**Q1-What is the difference between company and company code?**

A company is the organizational unit used in the legal consolidation  
module to roll up financial statements of several company codes.  
The Company Code is the smallest organizational ! unit for which a  
complete self-contained set of accounts can be drawn up for purposes of  
external reporting.

**Q2-How many chart of accounts can be attached to a company code?**

One or more Operative Chart of Accounts can be assigned to a company code.

A COA must be aasigned to a company code. This COA is the operative COA  
and is used in both FI and CO. One Chart of Account can be assigned to  
many Company codes i.e., Multiple company codes can either share the  
same or have separate COA. But a company code (Country specific Company  
code or International Company code) can have a country specific COA  
also along with Operative COA. The link between the regular COA and the  
country COA appears in the alternate number field of the G/L master  
record.

Eg: If a company’s subdidiaries are located in both US  
& Mexico. We need to configure 2 Company codes – one for US and  
another for Mexico,for eg U100 and M100. The same way we create 2 COA’s  
one for US & one for Mexico, USCA and MXCA. Mexico has different  
govt reporting requirements than the US so we will need to define a  
company code specific to Country Mexico and also create a country  
specific COA to be used, in addition to normal COA. In tcode OBY6(Comp  
Code Global Parameters) of CC M100 we define normal COA i.e.,USCA in  
Chart of Accounts field and MXCA in Country Chart/Accts field.

**Q3-What are substitutions and validations? What is the precedent?**  
Validations are used to check settings and return a message if the prerequisite check condition is met.  
Substitutions are similar to validations; they actually replace and  
fill in field values behind the scenes without the user’s knowledge  
unlike validations that create on-screen msgs to the user.

**Q4-What is a controlling area?**  
The Controlling Area is the central organizational unit within CO  
module. It is representative of a contained Cost Accounting envt where  
costs and revenues can be managed.

**Q5-Define relationship between controlling area and company code?**

A controlling area may include one or more company codes which must use  
the same operative chart of accounts as the controlling area. A  
Controlling Area can contain multiple company code assignments but a  
single company code can be assigned to only one controlling area.

**Q6-What is a fiscal year variant?**  
Fiscal Year is a period of 12 months and SAP provides 4 special periods  
to posting adjustment Entries. Fiscal year determines posting periods.  
Posting periods are used to assign business transactions. Fiscal year  
may be year dependent or year independent.

Calendar year

Year Dependent

Posting Period

Special Period

**Q7-What are special periods used for?**

The Special periods in a fiscal year variant can be used for things  
like posting audit or tax adjustments to a closed fiscal year.

**Q8-What do you mean by year dependent in fiscal year variants?**

Year Dependent: the financial year is same as calendar year. Starting  
from 1st Jan to 31st Dec (where posting periods and the calendar months  
are equal)  
Year Independent: the financial year is different from calendar year  
Starting from 1st April to 31st March (where the posting period months  
are not equal to calendar year months)

**Q9-What are shortened fiscal year? When are they used?**

Shortened Fiscal Year: a financial year, which has less than 12 periods.

**Q10-What are posting periods?**  
The Posting period variant controls which posting periods, both normal  
and special, are open for each company code. It is possible to have a  
different posting period variant for each company code in the  
organization. The posting period is independent of the fiscal year  
variant.

**Q11-What are document types and what are they used for?**  
Document type is the identifier of differentt account transactions like  
SA for G/L,AA for Asset Accounting etc.The doc. Types controls things  
like type of the account that can be posted to, the number range  
assigned to it, and required doc header fields.

**Q12-How are tolerance group for employees used?**  
Tolerance group stores Posting amount defaults. Tolerance groups are  
assigned to User ID’s that ensures only authorized persons can make  
postings.

**Tolerance Group Type/Level**

**Q13-What are posting keys? State the purpose of defining posting keys?**  
Posting keys determine whether a line item entry is a debit or a credit  
as well as the possible field status for the transaction. Posting keys  
are SAP delivered. If u want changes like making additional fields  
optional on payment type posting keys then the best possible action is  
to copy the posting key that needs to be modified and then modify it.

**Q14-What are field status groups?**  
Field status groups control the additional account assignments and  
other fields that can be posted at the line item level for a G/L  
account.

**Q15-What are adjustment postings and its use? Give t.codes and paths if possible?**

Answer:  
fb50,f-02 and others could be used for adjustments. These adjustments  
are to correct any financial representation that has already been  
booked into the accounts.

**Q16-Suppose I have purchased goods of 10 units(raw materials or semi-finished goods) worth Rs10000 from vendor A (suppose) and also made payment for the same.**

**Now during the manufacturing process, it was observed that 3 units are defective, now my question is how do we deal with the defective units in SAP as I have  
already made payment for the 10 units(i.e Rs10000).**

Answer:  
If you have a GRN against these materials, then the same can be return  
delivered. An appropriate movement type needs to be configured for the  
same. As for the payment, raise a credit note on the vendor.

\* Using Debit Memo you can get the money for defective 3 units. \*–

**Q.17-We always copy company code or we can create manually also? If possible give reasons also.**

Answer:  
There are loads of tables that get copied over when copying co codes.  
This might be incomplete in a manual copy, and hence the manual route  
is not advisable.

**Q.18-In case of APP, when bank master data updated?**

**Q.19-Suppose  
in 2004 I have depreciation key ‘AB&in 2005 depreciation key I have  
changed to”CD”. In what way my balances would be affected like balances  
of depreciation,accumulated depreciation,assets etc.**

Answer:  
The difference in the depreciation that is posted already, and what  
should be posted with historical effect will be posted in the current  
accounting period.

**Q.20 How many chart of accounts can be  
assigned to company code we can assign company code to chart of account  
through OB62? Now my question is in what way we can assign three types  
of chart of account to company code in one transaction code (I might be  
wrong plz correct me)**

Answer: Three, although the group and country chart of accounts are optional. The group chart of accounts is assigned to the  
operational chart of accounts, and the only mandatory CoA is the Operational CoA.

**Q.21 How many financial statement versions can be assigned to co.code?**

Answer: As many FSVs as you want can be assigned to the co code i.e. 1:n as of Co Code: FSV.

**I  
have created Company Code and all other configuration related to the  
CCode. Also in MM I have created purchase order, created vendor,  
material etc. I couldn’t activate the PO due to the following error  
messages in red:**

**1. MAINTAIN TOLERANCE LIMITS FOR TOLERANCE KEY PE ACCOUNT ASSIGNMENT**   
**2. CONTROL INDICATORS FOR CONTROLLING AREA DO NOT EXIST.**

**I  
have assigned controlling area to company code and I could see the  
controlling area in existance via master file and gl verification.**

1.  
MAINTAIN TOLERANCE LIMITS FOR TOLERANCE KEY PE ACCOUNT ASSIGNMENT  
—-> Please follow this link –> SPRO —> MM—>  
Purchasing –> Purchase Order –> Set Tolerance limits for price  
variance –> Here you have to set for Tolerance keys PE and SE. Just  
copy them from std co. code.

2. CONTROL INDICATORS FOR CONTROLLING AREA DO NOT EXIST. —->

In Controlling –> General Controlling –> Maintain Controlling  
Area –> Maintain Controlling Area –> Activate  
Components/Control Indicators –> You need to check if you want to  
activate the order management/activity based costing/commitment  
management etc.

SAP GL Posting Questions

SAP AP (account payables) Questions

SAP AR (account receivables) Questions