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📄 EXAM AZ-900 TOPIC 1 QUESTION 58 DISCUSSION

Actual exam question from Microsoft's AZ-900

Question #: 58

Topic #: 1

[All AZ-900 Questions]

HOTSPOT -

For each of the following statements, select Yes if the statement is true. Otherwise, select No.

NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area

Statements	Yes	No
Azure Pay-As-You-Go pricing is an example of CapEx.	○	○
Paying electricity for your datacenter is an example of OpEx.	○	○
Deploying your own datacenter is an example of CapEx.	○	○

Show Suggested Answer

by 👤 mastertroll at *May 31, 2021, 2:42 a.m.*

Comments

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➖ 👤 **alanlzp1404** [Highly Voted 👍] 3 years, 4 months ago

Box 2 should be OpEx as Paying Electricity is operating costs.

👍 ↩ 🚩 upvoted 352 times

   ➖ 👤 **MattRam** 1 year, 5 months ago

   Agreed, but then I'm not an accountant. Do I need to take an accountancy exam first (some of these questions make my eyes roll).

   👍 ↩ 🚩 upvoted 18 times

   ➖ 👤 **CliffyNitsef** 2 years, 3 months ago

   You're correct, it should be Yes for OpEx as paying electricity

   👍 ↩ 🚩 upvoted 15 times

      ➖ 👤 **Samco_lil** 1 year, 4 months ago

      Do you pay for electricity to run vms on the cloud? The context of the question is clear.

      👍 ↩ 🚩 upvoted 1 times

         ➖ 👤 **Nathan9905454** 4 months, 4 weeks ago

         From the word "your data center" mean this is private server so the answer is yes Paying your data center's electricity is an Operation Expenditure :)

         👍 ↩ 🚩 upvoted 1 times

➖ 👤 **DrcCZ** [Highly Voted 👍] 3 years, 4 months ago

Correct answer for 2nd question (electricity in own Datacenter) is OpEx.
Pretty sure about that as only mistake highlighted in my exam score was in area Azure Core Services, which is not the category for this question. And I put there Opex.

👍 ↩ 🚩 upvoted 124 times

➖ 👤 **Mitra_1** [Most Recent ⊘] 2 weeks, 1 day ago

Answer is NYY
Operating Expenses (Opex): These are the ongoing costs for running a business's day-to-day operations. Expenses such as utilities (like electricity), rent, maintenance, and salaries fall under Opex. They are typically variable costs that can change based on usage and are recorded on the income statement.
Capital Expenditures (Capex): These are funds used by a company to acquire, upgrade, and maintain physical assets such as buildings, machinery, and equipment. Capex is typically a one-time investment that provides long-term benefits and is recorded on the balance sheet.

👍 ↩ 🚩 upvoted 2 times

➖ 👤 **P_BASNET** 1 month ago

Yes, paying electricity for a data center is classified as an operational expense (OpEx). OpEx refers to the ongoing costs required for the day-to-day functioning of a business, which includes utilities such as electricity.

👍 ↩ 🚩 upvoted 1 times

➖ 👤 **NoursBear** 1 month, 3 weeks ago

Number 2 is totally debatable and has to be thought about in the Microsoft way not in a logical or accountancy way. What does Microsoft think electricity bills represent Capex or OpEx? To make themselves look for attractive I would say CapEx

👍 ↩ 🚩 upvoted 1 times

➖ 👤 **rdwalsh** 2 months ago

Paying for electricity is OpEx. Just like cloud is OpEx because you pay as you go, so is the electricity that you use each month.
If you were talking about the build out of your data center and laying the wiring, that would be CapEx.

👍 ↩ 🚩 upvoted 1 times

➖ 👤 **bigfooot15** 2 months, 2 weeks ago

ChatGPT says yes:

"Yes, paying for electricity for your datacenter is an example of operational expenditure (opex).

Operational expenditures (opex) are the ongoing costs for running a product, business, or system. This includes expenses such as utilities, rent, salaries, maintenance, and other regular expenses required to keep the business operational. In the context of a datacenter, electricity is a recurring expense necessary for its operation, making it an opex."

👍 ↩ 🚩 upvoted 1 times

➖ 👤 **tomeq82** 3 months, 1 week ago

Other sources cites electricity in DC as OpEx.

👍 ↩ 🚩 upvoted 1 times

NAZJO 3 months, 4 weeks ago

Paying for electricity is an OpEx cost. CapEx refers to upfront costs for assets and electricity is not an asset that can be owned.

👍 ↰ ⚑ upvoted 1 times

ADR7 4 months, 1 week ago

Correct answers are No, Yes & Yes.

👍 ↰ ⚑ upvoted 2 times

VaibhavGawali 4 months, 1 week ago

I agree. I think paying electricity every month for datacenter is an Operational Expense.

👍 ↰ ⚑ upvoted 1 times

BraveSirRobin 4 months, 2 weeks ago

Paying the electricity bill is OpEx. The cost varies over time and you pay as you use it, after you use it.

👍 ↰ ⚑ upvoted 1 times

glil 4 months, 3 weeks ago

Box 2 should be OpEx as Paying Electricity is operating costs.

👍 ↰ ⚑ upvoted 1 times

EhCloudGrrrU 5 months ago

Direct from MS:

"Paying electricity for a data center is an example of an operational expense (OpEx). Operational expenses refer to the ongoing costs incurred in the day-to-day operations of a business or organization."

👍 ↰ ⚑ upvoted 1 times

varinder82 5 months, 1 week ago

Correct Answer : N Y Y

👍 ↰ ⚑ upvoted 1 times

BJS78 5 months, 4 weeks ago

Whoever still has doubts. let's make it simple:
CAPEX = one-timer (usually) and act as investment. (you also will calculate depreciation over time in you accounting books)
OPEX = continuous operational cost. Comes periodically.

👍 ↰ ⚑ upvoted 1 times

ZForceX 6 months, 1 week ago

Electricity = OpEx. You pay what you use and how much you use

👍 ↰ ⚑ upvoted 2 times

Mole857 6 months, 1 week ago

Electricity in your own data centre is always OpEx, never CapEx as it is a reocurring and running expense, not a one off expense.

👍 ↰ ⚑ upvoted 1 times

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