

SAP MM TECHNICAL

Sl No	Entries	T-Code
IMG ⇒ Enterprise Structure ⇒ Definition ⇒ Financial Accounting		
01	Company	OX15
02	Company Code	OX02
IMG ⇒ Enterprise Structure ⇒ Definition ⇒ Logistic General ⇒ Define, Copy, Delete check plant		
03	Plant	OX10
IMG ⇒ Enterprise Structure ⇒ Definition ⇒ Materials Management		
04	Storage Location	OX09
05	Purchase Organization	OX08
Enterprise Structure ⇒ Assignment ⇒ Materials Management ⇒ Assignment		
06	Ass CoCd- Company	OX16
07	Ass Purchase Organization - Plant	OX17
08	Ass Plant- CoCd	OX18
09	Assn CoCd to Purchase Organization	OX01
Creating Material Types		
10	IMG ⇒ LG ⇒ MM ⇒ Basic Settings ⇒ Material Types ⇒ Define Attributes of Material Types	OMS2
Creating Material Group		
11	LG→ MM → Basic Settings for Key Fields ⇒ Define Material Groups	OMSF
12	Define Number ranges IMG ⇒ LG ⇒ MM ⇒ Basic Settings ⇒ Material Types ⇒ Define Number Range	MMNR

01 *What is enterprise structure*

Client → Company → Company Code → Plant → Storage Location → Purchase
Origination → Purchase Group

02 *What is enterprise structure*

Plant → Storage Location → Purchase Origination → Purchase Group

03	<i>What is company in sap mm?</i>
<p>Company is the topmost organizational unit after client, which incorporates individual financial accounting statements of several company codes. A company can have many company codes</p> <p>Path : → IMG ⇒ Enterprise Structure ⇒ Definition ⇒ Financial Accounting ⇒ Define Company</p> <p>T-Code: OX15</p>	
04	<i>What is company Code in sap mm?</i>
<p>A Company Code is the smallest organizational unit after company, for which the Standalone financial accounting's profit and loss statements can be withdrawn. Many company codes can be assigned to one company</p> <p>Path :IMG ⇒ Enterprise Structure ⇒ Definition ⇒ Financial Accounting ⇒ Edit, Copy, Delete, Check Company Code</p> <p>T-Code: OX02</p>	
05	<i>What is Plant?</i>
<p>A Plant is an organizational unit within a company where all activities take place. A plant will produce goods and make goods available for the company.</p> <p>IMG ⇒ Enterprise Structure ⇒ Definition ⇒ Logistic General ⇒ Define, Copy, Delete check plant</p> <p>T-Code: OX10</p>	
06	<i>What is Storage Location</i>
<p>A Storage Location is an organizational unit. where stock is kept physically & which actually differentiates between the different material stocks in a Plant . A plant can consist of multiple storage locations</p> <p>IMG ⇒ Enterprise Structure ⇒ Definition ⇒ Materials Management ⇒ Maintain Storage Location</p> <p>T-Code: OX09</p>	
07	<i>What is Purchasing Organization</i>
<p>A Purchasing Organization is an organizational unit under Company or Plant that is responsible for procurement activities according to requirements.</p> <p>IMG ⇒ Enterprise Structure ⇒ Definition ⇒ Materials Management ⇒ Maintain Purchasing Organization</p> <p>T-Code: OX08</p>	

1. **Plant specific purchase organization:** → if the purchase organization is assigned to Plant then it's called Plant specific purchase organization.
2. **Cross plant purchase organization:** → if the purchase organization is assigned to more than one Plant then called Cross plant purchase organization
3. **Cross company code purchase organization :** → if the purchase organization is assigned to the different company code then its called Cross company code purchase organization
4. **Standard purchase organization :** →
 - standard purchase org means it is a plant specific purchase org
 - If a plant is having more than one purchasing organization, one of the purchasing organization is designated as standard Purchase Organization.
 - plant is assigned to Purchase organisation
 - It is used for special procurement process like subcontracting ,pipeline material , Consignment material & stock transfer orders.
 - Standard Purchase Organization **info record is used** for *Auto PO Generation* during GR
5. **Reference (Central) purchase organization :** →
 - Reference Purchase org is not assigned to a plant or company code
 - Used to map cross purchasing organization procurement transaction
 - Possible to use other purchasing organization to use conditions of this Purchase Organization
 - Allow to access contract

What are important views in Material master you have?

View		Mandatory/ Impartment Fields
Basic data:01 [Client Level]		BUM, Mat Grp , DV, Weight Unit, Grass weight , Size
Classification	Only finished products	Use : Batch Management
Sales: Sales Organization data 1		Tax ; [SD Module], Delivery Plant , DV,
Sales: Sales Organization data 2		Item category Group [NORM] or [BANS]
Sales: General /Plant data		Shipping Data like Transportation1 Group , Loading Point, Availability Check
Purchasing	Plant level	BUM, Pur Grp , Auto Po , Batch Management, Source list , Post Inspection stock , Critical Parts
MRP1		MRP Type [PD (MRP)] , MRP Controller , Lot Size
MRP2		Procurement Type [E – In-House , F- External & X- Both] ,Planned Delivery, Schedule Margin Key Safety Stock , Min Safety Stock
Forecasting		Forecasting Model [D
Accounting 1		Valuation Class , Price Control, Moving or Standard Price

09 What is Purchasing Group

A Purchasing Group is an organizational unit that is responsible for the everyday procurement activities within an organization.

IMG ⇒ Materials Management ⇒ Purchasing ⇒ Create Purchasing Group

T-Code: OME4

10 How to assign Plant to Company Code

IMG ⇒ Enterprise Structure ⇒ Assignment ⇒ Assign Plant to Company Code

T-Code: OX18

11 How to assign Purchasing Organization to Company Code

IMG ⇒ Enterprise Structure ⇒ Assignment ⇒ Materials Management ⇒ Assign Purchasing Organization to Company Code

T-Code: OX01	
12	<i>How to assign Purchasing Organization to Plant</i>
IMG ⇒ Enterprise Structure ⇒ Assignment ⇒ Materials Management ⇒ Assign Purchasing organization to Plant T-Code: OX17	
13	<i>How to assign Standard Purchasing Organization to Plant</i>
IMG ⇒ Enterprise Structure ⇒ Assignment ⇒ Materials Management ⇒ Assign Standard Purchasing Organization to Plant T-Code: SPRO	
14	<i>Name some common assignment types in the SAP Material Management system?</i>
<ul style="list-style-type: none"> ➤ Purchasing organization to company code ➤ Standard purchasing organization to plant ➤ Plant to Company code ➤ Purchasing organization to Plant 	
15	<i>What are the Master data in sap mm?</i>
<p>Master data – Data that is created centrally, and is valid for all applications. It remains constant over time but we need to update it on a regular basis</p> <ol style="list-style-type: none"> 1. Material Master- For Material Code Creation [MM01] 2. Vendor Master- Vendor Code Creation [XK01] 3. Info Record- Info Record For Standard, Pipe Line, Sub Contracting, & Consignment [ME11] 4. Source list [ME01] 5. Service Master- Service Activity [ML81N] 6. Quota Arrangement- Distribution Of Order Qt [MEQ1] 7. RFQ [ME41] 	
16	<i>What is material types? why you used</i>
<p>Material types are the materials which are having the similar attributes are categorized together and assigned to a material type</p> <p>→ material type in SAP system is used to group various materials based on some</p>	

<p>common properties</p> <p>→ material type are defined by client level Ex : ROH, FERT , HALB</p> <p>IMG ⇒ Logistics General ⇒ Material Master ⇒ Basic Settings ⇒ Material Types ⇒ Define Attributes of Material Types</p> <p>T-Code: OMS2</p>	
17	<i>What are material Groups? How they are defined?</i>
<p>Material groups are those which belong to what category of components</p> <p>→ Material groups are defined at client level</p> <p>Ex : steel, Cu, Electronics</p> <p>IMG ⇒ Logistic General ⇒ Material Master ⇒ Settings for Key Fields ⇒ Define Material Groups</p> <p>T-Code: OMSF</p>	
18	<i>What is Number Range in sap MM?</i>
<p>When we create a material master record, every material is recognized by a unique number that is known as the material number.</p> <p>External Number Assignment – While creating a material, you have to enter your own number</p> <p>Internal Number Assignment – While creating a material, you need not enter any number</p> <p>IMG ⇒ Logistic General ⇒ Material Master ⇒ Basic Settings ⇒ Material Types ⇒ Define Number Range for Each material Type</p> <p>T-Code: MMNR</p>	
19	<i>What is the purpose of Purchase Info Record?</i>
<p>Purchasing info record stores information on material and vendor supplying that material. For Example: Vendors current price of a particular material is stored in info record.</p>	
20	<i>Where do you maintain Purchase Info Records in SAP MM</i>
<p>Purchase info record can be maintained at plant level or at purchasing organization level.</p>	
21	<i>What are the different Procurement types that you can create Purchase info</i>

	<i>record</i>
Purchase info record can be created for the following procurement types – <ol style="list-style-type: none"> 1. Standard – Getting finished material from vendor. 2. Subcontracting – providing raw material to vendor and getting finished material. 3. Consignment – Procuring material that is kept in company's premises and paying to vendor for that. 4. Pipeline – Pipeline info record has information on material that is provided by vendor through pipes. For Example: like water, electricity 	
22	<i>What is PR in sap mm?</i>
A purchase requisition is a request or instruction to Purchasing to procure a certain quantity of a material or a service so that it is available at a certain point in time. <ul style="list-style-type: none"> ➤ PR created within Company ➤ PR is always created by Non-Purchasing department ➤ PR is internal Purchasing Documents ➤ PR can be created Manually or Automatically 	
23	<i>How to check whether PR open or Closed?</i>
ME53N → Item Level → In status Tab -> N → PR Open B → PR Closed	
24	<i>How to check whether PR created manual or automatically?</i>
ME53N → Item Level → Contact Person -> Creation Indicator R → Manual Created R → automatically Created	
25	<i>What are the different account assignment category {A} used in PR while creating material?</i>
1 → third party A → asset C → Sales Order K → Cost Centre P → Projectetc	

26	<i>What are the different item category {I} used in PR while creating material?</i>
--- → standard K → Consignment L → Subcontracting S → Third Party U → stock Over D → Services	
27	<i>What is Purchase Order?</i>
Purchase order is the formal and final confirmation of the requirements which is sent to vendor to supply material or services. Purchase order will include important information like name of material with its corresponding plant, details of purchasing organization with its company code, name of vendor, and date for delivery of material.	
28	<i>What are the header level data in PO?</i>
Organization data [Pur Org, Pur Grp, Company Code] , communication , conditions	
29	<i>What are the Item Level data in PO?</i>
Material data, Quantity/ Weight, Delivery Schedule, Delivery, Invoice, conditions, Delivery address, Condition Control.	
30	<i>If you have a multi-line item PO, can you release the PO item by</i>
No, a PO is released at the header level meaning a total release or “With Classification”. PRs, on the other hand, have two release procedures possible. “With Classification” as described above, and “Without Classification” where it is only possible to release the PR item by item.	
31	<i>What do you understand by Goods Receipt in SAP system?</i>
After processing of purchase order by vendor, material is delivered to ordering party and this process is called as goods receipt. So, goods receipt is the phase in which the material is received by the ordering party and the condition and quality are verified. Once material is verified against quality then goods receipt is posted.	
32	<i>What are the different stock types in SAP system?</i>
1. Restricted Stock	

	2. Unrestricted Stock 3. Quality Inspection Stock 4. Blocked Stock 5. GR Blocked Stock
33	<i>What are the types of special stocks available?</i>
	Subcontracting, consignment, pipeline, project, sales order, RTP, stock transfer ,third party.
34	<i>How to Block Vendor master and reasons for blocking</i>
	<ul style="list-style-type: none"> ✓ FK05 - Blocks vendor for posting/paying but allows PO's to be placed. ✓ XK05 - Allows choice of blocking for both posting/paying and/or blocking PO's from being placed and lastly, ✓ MK05 - Blocks Po's from being placed but allows posting and payment runs. <p>Reason For Blocking</p> <p>If the quality of the vendor providing is poor, then company would request for blocking the vendor for some time.</p> <p>Note: If we are blocking any single material from vendor, then try to use source list to block the vendor.</p>
35	<i>Vendor master is created at what level</i>
	We can create vendor master at Company code level & Purchase organization level <ol style="list-style-type: none"> 1. Company code level :→ Basic data of vendor and Accounting will be company code data 2. Purchase organization level. → Basic data of vendor and purchasing data will be maintained in this level.
36	<i>Material master is created at what level?</i>
	Material master can be created at 4 levels. <ol style="list-style-type: none"> 1. Client level- Basic data 2. Plant level- Accounting data/MRP Views/ Purchasing data 3. Storage level- Plant/Storage Location 4. Sales Organization level- Sales view for few materials
37	<i>How to change vendor account group? Effects</i>

<p>We can change the vendor account group in XK07, whereas before changing we need to remember few things.</p> <ol style="list-style-type: none"> 1. Open PR/PO 2. GR Pending/Waiting for Invoice 3. Pending payment 	
38	<i>Is it possible to create PIR without material master</i>
<p>Yes, it's possible to create a PIR without material master and many cases we will create PIR for example for consumables and even for services we can maintain and its possible. Where we have material group, for every material the material group is mandatory and if there is no material then material group should be there to create PIR. Here we need to maintain material group and short text for identification and price will be pulled from PIR through this, but we need to find the PIR number manually.</p>	
39	<i>What is the difference between Internal and external purchasing document and how many are there?</i>
<p>PR is an internal document, where we will share these documents internally. PO/Contract/Scheduled agreement/RFQ is external document and even invoice is also, where we will share the documents to the vendor.</p>	
40	<i>Is it possible to create a new document for PR and PO and in which scenario we will create</i>
<p>Yes, it's possible to create a new document for PR and PO, and while implementation we did few document type creations by copying from existing document types.</p> <p>Scenario: Our company acquired small company and they have procurement related to IT, so for easy analysis and reporting purpose we created new document type and maintained new valuation class to reflect the new GL account</p>	
41	<i>How to Block Material and What is the requirement to block a material in company</i>
<p>You can block the material using the T-code MM02</p> <ul style="list-style-type: none"> ➤ In the basic data view, you have the x-plant material status field. Set it as 01 (Block for procurement/Goods movement) this will block the material at cross- plant level. ➤ If you want to block the material at plant level, set the block in the purchasing 	

view.

requirement to Block a Material in company

- Required quantity is already there in plant and for some time they don't want to do production for that material due to demand.
- if there is safety stock maintained then user can request for material block for some time.

42 *What are the standard industry sectors in SAP? Tell any 4.*

we have 7 SAP standard industry sectors, few are

1. Mechanical
2. Chemical
3. Pharmatech's
4. Beverages
5. Food
6. Construction

43 *Can we have new Industry sector as per the company? How to define new industry sector.*

Yes, we can have our own industry sector as per our industry

SPRO- logistics general-Material master-field selection-Define industry sector. T-code :→ OMS3

Select the new entries and enter Industry sector, Description and Field reference

44 *How to change an Industry sector for a Material? Requirements to change*

Solution: We cannot change the industry sector for the material once its defined.

Resolution: Better to delete the old material and recreate the new material with correct industry sector. → *Before deleting the old material-* prerequisites are check for open PO's and Open PR's and check for the stock in the warehouse, once everything clarified to 'o' then it's good to delete and create new material.

Reason: we cannot change the industry sector because industry sector controls the sequence of screens and fields, so once we define the material with one industry sector then we cannot modify.

45	<i>How to change material type of Material? What are the prerequisites?</i>
<p>Yes, we can change the material type of a material by using T-CODE : MMAM But we should take care of some prerequisites like</p> <ul style="list-style-type: none"> ➤ No Open requisitions ➤ No open orders ➤ Safety stock should remove ➤ Remove all stocks in inventory ➤ BOM should be deleted for the material 	
46	<i>Difference between with and without classification:</i>
<p>Without Classification: Here we have only SAP predefined conditions like price, Material group, Plant and account category Only item level is possible Without classification is for PR only Coming to with classification, we have our conditions and we can maintain as per our company Standards, either with header or item level.</p> <p>With classification we have PO, Contract, Scheduled agreement and RFQ We are using with classification method and not sure the working off without classification method.</p>	
47	<i>What is the requirement to have multiple valuation class for 1 material</i>
<ol style="list-style-type: none"> 1. One material we have separate Quality like Q1/Q2/Q3, the prices needs to be differentiated by split valuation 2. one material we use for purchasing and also sales then we would like to have 2 valuation class for 1 Material 3. One material that procured from vendor and same material it may be manufactured in same plant then prices needs to be maintained differently 	
48	<i>Mention SAP standard material types?</i>
<ol style="list-style-type: none"> 1. ROH → Row material 2. HALB → Semi-Finished Product 3. FERT → Finished Product 4. HAWA → Trading Goods 5. DIEN → Service 6. ABF → Waste 	

7. VERP → Packaging
8. NLAG → Non stackable material
9. UNBW → Non valuated materials

49 | *In Your previous project how many material types you are using and example*

In Our Previous Projects We Were Using Around 40 Material Types, We Have In Raw Materials Around 10 Different Types Of Raw Material, Packaging: Material , Semi-Finished And Even For Consumable Material.

50 | *Significance of material type and vendor account group*

Material type: Material type defines the type of material they are dealing, the main significance involves

1. Number ranges (Internal or External)
2. Field selection (Which field to be mandatory)
3. Quantity and value updating (It involves checking whether the material will be managed on Quantity basis or value basis)
4. Internal or external purchase orders allowed or not.
5. User departments (Which departments can use this material for business purpose)
6. Valuation classes (respective valuation class will get triggered)
7. Price Control

Vendor Account group:

Vendor account group controls many things

1. Vendor master number ranges
2. Field selection
3. One-time vendor (It mentions the vendor is one-time vendor or regular vendor)
4. Vendor Subrange (Subrange for purchasing and partners)
5. Partner functions

51 | *Name important material master and vendor master table names?*

MATERIAL MASTER TABLES ARE:

1. **MARA** → Material master general data
2. **MARC** → Material master plant data
3. **MARD** → Material master storage location data

4. MAKT → Material master description

VENDOR MASTER TABLES ARE:

- 5. **LFA1** → General data for vendor
- 6. **LFB1** → Company code for vendor
- 7. **LFM1** → Purchasing data for vendor
- 8. **LFM2** → Purchase organization data
- 9. **LFBK** → Purchase organization data
- 10. **WYT3** → Partner Function Data
- 11. **WYT1T** → Vendor Subrange

PIR TABLES ARE:

- 12. **EINA** : → PIR: General Data MM
- 13. **EINE** : → PIR: Purchasing Organization Data MM
- 14. **EIPA** : → PIR Order Price History

PR TABLES ARE:

- 15. **EBAN** : → Purchase Requisition
- 16. **EBKN** : → PR Account Assignment
- 17. **RM06B** : → Structure For PR

PO TABLES ARE:

- 18. **EKPO** : → PO Item Level
- 19. **EKKO** : → PO Header Level
- 20. **EKBE** : → PO History
- 21. **EKET** : → Scheduling Agreement schedule line

MIGO TABLES ARE:

- 22. **MKPF** : → MIGO Header Level
- 23. **MSEG** : → PO Item Level

MIRO TABLES ARE:

- 24. **RBKP** : → MIRO Header Level

25.RSEG : → MITRO Item Level

52 *What is Use of partner function and what are the steps?*

Partner function is a term which is **used** to give the detailed account of people with whom business process is carried out

STEPS

1. Create Vendor Account Group.OBD3
2. Maintain Number Ranges from Vendor account Group:XKN1,
3. Assignment of Number ranges to Account Group, OBAS
4. Define partner roles
5. Permissible partner roles per account group
6. Define Partner Schema
7. Assign partner schema to account Group

53 *What is vendor sub-range and what are the steps?*

Vendor Sub-Ranges(VSRs) subdivide a vendor's total product range according to a variety of criteria i.e one vendor but having different conditions like Currency , Payment Terms , Min order Value sales person name and number etc

STEPS

1. Create Material [Gold, Silver]
2. Create Vendor
3. XK02 → Active “Purchasing Data and Partner Function ”→ Extra → Add Purchasing Data → Active ‘Data Reten.at VSR level Allowed’→ enter → Alternative Data → Yes → enter different information like Currency , Payment Terms , Min order Value sales person name and number etc
4. Create PO → Material Tab – Sub-Range → We have choice Sub-Vendor Required

54 *What is the purpose of source list*

Source list includes a list of possible sources of supply (Vendors) for a material over a given framework of time..

Ticket : sometimes users use to raise the ticket that for plant they need source list mandatory because PO's creating with PR vendors directly by users

We will maintain SPRO- source list requirement /plant level, so that without maintain

source list the users cannot create PO.	
55	<i>Quota Arrangement:</i>
Quota arrangement divides the total requirement of material among certain sources of supply, i.e. vendors, and then assigns a quota to each source.	
56	<i>Quota rating?</i>
Quota rating is used to determine the amount of material that is to be assigned to a particular source or vendor The source with the lowest quota rating represents a valid source Quota rating = (Quota Allocated Quantity + Quota Base Quantity) / Quota	
Ticket: User has been raised a ticket that he has request to add a vendor in Quote, but he wants sequence to be continued without disturbance. If they want sequence of vendor selection not to be distributed then maintain base Quantity that equals to Allocated quantity of other vendors , so that for 3 vendors the sequence of order will not disturb Ticket: As there is Quota for vendors with respect to contracts, users changed the source list and MRP indicators as they created manual SL, now Quota didn't work for contract related PO's and resolved by identifying failure in source list. user wants to delete the Quota, Users cannot delete the Quota, where it's a master data as well transaction data and we requested to maintain maximum quantity to allocated quantity same as both, so that system will not consider that vendor for purchasing.	
57	<i>What is the significance of fixed indicator and block indicator in source list</i>
Fixed indicator: It explains procurement should be done only from this vendor, where it's through MRP or Contract or manual. Block Indicator: If we want any vendor to get blocked for purchasing, then it will not allow this vendor for purchasing.	
58	<i>For which business scenario, we will suggest source list?</i>
We will suggest the source list in terms of agreement-based purchasing.	

<p>For specific plants, they require material from only approved vendors, then we will suggest source list as mandatory for plants.</p> <p>When there is a requirement to block single material/single vendor then we can suggest source list to use.</p>	
59	<i>Is it possible to have scales in a quotation?</i>
<p>Yes you can maintain scales in Quotation. Select the line item, click on conditions. Select the Condition type & Click on Scales or Press F2. Here you can maintain the Prices based on scales</p>	
60	<i>For which business scenario, we will suggest Quota arrangement:?</i>
<p>When they are using MRP run with multiple vendors, then it's better to go with Quota. Even in terms of agreement also they can go with quota arrangement, because there will be lot of savings and dependency will not there on single vendor.</p> <p>Mostly, when we are working with multiple vendors scenario</p>	
61	<i>What are the steps involved in consignment cycle</i>
<p>Consigner needs to bring material to consignment storage location from their original storage location for that we have to do following process</p> <ol style="list-style-type: none"> I. Create consignment info record with proper tax code, II. create PO with item category K , Here net price is Zero III. We have do GR against PO , automatically in background the material document gets posted with MT 101-K, means here Generates only Material documents no Accounting documents <p>Receiving Mat From Consignment Storage To Own Storage We Have To Do Following Process</p> <ol style="list-style-type: none"> IV. We have to do transfer posting of goods from consignment storage to own Storage using T-code [MB1C] with MT-411 & special indicator 'K' V. Once we receive the goods we have do Vendor Consignment Settlement using truncation code [MRKO] VI. After MRKO material document and accounting document get generated in background 	
62	<i>Tell me about the subcontracting cycle</i>
<ol style="list-style-type: none"> I. We have to maintain the BOM for the material against semi-finished or finished material going to get from the vendor . using: [CS01] 	

- II. We have to Create PO with item category as "L": Using: [ME21N]
- III. The goods is transferred to subcontractor by MT-541, for this movement note no accounting documents generated. [ME2O/ MB1B]
- IV. Check stock status using MMBE → *Stock Provided To Vendor*
- V. When GR is done, automatically in background **Raw material gets consumed via MT 543.**
- VI. By products gets updated via MT-545 it is reflected in GR automatically.

63 *How is scrap accounted in subcontracting?*

When the material is sent for subcontracting i.e. some value addition, it is converted into a different material. It needs a BOM to define the components of the finished item being received. The scrap or the process loss can be adjusted while doing a quality inspection of the material received after subcontracting.

64 *How are the by-products taken care of in subcontracting?*

products can be taken care of by defining them in the BOM

65 *What are the different stocks available?*

SAP Stock Types

1. **Valuated Stock :** → Valuated stocks are those which are stored on premises and which post values in the company's accounts. There are three types UNRESTRICTED STOCK, QUALITY INSPECTION STOCK, BLOCKED STOCK
 2. **Non-Valuated Stock :** → if a vendor sends goods that are visibly damaged at the time of receiving, they will be returned to the vendor and should not be processed into inventory. In this case the goods are received into blocked stock with no accounting entry
 3. **Special Stock :** → Subcontracting stock , Consignment stock , Stock Transport Order stock , Third Party Processing stock , Returnable Transport Packaging stock & Pipeline Handling stock
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1. **UNRESTRICTED STOCK:** → Unrestricted stock refers to stock which can be used readily and which is always available for use on premises.
 2. **RESTRICTED STOCK:** → Restricted Stock is another kind of stock which can be configured as per business requirements like block stock, etc. **or** *Stock other than unrestricted is restricted stock eg. quality, blocked, reserved etc.*
 3. **RESERVATION STOCK :** → Reservation stock is the material in the plant or storage

location against specific use for example production order , sales order. For this reservation is created which ensure material is available for specific use .

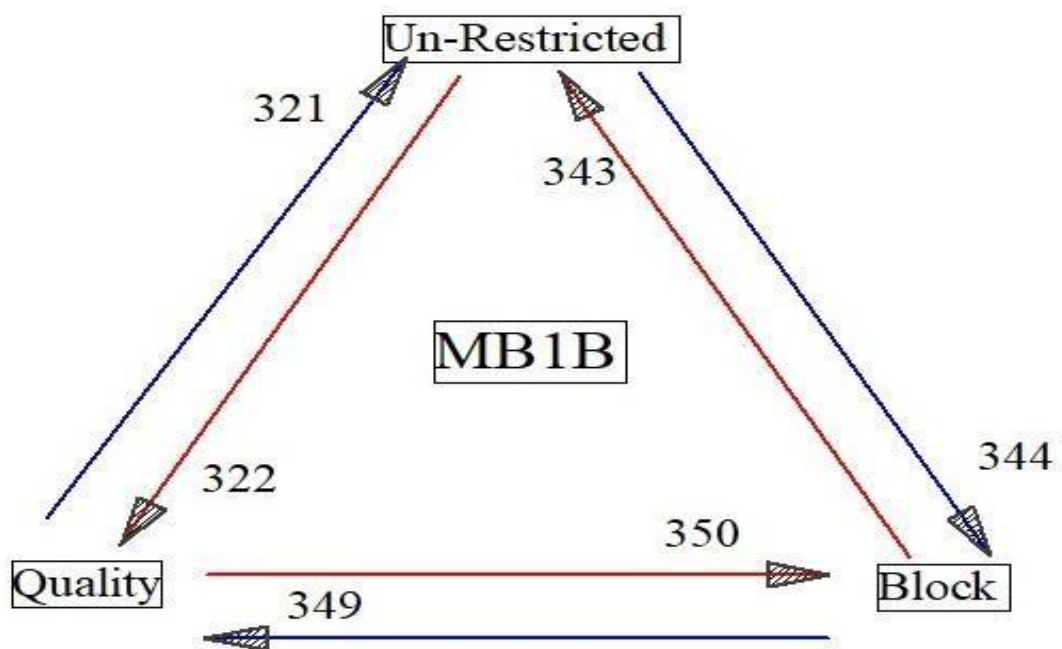
4. **QUALITY INSPECTION STOCK:** Quality inspection stock is delivered material that is retained for quality inspection. It is not regarded as unrestricted and cannot be readily used.
5. **BLOCKED STOCK:** If a material is rejected due to bad quality then it is moved to blocked stock in SAP. This can also happen during production when some irregularities are found with the stock and thus blocked for further use.

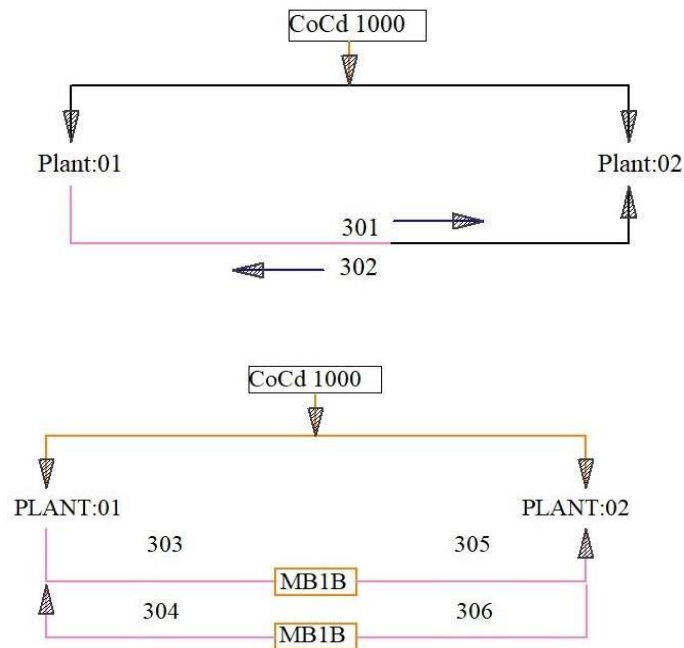
➔ To put a material in blocked stock the indicator should be activated in material master record. When you create a purchase order against the material the indicator will automatically comply in purchase order. You can check the blocked stock at storage location level in Transaction MMBE.

6. **GR BLOCKED STOCK:** Gr blocked stock is a stock **which we accept it on conditional basis**. Suppose you order a material for which **quality check certificate is not received** along with the material or vendor supply excess material earlier to delivery date or material damaged in transport and you wanted to take decision after some time

➔ TO the material in Gr blocked stock using **MT-103**.

➔ When the certificate is received and accepted you can evaluate the stock with **MT-105**





66 What is The Difference Between Stock Transfer Order [STO] and Transfer Posting In SAP MM?

S _N	STOCK TRANSFER ORDER [STO]	TRANSFER POSTING [MB1B]
01	The transfer of stock from one plant to other belongs to same company code or different company code.	The Transfer of stock from one stock to other stock [Un-Res → Quality , Quality → Block etc] with plant
02	Here stock transfer involves physical material movement from one plant to other plant	Here with or without physical material involves i.e. Qu to Block , Un-Res→ Quality
03	In STO we have to create PO [INTRA or INTER]	In Transfer Posting we don't have to create PO , with the help of different movement types we move the material [321,350, 343 etc]
04	Delivery and Billing can be done through STO	NO Delivery and NO Billing in TP
05	This process is generally preferred when client has plants in different cities	This process is generally preferred when plants are in same city
06	Conditions can be maintained	Conditions can't be maintained

67	<i>What is meaning of stock in transit ?</i>
Stock in transit specifies the quantity of a material that has already been withdrawn from stock in the issuing plant, but not yet arrived at the receiving plant	
68	<i>Difference between 122, 124 & 161 Movement types?</i>
<p><u>122 – return to vendor</u></p> <p>Where we will return to vendor with same document number in which invoice is not paid.</p> <p><u>124- return to vendor.</u></p> <p>In this vendor we will return the goods from GR blocked stock to vendor, so system we need to use movement 124</p> <p><u>161- return to vendor.</u></p> <p>Where we return to vendor with other document number which contains return check in PO, where invoice is paid to vendor.</p>	
69	<i>How do you plan for a vendor rating system and move about?</i>
Based on Price, Quality, Delivery and Service. You can give points to this categories and you can maintain TCode:ME61	
70	<i>What are the types of tables in SAP?</i>
<p>There are only 3 types of table in SAP.</p> <ul style="list-style-type: none"> ○ Transparent Table ○ Cluster Table ○ Pool Table 	
71	<i>What is the movement type for return to vendor? How to reverse it?</i>
Movement Type 161 is used for return to vendor. Just select return button in the PO	
72	<i>Is it possible to create PIR without material master?</i>
<p>Yes, its possible to create a PIR without material master and many cases we will create PIR foe example for consumables and even for services we can maintain and its possible.</p> <p>Where we have material group, for every material the material group is mandatory and if there is no material then material group should be there to create PIR.</p>	

Here we need to maintain material group and short text for identification and price will be pulled from PIR through this.

73	<i>Tell me about the various movement types and usage</i>
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- 101 GR in unrest. Use
- 103 GR in Blocked stock
- 105 Release from Block to Unrest. Use stock.
- 122 Return to vendor from unrest. Use stock.
- 124 Return to vendor from blocked stock
- 301 Plant to Plant transfer.
- 309 Material to Material transfer
- 311 Transfer from stg loc to stg loc
- 261 Issue for consumption
- 411 Taking consignment stock into own stock
- 551 Withdrawal for scrapping

74	<i>What is meant by scales? Can scales be used in standard purchase order?</i>
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By using scales we can fix the price of a material accordingly, for example, we can fix the material price.

Based on the quantity like

For quantity 1 to 100 price is Rs1000

For quantity 101 to 200 price is 900

Like that, you can fix price.

75	<i>Is it possible to have a release procedure without classification for a PO?</i>
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No, release procedure without classification not possible for external documents like PO.

With classification will allow release at header and Item.

Without classification will allow release item -wise only.

For a PO you will want a release header wise and not item wise. Hence you need to use with classification.

For PR you can use anyone of them i.e., with or without classification

76	<i>What are the differences between release procedure with classification and release procedure without classification? When are they used?</i>
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Release procedures with classification can be used for both internal and external purchasing documents, whereas release procedures without classification can be used only for internal documents

77 *What are release groups and release codes*

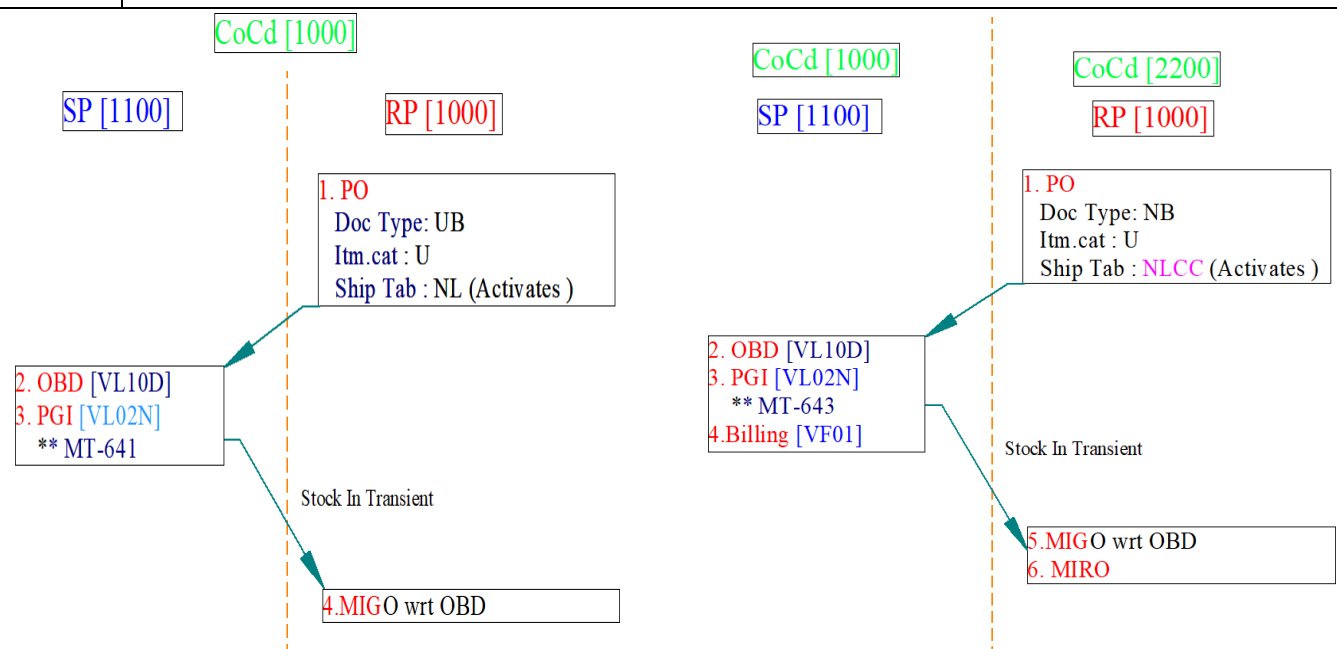
RELEASE CODE: → The release code is a two character ID allowing a person to release (clear, or approve) a purchase requisition or an external purchasing document.

Maximum 08 codes we can use

Ex : CR, MN etc

RELEASE GROUP :→ Group of persons responsible for releasing the Purchasing documents with assigned strategy

78 *How the STO Business process running in your client*



- RP will Create PO against supplying plant for demanding of material
- Depending upon master data setting the shipping tab gets activated with delivery type 'NL' for INTRA and NLCC for INTER
- SP will create out bond delivery by taking **VL10** with reference number of PO
- once the delivery gets generated after that Bangalore plant only will do post goods issue using T-Code [VL02N] at this time 641-MT [stock in Transient] will trigger.
- After the PGI the material document gets generated withnMT-643 [TP to Cross Company]

<ul style="list-style-type: none">➤ Receiving Plant will do the GR with respect to OBD➤ After the receiving stock RP book the invoice against supplying pant➤ After that bill has received RP book the Invoice using T-code VFO1➤ Ounces the RP inventory gets increate then they do MIRO transaction		
79	<i>What is the difference between the stock transfer between two plants belonging to same company code [INTRA] and those belonging to different company code [INTER]?</i>	
SN	INTRA	INTER
01	Stock Transfer Between one plant to other plant belongs to same company code called INTRA	If the stock transfer between from plant to other plant belongs to other company code called INTER
02	<ul style="list-style-type: none">➤ Document Type → UB &➤ Delivery Document Type → NL➤ Billing Document Will Not Generate➤ Goods Movement type: 641	<ul style="list-style-type: none">➤ Document Type → NB➤ Delivery Document Type → NLCC➤ Billing Document Will Generate➤ Goods Movement type: 643
<ul style="list-style-type: none">➤ If the valuation level is maintained at plant level then accounting document will be generated if it's INTRA or INTER.➤ But if the valuation level is maintained at company code level accounting document will not be generated in plant to plant transfer [INTRA]. But it will be generated in company to company transfer [INTER]		
80	<i>Service Procurement Business Process Running Your Client?</i>	
Services are meant for direct consumption instead of keeping them in inventory		
In our company Service Procurement process running in such way that, in our company one plant needed service for system or Computer maintenance for annually for this we have followed		
<ul style="list-style-type: none">➤ Create service master record using transaction code : AC01 & Note down service activity number what it created➤ We have create PR with account assignment 'K'[Coast Centre] , Item category 'D' [Services] along with service activity number➤ We need to create PO against PR , then➤ We have to Create Service Entry Sheet [which is Equivalent to MIGO] by using		

Transaction Code → ML81N ,

➤ We have create invoice against service done or competed

Sl No	Description	T-Code
01	Create service master record	AC01
02	Note down service activity number	AC03
03	Material [May or May Not Needed]	MM01
04	Create Vendor	XK01
05	Create PR	ME51N Acc Assignment : K Item cat : D [service]
06	Create PO	ME21N
07	Create Service Entry Sheet (Equivalent to MIGO)	ML81N
Clk on other PO → enter Po → Create → input Valid Text (25% Amc For Laptop) → clk on 'Service Sel' (Bottom Side) → select line of item → click on service --> enter Quantity or amount → save		
08	Check PO history	ME23N
09	MIRO	MIRO

81 *How many GL accounts hits in subcontracting Process & What are those?*

Totally 06 accounting entries or GL accounting in subcontracting process

1. **BSX** [+] : → stock account [GR stock Increases]
2. **WRX** [-]: → GR/IR clearing [Amount goes out from US]
3. **BSV** [-]: → change in subcontracting stock [SC side GR reduce]
4. **FRL** [+] : → subcontracting account [SC charges credited to SC]
5. **BSX** [-]: → stock account of components
6. **GBB** [+] : → consumption account of components

BSX- Parent material credit

WRX- GR/IR clearing

BSV- Consumption of Material by vendor

FRL- Service charge from vendor

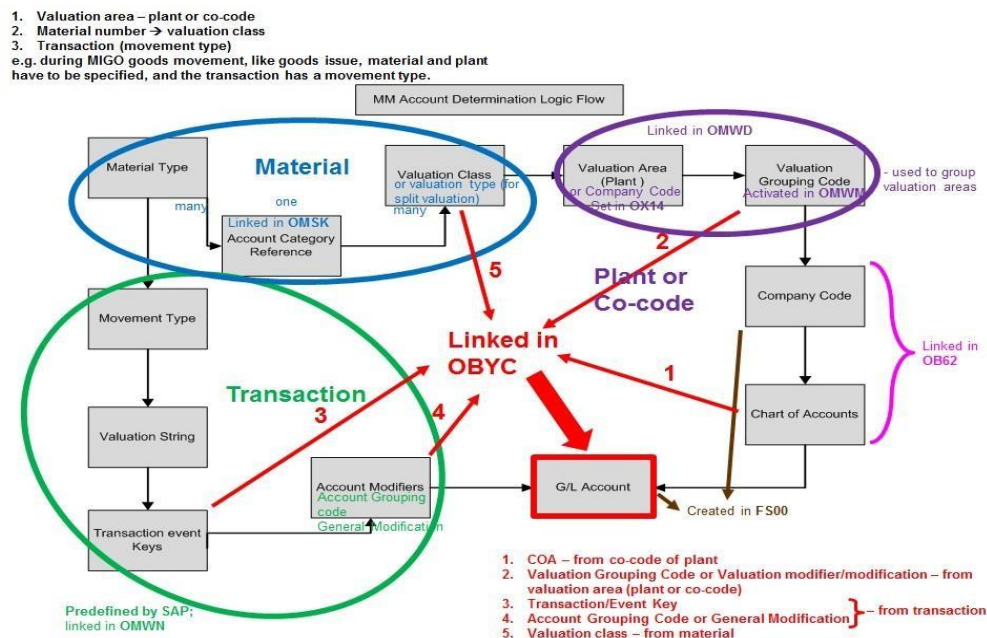
BSX- Child material credit

GBB(VBO)- Debit

82	<i>What are the movement types trigger in subcontracting process in SAP MM ?</i>
<ol style="list-style-type: none"> MT-541 → Transfer Posting Stock to Sub- Contractor from Un-restricted storage location: T-Code [ME2O/ MB1B] MT-543 → ROH Material will be consumed automatically with MT 543 MT-101 → When you received the Finished good using MIGO MT-545 By product of SC { MS Chips } 	
83	<i>Accounting entries in consignment process?</i>
<p>During GI [MB1A] from consignment stock to consumption [our side] GBB [+]:→ consumption Account [Dr] KON [-]:→ consignment Liability Account [Cr] ❖ DuringMRKO for Vendor consignmentSettlement [Consigner side] KON [+]:→CONSIGNMENGTLiability Account [Dr] WRX [-]: → Vendor Account [Cr]</p>	
84	<i>What are the movement type's tiger in consignment process?</i>
<ul style="list-style-type: none"> ➤ 101-K → Goods Receipt of Consignment Stock [MIGO] ➤ 411-K → Transfer Posting to Own [MB1B] ➤ 201 → Consumption for cost Centre [MB1A] ➤ 261 → Consumption for Production Order [MB1A] 	
85	<i>Accounting entries During STO Process?</i>
<ul style="list-style-type: none"> ➤ 643→ Transfer Posting cross Company code [VL02N]→ INTER ➤ 641 → Stock in transient [VL02N] → INTRA ➤ 101 → Goods Receipt 	
86	<i>Accounting entries During INTER STO Process?</i>
<p><u>Supplying Plant</u></p> <ol style="list-style-type: none"> BSX [-]: → stock account [GR stock Decrease] GBB [+]: → Cost of Goods Sold [Amount Credited to Us] <p><u>Receiving Plant</u></p> <ol style="list-style-type: none"> BSX [+]: → stock account [GR stock Increases] WRX [-]: → GR/IR account [Amount debited] 	

87 **What are the steps in automatic account assignment configuration?**

1. Material type is linked to valuation class through account category reference
2. Valuation class is linked to the plant (Valuation Area) then
3. plant is linked to company code ,Company code link to the chart of account , under this chart of account GL accounts is there
4. to trigger same set of GL account we need to Grouping the valuation (Valuation Grouping; T-code: OMWM) which is combination of plant , company code and chart of account
5. whenever we do the inventory posting[Ex: MIGO] transaction with **MT101** system will check the **valuation string** [**WE01**], for this valuation string system will check transaction Event Key [**WRX, BSX, FRL, GBB, PRD, KON** etc], then transaction Event Key hit the relevant GL account through account modifiers



88 **What Are The Different Transaction Event Key And Account Modifier ?**

Price control	MT	Transaction Event Key
V { Moving Average Price }	101	BSX , WRX
S { Standard Price }	101	BSX, WRX & PRD

Transaction Event Key	Relevant Account Modifier (Valuation
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		Modifier)	
	GBB	ZOB , BSA, VBR, VBO, VAX, VAY VNG	
	WRX		
	PRD	PRA, PRE, PRU	
	KON	PIP	

89 ***How do you create movement types? What are the steps involved? When will you recommend a new movement type?***

1. Transaction code is OMJJ


- You can copy new movement type which is near-by old one.
- **When we go to new movement type:** → if there is no possibility to done transaction with old movement type.
- Steps: 1) entry control data 2) short text 3) allowed transactions 4)help text 5)update control data 6)account grouping 7)reasons for movement

90 ***What are the steps involved in creating a pricing procedure***

Pricing procedure is a systematic and sequential use of condition types to get a right value of the product In Po creation

1. **Condition Table [M/03]** [To Define Condition Table we have to take the combination of **material, Company Code, purchasing organisation, plant & Vendor**]
2. **Define Access Sequence [M/07]**[Assign Condition Table to Access Sequence]
3. **Define Condition Types M/06:** → [Assign Access Sequence to Condition Type]
4. **Define Calculation Schema [M/08]** [Where in we corporatte the **Condition Type** as per the business requirements]
5. **Define Schema Group For Vendor [OMFN] , Schema Group Pur.Org[OMFM]**
6. **Assign Schema Group To Our Company Purcahse Org [OMFP] & also Link Schema Group Vendor To Vendor Master [XK02]**
7. **Define Shema Determibation [OMFO] [Assign Schema Group Pur.Org & Sc.Vendor to Calculation Schema /**
8. **Maitain Condition Record [MEK1]**

91	Define the following related Pricing Procedure
<ol style="list-style-type: none"> 1. <u>Condition Table</u>:→ It's a table where we can save the all fields with the combination for individual condition record ; <ul style="list-style-type: none"> ➤ We can use many fields in one condition tables. 2. <u>Access Sequence</u>:→ The main concept of Access sequence is, it searches condition record for condition type from condition table. <ul style="list-style-type: none"> ➤ One access sequence contains many condition tables 3. <u>Condition Type</u> :→ In simple term, condition type is used for different type of charges. Like gross price, discount, freight, rebate etc etc. 4. <u>Condition Record</u> :→ Condition record contains the record which is maintained against condition table with regards to condition type. <ul style="list-style-type: none"> ➤ It can be fetched via access sequence and condition type. 5. <u>What is use Schema Group</u> :→ It's assigned to our vendor and Purchase Organization, <i>It helps the vendor and purchase organization to choose pricing procedure</i> 6. <u>Calculation Schema</u> :→ Here we maintain sequence for the pricing calculation, like gross price, discount, rebate, surcharges e 7. <u>Schema Determination</u> :→ here we link schema group vendor and schema group purchase organisation to calculation schema 	

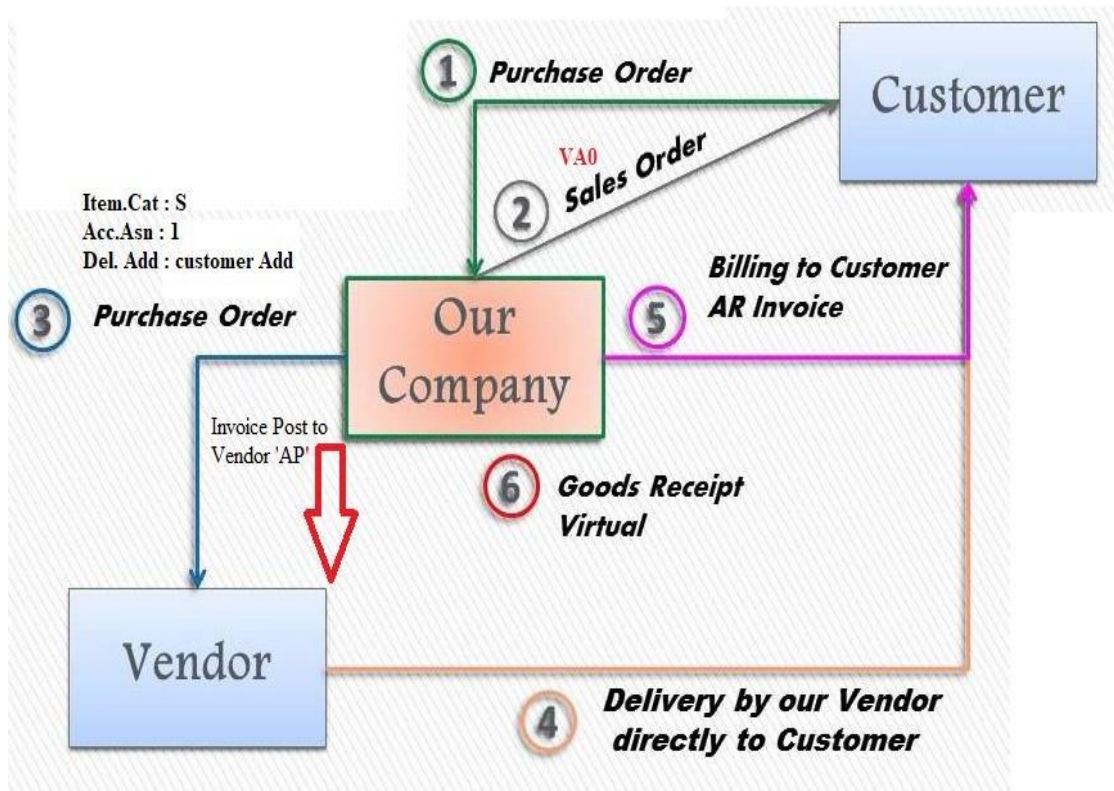
92	What are the 16 column in Pricing Procedure	
		
01	Step	It indicates the position of the condition type in pricing procedure. like 1 to 20
02	Counter	Counter used to minimize steps of same condition types. so that number of steps can be reduced in the pricing procedure and hence enhance the system performance
03	Condition Type	It represents pricing element in pricing procedure as a base price discount, freight and tax.
04	Description	System copies description of condition type from its description

05	From	This can be used as a base to the condition type for calculating further value
06	To	The range between the steps from and to can be used to specify the range between same condition types
07	Manual	<ul style="list-style-type: none"> ➤ This indicator specifies whether the specific condition type can be determined manually during sales order processing. ➤ If we check the box then the entry is going to be manual, if we uncheck it, it is going to be automatic ➤ For Base Price and Taxes, the entry should be automatic. ➤ For Discounts and Freights, The entry should be manual.
08	Mandatory	This indicator specifies that particular condition type is mandatory in the pricing procedure
09	Statistical	<p>This indicator if it is activated <i>will not allow the value of the condition type to be taken into net value calculation</i> (that is, without altering the value or it will not consider for account determination)</p> <p>this is commonly used for condition types like</p> <ul style="list-style-type: none"> • SKTO - Cash Discount • VPRS - Cost (Moving average price/Standard Price).
10	Print	The value of this field specifies whether line item can be printed or not in the sales document and at what level it is to be printed
11	Subtotal	The value of this field determines where the values of subtotals to be captured
12	Requirement	
13	Altcty (Alternative Calculation Type)	It is an alternative formula for the condition type that can be used instead of standard formulas
14	Altcbv (Alternative Condition for Base Value)	<p>It is used as a basis to calculate value of the condition type instead of using it from the "FROM" column. or alternate calculation is used to modify the final value</p> <p>Ex.: Freight - KFoo</p>
15	Acyky (Account	➤ Account Key is mainly used for Freights charges suppose When you add freight related condition types, it will be added to separate

	Key/ Accruals – Accruals)	G/L accounts, means this will not be added to material price ➤ Accruals - keys are used here to define the posting of the revenue generated to respective account heads & to subsequent assignment to GL accounts and payment to respective parties.
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93	<i>How The Third-Party Procurement Business Process Running In Your Company</i>
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In third-party processing, you place a purchase order with a vendor to deliver goods or perform a service for a third party (a customer)



In our company third party Procurement process running in such way that

1. Customer **Orders Goods** and a sales order is created in a sales organization of the company
2. Company creates the sales order using T-code[**VA01**] against customer order with item category 'TAS' automatically system creates purchase requisition in background
3. Company needs to create PO [**Item Cat :S & Acc. Asn :1**] to Vendor against sales order with Source of supply tab will have Vendor Address ,we have to mention Delivery address Tab will have customer address with item category [S-third Party] and account assignment as [1] with.

4. If the vendor does the outbound delivery or directly delivered to the customer, the GR [Virtual GR]can be posted in the system based the acknowledge from the customer
5. Invoice Receipt is created (invoice from vendor to the Company) T-code **VF01**
6. Invoice to customer is created (order based invoice)

94 ***What are the accounting entries in third party Procurement process***

When Sales Order is created.	No FI Entry
When PR is Created	No FI Entry
When ME21N is done	No FI Entry
When MIGO is done	GBB [+] → 3rd Party A/c [Dr] { Indirectly Vendor Supply Goods to Company bcz of Virtual GR} WRX [-] → GR/IR Clearing [Cr]
When MIRO is done	GBB [-] → 3rd Party A/c [Cr] WRX [+] → GR/IR Clearing [Dr]

95 ***What is the difference between LSMW and CATT?***

LSMW - Legacy System Migration Workbench (Used to upload the data from Non SAP to SAP System)

CATT - Computer Aided Test Tool (Used to create test cases as well as upload data)

96 ***Is it possible to have scales in a quotation?***

Yes you can maintain **scales** in **Quotation**. Select the line item, click on conditions. Select the Condition type & Click on **Scales** or Press F2. Here you can maintain the Prices based on **scales**

97 ***What is meant by a credit memo?***

Credit memo is as similar as money back to your account

For Ex. If you did excess payments (the difference between PO price and Account Transfer price) to the vendor than the actual payment or under some circumstances vendor is returning some amount to your account, for this you need to maintain one account type, that account type is called credit memo.

This may be just to identify why and from where the money has been posted in your account.

If this is not maintained, at the valuation level conflicts in payment differences may

arise.	
98	<i>How are free items managed in a PO?</i>
When you create purchase order for vendor at that time show in line item data in which one check box available for free delivery. So when you want to create purchase order with free quantity click on that check box.	
99	<i>Difference between NLAG & UNBW Material types?</i>
<p>NLAG- Non-Stock materials: It's a type of material where its used by the company department, here material will not be managed by quantity or value basis, it's just a consumable material.</p> <p>It will be mainly used for reporting and purchasing purpose.</p> <p>UNBW- Non valuated materials: materials are managed by quantity basis and there is no value where these are low expenses to the company and no accounting view required for this material type.</p> <p>For the both the material types, accounting view is not mandatory where account assignment is mandatory for purchasing and respective GL accounts will be picked as per the configuration in OME9.</p>	
100	<i>LSMW/BDC/BAPI explanation?</i>
<p>LSMW: it's a legacy system migration tool, where we use to migrate the data from legacy system to new SAP system and basically when there is an no customized fields in the data and no large data then we will go with LSMW process. OR LSMW only for Master Dara upload</p> <p>BDC-batch data communication- we will use BDC when there are customized fields are there in data upload and very large data then we will use BDC.</p> <p>BAPI-Business application programming interface- when we have any open PR's, PO's and GR's then we will use BAPI with help of developer.</p> <p>Where in BDC and BAPI, we will prepare excel sheet with data and given to ABAP'er with all the explanation and they will be adding code and given back to us and we will perform the uploading.</p>	

101	<i>What is IDOC and explain configuration</i>
	<p>IDOC is an intermediate document where data flows from two systems inflow and outflow.</p> <p>We can call as inbound and outbound, if we are transferring data to vendor like PO copy then it called as outbound and vendor is sending order confirmation to company then its inbound.</p> <p>We used EDI IDOC, in which we have done setup for output condition record the data when we save PO then it flows directly to vendor through IDOC.</p> <p>We have segment and all fields are mapped in the segments and once we select the receiving vendor then we need to maintain the vendor number with processing type and maintain outbound options.</p> <p>Maintain partner role and message type and enter- continue with mentioning port number with basic type and extension and, we need to maintain application, message type and process code.</p> <p>Lastly, we will maintain the agent id- where when idoc fails it will send the notification to user.</p>
102	<i>What is the difference between a Blanket Purchase Order and the Framework Order?</i>
	<p>The Blanket POs are used for consumable materials such as office paper with a short text, with item category B. There need not be a corresponding master record, for the simplicity of the procurement. The FO, Framework Order, document type is used. Here, the PO validity periods as well as the limits are to be mentioned. The GR, or Service Entry for the PO are not necessary in the case of Blanket PO's. One need not mention the account assignment category during creation of the PO. It can</p>
103	<i>What SAP program is used to update or create Material Master Records?</i>
	<p>RMDATIND is used to update Material Master Records and can be used for such assignments as extending all materials to a new plant.</p>

104	<i>What MRP procedures are available in MM-CBP (Consumption Based Planning)?</i>
Various material planning methods are used in MRP (Material Requirements Planning). Reorder point procedure (VM), Forecast-based planning (VV), Time-Phased materials planning (PD) .These are specified in material creation (MMO1) under the MRP 1 tab.	
105	<i>What is meant by Planned Delivery time & GR Processing Time</i>
<ul style="list-style-type: none"> ✓ Planned delivery means number of calendar days required to obtain the material [with all days including holidays] ✓ GR processing means number of working days required after receiving the material for inspection and placement into storage. 	
106	<i>Different types of MRP</i>
ND – No Planning., PD – MRP, R1 – Time-phased planning, VB – Manual reorder Point planning. VM – Automatic reorder Point planning, VV – Forecast-based planning.	
107	<i>What is use of schedule margin Key?</i>
It is used to compensate for unexpected disturbances in the production process, so that they do not delay the scheduled finish date and also used for determination of the floats required for scheduling an order. it is maintained in MRP:2 view	
108	<i>What is use of MRP controller's in MRP 2?</i>
The MRP controller is responsible for material requirements planning and material availability.	
109	<i>What is safety stock & minimum safety stock?</i>
<ul style="list-style-type: none"> ✓ The Safety Stock means the stock which is required to run the production. ✓ The Min Safety Stock is one in which the stock level comes below the Safety Stock should not fall below the minimum 	
110	<i>How are the various MM configuration Transactions accessed?</i>

- OLMD → accesses MM-CBP,
- OLMB → accesses MM-IM,
- OLME → accesses MM-PUR,
- OLML → accesses MM-Warehouse Management,
- OLMS → accesses Material Master Data,
- OLMW → transaction for valuation and account assignment.

111 *How do you create a document/e-mail notifying your supplier or internal personnel when an invoice plan is settled?*

The IMG setting is Material Management -> Logistics Invoice Verification -> Message Determination.

If these settings are not made, the message “Invoicing Plan: No Message Was Found for Partner XXX, Company Code XXX”. If the notifying documents are not required, simply turn off the message by changing the message from “error” to “information” using Material Management -> Logistic Invoice Verification -> Define Attributes of System Messages

112 *How do you configure the Release Procedure*

Using Transaction OMGQ.

113 *Prerequisites for automated POs*

Auto PO Via inventory management Set

Configurations

In OLME→ define default document type(NB) for MBO1 transaction (post GR for PO)

In OLMB→GR→create PO automatically→ check for 101 and 161 movements

In process

Material master→ purchasing data view→ Check for automatic PO

Vendor master→Purchasing data view→ check for automatic PO

114 *How are free items managed in a PO?*

When you create purchase order for vendor at that time show in line item data in which one check box available for free delivery. So when you want to create purchase order with free quantity click on that check box.

115	<i>Why is negative stock needed in an organization?</i>
Organizations need negative stock when a material is shipped to a customer and production is not confirmed or there is not enough stock to satisfy the requirement. The system still allows the issuing of the material, and inventory shows a negative quantity of stock until the production of the material is confirmed.	
116	<i>What is spilt valuation? How to configure the split valuation?</i>
<p>In case if you want to maintain 2 prices for a single material then we make use of split valuation.</p> <p>Example: if there is motor. The motor can be new, used, or broken status.</p> <p>So these three valuation types can be created under one valuation category and have different prices for these. Say new 5000rs used 3500rs and broken 1500rs.</p> <p>Path : SPRO > MM > VALN AND ACC ASSIGNMENT > SPLIT VALUATION ></p> <ol style="list-style-type: none"> 1. Activate Split Valuation : here we should activate spilt valuation 2. Configure Split Valuation : → here we need to do the following setting <ol style="list-style-type: none"> i. Step 1 :- Define Global Valuation Types [OMWC] : → here we valuation type name ,Select attributes & mention account category reference ii. Step 2 : → Define Global Valuation Category iii. Step 3 : → Assign Valuation type to Valuation Categories iv. Step 4 : → Assign Valuation Categories to Valuation area v. Step 5 : → Create Material , in accounting 1 → assign Valuation Categories vi. Step 6 : → Create Material [MM01] → will get Split valuation 	
117	<i>What is the difference b/w the Valuation class & Valuation Area</i>
<p><u>Valuation Area:</u> An organizational unit in Logistics subdivision of enterprise for the purpose of uniform and complete valuation of material stocks. All materials are evaluated at plant level only.</p> <p><u>Valuation Class:</u> Grouping of similar accounting requirement materials for the purpose of automatic determination of GL accounts is called valuation class.</p> <p><u>Account category reference:</u> Grouping of valuation classes for the purpose of automatic account determination</p> <p>The valuation class makes it possible to:</p> <p>Post the stock values of materials of the same material type to different G/L accounts</p> <p>Post the stock values of materials of different material types to the same G/L account</p>	

118	<i>What are the steps in import Procurement process?</i>
<p>01. Create Purchase Order (T.Code - ME21N): Create Import Purchase Order against Foreign Vendor with zero tax code and <i>maintain the Custom Duty in the Condition Tab at the Item Level</i> and maintain the <i>Custom vendor in the Condition Type</i>.</p> <p>2 Post Commercial Invoice (T. Code - MIRO): Create Custom Invoice <i>for Custom Vendor</i>, enter details as required with the <i>INR Currency as we are paying to Government</i>. Enter the Custom Duty value and Qty.</p> <p>3 Goods Receipt (T. Code - MIGO): Post Goods Receipt with reference to PO and received the quantity.</p> <p>4 Post Invoice Receipt (T. Code - MIRO):Post Invoice Receipt for Foreign Vendor with reference to Import Purchase Order in the system.</p>	
119	<i>Difference between PB00 and PBXX condition types</i>
<p>PB00 - This condition is determined via access sequence from info record</p> <ul style="list-style-type: none"> ➤ Condition maintained in PB00 is time dependent ➤ used for IR, RFQ, Contract, Schedule Agreement Condition type <p>PBXX - if you have not defined any info or contract etc then system will suggest PBXX</p> <ul style="list-style-type: none"> ➤ PBXX is time independent ➤ PBXX – used for PO 	
120	<i>Some Standard Conditions</i>
<p>Boo Gross Price (info record, contract, scheduled Agreement)</p> <p>PBXX Gross Price (PO)</p> <p>FRA1 Freight</p> <p>RA00 Discount on net</p> <p>RA01 Discount on Gross</p> <p>ZA00 Surcharge on net</p> <p>SKTo Surcharge / discount</p> <p>ZPBo Rebates</p> <p>MWVS Input Tax</p> <p>MWAS Output Tax</p> <p>BASB Base Amount</p>	

121 *Can we do 10 release codes In enhancement*

Maximum we can have 8 release codes in bracket levels, but in enhancement it is possible more than 8

122 *What is the difference between purchase order and scheduling agreement?*

- PO and scheduling agreement are external purchasing documents.
- Sch Agmt is time dependent. (Validity period existst)
- **PO** is a onetime order with limited quantity and period, Purchase Order does not have validity period, and it will have delivery dates if you have a requirement of 1000 qty at different delivery dates, PO supports that but all these dates are immediately transmitted to vendor.
- **Scheduling agreement** means long term purchase order. In case u have a vendor that vendor supplies the material for one year. In scheduling agreement u give the Delivery schedule for that vendor. Delivery schedule means u give the delivery date as per ur requirement. one month u want 100kg and another Month u want 200kg that scenario will maintain in scheduling agreement.

123 *Difference between Contracts and Scheduling agreement*

Contract: → contract is an agreement between the customer and the company. It will have a validity date and the quantity or value

Scheduling agreement :→ Scheduling agreement is also an agreement, the quantity will be divided into different schedule lines , and the delivery will be created based on these schedule line in the agreement

- A schedule agreement contains details of a **delivery schedule along with delivery dates**

124 *What are the different types of ROH & HALB you procure in your company?*

ROW Material Type	Semi-finished Type
1. ALUMINUM. ...	Steel.
2. BRASS. ...	Stainless steel.

3. STEEL. ...	Aluminum.
4. COPPER. ...	Aluminum alloys.
5. BASIC PLASTICS. ...	Other metal alloys
6. ENGINEERED PLASTICS.	
7. oil,	
8. corn,	
9. grain	
10. gasoline,	
11. lumber,	

125 *Explain the business process of Contract Quantity contract agreement*

- a) 1st we have create PR with material, Quantity and plant → ME51N
- b) Create quality contract using T-code **ME31K**
 - i. Enter vendor No
 - ii. Agreement type : **MK** [Quantity Contract], Agreement start date
 - iii. Using PR No → Validity end date , select line of item → Enter Net order price, **Target Quantity** (we have maintain same quality as mentioned in PR or Change also → Save
 - iv. Created Agreement Number
 - v. Go To T-code : ME33K
 - vi. Create PO against outline agreement or agreement Number
 - vii. Now check or see Target quality and open quantity using T-code : ME33K by clicking Release Documentation (Icon)

MIGO wrt PO followed by MIRO

Sl No	Description	T-Code
01	Material, Vendor & PR	MM01 → XK01 → ME51N
02	Create contract	ME31K [Agg Type : MK] , Enter Target Quantity
03	Create PO	ME21N → scheduling Agreement
04	Display contract	ME33K

126 *What are perquisites for quantity contract*

- Agreement type : MK [Quantity] , WK [Quality]
- Agreement date
- Validity Date
- Quantity and Target Quantity or Target value

127	Explain the business process of scheduling agreement																								
<p>a) 1st we have create PR with material, Quantity and plant → ME51N</p> <p>b) Create quality contract using T-code ME31L</p> <p>1. Enter vendor No</p> <p>2. Agreement type : LP [Quantity Contract], Agreement start date</p> <p>3. Using PR No → Validity end date , select line of item → Enter Net order price, Taregt Quantity (we have maintain same quantity as mentioned in PR or Change also → Save → Generated Scheduling Agreement No</p> <p>4. Go to T-code [ME38 – To create Schedule Line Agreement]→by double click on line of items → Enter Delivery date and Quantity → save</p> <p>5. Go To T-code : ME33K</p> <p>6. Here Scheduling agreement No acts as PO no [PO= Scheduling Agreement No]</p> <p>c) MIGO wrt PO followed by MIRO</p>																									
128	Source List																								
<p>Source list includes a list of possible sources of supply for a material over a given framework of time. Source list specifies the time period of ordering a particular material from a given vendor. Source list can be copied from one plant to another plant.</p> <p>General: Purchasing Particularly one material from Particular one vendor not all material from that vendor.</p> <p>There are three ways to create source list</p> <p>1. Manual method [ME01]</p> <p>2. Generate Method [ME11]</p> <p>Generate Source List [ME05]</p>																									
129	Explain the manual method of source list																								
<p>A. MM01 [S10]→ Purchasing View →Active Source List</p> <p>B. XK01 (create Min Two Vendor)</p> <p>1. 100342</p> <p>2. 100343</p> <p>C. PIR (Optional)</p> <p>D. ME01 [Maintain source List], ME02 [Change] , ME03 [Display] & ME04 [Change Display]</p> <table><tr><td>MATERIAL</td><td>S10</td></tr><tr><td>PLANT</td><td>1000</td></tr><tr><td colspan="2">ENTER</td></tr></table> <table><tr><td>Valid From</td><td>Valid To</td><td>Vendor</td><td>POrg</td><td>FIX</td><td>BLK</td></tr><tr><td>12.09.2019</td><td>30.09.2019</td><td>100343</td><td>1000</td><td></td><td></td></tr><tr><td>12.09.2019</td><td>30.09.2019</td><td>100344</td><td>1000</td><td></td><td>✓</td></tr></table> <p>E. PO →Mat (S10)→Qty (100)→ Vendor →100343→ will get PO No → MIGO→ Miro</p> <p>F. PO →Mat (S10)→Qty (100)→ Vendor →100344→ will not PO No</p>		MATERIAL	S10	PLANT	1000	ENTER		Valid From	Valid To	Vendor	POrg	FIX	BLK	12.09.2019	30.09.2019	100343	1000			12.09.2019	30.09.2019	100344	1000		✓
MATERIAL	S10																								
PLANT	1000																								
ENTER																									
Valid From	Valid To	Vendor	POrg	FIX	BLK																				
12.09.2019	30.09.2019	100343	1000																						
12.09.2019	30.09.2019	100344	1000		✓																				

130 Explain GENERATE METHOD OF SOURCE LIST CREATION [ME01]

- A. MM01 [S10] → Purchasing View → **Active Source List**
- B. XK01 (create Min Two Vendor)
1. 100342
 2. 100343
 3. 100344
- C. PIR (ME11) → Create PIR for the on material and three vendor combinations {Three time PIR Creation for same material but different Vendor → Info category → Standard }

Material	S10
Vendor	100342

S10
100343

S10
100344

- D. ME01 [Maintain source List] → **Don't Enter Manually**

MATERIAL	S10
PLANT	1000

*** Click on Generate Icon → Valid From : 12.09.2019 and valid to : 31.09.2019 → Enter key , Automatically it Fetch data From PIR

*** If want to Block Any Vendor for that material we can block by activating Block key

131 Explain GENERATE SOURCE LIST [ME05]

- A. MM01 [Three material]
- GS1
- GS2 → Purchasing View → **Active Source List**
- GS3
- B. XK01 (create Min Two Vendor)
4. 100345
 5. 100346
 6. 100347
- E. Create PIR [ME11] Create PIR for the on material and three vendor combinations {Three time PIR Creation for same material but different Vendor → Info category → Standard }

Material	GS1
Vendor	100345

GS2
100346

GS3
100347

- C. ME05 [GENERATE SOURCE LIST]

MATERIAL	GS1 t GS2
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** Active Test Run → Click on Execute → The Process status → will be added

** Deactivate Test Run → Execute → Select All → Click on Save → The Process status → Was Processed

PR → PO → MIGO → MIRO

It means GS1& GS3 material may take from all vendor but GS2 material should take from 100346 only , if change vendor for GS2 material other than 100346 not possible to do PO .	
132	<i>What is RFQ? Explain steps for RFQ.</i>
<p>Request for quotation is a form of invitation that is sent to the vendors to submit a quotation indicating their pricing and terms and conditions. It contains details about goods or services, quantity, date of delivery, and date of bid on which it is to be submitted</p> <p style="text-align: center;">Steps</p> <p>I. CREATE RFQ [ME41] → here we need to maintain RFQ[AN- RFQ], RFQ date & Quotation Dead line , Collective NO, RFQ QTY</p> <p>II. PRINT RFQ [ME9A] : → Press Enter → Clk On Execute → Will Get Screen It Shows All Three Vendors</p> <p>III. MAINTAIN QUOTATION: INITIAL SCREEN [ME47] :→ Give net Price and Freight charges to all vendor</p> <p>IV. PRICE COMPARISON CHART [ME49] :→ will get Entire table based on Rank</p>	
133	<i>What is purpose of Collective No</i>
<p>The collective number enables you to track all RFQs for a given competitive bidding process</p> <p>The number can be alphanumeric and up to 10 characters long(in real time we give Material code as collective number).</p>	
134	<i>What is PI [Physical Inventory]? Explain steps for PI.</i>
<p>PI Means Cross Checking Physical stock which is in store location to Book Stock</p> <p>I. Creating Physical Inventory Doc [MI01] : → here we need to maintain Document Date , Planned counted Date , Storage Location & Material</p> <p>II. Print Physical Inventory Document [MI21] : → Put Doc No [430], Year , Store Location & Plant <input type="checkbox"/> Click on Execution <input type="checkbox"/> Click on Print Preview <input type="checkbox"/> It shows Mat XY01__Not Yet Counted</p> <p>III. Enter Inventory Count [MI04] : → Enter Qty [150]→ save</p> <p>IV. Post Inventory Difference [MI047] : → the Difference Qty [25] <input type="checkbox"/> Choice Reason <input type="checkbox"/> Save <input type="checkbox"/> Enter Doc No <input type="checkbox"/> Press Enter <input type="checkbox"/> it Shows ** MMBE [150]????25 Qty Extra Here Because Actual Physical Count 150 so</p>	
135	<i>How To Do Cancelation Of Material Document?</i>
<p>➤ MM01</p> <p>➤ XK01</p>	

- PIR {Optional }
- PR
- PO → 100Pc
- MIGO→ MT101 90/100
 - ❖ Assuming the actual stock Received is 90 but my mistake posted 100 for this reason we do the cancellation and again do the MIGO for 90 Material
- MIGO→ A03 (Cancellation)- Material Doc [423]→ automatically in Where Tab (122 MT Activated) → In Quantity Tab(Enter The Material to Be Returned (25Pc)) →Choice Reason → Item Ok → Check & Post → Check in MMBE

We can also check in Purchase order history by using PO No in **ME21N**

136 *How To Do Return Delivery With Respect To Material Document Type ?*

- MM01
- XK01
- PIR {Optional }
- PR
- PO → 100Pc
- MIGO→ MT101
 - ❖ Assume 25 PC Got Rejected from PO Due to Vendor Mistake for this reason we do Return Delivery wrt Material Document.
- MIGO→ A02 (Return Delivery)- Material Doc [423]→ automatically in Where Tab (122 MT Activated) → In Quantity Tab(Enter The Material to Be Returned (25Pc)) →Choice Reason → Item Ok → Check & Post → Check in MMBE

We can also check in Purchase order history by using PO No in **ME21N**

137 **What is Credit Memo?**

A transaction where company receive the amount from the vendor against the returning of damaged goods.

Suppose we have done the PO of 250 QTY [10/PC], but due to some reason the 50 QTY gets damaged because of vendor mistake it might be improper packing or Transportation etc. so 50 QTY we returning to vendor if he's not ready to give same

component then company ask him to return amount. This amount called Credit Memo

- I. MM01 [RP1]
- II. XK01
- III. PIR [OPTIONAL]
- IV. PR [ME51N] -→ 250 PC
- V. PO [ME21N] --→ 250PC & NET Value 10 =2500/-
- VI. MIGO → WRT PO → 250 PC [1ST do Normal Invoice then again
- VII. MIRO → INVOICE → WRT PO [1ST do Normal Invoice then change Transaction Invoice to CREDIT MEMO] ---→ Enter Quantity and Amount Manually

AMOUNT	QUANTITY
(50*10)=500	50

Press enter

	Balance :500
Amount :	

Enter the balance amount to Amount Column → save

	Balance :000
Amount :500	

Check Purchase Order History -→ ME23N--→ it show RE-L [-50 Qty] -→ [500-]/-

138 What is Subsequent Debit?

In this case **Vendor request extra many from company due to some losses because of Market fluctuation {Company → Vendor }**

- I. MM01 [RP1]
- II. XK01
- III. PIR [OPTIONAL]
- IV. PR [ME51N] -→250 PC
- V. PO [ME21N] --→ 250 PC & NET Value 10 =2500/-
- VI. MIGO → WRT PO → 250
- VII. MIRO → INVOICE → WRT PO [1ST do Normal Invoice then again change Subsequent Debit and Subsequent Debit]
- VIII. Check Purchase Order History -→ ME23N
- IX. MIRO -→ [Change Invoice→Subsequent Debit]

AMOUNT	QUANTITY
75	250

***** it means for 250PC customer request 75/- extra

X. Check Purchase Order History --> ME23N--> it show Subsequent Debit Amount 75		
139	What is Subsequent Credit?	
In this case company request many from Vendor which is Paid as Excess due some mistake { Vendor → Company }		
140	What is planned delivery cost and unplanned delivery cost?	
planned delivery cost : → A delivery costs that are planned in a purchase order and are entered in the system (invoice) OR the costs are agreed upon with the vendor, a carrier, or a customs office before the purchase order is created Unplanned Delivery Costs: → Unplanned delivery costs were not agreed on in the Purchase order and are not entered until the invoice is received.		
141	What is MRP?	
The main function of MRP is to ensure the availability of the material. In other words MRP is used to procure or produce the required quantities on time for internal purpose or for SALES		
142	What is the difference between MRP and Consumption based planning (CSBP) ?	
SN	MRP	CSBP
1	The main function of MRP is to ensure the availability of the material. In other words MRP is used to procure or produce the required quantities on time for internal purpose or for SALES	consumption-based planning procedures use past consumption data (historical data) to calculate future requirements with the help of the material forecast or static planning procedures
2	MRP Procedures[Planning] 1. Material requirements planning, 2. Master production scheduling, 3. Consumption based planning	IN CSBP the following MRP Procedures 1. Reorder point procedure, 2. Forecast-based 3. planning, 4. Time-phased materials planning
3	For net requirements calculation The planned and the exact requirement quantities trigger.	For net requirements calculation is not triggered by an independent or a dependent requirement Instead, the net requirements

		calculation is triggered when stock levels fall below a reorder point
4	It's usually for ROH and semi-finished material types	It's usually for finished material
143	What is MRP type? What are the different MRP types?	
SAP MRP type is a field that is maintained in the material master MRP 1 view under MRP procedure data		
SAP MRP Types		
<div><div>1. ND – No Planning.</div><div>2. PD – MRP.</div><div>3. R1 – Time-phased planning.</div><div>4. VB – CSBP for Manual reorder point planning.</div><div>5. VM – CSBP for Automatic reorder point planning.</div><div>6. VV – Forecast-based planning.</div></div>		
145	What is use of different MRP types?	
<div><div>1. ND → If a material is "ND", then only MRP is not relevant, but still production and sales may be happening for that material</div><div>2. PD → MRP type PD means the material will be considered by MRP run for planning and trigger the Procurement Proposals after Net reqt calculations</div><div>3. R1 → MRP type R1, then the procedure is time-phased planning procedure. This procedure would be suitable for materials that are supplied by vendors in a regular interval like two days in a week or only on some particular days.</div><div>4. VB → MRP type VB means, the safety stock and reorder point would be calculated manually and entered in the SAP system</div><div>5. VM → MRP procedure could be determined as automatic reorder point planning procedure. The safety stock and the reorder point would be calculated automatically by the system based on the past historic consumption data.</div><div>6. VV → MRP type VM means we are determining a forecast-based planning. The requirements could be calculated based on the forecast data that was Maintained in the material master.</div></div>		
144	What is the difference between safety stocks & re-order point?	

1. **Safety stock:** → The quantity of stock to satisfy high requirements in the stocking-up period.
 - The purpose of the safety stock is to prevent material shortage
2. **Minimum Safety Stock:** → The quantity that defines the lower limit for safety stock. This value cannot be exceeded.
3. **Reorder Point :** → If the stock falls below this quantity, the system flags the material for requirements planning by creating a planning file entry
 - With manual reorder point planning, you enter the reorder point manually. With automatic reorder point planning, the system determines the reorder point automatically for forecasting purposes
4. **Minimum lot size :** → Minimum procurement quantity
5. **Maximum lot size :** → Quantity that is not allowed to be exceeded during procurement
6. **Lot size (materials planning) :** → Key that determines which lot-sizing procedure the system uses within materials planning to calculate the quantity to be procured or produced.
7. **MRP controller :** → The MRP controller defines a suitable MRP and lot-sizing procedure for each material to determine procurement proposals

145 *How to calculate safety stock level & reorder point ?*

- **Safety Stock** = *(Maximum Daily Usage x Maximum Lead Time Days) — (Average Daily Usage x Average Lead Time Days)*
- **Reorder Point** = *(Average Daily Usage x Average Lead Time Days) + Safety Stock*

Example :

	Leather
<i>Maximum Daily Usage</i>	14
<i>Maximum Lead Time Days</i>	21
<i>Average Daily Usage</i>	10
<i>Average Lead Time Days</i>	14

**** Safety stock level for leather packs would be $(14 \times 21) - (10 \times 14) = 154$

CONGIZANT INTERVIEW QUESTIONS

146 *Explain release procedure for MM*

- a. Create Character
- b. Create class-Assign character to class
- c. Create release group(Assign Release group to class)
- d. Create the release codes(Assign release code to release group)
- e. Create release strategy(Assign Release group, release code to our release strategy as per the client requirements)

147 ***Differences between IBD and MIGO***

IBD [VL31N] is a notification that received about the material, qty and the date it will be received in advance. Advantage of this is prior to MIGO is that the plant gets to prepare for the receiving.

148 **IBD and OBD transaction codes**

IBD-VL31N

OBD-VL10D

149 ***What are PGI and PGR process T codes?***

PGR (Post goods receipt) – MIGO

PGI (Post goods issue)-VLO2N

150 ***What are MMPV and MMRV?***

MMRV-To check the current period of company

MMPV-close the current period for inventory posting

151 ***What is inventory management***

Inventory management is a part of the supply chain management, which includes Various aspects such as the process of ordering, storing and using the company's inventory like raw materials, its components, and the finished products.

152 ***What are your daily activities in your current project***

Daily activities of a business such as Procurement, Inventory Management, Materials Requirement Planning, Master data (Material and Vendor), Material Valuation, Vendor Evaluation, Invoice Verification, resolving daily issues etc.

153 ***What is the difference between NLAG and UNBW material type in SAP ?***

<i>NLAG</i>		<i>UNBW</i>
Non-stock material type		non-valuated material
This type of not possible manage either on a quantity or value basis		This type of material is managed on a quantity basis, but not on a value basis.
such as texts and units of measure		for example, operating manuals
<i>154</i>	Tell me some situations where Transaction key PRD gets triggered.	
GBB is used to identify the GL account to post to as the offsetting entry to the stock account (when not referencing a purchase order) such as miscellaneous goods receipts, goods issues for sales orders with no account assignment, and scrapping etc.		