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



## 01 - Implement accounts receivable, credit, collections, and revenue recognition

### QUESTION 1

A client uses Dynamics 365 Finance for accounts receivable.

You need to configure the method of payment to enforce the accounts receivable clerk to enter the wire number for the received electronic payment.

Which item should you set up as mandatory?

- A. Select bank transaction type
- B. Select payment reference
- C. Select Payment ID
- D. Select Deposit slip

**Correct Answer: B**

**Section:**

### QUESTION 2

A company has many customers who are not paying invoices on time.

You need to use the collection letter functionality to manage customer delinquencies.

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

NOTE: Each correct selection is worth one point.

- A. Cancel the collection letters after they are created and posted.
- B. Print all of the collection letters.
- C. Delete the collection letters after posting when an error occurs.
- D. Post the collection letters.

**Correct Answer: B, D**

**Section:**

**Explanation:**

Reference: <http://d365tour.com/en/microsoft-dynamics-d365o/finance-d365fo-en/collection-letters/>

### QUESTION 3

A company plans to allocate revenue across occurrences by using recognition basis.

Which recognition basis can you use?

- A. Mid-month split
- B. first of month
- C. Monthly by dates
- D. Monthly

**Correct Answer: D**

**Section:**

**Explanation:**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-setup>



**QUESTION 4**

**SIMULATION**

You are a functional consultant for Contoso Entertainment System USA (USMF).  
You plan to run several reports in USMF that list all the write-off transactions.  
You need to replace the write-off reason used by the system for USMF to use a reason of "Bad debts."  
To complete this task, sign in to the Dynamics 365 portal.

A.

**Correct Answer: A**

**Section:**

**Explanation:**

Answer: A

Explanation:

You need to add a write-off reason for USMF and set it as the default.  
Go to Navigation pane > Modules > Credit and collections > Setup > Accounts receivable parameters.  
Click the Collections tab.  
Click the Edit icon in the Write-Off section.  
Add a new Write-Off reason if it doesn't exist.  
Tick the "Default" checkbox next to the new Write-Off reason.  
Click the Save button to save the changes.

**QUESTION 5**

**DRAG DROP**

A client observes that some customers are late paying their invoices. The client wants to use the Credit and Collections functionality to send collection letters to customers.  
You need to configure the system to support collection letter functionality and processing.  
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**

- Post the collection letter
- Link the collection letter sequence to the customer posting profile
- Set up the Form Notes in the Credit and collections module
- Define the collection letter sequence
- Generate the collection letter

**Answer Area**

**Correct Answer:**

Actions	Answer Area
	Set up the Form Notes in the Credit and collections module
	Define the collection letter sequence
	Link the collection letter sequence to the customer posting profile
	Generate the collection letter
	Post the collection letter

**Section:**

**Explanation:**

References:

<http://d365tour.com/en/microsoft-dynamics-d365o/finance-d365fo-en/collection-letters/>

**QUESTION 6**

HOTSPOT

A company sells goods to a customer. You enter an invoice for the customer on June 25. The invoice is eligible for a cash discount of two percent if it is paid in five days, and a discount of one percent if it paid in 14 days. You need to create a payment journal when the invoices are settled on specific dates.

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

NOTE: Each correct selection is worth one point.



**Hot Area:**

Payment date	Settlement amount
June 29	<ul style="list-style-type: none"> <li>The payment for invoice TH10 is \$1,000.00. No cash discount is taken</li> <li>The payment for invoice TH10 is \$980.00. A cash discount of 2 percent is taken</li> <li>The payment for invoice TH10 is \$990.00. A cash discount of 1 percent is taken</li> </ul>
July 1	<ul style="list-style-type: none"> <li>The payment for invoice TH10 is \$990.00. A cash discount of 1 percent is taken</li> <li>The payment for invoice TH10 is \$1,000.00. No cash discount is taken</li> <li>The payment for invoice TH10 is \$980.00. A cash discount of 2 percent is taken</li> </ul>

**Answer Area:**

**Answer Area**

Payment date	Settlement amount
June 29	<div style="border: 1px solid black; padding: 2px;"> <p>The payment for invoice TH10 is \$1,000.00. No cash discount is taken</p> <p style="background-color: #e0ffe0;">The payment for invoice TH10 is \$980.00. A cash discount of 2 percent is taken</p> <p>The payment for invoice TH10 is \$990.00. A cash discount of 1 percent is taken</p> </div>
July 1	<div style="border: 1px solid black; padding: 2px;"> <p style="background-color: #e0ffe0;">The payment for invoice TH10 is \$990.00. A cash discount of 1 percent is taken</p> <p>The payment for invoice TH10 is \$1,000.00. No cash discount is taken</p> <p>The payment for invoice TH10 is \$980.00. A cash discount of 2 percent is taken</p> </div>

Section:

Explanation:

**QUESTION 7**

HOTSPOT

A private sector client needs item groups set up to support the procurement process.

The Audio Item group posting for a purchase order is configured as shown:

Dynamics 365 Finance and Operations Inventory management > Setup > Inventory > Item groups

Save + New Delete Forecasting Posting Related Items OPTIONS

Filter

**ITEM GROUPS**

Item group	Name
Audio	Audio Products
AudioRM	Audio Raw Materials
CarAudio	Car Audio Products
CarAudioRM	Car Audio Raw Materials
Consume	Consumerable products
Services	Services

Sales order

Purchase order

Account type	Main account
Cost of purchased materials received	140200
Purchase expenditure, un-invoiced	200140
Cost of purchased materials invoiced	140200
Purchase expenditure for product	600170
Discount	
Fixed receipt price profit	
Fixed receipt price loss	∨

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 will the system perform when a purchase order is confirmed without posting definitions configured?

	▼
The transaction will generate a credit entry to cost of purchase materials received.	
The transaction will generate a debit entry to cost of purchase materials invoiced.	
The transaction will generate a reversing entry.	
The transaction will not generate a posting.	

Which accounts will be credited and debited when a purchase order is received?

	▼
200140 – credit, 140200 – debit	
140200 – credit, 200140 – debit	
600170 – credit, 140200 – debit	



Answer Area:

Answer Area

Which action will the system perform when a purchase order is confirmed without posting definitions configured?

	▼
The transaction will generate a credit entry to cost of purchase materials received.	
The transaction will generate a debit entry to cost of purchase materials invoiced.	
The transaction will generate a reversing entry.	
The transaction will not generate a posting.	

Which accounts will be credited and debited when a purchase order is received?

	▼
200140 – credit, 140200 – debit	
140200 – credit, 200140 – debit	
600170 – credit, 140200 – debit	

Section:

**Explanation:**

**QUESTION 8**

**HOTSPOT**

A company has delinquent customers.

You need to configure Dynamics 365 for Finance and Operations to meet the following requirements:

Send communication to the customers detailing their past-due invoices.

Use the system to automatically calculate a late charge.

Create a group of customers for a collection agent to monitor.

View a list of customers with colored indicators of a customer's payment status.

You need to associate the correct system functionality to manage delinquent customers based on these business requirements.

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

NOTE: Each correct selection is worth one point.

**Hot Area:**

Business requirement	Delinquency Management functionality
Send communication to the customers detailing their past-due invoices.	<input type="checkbox"/> customer statement <input type="checkbox"/> collection letter <input type="checkbox"/> aged customer balances
Use the system to automatically calculate a late charge.	<input checked="" type="checkbox"/> interest codes <input type="checkbox"/> billing codes <input type="checkbox"/> auto charges
Create a group of customers for a collection agent to monitor.	<input type="checkbox"/> customer pools <input type="checkbox"/> aging period definitions <input type="checkbox"/> customer groups
View a list of customers with colored indicators of a customer's payment status.	<input type="checkbox"/> aged balances <input type="checkbox"/> period definitions <input type="checkbox"/> customer aging snapshot

**Answer Area:**

**Answer Area**

Business requirement	Delinquency Management functionality
Send communication to the customers detailing their past-due invoices.	<ul style="list-style-type: none"> <li>customer statement</li> <li>collection letter</li> <li>aged customer balances</li> </ul>
Use the system to automatically calculate a late charge.	<ul style="list-style-type: none"> <li>interest codes</li> <li>biling codes</li> <li>auto charges</li> </ul>
Create a group of customers for a collection agent to monitor.	<ul style="list-style-type: none"> <li>customer pools</li> <li>aging period definitions</li> <li>customer groups</li> </ul>
View a list of customers with colored indicators of a customer's payment status.	<ul style="list-style-type: none"> <li>aged balances</li> <li>period definitions</li> <li>customer aging snapshot</li> </ul>

**Section:**

**Explanation:**

References:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/accounts-receivable/tasks/review-collections-information>

**QUESTION 9**

HOTSPOT

A client confirms a sales order in Dynamics 365 for Finance and Operations.

You are viewing the confirmed sales order.



Edit | +New | Delete | SALES ORDER | SELL | MANAGE | PICK AND PACK | INVOICE | RETAIL | GENERAL | WAREHOUSE | TRANSPORTATION

CREATE	CHARGES	TAX	CALCULATE	GENERATE	PROCESS	APPLY	JOURNALS	PREPAYMENT		
Credit note	Charges	Sales tax	Confirmed delivery dates Multiline discount Total discount	Supplementary items Tiered charges	Recalculate Recalculate line margins	Confirm sales order Pro forma confirmation	Event kanbans	Service agreement	Sales order confirmations Quotation confirmation	Prepayment

SALES ORDER DETAILS

**000784: Contoso, Ltd.**

Sales order header

Sales order lines

+ Add line | + Add lines | Add products | Remove | Sales order line | Financials | Inventory | Product and supply | Update line | + Grid | Warehouse

Type	Variant number	Item number	Product name	Sales category	CW quantity	CW unit	Quantity	Unit
		A0001	HDMI 6' Cables				10.00	Pcs

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 should you select to view the original document and print preview to reprint this document?

▼  
 Pro forma confirmation  
 Sales order confirmation journal  
 Confirm sales order

What should you select to view the service fee that was added to the confirmed sales order?

▼  
 the inventory menu in the Sales order line area, and then select Transactions  
 the Charges button on the ribbon  
 the Supplementary items button on the ribbon  
 the Sales order line menu in the Sales order line area, and then select Order events

Answer Area:

### Answer Area

What should you select to view the original document and print preview to reprint this document?

▼
Pro forma confirmation
Sales order confirmation journal
Confirm sales order

What should you select to view the service fee that was added to the confirmed sales order?

▼
the inventory menu in the Sales order line area, and then select Transactions
the Charges button on the ribbon
the Supplementary items button on the ribbon
the Sales order line menu in the Sales order line area, and then select Order events

**Section:**

**Explanation:**

### QUESTION 10

DRAG DROP

An organization sells monthly service subscriptions. The organization sends invoices to customers on the 15th of every month in the amount of \$450.00.

You need to set up, configure, and process recurring free text invoices for the customers.

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 the template to the customers that you want to invoice

Post recurring free text invoices through the periodic posting button

Process the recurring invoice by specifying the invoice date and the template to generate the invoices from

Create a free text invoice template with header, line, accounting distribution, and financial dimension information

Print recurring free text invoices

#### Answer Area



**Correct Answer:**

Actions	Answer Area
	Create a free text invoice template with header, line, accounting distribution, and financial dimension information
	Assign the template to the customers that you want to invoice
	Process the recurring invoice by specifying the invoice date and the template to generate the invoices from
	Post recurring free text invoices through the periodic posting button
	Print recurring free text invoices

**Section:**

**Explanation:**

References:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/accounts-receivable/set-up-process-recurring-invoices>

**QUESTION 11**

**HOTSPOT**

A client is using Dynamics 365 Finance for sales order processing and accounts receivable. The client has two customer groups and two Accounts receivable trade accounts. Foreign customers in Group 80 are assigned to account 12001.

Domestic customers in Group 40 are assigned to account 12000.

You are viewing the client's current setup of Customer posting profiles.



Dynamics 365 Finance and Operations Accounts receivable > Setup > Customer posting profiles

Save + New Delete OPTIONS

Filter

**Foreign**  
Foreign Customers

**Domestic**  
Domestic Customers

**GEN**  
General Profile

**PRE**  
Prepayments

**CUSTOMER POSTING PROFILES**

Posting profile: Foreign Description: Foreign Customers

Setup

+ Add Remove

Account code	Account/Group number	Account code	Account/Group number

Summary account

Liquidity account for payments

Sales tax prepayments

Liabilities for discount account

Collection letter sequence

Interest code

Table restrictions

Allow automatic settlement: Yes

Interest: Yes

Collection letter: Yes

Close:

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**

Which setup should you use to restrict this posting profile to customers belonging to customer group 80?

**Answer choice**

- Select Add under account code, select Table, and then select customer group 80.
- Select Add under account code, select Group, and then select customer group 80.
- Select Add under account code, and then select All.

Which configuration should you use to have the system automatically post the receivable to the foreign accounts receivable trade account upon invoice posting?

- Select account 12001 in the Account code field.
- Select account 12001 in the Summary account field.
- Select account 12001 in the Liquidity account for payments field.

Answer Area:

**Answer Area**

**Question**

Which setup should you use to restrict this posting profile to customers belonging to customer group 80?

**Answer choice**

- Select Add under account code, select Table, and then select customer group 80.
- Select Add under account code, select Group, and then select customer group 80.
- Select Add under account code, and then select All.

Which configuration should you use to have the system automatically post the receivable to the foreign accounts receivable trade account upon invoice posting?

- Select account 12001 in the Account code field.
- Select account 12001 in the Summary account field.
- Select account 12001 in the Liquidity account for payments field.

Section:

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/customer-posting-profiles>

**02 - Implement accounts receivable credit collections and revenue recognition**

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.

To answer the questions included in a case study, you will need to reference information that is provided in the case study. Case studies might contain exhibits and other resources that provide more information about the scenario that is described in the case study. Each question is independent of the other questions in this case study.

At the end of this case study, a review screen will appear. This screen allows you to review your answers and to make changes before you move to the next section of the exam. After you begin a new section, you cannot return to this section.

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

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 determine why CustomerX is unable to confirm another sales order.

What are two possible reasons? Each answer is a complete solution.

NOTE: Each correct selection is worth one point.

- A. The credit limit parameter is set to Balance + All.
- B. The credit limit is set to 0.
- C. An inventory item is out of stock.
- D. The inventory safety stock is set to 0.

