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Exam Code: MB-310
Exam Name: Microsoft Dynamics 365 for Finance and Operations, Financials



01 - Set up and configure financial management

QUESTION 1

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

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

You are configuring the year-end setup in Dynamics 365 Finance.

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

The accounting adjustments that are received in the first quarter must be able to be posted into the previous year's Period 13.

The fiscal year closing can be run again, but only the most recent closing entry will remain in the transactions.

All dimensions from profit and loss must carry over into the retained earnings.

All future and previous periods must have an On Hold status.

Solution:

Configure General ledger parameters.

- Set the Delete close of year transactions option to Yes.

- Set the Create closing transactions during transfer option to Yes.

- Set the Fiscal year status to permanently closed option to No.

Define the Year-end close template.

- Designate a retained earnings main account for each legal entity.

- Set the Financial dimensions will be used on the Opening transactions option to No.

- Set the Transfer profit and loss dimensions option to Close All.

Set all prior and future Ledger periods to a status of On Hold.

Does the solution meet the goal?

A. Yes

B. No

Correct Answer: A

Section:

Explanation:

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

QUESTION 2

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All future and previous periods must have an On Hold status.

Solution:

Configure General ledger parameters.

- Set the Delete close of year transactions option to Yes.

- Set the Create closing transactions during transfer option to Yes.

- Set the Fiscal year status to permanently closed option to Yes.



Define the Year-end close template.

- Designate a retained earnings main account for each legal entity.
- Set the Financial dimensions will be used on the Opening transactions option to Yes.
- Set the Transfer profit and loss dimensions to Close All.

Set all prior and future Ledger periods to a status of On Hold.

Does the solution meet the goal?

- A. Yes
- B. No

Correct Answer: B

Section:

Explanation:

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

QUESTION 3

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All dimensions from profit and loss must carry over into the retained earnings.

All future and previous periods must have an On Hold status.

Solution:

Configure General ledger parameters.

- Set the Delete close of year transactions option to No.
- Set the Create closing transactions during transfer option to No.
- Set the Fiscal year status to permanently closed option to No.

Define the Year-end close template.

- Designate a retained earnings main account for each legal entity.
- Set the Financial dimensions will be used on the Opening transactions option to No.
- Set the Transfer profit and loss dimensions to Close All.

Set all prior and future Ledger periods to a status of On Hold.

Does the solution meet the goal?

- A. Yes
- B. No

Correct Answer: B

Section:

Explanation:

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

QUESTION 4

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

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

Which three configurations must you use? Each correct answer presents part of the solution.



NOTE: Each correct selection is worth one point.

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

Correct Answer: A, D, E

Section:

Explanation:

This question is asking about configuring the system. Answers A (Configure the Fiscal year close parameters), D (Validate the main account type) and E (Create the next fiscal year) are required to configure the system. The next step after configuring the system would be Answer C (Set up the year end close template).

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

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

QUESTION 5

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

You need to implement posting definitions.

In which situation should you implement posting definitions?

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

Correct Answer: D

Section:

QUESTION 6

An organization is setting up a cost accounting.

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

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

NOTE: Each correct selection is worth one point.

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

Correct Answer: B, C, D

Section:

Explanation:

Section: [none]

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

QUESTION 7

You are configuring automatic bank reconciliation functionality for a company that has multiple bank accounts. The company wants to import their bank statements. You need to import electronic bank statements to reconcile the bank accounts. Which three actions can you perform? Each correct answer presents a complete solution. NOTE: Each correct selection is worth one point.

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

Correct Answer: B, D, E

Section:

Explanation:

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

QUESTION 8

A company plans to create a new allocation rule for electric utilities expenses. The allocation rule must meet the following requirements:
Distribute overhead utility expense to each department.
Define how and in what proportion the source amounts must be distributed on various destination lines.
You need to configure the allocation rule.
Which allocation method should you use?

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



Correct Answer: D

Section:

Explanation:

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

QUESTION 9

A company provides employee life insurance to all full-time employees. Employee life insurance policies are paid twice a year to the insurance company. Transactions for current employees must be recognized in the general ledger twice a month with an employee's pay. Transactions for new employees must be recognized in the general ledger based upon the employee's first pay date. You need to configure accrual schemes for the new fiscal year. Which two configurations should you use? Each correct answer presents part of the solution. NOTE: Each correct selection is worth one point.

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

Correct Answer: B, D

Section:

QUESTION 10

An organization uses Dynamics 365 Finance.

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

You need to prevent these invalid combinations.

What should you do?

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

Correct Answer: A

Section:

Explanation:

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

QUESTION 11

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

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

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

NOTE: Each correct selection is worth one point.

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

The logo for Vdumps.com, featuring a stylized orange 'V' followed by the word 'dumps' in a grey, lowercase, sans-serif font.

Correct Answer: A, B, E

Section:

QUESTION 12

You are configuring Dynamics 365 Finance.

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

For which type of transactions can you implement posting definitions?

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

Correct Answer: A

Section:

QUESTION 13

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

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

Correct Answer: A

Section:

QUESTION 14

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

Automatic transactions between legal entities must meet the following requirements:

Provide systemwide integration and streamlining to save time.

Minimize errors and create an audit trail with full visibility into business activities and transaction histories within the legal entities.

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

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

NOTE: Each correct selection is worth one point.

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

Correct Answer: A, C, D

Section:

Explanation:

Reference:

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

QUESTION 15

SIMULATION

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

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

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

A.

Correct Answer: A

Section:

Explanation:

Answer: A

Explanation:

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

Go to Navigation pane > Modules > General ledger > Journal setup > Accrual schemes.

Select New.

In the Accrual identification field, type a value.

In the Description of accrual scheme field, type a value.

In the Debit field, specify the desired values. The main account defined will replace the debit main account on the journal voucher line and it will also be used for the reversal of the deferral based on the ledger accrual transactions.

In the Credit field, specify the desired values. The main account defined will replace the credit main account on the journal voucher line and it will also be used for the reversal of the deferral based on the ledger accrual transactions.

In the Voucher field, select how you want the voucher determined when the transactions are posted.

In the Description field, type a value to describe the transactions that will be posted.

In the Period frequency field, select how often the transactions should occur.

In the Number of occurrences by period field, enter a number.

In the Post transactions field, select when the transactions should be posted, such as Monthly.

Reference:

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

QUESTION 16

SIMULATION

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

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

You need to create a draft account structure for the new department. The account structure must use the same account structure as a department named Manufacturing India and be named Manufacturing Australia.

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

A.

Correct Answer: A

Section:

Explanation:

Answer: A

Explanation:

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

Go to Navigation pane > Modules > General ledger > Chart of accounts > Structures > Configure account structures.

On the Action pane, click New to open the drop dialog.

In the Account structure field, type a name to describe the purpose of the account structure.

In the Description field, type a description to specify the purpose of the account structure.

Click Create.

In the Segments and allowed values, click Add segment.

In the dimensions list, select the dimension to add to the account structure.

At the end of the list, click Add segment.

Repeat step 6 to 9 as needed.

In the Allowed value details section, select the segment to edit the allowed values. For example, click the Main Account field.

In the Operator field, select an option, such as is between and includes.

In the Value field, type a value. For example, 600000.

In the through field, type a value. For example, 699999.

In the Allowed value details section, click Apply.

Repeat step 10 to 15 as needed.

In the Allowed value details section, click Add new criteria.

In the Operator field, select an option, such as is between and includes.



In the Value field, type a value. For example, 033.

In the through field, type a value. For example, 034.

Click Apply.

In the grid, select the segment to edit the allowed values. For example, Cost Center.

In the CostCenter field, type a value. For example, 007..021.

In the Segments and allowed values, click Add.

In the MainAccount field, type a value. For example, 600000..699999

In the grid, select the segment to edit the allowed values. For example, Department.

In the Department field, type a value. For example, 032.

In the CostCenter field, type a value. For example, 086.

On the Action pane, click Validate.

Reference:

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

QUESTION 17

SIMULATION

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

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

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

A.

Correct Answer: A

Section:

Explanation:

Answer: A

Explanation:

Navigate to System administration > Security > Assign users to roles

Select the 'Accountant Closing' role.

Click the "Manually assign / exclude users" button

Select the Theresa Jayne user account and click the "Assign to role" button.

Click the "Assign organizations" button

Select the "Grant access to specific organizations" option

Select the USMF legal entity and click the "Grant" button.

Reference:

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

QUESTION 18

SIMULATION

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

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

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

A.

Correct Answer: A

Section:

Explanation:



Answer: A

Explanation:

Navigate to Tax > Declarations > Report sales tax for settlement period.

Enter the 'From' date.

Select the settlement period (Quarter).

Click 'OK'.

Select Yes in the Create electronic tax document field.

Select the Downloads\Report folder and file format.

Click 'OK'.

QUESTION 19

You are a Dynamics 365 Finance expert for an organization.

You need to configure the Financial period close workspace.

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

NOTE: Each correct selection is worth one point.

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

Correct Answer: A, D, E

Section:

Explanation:

Reference:

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



QUESTION 20

You are a Dynamics 365 Finance consultant.

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

You need to resolve the issue.

What should you configure?

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

Correct Answer: D

Section:

Explanation:

Section: [none]

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

QUESTION 21

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

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

NOTE: Each correct selection is worth one point.

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

Correct Answer: B, C, E

Section:

Explanation:

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

QUESTION 22

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

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

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

What should you do?

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

Correct Answer: D

Section:

Explanation:

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

QUESTION 23

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

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

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

NOTE: Each correct selection is worth one point.

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

Correct Answer: A, B, E

Section:

Explanation:

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

QUESTION 24

A client wants Dynamics 365 Finance to calculate sales tax on a sales order line once an item is added. The sales tax group is already populated with a value. You need to ensure that the sales tax will calculate. Which field should you populate?

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

Correct Answer: D

Section:

Explanation:

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

QUESTION 25

A customer uses the sales tax functionality in Dynamics 365 Finance. The customer reports that when a sales order is created, sales tax does not calculate on the line. You need to determine why sales tax is not calculated. What are two possible reasons? Each correct answer presents a complete solution. NOTE: Each correct selection is worth one point.

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



Correct Answer: A, E

Section:

Explanation:

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

QUESTION 26

SIMULATION

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

A.

Correct Answer: A

Section:

Explanation:

Answer: A

Explanation:

1. Create a new bank account at Cash and bank management > Bank accounts > Bank accounts.
2. Complete all required fields. The following list includes some fields that might be required.

Bank account (code)

Bank account number

Main account - This is the general ledger account that is used for posting.

Currency

SWIFT code

Select Bank in the Bank groups field. Confirm that the BIC and Corr. Bank account fields are correct. Also, confirm Address and Contact information on respective FastTabs and update accordingly.

Define the number series for payment order generation in the P/O numeration field.

For bank accounts in foreign currency, you can also define .docx templates for generation of payment orders in paper format in the following fields: Payment order in currency, Order template (currency sale), and Order template (currency purchase).

Reference:

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

QUESTION 27

A client needs guidance on month-end closing procedures.

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

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

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

NOTE: Each correct selection is worth one point.

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

Correct Answer: A, C, E

Section:

QUESTION 28

An organization is upgrading to Dynamics 365 Finance.

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

You need to configure the legal entity override dates.

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

NOTE: Each correct selection is worth one point.

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

Correct Answer: A, D

Section:

Explanation:

Reference:

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

QUESTION 29

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

The client has the following requirements:

Only expense accounts require dimensions posted with the transactions.

Users must not have the option to select dimensions for a balance sheet account.

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

Solution: Configure default financial dimensions on expense accounts only.

Does the solution meet the goal?

A. Yes

B. No

Correct Answer: B

Section:

Explanation:

Reference:

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

QUESTION 30

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The client has the following requirements:

Only expense accounts require dimensions posted with the transactions.

Users must not have the option to select dimensions for a balance sheet account.

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

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

Does the solution meet the goal?

A. Yes

B. No

Correct Answer: A

Section:

Explanation:

Reference:

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

QUESTION 31

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The client has the following requirements:

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Users must not have the option to select dimensions for a balance sheet account.

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

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

Does the solution meet the goal?

A. Yes

B. No

Correct Answer: B

Section:

Explanation:

Reference:

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

QUESTION 32

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

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

A customer uses Dynamics 365 Finance.

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

The system must enforce the following:

Expense accounts (6000-6998) require department, division, and project with all transactions. Customer dimension is optional.

Revenue accounts (4000-4999) require department and division and allow project and customer dimensions.

Liability accounts (2000-2999) should not have any dimensions posted.

Expense account (6999) requires department, division, project and customer dimensions with all transactions.

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

Solution:

Configure one account structure.

Configure an advanced rule for Liability accounts (2000-2999) not to display any dimensions when selected.

Configure an advanced rule for Expense account (6999) to require customer.

Configure the structure with all dimension fields containing quotations.

Does the solution meet the goal?

A. Yes

B. No

Correct Answer: B

Section:

Explanation:

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

Reference:

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

QUESTION 33

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

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

A customer uses Dynamics 365 Finance.

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

The system must enforce the following:

Expense accounts (6000-6998) require department, division, and project with all transactions. Customer dimension is optional.

Revenue accounts (4000-4999) require department and division and allow project and customer dimensions.

Liability accounts (2000-2999) should not have any dimensions posted.

Expense account (6999) requires department, division, project and customer dimensions with all transactions.

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

Solution:

Configure two account structures: one for liability accounts listing the (2000-2999) range with no following dimensions and one for Expense and Revenue accounts.

For Expense accounts (6000-6998) and Revenue accounts (4000-4999), configure asterisks in all dimension columns.

For Expense account (6999), configure asterisks in all dimensions. Configure an asterisk and quotes in the customer dimension.

Does the solution meet the goal?

A. Yes

B. No

Correct Answer: B

Section:

Explanation:

Section: [none]

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

Reference:

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

QUESTION 34

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

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

A customer uses Dynamics 365 Finance.

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

The system must enforce the following:

Expense accounts (6000-6998) require department, division, and project with all transactions. Customer dimension is optional.

Revenue accounts (4000-4999) require department and division and allow project and customer dimensions.

Liability accounts (2000-2999) should not have any dimensions posted.

Expense account (6999) requires department, division, project and customer dimensions with all transactions.

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

Solution:

Configure one account structure with department, division, project and customer dimensions.

Configure asterisks in all columns for Expense accounts (6000-6999), Revenue accounts (4000-4999), and Liability accounts (2000-2999).

Does the solution meet the goal?

A. Yes

B. No

Correct Answer: B

Section:

Explanation:

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

Reference:

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

QUESTION 35

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

All balance sheet accounts require Business Unit and Department dimensions.

The Shareholder distribution account requires an additional dimension for Principal.

You need to set up the account structures.

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

NOTE: Each correct selection is worth one point.

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

Correct Answer: C, D

Section:

Explanation:

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

QUESTION 36

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

The client has the following requirements:

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

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

What should you configure?

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



Correct Answer: C

Section:

QUESTION 37

SIMULATION

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

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

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

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

A.

Correct Answer: A

Section:

Explanation:

Answer: A

Explanation:

You need to configure an Inventory Model Group for the new products.
For inventory model groups, navigate to Inventory management | Setup | Inventory | Item model groups.
Click "New" to create a new inventory model group.
In the "Cost method and cost recognition" section, configure the "Inventory Model" setting to Last in, First out (LIFO).
Click "Save" to save the inventory model group.

QUESTION 38

SIMULATION

You are a functional consultant for Contoso Entertainment System USA (USMF).
You need to generate a trial balance report for the period of January 1, 2017 to December 31, 2017. To validate your results, save the file in Microsoft Excel format to the Downloads\Trial folder.
To complete this task, sign in to the Dynamics 365 portal.

A.

Correct Answer: A

Section:

Explanation:

Answer: A

Explanation:

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



QUESTION 39

A client has one legal entity and the following four dimensions configured: Business Unit, Cost Center, Department, and Division.
You need to configure the client's system to run the trial balance inquiry in the General ledger module so that it displays the trial balance two ways:
Include the main account and all four dimensions.
Include the main account and only the business unit and cost center dimensions.
What should you configure?

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

Correct Answer: D

Section:

QUESTION 40

You are configuring intercompany accounting for a multicompany enterprise.
You need to set up the Due to and Due from accounts.
Which main account type should you use?

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

Correct Answer: C

Section:

Explanation:

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

QUESTION 41

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

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

A client has multiple legal entities set up in Dynamics 365 Finance. All companies and data reside in Dynamics 365 Finance.

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

You need to configure the system and correctly perform eliminations.

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

Does the solution meet the goal?

- A. Yes
- B. No

Correct Answer: B

Section:

Explanation:

Section: [none]

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

QUESTION 42

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

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

A client has multiple legal entities set up in Dynamics 365 Finance. All companies and data reside in Dynamics 365 Finance.

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

You need to configure the system and correctly perform eliminations.

Solution: Select Consolidate with import.

Does the solution meet the goal?

- A. Yes
- B. No

Correct Answer: B

Section:

Explanation:

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

QUESTION 43



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

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

A client has multiple legal entities set up in Dynamics 365 Finance. All companies and data reside in Dynamics 365 Finance.

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

You need to configure the system and correctly perform eliminations.

Solution: Create a separate company in which you manually create the eliminations. Then, use that company in financial reporting or in the consolidation process.

Does the solution meet the goal?

A. Yes

B. No

Correct Answer: A

Section:

Explanation:

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

QUESTION 44

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

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

A client has multiple legal entities set up in Dynamics 365 Finance. All companies and data reside in Dynamics 365 Finance.

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

You need to configure the system and correctly perform eliminations.

Solution: Set up Elimination rules in the system. Then, run an elimination proposal. Configure the rules to post to any company that has Use for financial elimination process selected in the legal entity setup.

Does the solution meet the goal?

A. Yes

B. No

Correct Answer: A

Section:

Explanation:

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

QUESTION 45

You work for a company that receives invoices in foreign currencies.

You need to configure the currency exchange rate providers and exchange rate types.

What should you do?

A. Configure exchange rate provider, create exchange rate type, and import the currency exchange rates.

B. Select the appropriate HTML key values from the available exchange rate providers. Then, use the provider for importing one currency exchange rate type.

C. Use a developer to write the HTML key values code to configure the currency exchange rate providers. Then, use the provider for importing a currency exchange rate type.

D. Use a developer to write the XML key values code to configure the currency exchange rate providers. Then, use the provider for importing a currency exchange rate type.

Correct Answer: A

Section:

Explanation:

Section: [none]

References: <https://community.dynamics.com/365/financeandoperations/b/365operationsbysandeepchaudhury/posts/configure-currency-exchange-rate-providers-and-import-exchange-rates-automatically-in-dynamics-365-for-finance-and-operations>

QUESTION 46

Users are posting project transactions and bank transactions incorrectly in the General journal. The client wants to prevent this from happening in the future. You need to configure Dynamics 365 Finance to limit the account type transactions to only ledger. What should you do?

- A. Use journal control to specify which account types are valid for the General ledger journal.
- B. Use advanced ledger entries to define the account types that can be used in the General ledger journal.
- C. Configure the voucher series associated with this journal to allow only ledger account types.
- D. Create a journal template that has ledger as the account type and offset account type.

Correct Answer: B

Section:

QUESTION 47

SIMULATION

You are a functional consultant for Contoso Entertainment System USA (USMF). You plan to settle accounts by receiving cash payments in US currency. You need to create a cash receipts journal that uses the US dollar currency. To complete this task, sign in to the Dynamics 365 portal.

A.

Correct Answer: A

Section:

Explanation:

Answer: A

Explanation:

Navigate to Finance > Cash Receipt Journals.
Click the +New link to add a new cash receipt journal.
Fill in the required fields including the currency field.

QUESTION 48

SIMULATION

You are a functional consultant for Contoso Entertainment System USA (USMF). You need to apply a constant currency exchange rate to calculate the reporting currency value of fixed assets. To complete this task, sign in to the Dynamics 365 portal.

A.

Correct Answer: A

Section:

Explanation:

Answer: A

Explanation:



The currency Translation Type needs to be set to Current. This option uses the last rate on or before the period specified in the report regardless of what the exchange rate was at the time of purchase for each asset. Navigate to General Ledger > Chart of Accounts > Accounts > Main Accounts. Select the Financial Reporting account. In the Reporting currency exchange rate type, select Current from the drop-down list. Click Save to save the changes.

QUESTION 49

An organization plans to use defined journal names for each purpose. They want to ensure that journal processing is easier and more secure. The organization has the following requirements:
Set up restrictions on the account type and segment values.
Capture data accurately for offset accounts, currency, and financial dimensions. Maintain internal control and establish materiality limits.
You need to set up journal name elements to meet these requirements.
Which three journal elements should you configure? Each correct answer presents part of the solution.
NOTE: Each correct selection is worth one point.

- A. workflow approval
- B. account type
- C. journal type
- D. default values
- E. journal control

Correct Answer: A, D, E

Section:

Explanation:

Reference:

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



QUESTION 50

Manual entry of currency exchange rates must be discontinued. Currency exchange rates must use the current rate values provided by the European Central Bank. The exchange rate entries and updates must be automated. You need to configure the system. Which two options should you use? Each correct answer presents part of the solution. NOTE: Each correct selection is worth one point.

- A. Configure the exchange rate provider
- B. Run currency revaluation
- C. Create the currencies
- D. Configure dual currency
- E. Run the import currency exchange rate process

Correct Answer: A, E

Section:

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/import-currency-exchange-rates>

QUESTION 51

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

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

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

The client has the following requirements:

Only expense accounts require dimensions posted with the transactions.

Users must not have the option to select dimensions for a balance sheet account.

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

Solution: Configure one account structure for expense accounts and include applicable dimensions.

Does the solution meet the goal?

A. Yes

B. No

Correct Answer: B

Section:

Explanation:

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

QUESTION 52

HOTSPOT

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

The client has the following requirements:

Post journal entries for all companies from one legal entity.

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

Automatically split the dollar amount in half between DimensionA and DimensionB when the journal is posted.

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

Automatically post year-end results to account 30016 during year-end close.

You need to configure the system.

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

NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area

Client requirement

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

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

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

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

System capability

	▼
intercompany journal	
global journal entry	
ledger allocation rules	
accounts for automatic transactions	

	▼
ledger allocation rules	
allocation terms	
accounts for automatic transactions	
intercompany journal	

	▼
intercompany journal	
ledger allocation rules	
allocation terms	
accounts for automatic transactions	

	▼
ledger allocation rules	
allocation terms	
accounts for automatic transactions	
intercompany journal	

Answer Area:

Answer Area

Client requirement

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

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

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

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

System capability

	▼
intercompany journal	
global journal entry	
ledger allocation rules	
accounts for automatic transactions	

	▼
ledger allocation rules	
allocation terms	
accounts for automatic transactions	
intercompany journal	

	▼
intercompany journal	
ledger allocation rules	
allocation terms	
accounts for automatic transactions	

	▼
ledger allocation rules	
allocation terms	
accounts for automatic transactions	
intercompany journal	

Section:

Explanation:

QUESTION 53

HOTSPOT

A food manufacturer uses commodities such as beans, corn, and chili peppers as raw materials. The prices of the commodities fluctuate frequently. The manufacturer wants to use cost versions to simulate these fluctuations. You need to set up cost versions and prices to accomplish the manufacturer's goal.

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

NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area

Costing type	Purpose
Standard cost	<input type="checkbox"/> to support cost calculation simulation <input type="checkbox"/> to support actual cost inventory model <input type="checkbox"/> to support standard cost inventory model
Planned cost	<input type="checkbox"/> to support cost calculation simulation <input type="checkbox"/> to support standard cost for master plan <input type="checkbox"/> to directly activate planned cost to standard cost

Answer Area:

Answer Area

Costing type	Purpose
Standard cost	<input type="checkbox"/> to support cost calculation simulation <input type="checkbox"/> to support actual cost inventory model <input checked="" type="checkbox"/> to support standard cost inventory model
Planned cost	<input checked="" type="checkbox"/> to support cost calculation simulation <input type="checkbox"/> to support standard cost for master plan <input type="checkbox"/> to directly activate planned cost to standard cost



Section:

Explanation:

References:

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

QUESTION 54

HOTSPOT

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

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

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

NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area

Configuration	Action
Applicable function area	<input type="checkbox"/> Apply the scheme to revenue only <input checked="" type="checkbox"/> Apply the scheme to costs only <input type="checkbox"/> Apply the scheme to both revenue and costs
Accrual setup	<input type="checkbox"/> Specify the frequency of the accruals <input type="checkbox"/> Specify the journal type for the accruals <input type="checkbox"/> Specify whether the accruals are reversable

Answer Area:

Answer Area

Configuration	Action
Applicable function area	<input type="checkbox"/> Apply the scheme to revenue only <input checked="" type="checkbox"/> Apply the scheme to costs only <input type="checkbox"/> Apply the scheme to both revenue and costs
Accrual setup	<input type="checkbox"/> Specify the frequency of the accruals <input type="checkbox"/> Specify the journal type for the accruals <input type="checkbox"/> Specify whether the accruals are reversable

Section:

Explanation:

QUESTION 55

HOTSPOT

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

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

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

NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area

Definition/use	Cost accounting configuration
Used to measure and quantify activities, such as machine hours that are used.	<ul style="list-style-type: none">cost entrycost objectcost elementallocation base
The result of a transfer via data connectors from general ledger entries, cost allocations, and posted cost entries in cost journals.	<ul style="list-style-type: none">cost entrycost elementcost classificationallocation base
Anything that is selected for cost control. Costs or revenues are either directly posted on or allocated to these.	<ul style="list-style-type: none">cost entrycost objectcost elementallocation base
Used as a function to track and categorize costs.	<ul style="list-style-type: none">cost objectcost elementallocation basecost classification
Groups costs according to their shared characteristics.	<ul style="list-style-type: none">cost entrycost elementallocation basecost classification



Answer Area:

Answer Area

Definition/use	Cost accounting configuration
Used to measure and quantify activities, such as machine hours that are used.	<ul style="list-style-type: none">cost entrycost objectcost elementallocation base
The result of a transfer via data connectors from general ledger entries, cost allocations, and posted cost entries in cost journals.	<ul style="list-style-type: none">cost entrycost elementcost classificationallocation base
Anything that is selected for cost control. Costs or revenues are either directly posted on or allocated to these.	<ul style="list-style-type: none">cost entrycost objectcost elementallocation base
Used as a function to track and categorize costs.	<ul style="list-style-type: none">cost objectcost elementallocation basecost classification
Groups costs according to their shared characteristics.	<ul style="list-style-type: none">cost entrycost elementallocation basecost classification

Section:

Explanation:

References:

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

QUESTION 56

HOTSPOT

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

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

Save + New Delete

ACTIVITIES | **SET UP** | **VENDOR** | **PROCUREMENT** | **INVOICE** | **GENERAL** | **OPTIONS**

Activities | Business classifications | Print management | **New** | **Accounts** | Transaction log | **MARKET** | **STATISTICS**
Responsibilities | Categories | Create case | Cases | Knowledge articles | Campaign | Period statistics
Intercompany | Prospect | Transaction log | Call list | Prospect
Mailings

ALL VENDORS
1003: Adatum Corporation

Invoice and delivery
Purchase order defaults
Payment

Tax 1099

Tax 1099 OPTIONS

Report 1099 Yes <input checked="" type="checkbox"/>	FATCA failing requirement NO <input type="checkbox"/>	Foreign entity indicator NO <input type="checkbox"/>	DBA <input type="text"/>	CUSIP ID <input type="text"/>
W-9 received NO <input type="checkbox"/>	Federated tax ID <input type="text" value="12313123"/>	Second TIN NO <input type="checkbox"/>	Name control <input type="text"/>	CUSIP details <input type="text"/>
Check for W-9 Yes <input checked="" type="checkbox"/>	Tax ID type <input type="text" value="Unknown"/>	Name to use on the 1099 <input type="text" value="Vendor name"/>	OID CUSIP NO <input type="checkbox"/>	Nominee details <input type="text"/>
	1099 box <input type="text"/>			Investor type <input type="text" value="None"/>

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.
NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area

Question	Answer choice
Which prompt appears when the vendor invoice posts?	<input type="checkbox"/> Tax type unknown <input type="checkbox"/> No foreign entity indicator <input checked="" type="checkbox"/> W-9 has not yet been received <input type="checkbox"/> Check for W-9
You need to set up a default federal tax withholding type on an invoice journal. On the vendor record, what should you configure?	<input type="checkbox"/> 1099 box <input checked="" type="checkbox"/> Federal tax ID <input type="checkbox"/> W-9 received

Answer Area:

Answer Area

Question	Answer choice
Which prompt appears when the vendor invoice posts?	<input type="checkbox"/> Tax type unknown <input type="checkbox"/> No foreign entity indicator <input checked="" type="checkbox"/> W-9 has not yet been received <input type="checkbox"/> Check for W-9
You need to set up a default federal tax withholding type on an invoice journal. On the vendor record, what should you configure?	<input type="checkbox"/> 1099 box <input checked="" type="checkbox"/> Federal tax ID <input type="checkbox"/> W-9 received

Section:

Explanation:

QUESTION 57

DRAG DROP

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

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

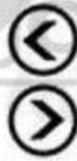
In which order should you perform the actions? To answer, move all actions from the list of actions to the answer area and arrange them in the correct order.

Select and Place:

Actions

- Assign ledger accounts to item postings that are related to standard cost variances
- Define ledger accounts that are related to standard cost variances
- Define inventory parameters that are related to standard costs
- Create an item model group for standard costs

Answer Area



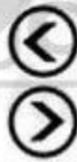
Correct Answer:

Actions

-
-
-
-

Answer Area

- Create an item model group for standard costs
- Define ledger accounts that are related to standard cost variances
- Assign ledger accounts to item postings that are related to standard cost variances
- Define inventory parameters that are related to standard costs



Section:

Explanation:

References:

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

QUESTION 58

DRAG DROP

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

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

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

Select and Place:

Actions

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

Answer Area

←

→

✓ CEplus

Correct Answer:

Actions

-
-
-
-
-

Answer Area

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

←

→

Vdumps

Section:

Explanation:

References:

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

QUESTION 59

HOTSPOT

A client wants to ensure that transactions posted to the General Ledger have the correct combination of account number and dimensions. The Services Industry P&L Account Structure has the following information:

ACCOUNT STRUCTURES

Service Industries P&L

Description: Service Industries Profit &... Status: Active

Only show overlapping rows

MainAccount ↑	BusinessUnit	Department	Project	ServiceLine	Active from
400000..999999	"";003..004	"";022..028	"".*	"".*	

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.
 NOTE: Each correct selection is worth one point.

Hot Area:
 Answer Area

Question	Answer choice
What does the asterisk under the project dimension signify?	<input type="checkbox"/> Blank values are allowed in the project dimension. <input type="checkbox"/> Blank values are not allowed in the project dimension. <input type="checkbox"/> Zero is not a valid value for the project dimension. <input type="checkbox"/> Multiple project dimensions can be selected on the transaction line. <input type="checkbox"/> Any project can be selected in this dimension.
What do the quotation marks signify in the business unit dimension?	<input type="checkbox"/> Blank values are allowed in this dimension. <input type="checkbox"/> Blank values are not allowed in this dimension. <input type="checkbox"/> Zero is not a valid value for this dimension. <input type="checkbox"/> Multiple business units can be selected on this transaction line. <input type="checkbox"/> Any business unit can be selected in this dimension.

Answer Area:

Answer Area

Question

Answer choice

What does the asterisk under the project dimension signify?

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

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

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

Section:

Explanation:

Reference:

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



QUESTION 60

HOTSPOT

A rental service company with complex accrual requirements has accrual schemes set up in its implementation. They want to use defined accrual schemes to perform transactions.

You need to use an accrual scheme to create transactions for this company.

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

NOTE: Each correct selection is worth one point.

Hot Area:

Procedure	Action
Create ledger journals	<div style="border: 1px solid black; padding: 2px;">▼</div> <div style="border: 1px solid black; padding: 2px;">Use a voucher template to select the defined accrual scheme.</div> <div style="border: 1px solid black; padding: 2px;">Specify the accrual amount only on journal lines.</div> <div style="border: 1px solid black; padding: 2px;">Enter start date or end date for the accrual scheme to apply the defined frequency.</div> <div style="border: 1px solid black; padding: 2px;">Specify account or offset account for accruals only on journal lines.</div>
Perform inquiries	<div style="border: 1px solid black; padding: 2px;">▼</div> <div style="border: 1px solid black; padding: 2px;">View the accrual transactions only after the accrual scheme transfers them to journal lines.</div> <div style="border: 1px solid black; padding: 2px;">Use the normal ledger transaction inquiries to check the posted journal.</div> <div style="border: 1px solid black; padding: 2px;">Use the accrual transaction inquiry to find the transactions for the accrual scheme.</div> <div style="border: 1px solid black; padding: 2px;">Specify account or offset account for accruals only on journal lines.</div>

Answer Area:

Procedure	Action
Create ledger journals	<div style="border: 1px solid black; padding: 2px;">▼</div> <div style="border: 1px solid black; padding: 2px;">Use a voucher template to select the defined accrual scheme.</div> <div style="border: 1px solid black; padding: 2px;">Specify the accrual amount only on journal lines.</div> <div style="border: 1px solid black; padding: 2px; background-color: #e0ffe0;">Enter start date or end date for the accrual scheme to apply the defined frequency.</div> <div style="border: 1px solid black; padding: 2px;">Specify account or offset account for accruals only on journal lines.</div>
Perform inquiries	<div style="border: 1px solid black; padding: 2px;">▼</div> <div style="border: 1px solid black; padding: 2px; background-color: #e0ffe0;">View the accrual transactions only after the accrual scheme transfers them to journal lines.</div> <div style="border: 1px solid black; padding: 2px;">Use the normal ledger transaction inquiries to check the posted journal.</div> <div style="border: 1px solid black; padding: 2px;">Use the accrual transaction inquiry to find the transactions for the accrual scheme.</div> <div style="border: 1px solid black; padding: 2px;">Specify account or offset account for accruals only on journal lines.</div>

Section:
Explanation:

QUESTION 61
DRAG DROP



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

CompanyA

CompanyB

You need to configure intercompany accounting for both legal entities.

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

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

Select and Place:

Actions

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

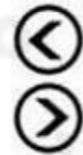
In each legal entity, configure a journal name and set the Journal type to **Daily**.

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

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

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

Answer Area



 **vdumps**

Correct Answer:

Actions

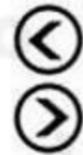
In each legal entity, configure an intercompany main account for Due to/Due from by using the Common account type.

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

Answer Area

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

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



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



Section:

Explanation:

Reference:

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

QUESTION 62

DRAG DROP

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

You need to demonstrate your understanding of cost accounting terminology.

Which component maps to the cost accounting terminology?

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

NOTE: Each correct selection is worth one point.

Select and Place:

Answer Area

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

Correct Answer:

Answer Area

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

Section:

Explanation:

Reference:

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

QUESTION 63

DRAG DROP

A customer implements Dynamics 365 Finance.

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

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

Which currency revaluation method should you use for each requirement? To answer, drag the appropriate methods to the correct requirements. Each method may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

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

Correct Answer:

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

Section:

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/cash-bank-management/foreign-currency-revaluation-accounts-payable-accounts-receivable>

QUESTION 64

HOTSPOT

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

You are viewing the main accounts.

[Edit](#) [New](#) [New from template](#) [Delete](#) [Name Translations](#) [Account statement](#) [Total accounts](#) [OPTIONS](#)

[Filter](#)

110110	Bank Account - USD
110112	US Operating 2:
110115	Bank Account - CAD
110120	Bank Account - CNY
110130	Bank Account - EUR
110140	Bank Account - DKK
110150	Bank Account - GBP
110160	Bank Account - Payroll
110180	Petty Cash
112000	Safe drop
112010	Bank drop
112099	Total Deposits
112100	Deposits - Cash
112110	Deposits - Check
112120	Deposits - Credit card
112130	Deposits - Voucher
112140	Deposits - Gift card
112150	Deposits - Currency

MAIN ACCOUNTS - CHART OF ACCOUNTS: SHARED

General

Totals [Assign template](#) [Additional consolidation accounts](#) [Currency code validation](#)

IDENTIFICATION

DB/CR default Active from **CURRENCY**
 Main account Active to Default Currency
 DB/CR requirement **Suspended** Validate currency code
 Name Field to transfer balance on closing chart
 Balance control Close type **Optional**
Ledger Foreign currency revaluation Yes
 Main account type **RELATED ACCOUNTS** Exchange rate type
 Offset account
Asset Opening account **CONSOLIDATION**
 Reporting type Default consolidation account
 Main account category **ADMINISTRATION**
 Do not allow manual entry

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

NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area

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

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

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

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

Answer Area:



Answer Area

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

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

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

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

Section:

Explanation:

QUESTION 65

DRAG DROP

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

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

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

Select and Place:



Actions

- Specify to currency only
- Set up the currency exchange rate
- Specify from and to currency
- Determine the accounting currency used in the ledger

Answer Area



Correct Answer:

Actions

- Specify to currency only
-
-
-

Answer Area



- Determine the accounting currency used in the ledger
- Set up the currency exchange rate
- Specify from and to currency

Section:

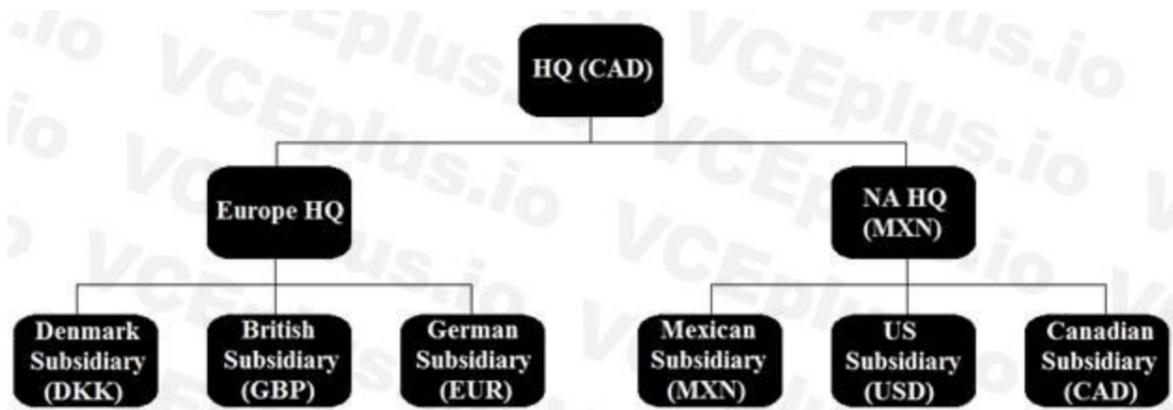
Explanation:

QUESTION 66

HOTSPOT

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

You review the hierarchy for consolidation of multiple legal entities.



Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.
 NOTE: Each correct selection is worth one point.

Hot Area:

Question	Answer choice
If you include all companies in one consolidation, the US subsidiary translates from American dollars to which currency?	<div style="border: 1px solid black; padding: 2px;"> <div style="background-color: #ccc; padding: 2px; display: flex; justify-content: space-between; align-items: center;"> ▼ </div> <div style="padding: 2px;"> <p>USD</p> <p>CAD</p> <p>EUR</p> </div> </div>
If you include only Mexican, Canadian, and US subsidiaries in one consolidation, the US subsidiary translates from US dollars (USD) to which currency?	<div style="border: 1px solid black; padding: 2px;"> <div style="background-color: #ccc; padding: 2px; display: flex; justify-content: space-between; align-items: center;"> ▼ </div> <div style="padding: 2px;"> <p>MXN</p> <p>USD</p> <p>EUR</p> </div> </div>

Answer Area:

Question

Answer choice

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

	▼
USD	
CAD	
EUR	

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

	▼
MXN	
USD	
EUR	

Section:

Explanation:

Reference:

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

QUESTION 67

DRAG DROP

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

You need to associate the report components to the purpose.

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

NOTE: Each correct selection is worth one point.

Select and Place:

Components

- row definition
- column definition
- reporting tree
- report definition

Answer Area

Purpose

- Add descriptive lines on the report.
- Specify the period to use when data is queried from financial dimensions.
- Specify individual reporting units.
- Select criteria and build the report.

Component

- component
- component
- component
- component

Correct Answer:

Components	Answer Area	Component
	Purpose	
	Add descriptive lines on the report.	row definition
	Specify the period to use when data is queried from financial dimensions.	column definition
	Specify individual reporting units.	reporting tree
	Select criteria and build the report.	report definition

Section:

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/fin-ops-core/dev-itpro/analytics/financial-report-components>

QUESTION 68

HOTSPOT

You are setting up main accounts in Dynamics 365 for Finance and Operations.

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

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

NOTE: Each correct selection is worth one point.

Hot Area:



Answer Area

Setup Item description	Main account setup item
Prevent user entered data and allow only system-generated transactions to post to this account.	<ul style="list-style-type: none"> Do not allow manual entry Accounts for automatic transactions Main account category Allocation terms
Prompt specific dimension values when this main account is used, for each legal entity.	<ul style="list-style-type: none"> Allocation terms Db/Cr requirement Main account category Legal entity overrides/Default dimensions
Allow the user to specify dimension values when this main account is used, splitting out the posted value by percentage by dimension.	<ul style="list-style-type: none"> Allocation terms Ledger allocation rules Legal entity overrides/Default dimensions Main account category
Ensure that users must post a value in the debit or credit column based on configuration.	<ul style="list-style-type: none"> Db/Cr requirement Db/Cr default Main account category Breakdown of voucher
Implement a user-defined setting for grouping and quantification of main accounts for reporting purposes.	<ul style="list-style-type: none"> Main account category Account type Legal entity overrides/Default dimensions Db/Cr requirement



Answer Area:

Answer Area

Setup Item description	Main account setup item
Prevent user entered data and allow only system-generated transactions to post to this account.	<ul style="list-style-type: none"> Do not allow manual entry Accounts for automatic transactions Main account category Allocation terms
Prompt specific dimension values when this main account is used, for each legal entity.	<ul style="list-style-type: none"> Allocation terms Db/Cr requirement Main account category Legal entity overrides/Default dimensions
Allow the user to specify dimension values when this main account is used, splitting out the posted value by percentage by dimension.	<ul style="list-style-type: none"> Allocation terms Ledger allocation rules Legal entity overrides/Default dimensions Main account category
Ensure that users must post a value in the debit or credit column based on configuration.	<ul style="list-style-type: none"> Db/Cr requirement Db/Cr default Main account category Breakdown of voucher
Implement a user-defined setting for grouping and quantification of main accounts for reporting purposes.	<ul style="list-style-type: none"> Main account category Account type Legal entity overrides/Default dimensions Db/Cr requirement

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Section:

Explanation:

QUESTION 69

DRAG DROP

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

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

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

Select and Place:

Actions

Map vendor accounts across all legal entities with the same address book ID

Set up posting profiles for centralized payments

Set up an intercompany account and create the organizational hierarchy for centralized payments

Set up methods of payment for centralized payments

Answer Area



Correct Answer:

Actions

Answer Area

Set up an intercompany account and create the organizational hierarchy for centralized payments

Map vendor accounts across all legal entities with the same address book ID

Set up posting profiles for centralized payments

Set up methods of payment for centralized payments



Section:

Explanation:

References:

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

QUESTION 70

DRAG DROP

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

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

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

NOTE: Each correct selection is worth one point.

Select and Place:

Fund Types

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

Answer Area

Fund class

Governmental

- fund type
- fund type
- fund type

Fiduciary

- fund type
- fund type
- fund type

Correct Answer:

Answer Area

Fund Types	Fund class
capital project	Governmental
	general
enterprise	special revenue
	Fiduciary
	agency
internal service	

Section:

Explanation:

References:

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

QUESTION 71

DRAG DROP

A public sector organization wants to set up the derived financial hierarchy to analyze posted transaction data.

You need to set up the derived financial hierarchy to generate an outgoing electronic document.

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

Select and Place:

Actions

- Create filter rules from the category nodes in the derived financial hierarchy
- Create a category hierarchy
- Assign derived financial hierarchy as the category type
- Associate the derived financial hierarchy with a legal entity
- Create and activate the filters in the derived financial hierarchy

Answer Area



Correct Answer:

Actions

Answer Area



- Create a category hierarchy
- Assign derived financial hierarchy as the category type
- Associate the derived financial hierarchy with a legal entity
- Create filter rules from the category nodes in the derived financial hierarchy
- Create and activate the filters in the derived financial hierarchy



Section:

Explanation:

References:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/public-sector/tasks/set-up-derived-financial-hierarchy-public-sector>

QUESTION 72

HOTSPOT

You must configure journal controls in Dynamics 365 for Finance and Operations.

PAYROLL: PAYROLL JOURNAL

Journal control

Journal name	Description
Payroll	Payroll Journal

Which account types can be posted?

Add	Remove
Company acc...	Account type
<All>	Ledger

Which segment values are valid for this journal?

Add	Remove			
Company acc...	Account structure	Segment	From value	To value
Contoso	Manufacturing P&L	Department	022	027

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic.
NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area

What is the function of this journal control?

- Limit who can use the journal
- Limit which company and departments can be used in the journal
- Allow the use of the journal to all but a specific company, account structure, and dimensions
- Restrict the use of the journal to specific user groups

To which account type is the journal name restricted?

- Payroll journal for the Contoso company, where the account structure Manufacturing P&L uses Dimension-Department 022 to 027
- Payroll journal for all but the Contoso company, where the account structure Manufacturing P&L uses Dimension-Department 022 to 027
- Only the Payroll journal will be restricted
- Payroll journal for Ledger types

Answer Area:

Answer Area

What is the function of this journal control?

- Limit who can use the journal
- Limit which company and departments can be used in the journal
- Allow the use of the journal to all but a specific company, account structure, and dimensions
- Restrict the use of the journal to specific user groups

To which account type is the journal name restricted?

- Payroll journal for the Contoso company, where the account structure Manufacturing P&L uses Dimension-Department 022 to 027
- Payroll journal for all but the Contoso company, where the account structure Manufacturing P&L uses Dimension-Department 022 to 027
- Only the Payroll journal will be restricted
- Payroll journal for Ledger types

Section:

Explanation:

References:

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

QUESTION 73

HOTSPOT

You create a financial dimension set named MA + DEPT + PROJ as shown in the following screenshot. The financial dimension set includes the following dimensions:

The screenshot displays the 'Financial dimension sets' configuration in Dynamics 365. On the left, a list of dimension sets is shown, with 'MA + DEPT + PROJ' selected. The main area shows the configuration for this set, including the name 'Main - Dept - Project' and a list of dimensions. The dimensions are divided into two categories: 'AVAILABLE FINANCIAL DIMENSIONS' and 'SELECTED FINANCIAL DIMENSIONS'. The 'AVAILABLE' list includes ItemGroup, Store, Terminal, Worker, ServiceLine, BusinessUnit, CostCenter, Retailchannel, and Agreement. The 'SELECTED' list includes MainAccount, Departments, and Project. Green arrows indicate the movement of dimensions from the available list to the selected list.

Main Account

Department
Project

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

Hot Area:

Answer Area	Question	Answer choice
	Which statement about the newly created financial dimension set is correct?	<input type="checkbox"/> The named dimensions are selected and in the correct order <input type="checkbox"/> In reports, the financial dimensions will be seen in order from left to right <input type="checkbox"/> The financial dimension set is ready to be used in reporting
	Which options are available for balances when they are created?	<input type="checkbox"/> Create balances <input type="checkbox"/> Rebuild balances

Answer Area:

Answer Area	Question	Answer choice
	Which statement about the newly created financial dimension set is correct?	<input checked="" type="checkbox"/> The named dimensions are selected and in the correct order <input type="checkbox"/> In reports, the financial dimensions will be seen in order from left to right <input type="checkbox"/> The financial dimension set is ready to be used in reporting
	Which options are available for balances when they are created?	<input type="checkbox"/> Create balances <input checked="" type="checkbox"/> Rebuild balances

Section:

Explanation:

QUESTION 74

DRAG DROP

A client has Accounts payable invoices in their legal entity in three different currencies. It is month-end, and the client needs to run the foreign currency revaluation process to correctly understand their currency exposure. You need to set up Dynamics 365 Finance to perform foreign currency revaluation.

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

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

Select and Place:

Actions

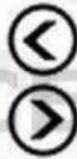
In the foreign currency revaluation preview form, ensure that the foreign currency proposal is correct. Then post the revaluation.

In the Accounts payable module, select the periodic task foreign currency revaluation. Then, specify the parameters for revaluation and perform the revaluation.

In the General ledger module, select the periodoc task foreign currency revaluation. Then, specify the accounts eligible for revaluation, excluding the Accounts payable account, select the currency, and select preview before posting.

On the main account setup form, set foreign currency revaluation to on for the Accounts payable account. Then, specify the exchange rate type.

Answer Area



Correct Answer:

Actions

Four empty rectangular boxes for entering the correct answer steps.

Answer Area



In the General ledger module, select the periodoc task foreign currency revaluation. Then, specify the accounts eligible for revaluation, excluding the Accounts payable account, select the currency, and select preview before posting.

On the main account setup form, set foreign currency revaluation to on for the Accounts payable account. Then, specify the exchange rate type.

In the Accounts payable module, select the periodic task foreign currency revaluation. Then, specify the parameters for revaluation and perform the revaluation.

In the foreign currency revaluation preview form, ensure that the foreign currency proposal is correct. Then post the revaluation.

Section:

Explanation:

QUESTION 75

HOTSPOT

A company is using vendors to produce components for its products.

Journal types are not configured to support vendor invoices.

You need to identify and configure journals to use for vendor invoices.

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

NOTE: Each correct selection is worth one point.

Hot Area:

Purpose	Journal types						
Calculate internal cost rates by cost center.	<table border="1"> <tr><td>▼</td></tr> <tr><td>Statistic transactions</td></tr> <tr><td>Invoice register</td></tr> <tr><td>Cash</td></tr> <tr><td>Vendor invoice pool Journal</td></tr> <tr><td>Vendor invoice recording</td></tr> </table>	▼	Statistic transactions	Invoice register	Cash	Vendor invoice pool Journal	Vendor invoice recording
▼							
Statistic transactions							
Invoice register							
Cash							
Vendor invoice pool Journal							
Vendor invoice recording							
Submit pay statements for payment.	<table border="1"> <tr><td>▼</td></tr> <tr><td>Approval</td></tr> <tr><td>Invoice register</td></tr> <tr><td>Payroll Disbursement</td></tr> <tr><td>Vendor Invoice pool</td></tr> <tr><td>Vendor invoice recording</td></tr> </table>	▼	Approval	Invoice register	Payroll Disbursement	Vendor Invoice pool	Vendor invoice recording
▼							
Approval							
Invoice register							
Payroll Disbursement							
Vendor Invoice pool							
Vendor invoice recording							
Post retail transactions.	<table border="1"> <tr><td>▼</td></tr> <tr><td>Approval</td></tr> <tr><td>Invoice register</td></tr> <tr><td>Vendor invoice pool excluding posting</td></tr> <tr><td>Cash</td></tr> <tr><td>Vendor invoice recording</td></tr> </table>	▼	Approval	Invoice register	Vendor invoice pool excluding posting	Cash	Vendor invoice recording
▼							
Approval							
Invoice register							
Vendor invoice pool excluding posting							
Cash							
Vendor invoice recording							
Set funds for a specific purpose.	<table border="1"> <tr><td>▼</td></tr> <tr><td>Approval</td></tr> <tr><td>Invoice register</td></tr> <tr><td>Vendor invoice pool excluding posting</td></tr> <tr><td>Vendor invoice pool</td></tr> <tr><td>Budget</td></tr> </table>	▼	Approval	Invoice register	Vendor invoice pool excluding posting	Vendor invoice pool	Budget
▼							
Approval							
Invoice register							
Vendor invoice pool excluding posting							
Vendor invoice pool							
Budget							

Vdumps

Answer Area:

Purpose	Journal types
Calculate internal cost rates by cost center.	<ul style="list-style-type: none"> Statistic transactions Invoice register Cash Vendor invoice pool Journal Vendor invoice recording
Submit pay statements for payment.	<ul style="list-style-type: none"> Approval Invoice register Payroll Disbursement Vendor Invoice pool Vendor invoice recording
Post retail transactions.	<ul style="list-style-type: none"> Approval Invoice register Vendor invoice pool excluding posting Cash Vendor invoice recording
Set funds for a specific purpose.	<ul style="list-style-type: none"> Approval Invoice register Vendor invoice pool excluding posting Vendor invoice pool Budget

Section:
Explanation:

QUESTION 76

HOTSPOT

You are asked to configure a main account in Dynamics 365 Finance.

Main accounts - chart of accounts: Shared

General

Σ Totals Assign template Additional consolidation accounts Currency code validation

IDENTIFICATION

Main account

606700

Name

Moving Expense

LEDGER

Main account type

Expense

Reporting type

Main account category

ADMINEXP

DB/CR default

Debit

DB/CR requirement

Balance control

RELATED ACCOUNTS

Offset account

Opening account

ADMINISTRATION

Do not allow manual entry

Active from

Active to

Suspended

Field to transfer balance on closing sheet

Close type

Not applicable

CONSOLIDATION

Default consolidation account

CURRENCY

Default Currency

Validate currency code

Optional

Foreign currency revaluation

Yes

Exchange rate type

Legal entity overrides

Posting validation

Financial reporting

CURRENCY TRANSLATION

Financial reporting exchange rate...

Default

Currency translation type

Average

Advanced rules

▲ Manufacturing P&L

▲ Project: Project

▶ Project

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

NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area

Questions

Answer choices

What is true about the main account configuration?

- | | |
|---|---|
| | ▼ |
| It is locked for direct journal entries. | |
| It will only accept debit transactions. | |
| It will use the currency translation type Average to post foreign currency revaluation. | |
| It requires an additional financial dimension. | |

Which field is required when you create a new main account?

- | | |
|-----------------------------------|---|
| | ▼ |
| Main account type | |
| DB/CR default | |
| Default currency | |
| Financial reporting exchange rate | |

Answer Area:

Answer Area	Questions	Answer choices
What is true about the main account configuration?		<div style="border: 1px solid black; padding: 2px;"> <div style="text-align: right;">▼</div> <p>It is locked for direct journal entries.</p> <p>It will only accept debit transactions.</p> <p style="background-color: #e0ffe0;">It will use the currency translation type Average to post foreign currency revaluation.</p> <p>It requires an additional financial dimension.</p> </div>
Which field is required when you create a new main account?		<div style="border: 1px solid black; padding: 2px;"> <div style="text-align: right;">▼</div> <p style="background-color: #e0ffe0;">Main account type</p> <p>DB/CR default</p> <p>Default currency</p> <p>Financial reporting exchange rate</p> </div>

Section:

Explanation:

QUESTION 77

DRAG DROP

You are implementing Dynamics 365 Finance. A new product is being released.

The system must track the probability of the new product by cost center and you must use the cost control workspace.

You need to configure the system.

Which option should you use? To answer, drag the appropriate option to the correct requirement. Each value may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

Options	Answer Area	Requirement	Option
Cost element		Month over month profitability	Option
Statistical dimension		New product	Option
Cost object		Cost center	Option

Correct Answer:

Options	Answer Area	Requirement	Option
		Month over month profitability	Statistical dimension
		New product	Cost element
		Cost center	Cost object

Section:

Explanation:

Reference:

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

02 - Set up and configure financial management

Case study

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Background

Fourth Coffee is a coffee and supplies manufacturer based in Seattle. The company recently purchased CompanyA, based in the United States, and CompanyB, based in Canada, in order to increase production of their award-winning espresso machine and distribution of their dark roast coffee beans, respectively.

Fourth Coffee has set up CompanyA and CompanyB in their Dynamics 365 Finance and Operations environment to gain better visibility into the companies' profitability. CompanyA and CompanyB will continue to operate as subsidiaries of

Fourth Coffee, but all operational companies will be consolidated under Fourth Coffee Holding Company in US dollars (USD) for reporting purposes.

The current organizational chart is shown below:



Current environment

Systemwide setup

Dynamics 365 Finance in Microsoft Azure is used to manage the supply chain, retail, and financials.

All companies share a Chart of Accounts.

Two dimensions are used: Department and Division.

Budgeting is controlled at the department level.

Customers and vendors are defined as two groups: Domestic and International.

Mandatory credit check is set to No.

Consolidate online is used for the consolidation of all companies.

International main accounts are subject to foreign currency revaluation.

The purchasing budget is used to enforce purchasing limits.

General ledger accounts

Account numbers	Account description
1200	Domestic Accounts Receivable (USD)
1201	International Accounts Receivable (Canadian dollars [CAD])
2000	Domestic Accounts Payable (USD)
2001	International Accounts Payable (CAD)

Fourth Coffee

The base currency is USD.

Three item groups are used: coffee, supplies, and nonstock.

The standard sales tax method is used.

Acquiring fixed assets requires a purchase order.

All customer payment journals require a deposit slip.

CustomerX is a taxable company.

CustomerY is a tax-exempt company.

CustomerZ is a taxable company.

VendorA is a Colombian supplier of coffee beans and belongs to the international vendor group.

VendorB is a Peruvian supplier of coffee machine filters and belongs to the international vendor group.

VendorC is a Texas supplier of espresso valves and belongs to the domestic vendor group.

CompanyA

The base currency is USD.

It consists of a marketing department and a digital division.

A 4-5-4 calendar structure is used.

The standard sales tax method is used.

CompanyB



The base currency is CAD.

The conditional sales tax method is used.

Requirements

Reporting

A consolidated Fourth Coffee financial report is required in USD currency.

Fourth Coffee and its subsidiaries need to be able to report sales by item type.

Year-end adjustments need to be reported separately in a different period to view financial reporting inclusive and exclusive of year-end adjustments.

Issues

User1 observes that a General journal was used in error to post to the Domestic Accounts Receivable trade account.

User2 has to repeatedly reclassify vendor invoice journals in Fourth Coffee Company that are posted to the marketing department and digital division.

When User3 posts an Accounts receivable payment journal, a deposit slip is not generated.

User4 observes an increase in procurement department expenses for supplies.

User5 observes that sales tax is not calculating on a sales order for CustomerZ.

User6 observes that sales tax is calculating for CustomerY.

User7 observes that the sales tax payment report is excluding posted invoice transactions.

User8 in CompanyA attempts to set up the sales tax receivable account on the sales tax posting form.

User9 in CompanyA needs to purchase three tablets by using a purchase order and record the devices as fixed assets.

CustomerX requires a credit check when making a purchase and is currently at their credit limit.

QUESTION 1

You need to correct the sales tax setup to resolve User5's issue.

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

NOTE: Each correct selection is worth one point.

- A. Populate the sales tax code on the sales order line.
- B. Assign the sales tax group to CustomerY.
- C. Assign the relevant sales tax code to both the sales tax and item sales tax groups.
- D. Populate the item sales tax group field on the sales order line.
- E. Populate the sales tax group field on the sales order line.



Correct Answer: C, D, E

Section:

Explanation:

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

QUESTION 2

You need to troubleshoot the reporting issue for User7.

Why are some transactions being excluded?

- A. User7 is running the report in CompanyB.
- B. User7 is running the report in CompanyA.
- C. The report is correctly excluding CustomerY transactions.
- D. The report is correctly excluding CustomerZ transactions.

Correct Answer: C

Section:

QUESTION 3

You need to configure settings to resolve User8's issue.

What should you select?

- A. a main account in the sales tax payable field
- B. a main account in the settlement account field
- C. the Conditional sales tax checkbox
- D. the Standard sales tax checkbox

Correct Answer: B

Section:

QUESTION 4

You need to view the results of Fourth Coffee Holding Company's consolidation.

Which three places show the results of financial consolidation? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. a financial report run against the company Fourth Coffee
- B. a trial balance in the Fourth Coffee Holding Company
- C. a trial balance in the company Fourth Coffee
- D. a financial report run against the Fourth Coffee Holding Company
- E. the consolidations form in Fourth Coffee Holding Company

Correct Answer: B, D, E

Section:

QUESTION 5

You need to configure the system to resolve User8's issue.

What should you select?

- A. the Standard sales tax checkbox
- B. the Conditional sales tax checkbox
- C. a main account in the settlement account field
- D. a main account in the sales tax payable field

Correct Answer: C

Section:

QUESTION 6

HOTSPOT

You need to configure settings to resolve User1's issue.

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

NOTE: Each correct selection is worth one point.

Hot Area:



Answer Area

Requirement	Setting
Establish account 1200 as a system-generated trade account.	<input type="text"/> Do not allow manual entry Balance control Posting type – vendor balance
Ensure account 1201 reflects currency exposure.	<input type="text"/> Foreign currency revaluation Exchange rate type Balance control

Answer Area:
Answer Area

Requirement	Setting
Establish account 1200 as a system-generated trade account.	<input type="text"/> Do not allow manual entry Balance control Posting type – vendor balance
Ensure account 1201 reflects currency exposure.	<input type="text"/> Foreign currency revaluation Exchange rate type Balance control

Section:
Explanation:

QUESTION 7

DRAG DROP

You need to assist User3 with generating a deposit slip to meet Fourth Coffee's requirement.

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

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

Select and Place:

Actions

- Select the **use a deposit slip** check box.
- Enter a transaction type.
- Select **manage deposits** on the bank account form.
- Enter the journal line with account and offset account and payment reference.
- Select **Deposit slip** from the functions menu and select **ok**.
- Post the journal.

Answer Area



Correct Answer:

Actions

-
-
- Select **manage deposits** on the bank account form.
-
-
-

Answer Area

- Enter the journal line with account and offset account and payment reference.
- Select the **use a deposit slip** check box.
- Enter a transaction type.
- Post the journal.
- Select **Deposit slip** from the functions menu and select **ok**.



Section:

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/create-a-deposit-slip>

QUESTION 8

HOTSPOT

The posting configuration for a purchase order is shown as follows:

Posting

Sales order **Purchase order** Inventory Production Standard cost variance

Select

<input type="checkbox"/> Cost of purchased materials received	<input checked="" type="checkbox"/>	Item code	Item relation	Category relation	Account code	Account relation	Main account
		Group	Coffee		All		200190
<input type="checkbox"/> Purchase expenditure, un-invoiced		All			Table	VendorB	200180
<input type="checkbox"/> Cost of purchased materials invoiced		All			All		200140
<input type="checkbox"/> Purchase expenditure for product							
<input type="checkbox"/> Discount							
<input type="checkbox"/> Fixed receipt price profit							
<input type="checkbox"/> Fixed receipt price loss							
<input type="checkbox"/> Fixed receipt price offset							
<input type="checkbox"/> Charge							
<input type="checkbox"/> Stock variation							
<input checked="" type="checkbox"/> Purchase, accrual							

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

NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area



When Fourth Coffee receives espresso valves from VendorC, to which account is the purchase accrual posted?

	▼
200140	
200170	
200180	
200190	

When Fourth Coffee receives filters from VendorB, to which account is the purchase accrual posted?

	▼
200140	
200170	
200180	
200190	

Answer Area:

Answer Area

When Fourth Coffee receives espresso valves from VendorC, to which account is the purchase accrual posted?

	▼
200140	<input checked="" type="checkbox"/>
200170	<input type="checkbox"/>
200180	<input type="checkbox"/>
200190	<input type="checkbox"/>

When Fourth Coffee receives filters from VendorB, to which account is the purchase accrual posted?

	▼
200140	<input type="checkbox"/>
200170	<input type="checkbox"/>
200180	<input checked="" type="checkbox"/>
200190	<input type="checkbox"/>

Section:

Explanation:

QUESTION 9

HOTSPOT

You need to prevent a reoccurrence of User2's issue.

How should you configure the system? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:



Answer Area

Requirement

Configuration

Configure valid dimensions for Fourth Coffee.

- Set up account structure excluding the marketing department and digital division.
- Set up financial dimension set excluding the marketing department and digital division.
- Set up account structure including the marketing department and digital division.
- Set up financial dimension set including the marketing department and digital division.

Configure valid dimensions for CompanyA.

- Set up account structure excluding the marketing department and digital division.
- Set up financial dimension set excluding the marketing department and digital division.
- Set up account structure including the marketing department and digital division.
- Set up financial dimension set including the marketing department and digital division.

Assign valid dimensions.

- Assign relevant account structure to the legal entity ledger.
- Configure relevant financial dimension set in the legal entity.
- Set up posting definitions.

Answer Area:



Answer Area	Requirement	Configuration
	Configure valid dimensions for Fourth Coffee.	<ul style="list-style-type: none"> Set up account structure excluding the marketing department and digital division. Set up financial dimension set excluding the marketing department and digital division. Set up account structure including the marketing department and digital division. Set up financial dimension set including the marketing department and digital division.
	Configure valid dimensions for CompanyA.	<ul style="list-style-type: none"> Set up account structure excluding the marketing department and digital division. Set up financial dimension set excluding the marketing department and digital division. Set up account structure including the marketing department and digital division. Set up financial dimension set including the marketing department and digital division.
	Assign valid dimensions.	<ul style="list-style-type: none"> Assign relevant account structure to the legal entity ledger. Configure relevant financial dimension set in the legal entity. Set up posting definitions.

Section:

Explanation:

03 - Set up and configure financial management

Case study

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When you are ready to answer a question, click the Question button to return to the question.

Background

Munson's Pickles and Preserves Farm grows and distributes produce, jellies, and jams. The company's corporate headquarters is located in Dallas, TX. Munson's has one operations center and seven regional distribution centers in the United States.

States.

The company has two wholly owned subsidiaries that operate in Canada. The Canadian entity owns an entity in France.

Munson's plans to expand into Latin America by purchasing the last 25 percent of a subsidiary that they own in Costa Rica. This process is expected to complete within the next two years.

The company plans to implement Dynamics 365 Finance and Dynamics 365 Supply Chain to meet their growing business needs.

Current environment. General

Munson's uses a mix of internally-developed legacy systems that handle their finance and distribution activities. The company has an isolated CRM system.

Both Canadian subsidiaries have two departments: marketing and operations.

Financial reporting is difficult due to data residing in disparate systems.

Financial reporting is currently performed by using Microsoft Excel.

Pre-orders in the current system are difficult to track because the order management system is not integrated with the finance system.

Pickle sales post to one revenue account, but this does not allow for targeted reporting by pickle cut and type.

Current environment. Organization

The following chart shows Accounting/Reporting Currencies and Tax ID, if applicable.

Typically, vendor invoices are received prior to receipt of product.

The following fixed assets are sold for a loss:

BUILD-100

At the regional distribution centers, the value for physical inventory does not match the inventory in the financial system.

Munson's rents their corporate office. Rent is not paid by purchase order. Rent is due once a quarter.

Allocations are performed manually.

Barrels are inventoried by site and warehouse.

Munson's has multiple depreciation and tax books for all of their fixed asset equipment.

Budgets are posted at the department level for each legal entity.

Requirements. Sales

Customers should be able to pre-order for fall release of pickles.

Three-way matching must be enforced for all purchases.

Fixed asset sale transactions require a ledger account entered at the time of transaction.

Fixed assets purchased must be automatically created in fixed asset module. This includes inventory items and write in purchase orders/non-inventoried items.

One dollar from every sale needs must be tracked and donated at the end of each month to a charitable organization.

Purchasing budgets must be enforced at the main account level.

Requirements. Finances

Accounts payable must be able to enter vendor invoices on the day they were received to be settled against when product is received.

Accounts payable must be able to enter vendor invoices to accrue expense without specifying a purchase order at the time of entry.

Postage expenses must be split evenly across the regional distribution centers automatically.

Administrative expenses must be distributed across the regional distribution centers by percentage of fulfillment orders monthly.

Pickling machines depreciation must be uniquely recorded for visibility but not post to the ledger.

Issues

During implementation testing, User1 indicates that after packing slips are generated for purchase orders, there are no ledger postings.

User2 indicates that fixed assets purchased on a purchase order do not show up in the Fixed Assets module.

User3 reports that they are seeing inconsistent application of the one-dollar donation from all sales orders.

User4 in the Canadian subsidiary is able to purchase supplies for marketing despite exceeding the marketing department budget.

User5 reports that when purchasing a non-inventoried computer, the system is automatically assigning it to the buildings fixed asset group.

QUESTION 1

You need to configure system functionality for pickle type reporting.

What should you use?

- A. item model groups
- B. item groups
- C. procurement category hierarchies
- D. financial dimensions
- E. procurement categories

Correct Answer: B

Section:

QUESTION 2

You need to configure the regional distribution centers.

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

NOTE: Each correct selection is worth one point.

- A. Configure a site
- B. Associate the financial dimension to the site
- C. Configure a financial dimension
- D. Configure a legal entity
- E. Associate the legal entity to the site

Correct Answer: A, B, C

Section:

Explanation:

Reference: <https://exploredynamics365.home.blog/2020/10/05/ledger-allocations-in-microsoft-dynamics-365-finance-and-operations-part-1/>.

QUESTION 3

HOTSPOT

You need to determine the root cause for User1's issue.

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

NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area

Item purchased	Configuration option
Computer	<input type="checkbox"/> Item groups <input type="checkbox"/> Procurement categories <input type="checkbox"/> Purchasing policies <input type="checkbox"/> Item model groups
Barrels	<input type="checkbox"/> Item groups <input type="checkbox"/> Purchasing policies <input type="checkbox"/> Item model groups

Answer Area:



Answer Area

Item purchased

Configuration option

Computer

- Item groups
- Procurement categories
- Purchasing policies
- Item model groups

Barrels

- Item groups
- Purchasing policies
- Item model groups

Section:

Explanation:

QUESTION 4

DRAG DROP

You need to process expense allocations.

Which features should you use? To answer, drag the appropriate features to the correct requirements. Each feature may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.



Select and Place:

Features

Main account allocations

Ledger allocation rules

Accounting distributes

Answer Area

Requirement

Process postage expenses.

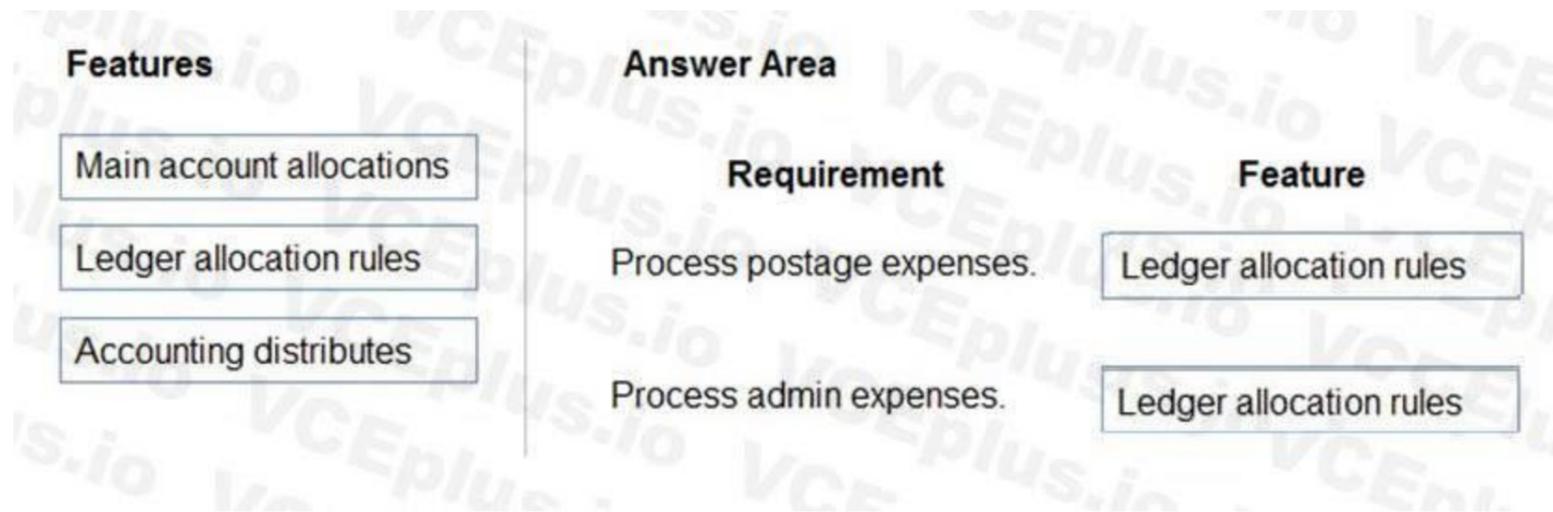
Process admin expenses.

Feature

Feature

Feature

Correct Answer:



Section:

Explanation:

Reference:

04 - Set up and configure financial management

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Background

Alpine Ski House has three partially owned franchises and 10 fully owned resorts throughout the United States and Canada. Alpine Ski House's percentage ownership of the franchises is between two and 10 percent.

Alpine Ski House is undergoing an implementation of Dynamics 365 Finance and Dynamics 365 Supply Chain Management to transform their financial management and logistics capabilities across the franchises.

Implementation is complete for Alpine Ski House's corporate offices, two US franchises, and one Canadian franchise. The remaining franchises are in varying stages of the implementation. Two new resort projects are in the budget planning stages and will open in the next fiscal year.

Current environment

Organization and general ledger

Each franchise is set up as a legal entity in Dynamics 365 Finance.

Alpine Ski House Corporate uses financial dimensions for their fully owned resorts.

Each resort is a financial dimension named resort.

Each fully owned resort has two divisions: marketing and operations.

Only Profit and Loss account postings require the division dimension.

Corporate handles the advertising and administration of the fully owned resorts.

Corporate uses Dynamics 365 Project Management and Accounting to manage construction of new resorts.

Budgeting

Organizational budgeting is decentralized but rolls up to one organizational corporate budget.

Each resort manager performs budgeting in Dynamics 365 Finance.

Budget preparation begins this month. All operational resorts will submit their budgets in two weeks.

Sales and tax

Sales tax is configured and used by all resorts that operate in the United States.

You configure one US sales tax vendor account and assign the vendor account to the settlement periods for reporting.

You use accounts receivable charges to track donations.

Existing purchasing contracts

Each franchise resort has an individual contract with a local supplier of their choosing to purchase at least \$10,000 worth of suppliers during the calendar year.

The franchise resorts in one US state receive a two percent discount on meat and vegetable purchases in excess of \$8,000 per year.

A franchise resort in Utah has agreed to purchase 1,000 units of beef at market price from a local supplier.

Alpine Ski House uses a vendor collaboration portal to track purchase orders and requests for quotes.

Vendors request access to the vendor collaboration portal by using a workflow which runs on a nightly schedule.

Intercompany setup

Vendor123 resides in US franchise Company1 and is set up for intercompany transactions. Customer345 resides in Canada franchise Company1 and is set up for intercompany transactions.

Requirements

Franchises

Each franchise must pay two percent of monthly sales to Alpine Ski House Corporate.

Each franchise must report their own financials to Alpine Ski House Corporate monthly.

US franchises require a three-way-match on all purchases, with a 1-percent price tolerance.

Canadian franchises require a three-way-match on all purchases except paper products, which have a 10-percent price tolerance.

Corporate

Advertising costs must be balanced across the 10 resorts monthly. These costs must be split across the 12 resorts once construction of the final two resorts is completed.

Administration costs must be split across the 10 resorts proportional to the amount of sales generated.

One percent of all pack and individual ski pass sales must be donated quarterly to an environmental protection organization.

The finance department must be able to see purchasing contracts and discounts for vendors based on volume spend.

Employees

All employee expense reports that contain the word entertainment must be reviewed for audit purposes. If a journal is posted incorrectly, the entire journal and not just the incorrect line must be fully reversed for audit purposes.

Resorts

All resorts must use Dynamics 365 Finance for budgeting and must first be approved by the regional manager. Purchased fixed assets must automatically be acquired at product receipt.

Issues

User1 reports that irrelevant dimensions display in the drop down when entering a General journal.

User2 reports that dimension 00 is being used for all balance sheet accounts.

User3 tries to generate the quarterly sales tax liability payment for a specific state but does not see any payables available for that state's vendor.

User4 receives a call from a vendor who cannot access the vendor collaboration portal but needs immediate access.

User5 notices a large amount of entertainment expenses being posted without an audit review.

User6 needs to have visibility into the increase in budget that is necessary to staff the two new resorts opening next year.

User7 needs to use Dynamics 365 Finance for situational budgeting planning with the ability to increase and decrease the existing plans by certain percentages.

User8 made a mistake while posting a 1,000-line journal and reverses the entire journal but cannot find the lines that included errors during the reversal.

User9 made a mistake while posting a 55-line journal and reverses the entire journal.

User10 realizes that the purchase of five new computers did not acquire five new fixed assets upon receipt.

QUESTION 1

You need to adjust the sales tax configuration to resolve the issue for User3.

What should you do?

- A. Create multiple settlement periods and assign them to the US tax vendor.
- B. Create multiple sales tax remittance vendors and assign them to the settlement period.
- C. Run the payment proposal to generate the sales tax liability payments.
- D. Create a state-specific settlement period and assign the US tax vendor to the settlement period.

Correct Answer: D

Section:

QUESTION 2

You need to determine the cause of the issue that User1 reports.
What are two possible causes for the issue? Each correct answer presents part of the solution.
NOTE: Each correct selection is worth one point.

- A. The account structure is in draft status.
- B. The financial dimensions were created in the incorrect legal entity.
- C. User1's security is incorrectly set up.
- D. The account structure has an asterisk for all dimensions.
- E. The account structure has quotations for all dimensions.

Correct Answer: D, E

Section:

Explanation:

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

QUESTION 3

DRAG DROP

You need to configure ledger allocations to meet the requirements.
What should you configure? To answer, drag the appropriate setups to the correct requirements. Each setup may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

Options

Fixed percentage	Basis
Equally	Fixed weight

Answer Area

Requirement	Option
Advertising expenses	Option
Administration expenses	Option

Correct Answer:

Options

Fixed percentage	
	Fixed weight

Answer Area

Requirement	Option
Advertising expenses	Equally
Administration expenses	Basis

Section:

Explanation:

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

01 - Manage budgeting

QUESTION 1

You are configuring budgeting components in Dynamics 365 Finance.

You need to configure multiple budgets.

What are three budgeting options you can use? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Cost management budget, including Production and Resource groups
- B. Sales budget, including Campaigns and Events
- C. Workforce budget, including Compensation groups and Positions
- D. Project budget, including Items and Fees
- E. Ledger budget, including Revenue and Expense types

Correct Answer: C, D, E

Section:

QUESTION 2

A client is using the budget planning process in Dynamics 365 Finance.

Your client requires the ability to plan for a one-year, three-year, and five year-budget.

You need to configure the various year length options to be used in the budgeting module.

What should you do?

- A. Configure budget control
- B. Configure budget codes
- C. Configure budget cycles
- D. Configure budget allocation terms

Correct Answer: B

Section:

QUESTION 3

A company uses Dynamics 365 Finance to manage budgets.

You need to reallocate funds during the year.

Which budget code should you use?

- A. Carry-forward
- B. Zero-based
- C. Pre-encumbrance
- D. Transfer

Correct Answer: D

Section:

Explanation:

Reference: <https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/basic-budgeting-overview-configuration>

QUESTION 4



A company plans to use Dynamics 365 Finance.
You need to configure basic budgeting.
Which set of actions must you perform?

- A. Define a budget journal
 - Define budgeting parameters
 - Define budgeting dimensions
 - Create budget models and codes
 - Define number sequences
- B. Define budget journal exchange rate types
 - Define budgeting parameters and number sequences
 - Define budgeting dimensions
 - Create budget models
 - Define budget codes
- C. Define a budget journal
 - Define budgeting parameters and number sequences
 - Define budgeting dimensions
 - Create budget models and codes
 - Setup budget allocation termsbudget models and codes
 - Setup budget allocation terms
- D. Define budget exchange rate types
 - Define budgeting parameters and number sequences
 - Define financial dimensions
 - Create budget models
 - Define budget codes



Correct Answer: B

Section:

Explanation:

Reference: <https://docs.microsoft.com/en-us/learn/modules/configure-use-basic-budgeting-budget-control-dyn365-finance/4-overview>

QUESTION 5

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

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

A company is preparing to complete yearly budgets.

The company plans to use the Budget module in Dynamics 365 Finance for budget management.

You need to create the new budgets.

Solution: Combine budgets from multiple legal entities to a master budget.

Does the solution meet the goal?

A. Yes

B. No

Correct Answer: B

Section:

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/budget-planning-overview-configuration>

QUESTION 6

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

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A company is preparing to complete yearly budgets.

The company plans to use the Budget module in Dynamics 365 Finance for budget management.

You need to create the new budgets.

Solution: Create budget plans for multiple scenarios.

Does the solution meet the goal?

A. Yes

B. No

Correct Answer: A

Section:

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/budget-planning-overview-configuration>

QUESTION 7

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

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A company is preparing to complete yearly budgets.

The company plans to use the Budget module in Dynamics 365 Finance for budget management.

You need to create the new budgets.

Solution: Create budget plans to define the revenues for a budget.

Does the solution meet the goal?

A. Yes

B. No

Correct Answer: B

Section:

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/budget-planning-overview-configuration>

QUESTION 8

A customer uses Dynamics 365 Finance to manage budgets.

You review a customer's budget funds available calculation and discover that the budget amounts posted two weeks ago are not reflected in the budget control check on a purchase order.

You verify that budget control is set to active.

You need to determine why the budget posted two weeks ago is not reflecting correctly.

What should you do?

A. Verify that available budget funds are configured appropriately.

B. Post a budget transfer to add the correct funds.

C. Verify whether budget plans are still in draft status.

D. Compare the budget control active date to the date of the posted register entries to verify that it was active at the time of posting.

Correct Answer: D

Section:

Explanation:

Reference: <https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/budget-control-overview-configuration>

QUESTION 9

A company configures budget controls at the beginning of the year.

Which three budget control transaction actions occur when the budget control is turned off mid-year. Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Activities are unrecorded for budget control purposes.
- B. Budget register entries that have been posted after budget control is turned off will not be considered for budget control.
- C. Posted documents might incorrectly reflect any relieving amounts or balances in inquiries and reports that are related to budget control.
- D. Budget checks are performed.
- E. You can view the budget reporting through financial reports.

Correct Answer: A, B, C

Section:

Explanation:

Reference: <https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/budget-control-overview-configuration>

QUESTION 10

You are setting up the yearly budget for an organization for the year 2019.

You need to set up the budget register entries.

Which two fields must be set up when creating register entries? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Budget cycle
- B. Budget manager
- C. Budget code
- D. Budget model

Correct Answer: C, D

Section:

Explanation:

Reference: <https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/basic-budgeting-overview-configuration>

QUESTION 11

You are configuring the basic budgeting for a Dynamics 365 Finance environment.

You need to configure the types of entries allowed.

Which two configurations can you use? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. The budget register entry journals require both Expense and Revenue amount types.
- B. Budget register entry line needs a main account and amount to be valid.
- C. Budget register entry journals must be allocated across all fiscal periods.
- D. Budget register entry lines must select only one account structure.



E. The budget register entries can contain either Expense or Revenue amount types.

Correct Answer: D, E

Section:

QUESTION 12

A company is preparing to complete yearly budgets.

The company plans to use the Budget module in Dynamics 365 Finance for budget management.

You need to create the new budgets.

What should you do?

- A. Create budget plans for multiple scenarios.
- B. Create budget plans to define the revenues for a budget.
- C. Combine previous year budgets into a single budget.

Correct Answer: A

Section:

Explanation:

Reference: <https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/budget-planning-overview-configuration>

QUESTION 13

DRAG DROP

You are creating a budget for an organization.

The organization requires that allocations be performed automatically as part of budget planning.

You need to invoke allocations at a specific budget planning stage.

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

Select and Place:

Actions

- Set up Task approval or the workflow
- Add an automated task for budget planning stage allocation at the desired workflow stage
- Create a stage allocation on the Budget planning configuration page
- Create an allocation schedule on the Budget planning configuration page

Answer Area

←

→

✓

Correct Answer:

Actions	Answer Area
Set up Task approval or the workflow	Create an allocation schedule on the Budget planning configuration page
	Create a stage allocation on the Budget planning configuration page
	Add an automated task for budget planning stage allocation at the desired workflow stage

Section:

Explanation:

References:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/budget-planning-data-allocation>

QUESTION 14

HOTSPOT

You are setting up a budget plan to accurately portray the projected budget for a company.

You need to select the appropriate allocation method for data distribution.

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

NOTE: Each correct selection is worth one point.

Hot Area:



Answer Area

Requirement	Allocation method				
Allocate budget plan lines to the destination scenario based on the percentages and financial dimensions that are defined in a selected budget allocation term.	<div style="border: 1px solid black; padding: 2px;">▼</div> <table border="1"><tr><td>Aggregate</td></tr><tr><td>Allocate to Dimension</td></tr><tr><td>Distribute</td></tr><tr><td>Copy from Plan</td></tr></table>	Aggregate	Allocate to Dimension	Distribute	Copy from Plan
Aggregate					
Allocate to Dimension					
Distribute					
Copy from Plan					
Allow budget amounts that are prepared at a lower level in the organization to be consolidated at a higher level.	<div style="border: 1px solid black; padding: 2px;">▼</div> <table border="1"><tr><td>Distribute</td></tr><tr><td>Allocate Across Periods</td></tr><tr><td>Aggregate</td></tr><tr><td>Allocate to Dimension</td></tr></table>	Distribute	Allocate Across Periods	Aggregate	Allocate to Dimension
Distribute					
Allocate Across Periods					
Aggregate					
Allocate to Dimension					
Transfer amounts that were budgeted at a higher level to a lower level of the organization for detailed review and adjustment before they can receive upper-level approval.	<div style="border: 1px solid black; padding: 2px;">▼</div> <table border="1"><tr><td>Allocate Across Periods</td></tr><tr><td>Distribute</td></tr><tr><td>Copy from Budget Plan</td></tr><tr><td>Aggregate</td></tr></table>	Allocate Across Periods	Distribute	Copy from Budget Plan	Aggregate
Allocate Across Periods					
Distribute					
Copy from Budget Plan					
Aggregate					
Enable budget amounts that are prepared at a higher level in the organization to be spread out for more localized review.	<div style="border: 1px solid black; padding: 2px;">▼</div> <table border="1"><tr><td>Distribute</td></tr><tr><td>Aggregate</td></tr><tr><td>Copy from budget plan</td></tr><tr><td>Allocate to dimension</td></tr></table>	Distribute	Aggregate	Copy from budget plan	Allocate to dimension
Distribute					
Aggregate					
Copy from budget plan					
Allocate to dimension					

Answer Area:

 Vdumps

Answer Area

Requirement	Allocation method
Allocate budget plan lines to the destination scenario based on the percentages and financial dimensions that are defined in a selected budget allocation term.	<div style="border: 1px solid black; padding: 2px;"><div style="background-color: #ccc; padding: 2px; text-align: right;">▼</div><ul style="list-style-type: none">Aggregate<li style="background-color: #e0ffe0;">Allocate to DimensionDistributeCopy from Plan</div>
Allow budget amounts that are prepared at a lower level in the organization to be consolidated at a higher level.	<div style="border: 1px solid black; padding: 2px;"><div style="background-color: #ccc; padding: 2px; text-align: right;">▼</div><ul style="list-style-type: none">DistributeAllocate Across Periods<li style="background-color: #e0ffe0;">AggregateAllocate to Dimension</div>
Transfer amounts that were budgeted at a higher level to a lower level of the organization for detailed review and adjustment before they can receive upper-level approval.	<div style="border: 1px solid black; padding: 2px;"><div style="background-color: #ccc; padding: 2px; text-align: right;">▼</div><ul style="list-style-type: none">Allocate Across PeriodsDistribute<li style="background-color: #e0ffe0;">Copy from Budget PlanAggregate</div>
Enable budget amounts that are prepared at a higher level in the organization to be spread out for more localized review.	<div style="border: 1px solid black; padding: 2px;"><div style="background-color: #ccc; padding: 2px; text-align: right;">▼</div><ul style="list-style-type: none"><li style="background-color: #e0ffe0;">DistributeAggregateCopy from budget planAllocate to dimension</div>

Section:

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/budget-planning-data-allocation>

QUESTION 15

DRAG DROP

A company needs to create budget plan templates for its budgeting process.

You need to create the budget plan templates.

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

Select and Place:

Actions

- Generate budget plan templates
- Define budgeting financial dimension sets
- Create budget plan columns
- Create budget plan document layouts

Answer Area



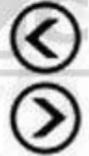
Correct Answer:

Actions

-
-
-
-

Answer Area

- Define budgeting financial dimension sets
- Create budget plan columns
- Create budget plan document layouts
- Generate budget plan templates



Section:

Explanation:

QUESTION 16

HOTSPOT

A client is implementing the Budgeting module in Dynamics 365 Finance. You need to configure the correct budget control area to meet the client's requirements.

- Track budgeting control on purchase requisitions.
- Include unposted actual transactions in the calculation of the remaining budget for the period.
- Allow specific individuals to post transactions that exceed the budget.
- Specify main accounts that are subject to budget control, instead of selecting Main account as a dimension for budgeting.

What should you configure? To answer, select the appropriate configuration in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area

Client requirement

Track budgeting control on purchase requisitions.

Setup area

	▼
Documents and journals	
Budget funds available	
Define budget control rules	
Define message levels	

Include unposted actual transactions in the calculation of the remaining budget for the period.

	▼
Documents and journals	
Budget funds available	
Select main accounts	
Assign budget models	

Allow specific individuals to post transactions that exceed the budget.

	▼
Define message levels	
Budget funds available	
Over budget permissions	
Define budget groups	

Specify main accounts that are subject to budget control, instead of selecting Main account as a dimension for budgeting.

	▼
Budget funds available	
Over budget permissions	
Define budget groups	
Select main accounts	

Answer Area:

Answer Area

Client requirement

Track budgeting control on purchase requisitions.

Setup area

	▼
Documents and journals	
Budget funds available	
Define budget control rules	
Define message levels	

Include unposted actual transactions in the calculation of the remaining budget for the period.

	▼
Documents and journals	
Budget funds available	
Select main accounts	
Assign budget models	

Allow specific individuals to post transactions that exceed the budget.

	▼
Define message levels	
Budget funds available	
Over budget permissions	
Define budget groups	

Specify main accounts that are subject to budget control, instead of selecting Main account as a dimension for budgeting.

	▼
Budget funds available	
Over budget permissions	
Define budget groups	
Select main accounts	

Section:

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/budgeting/budget-control-overview-configuration>

02 - Manage budgeting

Case study

This is a case study. Case studies are not timed separately. You can use as much exam time as you would like to complete each case. However, there may be additional case studies and sections on this exam. You must manage your time to ensure that you are able to complete all questions included on this exam in the time provided.

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To start the case study

To display the first question in this case study, click the Next button. Use the buttons in the left pane to explore the content of the case study before you answer the questions. Clicking these buttons displays information such as business requirements, existing environment, and problem statements. If the case study has an All Information tab, note that the information displayed is identical to the information displayed on the subsequent tabs.

When you are ready to answer a question, click the Question button to return to the question.

Background

Munson's Pickles and Preserves Farm grows and distributes produce, jellies, and jams. The company's corporate headquarters is located in Dallas, TX. Munson's has one operations center and seven regional distribution centers in the United States.

The company has two wholly owned subsidiaries that operate in Canada. The Canadian entity owns an entity in France.

Munson's plans to expand into Latin America by purchasing the last 25 percent of a subsidiary that they own in Costa Rica. This process is expected to complete within the next two years.

The company plans to implement Dynamics 365 Finance and Dynamics 365 Supply Chain to meet their growing business needs.

Current environment. General

Munson's uses a mix of internally-developed legacy systems that handle their finance and distribution activities. The company has an isolated CRM system.

Both Canadian subsidiaries have two departments: marketing and operations.

Financial reporting is difficult due to data residing in disparate systems.

Financial reporting is currently performed by using Microsoft Excel.

Pre-orders in the current system are difficult to track because the order management system is not integrated with the finance system.

Pickle sales post to one revenue account, but this does not allow for targeted reporting by pickle cut and type.

Current environment. Organization

The following chart shows Accounting/Reporting Currencies and Tax ID, if applicable.

Typically, vendor invoices are received prior to receipt of product.

The following fixed assets are sold for a loss:

BUILD-100

At the regional distribution centers, the value for physical inventory does not match the inventory in the financial system.

Munson's rents their corporate office. Rent is not paid by purchase order. Rent is due once a quarter.

Allocations are performed manually.

Barrels are inventoried by site and warehouse.

Munson's has multiple depreciation and tax books for all of their fixed asset equipment.

Budgets are posted at the department level for each legal entity.

Requirements. Sales

Customers should be able to pre-order for fall release of pickles.

Three-way matching must be enforced for all purchases.

Fixed asset sale transactions require a ledger account entered at the time of transaction.

Fixed assets purchased must be automatically created in fixed asset module. This includes inventory items and write in purchase orders/non-inventoried items.

One dollar from every sale needs must be tracked and donated at the end of each month to a charitable organization.

Purchasing budgets must be enforced at the main account level.

Requirements. Finances

Accounts payable must be able to enter vendor invoices on the day they were received to be settled against when product is received.

Accounts payable must be able to enter vendor invoices to accrue expense without specifying a purchase order at the time of entry.

Postage expenses must be split evenly across the regional distribution centers automatically.

Administrative expenses must be distributed across the regional distribution centers by percentage of fulfillment orders monthly.

Pickling machines depreciation must be uniquely recorded for visibility but not post to the ledger.

Issues

During implementation testing, User1 indicates that after packing slips are generated for purchase orders, there are no ledger postings.

User2 indicates that fixed assets purchased on a purchase order do not show up in the Fixed Assets module.

User3 reports that they are seeing inconsistent application of the one-dollar donation from all sales orders.

User4 in the Canadian subsidiary is able to purchase supplies for marketing despite exceeding the marketing department budget.

User5 reports that when purchasing a non-inventoried computer, the system is automatically assigning it to the buildings fixed asset group.



QUESTION 1

Which configuration makes it possible for User4 to make a purchase?

- A. Budget model configuration is configured to allow certain purchases to exceed budget.
- B. Budget is posted at the dimension level. Budget control is managed at main account level.
- C. Budget funds available are configured to allow dimension budget overrides.
- D. Budget is posted at the main account level. Budget control is managed at the department level.

Correct Answer: B

Section:

Explanation:

Testlet 3

Case study This is a case study. Case studies are not timed separately. You can use as much exam time as you would like to complete each case. However, there may be additional case studies and sections on this exam. You must manage your time to ensure that you are able to complete all questions included on this exam in the time provided.

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Background Alpine Ski House has three partially owned franchises and 10 fully owned resorts throughout the United States and Canada. Alpine Ski House's percentage ownership of the franchises is between two and 10 percent.

Alpine Ski House is undergoing an implementation of Dynamics 365 Finance and Dynamics 365 Supply Chain Management to transform their financial management and logistics capabilities across the franchises.

Implementation is complete for Alpine Ski House's corporate offices, two US franchises, and one Canadian franchise. The remaining franchises are in varying stages of the implementation. Two new resort projects are in the budget planning stages and will open in the next fiscal year.

Current environment

Organization and general ledger

Each franchise is set up as a legal entity in Dynamics 365 Finance.

Alpine Ski House Corporate uses financial dimensions for their fully owned resorts.

Each resort is a financial dimension named resort.

Each fully owned resort has two divisions: marketing and operations.

Only Profit and Loss account postings require the division dimension.

Corporate handles the advertising and administration of the fully owned resorts.

Corporate uses Dynamics 365 Project Management and Accounting to manage construction of new resorts.

Budgeting

Organizational budgeting is decentralized but rolls up to one organizational corporate budget.

Each resort manager performs budgeting in Dynamics 365 Finance.

Budget preparation begins this month. All operational resorts will submit their budgets in two weeks.

Sales and tax

Sales tax is configured and used by all resorts that operate in the United States.

You configure one US sales tax vendor account and assign the vendor account to the settlement periods for reporting. You use accounts receivable charges to track donations.

Existing purchasing contracts Each franchise resort has an individual contract with a local supplier of their choosing to purchase at least \$10,000 worth of suppliers during the calendar year. The franchise resorts in one US state receive a two percent discount on meat and vegetable purchases in excess of \$8,000 per year.

A franchise resort in Utah has agreed to purchase 1,000 units of beef at market price from a local supplier.

Alpine Ski House uses a vendor collaboration portal to track purchase orders and requests for quotes.

Vendors request access to the vendor collaboration portal by using a workflow which runs on a nightly schedule.

Intercompany setup Vendor123 resides in US franchise Company1 and is set up for intercompany transactions. Customer345 resides in Canada franchise Company1 and is set up for intercompany transactions.

Requirements

Franchises

Each franchise must pay two percent of monthly sales to Alpine Ski House Corporate.



Each franchise must report their own financials to Alpine Ski House Corporate monthly.

US franchises require a three-way-match on all purchases, with a 1-percent price tolerance.

Canadian franchises require a three-way-match on all purchases except paper products, which have a 10-percent price tolerance.

Corporate Advertising costs must be balanced across the 10 resorts monthly. These costs must be split across the 12 resorts once construction of the final two resorts is completed.

Administration costs must be split across the 10 resorts proportional to the amount of sales generated.

One percent of all pack and individual ski pass sales must be donated quarterly to an environmental protection organization. The finance department must be able to see purchasing contracts and discounts for vendors based on volume spend.

Employees All employee expense reports that contain the word entertainment must be reviewed for audit purposes. If a journal is posted incorrectly, the entire journal and not just the incorrect line must be fully reversed for audit purposes.

Resorts All resorts must use Dynamics 365 Finance for budgeting and must first be approved by the regional manager. Purchased fixed assets must automatically be acquired at product receipt. Issues

User1 reports that irrelevant dimensions display in the drop down when entering a General journal.

User2 reports that dimension 00 is being used for all balance sheet accounts.

User3 tries to generate the quarterly sales tax liability payment for a specific state but does not see any payables available for that state's vendor.

User4 receives a call from a vendor who cannot access the vendor collaboration portal but needs immediate access.

User5 notices a large amount of entertainment expenses being posted without an audit review.

User6 needs to have visibility into the increase in budget that is necessary to staff the two new resorts opening next year.

User7 needs to use Dynamics 365 Finance for situational budgeting planning with the ability to increase and decrease the existing plans by certain percentages. User8 made a mistake while posting a 1,000-line journal and reverses the entire journal but cannot find the lines that included errors during the reversal.

User9 made a mistake while posting a 55-line journal and reverses the entire journal.

User10 realizes that the purchase of five new computers did not acquire five new fixed assets upon receipt.

03 - Manage budgeting

Case study

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Current environment

Organization and general ledger

Each franchise is set up as a legal entity in Dynamics 365 Finance.

Alpine Ski House Corporate uses financial dimensions for their fully owned resorts.

Each resort is a financial dimension named resort.

Each fully owned resort has two divisions: marketing and operations.

Only Profit and Loss account postings require the division dimension.

Corporate handles the advertising and administration of the fully owned resorts.

Corporate uses Dynamics 365 Project Management and Accounting to manage construction of new resorts.

Budgeting

Organizational budgeting is decentralized but rolls up to one organizational corporate budget.

Each resort manager performs budgeting in Dynamics 365 Finance.

Budget preparation begins this month. All operational resorts will submit their budgets in two weeks.

Sales and tax

Sales tax is configured and used by all resorts that operate in the United States.

You configure one US sales tax vendor account and assign the vendor account to the settlement periods for reporting.

You use accounts receivable charges to track donations.

Existing purchasing contracts

Each franchise resort has an individual contract with a local supplier of their choosing to purchase at least \$10,000 worth of suppliers during the calendar year.

The franchise resorts in one US state receive a two percent discount on meat and vegetable purchases in excess of \$8,000 per year.

A franchise resort in Utah has agreed to purchase 1,000 units of beef at market price from a local supplier.

Alpine Ski House uses a vendor collaboration portal to track purchase orders and requests for quotes.

Vendors request access to the vendor collaboration portal by using a workflow which runs on a nightly schedule.

Intercompany setup

Vendor123 resides in US franchise Company1 and is set up for intercompany transactions. Customer345 resides in Canada franchise Company1 and is set up for intercompany transactions.

Requirements

Franchises

Each franchise must pay two percent of monthly sales to Alpine Ski House Corporate.

Each franchise must report their own financials to Alpine Ski House Corporate monthly.

US franchises require a three-way-match on all purchases, with a 1-percent price tolerance.

Canadian franchises require a three-way-match on all purchases except paper products, which have a 10-percent price tolerance.

Corporate

Advertising costs must be balanced across the 10 resorts monthly. These costs must be split across the 12 resorts once construction of the final two resorts is completed.

Administration costs must be split across the 10 resorts proportional to the amount of sales generated.

One percent of all pack and individual ski pass sales must be donated quarterly to an environmental protection organization.

The finance department must be able to see purchasing contracts and discounts for vendors based on volume spend.

Employees

All employee expense reports that contain the word entertainment must be reviewed for audit purposes. If a journal is posted incorrectly, the entire journal and not just the incorrect line must be fully reversed for audit purposes.

Resorts

All resorts must use Dynamics 365 Finance for budgeting and must first be approved by the regional manager. Purchased fixed assets must automatically be acquired at product receipt.

Issues

User1 reports that irrelevant dimensions display in the drop down when entering a General journal.

User2 reports that dimension 00 is being used for all balance sheet accounts.

User3 tries to generate the quarterly sales tax liability payment for a specific state but does not see any payables available for that state's vendor.

User4 receives a call from a vendor who cannot access the vendor collaboration portal but needs immediate access.

User5 notices a large amount of entertainment expenses being posted without an audit review.

User6 needs to have visibility into the increase in budget that is necessary to staff the two new resorts opening next year.

User7 needs to use Dynamics 365 Finance for situational budgeting planning with the ability to increase and decrease the existing plans by certain percentages.

User8 made a mistake while posting a 1,000-line journal and reverses the entire journal but cannot find the lines that included errors during the reversal.

User9 made a mistake while posting a 55-line journal and reverses the entire journal.

User10 realizes that the purchase of five new computers did not acquire five new fixed assets upon receipt.

QUESTION 1

HOTSPOT

You need to configure the system to meet the budget preparation requirements.

What should you do? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area

Requirement for

Action

New resorts

	▼
Generate a budget plan from a project forecast.	
Create a project forecast.	
Generate a budget plan from forecast positions.	
Create a position hierarchy.	

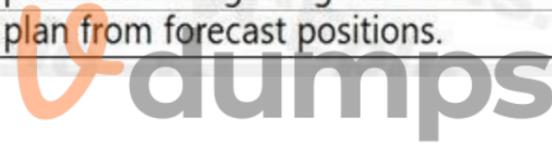
User6

	▼
Generate a budget plan from forecast positions.	
Create a position hierarchy.	
Generate a budget plan from a project forecast.	
Create new open positions.	

User7

	▼
Generate a budget plan from a budget plan.	
Generate a budget plan from a general ledger.	
Generate a budget plan from budget register entries.	
Generate a budget plan from forecast positions.	

Answer Area:



Answer Area

Requirement for	Action										
New resorts	<table border="1"><tr><td></td><td>▼</td></tr><tr><td>Generate a budget plan from a project forecast.</td><td></td></tr><tr><td>Create a project forecast.</td><td></td></tr><tr><td>Generate a budget plan from forecast positions.</td><td></td></tr><tr><td>Create a position hierarchy.</td><td></td></tr></table>		▼	Generate a budget plan from a project forecast.		Create a project forecast.		Generate a budget plan from forecast positions.		Create a position hierarchy.	
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User7	<table border="1"><tr><td></td><td>▼</td></tr><tr><td>Generate a budget plan from a budget plan.</td><td></td></tr><tr><td>Generate a budget plan from a general ledger.</td><td></td></tr><tr><td>Generate a budget plan from budget register entries.</td><td></td></tr><tr><td>Generate a budget plan from forecast positions.</td><td></td></tr></table>		▼	Generate a budget plan from a budget plan.		Generate a budget plan from a general ledger.		Generate a budget plan from budget register entries.		Generate a budget plan from forecast positions.	
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Generate a budget plan from budget register entries.											
Generate a budget plan from forecast positions.											

Section:

Explanation:

Exam A

QUESTION 1

- A.
- B.
- C.
- D.

Correct Answer:

Section:

QUESTION 2

A company implements basic budgeting functionality in Dynamics 365 Finance.

Budget managers must be notified of a budget register posting task after a finance director approves an entry.

You need to configure the system.

Which workflow element should you use?

- A. Update budget balances budget register
- B. Approve budget account entry

- C. Commitment approval
- D. Budget planning stage allocation

Correct Answer: A

Section:

QUESTION 3

An exchange rate provider has been configured for Dynamics 365 Finance.

Foreign currency transactions using the Euro and the US dollar use a fixed exchange rate for European Central Bank holidays and all days between April 1 and June 30. Foreign currency transactions from March 1 to June 30 fail to post.

You need to reconfigure the system to post transactions for this period.

Which two configuration changes should you make to the ledgers? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Set Prevent import on national holiday to True
- B. Set Create necessary currency pairs to True
- C. Set Import as of start date to Apr 01
- D. Add a key named BaseCurrency and value of USD.
- E. Add a key named FloatCurrencies and set the value to True

Correct Answer: C, D

Section:

QUESTION 4

HOTSPOT

A company is implementing Dynamics 365 Finance.

The company purchases fixed assets using a purchase order. The company must post tax-specific transactions related to the fixed assets so the transactions can be reported separately.

You need to configure the system.

What should you configure? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.



Hot Area:

Answer Area

Requirement	Functionality
Purchase a fixed asset on a purchase order using a procurement category.	<ul style="list-style-type: none"> Depreciation methods Fixed asset determination rules Fixed asset purchasing policy Depreciation methods
Record specific tax transactions for fixed assets via journal.	<ul style="list-style-type: none"> Posting layers Posting layers Depreciation methods Report definitions

Answer Area:

Answer Area

Requirement	Functionality
Purchase a fixed asset on a purchase order using a procurement category.	<ul style="list-style-type: none">Depreciation methodsFixed asset determination rulesFixed asset purchasing policyDepreciation methods
Record specific tax transactions for fixed assets via journal.	<ul style="list-style-type: none">Posting layersPosting layersDepreciation methodsReport definitions

Section:

Explanation:

QUESTION 5

A company uses Microsoft Dynamics 365 Finance and Dynamics 365 Project Operations. The company must associate fixed assets with subprojects to track the money that the company spends to maintain assets. You need to configure subprojects to track the associated fixed asset transactions. Which two types of subprojects can you use? Each correct answer presents a complete solution. NOTE: Each correct selection is worth one point.

- A. Internal
- B. Fixed price
- C. Time and material
- D. Investment
- E. Cost

Correct Answer: A, E

Section:

QUESTION 6

HOTSPOT

A company charges customers for freight costs. These charges are not added to the items on the order. You need to configure the charge code for Accounts receivable. What should you configure? To answer, select the appropriate options in the answer area. NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area

Type field	Options
Debit field	<ul style="list-style-type: none">Customer/VendorItemLedger accountCustomer/Vendor
Credit field	<ul style="list-style-type: none">Ledger accountItemLedger accountCustomer/Vendor

Answer Area:



Answer Area

Type field	Options
Debit field	Customer/Vendor Item Ledger account Customer/Vendor
Credit field	Ledger account Item Ledger account Customer/Vendor

Section:

Explanation:

QUESTION 7

You have implemented Dynamics 365 finance.
You must update the fiscal year to a 4-4-5 quarterly configuration.
You need to configure the fiscal year.
What should you do?

- A. Configure the period length to 12 months and adjust the ending date of each period.
- B. Set up the length of the period to 13 months.
- C. Set up the length of the period to 1 year and divide the period according to the quarterly configuration.
- D. Configure the period length to 1 year and adjust the ending date of each period.

Correct Answer: C

Section:



QUESTION 8

DRAG DROP

You are implementing Dynamics 365 Finance.
You must track freight charges, freight amounts must be included in the vendor invoice amount and the expense recorded in a ledger account defined for Freight.
You need to configure the Accounts payable charges.
How should you set up the charges? To answer, drag the appropriate posting type to the correct account type. Each posting type may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.
NOTE; Each correct selection is worth one point.

Select and Place:

Posting types	Account type	Posting type
Ledger account	Debit	
Vendor	Credit	
Item		

Correct Answer:

Posting types

Vendor

Answer Area

Account type	Posting type
Debit	Item
Credit	Ledger account

Section:

Explanation:

QUESTION 9

You are implementing Dynamics 365 Finance. You configure an invoice validation policy to use three-way matching and use a three percent tolerance for invoice totals.

A user enters a vendor invoice journal. The invoice validation policy is not applied.

You need to troubleshoot the policy.

What is the issue with the policy?

- A. Validation is only performed on vendor invoice entries.
- B. Validation is configured to check for price and quantity.
- C. Validation is only performed on invoice register entries.
- D. The tolerance percentage is too high.

Correct Answer: C

Section:

QUESTION 10

A company uses Microsoft Dynamics 365 Finance. The company purchases, creates, and acquires fixed assets by using purchase orders.

The system must acquire the fixed asset when a vendor invoice is posted.

You need to process the transaction.

What should you do?

- A. Run a fixed asset acquisition proposal before a fixed asset number can be added to a purchase order.
- B. Manually create a fixed asset before the fixed asset number is added to the purchase order.
- C. Select a procurement category in a purchase order line and leave the fixed asset group blank.
- D. Leave the fixed asset number blank on the purchase order.

Correct Answer: B

Section:

QUESTION 11

DRAG DROP

You are implementing Dynamics 365 Finance and have deployed one instance with the following legal entities:

Company	Comments	Currency
CompanyA	CompanyA is the main office location. CompanyA is located in Canada.	Canadian dollar
CompanyB	CompanyB includes company executives and headquarters. CompanyB is located in the United States.	United States dollar
CompanyC	CompanyC is a subsidiary that is located in the United Kingdom. CompanyC does business with CompanyA and CompanyB by using the British pound sterling.	British pound sterling (GBP)

You need to configure the ledger.

Which ledger currencies should be configured? To answer, drag the appropriate currency type to the ledger currency. Each currency type may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:

Currency types

USD

CAD

GBP

Answer Area

Ledger currency	Currency type
CompanyA Reporting currency	
CompanyB Accounting currency	

Correct Answer:

Currency types

USD

Answer Area

Ledger currency	Currency type
CompanyA Reporting currency	CAD
CompanyB Accounting currency	GBP

Section:

Explanation:

QUESTION 12

HOTSPOT

A company wants to track balance sheet accounts 10000..39999 by using different dimensions than their profit and loss accounts 40000..99999. The company wants to track the Customer financial dimension for profit and loss accounts.

The company sets up the following structure:

Balance sheet accounts

Main account	Business unit
10000..39999	*," "

Profit and loss account structure

Main account	Business unit	Department	Cost center
40000..99999	*," "	*," "	*," "

Advanced rule for adding a Customer

Criteria: Where Main account is between 40000..99999, then add customer.

Customer

*

Use the drop-down menus to select the answer choice that answers each question based on the information presented in the graphic. NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area



Which action must you perform so that you can post transactions to profit and loss accounts?

Specify a business unit, department, cost center, and customer.

Specify a business unit only.

Specify a customer only.

Specify a cost center only.

Specify a department only.

Specify a business unit, department, cost center, and customer.

What is the minimum number of account structures that the company must use?

2

1

2

3

Answer Area:

Answer Area

Which action must you perform so that you can post transactions to profit and loss accounts?

Specify a business unit, department, cost center, and customer. ▼

Specify a business unit only.

Specify a customer only.

Specify a cost center only.

Specify a department only.

Specify a business unit, department, cost center, and customer.

What is the minimum number of account structures that the company must use?

2 ▼

1

2

3

Section:

Explanation:

QUESTION 13

You are implementing Dynamics 365 Finance.

You must configure a more accurate cash flow forecast related to sales tax. The sales tax calculation should be based on the expected transaction amounts and dates.

You need to configure the cash flow forecast.

Which setup should you use?

- A. Purchasing forecast defaults
- B. Bridging accounts
- C. Dependent accounts
- D. Sales forecast defaults

Correct Answer: D

Section:

