

1) Reporting –Instance: بعمل تقرير لخطوة واحدة من عملية الشراء مش العملية كلها

Such As : Status of a Requisition, Purchase Order

2) Reporting –Standard: دي تقارير علي مستوي العملية كلها

Process level reporting , it also includes :

Logistics Information System:

Information structure: Special tables of statistics from various modules that is constantly updated
الهيكل المعلوماتي بيكون عبارة عن جداول فيها معلومات تخص العمليات مثلا
عملية الشراء, ف انا باخد المعلومات الي تهمني علي مزاجي و اعمل بيها تقرير زي:

Selection criteria (types of information):

Key figures: variables of interest

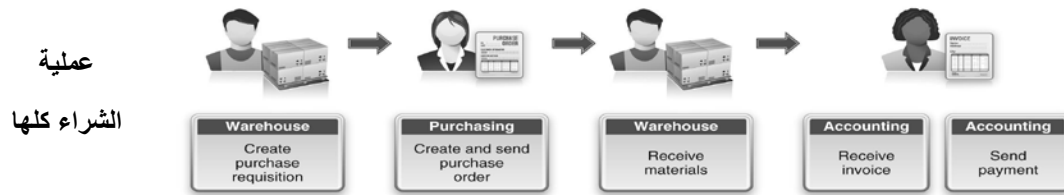
- Quantitative values on measurable facts.
- Numbers (of orders, deliveries).
- Quantities (of material).
- Cost, delivery time.

Characteristics: used to organize key figures

Vendors, material, organizational levels .

Timeframe: day, week, month, etc.

ملخص عملية الشراء



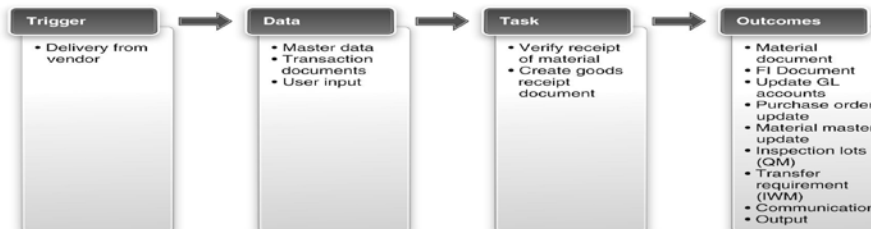
1- Purchase Requisition



2- Purchase Order



3- Goods Receipt



4- Invoice Verification



5- Payment



TRUE OR FALSE:

- ✓ 1. Storage locations are places within a plant where materials are kept until they are needed.
- ✗ 2. There can only be one storage location within a plant.
- ✓ 3. A storage location is a key organizational element in purchasing.
- ✗ 4. A purchasing organization is involved only in negotiating prices with vendors
- ✓ 5. Typically, there are three models of purchasing organizations: enterprise-level, company-level, and plant-level.
- ✓ 6. The enterprise-level purchasing organization is also known as the cross-company code purchasing organization.
- ✗ 7. ^{Enterprise-Level} The company-level purchasing organization is the most centralized model.
- ✓ 8. The enterprise-level purchasing organization is the most centralized model.
- ✗ 9. Places within a plant where materials are kept until they are needed are called a purchasing Organization. ^{Storage Locations}
- ✓ 10. Purchasing Organization is the unit within an enterprise that performs strategic activities related to purchasing for one or more plants.
- ✓ 11. "Enterprise-Level Purchasing Organization" is also known as the cross company purchasing organization, is the most centralized model
- ✓ 12. "Company-Level Purchasing Organization" is known as the cross-plant model, a single purchasing organization is responsible for multiple plants in one company code.
- ✓ 13. "Plant-Level Purchasing Organization" is known as a plant-specific purchasing organization, in which each plant has its own purchasing organization.
- ✓ 14. "Plant-Level Purchasing Organization" is the most decentralized.
- ✓ 15. Organizational Levels relevant to the procurement process include Client, Company Code and Plant.



16. Purchasing Group is an individual or a group of individuals who are responsible for purchasing activities for a material or a group of materials.



17. Purchase Order is formal communication to a vendor that represents a commitment to purchase the indicated materials under stated terms. Main point of contact with vendors.

Answers

1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.
T	F	T	F	T	T	F	T	F	T	T	T	T	T	T	T	T

MCQ:

1) Which of the following is an intersection or combination of material data and vendor data?

- a. Condition type
- ☒ b. Purchasing info record
- c. Stock transfer
- d. Third-party order
- e. Search term

2) Which item category would you use to have your vendor ship goods directly to your customer?

- a. Consignment
- ☒ b. Third-party
- c. Stock transfer
- d. Standard

3) Data in the vendor master are grouped into which three segments?

- a. General data, storage data, and purchasing data
- b. General data, storage data, and inventory data
- c. Storage data, accounting data, and purchasing data
- d. Storage data, accounting data, and pricing data
- ☒ e. General data, accounting data and purchasing data.

4) Which of the following goods movement need not involve a physical movement of materials?

- a. Goods receipt
- b. Goods issue
- c. Stock transfer
- ☒ d. Transfer posting
- e. None of the above (all involve physical movement of materials).

5) Which of the following facilitates the integration between vendor master data and financial accounting?

- a. Vendor account number
- ☒ b. Reconciliation account
- c. Accounts payable number
- d. Material number
- e. Accounts receivable number

6) Which of the following are organization data in purchasing?

- a. Shipping point
- b. Company code
- c. Plant
- ☒ d. B and C
- e. None of the above.

7) Which of the following are master data that are related to the purchasing process?

- A. Material master
- B. Vendor master
- C. Purchasing info records

☒ D. All of the above

- E. None of the above

8) Which G/L accounts are impacted by the goods receipt step of the procurement pr

- A. Accounts payable
- B. Goods receipt/ invoice receipt account
- C. Inventory account

☒ D. B and C

- E. None of the above

9) Which of the following statements about storage locations are true?

- A. A storage location must be assigned to a plant
- B. A client can have more than one storage location
- C. A plant can have more than one storage location
- D. All of the above
- E. None of the above

10) Which of the following statements about storage locations are true?

- A. A storage location must be assigned to a plant
- B. A storage location can be assigned to more than one plant
- C. A client can have more than one storage location

- D. A plant can have more than one storage location
- E. A storage location can hold only materials with a stock status of unrestricted

11) Which of the following are organizational elements in purchasing?

- a. Sales organization
- b. Purchasing area
- c. Plant
- d. Vendor
- e. Storage location

12) Which of the following statements about purchasing organizations are correct?

- a. They negotiate conditions of purchase with vendors
- b. They can purchase only for one company
- c. They can purchase for multiple plants
- d. They can purchase for multiple plants, but they must be within the same company code
- e. They identify a buyer or a group of buyers,

13) A purchase order can be sent to which of the following?

- a. A vendor
- b. A customer
- c. A plant
- d. A purchasing organization
- e. A purchasing group

14) Data for source determination are obtained from:

- a. A purchase orders
- b. Purchase info records

- c. A source lists
- d. Contracts and agreements
- e. The vendor master record

15) Which of the following are master data that are related to the purchasing process?

- a. Material master
- b. Vendor master
- c. Vendor info records
- d. Purchasing organization
- e. Customer master

16) Which of the following are methods of valuing materials?

- a. Actual price
- b. Standard price
- c. Purchasing price
- d. Moving (average) price
- e. Selling price

Answers

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
B	B	E	D	B	D	D	D	D	A,C,D	C,E	A,C	A	B,C,D	A,B,C	B,D

Extraaaaaa Questions

1. The first step in A Basic Procurement Process is:

- a. sent payment.
- b. Create purchase requisition.
- c. send purchase order.
- d. Receive materials.

2. All the following are Organizational Data elements in the procurement process except :

- a. company code
- b. Plant
- c. Division
- d. purchasing group
- e. storage location

3. is a place within a plant where materials are kept until they are needed.

- a. Distribution channel
- b. Storage location
- c. shipping plant
- d. Warehouse
- e. plant

4. Which Organizational level is concerned with performing activities related to Buying for one or more plants?

- a. Client
- b. Company code
- c. Purchasing Organization
- d. Credit control area

5. Which of the following is true about purchasing Organization?

- a. it negotiates contracts and agreements .
- b. It evaluates and identifies vendors.
- c. there are 3 models of purchasing organization
- d. all of the above

6. Which model of purchasing organization is known as the cross-plant model ?

- a. Enterprise-Level
- b. Company-Level
- c. Plant-Level
- d. none of the above

7. Is A hybrid model that consists of one centralized purchasing and responsible for high-level decisions across the enterprise.

- a. Enterprise-Level
- b. Company-Level
- c. Plant-Level
- d. Reference purchasing organization

8. When a company needs to buy land or a building it will retain a realtor to find the best deal, this is example of:

- a. Purchasing Organization
- b. Purchasing Group
- c. Purchase requisition
- d. purchase order

9. All the following are Master Data elements in the procurement process except :

- a. Material Master b. Vendor Master c. Customer Master
- d. Purchasing info record

10. In which Material Master View we can find data about Description, unit of measure and weight of the material ?

- a. Accounting view. b. Purchasing view. c. Forecasting view. d. Basic data view.

11. The plant/storage view includes data about all of the following except:

- a. Storage requirements b. Shelf life c. Weight, volume d. delivery tolerances

12. Which of the following is segment of the vendor master data?

- a. general data. B. accounting data. c. purchasing data. d. all of the above

13. is a combination of material and vendor data.

- a. Customer-material b. Material Info c. Purchasing Info d. Vendor Info
- info record Record Record Record

14. used to determine the prices, discounts, taxes, freight, and so on for the materials.

- a. Master data b. organizational data c. Conditions d. Purchasing Info Record

15. when a company sends materials to a vendor, who uses them to create finished products and resend them , this item category is called

- a. Standard b. Subcontracting c. Consignment d. Service e. Stock transfer

16. when the organization uses the procurement process to obtain materials from another plant within the same organization , this item category is called

- a. Standard b. Subcontracting c. Consignment d. Service e. Stock transfer

17. When the material is damaged, unusable or wrong delivery , the status of stock is

- a. In quality inspection b. Stock in transit c. Blocked stock d. Unrestricted use

18. when materials are being moved from one plant to another, they are classified as

a. In quality inspection b. Stock in transit c. Blocked stock d. Unrestricted use

19. Which term refers to A transaction that causes a change in the value or the statue of stock?

a. Item Categories. b. Account Determination. c. Stock Types.
d. Goods Movement.

20. Uses to change in material status or type.

a. Transfer Posting. b. Goods Issue. c. Goods Receipt. d. None of the above.

21. the step of purchase requisition can be triggered by :

a. fulfillment process. b. production process. c. material planning process.
d. all of the above.

22. the step of Creation Purchase order is triggered by :

a. presales activity b. Purchase c. Request for d. all of the above.
e. B and C Requisition. quotation.

23. within Procurement processes, In which step we match the data in Purchase order with the data in Delivery document ?

a. Good Receipt. b. Invoice Verification. c. Payment. d. Reporting.

24.within Procurement processes, In which step we do a Three-way match (The vendor invoice, The purchased order, The receiving report)?

a. Good Receipt. b. Invoice Verification. c. Payment. d. Reporting.

25. Which item category would you use to have your vendor ship goods directly to your customer?

a. Consignment b. Third-party c. Stock transfer
d. Standard e. Transfer posting

26. Data in the vendor master are grouped into which three segments?

- a. General data, storage data, and purchasing data
- b. General data, storage data, and inventory data
- c. Storage data, accounting data, and purchasing data
- d. Storage data, accounting data, and pricing data
- e. General data, accounting data and purchasing data

27. Which of the following goods movement need not involve a physical movement of materials?

- a. Goods receipt b. Goods issue c. Stock transfer d. Transfer posting
- e. None of the above

28. Which of the following are organization data in purchasing?

- A. Shipping point B. Company code C. Plant D. B and C
- E. None of the above

29. Which of the following are master data that are related to the purchasing process?

- A. Material master B. Vendor master C. Purchasing info records D. All of the above E. None of the above

30. Which of the following statements about storage locations are true?

- a. A storage location must be assigned to a plant
- b. A client can have more than one storage location
- c. A plant can have more than one storage location
- d. All of the above

31. Which of the following are organizational elements in purchasing?

- a. Sales organization b. Purchasing area c. Plant d. Vendor

Answers

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
<u>B</u>	<u>C</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>B</u>	<u>D</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>D</u>	<u>D</u>	<u>C</u>	<u>C</u>	<u>B</u>	<u>E</u>

17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
<u>C</u>	<u>B</u>	<u>D</u>	<u>A</u>	<u>D</u>	<u>E</u>	<u>A</u>	<u>B</u>	<u>B</u>	<u>E</u>	<u>D</u>	<u>D</u>	<u>D</u>	<u>D</u>	<u>C</u>

TRUE AND FALSE:

1. A plant can have multiple storage locations but must have at least one storage location.
2. A storage location can belong to many plants.
3. Enterprise-Level Purchasing Organization Also known as cross-company code model.
4. Enterprise-Level Purchasing Organization is The most decentralized model.
5. in a Company-Level Purchasing Organization model each company code has its own purchasing organization.
6. Plant-Level Purchasing Organization is the most centralized model.
7. Purchasing Group Can be internal to the company or external.
8. “Plant-Level Purchasing Organization” is the most decentralized.
9. The two options for price control are moving average price and standard price.
10. based on Material master views, Raw materials can have a sales view.
11. Vendor – Accounting Data are defined at the company code level.

12. The company-level purchasing organization is the most centralized model.
13. The enterprise-level purchasing organization is the most centralized model.
14. Purchasing Info Record contains data specific to many vendors and one material or material group.
15. Third party order Means that the vendor ships directly to a customer not to the company.
16. Goods Issue and Stock Transfer must involve the physical movement of materials from one location to another.
17. The Impact of Goods Receipt is an decrease in quantity and Value of stock.
18. The Impact of Goods issue is an increase in quantity and Value of stock.
19. Good Receipt only affects the quantity of the stock , not its value.
20. the step of purchase requisition can be triggered Manually.
21. many Purchase Requisition can be converted to one purchase order.
22. The step of Goods Receipt is triggered by a Delivery from the customer.
23. within Procurement processes , payment step as the last step is triggered by the Good Receipt .
24. within Procurement processes , When The source of supplies is unknown we send request for quotations to Choose the Best Price.
25. Storage locations are places within a plant were materials are kept until they are needed.
26. There can only be one storage location within a plant.
27. A storage location is a key organizational element in purchasing.
28. A purchasing organization is involved only in negotiating prices with vendors.
29. Typically, there are three models of purchasing organizations: enterprise-level, companylevel, and plant-level.

30. The enterprise-level purchasing organization is also known as the cross-company code purchasing organization.
31. The company-level purchasing organization is the most centralized model.
32. The enterprise-level purchasing organization is the most centralized model.
33. Places within a plant where materials are kept until they are needed are called a purchasing Organization.
34. Purchasing Organization is the unit within an enterprise that performs strategic activities related to purchasing for one or more plants.
35. “Enterprise-Level Purchasing Organization” is also known as the cross company purchasing organization, is the most centralized model.
36. “Company-Level Purchasing Organization” is known as the cross-plant model, a single purchasing organization is responsible for multiple plants in one company code.
37. “Plant-Level Purchasing Organization” is known as a plant-specific purchasing organization, in which each plant has its own purchasing organization.
38. “Plant-Level Purchasing Organization” is the most decentralized.
39. Organizational Levels relevant to the procurement process include Client, Company Code and Plant.
40. Purchasing Group is an individual or a group of individuals who are responsible for purchasing activities for a material or a group of materials.

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21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40
T	F	F	T	T	F	T	F	T	T	F	T	F	T	T	T	T	T	T	T