**Correct Answer: A, C**

**Section:**

**Explanation:**

#### 03 - Implement accounts receivable credit collections and revenue recognition

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

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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.

#### 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 recommend a solution to prevent User3's issue from recurring.  
What should you recommend?

- A. Configure automatic charge codes.
- B. Create a service item.
- C. Configure a sales order template.
- D. Create a procurement category.

**Correct Answer: A**

**Section:**

#### QUESTION 2

You need to configure Accounts Receivable to take pre-orders.  
Which feature should you use?

- A. Settle cloud transactions
- B. Accounting source explorer
- C. Settle open transactions
- D. Customer aging report
- E. Voucher transactions

**Correct Answer: C**

**Section:**

**Explanation:**

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

The logo for 'Vdumps' is displayed in a large, semi-transparent grey font. The letter 'V' is stylized and colored orange.

#### 01 - Implement and manage accounts payable and expenses

#### QUESTION 1

SIMULATION

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

You need to automate the allocation of a prepaid expense of 2 percent of all product sales. The allocation must be posted to account number 222222.

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

A.

**Correct Answer: A**

**Section:**

**Explanation:**


Answer: A

Explanation:

You need to configure a prepayment percentage for all items. The instructions below are for a single item. For this question, you need to select 'All' for all items, enter 2 in the percentage field and select account number 222222 in the account field.

To set up prepayment percentages for items, customers, and vendors

For an item, you can set up a default prepayment percentage for all customers, a specific customer, or a customer price group.

1. Choose the  icon, enter Items, and then choose the related link.

2. Select an item, and then choose the Prepayment Percentages action.
3. On the Sales Prepayment Percentages page, fill in the fields as necessary. Hover over a field to read a short description.

Reference:

<https://docs.microsoft.com/en-gb/dynamics365/business-central/finance-set-up-prepayments>

#### QUESTION 2

You are setting up the Accounts payable module and vendor invoice policies for an organization. You need to set up vendor invoice policies that run when vendor invoices are posted in the system. In which two ways can you set up the policies? Each correct answer presents a complete solution.  
NOTE: Each correct selection is worth one point.

- A. Set up invoice matching validation for vendor invoice policy.
- B. Configure the vendor invoice workflow to run the policies.
- C. Run the policies when you post a vendor invoice by using the Vendor invoice page and when you open the Vendor invoice policy violations page.
- D. Apply the policies to invoices that were created in the invoice register or invoice journal.

**Correct Answer: B, C**

**Section:**

**Explanation:**

Reference: <https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/key-tasks-vendor-invoice-policies>

#### QUESTION 3

A client is implementing Accounts payable. The client wants to establish three-way matching for 100 of their 5,000 stocked items from a specific vendor. The client requires the ability to have items that require only two-way matching and specific items that require three-way matching. You need to configure the system in the most efficient manner to achieve these requirements. What should you do?

- A. Configure a company matching policy of a three-way match
- B. Configure a company matching policy of non-required and specify the items that require a three-way match
- C. Configure a company matching policy of two-way matching and set the matching policy for specific item and vendor combination level to three-way matching
- D. Configure a company matching policy of two-way matching and specify the items that require a three-way match
- E. Configure a company matching policy of two-way matching and specify the vendors that require a three-way match

**Correct Answer: C**

**Section:**

**Explanation:**

Reference: <https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/accounts-payable/tasks/set-up-accounts-payable-invoice-matching-validation>

#### QUESTION 4

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 customer uses Dynamics 365 Finance. The customer creates a purchase order for purchase \$20,000 of office furniture.

You need to configure the system to ensure that the funds are reserved when the purchase order is confirmed.

Solution: Configure item posting groups for purchase requisitions.

Does the solution meet the goal?

- A. Yes

B. No

**Correct Answer: B**

**Section:**

#### 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 customer uses Dynamics 365 Finance. The customer creates a purchase order for purchase \$20,000 of office furniture.

You need to configure the system to ensure that the funds are reserved when the purchase order is confirmed.

Solution: Set up posting definitions for purchase requisitions.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: B**

**Section:**

#### 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.

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 customer creates a purchase order for purchase \$20,000 of office furniture.

You need to configure the system to ensure that the funds are reserved when the purchase order is confirmed.

Solution: Configure a posting definition for purchase orders.

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/example-posting-definitions>

#### QUESTION 7

You are configuring vendor collaboration security roles for external vendors. You manually set up a vendor contact.

You need to assign the Vendor (external) role to this vendor.

Which tasks can this vendor perform?

A. Activate or inactivate the association between a contact person and a vendor account.

B. Delete any contact person that they have created.

C. View and modify contact person information, such as the person's title, email address, and telephone number.

D. View consignment inventory.

**Correct Answer: D**

**Section:**

**Explanation:**

Section: [none]

Note:

There are several versions of this question-in the exam. The question-has two possible correct answers:

View consignment inventory.

Maintain vendor collaboration invoices.

Other incorrect answer options you may see on the exam include the following:

Add a new or existing contact person to the vendor accounts that they are a contact for.

Request a new user account for a contact person by using the Provision user action.

Deny or allow a contact person's access to documents on the vendor collaboration interface that are specific to the vendor account. Maintain vendor collaboration invoices.

Reference: <https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/procurement/set-up-maintain-vendor-collaboration>

**QUESTION 8**

You are configuring the Accounts payable module for a company.

The company needs to set a limit on the charges they will pay for specific items.

You need to set up the limit for charges.

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

NOTE: Each correct selection is worth one point.

- A. Enable invoice matching validation in the Accounts payable parameters
- B. Enter the maximum amount when you set up the charges code
- C. Use budget control with the specified charges code
- D. Set the maximum charge amount in the Accounts payable parameters
- E. Define the maximum charge amount on the vendor record



**Correct Answer: A, B**

**Section:**

**QUESTION 9**

You are configuring vendor collaboration security roles for external vendors. You manually set up a vendor contact.

You need to assign the Vendor (external) role to this vendor.

Which tasks can this vendor perform?

- A. Request a new user account for a contact person by using the Provision user action.
- B. Maintain vendor collaboration invoices.
- C. Delete any contact person that they have created.
- D. View and modify contact person information, such as the person's title, email address, and telephone number.

**Correct Answer: B**

**Section:**

**Explanation:**

Note:

There are several versions of this question-in the exam. The question-has two possible correct answers:

View consignment inventory.

Maintain vendor collaboration invoices.

Other incorrect answer options you may see on the exam include the following:

Add a new or existing contact person to the vendor accounts that they are a contact for.

Request a new user account for a contact person by using the Provision user action.

Deny or allow a contact person's access to documents on the vendor collaboration interface that are specific to the vendor account. Maintain vendor collaboration invoices.

References: <https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/procurement/set-up-maintain-vendor-collaboration>

### QUESTION 10

#### HOTSPOT

You are creating a payment proposal that shows invoices that are eligible to be paid.

You display the Accounts payable Payment proposal screen from the Accounts payable payment journal.

**Vendor payment proposal**

**Parameters**

**INVOICE SELECTION CRITERIA**

Select invoices by:

From date:

To date:

Create payments without invoice pr...:  No

**Records to include**

**Filter**

**VENDORS**

Vendor account:

**VENDOR TRANSACTIONS**

Method of payment:

Currency:

**OPEN VENDOR TRANSACTIONS**

Reference:

**LOCATIONS**

Location ID:

OK Cancel

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 should you do to pay only Vendor-001 and run the proposal by due date?

- Select Vendor-001 as the vendor account. Select invoices by Due date.
- Select Vendor-001 as the vendor account. Select invoices by Due date and Cash discount date.
- Only select Due date in Select invoices by.
- Only select invoices by Due date and Cash discount date.

What should you do if your client wants to pay only vendors who accept electronic methods of payment and want to pay a maximum of \$50,000?

- Select Electronic as the method of payment. Enter \$50,000 as the amount limit.
- Select USD as the currency payment. Enter \$50,000 as the amount limit.
- Only select Electronic as the method of payment.
- Only enter \$50,000 as the amount limit.

Answer Area:

**Answer Area**

**Question**

**Answer choice**

What should you do to pay only Vendor-001 and run the proposal by due date?

- Select Vendor-001 as the vendor account. Select invoices by Due date.
- Select Vendor-001 as the vendor account. Select invoices by Due date and Cash discount date.
- Only select Due date in Select invoices by.
- Only select invoices by Due date and Cash discount date.

What should you do if your client wants to pay only vendors who accept electronic methods of payment and want to pay a maximum of \$50,000?

- Select Electronic as the method of payment. Enter \$50,000 as the amount limit.
- Select USD as the currency payment. Enter \$50,000 as the amount limit.
- Only select Electronic as the method of payment.
- Only enter \$50,000 as the amount limit.

**Section:**

**Explanation:**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/create-vendor-payments-payment-proposal>

**QUESTION 11**

HOTSPOT

A client needs to configure Accounts payment vendor methods of payment to meet the following business requirements:  
Configure the electronic method of payment to create one electronic payment for all of the invoices due.

Configure the system to ensure that all payments made with an electronic method of payment also forces the user to select which payment has been used. You display the Methods of payment setup screen.

Save + New Delete Payment specification Payment fee setup Remittance files for vendors File analyze OPTIONS

Filter

**METHODS OF PAYMENT - VENDORS**

Method of payment: ELECTRONIC | Period: [dropdown] | Description: Electronic payment | Grace period: 0 | Payment status: [dropdown]

Payment type: Other | Allow copies of payments: No [checkbox]

File formats

Payment control

Enabled	Description
<input type="checkbox"/>	Bank transaction type is mandatory
<input type="checkbox"/>	Offset account has the type bank
<input type="checkbox"/>	Check number is mandatory
<input type="checkbox"/>	Payment specification is mandatory
<input type="checkbox"/>	Payment ID is mandatory
<input type="checkbox"/>	Payment note is mandatory
<input type="checkbox"/>	Payment reference is mandatory

Payment attributes

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

How can you create a single electronic payment for all of the invoices due?

Answer choice

- Select Total from the Period list.
- Select Invoice from the Period list.
- Select None from the Payment status list.

How can you force the user to select which type of electronic payment has been used?

- Select Payment specification is mandatory.
- Select Payment reference is mandatory.
- Select Bank Transaction type is mandatory.
- Select Payment ID is mandatory.

Answer Area:

**Answer Area**

**Question**

How can you create a single electronic payment for all of the invoices due?

**Answer choice**

- Select Total from the Period list.
- Select Invoice from the Period list.
- Select None from the Payment status list.

How can you force the user to select which type of electronic payment has been used?

- Select Payment specification is mandatory.
- Select Payment reference is mandatory.
- Select Bank Transaction type is mandatory.
- Select Payment ID is mandatory.

Section:

Explanation:

**QUESTION 12**

DRAG DROP

A client wants to use Dynamics 365 Finance invoice validation functionality.

You need to recommend the invoice validation functionality that meets their requirements.

Which functionality should you recommend for each requirement? To answer, drag the appropriate functionality to the correct requirement. Each functionality 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:

Functionalities	Requirement	Functionality
charges matching	Match freight transactions.	
line-level matching	Compare unit price or purchase order to unit price of invoice.	
invoice totals matching	Multiple invoices for one purchase order line.	
price totals for line item matching		

Correct Answer:



Functionalities	Requirement	Functionality
	Match freight transactions.	charges matching
	Compare unit price or purchase order to unit price of invoice.	line-level matching
invoice totals matching	Multiple invoices for one purchase order line.	price totals for line item matching

**Section:**

**Explanation:**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/tasks/set-up-accounts-payable-invoice-matching-validation>

**QUESTION 13**

HOTSPOT

You need to configure invoice validation for vendors in Dynamics 365 Finance.

You are viewing the Accounts payable parameter for Invoice validation.



Dynamics 365 Finance and Operations Accounts payable > Setup > Accounts payable parameters

Save OPTIONS

### Accounts payable parameters

General Set up options to validate invoices

Invoice

Invoice validation

Enable invoice matching validation Yes

Post invoice with discrepancies Require approval

Automatically update invoice header ... No

Ledger and sales tax

Invoice totals matching

Match invoice totals No

Display invoice totals match icon If greater than tolerance

Invoice totals tolerance percentage 0.00

Settlement

Price and quantity matching

Line matching policy Two-way matching

Display unit price match icon If greater than tolerance

Purchase price total tolerance percent 0.00

Display price total match icon If greater than tolerance

Allow matching policy override Lower or higher than compa...

Match price totals Amount

Purchase price total tolerance 0.00

Charges matching

Match charges No

Display charges match icon If greater than tolerance

Charges tolerance percentage 0.00

Broker and royalty

Number sequences

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 invoice validation for two-way matching to match price totals. Which option should you use?

- Enable invoice matching validation, set Match invoice totals to two-way matching, and set tolerance.
- Enable invoice matching validation, set Match invoice totals to yes, and set tolerance.
- Enable invoice matching validation, set Line matching policy to two-way matching, select match price totals, and set tolerance.

You need to prevent users from posting an invoice that has discrepancies without first getting approval for payment. Which option should you use?

- Allow with warning
- Error do not proceed
- Require approval
- Submit to workflow

Answer Area:

**Answer Area**

You need to configure invoice validation for two-way matching to match price totals. Which option should you use?

- Enable invoice matching validation, set Match invoice totals to two-way matching, and set tolerance.
- Enable invoice matching validation, set Match invoice totals to yes, and set tolerance.
- Enable invoice matching validation, set Line matching policy to two-way matching, select match price totals, and set tolerance.

You need to prevent users from posting an invoice that has discrepancies without first getting approval for payment. Which option should you use?

- Allow with warning
- Error do not proceed
- Require approval
- Submit to workflow

Section:

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/tasks/set-up-accounts-payable-invoice-matching-validation>

**QUESTION 14**

HOTSPOT

You need to configure an Accounts payable charge for freight for a company. The company requires that the system include the freight amount in the invoice to be paid to the vendor and record the expense in main account 600120 – Freight In.

Dynamics 365 Finance and Operations Accounts payable > Vendors > All vendors

Save + New Delete Translations External codes OPTIONS

Filter

Changes code	Description
FEE	Vendor Fee
FREIGHT	Freight
HANDLING	Handling fee
INSTALL	Installation
INSURANCE	Insurance
INTERNAL	Internal expense to a...
MISC ITEM	Miscellaneous item ch...
REBATE	Rebate
Vend Freight	Vendor Freight

**CHARGES CODES**

Charges code	Description	Item sales tax group	Maximum amount
FREIGHT	Freight		0.00

**Posting**

DEBIT	CREDIT	ACCOUNTS PAYABLE
Type	Type	Compare purchase order and invoice...
Posting	Posting	NO <input type="checkbox"/>
Account	Account	

Foreign trade

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 choice
Which type should you select in the Debit column?	<input checked="" type="checkbox"/> Item <input type="checkbox"/> Ledger account <input type="checkbox"/> Customer/Vendor
Which type should you select in the Credit column?	<input type="checkbox"/> Item <input checked="" type="checkbox"/> Ledger account <input type="checkbox"/> Customer/Vendor

Answer Area:



Questions	Answer choice
Which type should you select in the Debit column?	<input type="checkbox"/> Item <input checked="" type="checkbox"/> Ledger account <input type="checkbox"/> Customer/Vendor
Which type should you select in the Credit column?	<input type="checkbox"/> Item <input checked="" type="checkbox"/> Ledger account <input type="checkbox"/> Customer/Vendor

Section:

Explanation:

**QUESTION 15**

DRAG DROP

A customer plans to implement invoice validation policies.

You need to recommend the features needed to meet each of the customer's requirements.

What should you recommend? 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:

Feature	Requirement	Feature
Line level	Specify two-way matches.	Feature
Invoice totals matching	Specify three-way matches.	Feature
Charges matching	Compare sales taxes on purchase orders with invoices.	Feature

Correct Answer:

Feature	Answer Area	Requirement	Feature
Line level		Specify two-way matches.	Line level
Invoice totals matching		Specify three-way matches.	Line level
Charges matching		Compare sales taxes on purchase orders with invoices.	Invoice totals matching

**Section:**

**Explanation:**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/tasks/set-up-accounts-payable-invoice-matching-validation>

**QUESTION 16**

**HOTSPOT**

Save + New Delete Payment specification Payment fee setup Remittance files for vendors File analyze OPTIONS

METHODS OF PAYMENT - VENDORS

Method of payment: CHECK Period: Total Description: Check payment Grace period: 5 Payment status: None

Payment type: Check Allow copies of payments: No

**General**

FILE	POSTING	PROMISSORY NOTE	ELECTRONIC PAYMENT PROCESSING
Last file No. [0]	Account type: Bank	Type of draft: No draft	Direct debt: No
Today [3]	Payment account: OPERATIONS	NF-E FEDERAL Method of payment	
Date	Bridging posting: No		
	Postdated check clearing posting: No		
	Bridging account		
	Bank transaction type: 03		

You are asked to configure the method of payments for vendors.

You are viewing an Accounts payable method of payment.

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**

How many checks will be generated for three customer invoices for the same customer?

**Answer choice**

	▼
zero	
one	
three	

How many additional days will be added to the discount date or the due date?

	▼
zero	
three	
five	

Answer Area:

**Answer Area**

**Question**

How many checks will be generated for three customer invoices for the same customer?

**Answer choice**

	▼
zero	
one	
three	

How many additional days will be added to the discount date or the due date?

	▼
zero	
three	
five	

Section:

Explanation:

**QUESTION 17**

DRAG DROP

A company makes frequent payments to its vendors by using various due dates and discounts.

You need to set up and create a vendor payment by using a payment proposal.

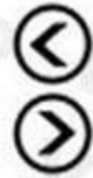
In which order should you perform the actions? To answer, move all actions from the list of actions to the answer area and arrange them in the correct order.

Select and Place:

**Actions**

- Create a payment journal record
- Create a payment proposal
- Generate payments
- Verify the selected invoices, and then create payments for them
- Select invoices for payment by due date and cash discount

**Answer Area**



Correct Answer:

**Actions**

- 
- 
- 
- 
- 

**Answer Area**



- Create a payment journal record
- Create a payment proposal
- Select invoices for payment by due date and cash discount
- Verify the selected invoices, and then create payments for them
- Generate payments



**Section:**

**Explanation:**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/cash-bank-management/tasks/vendor-payment-overview>

**QUESTION 18**



**HOTSPOT**

You are setting up the process for an expense report approval in Dynamics 365 for Finance and Operations. You need to assign permission for each participant in the workflow approval process to perform their tasks. Which action can each participant perform? To answer, select the appropriate option in the answer area.  
NOTE: Each correct selection is worth one point.

**Hot Area:**

Answer Area	
Participant	Action
originator	<input type="checkbox"/> Review the document <input type="checkbox"/> Start a workflow instance <input type="checkbox"/> Delegate the document <input type="checkbox"/> Release the document
decision maker	<input checked="" type="checkbox"/> Make a choice related to the document <input type="checkbox"/> Start a workflow instance <input type="checkbox"/> Make changes to the document <input type="checkbox"/> Approve the document
approver	<input type="checkbox"/> Reject the document <input type="checkbox"/> Start the workflow instance <input type="checkbox"/> Make changes to the document

**Answer Area:**



Participant	Action
originator	<ul style="list-style-type: none"> <li>Review the document</li> <li>Start a workflow instance</li> <li>Delegate the document</li> <li>Release the document</li> </ul>
decision maker	<ul style="list-style-type: none"> <li>Make a choice related to the document</li> <li>Start a workflow instance</li> <li>Make changes to the document</li> <li>Approve the document</li> </ul>
approver	<ul style="list-style-type: none"> <li>Reject the document</li> <li>Start the workflow instance</li> <li>Make changes to the document</li> </ul>

**Section:**

**Explanation:**

References:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/fin-and-ops/organization-administration/workflow-actions>

**QUESTION 19**

HOTSPOT

You plan to implement Dynamics 365 Finance.

You need to configure the system to meet the following requirements:

Post vendor invoices in a journal.

Create payments to vendors.

Post headcount transactions.

Process intercompany transactions.

Which journal types 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**

**Journal type**

Post vendor invoices in a journal.

	▼
vendor invoice recording	
daily	
vendor invoice pool	

Create payments to vendors.

	▼
vendor disbursement	
vendor invoice recording	
customer payment	
vendor invoice register	

Post headcount transactions.

	▼
statistic	
daily	
budget	
elimination	

Process intercompany transactions.

	▼
daily	
statistic	
allocation	
budget	



**Answer Area:**

**Answer Area**

**Requirement**

**Journal type**

Post vendor invoices in a journal.

- ▼
- vendor invoice recording
- daily
- vendor invoice pool

Create payments to vendors.

- ▼
- vendor disbursement
- vendor invoice recording
- customer payment
- vendor invoice register

Post headcount transactions.

- ▼
- statistic
- daily
- budget
- elimination

Process intercompany transactions.

- ▼
- daily
- statistic
- allocation
- budget



**Section:**

**Explanation:**

Reference:

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

**QUESTION 20**

DRAG DROP

You are processing checks in Dynamics 365 Finance for a client.

You need to identify the outcome of the processed checks.

What is the check status for each scenario? To answer, drag the appropriate check statuses to the scenarios. Each check status 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:**

**Check statuses**

Cancelled

Created

Paid

Void

**Answer Area**

**Scenario**

Lost in the mail to vendor and AP manager reversed the payment transaction

Rejected from the payment transfer form

Either generated or generated and posted

Fixed check number method and unused checks are available in the system

**Check status**

Check status

Check status

Check status

Check status

Correct Answer:

**Check statuses**

**Answer Area**



**Scenario**

Lost in the mail to vendor and AP manager reversed the payment transaction

Rejected from the payment transfer form

Either generated or generated and posted

Fixed check number method and unused checks are available in the system

**Check status**

Cancelled

Void

Paid

Created

Section:

Explanation:

**02 - Implement and manage accounts payable and expenses**

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.

To answer the questions included in a case study, you will need to reference information that is provided in the case study. Case studies might contain exhibits and other resources that provide more information about the scenario that is described in the case study. Each question is independent of the other questions in this case study.

At the end of this case study, a review screen will appear. This screen allows you to review your answers and to make changes before you move to the next section of the exam. After you begin a new section, you cannot return to this section.

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

DRAG DROP

You need to configure the system to meet invoicing requirement.

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:

Feature	Requirement	Feature
Pending vendor invoice	Enter early product invoices.	Feature
Vendor invoice journal	Pay rent.	Feature
Vendor invoice register	Enter accrual invoices.	Feature

Correct Answer:

Feature	Requirement	Feature
	Enter early product invoices.	Pending vendor invoice
	Pay rent.	Vendor invoice journal
	Enter accrual invoices.	Vendor invoice register

Section:

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/vendor-invoices-overview>

### 03 - Implement and manage accounts payable and expenses

Case study

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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 prevent the issue from reoccurring for User5.

What should you do?

- A. Use the audit list search query type.
- B. Set up the aggregate query type for entertainment expenses.
- C. Set up the sampling query type for entertainment expenses.
- D. Add more keywords to the audit policy.

**Correct Answer: D**

**Section:**

#### QUESTION 2

The Canadian franchise purchases excess ski equipment from the US franchise. Two sets of skis are purchased totaling USD1,000.

When the purchase invoice is prepared, USD10,000 is keyed in by mistake.

Which configuration determines the result for this intercompany trade scenario?

- A. Post invoices with discrepancies is set to require approval.
- B. Match invoice totals is set to yes.
- C. Three-way match policy is configured.
- D. Two-way match policy is configured.
- E. Post invoices with discrepancies is set to allow with warning.

**Correct Answer: C**

**Section:**

#### QUESTION 3

You need to resolve the issue that User4 reports.

What should you do?

- A. Change the status of the vendor collaboration request
- B. Create a vendor account with the systemexternaluser role and the vendor admin (external) role
- C. Remove the externalsystemuser role from the vendor
- D. Manually create the vendor account with the systemuser role

**Correct Answer: A**



**Section:**

**QUESTION 4**

DRAG DROP

You need to configure the system to for existing purchasing contracts.

Which commitment types should you use? To answer, drag the appropriate commitment types to the correct requirements. Each commitment 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:

**Commitment types**

- Value
- Product value
- Product category value
- Product quantity

**Answer Area**

**Requirement**

- Local supplier agreement
- Utah agreement

**Commitment type**

- 
- 

Correct Answer:

**Commitment types**

- 
- Product value
- Product category value
- 

**Answer Area**

**Requirement**

- Local supplier agreement
- Utah agreement

**Commitment type**

- Value
- Product quantity



**Section:**

**Explanation:**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/procurement/tasks/create-purchase-agreement>

**01 - Manage fixed assets**

**QUESTION 1**

An organization acquires a building.

You need to register and record the building as an asset building in Dynamics 365 Finance.

What are three possible ways to achieve the goal? Each correct answer presents a complete solution. NOTE: Each correct selection is worth one point.

- A. Select an account type of Fixed Asset and a transaction type of Acquisition with a General Journal
- B. Eliminate the project to a fixed asset
- C. Create a sales invoice to record and register the fixed asset
- D. Select an acquisition transaction type within a fixed asset journal
- E. Use the sales order process to acquire the asset

**Correct Answer: A, B, D**

**Section:**

#### QUESTION 2

You are the accounts receivable manager of an organization. The organization recently sold machinery to a customer.

You need to register a transaction for the sale of the machinery by using a free text invoice for fixed assets.

Which transaction type should you use?

- A. Acquisition
- B. Value adjustments
- C. Depreciation
- D. Disposal

**Correct Answer: D**

**Section:**

#### QUESTION 3

You are the controller for an organization. The company purchased six service trucks. You observe that your accountant set up Fixed assets - vehicles in the wrong fixed asset group.

You need to achieve the following:

Change the fixed asset group so that the existing fixed asset transactions for the original fixed asset are canceled and regenerated for the new fixed asset.

Ensure that all books for the existing fixed asset are created for the new fixed asset. Any information that was set up for the original fixed asset is copied to the new fixed asset. Close the old fixed asset number in the old fixed assets group and create a new fixed asset number in the new fixed assets group. Ensure that the historical transactions are transferred to the new fixed asset. Ensure Historical Depreciation expense entries do not change.

What should you do?

- A. Reclassify the fixed asset
- B. Change the fixed asset group and keep the same fixed asset number
- C. Copy the fixed asset
- D. Transfer the fixed assets

**Correct Answer: A**

**Section:**

**Explanation:**

Reference: <https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/fixed-assets/tasks/reclassify-fixed-assets>

#### QUESTION 4

You are configuring the Fixed assets module for a Dynamics 365 Finance environment.

You need to create a fixed asset.

Which two settings are required? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. the property type

- B. the group
- C. the number sequence
- D. the type
- E. the name

**Correct Answer: B, E**

**Section:**

**Explanation:**

The type and number sequence are configured in the group so you don't need to enter those values.

Reference:

<https://ellipsesolutions.com/dynamics-365-finance-operations-fixed-asset-acquisition-options/>

**QUESTION 5**

**HOTSPOT**

You are the purchase manager of an organization. You purchase a laptop for your office for \$2,000. You plan to create a purchase order and acquire the new fixed asset through the purchase order at time of invoicing.

You set up the system as follows: Fixed assets are automatically created during product receipt or vendor invoice posting and the capitalization threshold for the computers group (COMP) is set to \$1,600.

You need to automatically create a fixed asset record when you post an acquisition transaction for the asset after you post the invoice.

How should you configure the fixed asset parameters to meet the criteria? To answer, select the appropriate option in the answer area.

NOTE: Each correct selection is worth one point.

**Hot Area:**

**Answer Area**

Criteria	Field configuration
Create a fixed asset from a purchase order.	<div style="border: 1px solid gray; padding: 2px;"> <div style="background-color: #f0f0f0; padding: 2px; text-align: right;">▼</div> <div style="padding: 2px;">Select Allow asset acquisition from Purchasing.</div> <div style="padding: 2px;">Select Create asset during product receipt or invoice posting.</div> <div style="padding: 2px;">Set up the capitalization threshold amount.</div> <div style="padding: 2px;">Select Restrict asset acquisition posting to a user group.</div> </div>
Enable acquisitions to occur when invoice is posted.	<div style="border: 1px solid gray; padding: 2px;"> <div style="background-color: #f0f0f0; padding: 2px; text-align: right;">▼</div> <div style="padding: 2px;">Select Allow asset acquisition from Purchasing.</div> <div style="padding: 2px;">Set up the capitalization threshold amount.</div> <div style="padding: 2px;">Select Restrict asset acquisition posting to a user group.</div> <div style="padding: 2px;">Select Create asset during product receipt or invoice posting.</div> </div>

**Answer Area:**

**Answer Area**

Criteria	Field configuration
Create a fixed asset from a purchase order.	Select Allow asset acquisition from Purchasing.
	Select Create asset during product receipt or invoice posting.
	Set up the capitalization threshold amount.
	Select Restrict asset acquisition posting to a user group.
Enable acquisitions to occur when invoice is posted.	Select Allow asset acquisition from Purchasing.
	Set up the capitalization threshold amount.
	Select Restrict asset acquisition posting to a user group.
	Select Create asset during product receipt or invoice posting.

**Section:**

**Explanation:**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/acquire-assets-procurement>

**QUESTION 6**

DRAG DROP

A client is implementing fixed assets in Dynamics 365 Finance.

You need to specify which parameters should be configured to meet the business requirements.

Which parameters meet the requirements? To answer, drag the appropriate parameters to the correct requirements. Each parameter 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:**

Parameters	Answer Area	Parameter
posting profile	<b>Requirement</b> Specify a depreciation account.	
depreciation profile	Specify a scrap account.	
asset book	Track independent life cycle of asset.	

**Correct Answer:**

Parameters	Answer Area	Requirement	Parameter
posting profile	<div style="display: flex; align-items: center; justify-content: center;"> <span style="font-size: 2em; margin-right: 10px;">⏪</span> <span style="font-size: 2em; margin-right: 10px;">⏩</span> </div>	Specify a depreciation account.	posting profile
depreciation profile		Specify a scrap account.	posting profile
asset book		Track independent life cycle of asset.	asset book

**Section:**

**Explanation:**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/tasks/set-up-fixed-asset-posting-profiles>

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/set-up-fixed-assets>

**QUESTION 7**

**HOTSPOT**

You manage fixed assets in Dynamics 365 Finance.

You have the following requirements:

Purchase a fixed asset on a purchase order by using a procurement category.

Purchase a fixed asset on a purchase order by using an item number.

Post specific tax transactions for fixed assets by using a journal.

You need to associate process in the system with the corresponding business requirement.

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:**



**Answer Area**

**Business requirement**

**Process/configurations**

Purchase a fixed asset on a purchase order by using a procurement category

	▼
Configure Business Rules for fixed asset determination	
Create a fixed asset purchasing policy	
Create a fixed asset hierarchy	
Create a default fixed asset group	

Purchase a fixed asset on a purchase order by using an item number

	▼
Select new fixed asset on purchase order line	
Select fixed asset financial dimension	
Create a fixed asset reference purchase order number	

Post specific tax transactions for fixed assets by using a journal

	▼
Create a journal and assign the tax posting layer	
Create a journal and assign a specific voucher sequence	
Use a fixed asset-specific sales tax code	
Use a fixed asset-specific sales tax group	

Answer Area:

Answer Area	Process/configurations
Business requirement	
Purchase a fixed asset on a purchase order by using a procurement category	<ul style="list-style-type: none"> <li>Configure Business Rules for fixed asset determination</li> <li>Create a fixed asset purchasing policy</li> <li>Create a fixed asset hierarchy</li> <li>Create a default fixed asset group</li> </ul>
Purchase a fixed asset on a purchase order by using an item number	<ul style="list-style-type: none"> <li>Select new fixed asset on purchase order line</li> <li>Select fixed asset financial dimension</li> <li>Create a fixed asset reference purchase order number</li> </ul>
Post specific tax transactions for fixed assets by using a journal	<ul style="list-style-type: none"> <li>Create a journal and assign the tax posting layer</li> <li>Create a journal and assign a specific voucher sequence</li> <li>Use a fixed asset-specific sales tax code</li> <li>Use a fixed asset-specific sales tax group</li> </ul>

**Section:**

**Explanation:**

Reference:

<https://www.loganconsulting.com/blog/fixed-asset-determination-rules-in-d365-for-finance-and-operations/>

**02 - Manage fixed assets**

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.

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 identify the root cause for the error that User5 is experiencing.  
What should you check?

- A. Fixed asset rules
- B. Fixed asset determination rules
- C. Fixed asset posting profiles
- D. Fixed asset books
- E. Fixed asset depreciation profiles

**Correct Answer: B**

**Section:**

**QUESTION 2**

DRAG DROP

You need to select the functionality to meet the requirement.

Which features should you use? To answer, drag the appropriate features to the correct requirements. Each feature may be used 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**

- Posting layer - custom
- Posting layer - current
- Posting layer - tax

**Answer Area**

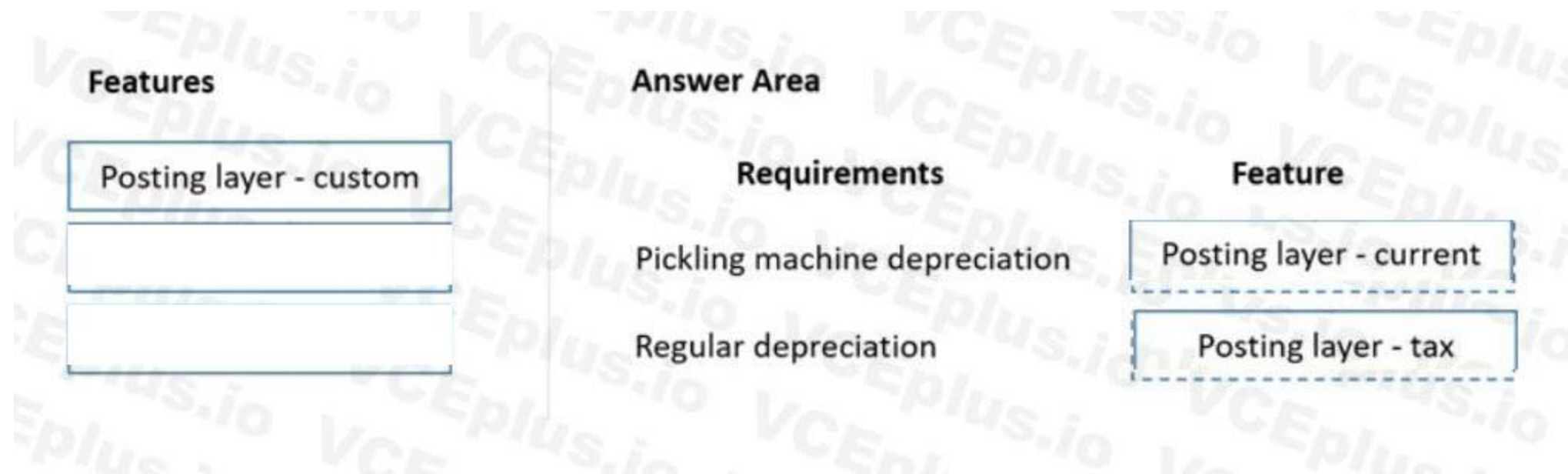
**Requirements**

- Pickling machine depreciation
- Regular depreciation

**Feature**

- Feature
- Feature

**Correct Answer:**



**Section:**

**Explanation:**

Reference:

<https://www.mscloudexperts.com/how-to-set-up-fixed-assets-to-register-transactions-in-posting-layers/>

**03- Manage fixed assets**

Case study

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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.

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##### 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.

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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.

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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.

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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 acquire the fixed assets that are associated with the purchase orders.

What should you do?

- A. Select the fixed asset checkbox on the invoice.
- B. Create the fixed assets in the fixed asset module and then acquire the asset.
- C. Create the fixed assets in the fixed asset module and then select the fixed asset checkbox on the product receipt.
- D. Reverse the product receipt and then repost it.

**Correct Answer: A**

**Section:**

**Explanation:**

Reference: <https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/acquire-assets-procurement>

#### 04 - Manage fixed assets

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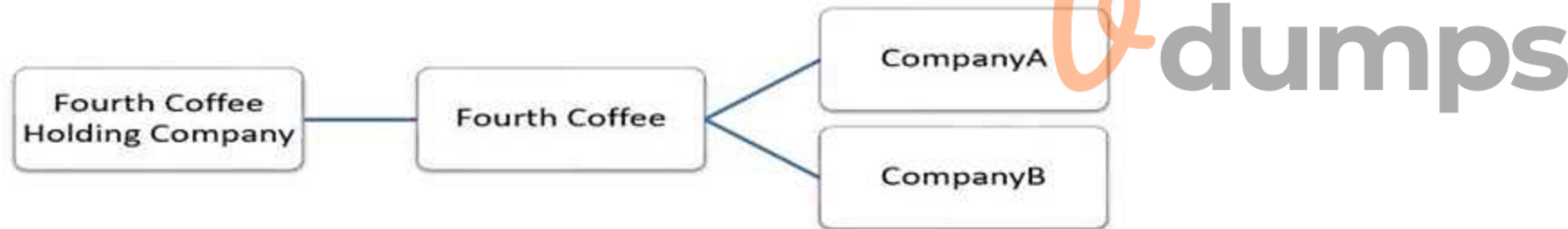
Background

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 ensure that User9's purchase is appropriately recorded.  
Which three steps should you perform? Each correct answer presents part of the solution.  
NOTE: Each correct selection is worth one point.

- A. Select a fixed asset group at the line level.
- B. Set the new fixed asset toggle to yes at the line level.
- C. Enter three purchase order lines, enter quantity of 1.
- D. Enter one purchase order line, enter quantity of 3.
- E. Select a financial dimension at the line level.

**Correct Answer: A, B, C**

**Section:**

**Explanation:**

Reference: <https://www.columbusglobal.com/en-us/blog/how-to-purchase-a-fixed-asset-through-a-po-with-dynamics-365>

## Exam K

### QUESTION 1

A company manufactures air filtering units for industrial manufacturing plants.

During the acquisition of one of the components that is used in the unit, an agreement is reached that the \$25,000 component will be paid for in the following schedule:

- The first payment will be \$10,000
- The remaining balance will be distributed equally and due on the 15th of the month for the next three months. You need to configure the system for the payment schedule.

What should you do?

- A. Enter \$25,000 in the Amount of Transaction Quantity field.
- B. Use the Specified allocation method.
- C. Set the Fixed allocation method Rued Amount field to the monthly amount.
- D. Specify a fixed quantity payment of 5.

**Correct Answer: C**

**Section:**

### QUESTION 2

You are implementing Dynamics 365 Finance.

Subledger entries must transfer automatically to the general ledger.

You need to configure a batch transfer rule.

Which two options should you select? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Scheduled batch
- B. Scheduler job
- C. Batch jobs
- D. Asynchronous

**Correct Answer: D**

**Section:**

### QUESTION 3

A customer uses bank reconciliation functionality in Dynamics 365 Finance.

The customer finds a transaction in a closed fiscal period that must be corrected.

You need to correct the transaction.

How should you make this correction?

- A. Use the Correction amount field.
- B. Open the fiscal period.
- C. Create a new line for the transaction in the closed period.
- D. Create a new line for the transaction in an open period.

**Correct Answer: B**

**Section:**

### QUESTION 4

DRAG DROP



A company is implementing Microsoft Dynamics 365 Finance. The company plans to Implement the fixed asset module. You have the full awing requirements:

- Post transactions to the tax depreciation hook at the same interval as the primary book.
- Tax transactions must be journalized without being recorded in the general ledger.

You need to configure the 'wet! asset books.

Which conjunction option should you use? To , drag the appropriate urn figurations to the correct requirement. Each configuration may be used once, more than once, more 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.

Answer:

Select and Place:

Configurations

- Derived
- Posting layer
- Depreciation convention
- Value model

Answer Area

Requirement

Post transactions to the tax depreciation book at the same interval as the primary book.

Tax transactions must be journalized without being recorded in the general ledger.

Configuration

Configuration

Configuration

Correct Answer:

Configurations

- 
- 
- Depreciation convention
- Value model

Answer Area

Requirement

Post transactions to the tax depreciation book at the same interval as the primary book.

Tax transactions must be journalized without being recorded in the general ledger.

Configuration

Derived

Posting layer

Section:

Explanation:

#### QUESTION 5

A company uses Microsoft Dynamics 365 finance to manage customer support contracts.

You need to validate a revenue recognition schedule for a customer, in which two pages can you view the revenue recognition schedule? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. an invoiced sales order
- B. the revenue schedule details
- C. the revenue schedules
- D. an invoiced purchase order
- E. The revenue recognition schedule



**Correct Answer: A, E**

**Section:**

**QUESTION 6**

A company uses Microsoft Dynamics 365 Finance. You create revenue allocation schedules for items.

You need to link a revenue allocation schedule to an item.

Which two pages should you use? Each correct answer presents a complete solution

NOTE: Each correct selection is worth one point.

- A. Item posting profile
- B. Charges group
- C. Released item
- D. item group
- E. Revenue allocation journal

**Correct Answer: C, D**

**Section:**

**QUESTION 7**

A client wants general journals to be used only to post ledger-type transactions.

You need to set up journal configuration to achieve the requirement.

Solution: Set up posting restrictions on the general journal.

Does the solution meet the goal?

- A. Yes
- B. No

**Correct Answer: B**

**Section:**

**QUESTION 8**

A client wants general journals to be used only to post ledger-type transactions.

You need to set up journal configuration to achieve the requirement.

Solution: Set up default offset account on the journal name.

Does the solution meet the goal?

- A. Yes
- B. No

**Correct Answer: B**

**Section:**

**QUESTION 9**

A client wants general journals to be used only to post ledger-type Transactions.

You need to set up Journal configuration to achieve the requirement.

Solution: Set up the journal control to specify the account structure and ledger segment.

Does: The solution meet the goal?



- A. Yes
- B. No

**Correct Answer: A**

**Section:**

**QUESTION 10**

Your company uses Dynamics 365 Finance

All fixed assets are categorized by asset type. For example, office furniture is sequentially numbered.

Has the same service life, and uses the same depreciation deduction calculation.

You need to configure the system.

Which two parameters should you set up? Each correct answer presents part of the solution

NOTL Each correct selection is worth one point.

- A. appreciation convention
- B. derived book
- C. depreciation profile
- D. fixed asset group

**Correct Answer: C, D**

**Section:**

**QUESTION 11**

A cable and internet company implements Dynamics 365 Finance. The primary line of business for the company is internet services. The company also sells routers and modems to customers for an additional one-time cost.

You need to configure revenue recognition.

What should you configure?

- A. Create the router and modem sales to post to deferred revenue.
- B. Configure the internet service as essential
- C. Configure the internet service router, and modem as essential.
- D. Create a revenue schedule for the internet service, router, and modem

**Correct Answer: D**

**Section:**

**QUESTION 12**

HOTSPOT

You are implementing Dynamics 365 Finance.

The company charges a convenience cost of \$15 for payments received from customers as an electronic fund transfer (EFT). The company also charges 10 percent interest on invoices that are not paid within the 30-day net terms.

You need to configure the system.

Which option 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	Option
EFT charge	Payment fee Cash settlement Payment service Interest
Late payment charge	Payment fee Cash settlement Payment schedule Interest

Answer Area:  
Answer Area

Requirement	Option
EFT charge	Payment fee Cash settlement Payment service Interest
Late payment charge	Payment fee Cash settlement Payment schedule Interest

Section:  
Explanation:

**QUESTION 13**  
DRAG DROP

A company uses basic budgeting functionality in Dynamics 365 Finance.  
A budget manager plans to review and approve budget register entries in the system.  
You need to set up approval workflows.  
Which four 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**
- Activate the workflow.
  - Create a workflow for the workflow type Budget account entry workflow.
  - Define budget control rules for all financial dimension values.
  - Create a workflow for the workflow type Budget register entry workflow.
  - Select Budget manager as a type of participant.
  - Assign the workflow to a budget code.

Answer Area



**Correct Answer:**

**Actions**

Activate the workflow.

Define budget control rules for all financial dimension values.

Create a workflow for the workflow type Budget register entry workflow.

**Answer Area**

Create a workflow for the workflow type Budget account entry workflow.

Assign the workflow to a budget code.

Select Budget manager as a type of participant.

**Section:**

**Explanation:**

**QUESTION 14**

A company implements basic budgeting functionality in Dynamics 365 Finance in multiple departments that belong to the same legal entity. Managers must be able to identify and track budgets by department. You need to configure the system. What should you configure?

- A. Budget transfer rules
- B. Budget model with sub-model
- C. Budget entries workflows
- D. Budget codes and budget types

**Correct Answer: B**

**Section:**

**QUESTION 15**

A company implements basic budgeting functionality in Dynamics 365 Finance.

The company wants to allocate budget register entries for payroll expense amounts to each department based on a predetermined percentage.

You need to configure the allocation.

Which functionality should you use?

- A. Budget transfer rule
- B. Budget control
- C. Allocation term
- D. Period allocation key

**Correct Answer: D**

**Section:**

**QUESTION 16**

A company uses Dynamics 365 Finance. The company is based in the United States and sells a product online. The product is shipped to the United States, Canada, and Mexico. The product is sourced from Brazil. Legal entities must be set up for each country/region. One ledger account must be used to track sales tax payable. You need to configure the system to track Use Tax.

Which two parameters should you configure? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.



- A. tax code for each legal entity
- B. taxation rule
- C. single sales tax code for the United States
- D. ledger posting group
- E. single sales tax code for Brazil
- F. single sales tax code for Brazil

**Correct Answer: A, D**

**Section:**

**QUESTION 17**

DRAG DROP

A customer implements Dynamics 365 Finance You need to configure bank reconciliation settings.

What should you do? To answer, drag the appropriate configuration options to the correct requirements.

Each configuration option may be used once, more than once, or not at all you may need to drag the spirt bar between panes or scroll to view content.

NOTS: Each correct selection is worth one point.

Answer:

**Select and Place:**

**Configuration options**

Document number	Opposite amount
Payment reference	Transaction type

**Answer Area**

**Requirement**

Reconcile if a deposit slip number matches a bank statement.

Reconcile if a bank statement includes a fee.

**Configuration option**

Configuration options
Configuration options

**Correct Answer:**

**Configuration options**

Document number	Opposite amount

**Answer Area**

**Requirement**

Reconcile if a deposit slip number matches a bank statement.

Reconcile if a bank statement includes a fee.

**Configuration option**

Payment reference
Transaction type

**Section:**

**Explanation:**

**QUESTION 18**

A company configures Dynamics 365 Finance to collect and report sales tax horn customers. The company calculates the sales tax amount needed to pay a vendor for taxable items and expenses.

The company is required by law to accrue and pay use tax. You add a new vendor in an existing, region.

You need to configure the system to accrue use tax for the new vendor.

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

NOTL Each coned selection is worth one pant.

- A. Create a new tax group for the use tax.

- B. Create a new tax code for the use tax.
- C. Configure the use tax payable for the main account into the ledger posting group.
- D. Add a tax code to the tax group with the use tax option set to Yes.
- E. Create a new tax authority for the use tax.
- F. Add a tax code to the item sales tax group.
- G. Create a new settlement period for the use tax.

**Correct Answer: A, C, F**

**Section:**

**QUESTION 19**

DRAG DROP

A company is implementing Microsoft Dynamics 365 Finance.

The company has multiple vehicles. You depreciate all vehicles by using the straight-line service file depreciation method. The same ledger account is used to record the transaction when vehicle assets are acquired,

You need to configure the vehicles as fixed assets in the system.

Which feature 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.

Answer:

**Select and Place:**

**Features**

Posting profile	Fixed asset groups
Posting layers	Fixed asset type

**Answer Area**

**Requirement**

Ledger accounts for acquisition	Feature
All vehicles with same depreciation	Feature

**Correct Answer:**

**Features**

Posting profile	Fixed asset groups
Posting layers	Fixed asset type

**Answer Area**

**Requirement**

Ledger accounts for acquisition	Posting profile
All vehicles with same depreciation	Posting profile

**Section:**

**Explanation:**

**QUESTION 20**

HOTSPOT

A company uses Dynamics 365 Finance. The company induces sot departments that participate in the budget planning process.

The finance department generates a previous year budget scenario. You must generate a new baseline scenario that is based on the previous year's budget scenario.

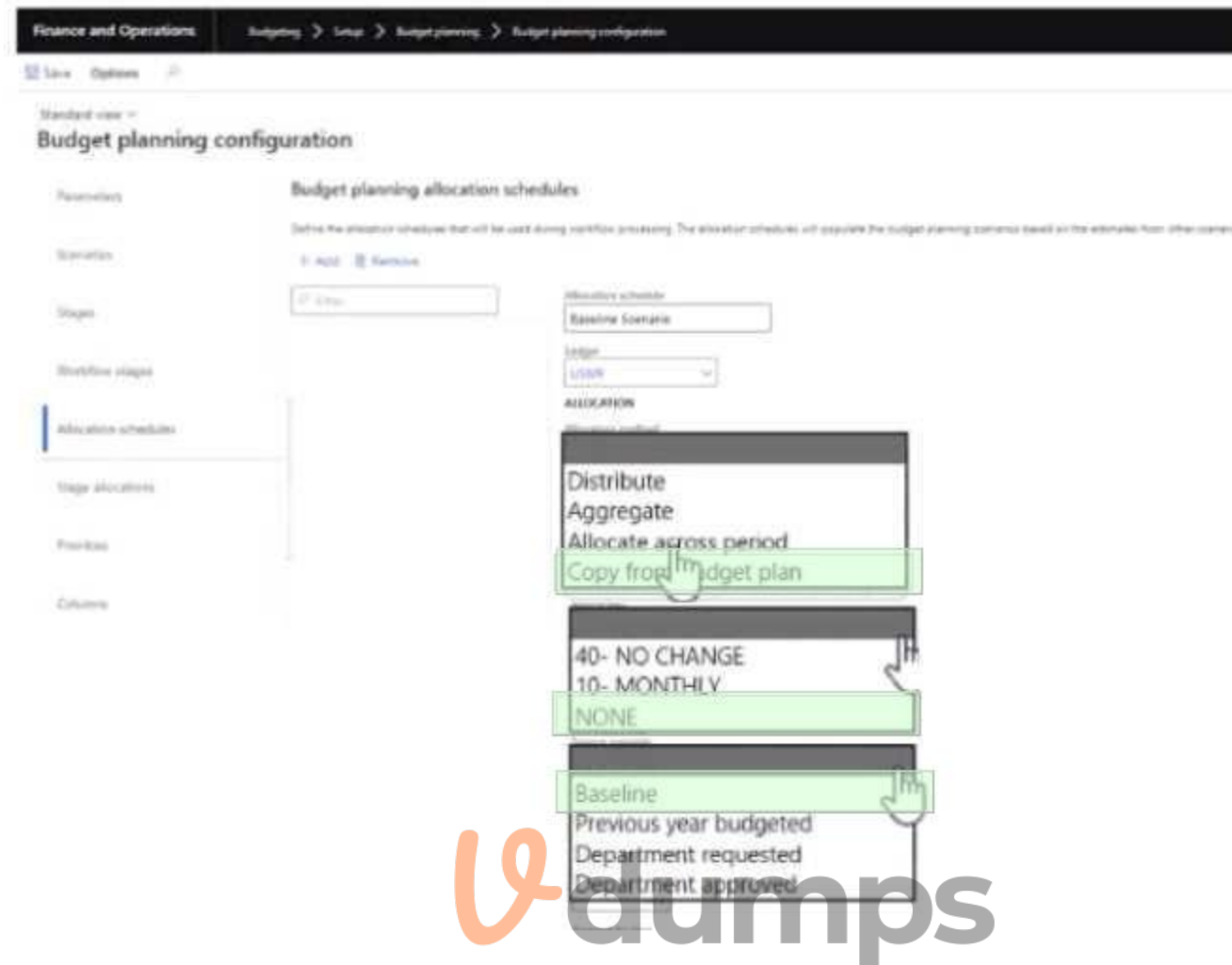
Department managers must be able to enter their budget requests in the baseline scenario. All department requests must be made available to the finance department so that they can determine the total budget funds requested and approve the budget scenario. You need to configure the allocation schedule.

How should you configure the schedule for the baseline scenario? To answer, select the appropriate options in the dialog box in the answer area  
NOTE: Each correct selection worth one point.

Hot Area:  
Answer Area

The screenshot shows the 'Budget planning configuration' dialog box in SAP. The 'Allocation schedule' is set to 'Baseline Scenario'. The 'Budget' is set to 'USD'. The 'Allocation' section is expanded, showing three dropdown menus. The first dropdown menu is open, showing the following options: 'Distribute', 'Aggregate', 'Allocate across period', and 'Copy from budget plan'. The second dropdown menu is also open, showing '40- NO CHANGE', '10- MONTHLY', and 'NONE'. The third dropdown menu is open, showing 'Baseline', 'Previous year budgeted', 'Department requested', and 'Department approved'. A watermark 'Vdumps' is visible over the dialog box.

Answer Area:



Section:

Explanation:

**QUESTION 21**

You are contouring Dynamics 365 Finance

Transactions are being approved for all sales transactions. This configuration results in numerous fraudulent transactions.

The payment prowlver requires verification of the following information in order to authorization transaction.

- account holder name
- billing address
- postal code

You need to configure the system to only approve transactions with a verified address. Which option should you select for credit card authorization?

- A. Always accept transaction
- B. Postal code
- C. Account holder
- D. Billing address

**Correct Answer: D**

Section:

**QUESTION 22**

DRAG DROP



A company uses Microsoft Dynamics 365 Finance.

You receive a new purchase invoice. You must process the invoice as a fixed asset that complies with applicable tax regulations. Double entry is not permitted for asset acquisitions.

You need to configure the asset and books.

Which four actions should you recommend be performed 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**

- On the current value model, select the tax value model as derived value model.
- Link both value models to the fixed asset.
- Create a new fixed asset ID and complete the fixed asset group.
- Create two new value models. A model related to the current posting layer and a model related to the tax layer.

**Answer area**



**Correct Answer:**

**Actions**

- 
- 
- 
- 

**Answer area**

- Create a new fixed asset ID and complete the fixed asset group.
- Create two new value models. A model related to the current posting layer and a model related to the tax layer.
- Link both value models to the fixed asset.
- On the current value model, select the tax value model as derived value model.



**Section:**

**Explanation:**

**QUESTION 23**

A client wants general journal to be used only to post ledger-type transactions.

You need to set up journal configuration to achieve the requirement.

Solution: Set up the journal control on the general to the account type of ledger.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: A**

**Section:**

**QUESTION 24**

**DRAG DROP**

A company uses the basic budgeting functionality in Dynamics 365 Finance. You are creating the budget in the system for the upcoming fiscal year.

The company uses budget workflow approvals to process budget entries. The company plans to split a business unit named IT and Infrastructure into two business units: Business Applications and IT Infrastructure.

You need to create the budget for the two business units based on 1.5. Which four 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**

- In the Allocate to dimensions form, select the appropriate predefined allocation term for splitting the budget balance between both business units.
- In the Transfer balances form, filter on the IT and infrastructure business unit and enter a factor of 1.5 for the last fiscal year selection.
- On the Budget register entry form, select the budget model corresponding to the new fiscal year.
- Add a new line to select IT and infrastructure with an Amount type expense and add a comment to explain that the business unit budget must be split between the business units Business Applications and IT infrastructure.
- In the Allocate to dimensions form, select the separate Business Applications and IT Infrastructure business units, and enter a factor of 1.5.
- Submit the Budget register entry to the approval workflow.

**Answer Area**

**Correct Answer:**

**Actions**

- In the Allocate to dimensions form, select the appropriate predefined allocation term for splitting the budget balance between both business units.
- In the Transfer balances form, filter on the IT and infrastructure business unit and enter a factor of 1.5 for the last fiscal year selection.
- 
- 
- 
- 

**Answer Area**

- On the Budget register entry form, select the budget model corresponding to the new fiscal year.
- Add a new line to select IT and infrastructure with an Amount type expense and add a comment to explain that the business unit budget must be split between the business units Business Applications and IT infrastructure.
- In the Allocate to dimensions form, select the separate Business Applications and IT Infrastructure business units, and enter a factor of 1.5.
- Submit the Budget register entry to the approval workflow.

**Section:**

**Explanation:**

**QUESTION 25**

You are implementing Dynamics 365 Finance.

You commonly complete the sale of goods across international borders.

You need to configure the system.

What should you use?

- A. purchase agreement
- B. bank statements
- C. letters of credit
- D. promissory note

**Correct Answer: C**

**Section:**

**QUESTION 26**

The controller at a company has multiple employees who enter standard General ledger journals. The controller wants to review these journal entries before they are posted. Currently, journals entries are posted without review. You need to configure Dynamics 365 Finance to help set up a system led review process to meet the controller's needs. Which functionality should you configure?

- A. the controller's security role so that he has approval privileges for General ledger journals
- B. an Advanced ledger entry workflow that uses the organizational hierarchy for journal posting, associated with the Advanced ledger journal name
- C. a Ledger daily journal workflow that uses the organizational hierarchy for journal posting, associated with the General ledger
- D. a manual journal approval with the journal assigned to the user group that the employees are assigned to

**Correct Answer: C**

**Section:**

**QUESTION 27**

**HOTSPOT**

A company is implementing Dynamics 365 Finance. The company must be able to record sales orders in the following currencies: USD, EUR, and GBP. Company A uses USD as the accounting and reporting currency. Company B uses GBP as the accounting and reporting currency. Each company is consolidated into Company CON that uses EUR as the accounting and reporting currency. Assets and liabilities are revalued at the current exchange rate. You need to configure the system to meet the requirement. Which option 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	Option
Establish the currency exchange rates needed to report the total value of open Accounts receivable from Company A in Company CON.	<ul style="list-style-type: none"><li>An imported exchange rate for EUR to USD dated yesterday</li><li>A derived historical exchange rate for USD to EUR dated yesterday</li><li>A manually entered exchange rate for USD to EUR dated last week</li><li>An imported historical exchange rate for EUR to USD dated last week</li></ul>
Create a Ledger elimination rule for intercompany transactions.	<ul style="list-style-type: none"><li>Create a new legal entity and set the Use for financial elimination process to Yes.</li><li>Set the Use for financial elimination process to Yes for either legal entities Company A or Company B.</li><li>Set the Use for financial elimination process to Yes for both legal entities Company A and Company B.</li></ul>

**Answer Area:**

**Answer Area**

**Requirement**

**Option**

Establish the currency exchange rates needed to report the total value of open Accounts receivable from Company A in Company CON.

- An imported exchange rate for EUR to USD dated yesterday
- A derived historical exchange rate for USD to EUR dated yesterday
- A manually entered exchange rate for USD to EUR dated last week
- An imported historical exchange rate for EUR to USD dated last week

Create a Ledger elimination rule for intercompany transactions.

- Create a new legal entity and set the Use for financial elimination process to Yes.
- Set the Use for financial elimination process to Yes for either legal entities Company A or Company B.
- Set the Use for financial elimination process to Yes for both legal entities Company A and Company B.

**Section:**

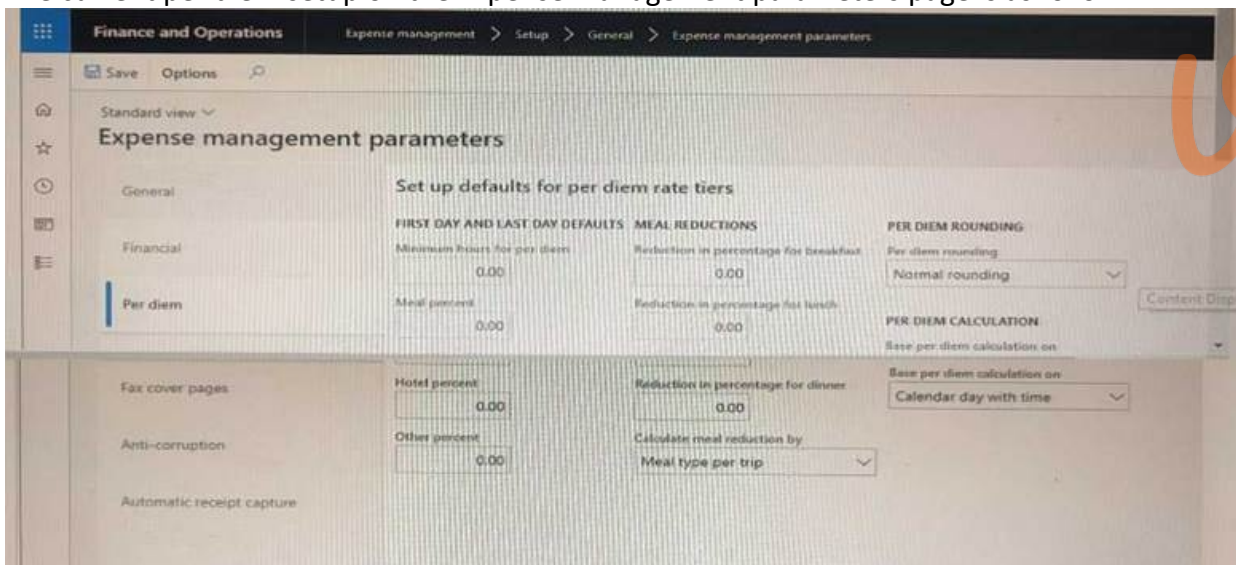
**Explanation:**

**QUESTION 28**

**HOTSPOT**

A company implements expense management in Dynamic employee travel expenses.

The current per diem setup on the Expense management parameters page is as follow:



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

**Hot Area:**

**Answer Area**

Which configuration deducts fifteen percent of the per diem if employees stay at hotels that have complimentary breakfast?

Which configuration ensures that employees can request per diem if they work at least half a day on the first and last day of business travel in a standard 40-hour work week?

- Set Reduction in percentage for breakfast to 15.
- Set Calculate meal reduction by to Meal type per day.
- Set Meal percent to 15.
- Set Reduction in percentage for lunch and Reduction in percentage for dinner to 15.
- Keep Base per diem calculation on set to Calendar day with time.
- Keep Base per diem calculation on set to Calendar day with time.
- Set Minimum hours for per diem to 4.
- Change Per diem rounding to Always round up.
- Set Minimum hours for per diem to 4 and Other percent to 50.

**Answer Area:**

**Answer Area**

Which configuration deducts fifteen percent of the per diem if employees stay at hotels that have complimentary breakfast?

Which configuration ensures that employees can request per diem if they work at least half a day on the first and last day of business travel in a standard 40-hour work week?

- Set Reduction in percentage for breakfast to 15.
- Set Calculate meal reduction by to Meal type per day.
- Set Meal percent to 15.
- Set Reduction in percentage for lunch and Reduction in percentage for dinner to 15.
- Keep Base per diem calculation on set to Calendar day with time.
- Keep Base per diem calculation on set to Calendar day with time.
- Set Minimum hours for per diem to 4.
- Change Per diem rounding to Always round up.
- Set Minimum hours for per diem to 4 and Other percent to 50.

**Section:**

**Explanation:**

**QUESTION 29**

HOTSPOT

A company implemented Dynamics 365 Finance less than The following business rules must be implemented to

- Operations must be allowed to exceed budget
- Marketing must receive warnings when the)
- Sales must not exceed its budget.
- All departments must have a calculation in in place to determine what they can spend.
- Budget funds do not need to be recorded in the general ledger.

You need to configure budget controls.

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

NOTE: Each correct selection is worth one points.

**Hot Area:**

Answer Area

Department	Configuration
Operations	<ul style="list-style-type: none"><li>Over budget permissions</li><li><b>Over budget permissions</b></li><li>Message levels</li><li>Budget funds available</li><li>Budget reservations for encumbrances</li><li>Budget reservations for pre-encumbrances</li></ul>
Marketing	<ul style="list-style-type: none"><li>Budget reservations for pre-encumbrances</li><li>Over budget permissions</li><li>Message levels</li><li>Budget funds available</li><li>Budget reservations for encumbrances</li><li><b>Budget reservations for pre-encumbrances</b></li></ul>
Sales	<ul style="list-style-type: none"><li>Budget reservations for pre-encumbrances</li><li>Over budget permissions</li><li>Message levels</li><li>Budget funds available</li><li>Budget reservations for encumbrances</li><li><b>Budget reservations for pre-encumbrances</b></li></ul>
All	<ul style="list-style-type: none"><li>Budget Funds Available</li><li>Over budget permissions</li><li>Message levels</li><li><b>Budget Funds Available</b></li><li>Budget reservations for encumbrances</li><li>Budget reservations for pre-encumbrances</li></ul>

 **Vdumps**

Answer Area:

**Answer Area**

Department	Configuration
Operations	<ul style="list-style-type: none"> <li>Over budget permissions</li> <li><b>Over budget permissions</b></li> <li>Message levels</li> <li>Budget funds available</li> <li>Budget reservations for encumbrances</li> <li>Budget reservations for pre-encumbrances</li> </ul>
Marketing	<ul style="list-style-type: none"> <li>Budget reservations for pre-encumbrances</li> <li>Over budget permissions</li> <li>Message levels</li> <li>Budget funds available</li> <li>Budget reservations for encumbrances</li> <li><b>Budget reservations for pre-encumbrances</b></li> </ul>
Sales	<ul style="list-style-type: none"> <li>Budget reservations for pre-encumbrances</li> <li>Over budget permissions</li> <li>Message levels</li> <li>Budget funds available</li> <li>Budget reservations for encumbrances</li> <li><b>Budget reservations for pre-encumbrances</b></li> </ul>
All	<ul style="list-style-type: none"> <li>Budget Funds Available</li> <li>Over budget permissions</li> <li>Message levels</li> <li><b>Budget Funds Available</b></li> <li>Budget reservations for encumbrances</li> <li>Budget reservations for pre-encumbrances</li> </ul>

**Section:**

**Explanation:**

**QUESTION 30**

HOTSPOT

A company implements basic budgeting functionality. The company wants to achieve the following:

- Distribute budget amounts across financial dimensions.
- Require an approval workflow for budget
- Approve a specific set of budget entries.

You need to configure the required basic budgeting functionality.

Which functionalities should you configure?

To answer, select the appropriate options in the answer area

NOTE: Each correct answer is worth one point.

**Hot Area:**

Requirement	Functionality
Distribute budget amounts across financial dimensions.	<ul style="list-style-type: none"> <li>Financial dimensions for budgeting</li> <li>Period allocation key</li> <li>Budget allocation terms</li> <li><b>Financial dimensions for budgeting</b></li> </ul>
Require an approval workflow for budget transfers to the sales department.	<ul style="list-style-type: none"> <li>Budget transfer rules</li> <li><b>Budget allocation terms</b></li> <li>Budget entry approval workflow</li> <li>Budget transfer rules</li> </ul>
Approve a specific set of budget entries.	<ul style="list-style-type: none"> <li>Budget codes and budget approval workflow</li> <li>Budget codes and budget approval workflow</li> <li><b>Reason codes for budget approval</b></li> <li>Budget entry approval workflow with participant budget manager</li> </ul>

Answer Area:

Requirement	Functionality
Distribute budget amounts across financial dimensions.	<ul style="list-style-type: none"> <li>Financial dimensions for budgeting</li> <li>Period allocation key</li> <li>Budget allocation terms</li> <li><b>Financial dimensions for budgeting</b></li> </ul>
Require an approval workflow for budget transfers to the sales department.	<ul style="list-style-type: none"> <li>Budget transfer rules</li> <li><b>Budget allocation terms</b></li> <li>Budget entry approval workflow</li> <li>Budget transfer rules</li> </ul>
Approve a specific set of budget entries.	<ul style="list-style-type: none"> <li>Budget codes and budget approval workflow</li> <li>Budget codes and budget approval workflow</li> <li><b>Reason codes for budget approval</b></li> <li>Budget entry approval workflow with participant budget manager</li> </ul>

Section:

Explanation:

**QUESTION 31**

DRAG DROP

You have implemented Dynamics 365 Finance.

You must implement interest fees to encourage customers to pay on time.

You need to configure interest fees.

Which functionality should be configured? To answer, drag the appropriate functionality to the correct scenario. Each functionality 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:



**Functionalities**

Credit note

Invoice

Interest note

**Answer Area****Scenario**

A long-standing customer must have their interest fee waved.

A customer's interest fee was waved last month but did not pay their balance – an interest fee must be reinstated.

**Functionality****Correct Answer:****Functionalities**

Invoice

**Answer Area****Scenario**

A long-standing customer must have their interest fee waved.

A customer's interest fee was waved last month but did not pay their balance – an interest fee must be reinstated.

**Functionality**

Credit note

Interest note

**Section:****Explanation:****QUESTION 32**

A company manufactures and installs air filtering units for industrial manufacturing plants.

The air filtering units are manufactured to order. The com

- 25 percent at the time of the sale
- 50 percent when the unit is shipped
- 25 percent when the unit is installed

Additionally, a three-year warranty is sold with covers.

You need to configure revenue recognition.

What should you do?

- A. Create a reallocation posting for the warranty revenue.
- B. Create a new revenue schedule for each unit.
- C. Create the revenue schedule so that it uses the contract terms
- D. Create one revenue schedule with milestones.

**Correct Answer: C****Section:****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 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 managing credit and collections.

You need to set up mandatory credit limits for all customer documents.

Solution: Select the Balance + packing slip credit type in the Accounts receivable parameters form.

Select the Mandatory credit limit check box in the Customers form.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: A**

**Section:**

**QUESTION 34**

HOTSPOT

You are implementing Dynamics 365 Finance.

You must manage aging customer balances by sending communications to the customers detailing their past due invoices and automatically including a late charge.


You need to configure Dynamics 365 Finance functionality.

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

NOTE: Each correct selection is worth one point.

**Hot Area:**

**Answer Area**



Requirement	Functionality
Send communications to customers detailing their past due invoices.	<ul style="list-style-type: none"><li>Collection letters</li><li><b>Collection letters</b></li><li>Account statements</li><li>Aged balances</li></ul>
Enable system-generated late charges.	<ul style="list-style-type: none"><li>Charges</li><li>Billing codes</li><li>Interest codes</li><li><b>Charges</b></li></ul>

**Answer Area:**

**Answer Area**

Requirement	Functionality
Send communications to customers detailing their past due invoices.	<ul style="list-style-type: none"><li>Collection letters</li><li>Collection letters</li><li>Account statements</li><li>Aged balances</li></ul>
Enable system-generated late charges.	<ul style="list-style-type: none"><li>Charges</li><li>Billing codes</li><li>Interest codes</li><li>Charges</li></ul>

**Section:**

**Explanation:**

**QUESTION 35**

HOTSPOT

You manage a Dynamics 365 Finance implementation.

New system users are incorrectly posting payment transactions. You must use payment controls for bank payments by using checks for customer's due invoices to restrict new users from posting to customer payment journals.

You need to set up payment control for validation while using a method of payment in a journal entry. Which actions should you use? To answer, select the appropriate options in the answer area.

**Hot Area:**

**Answer Area**

Requirement	Action
Verify that the offset account type selected is the bank value for a payment journal posting.	<ul style="list-style-type: none"><li>Configure an offset account with a type of bank.</li><li>Configure electronic reporting for a bank.</li><li>Configure journal names for a payment journal.</li><li>Configure an offset account with a type of bank.</li><li>Configure a method of payment for journals.</li></ul>
Verify that the check number is entered for a payment journal posting.	<ul style="list-style-type: none"><li>Configure check number to be a mandatory value.</li><li>Configure check and electronic payments.</li><li>Configure the export format.</li><li>Configure methods of payment as check in the file format.</li><li>Configure check number to be a mandatory value.</li></ul>

Answer Area:

**Answer Area**

**Requirement**

Verify that the offset account type selected is the bank value for a payment journal posting.

Verify that the check number is entered for a payment journal posting.

**Action**

- Configure an offset account with a type of bank.
- Configure electronic reporting for a bank.
- Configure journal names for a payment journal.
- Configure an offset account with a type of bank.
- Configure a method of payment for journals.
- Configure check number to be a mandatory value.
- Configure check and electronic payments.
- Configure the export format.
- Configure methods of payment as check in the file format.
- Configure check number to be a mandatory value.

Section:

Explanation:

**QUESTION 36**

A company uses the credit and collections features of Dynamics 365 Finance to track invoices and incoming payments from customers. You need to configure the automatic collection task. Which two options should you configure? Each correct answer presents part of the solution. NOTE: Each correct selection is worth one point.

- A. Quiet days
- B. Aging period definitions
- C. Process hierarchy
- D. Posting profiles

**Correct Answer: A, C**

Section:

**QUESTION 37**

DRAG DROP

You are implementing revenue recognition functionality in Microsoft Dynamics 365 Finance. You need to configure revenue schedules to meet the following requirements:

- \* Agreement start and end dates must be determined by the system.
- \* Determine revenue price allocation across the occurrences based on contract terms.

Which feature 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

**Select and Place:**

Features	Answer Area						
Recognition basis	<table border="1"> <thead> <tr> <th data-bbox="1665 226 1881 258">Requirement</th> <th data-bbox="2407 226 2534 258">Feature</th> </tr> </thead> <tbody> <tr> <td data-bbox="1347 306 2169 394">Agreement start and end dates must be determined by the system.</td> <td data-bbox="2228 306 2733 363"></td> </tr> <tr> <td data-bbox="1347 426 2071 514">Determine revenue price allocation across the occurrences based on contract terms.</td> <td data-bbox="2228 426 2733 483"></td> </tr> </tbody> </table>	Requirement	Feature	Agreement start and end dates must be determined by the system.		Determine revenue price allocation across the occurrences based on contract terms.	
Requirement	Feature						
Agreement start and end dates must be determined by the system.							
Determine revenue price allocation across the occurrences based on contract terms.							
Recognition convention							
Automatic contract terms							
Post contract support (PCS)							

Correct Answer:

Features	Answer Area						
	<table border="1"> <thead> <tr> <th data-bbox="1665 810 1881 842">Requirement</th> <th data-bbox="2407 810 2534 842">Feature</th> </tr> </thead> <tbody> <tr> <td data-bbox="1347 888 2169 976">Agreement start and end dates must be determined by the system.</td> <td data-bbox="2228 888 2733 945">Automatic contract terms</td> </tr> <tr> <td data-bbox="1347 1008 2071 1096">Determine revenue price allocation across the occurrences based on contract terms.</td> <td data-bbox="2228 1008 2733 1064">Recognition basis</td> </tr> </tbody> </table>	Requirement	Feature	Agreement start and end dates must be determined by the system.	Automatic contract terms	Determine revenue price allocation across the occurrences based on contract terms.	Recognition basis
Requirement	Feature						
Agreement start and end dates must be determined by the system.	Automatic contract terms						
Determine revenue price allocation across the occurrences based on contract terms.	Recognition basis						
Recognition convention							
Post contract support (PCS)							

Section:

Explanation:

**QUESTION 38**

HOTSPOT

A company plans to implement expense management in Dynamics 365 Finance. The finance manager requires the following functionality:

- \* Define rules that employees must follow to submit an expense report.
- \* Share expense classifications between expense management and project accounting.
- \* Approve expenses on behalf of another employee.

You need to recommend configuration options.

Which configuration options should you recommend?

To answer, select the appropriate options in the answer area.

Hot Area:

**Answer Area**

**Required functionality**

Define rules to submit an expense report.

**Configuration option**

- Expense policies
- Expense policies
- Approval workflow
- Expense categories

Share expense classifications.

- Expense categories
- Project types
- Expense categories
- Intercompany expenses

Approve expenses on behalf of another employee.

- Expense delegation
- Personal expenses
- Expense delegation
- Approval workflow

Answer Area:

**Answer Area**



**Required functionality**

Define rules to submit an expense report.

**Configuration option**

- Expense policies
- Expense policies
- Approval workflow
- Expense categories

Share expense classifications.

- Expense categories
- Project types
- Expense categories
- Intercompany expenses

Approve expenses on behalf of another employee.

- Expense delegation
- Personal expenses
- Expense delegation
- Approval workflow

Section:

Explanation:

**QUESTION 39**

**HOTSPOT**

A company uses Dynamics 365 Finance to manage fixed assets. The company's fiscal year is set as the calendar year. The company requires two books for each fixed asset. The company has the following requirements for the books:

Book purpose	Requirements
Accounting	<ul style="list-style-type: none"><li>• Depreciate assets by using the straight-line method.</li><li>• Depreciate assets starting on the date that an asset is placed in service.</li><li>• Run depreciation each fiscal period.</li></ul>
Tax	<ul style="list-style-type: none"><li>• Depreciate assets by using the 200 percent reducing balance method.</li><li>• Assign half of yearly depreciation for the first and last year and full year depreciation for every other year during the service life of the asset.</li><li>• Run depreciation each fiscal year.</li></ul>

You need to configure a fixed asset group book setup to meet the requirements.

Which depreciation conventions and depreciation profiles 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**

Book purpose	Depreciation convention	Depreciation profile
Accounting	<ul style="list-style-type: none"><li>None</li><li><b>None</b></li><li>Full month</li><li>Mid-month (1st of month)</li><li>Mid-month (15th of month)</li></ul>	<ul style="list-style-type: none"><li>Straight line service life – Fiscal period</li><li>Straight line service life – Yearly</li><li><b>Straight line service life – Fiscal period</b></li><li>Straight line life remaining - Yearly</li><li>Manual – Fiscal period</li></ul>
Tax	<ul style="list-style-type: none"><li>Half year (start of year)</li><li><b>None</b></li><li>Half year</li><li>Half year (start of year)</li><li>Half year (next year)</li></ul>	<ul style="list-style-type: none"><li>200% reducing balance – Yearly</li><li><b>200% reducing balance – Yearly</b></li><li>200% reducing balance – Fiscal period</li><li>Consumption - Yearly</li><li>Consumption- Fiscal period</li></ul>

Answer Area:

**Answer Area**

**Book purpose**

Accounting

**Depreciation convention**

- None
- None
- Full month
- Mid-month (1st of month)
- Mid-month (15th of month)

**Depreciation profile**

- Straight line service life – Fiscal period
- Straight line service life – Yearly
- Straight line service life – Fiscal period
- Straight line life remaining - Yearly
- Manual – Fiscal period

Tax

- Half year (start of year)
- None
- Half year
- Half year (start of year)
- Half year (next year)

- 200% reducing balance – Yearly
- 200% reducing balance – Yearly
- 200% reducing balance – Fiscal period
- Consumption - Yearly
- Consumption- Fiscal period

**Section:**

**Explanation:**

**QUESTION 40**

DRAG DROP

A company uses Dynamics 365 Finance.

You need to use the advanced bank reconciliation feature to reconcile bank transactions.

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**

**Answer area**

- Import an electronic bank statement.
- Validate the bank statement.
- Reconcile the bank statement.
- Post the bank statement.



**Correct Answer:**



Actions	Answer area
	Import an electronic bank statement.
	Validate the bank statement.
	Reconcile the bank statement.
	Post the bank statement.

**Section:**

**Explanation:**

Import an electronic bank statement.  
 Validate the bank statement.  
 Reconcile the bank statement.  
 Post the bank statement.

**QUESTION 41**

DRAG DROP

A company that sells computer equipment uses Microsoft Dynamics 365 Finance. The company is creating bundles that include a computer and a three-year warranty. The company configures revenue recognition.

You need to configure revenue types for the bundle components.

Which revenue type should you use? To answer, drag the appropriate revenue types to the correct components. Each revenue 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:**

Revenue types	Answer Area
Essential	
Nonessential	
Post contract support (PCS)	

Component	Revenue type
Computer	
Warranty	

Revenue types	Answer Area
Nonessential	

Component	Revenue type
Computer	Essential
Warranty	Post contract support (PCS)

**Section:**

**Explanation:**

**QUESTION 42**

You use Dynamics 365 Finance. Your company offers cash discounts. The discounts are offered sequentially to specific customers. Customers must pay their invoices within a specified time period. The cash discounts are as follows:

\* 5D10% - Cash discount of 10 percent when the amount is paid within 5 days.

\* 10D5% - Cash discount of 5 percent when the amount is paid within 10 days.

\* 14D2% - Cash discount of 2 percent when the amount is paid within 14 days.

Cash discounts can only be given if the payments are made within 10 days. You need to configure cash discounts. What should you do?

- A. Create a new cash discount code of 14D10%.
- B. Create a new cash discount code of 10D14%.
- C. Delete the 14D2% cash discount code.
- D. Delete the 14D2% cash discount code from the next discount code list value of 10D5%.

**Correct Answer: D**

**Section:**

#### QUESTION 43

A company signs a four-year contract for an IT support project. The manager wants to know how the revenue amounts will be allocated across the four-year period. You need to implement a revenue schedule to determine the revenue amounts for each month. Which setup should you use?

- A. 4 years
- B. 4 months
- C. 60 months
- D. 48 months

**Correct Answer: D**

**Section:**

#### QUESTION 44

You plan to manage delinquent customers by monitoring the collection process in Dynamics 365 Finance. You need to use the Collections list page to monitor the collection process. What must you do first?

- A. Set up customer groups.
- B. Set up customer pools.
- C. Update financials.
- D. Age customer balances.

**Correct Answer: D**

**Section:**

#### QUESTION 45

You need to configure budget planning for Alpine Ski House Corporate.

Which two components should you configure? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. budget control workflow
- B. budget planning workflow
- C. operational budget register entry IS
- D. organizational hierarchy
- E. budget planning hierarchy

**Correct Answer: D, E**



Section:

QUESTION 46

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 47

A company uses expense management in Dynamics 365 Finance. The company has two legal entities.

CompanyA reimburses employees for travel-related expenses. CompanyB plans to reimburse remote employees monthly for travel-related expenses. All employees are required to complete expense reports.

You need to configure the expense type that can be used for both companies. Which expense type category should you use?

- A. Project
- B. Shared
- C. Case
- D. Procurement

**Correct Answer: B**

**Section:**

**QUESTION 48**

A company uses Dynamics 365 Finance to include multiple business units as a financial dimension. All customer payment journals must be posted to the headquarters' business unit financial dimension. You need to configure the accounts receivable journal name. What should you configure?

- A. Journal approval
- B. Default financial dimension
- C. Posting restriction
- D. Journal control

**Correct Answer: D**

**Section:**

**QUESTION 49**

A client is implementing accounts receivable in Dynamics 365 Finance.

You need to determine which requirements can be met by configuring the customer posting profile. Which three requirements can be met? Each correct answer presents a complete solution. NOTE: Each correct selection is worth one point.

- A. Setting an interest code for a group of customers
- B. Specifying a receivable account for certain customers
- C. Setting terms of payment for a group of customers
- D. Setting the liquidity ledger account used for cash flow forecast
- E. Specifying a revenue account for sales orders transactions

**Correct Answer: A, B, D**

**Section:**

**QUESTION 50**

You are configuring taxes in Dynamics 365 Finance for a client.

You need to configure the sales taxes to post to the expense account.

Where should you configure the sales tax percentage?

- A. Ledger posting groups
- B. Sales tax group
- C. Tax code
- D. Item sales tax group

**Correct Answer: D**

**Section:**



**QUESTION 51**

DRAG DROP

A company uses basic budgeting functionality in Dynamics 365 Finance.

The company wants to add fixed asset depreciation expenses to its budget register entry. The depreciation expense must be automatically calculated.

You need to create budget register entries for fixed asset depreciation expense.

Which four 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	Answer Area
Create budget register entries.	
Create the fixed asset budget journal.	
Use a depreciation proposal for the budget amount.	
Transfer the budget amount to budget register entries.	
Update the budget balance.	

**Correct Answer:**

Actions	Answer Area
Create budget register entries.	Create the fixed asset budget journal.
	Use a depreciation proposal for the budget amount.
	Transfer the budget amount to budget register entries.
	Update the budget balance.

**Section:**

**Explanation:**

Create the fixed asset budget journal.

Use a depreciation proposal for the budget amount.

Transfer the budget amount to budget register entries.

Update the budget balance.

**QUESTION 52**

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	Customer/Vendor Item Ledger account Customer/Vendor
Credit field	Ledger account Item Ledger account Customer/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 53

A company plans to implement Dynamics 365 Finance. The company manages a high volume of customers. The finance team wants to enable the following capabilities for each set of customers:

- \* Create sales budgets.
- \* Generate trade statistics such as weekly sales.
- \* Define ledger posting.
- \* Define terms of payment.

You need to select functionality that defines clusters of customers.

Which configuration should you select?

- A. Customer posting profiles
- B. Customer payment terms
- C. Customer sales agreements
- D. Customer groups

**Correct Answer: D**

Section:

Explanation:

#### QUESTION 54

HOTSPOT

A company manufactures and installs air filtering units for industrial manufacturing plants.

Revenue for the units is recognized based on a median price when the unit is installed. A three-yea' warranty is sold with each unit. Revenue for the warranty is recognized equally in each year the warranty covers.

You need to configure and process revenue recognition.

Which parameter 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	Parameter
The item median price cannot be adjusted beyond the configured percentage.	Exclude from Carve-out Allocation amount List Price Exclude from Carve-out
Validate the amount posted during revenue recognition.	Recognition basis Revenue price Allocation amount Recognition basis

**Answer Area:**

**Answer Area**

Requirement	Parameter
The item median price cannot be adjusted beyond the configured percentage.	Exclude from Carve-out Allocation amount List Price Exclude from Carve-out
Validate the amount posted during revenue recognition.	Recognition basis Revenue price Allocation amount Recognition basis

**Section:**

**Explanation:**

**QUESTION 55**

**HOTSPOT**

A company manufactures air filtering units for industrial manufacturing plants.

The company offers specific incentives if customers pay within a certain number of days to include:

\* 10 percent off if paid in full within 5 days

\* 5 percent off if paid in full within 10 days

Customers who pay by electronic funds transfer (EFT) will be charged \$15 per transfer. You need to configure the system.

Which option should you use? To answer, select the appropriate options in the answer are a. NOTE: Each correct selection is worth one point.

**Hot Area:**



**Answer Area**

Scenario	Option
Customer pays within 5 days.	<input type="text" value="Cash discount"/> Cash discount Payment schedule Posting profile
An EFT clears the bank within 2 business days.	<input type="text" value="Payment fee"/> Payment fee Payment term Payment schedule

Answer Area:

**Answer Area**

Scenario	Option
Customer pays within 5 days.	<input type="text" value="Cash discount"/> Cash discount Payment schedule Posting profile
An EFT clears the bank within 2 business days.	<input type="text" value="Payment fee"/> Payment fee Payment term Payment schedule

**Section:**

**Explanation:**

**QUESTION 56**

DRAG DROP

A company is implementing Dynamics 365 Finance.

The company needs the ability to handle deferring revenue, reallocations, revenue schedules, and milestone-based recognition.

You need to configure the functionality.

What should you do? To answer, drag the appropriate functionality to the correct requirement. Each functionality 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:**



**Functionalities**

- Revenue recognition journal
- Revenue schedule
- Recognition basis
- Update contract terms

**Answer Area**

**Requirement**

Move revenue from the deferred revenue account to the revenue account.  
 Create a correcting entry for a posted invoice after reallocation.

**Functionality**


Correct Answer:

**Functionalities**

- 
- 
- Recognition basis
- Update contract terms

**Answer Area**

**Requirement**

Move revenue from the deferred revenue account to the revenue account.  
 Create a correcting entry for a posted invoice after reallocation.

**Functionality**



Section:

Explanation:

**QUESTION 57**

You are migrating data from a legacy system to Dynamics 365 Finance.  
 The legacy customer master data does not include a customer grouping. Customers must be assigned to a group.  
 You need to configure the posting profile.  
 What should you set up?

- A. a revenue account for sales orders transactions for a group of customers
- B. a payable account for specific customers
- C. an interest code for a group of customers
- D. terms of payment for a group of customers

Correct Answer: B

Section:

**QUESTION 58**

A company uses Microsoft Dynamics 365 Finance.  
 You need to reclassify a fixed asset.  
 Which three actions does the system perform when an asset is reclassified? Each correct answer presents part of the solution.  
 NOTE: Each correct selection is worth one point

- A. The existing fixed asset transactions for the original fixed asset are canceled and regenerated for the new fixed asset.
- B. The system will generate reclassification journals.
- C. The new fixed asset only cancels out possible depreciations because the reclassification date is filled in in the Acquisition date field.
- D. The new books of the new fixed asset contain the date of the reclassification in the Acquisition date field.
- E. All books for the existing fixed asset are created for the new fixed asset.

**Correct Answer: A, C, E**

**Section:**

#### **QUESTION 59**

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 60**

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 61**

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 62**

You need to determine the cause of the issue that User1 reports.

What are two possible causes for the issue? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

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

**Correct Answer: B, D**

**Section:**

**QUESTION 63**

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 64**

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 manage a Dynamics 365 Finance implementation.

You must provide the budget versus actual reporting in near real time.

You need to configure the ledger budgets and forecasts workspace to track expenses over budget and revenue under budget.

Solution: Configure an expense dimension set. Configure the set show amounts field value to per budget cycle.

Does the solution meet the goal?

- A. Yes

B. No

**Correct Answer: B**

**Section:**

**QUESTION 65**

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 manage a Dynamics 365 finance implementation.

You must provide the budget versus actual reporting in near real time.

You need to configure the ledger budgets and forecasts workspace to tuck expenses over budget and revenue under budget.

Solution: Define a budget model. Set active forecasting process to the current year forecast.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: B**

**Section:**

**QUESTION 66**

**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"><li>Depreciation methods</li><li>Fixed asset determination rules</li><li>Fixed asset purchasing policy</li><li>Depreciation methods</li></ul>
Record specific tax transactions for fixed assets via journal.	<ul style="list-style-type: none"><li>Posting layers</li><li>Posting layers</li><li>Depreciation methods</li><li>Report definitions</li></ul>

**Answer Area:**

Answer Area

Requirement	Functionality
Purchase a fixed asset on a purchase order using a procurement category.	<ul style="list-style-type: none"><li>Depreciation methods</li><li>Fixed asset determination rules</li><li>Fixed asset purchasing policy</li><li>Depreciation methods</li></ul>
Record specific tax transactions for fixed assets via journal.	<ul style="list-style-type: none"><li>Posting layers</li><li>Posting layers</li><li>Depreciation methods</li><li>Report definitions</li></ul>

Section:

Explanation:

QUESTION 67

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 68

HOTSPOT

A company implements Dynamics 365 Finance. The company has six departments for budget planning purposes.

The company is budget planning and requires the following scenarios:

- \* A previous year budgeted scenario will be generated by the finance department.
- \* The baseline scenario will be generated based on the previous year budget scenarios with some increase.
- \* A baseline scenario will be sent to each department to review.
- \* Department requested scenarios will be keyed in by a department manager based on their review of the baseline scenario.
- \* Department requested scenarios will be aggregated back to the finance department, so finance can see the total budget requested.
- \* Finance will approve the final budget in Department approved scenario.

You need to configure allocation schedules to populate a baseline column for each department in the review process. How should you configure budget planning? To answer, select the appropriate options in the answer area, NOTE: Each correct selectin is worth one point.

Hot Area:



Answer Area

Save Options

Standard view

### Budget planning configuration

Parameters

Scenarios

Stages

Workflow stages

Allocation schedules

Stage allocations

Priorities

Columns

Layouts

#### Budget planning allocation schedules

Define the allocation schedules that will be used during workflow processing. The allocation schedules will populate the budget planning scenarios based on the estimates from other scenarios.

+ Add - Remove

Filter

Allocation schedule: Baseline to Each Department

Ledger: USMF

**ALLOCATION**

Allocation method:

- Distribute
- Distribute
- Aggregate
- Allocate across period
- Copy from budget plan

**SOURCE**

Source scenario:

- Previous year budgeted
- Baseline
- Previous year budgeted
- Department requested
- Department approved

**DESTINATION**

Destination scenario:

- Department requested
- Baseline
- Previous year budgeted
- Department requested
- Department approved

Multiply by:

- 6.00
- 0.00
- 1.00
- 2.00
- 6.00

Answer Area:

Answer Area

Standard view

### Budget planning configuration

Parameters

Scenarios

Stages

Workflow stages

**Allocation schedules**

Stage allocations

Priorities

Columns

Layouts

#### Budget planning allocation schedules

Define the allocation schedules that will be used during workflow processing. The allocation schedules will populate the budget planning scenarios based on the estimates from other scenarios.

+ Add Remove

Filter

Allocation schedule: Baseline to Each Department

Ledger: USMF

**ALLOCATION**

Allocation method: Distribute

**SOURCE**

Source scenario: Previous year budgeted

**DESTINATION**

Destination scenario: Department requested

Multiply by: 6.00

**Section:**

**Explanation:**

**QUESTION 69**

A customer implements Dynamics 365 Finance and wants to use the recurring invoice feature for accounts receivable.

The recurring invoice template includes the start date and frequency. However, when the Generate recurring invoices job processes, invoices are not created despite the criteria being met.

You need to ensure that invoices are generated.

What should you do?

- A. Associate a customer to the invoice template on the invoice template form
- B. Set the maximum billing amount on the recurring invoice template.
- C. Assign an invoice template to the customer posting profile.
- D. Assign an invoice template to a customer on the invoice tab of the customer record.

**Correct Answer: D**

**Section:**

**QUESTION 70**

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

- Ledger account
- Vendor
- Item

Account type

- Debit
- Credit

Posting type

Answer Area

**Correct Answer:**

Posting types

- Vendor

Account type

- Debit
- Credit

Posting type

- Item
- Ledger account

Answer Area

Vdumps

**Section:**

**Explanation:**

**QUESTION 71**

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 72

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:**

### QUESTION 73

HOTSPOT

A customer implements Dynamics 365 Finance.

The customer needs to use the cost accounting module for the following:

- \* Track the square footage occupied at each of the customer's store locations.
- \* Track and categorize costs as primary or secondary.
- \* Classify costs as direct or indirect.

You need to configure the system.

Which configuration 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

**Requirement**

Track square footage occupied at each location.

**Configuration option**

- Allocation base
- Allocation base**
- Cost classification
- Cost behavior
- Cost control unit

Track and categorize costs as primary or secondary.

- Cost distribution
- Cost element
- Cost distribution**
- Cost classification
- Cost object

Classify costs as direct or indirect.

- Cost classification by traceability
- Cost classification by traceability**
- Cost classification by elements
- Cost behavior
- Cost distribution



Answer Area:

## Answer Area

Requirement	Configuration option
Track square footage occupied at each location.	<ul style="list-style-type: none"><li>Allocation base</li><li>Allocation base</li><li>Cost classification</li><li>Cost behavior</li><li>Cost control unit</li></ul>
Track and categorize costs as primary or secondary.	<ul style="list-style-type: none"><li>Cost distribution</li><li>Cost element</li><li>Cost distribution</li><li>Cost classification</li><li>Cost object</li></ul>
Classify costs as direct or indirect.	<ul style="list-style-type: none"><li>Cost classification by traceability</li><li>Cost classification by traceability</li><li>Cost classification by elements</li><li>Cost behavior</li><li>Cost distribution</li></ul>



### Section:

### Explanation:

#### QUESTION 74

You maintain account control and bank balances for a company. You have a \$100,000 credit limit from a bank. You must prevent the bank account from going below the defined credit limit when a transaction is posted. You need to configure the bank account credit limit. What should you do?

- A. Add \$100,000 in the bank credit limit.
- B. Define a credit limit of \$100,000 on the invoicing vendor account.
- C. Set the Control Balance option to credit in the General ledger account associated with the bank account.
- D. Add -\$100,000 in the bank credit limit.

**Correct Answer: D**

### Section:

#### QUESTION 75

You manage fixed assets using Microsoft Dynamics 365 Finance.

You need to define capitalization thresholds.

Which page should you use?

- A. Main account
- B. Fixed asset posting profile
- C. Fixed asset group

D. Released item

**Correct Answer: C**

**Section:**

**QUESTION 76**

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 manage a Dynamics 365 Finance implementation.

You must provide the budget versus actual reporting in near real time.

You need to configure the ledger budgets and forecasts workspace to track expenses over budget and revenue under budget

Solution: Select organization hierarchy from the Configure my workspace form. Set an expense budget threshold percent.

Does the solution meet the goal?

A. Yes

B. No

**Correct Answer: A**

**Section:**

**QUESTION 77**

HOTSPOT

A company uses basic budgeting functionality in Dynamics 365 Finance.

The company requires an approval process for budget register entries. The company wants to add fixed asset depreciation expenses to its budget register entry. The depreciation expense must be automatically calculated.

You need to configure the necessary components in the system.

Which components 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

Configuration option	Component
Budget journal name type	<input type="checkbox"/> Fixed asset budget <input checked="" type="checkbox"/> Fixed asset budget <input type="checkbox"/> Budget <input type="checkbox"/> Daily <input type="checkbox"/> Post fixed asset
Budget type	<input type="checkbox"/> Original <input type="checkbox"/> Transfer <input checked="" type="checkbox"/> Original <input type="checkbox"/> Fixed asset <input type="checkbox"/> Revision
Budgeting workflow type	<input type="checkbox"/> Budget register entry workflow <input type="checkbox"/> Commitments approval <input type="checkbox"/> General budget reservation workflow <input type="checkbox"/> Budget plan workflow <input checked="" type="checkbox"/> Budget register entry workflow

**Answer Area:**

Answer Area

Configuration option	Component
Budget journal name type	Fixed asset budget Fixed asset budget Budget Daily Post fixed asset
Budget type	Original Transfer Original Fixed asset Revision
Budgeting workflow type	Budget register entry workflow Commitments approval General budget reservation workflow Budget plan workflow Budget register entry workflow

Section:

Explanation:

QUESTION 78

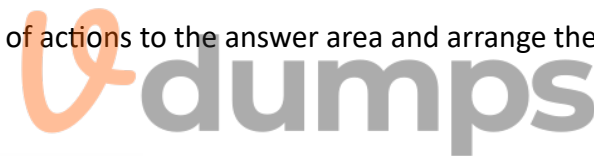
DRAG DROP

A company uses Dynamics 365 Finance to manage the budget planning process.

The company wants to create a new budget planning process while using the existing budget planning configuration.

You need to create and configure a working budget planning process.

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

- Select Layout then select Activate.
- Select Ledger and Budget cycle.
- Select Default account structure.
- Select Organization hierarchy.
- Select Budget Planning workflow.

Answer area

Correct Answer:

Actions

☰ Select **Layout** then select **Activate**.

Answer area

☰ Select **Ledger** and **Budget cycle**.

☰ Select **Default account structure**.

☰ Select **Organization hierarchy**.

☰ Select **Budget Planning workflow**.

Section:

Explanation:

