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## Topic 1, Fourth Coffee Case Study

### Case study

### Overview

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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 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:

Fourth Coffee  
Holding Company



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

### HOTSPOT

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

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

NOTE: Each correct selection is worth one point.

### Requirement

Establish account 1200 as a system-generated trade account.

Ensure account 1201 reflects currency exposure.

### Setting

|                               |   |
|-------------------------------|---|
|                               | ▼ |
| Do not allow manual entry     |   |
| Balance control               |   |
| Posting type – vendor balance |   |

|                              |   |
|------------------------------|---|
|                              | ▼ |
| Foreign currency revaluation |   |
| Exchange rate type           |   |
| Balance control              |   |

Explanation:

Answer:

### Requirement

Establish account 1200 as a system-generated trade account.

Ensure account 1201 reflects currency exposure.

### Setting

Do not allow manual entry  
Balance control  
Posting type - vendor balance

Foreign currency revaluation  
Exchange rate type  
Balance control

### Question: 2

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

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

NOTE: Each correct selection is worth one point.

A. Populate the sales tax code on the sales order line.

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

Answer: CDE

Explanation:

Reference:

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

### Question: 3

You need to troubleshoot the reporting issue for User7.

Why are some transactions being excluded?

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

Explanation:

Answer:

C

### Question: 4

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.

Answer:

AC

Explanation:

### Question: 5

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

What should you select?

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

Answer: B

Explanation:

### Question: 6

DRAG DROP

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

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

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

#### Actions

#### Answer Area

Select the use a deposit slip check box

Enter a transaction type

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

Q

Enter the journal line with account and offset account and payment reference.

®

Select **Deposit slip** from the functions menu and select **ok**

Post the journal

Answer:

Explanation:

Enter the journal line with account and offset account and payment reference.

Select the use a deposit slip check box

Enter a transaction type

Post the journal.

Select Deposit slip from the functions menu and select ok

Reference:

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

Question: 7

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

D18912E1457D5D1DDCBD40AB3BF70D5D

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

NOTE: Each correct selection is worth one point.

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

Answer: BDE

Explanation:

Question: 8  
HOTSPOT

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

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

NOTE: Each correct selection is worth one point.

**Requirement**

**Configuration**

Configure valid dimensions for Fourth Coffee: Set up account structure excluding the marketing department and digital division

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

Set up financial dimension set including the marketing department and digital division

Configure valid dimensions for CompanyA ▼ Set up account structure excluding the marketing department and digital division

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

Set up financial dimension set including the marketing department and digital division.

Assign valid dimensions.

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

**Answer:**

**Explanation:**

**Requirement**

Configure valid dimensions for Fourth Coffee.  
Configure valid dimensions for CompanyA.

Assign valid dimensions.

**Configuration**

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

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

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

**Question: 9**

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

What should you select?

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

**Answer: C**

**Explanation:**

**Question: 10**

**HOTSPOT**

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

**Posting**

Sales order Purchase order Inventory Production Standard cost variance

Select

- r Cost of purchased materials received
- r Purchase expenditure, un-invoiced
- r Cost of purchased materials invoiced
- r Purchase expenditure for product
- r Discount
- r Fixed receipt price profit
- r Fixed receipt price loss
- r Fixed receipt price offset
- r Charge
- r Stock variation
- p Purchase, accrual

| Item code | Item relation | Category relation | Account code | Account relation | Main account |
|-----------|---------------|-------------------|--------------|------------------|--------------|
| Group     | Coffee v      |                   | All          |                  | 200190 v     |
| All       |               |                   | Table        | VendorB          | 200180       |
| All       |               |                   | All          |                  | 200140       |

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.

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

- 200140
- 200170
- 2001^0
- 200190

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

- 200140
- 200170
- 200180
- 200190

Answer:

Explanation:

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

|        |   |
|--------|---|
|        | ▼ |
| 200140 |   |
| 200170 |   |
| 200180 |   |
| 200190 |   |

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

|        |   |
|--------|---|
|        | ▼ |
| 200140 |   |
| 200170 |   |
| 200180 |   |
| 200190 |   |

### Question: 11

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.

Answer: ABC

Explanation:

## Topic 2, Munson's Pickles and Preserves Farm

### Overview

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### 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

CAR-1233

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. Finance

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: 12

### HOTSPOT

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

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

NOTE: Each correct selection is worth one point.

**Item purchased**

**Configuration option**

Computer

▼

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

Barrels

▼

- Item groups
- Purchasing policies
- Item model groups

Answer:

Explanation:

**Item purchased**

**Configuration option**

Computer

▼

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

Barrels

▼

- Item groups
- Purchasing policies
- Item model groups

Question: 13

DRAG DROP

You need to process expense allocations.

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

NOTE: Each correct selection is worth one point.

**Features**

**Answer Area**

- Main account allocations
- Ledger allocation rules
- Accounting distributes

**Requirement**

**Feature**

Process postage expenses

Feature

Process admin expenses.

Feature

Explanation:

Answer:

Requirement

Feature

Process postage expenses Ledger allocation rules

Process admin expenses. Ledger allocation rules

Reference:

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

### Question: 14

You need to configure system functionality for pickle type reporting.

What should you use?

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

Answer: B

Explanation:

### Question: 15

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.

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Answer: A

Explanation:

## Question: 16

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

Answer: B

Explanation:

## Question: 17

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.

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

Enter accrual invoices.

Feature

Answer:

Explanation:

**Requirement**

**Feature**

Enter early product invoices.

Pending vendor invoice

Pay rent.

Vendor invoice journal

Enter accrual invoices.

Vendor invoice register

Reference:

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

### Question: 18

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

Answer: C

Explanation:

Reference:

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

## Question: 19

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

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

Answer: B

Explanation:

## Question: 20

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.

**Features**

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

**Answer Area**

**Requirements**

- Pickling machine depreciation
- Regular depreciation

**Feature**

- Feature
- Feature

Answer:

Explanation:

**Requirements**

Pickling machine depreciation

**Feature**

Posting layer - current

Posting layer - tax

Reference:

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

Topic 3, Alpine Ski House

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 the 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: 21

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.

Answer: C

Explanation:

### Question: 22

DRAG DROP

You need to configure ledger allocations to meet the requirements.

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

NOTE: Each correct selection is worth one point.

Options

|                  |              |
|------------------|--------------|
| Fixed percentage | Basis        |
| Equally          | Fixed weight |

Answer Area

| Requirement             | Option |
|-------------------------|--------|
| Advertising expenses    | Option |
| Administration expenses | Option |

Answer:

Explanation:

**Requirement**

**Option**

Advertising expenses

Equally

Administration expenses

Basis

Reference:

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

**Question: 23**

**HOTSPOT**

You need to configure the system to meet the budget preparation requirements. What should you do? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

**Requirement for**

**Action**

New resorts

\*

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

User6

T

- Generate a budget plan from forecast positions.
- Create a position hierarchy. \_\_\_\_\_
- Generate a budget plan from a project forecast.
- Create new open positions.

User7

V

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

Answer:

Explanation:

**Requirement for**

**Action**

New resorts

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

User6

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

User7

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

**Question: 24**

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

What should you do?

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

Answer: D

Explanation:

## Question: 25

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.

### Commitment types

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

### Answer Area

#### Requirement

- Local supplier agreement
- Utah agreement

#### Commitment type

|  |
|--|
|  |
|  |

Answer:

Explanation:

### Requirement

- Local supplier agreement
- Utah agreement

### Commitment type

- Value
- Product quantity

Reference:

### Question: 26

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.

Answer: D

Explanation:

### Question: 27

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

Answer: A

Explanation:

## Question: 28

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.

Answer: A

Explanation:

Reference:

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

## Question: 29

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.

Answer: B, D

Explanation:

## Question: 30

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

Answer: D, E

Explanation:

Topic 4, Adtum Corp.

Case Study

Overview

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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### Travel and expense

The company is currently In Phase 2 of their Dynamics 365 finance Implementation.

- Consultants submit all travel receipts by using inter-office mail to the team admin for processing, but first Up Consultants wants to modernise this experience.
- Expense reports are manually approved and signed by the employee's manager.

### Finance

- First Up Consultants operates on a 4-5-4 calendar.
- Accounting, for revenue has been difficult with the SaaS offerings. This has led to implementing Dynamics 365 Finance Revenue recognition.

- Revenue recognition has been live for J months.
- Adatum Corporation pays Quarterly for use of the First Up Consultants web design application, starting from the day of use
- Fourth Coffee pays monthly for use of the First Up Consultants photograph editing application, with a contract starting August 1 and payment starting September 1.
- Adventure Works Cycles pays per use of the First Up Consultant video platform.
- A blocking rule is set up to prevent a sales order from processing if a customer exceeds a credit limit. - Customer credit is set up at the account level for VanArsdel, Ltd.
- Tailspin Toys is owned by Wingtip Toys. The companies have a credit limit of \$60,000 and \$100,000, respectively.

### Tax

VAT tax recovery is required for eligible international business trip expenses. Bank reconciliation is manual and performed by using monthly mailed account statements. The company collects sales taxes from the following states:

---

Physical presence liability

Stat\*

Rate

|   |             |             |
|---|-------------|-------------|
| X | tew*        | 625 percent |
| X | Mississippi | 7 percent   |
| X | Tennessee   | 7 percent   |
| x | Geordie     | 4.5 percent |
|   | Alabama     | 4 percent   |
|   | Vermont     | 6 percent   |
|   | Kan         | 6 S percent |

## Requirements

### Travel and expense

- First Up Consultants requires that employees start using corporate cards for all travel expenses.
- All expenses over the require a receipt.
- Beer cannot be expensed
- Employees may use the corporate card for personal expenses during work travel, but expenses must be categories correctly.
- Client entertainment expenses totaling more than \$250 must be audited.
- Employees require a mobile expense experience
- Expense report entries must be validated when a transaction line is entered.
- Employees require the ability to capture receipt\* by using a mobile device.
- First Up Consultants requires the ability to reimburse employees in their paychecks for expenses incurred on personal cards.

### Financial

- A virtual thirteenth month is required for year-end transactions.
- Each day, a validation file must go to First Up Consultants" bank detailing all vendor checks paid.
- Except fees, all matched transactions must clear automatically during bank reconciliation.
- The accounts payable team must verify expense reports prior to posting.
- Only payables are allowed to be posted to a poor period up to seven days into the new period

### Issues

- User1 Installed the expense Management Service add-in and implemented the auto-match and create expense from receipt features, but the receipt images do not match the corporate card transactions
- Employee 1 submits an expense report for a business trip to Europe, but the report is not visible on the expense tax recovery page.
- Employees prowled feedback that the system lets them know of an expense report policy violation only after the

entire expense report is submitted.

- Members of the finance department observe sales orders that posted into a closed period.
- The finance team observed that for sales order invoice 1234, the price incorrectly posts to a revenue account when it should be deferring.
- Employee2 purchased supplies for a holiday party and needs to be reimbursed
- A customer orders software licenses for the offices in Tennessee and Alabama
- Expense reports for unapproved items are posting.
- VanArsdel. Ltd. exceeded its credit limit but the sales order was processed.
- Tailspin Toys purchase \$70,000 in custom software development

### Question: 31

You need to configure the system to meet the fiscal year requirements. What should you do?

- A. Add an additional period to ledger calendars.
- B. Add an additional fiscal years
- C. Divide the twelfth period.
- D. Create a new fiscal calendar
- E. Create a closing period

Answer: D

Explanation:

### Question: 32 HOTSPOT

You need to validate the sales tax postings for Tennessee and Alabama.

Which tax selections meet the requirement? To answer, select the appropriate options in the answer area

NOTE: Each correct selection is worth one point.

Answer Area

Sales order

Tennessee

Alabama

Tax selection

|  |
|--|
| Item sales tax all and sales tax group no tax          |
| Item sales tax all and sales tax group 7 percent       |
| Item sales tax use tax and sales tax group 4.5 percent |
| Item sales tax use tax and sales tax group 7 percent   |

|  |
|--|
| Item sales tax all and sales tax group no tax      |
| Item sales tax all and sales tax group 4 percent   |
| Item sales tax all and sales tax group 4.5 percent |

Answer:

Explanation:

Answer Arc\*

Sales order

Tennessee

Alabama

Tax selection

|  |
|--|
| Item sales tax all and sales tax group 7 percent |
| Item sales tax all and sales tax group no tax    |

### Question: 33 DRAG DROP

You need to configure revenue recognition to meet the requirements.

Which configuration should you use? To answer, drag the appropriate configurations to the correct requirements. Each configuration 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

Confjjuilioni  
| Rfi"nu+vhMuli  
Occurrences  
I Recognition convention  
I Recognition baric

Aamer Area

Requirement  
Adytum torporatw day of use  
Fourth Ccfla" September wart  
Adventure Works Cycles first use

Configuration  
Conhigtudilun  
Configuration  
Config written

Answer:

Explanation:

Answer Area

| Requirement                 | Configuration    |
|-----------------------------|------------------|
| AiMm CotporiUOFi w of wte   | Aevarwc »d vault |
| Fourth 'n'W Septambri start | Revenue trlvdule |
| Adverse Woks C/DK tot use   | Retention MM     |

Question: 34

You need to address the employees issue regarding expense report policy violations.

Which parameter should you use?

- A. Validate expense purpose
- B. Pre-authorization of travel is mandatory
- C. Evaluate expense management policies
- D. Policy rule type

Answer: C

Explanation:

Question: 35

You need in BUI that captured employee mobile receipts automatic ally match the transactions to resolve the User1 issue.

Which feature should you enable?

- A. Show receipts during itemization
- B. Define expense policy for receipts
- C. Expense management workspace
- D. Expense reports re-imagined

Answer: D

Explanation:

### Question: 36

DRAG DROP

You need to configure recognition.

Which revenue type is associated with the line of business? To answer, drag the appropriate revenue types to the correct lines of business. 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.

| Revenue types         | Answer Area      |
|-----------------------|------------------|
| Essential             | Line of business |
| Non-essential         | Web design       |
| Post contract support | Video platform   |

| Revenue type  |
|---------------|
| Essential     |
| Non-essential |

Answer:

Explanation:

| Revenue types         | Answer Area    | Revenue type      |
|-----------------------|----------------|-------------------|
| Essential             | Web design     | ( Essential )     |
| Non-essential         | Video platform | ( Non-essential ) |
| Post contract support |                |                   |

## Question: 37

### HOTSPOT

You need to configure the expense module for reimbursement.

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

NOTE: Each correct selection is worth one point.

| Requirement  | Configuration  |
|--|--|
| The employee records a holiday party supplies expense. | <input type="checkbox"/> Configure the personal card expense category. <input type="checkbox"/> Use the default payment method by category   |
| The employee is reimbursed.                            | <input type="checkbox"/> Configure the personal card expense category <input type="checkbox"/> Use the default corporate card method of payment. <input type="checkbox"/> Select the transaction from the credit card import <input type="checkbox"/> Reconcile the expense through a credit card transaction <input type="checkbox"/> Configure the employee as a vendor. <input type="checkbox"/> Configure the employee as a customer. <input type="checkbox"/> Reimburse the employee through the expense management workspace <input type="checkbox"/> Reconcile the expense through a credit card transaction import |

Answer:

Explanation:

| Requirement  | Configuration  |
|--|--|
| The employee records a holiday party supplies expense. | <input type="checkbox"/> Configure the personal card expense category.           |
| The employee is reimbursed.                            | <input type="checkbox"/> Reconcile the expense through a credit card transaction |

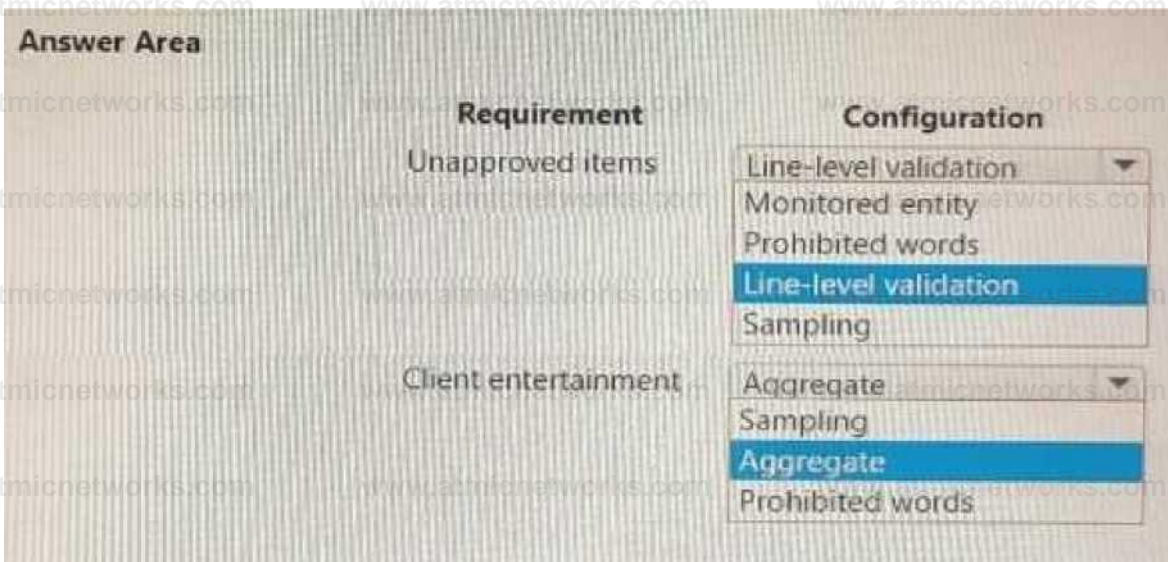
## Question: 38

### HOTSPOT

You need to prevent prohibited expenses from posting.

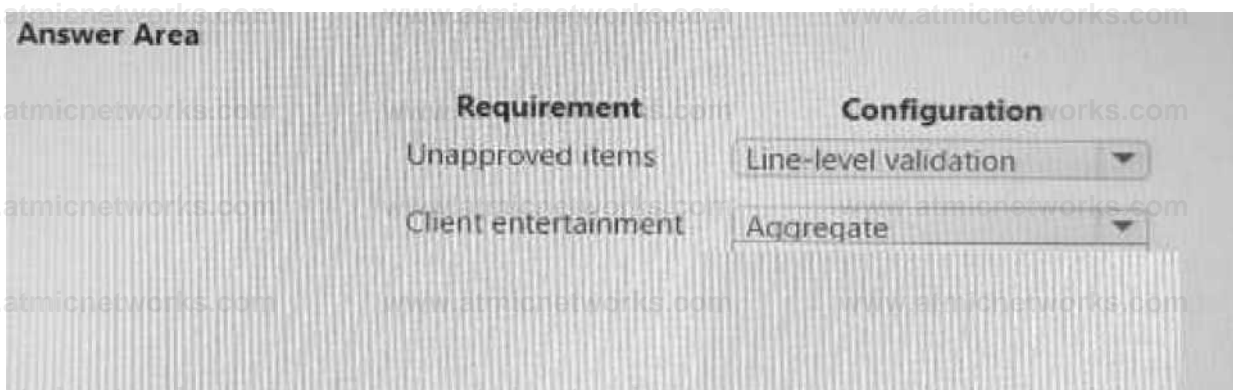
Which configurations should you use? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.



Answer:

Explanation:



Question: 39

You need to identify the posting issue with sales order 1234.

What should you do?

- A. Correct the recognition basis.
- B. Validate that the revenue recognition schedule is populated on the sales order header.
- C. Update the revenue price allocation.
- D. Validate that the revenue recognition schedule is populated on the sales order line.
- E. Correct the recognition convention.

Answer: D

Explanation:

### Question: 40

You need to address the posting of sales orders to a closed period.

What should you do?

- A. Permanently close the period for all modules.
- B. Divide the period.
- C. Use a ledger calendar to update period status.
- D. Permanently close the fiscal year.
- E. Use a ledger calendar to update module access.

Answer: E

Explanation:

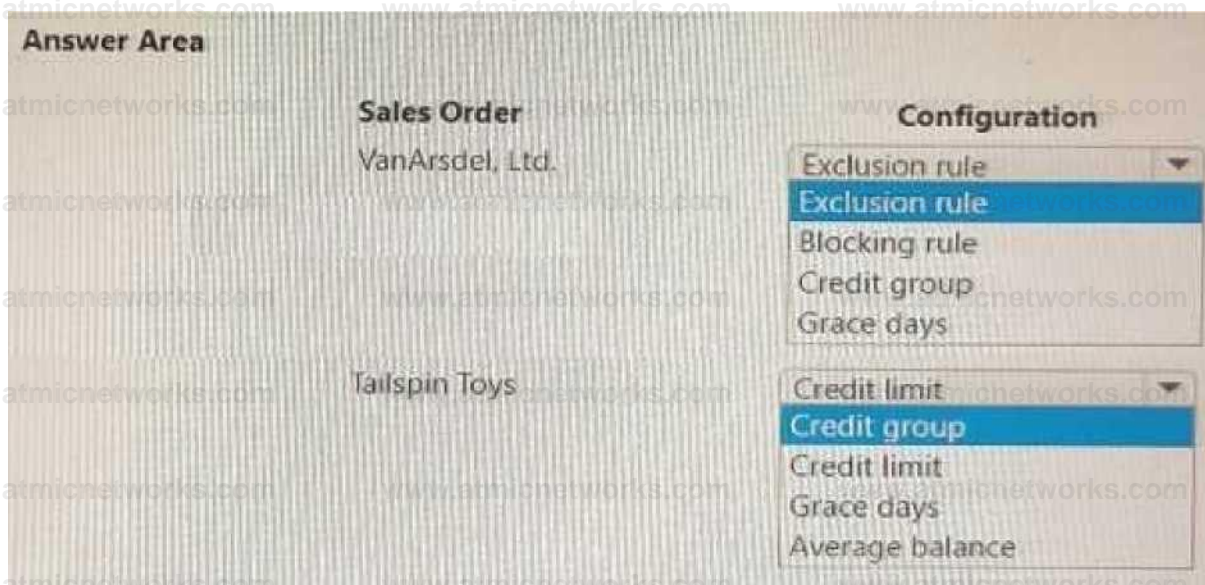
### Question: 41

HOTSPOT

You need to identify why the sales orders were sent to customers.

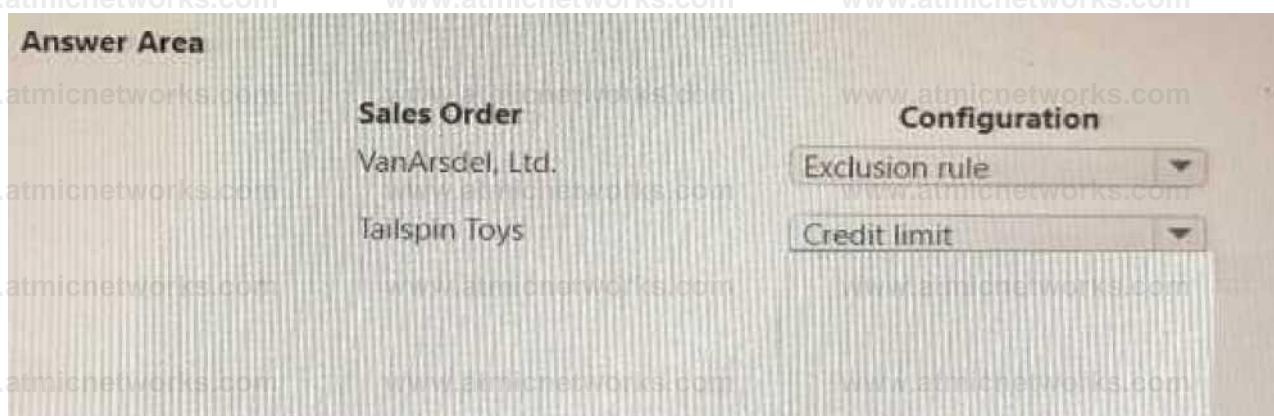
Which configuration allowed the sales orders to be sent? To answer, select the appropriate configuration in the answer area.

NOTE: Each correct select is worth one point.



Answer:

Explanation:



Topic 5, First Up Consultants

## Overview

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## Background

First Up Consultants is a global finance and accounting company.

Financial needs at organizations are constantly changing. When global companies become too large, it becomes too difficult for them to scale to meet their global operational needs. First Up Consultants provides "Finance as a Service" capabilities.

Some large corporations complement their existing finance staff by engaging select services of First Up Consultants. Other large corporations outsource their entire finance operation to First Up Consultants.

First Up Consultants has hundreds of customers at any time. One such customer, Humongous Insurance, is updating its Dynamics Finance 365 implementation. Another customer, Trey Research, is setting up its first Dynamics 365 Finance implementation.

## Ledger

Humongous Insurance is a US-based company and operates its fiscal year from January 1 to December 31.

Humongous Insurance reports across all its subsidiaries in consolidated financial reports. Trey Research is a Canadian-based company that operates its fiscal year from April 1 to March 31. Humongous Insurance employees receive an annual cost of living increase.

## Requirements

- One of Humongous Insurance's companies provides insurance to government clients and must separate that particular company into its own subsidiary.

- The Humongous subsidiary will operate in China, which requires a fiscal year from February 1 to January 31. - Transitions must be posted in the business of record.

- Humongous insurance s subsidiary requires accounting entries to be posted from the subledger to the general ledger by 5:00 PM each day.

- Trey Research requires accounting entries to be posted from the subledger to the ledger immediately.

## Taxes

- As part of the spinoff to a subsidiary, Humongous Insurance s subsidiaries taxes must be changed from US government rates to Chinese government rates.

- Humongous Insurance's subsidiary must track use taxes that are not claimed or reported to the Chinese tax agency.

## Fiscal calendars

You must create three new fiscal calendars

- A fiscal calendar named FebJan that runs from Feb 1 to Jan 31.

- A fiscal calendar named AprMar that runs from April 1 to March 31.

- A fiscal calendar named JanDec that runs from January 1 to December 31.

## Accounts

- Trey Research must track bank account balances and transactions for each province in which it operates.

- The bank statement must be sent to the physical address of the home office.

## Promotion

- Humongous insurance s subsidiary plans to celebrate its new subsidiary status by sending out free gifts to existing policy based on the Tier of their policy.

- Promotional Items are ordered for distribution and once received must be Tracked within Dynamics 365

## Finance.

## Reporting

The CEO of Humongous Insurance needs to view the insurance products that customers plan to purchase. The report must show all transactions made over the last two years.

- The corporate vice president of Humongous Insurance's subsidiary needs to view the forecasted cash impact of specific products purchased. The report must show only new transactions.

## Expenses

Expenses must be paid using the following requirements:

| Employee's home entity         | Entity that work is for        | Entity responsible for expense payment |
|--------------------------------|--------------------------------|--|
| Humongous Insurance            | Humongous Insurance            | Humongous Insurance                    |
| Humongous Insurance subsidiary | Humongous Insurance            | Humongous Insurance                    |
| Humongous Insurance subsidiary | Humongous Insurance subsidiary | Humongous Insurance subsidiary         |
| Humongous Insurance            | Humongous Insurance subsidiary | Humongous Insurance subsidiary         |

### Credit card processing

- Humongous Insurance requires all credit card transactions to include line-item details.
- Humongous Insurance's subsidiary requires the shipping address merchant address, and tax information but cannot include any order line details.
- Trey Research requires all credit card transactions include transaction date, transaction amount, description, and line-item details.

### Compliance and compensation

- Trey Research must be able to audit any modifications to its budget
- Humongous Insurance employees must receive raises four times per budget cycle.

## Question: 42

You need to reconfigure the taxing jurisdiction for Humongous insurance's subsidiary. What should you do?

- Configure sales tax groups for transactions that occur in China.
- Configure dual currency support for sales tax
- Change the reporting currency.
- Change the sales tax settlement period authority

Answer: D

Explanation:

**Question: 43**

You need to ensure Trey Research meets the compliance requirement.

Which budget technology should you implement? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point

- A. budget codes
- B. the Excel budget template
- C. set-based budget processing
- D. budgeting workflows

Answer: A, D

Explanation:

**Question: 44**

You need to configure the posting groups for Humongous insurance's subsidiary. Which ledger posting group field should you use?

- A. Sales tax receivable
- B. Use tax expense
- C. Use tax payable
- D. Sales tax payable
- E. Customer case discount

Answer: C

Explanation:

## Question: 45

### HOTSPOT

You need to configure currencies for the legal entities.

How do you configure currencies? To answer, select the appropriate options in the answer area.

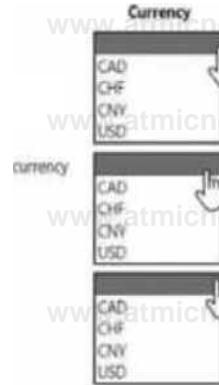
**NOTE:** Each correct selection is worth one point.

Amwar Am

Raqwkamant  
Humongous Insurance base currency

Hvrcrgoui imvince subKBNy base

hey Rateau base currency



Answer:

Explanation:

Answer: ATM

Requirement

Currency

Humongous Insurance base currency

Humongous insurance subsidiary base currency USD

hey Research base currency

CAD

## Question: 46

### DRAG DROP

You need to create Trey Research's bank accounts.

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

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

Action\*

- Create a classification group named Group!
- Create each bank account Set the bank group to Group!
- Configure cash and bank management parameter\*
- Create each bank account, Set the classification group to Group!
- Create a batch job Set the job description name to Group\*
- Create a bank group named Group!

Answer area



### Explanation:

Answer art\*

- 1 Create each bank account Set the classification group to Group
- 2 Create a bank group named Group!
- 3 Configure cash and bank management parameters

### Question: 47

#### HOTSPOT

You need to configure the fiscal year calendars for each legal entity.

How should you configure the fiscal year calendars? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Answer Area

legal entity

Humongous Insurance

Humongous insurance subsidiary

Trey Research

Fiscal year calendar



### Answer:

### Explanation:

Answer ATM

1\*9\*1 entity

Fsual yeai calendar

Humongous Insurance

ianOec

### Question: 48 HOTSPOT

You need to configure credit card processing for all three companies.

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

NOTE: Each correct selection is worth one point.

Answer AIM

| Legal entity                   | Data support  |
|--------------------------------|---|
| Humongous Insurance            | <div style="border: 1px solid black; padding: 2px;">           Level 1<br/>           Level 2<br/>           Level 3         </div> |
| Humongous Insurance subsidiary | <div style="border: 1px solid black; padding: 2px;">           Level 1<br/>           Level 2<br/>           Level 3         </div> |
| Trey Research                  | <div style="border: 1px solid black; padding: 2px;">           Level 1<br/>           Level 2<br/>           Level 3         </div> |

Answer:

Explanation:

Answer AIM

| 1*9*1 entity                   | Data support |
|--------------------------------|--------------|
| Humongous Insurance            | level 1      |
| Humongous Insurance subsidiary | level 1      |
| Trey Research                  | Level 2      |

### Question: 49

You need to ensure the promotional gifts are posted to the correct account. What should you use?

A. Classification groups

B. Item groups

C. Field groups

D. Customer credit groups

E. Bank groups

Explanation:

Question: 50

HOTSPOT

You need to configure credit card processing for all three companies

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

NOTE: Each correct selection is worth one point.

AM\*OT ATM

General entity

Humongous insurance

Humongous insurance sutsurSiuy

Cash flow forecast calculation method

|       |                          |
|-------|--------------------------|
| Total | <input type="checkbox"/> |
| New   | <input type="checkbox"/> |
| None  | <input type="checkbox"/> |

|       |                          |
|-------|--------------------------|
| Total | <input type="checkbox"/> |
| New   | <input type="checkbox"/> |
| None  | <input type="checkbox"/> |

Answer:

Explanation:

Total

Total

Question: 51

HOTSPOT

You need to ensure accounting entries are transferred from subledgers to general ledgers.

How should you configure the batch transfer rule? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Answer ATM

|   |        |
|---|--------|
| 1*9*1 entity  | Action |
| Humongous Insurance subduiry I  |        |
| Configure sutidegef iramfvn a <a*«Ktworouu Configure wUedget tantim *<br>Scheduled batch i onhqure » Synmrontu        |        |
| Trey Research < onfigure subieoger uemfm a Atyncnranouc Configure suWeOger hempen is Scheduled bitch <u>Configure</u> |        |
| <u>lubirdgef hanten SqChKyiDus</u>  |        |

Answer:

Explanation:

Answer Arte

|   |  |
|---|--|
| legal entity  | Action                                     |
| Humongous mcurance subsidiary Configure subledge* tranuien a Aaynchronouc |  |
| Trey Research   | C onngure tut (Mger TimJert at Synchronous |

Question: 52  
HOTSPOT

You need to configure expense management for Humongous Insurance and its subsidiary. Which options should you use? To answer select the appropriate options in me answer area

NOTE: Each correct selection is worth one point.

Answer Area

|                                |   |  |
|--------------------------------|---|--|
| <b>Legal entity</b>            | <b>Legal entity for intercompany tax posting source</b> | <b>Legal entity for intercompany tax posting destination</b> |
| Humongous Insurance            | Humongous Insurance<br>Humongous Insurance subsidiary   | Humongous Insurance<br>Humongous Insurance subsidiary        |
| Humongous Insurance subsidiary | Humongous Insurance<br>Humongous Insurance subsidiary   | Humongous Insurance<br>Humongous Insurance subsidiary        |

Answer:

Explanation:

Answer ATM

|  |                       |                                  |
|--|-----------------------|----------------------------------|
| Legal entity   | posting source        | posting destination              |
| Htenongous inuxafKe  | Humongous insurance * | IAenongou* insurance "           |
| Humongous Insufficr sutoudury<br>Legal entity for intercompany tax | Humongous Insurance * | Humongous irautarKe subsidiary * |

Question: 53

## HOTSPOT

You need to configure the cash flow management reports.

How should you configure cash flow management? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Answer Area

Legal entity    Cash flow forecast calculation method  
Humongous insurance

New  
None

Humongous Insurance subsidiary

Answer

## Explanation:

Answer Area

Legal entity    Cash flow forecast calculation method

Humongous insurance

Humongous Insurance subsidiary

## Topic 6, Tailspin Toys

### Overview

Tailspin Toys is a toy manufacturing company that sells to distributors and customers through a business-to-consumer website. Tailspin Toys has been using custom developed software for their accounting and supply chain management needs.

Tailspin Toys has toy factories in Mexico and Canada, with a head office based out of the United States. Tailspin Toys is currently operating with various financial departments including accounts payable, accounts receivable, fixed assets, and general accounting. The company has multiple legal entities to support their manufacturing units and selling organization.

Tailspin Toys wants to maintain consistent growth as a company and is now implementing Dynamics 365 Finance for all business processes.

### Current Environment

## Vendors

- Tailspin Toys works with local and foreign vendors.
- The procurement process is designed for manufacturing raw materials, finished products, and packing materials for toys.
- The company monitors vendor balances by local and foreign vendors, both appearing in different general ledger accounts.
  - For vendor payments, the accounts payable manager generates payment proposals every Wednesday, to have approvals and check printing done by Thursday in order to mail the checks by Friday of each week.
  - Vendors can take part in the incentive program that offers travel vouchers and other gifts based on quantity and quality of supplies at the end of the year.
  - Incentive program data is being monitored outside of the system and qualifying vendors are then provided to the financial department for expenses.
  - The finance department accrues a small percentage of every vendor invoice during the year for this purpose, booking accounts payable liability account offsetting to the incentive expenses account.
  - The finance department accrual then allows management to easily make decisions regarding types of gifts and vouchers to provide to the top-performing vendors.

## Reporting

- Management gets periodic reports from the finance department for all the legal entities. These reports provide all required finance data and are comprised of balance sheets, income statements, and cash flow statements.

## Budget planning

- The finance department oversees all budget planning.
  - The finance department estimates the baseline for all budgets and distributes them to the respective departments.
  - Each department estimates and forecasts their budget and sends it back to the finance department where the budget is updated accordingly.

## Expenses

Utility bills for the toy factories are currently getting expensed to the following departments as per the listed breakdown.

| Department    | Percentage |
|---------------|------------|
| Manufacturing | 60 percent |

|                |            |
|----------------|------------|
| Administration | 5 percent  |
| Sales          | 10 percent |
| Marketing      | 25 percent |

### Asset teasing

Tailspin Toys has leased assets in the form of factory buildings and warehouses. The company maintains asset books for the monthly leasing payments and pays compound interest on them. Tailspin Toys maintains future forecasts of their payment projections and budget requirements for leasing payments.

### Requirements

#### Consolidation

- Automatic foreign currency consolidation at the corporate level is required by Tailspin Toys' leadership.
- Consolidated results are needed in multiple reporting currencies.

#### Expenses

- Utility bills must be allocated to allow each department to expense the correct amount.

#### Reports

- Leadership requires financial reports to come to their inbox automatically as one at the end of every month.

#### Vendors

- The system must show accounts payable liability by type of vendor similar to how it works in the current system.
- The chief financial officer (CFO) wants to configure the system to follow their business policies of paying vendors every Friday and as per credit issued by vendors and agreed method of payments.
- The accounts payable administrator must automate the vendor invoice process for imported invoices to bypass the review stage when no discrepancy is determined.

#### Budgets

- A new organizational hierarchy is required for budget planning purposes.
- Leadership wants financial budgets enforced by alerting users upon reaching 90% of the total budget.

#### Asset leasing

- The CFO must automatically process payments and journal entries for the leased properties.
- Management must view payment forecasts based on leased assets.

#### Issues

## Accounts payable issues

- Vendor liability information for local and foreign vendors is not separated in the system.
- The accounts payable manager observed that a percentage of each invoice paid to vendors is not being posted for the yearly incentives program.
- The accounts payable clerk had to manually invoice a vendor receipt during user acceptance testing.
- The accounts payable manager must automate the current process of vendor payment proposals.

## Other issues

- The differences resulting from consolidating subsidiaries with foreign currencies are not considered.
- User A confirmed they did not receive an alert before running out of their budget.
- Expense reports for the manufacturing and sales departments do not contain utility bill expenses.
- The accounting manager reported that there is no batch journal created for the monthly lease expenses.

## Question: 54

### DRAG DROP

You need to resolve the accounts payable manager issue and resolve the user acceptance testing bug reported by the accounts payable clerk.

How should you configure the system? To answer, move the appropriate Value to the correct Parameter. You may use each Value once, more than once, or not at all. You may need to move the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Values

System configuration

Yes

Parameter

Value

Automatically submit imported invoices to the workflow.

No

Require the calculated totals to equal the imported totals for automatic workflow submission.

Answer:

Explanation:

Values

System configuration

Yes

Parameter

Value

Automatically submit imported Invoices to the workflow. Yes Require the calculated totals to equal the imported totals for No automatic workflow submission.

No

To resolve the issues related to the accounts payable manager and the user acceptance testing bug reported by the accounts payable clerk, configure the system parameters as follows:

Parameter: Automatically submit imported invoices to the workflow.

Value: Yes

This setting ensures that imported invoices are automatically submitted to the workflow, bypassing manual intervention, which addresses the accounts payable clerk's bug of having to manually submit a vendor receipt for processing.

Parameter: Require the calculated totals to equal the imported totals for automatic workflow submission.

Value: No

This ensures that there is no discrepancy between calculated totals and imported totals, allowing invoices that match to bypass review, as required by the accounts payable administrator.

Navigate to Accounts payable > Setup > Accounts payable parameters.

Go to the Invoice tab.

Locate the Vendor invoice automation section:

Set Automatically submit imported invoices to the workflow to Yes.

Reference: Dynamics 365 documentation on configuring invoice automation parameters.

Set Require the calculated totals to equal the imported totals for automatic workflow submission to No.

Reference: Invoice automation processing configuration in Dynamics 365.

This configuration will automate the workflow submission process for invoices that meet specified criteria and bypass review for invoices without discrepancies, as requested. This setup aligns with Dynamics 365 Finance's recommended best practices for automating vendor invoice processes and reducing manual input, which facilitates smoother processing and meets Tailspin Toys' operational requirements.

## Question: 55

You need to set up financial reports to meet management requirements. What should you do? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Set up a report schedule to generate a report on a monthly basis for a reporting group.
- B. Set up a report schedule to generate an individual report on a monthly basis.
- C. Set up a reporting tree definition.
- D. Create a report group.

Answer: A, C, D

### Explanation:

Set up a Report Schedule (Option A & B):

To automate report generation on a monthly basis, navigate to General ledger > Inquiries and reports > Financial reports.

Choose the report to schedule and select Report schedules. Here, you can define whether the schedule applies to a reporting group or an individual report, depending on the organization's requirements.

Reference: Dynamics 365 documentation on scheduling financial reports.

Set up a Reporting Tree Definition (Option C):

Reporting trees allow you to structure financial reports based on organizational hierarchies. Go to General ledger > Inquiries and reports > Financial reports, then create or modify a reporting tree definition as needed.

Reporting tree definitions are particularly useful for presenting consolidated reports or segmented reports

across different entities or departments.

Reference: Microsoft guidance on setting up reporting tree definitions for hierarchical reporting.

#### Create a Report Group (Option D):

To create a report group, go to General ledger > Inquiries and reports > Financial reports, then select Report group and add the necessary financial reports.

This approach enables you to generate multiple reports simultaneously, which is useful for consistent monthly reporting to management.

Reference: Creating report groups as part of the financial reporting setup in Dynamics 365 Finance.

### Question: 56

You need to enforce financial budgets for management and resolve User As issue. What should you do?

- A. Configure budget control threshold.
- B. Create a schema for formulating budget.
- C. Create a new organizational hierarchy.
- D. Apply security rules to budget plans.

Answer: A

#### Explanation:

##### Configure Budget Control Threshold (Option A):

Go to Budgeting > Setup > Budget control > Budget control configuration.

Under the Budget thresholds section, configure the threshold percentage (e.g., 90%) to trigger alerts when users are close to their budget limits.

This configuration ensures that alerts are sent to users before they exceed their budget, directly addressing User As issue by setting up notifications to prevent budget overrun.

Reference: Dynamics 365 documentation on configuring budget control thresholds to enforce budget limits and alerts.

By setting the threshold, you allow the system to automatically monitor budget usage and notify users accordingly, ensuring adherence to budget constraints as specified by management.

## Question: 57 HOTSPOT

You need to resolve the issue related to monthly lease expenses.

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

NOTE: Each correct selection is worth one point.

### Asset Leasing Configuration

#### Requirement

Confirm payment schedules.

Create journal entries.

#### Configuration

Confirm schedules on a lease-to-lease basis.

Confirm schedules in a batch.

Confirm schedules for all the books.

Set up batch processing to create journal entries.

Set up batch processing to create journal entries.

Create monthly journal entries for individual leases.

Manage leases through the lease import framework. Set up a lease approval workflow.

Answer:

### Explanation:

#### Asset Leasing Configuration

##### Requirement

Confirm payment schedules.

Create journal entries.

##### Configuration

Confirm schedules in a batch

Set up batch processing to create journal entries.

To resolve the issue related to monthly lease expenses in Dynamics 365 Finance, you should configure the asset leasing settings as follows:

**Requirement:** Confirm payment schedules.

**Configuration:** Confirm schedules in a batch.

This option ensures that the payment schedules for all leases are confirmed at once, simplifying the process of managing multiple leases.

**Requirement:** Create journal entries.

**Configuration:** Set up batch processing to create journal entries.

This setting automates the creation of journal entries for lease payments, which is essential for handling monthly lease expenses consistently.

**Confirm Payment Schedules in a Batch:**

Go to Asset leasing > Periodic tasks > Confirm lease payment schedules.

Select Batch processing to confirm schedules for all leases at once. This option streamlines the confirmation process, ensuring that all lease payment schedules are up-to-date.

**Reference:** Microsoft documentation on batch processing for lease payment confirmations in Dynamics 365 Finance.

**Set Up Batch Processing for Journal Entries:**

Navigate to Asset leasing > Lease transactions > Create journal entries.

Choose Set up batch processing to automatically generate journal entries for lease payments. This process enables consistent tracking of monthly lease expenses and aligns with standard accounting practices for asset leasing.

**Reference:** Dynamics 365 Finance documentation on automating lease journal entries with batch processing.

By configuring these options, you ensure that payment schedules and journal entries are managed effectively through batch processing, which is critical for managing monthly lease expenses in Dynamics 365 Finance.

Topic 7, Misc. Questions

## Question: 58

After you answer a question in this section, you will NOT be able to return to it As a result, these

questions will not appear in the review screen.

A company is preparing to complete yearly budgets.

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

You need to create the new budgets.

Solution: Create budget plans for multiple scenarios.

Does the solution meet the goal?

A. Yes

B. No

Answer: A

Explanation:

Reference:

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

Question: 59

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

A company is preparing to complete yearly budgets.

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

You need to create the new budgets.

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

Does the solution meet the goal?

A. Yes

C. No

Answer: B

Explanation:

Reference:

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

### Question: 60

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

A company is preparing to complete yearly budgets.

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

You need to create the new budgets.

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

Does the solution meet the goal?

A. Yes

B. No

Answer: B

Explanation:

Reference:

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

### Question: 61

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

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

You need to configure the system and correctly perform eliminations.

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

Does the solution meet the goal?

A. Yes

B. No

Answer: A

Explanation:

Reference:

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

## Question: 62

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

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

You need to configure the system and correctly perform eliminations.

Solution: Select Consolidate online in Finance and Operations. Include eliminations during the process or as a proposal. Setup the transactions to post in the legal entity configured for consolidations.

Does the solution meet the goal?

A. Yes

B. No

Answer: B

Explanation:

Reference:

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

### Question: 63

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

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

You need to configure the system and correctly perform eliminations.

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

Does the solution meet the goal?

A. Yes

C. No

Answer: A

Explanation:

Reference:

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

### Question: 64

A company plans to create a new allocation rule for electric utilities expenses. The allocation rule **must** meet the following requirements:

\* Distribute overhead utility expense to each department.

\* Define how and in what proportion the source amounts must be distributed on various destination lines.

You need to configure the allocation rule. Which allocation method should you use?

A. Fixed percentage

B. Equally

C. Basis

D. Fixed weight

Answer: C

Explanation:

Reference:

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

Question: 65

HOTSPOT

A client plans to use the cost accounting module in Dynamics 365 for Finance and Operations. You need to associate the correct definitions to the correct cost accounting concepts. Which terms match the definitions?

To answer, select the appropriate configuration in the answer area. NOTE: Each correct selection is worth one point.

## Definition/use

## Cost accounting configuration

Used to measure and quantify activities, such as machine hours that are used.

|                 |
|-----------------|
| ▼               |
| cost entry      |
| cost object     |
| cost element    |
| allocation base |

The result of a transfer via data connectors from general ledger entries, cost allocations, and posted cost entries in cost journals.

|                     |
|---------------------|
| ▼                   |
| cost entry          |
| cost element        |
| cost classification |
| allocation base     |

Anything that is selected for cost control. Costs or revenues are either directly posted on or allocated to these.

|                 |
|-----------------|
| ▼               |
| cost entry      |
| cost object     |
| cost element    |
| allocation base |

Used as a function to track and categorize costs.

|                     |
|---------------------|
| ▼                   |
| cost object         |
| cost element        |
| allocation base     |
| cost classification |

Groups costs according to their shared characteristics.

|                     |
|---------------------|
| ▼                   |
| cost entry          |
| cost element        |
| allocation base     |
| cost classification |

Answer:

Explanation:

### Definition/use

Used to measure and quantify activities, such as machine hours that are used.

The result of a transfer via data connectors from general ledger entries, cost allocations, and posted cost entries in cost journals.

Anything that is selected for cost control. Costs or revenues are either directly posted on or allocated to these.

Used as a function to track and categorize costs.

Groups costs according to their shared characteristics.

Reference:

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

### Question: 66

A company provides employee life insurance to all full-time employees. Employee life insurance policies are paid twice a year to the insurance company.

Transactions for current employees must be recognized in the general ledger twice a month with an employee's pay.

Transactions for new employees must be recognized in the general ledger based upon the

### Cost accounting configuration

|                 |   |
|-----------------|---|
|                 | ▼ |
| cost entry      |   |
| cost object     |   |
| cost element    |   |
| allocation base |   |

|                     |   |
|---------------------|---|
|                     | ▼ |
| cost entry          |   |
| cost element        |   |
| cost classification |   |
| allocation base     |   |

|                 |   |
|-----------------|---|
|                 | ▼ |
| cost entry      |   |
| cost object     |   |
| cost element    |   |
| allocation base |   |

|                     |   |
|---------------------|---|
|                     | ▼ |
| cost object         |   |
| cost element        |   |
| allocation base     |   |
| cost classification |   |

|                     |   |
|---------------------|---|
|                     | ▼ |
| cost entry          |   |
| cost element        |   |
| allocation base     |   |
| cost classification |   |

employee's first pay date.

You need to configure accrual schemes for the new fiscal year.

Which two configurations should you use? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

A. For new employees, use a Credit accrual scheme. In the ledger accrual, set the offset to the first day of the fiscal year.

B. For current employees, use a Credit accrual scheme. In the ledger accrual, set the offset to the employee's first pay date.

C. For new employees, use a Debit accrual scheme. In the ledger accrual, set the offset to the employee's first pay date.

D. For current employees, use a Debit accrual scheme. In the ledger accrual, set the offset to the first day of the fiscal year.

**Answer: BD**

**Explanation:**

### Question: 67

You are configuring intercompany accounting for a multicompany enterprise. You need to set up: the Due to and Due from accounts.

Which main account type should you use?

A. Expense

B. Asset

C. Balance sheet

D. Liability

E. Profit and loss

Answer: C

Explanation:

Reference:

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

### Question: 68

An organization is setting up cost accounting.

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

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

NOTE: Each correct selection is worth one point.

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

Answer: BCD

Explanation:

Reference:

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

### Question: 69

An organization uses Dynamics 365 for Finance and Operations.

Several posted journal entries contain invalid main account and dimension combinations. This leads

to incorrect financial reporting.

You need to prevent these invalid combinations.

What should you do?

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

Answer: D

Explanation:

Reference:

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

Question: 70

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

Which set of actions must you perform?

- A. ■ Define a budget journal
  - Define budgeting parameters and number sequences
  - Create budget models
  - Define budget codes
  - Create budgeting workflows
- B. ■ Define a budget journal
  - Define budgeting parameters and number sequences
  - Define rules for budget transfers
  - Create budget models
  - Define budget codes
- C. ■ Define budget exchange rate types
  - Define budgeting parameters and number sequences
  - Define budgeting dimensions
  - Create budget models
  - Define budget codes
- D. ■ Define a budget journal
  - Define budgeting parameters and number sequences
  - Define budgeting dimensions
  - Create budget models
  - Define budget codes

A. Option A

B. Option B

C. Option C

D. Option D

Answer: D

Explanation:

Reference:

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

## Question: 71

### HOTSPOT

A client plans to use Dynamics 365 for Finance and Operations for year-end 1099 reporting in the United States. You are viewing a vendor master data record on the 1099 FastTab.

The screenshot shows the Dynamics 365 Finance and Operations interface for a Vendor Master Data record. The breadcrumb navigation is "Accounts payable > Vendors > All vendors". The "GENERAL" tab is selected, and the "1099" FastTab is active. The form contains the following fields and controls:

- W-9 received:** A toggle switch set to "No".
- Check for W-9:** A toggle switch set to "Yes".
- Federal tax ID:** A text field containing "1231123".
- Signed TIN:** A toggle switch set to "No".
- Name control:** An empty text field.
- 1099 box:** A dropdown menu.
- Tax ID type:** A dropdown menu set to "Unknown".
- Name to use on the 1099:** A dropdown menu set to "Vendor name".
- DID:** A text field.
- CUIIP:** A toggle switch set to "No".
- Vendor type:** A dropdown menu set to "None".
- CLSP details:** A collapsed panel.
- Nonres details:** A collapsed panel.

**Question**

Which prompt appears when the vendor invoice posts?

You need to set up a default federal tax withholding type on an invoice journal. On the vendor record, what should you configure?

**Answer choice**

|   |
|---|
| Tax type unknown  |
| No foreign entity indicator W-9 has not yet been received Check for W-9 |
| 1099 box  |
| Federal tax ID  |
| W-9 received  |

Answer:

Explanation:

**Question**

Which prompt appears when the vendor invoice posts?

You need to set up a default federal tax withholding type on an invoice journal. On the vendor record, what should you configure?

**Answer choice**

|                               |
|-------------------------------|
| Tax type unknown              |
| No foreign entity indicator   |
| W-9 has not yet been received |
| Check for W-9                 |
| 1099 box                      |
| Federal tax ID                |
| W-9 received                  |

**Question: 72**

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

You need to implement posting definitions.

In which situation should you implement posting definitions?

- A. when financial dimensions need to default from the vendor record onto an invoice
- B. when only certain dimensions are allowed to post with certain mam account combinations

C. when creating multiple balanced ledger entries based on transaction types or accounts

D. when the system needs to automatically post a transaction to the accounts receivable account on invoice posting

Answer: D

Explanation:

### Question: 73

#### HOTSPOT

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

You need to configure the accrual schemes for this company.

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

NOTE: Each correct selection is worth one point.

#### Answer Area

| Configuration            | Action  |
|--------------------------|---|
| Applicable function area | Apply the scheme to revenue only.                   |
| setup                    | Apply the scheme to costs only.                     |
|                          | <u>Apply the scheme to both revenue and costs.</u>  |
|                          | Specify the frequency of the accruals.              |
|                          | Specify the journal type for the accruals.          |
|                          | <u>Specify whether the accruals are reversable.</u> |

Answer:

Explanation:

#### Configuration

Applicable function area

#### Action

Apply the scheme to revenue only

Apply the scheme to costs only

Apply the scheme to both revenue and costs

Accrual setup

---

Specify the frequency of the accruals Specify the journal type for the accruals Specify whether the accruals are reversable

Question: 74

DRAG DROP

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

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

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

Actions

Answer area

Assign ledger accounts to item postings that are related to standard cost variances.

Define inventory parameters that are related to standard costs.

Create an item model group for standard costs.

Define ledger accounts that are related to standard cost variances.



Answer:

Explanation:

Answer Area

Create an item model group for standard costs

Define ledger accounts that are related to standard cost variances



Assign ledger accounts to item postings that are related to standard cost variances



Define inventory parameters that are related to standard costs

Reference:

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

Question: 75

DRAG DROP

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

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

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

**Actions**

**Answer Area**

- Set up methods of payment for centralized payments.
- Set up posting profiles for centralized payments.
- Set up an intercompany account and create the organizational hierarchy for centralized payments.
- Map vendor accounts across all legal entities,



**Answer:**

**Explanation:**

**Answer Area**

- Set up an intercompany account and create the organizational hierarchy for centralized payments
- Map vendor accounts across all legal entities
- Set up posting profiles for centralized payments
- Set up methods of payment for centralized payments

**Reference:**

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

**Question: 76**

You are configuring automatic bank reconciliation functionality for a company that has multiple bank accounts, The company wants to import their bank statements.

You need to import electronic bank statements to reconcile the bank accounts.

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

NOTE: Each correct selection is worth one point.

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

E. Select Import statement for multiple bank accounts in all legal entities, and then upload a zip file

Answer: BDE

Explanation:

Reference:

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

### Question: 77

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

You need to configure the Dynamics 365 for Finance and Operations General ledger module. Which three configurations must you use? Each correct answer presents part of the solution. NOTE: Each correct selection is worth one point.

A. Configure the Fiscal year close parameters

B. Configure the ledger calendar for the new fiscal year

C. Configure the transfer balance

D. Validate the main account type

E. Create the next fiscal year

Answer: ADE

Explanation:

Reference:

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

### Question: 78

HOTSPOT

A food manufacturer uses commodities such as beans, corn, and chili peppers as raw materials. The

prices of the commodities fluctuate frequently. The manufacturer wants to use cost versions to simulate these fluctuations.

You need to set up cost versions and prices to accomplish the manufacturer's goal.

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

NOTE: Each correct selection is worth one point.

Answer Area

Costing type

Purpose

Standard cost

Planned cost

to support cost calculation simulation to support actual cost inventory model to support standard cost inventory model!

to support cost calculation simulation to support standard cost for master plan to directly activate planned cost to standard cost

to support standard cost for master plan to directly activate planned cost to standard cost

Answer:

Explanation:

**Costing type**

**Purpose**

Standard cost

W

to support cost calculation simulation to support actual cost inventory model to support standard cost inventory model

Planned cost

▼

to support cost calculation simulation to support standard cost for master plan to directly activate planned cost to standard cost

Reference:

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

### Question: 79

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

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

Answer: B

Explanation:

### Question: 80

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

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

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

NOTE: Each correct selection is worth one point.

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

Answer: ABE

Explanation:

### Question: 81

You are configuring Dynamics 365 for Finance and Operations,

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

For which type of transactions can you implement posting definitions?

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

**Answer: D**

**Explanation:**

**Question: 82**

**HOTSPOT**

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

The client has the following requirements:

- Post journal entries for all companies from one legal entity.
- Configure automatic creation of due to/due from transactions based on when LegalEntityA transacts with LegalEntityB.
- Automatically split the dollar amount in half between DimensionA and DimensionB when the journal is posted.
- Set up fixed or variable allocations, and then review the allocations in a journal before posting,
- Automatically post year-end results to account 30016 during year-end close.

You need to configure the system.

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

**Client requirement**

**System capability**

You must post journal entries for all companies from one legal entity.

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

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

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

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

|                                     |
|-------------------------------------|
| ledger allocation rules             |
| allocation terms                    |
| accounts for automatic transactions |
| intercompany journal                |

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

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

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

|                                     |
|-------------------------------------|
| ledger allocation rules             |
| allocation terms                    |
| accounts for automatic transactions |
| intercompany journal                |

Answer:

Explanation:

## Client requirement

You must post journal entries for all companies from one legal entity.

## System capability

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

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

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

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

ledger allocation rules  
allocation terms  
accounts for automatic transactions  
intercompany journal

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

intercompany journal  
ledger allocation rules  
allocation terms  
accounts for automatic transactions

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

ledger allocation rules  
allocation terms  
accounts for automatic transactions  
intercompany journal

## Question: 83

DRAG DROP

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

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

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

**Actions**

**Answer Area**

Set up sales tax authorities and sales tax settlement periods.

Set up sales tax groups and item sales tax groups.

Setup main accounts and ledger posting groups for sales tax.

Set up sales tax codes.

Set up sales tax parameters on the application parameter pages.



Explanation:

Answer:

**Answer Area**

Set up main accounts and ledger posting groups for sales tax

Set up sales tax authorities and sales tax settlement periods

Set  up sales tax codes

Set  up sales tax groups and item sales tax groups

Set up sales tax parameters on the application parameter pages

**Question: 84**

DRAG DROP

You are creating a budget for an organization.

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

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

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

**Actions**

**Answer Area**

Set up Task approval for the workflow.

Create an allocation schedule on the Budget planning configuration page.

Create a stage allocation on the Budget planning configuration page.

Add an automated task for budget planning stage allocation at the desired workflow stage.



**Answer:**

**Explanation:**

**Answer Area**

Create an allocation schedule on the Budget planning configuration page

Create a stage allocation on the Budget planning configuration page

Add an automated task for budget planning storage allocation at the desired workflow stage

**Reference:**

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

**Question: 85**

You are configuring budgeting components in Dynamics 365 for Finance and Operations.

You need to configure multiple budgets.

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

**NOTE:** Each correct selection is worth one point.

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

Explanation:

**Question: 86**

**HOTSPOT**

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

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

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

NOTE: Each correct selection is worth one point.

**Requirement**

**Allocation method**

Allocate budget plan lines to the destination scenario based on the percentages and financial dimensions that are defined in a selected budget allocation term.

|                       |
|-----------------------|
| ▼                     |
| Aggregate             |
| Allocate to Dimension |
| Distribute            |
| Copy from Plan        |

Allow budget amounts that are prepared at a lower level in the organization to be consolidated at a higher level.

|                         |
|-------------------------|
| ▼                       |
| Distribute              |
| Allocate Across Periods |
| Aggregate               |
| Allocate to Dimension   |

Transfer amounts that were budgeted at a higher level to a lower level of the organization for detailed review and adjustment before they can receive upper-level approval.

|                         |
|-------------------------|
| ▼                       |
| Allocate Across Periods |
| Distribute              |
| Copy from Budget Plan   |
| Aggregate               |

Enable budget amounts that are prepared at a higher level in the organization to be spread out for more localized review.

|                       |
|-----------------------|
| ▼                     |
| Distribute            |
| Aggregate             |
| Copy from budget plan |
| Allocate to dimension |

**Answer:**

Explanation:

### Requirement

Allocate budget plan lines to the destination scenario based on the percentages and financial dimensions that are defined in a selected budget allocation term.

### Allocation method

| Allocation method     |  |
|-----------------------|--|
| Aggregate             |  |
| Allocate to Dimension |  |
| Distribute            |  |
| Copy from Plan        |  |

Allow budget amounts that are prepared at a lower level in the organization to be consolidated at a higher level.

| Allocation method       |  |
|-------------------------|--|
| Distribute              |  |
| Allocate Across Periods |  |
| Aggregate               |  |
| Allocate to Dimension   |  |

Transfer amounts that were budgeted at a higher level to a lower level of the organization for detailed review and adjustment before they can receive upper-level approval.

| Allocation method       |  |
|-------------------------|--|
| Allocate Across Periods |  |
| Distribute              |  |
| Copy from Budget Plan   |  |
| Aggregate               |  |

Enable budget amounts that are prepared at a higher level in the organization to be spread out for more localized review.

| Allocation method     |  |
|-----------------------|--|
| Distribute            |  |
| Aggregate             |  |
| Copy from budget plan |  |
| Allocate to dimension |  |

Reference:

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

### Question: 87

You are configuring the Fixed assets module for a Dynamics 365 Finance and Operations environment,

You need to set up the basic configuration to create a fixed asset. Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

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

Answer: ABC

Explanation:

Reference:

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

### Question: 88

An organization acquires a building. You need to register and record the building as an asset building in Dynamics 365 Finance and Operations. 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 acquisition transaction type within a fixed asset journal.
- B. Select an account type of Fixed Asset and a transaction type of Acquisition with a General Journal.
- C. Use the sales order process to acquire the asset.
- D. Eliminate the project to a fixed asset.
- E. Create a sales invoice to record and register the fixed asset.

Answer: ABD

Explanation:

### Question: 89

A client is using the budget planning process in Dynamics 365 for Finance and Operations. Your client requires the ability to plan for a one-year, three-year, and five-year budget. You need to configure the various year length options to be used in the budgeting module. What should you do?

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

Answer: B

Explanation:

## Question: 90

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 value models 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.

What should you do?

- A. Reclassify the fixed asset.
- B. Copy the fixed asset.
- C. Change the fixed asset group
- D. Transfer the fixed assets.

Answer: D

Explanation:

## Question: 91

You are the accounts receivable manager of an organization. The organization recently sold machinery to a customer. You need to registers transaction for the sale of the machinery by using a free text invoice for fixed assets. Which transaction type should you use?

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

D. Depreciation

Explanation:

Question: 92

DRAG DROP

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

You need to create the budget plan templates.

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

**Actions**

Generate budget plan templates.

Create budget plan document layouts.

Create budget plan columns.

Define budgeting financial dimension sets.

**Answer Area**

[ S |



Explanation:

Answer: A



Answer:

## Answer Area

Define budgeting financial dimension sets

Create budget plan columns

Create budget plan document layouts

Generate budget plan templates

### Question: 93

#### 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 charges.
- 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.

**Business requirement**

**Delinquency Management functionality**

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

|                        |   |
|------------------------|---|
|                        | ▼ |
| customer statement     |   |
| collection letter      |   |
| aged customer balances |   |

Use the system to automatically calculate a late charge.

|                |   |
|----------------|---|
|                | ▼ |
| interest codes |   |
| billing codes  |   |
| auto charges   |   |

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

|                          |   |
|--------------------------|---|
|                          | ▼ |
| customer pools           |   |
| aging period definitions |   |
| customer groups          |   |

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

|                         |   |
|-------------------------|---|
|                         | ▼ |
| aged balances           |   |
| period definitions      |   |
| customer aging snapshot |   |

Answer:

Explanation:

## Business requirement

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

## Delinquency Management functionality

|                        |
|------------------------|
| ▼                      |
| customer statement     |
| collection letter      |
| aged customer balances |

Use the system to automatically calculate a late charge.

|                |
|----------------|
| ▼              |
| interest codes |
| billing codes  |
| auto charges   |

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

|                          |
|--------------------------|
| ▼                        |
| customer pools           |
| aging period definitions |
| customer groups          |

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

|                         |
|-------------------------|
| ▼                       |
| aged balances           |
| period definitions      |
| customer aging snapshot |

Reference:

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

Question: 94

HOTSPOT

You need to configure invoice validation for vendors in Dynamics 365 for Finance and Operations. You are viewing the Accounts payable parameter for Invoice validation.



**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 restrict a user from posting an invoice that has discrepancies without authorization. Which option should you use?

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

**Answer:**

**Explanation:**

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

**Reference:**

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

## Question: 95

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.

**Answer: BC**

Explanation:

Reference:

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

## Question: 96

**HOTSPOT**

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

Dynamics 365 Finance and Operations Accounts payable > Charges setup > Charges code USMF

Save + New Delete Translations External codes OPTIONS

Filter

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

Posting

| DEBIT |  | CREDIT | ACCOUNTS PAYABLE                     |
|-------|--|--------|--------------------------------------|
| Type  |  | Type   | Calculate purchase order and invoice |
|       |  |        | No <input checked="" type="radio"/>  |

Posting

| DEBIT   |  | CREDIT  | ACCOUNTS PAYABLE                     |
|---------|--|---------|--------------------------------------|
| Type    |  | Type    | Calculate purchase order and invoice |
|         |  |         | No <input checked="" type="radio"/>  |
| Posting |  | Posting |                                      |
|         |  |         |                                      |
| Account |  | Account |                                      |
|         |  |         |                                      |

Foreign trade

### Questions

Which type should you select in the Debit column?

### Answer choice

Item  
Ledger account  
Customer/Vendor

Which type should you select in the Credit column?

Item  
Ledger account  
Customer/Vendor

Answer:

Explanation:

## Questions

Which type should you select in the Debit column?

|                 |   |
|-----------------|---|
|                 | ▼ |
| Item            |   |
| Ledger account  |   |
| Customer/Vendor |   |

Which type should you select in the Credit column?

|                 |   |
|-----------------|---|
|                 | ▼ |
| Item            |   |
| Ledger account  |   |
| Customer/Vendor |   |

## Question: 97

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. Delete any contact person that they have created.
- B. Deny or allow a contact person's access to documents on the vendor collaboration interface that are specific to the vendor account
- C. View and modify contact person information, such as the person's title, email address, and telephone number.
- D. View consignment inventory.

Answer: D

Explanation:

Reference:

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

## Question: 98

A client uses Dynamics 365 for Finance and Operations 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 payment reference
- B. Select bank transaction type
- C. Select Deposit slip
- D. Select Payment ID

Answer: B

Explanation:

Question: 99

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. Define the maximum charge amount on the vendor record.
- 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. Enable invoice matching validation in the Accounts payable parameters.

Answer: BE

Explanation:

Question: 100

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 is 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.

**Answer Area**

| Payment date | Settlement amount   |
|--------------|---|
| June 29      | <input type="checkbox"/> The payment for invoice TH10 is \$1,000.00. No cash discount is taken.<br><input type="checkbox"/> The payment for invoice TH10 is \$980.00. A cash discount of 2 percent is taken.<br><input type="checkbox"/> The payment for invoice TH10 is \$990.00. A cash discount of 1 percent is taken. |
| July 1       | <input type="checkbox"/> The payment for invoice TH10 is \$990.00. A cash discount of 1 percent is taken.<br><input type="checkbox"/> The payment for invoice TH10 is \$1,000.00. No cash discount is taken.<br><input type="checkbox"/> The payment for invoice TH10 is \$980.00. A cash discount 2 percent is taken.    |

These are the selections for the payment date: July 1

Answer:

Explanation:

Payment date

Settlement amount

June 29

The payment for invoice THIO is \$1,000.00. No cash discount is taken  
The payment for invoice THIO is \$980.00. A cash discount of 2 percent is taken  
The payment for invoice THIO is \$990.00. A cash discount of 1 percent is taken

July 1

The payment for invoice THIO is \$990.00. A cash discount of 1 percent is taken  
The payment for invoice THIO is \$1,000.00. No cash discount is taken  
The payment for invoice THIO is \$980.00. A cash discount of 2 percent is taken

Question: 101

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.

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.

**Actions**

**Answer Area**

Generate the collection letter.

Set up the Form Notes in the Credit and collections module.

Link the collection letter sequence to the customer posting profile.

Define the collection letter sequence.

Post the collection letter.



**Answer:**

Explanation:

**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

Reference:

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

Question: 102

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.

**Actions**

- 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.
- Print recurring free text invoices.
- Assign the template to the customers that you want to invoice.
- Create a free text invoice template with header, line, accounting distribution, and financial dimension information.

**Answer area**



Explanation:

Answer:

**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

Reference:

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

## Question: 103

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 two-way matching 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 non-required 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.

Answer: C

Explanation:

Reference:

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

## Question: 104

HOTSPOT

A client confirms a sales order in Dynamics 365 for Finance and Operations. You are viewing the confirmed sales order.



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:

Explanation:

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

### Question: 105

DRAG DROP

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

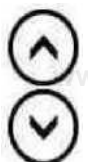
You need to set up the derived financial hierarchy to generate an outgoing electronic document.

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

**Actions**

**Answer Area**

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



**Answer:**

**Explanation:**

## Answer Area

Create a category hierarchy

Assign derived financial hierarchy as the category type



Associate the derived financial hierarchy with a legal entity



Create filter rules from the category nodes in the derived financial hierarchy

Create and activate the filters in the derived financial hierarchy

Reference:

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

Question: 106

HOTSPOT

You are setting up of 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.

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>   |

Answer:

Explanation:

**Participant**

**Action**

originator

- Review the document
- Start a workflow instance
- Delegate the document
- Release the document

decision maker

- Make a choice related to the document
- Start a workflow instance
- Make changes to the document
- Approve the document

approver

- Reject the document
- Start the workflow instance
- Make changes to the document

Reference:

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

## Question: 107

### HOTSPOT

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

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

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

NOTE: Each correct selection is worth one point.

### Setup Item description

Prevent user entered data and allow only system-generated transactions to post to this account.

Prompt specific dimension values when this main account is used, for each legal entity.

Allow the user to specify dimension values when this main account is used, splitting out the posted value by percentage by dimension.

Ensure that users must post a value in the debit or credit column based on configuration.

Implement a user-defined setting for grouping and quantification of main accounts for reporting purposes.

### Main account setup item

Do not allow manual entry  
Accounts for automatic transactions  
Main account category  
Allocation terms

Allocation terms  
Db/Cr requirement  
Main account category  
Legal entity overrides/Default dimensions

Allocation terms  
Ledger allocation rules  
Legal entity overrides/Default dimensions  
Main account category

Db/Cr requirement  
Db/Cr default  
Main account category  
Breakdown of voucher

Main account category  
Account type  
Legal entity overrides/Default dimensions  
Db/Cr requirement

Answer:

Explanation:

Prevent user entered data and allow only system-generated transactions to post to this account.

Prompt specific dimension values when this main account is used, for each legal entity.

Allow the user to specify dimension values when this main account is used, splitting out the posted value by percentage by dimension.

Ensure that users must post a value in the debit or credit column based on configuration.

Implement a user-defined setting for grouping and quantification of main accounts for reporting purposes.

Do not allow manual entry

Accounts for automatic transactions Main account category Allocation terms

|   |   |
|---|---|
| Allocation terms                          | ▼ |
| Db/Cr requirement                         |   |
| Main account category                     |   |
| Legal entity overrides/Default dimensions |   |
| Allocation terms                          | ▼ |
| Ledger allocation rules                   |   |
| Legal entity overrides/Default dimensions |   |
| Main account category                     |   |
| Db/Cr requirement                         |   |
| Db/Cr default                             |   |
| Main account category                     |   |
| Breakdown of voucher                      |   |
| Main account category                     | ▼ |
| Account type                              |   |
| Legal entity overrides/Default dimensions |   |
| Db/Cr requirement                         |   |

## Question: 108

DRAG DROP

A client has Accounts payable invoices in their legg entity in three different currencies. It is monthend, and the client needs to run the foreign currency revaluation process to correctly understand their currency exposure.

You need to set up Dynamics 365 for Finance and Operations to perform foreign currency revaluation,

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

arrange them in the correct order.

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

**Actions**

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



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



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

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

**Answer:**

**Explanation:**

**Answer Area**

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

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

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

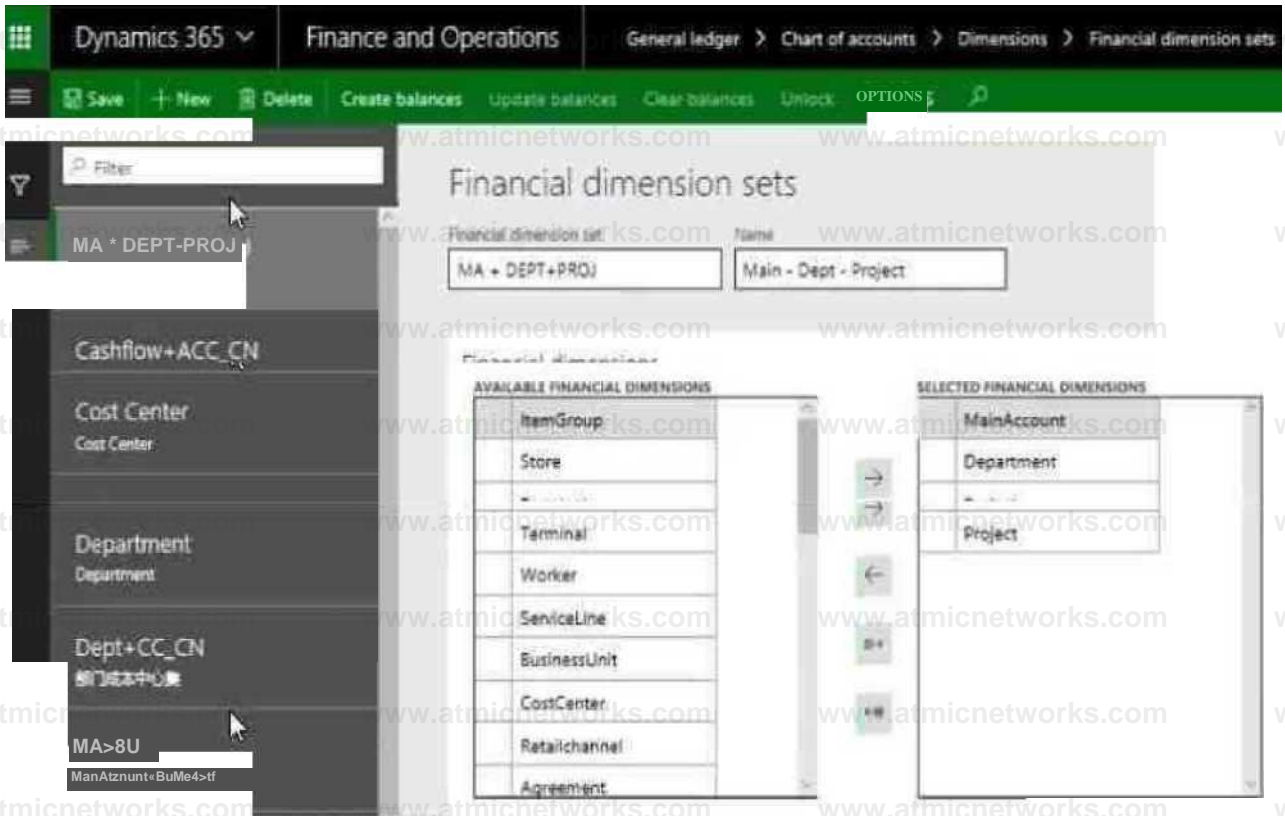
In the foreign currency revaluation preview form, ensure that the foreign currency proposal is correct. Then post the revaluation.

**Question: 109**

**HOTSPOT**

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

- Main Account
- Department
- Project



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

**Answer Area**

**Question**

Which statement about the newly created financial dimension set is correct?  
 Which options are available for balances when they are created?

The named dimensions are selected and in the correct order. In reports, the financial dimensions will be seen in order from left to right. The financial dimension set is ready to be used in reporting.

**Answer choice**

Which options are available for balances when they are created?



**Answer:**

**Explanation:**

**Question**

**Answer choice**

Which statement about the newly created financial dimension set is correct?

- The named dimensions are selected and in the correct order
- In reports, the financial dimensions will be seen in order from left to right
- The financial dimension set is ready to be used in reporting

Which options are available for balances when they are created?

- Create balances
- Rebuild balances

**Question: 110**

**HOTSPOT**

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



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

What is the function of this journal control?

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

To which account type is the journal name restricted?

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

Answer:

Explanation:

What is the function of this journal control?

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

To which account type is the journal name restricted?

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

Reference:

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

Question: 111

Users are posting project transactions and bank transactions incorrectly in the General journal. The client wants to prevent this from happening in the future

You need to configure Dynamics 365 for Finance and Operations to limit the account type transactions to only ledger.

What should you do?

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

Answer: A

Explanation:

## Question: 112

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

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

What should you do?

- A. Use a developer to write the HTML key values code to configure the currency exchange rate providers. Then, use the provider for importing a currency exchange rate type.
- B. Configure exchange rate provider, create exchange rate type, and import the currency exchange rates.
- C. Select the appropriate HTML key values from the available exchange rate providers. Then, use the provider for importing one currency exchange rate type.
- D. Use a developer to write the XML key values code to configure the currency exchange rate providers. Then, use the provider for importing a currency exchange rate type.

Answer: B

Explanation:

Reference:

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

## Question: 113

DRAG DROP

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

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

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

NOTE: Each correct selection is worth one point.

**Fund types**

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

**Answer Area**

**Fund class Fund type**

Governmental fund type  
Proprietary fund type  
Fiduciary fund type

**Answer:**

Explanation:

Fund class

Governmental

general

**special revenue**

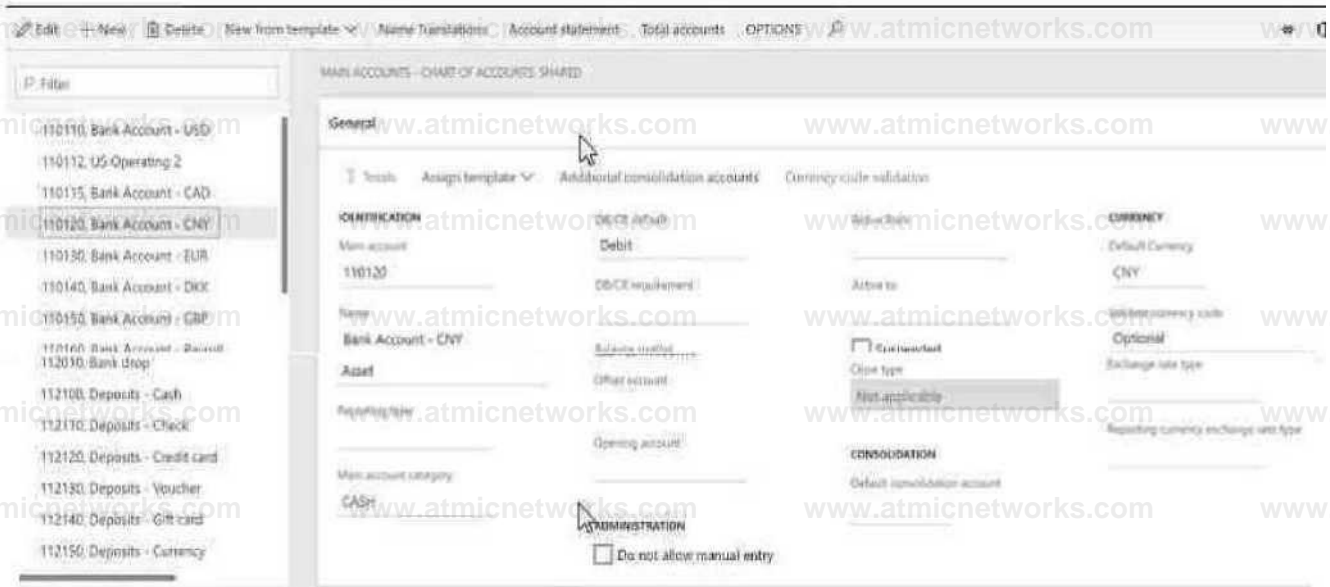
**agency**

Question: 114

HOTSPOT

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

You are viewing the main accounts,



on the configuration, what should you do?

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

Accounts receivable and Accounts payable?

- unrealized gam/loss
- realized gain/loss
- invoice amount is changed

Answer:

Explanation:

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

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

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

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

Question: 115

HOTSPOT

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

Journal types are not configured to support vendor invoices-

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

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

NOTE: Each correct selection is worth one point.

## Purpose

## Journal types

Calculate internal cost rates by cost center.

|                             |   |
|-----------------------------|---|
|                             | ▼ |
| Statistic transactions      |   |
| Invoice register            |   |
| Cash                        |   |
| Vendor invoice pool Journal |   |
| Vendor invoice recording    |   |

Calculate the depreciation bonus recovery register.

|                                       |   |
|---------------------------------------|---|
|                                       | ▼ |
| Approval                              |   |
| Assessed Tax                          |   |
| Vendor invoice pool excluding posting |   |
| Vendor invoice pool                   |   |
| Vendor invoice recording              |   |

Submit pay statements for payment.

|                          |   |
|--------------------------|---|
|                          | ▼ |
| Approval                 |   |
| Invoice register         |   |
| Payroll Disbursement     |   |
| Vendor Invoice pool      |   |
| Vendor invoice recording |   |

Post retail transactions.

|                                       |   |
|---------------------------------------|---|
|                                       | ▼ |
| Approval                              |   |
| Invoice register                      |   |
| Vendor invoice pool excluding posting |   |
| Cash                                  |   |
| Vendor invoice recording              |   |

Set funds for a specific purpose.

|                                       |   |
|---------------------------------------|---|
|                                       | ▼ |
| Approval                              |   |
| Invoice register                      |   |
| Vendor invoice pool excluding posting |   |
| Vendor invoice pool                   |   |
| Budget                                |   |

Answer:

Explanation:

**Purpose**

**Journal**

Calculate internal cost rates by cost center.

- Statistic transactions
- Invoice register
- Cash
- Vendor invoice pool Journal
- Vendor invoice recording

Calculate the depreciation bonus recovery register.

- Approval
- Assessed Tax
- Vendor invoice pool excluding posting
- Vendor invoice pool
- Vendor invoice recording

Submit pay statements for payment.

- Approval
- Invoice register
- Payroll Disbursement
- Vendor Invoice pool
- Vendor invoice recording

Post retail transactions.

- Approval
- Invoice register
- Vendor invoice pool excluding posting
- Cash
- Vendor invoice recording

Set funds for a specific purpose.

- Approval
- Invoice register
- Vendor invoice pool excluding posting
- Vendor invoice pool
- Budget

**Question: 116**

A client has one legal entity and the following four dimensions configured: Business Unit, Cost Center, Department, and Division.

You need to configure the client's system to run the trial balance inquiry in the General ledger

module so that it displays the trial balance two ways:

- Include the main account and all four dimensions.
- Include the main account and only the business unit and cost center dimensions.

What should you configure?

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

Answer: C

Explanation:

### Question: 117

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

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

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

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

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

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

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

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

Solution:

Configure General ledger parameters.

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

Define the Year-end close template.

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

Set future Ledger periods to a status of On Hold.

Does the solution meet the goal?

- A. Yes
- B. No

Answer: A

Explanation:

Reference:

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

Question: 118

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

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

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

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

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

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

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

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

**Solution:**

Configure General ledger parameters.

Set the Delete close of year transactions option to Yes.

Set the Create closing transactions during transfer option to Yes.

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

Define the Year-end close template.

Designate a retained earnings main account for each legal entity.

Set the Financial dimensions will be used on the Opening transactions option to Yes.

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

Set future Ledger periods to a status of On Hold.

Does the solution meet the goal?

A. Yes

B. No

Answer: B

Explanation:

Reference:

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

### Question: 119

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

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

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

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

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

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

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

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

Solution:

Configure General ledger parameters.

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

Define the Year-end close template.

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

Set future Ledger periods to a status of On Hold.

Does the solution meet the goal?

- A. Yes
- B. No

Answer: B

Explanation:

Reference:

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

Question: 120

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

You need to implement posting definitions.

In which situation should you implement posting definitions?

- A. when financial dimensions need to default from the main account onto an invoice
- B. when using encumbrance accounting for purchase orders
- C. when the system needs to automatically post a transaction to the accounts receivable account on invoice

posting

D. when creating one offset ledger entry based on transaction type

Answer: B

Explanation:

Reference:

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

## Question: 121

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

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

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

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

You need to configure the system and correctly perform eliminations.

Solution: Select Consolidate with import.

Does the solution meet the goal?

A. Yes

B. No

Answer: B

Explanation:

Reference:

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

### Question: 122

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 value models 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 asset

Answer: A

Explanation:

Reference:

Question: 124

HOTSPOT

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

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

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

NOTE: Each correct selection is worth one point.

**Procedure**

**Action**

Create ledger journals

- Use a voucher template to select the defined accrual scheme.
- Specify the accrual amount only on journal lines.
- Enter start date or end date for the accrual scheme to apply the defined frequency.
- Specify account or offset account for accruals only on journal lines.

Perform inquiries

- View the accrual transactions only after the accrual scheme transfers them to journal lines.
- Use the normal ledger transaction inquiries to check the posted journal
- Use the accrual transaction inquiry' to find the transactions for the accrual scheme.
- Specify account or offset account for accruals only on journal lines.

Answer:

Explanation:

**Procedure**

**Action**

Create ledger journals

Use a voucher template to select the defined accrual scheme.  
Specify the accrual amount only on journal lines.  
Enter start date or end date for the accrual scheme to apply the defined frequency.

Specify account or offset account for accruals only on journal lines.

Perform inquiries

View the accrual transactions only after the accrual scheme transfers them to journal lines.  
Use the normal ledger transaction inquiries to check the posted journal.  
Use the accrual transaction inquiry to find the transactions for the accrual scheme.  
Specify account or offset account for accruals only on journal lines.

Question: 125

DRAG DROP

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

CompanyA

CompanyB

You need to configure intercompany accounting for both legal entities.

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

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

Actions Answer Area

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

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

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

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

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

**Answer:**

**Explanation:**

### Answer Area

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

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

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

Reference:

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

### Question: 126

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

Automatic transactions between legal entities must meet the following requirements:

Provides systemwide integration and streamlining to save time

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

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

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

NOTE: Each correct selection is worth one point.

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

Answer: ACD

Explanation:

Reference:

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

Question: 127

DRAG DROP

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

You need to demonstrate your understanding of cost accounting terminology.

Which component maps to the cost accounting terminology?

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

NOTE: Each correct selection is worth one point.

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

Answer:

Explanation:

**Cost accounting terminology**

**Component**

Cost behavior

fixed/variable/semi variable

Allocation base

machine hours/kilowatt hours/square footage

Cost objects

products/projects/departments/cost center

Cost element

primary/secondary

Reference:

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

## Question: 128 SIMULATION

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

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

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

**Answer: See  
explanation below.**

Explanation:

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

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

Select New.

In the Accrual identification field, type a value.

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

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

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

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

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

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

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

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

Reference:

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

## Question: 129

### SIMULATION

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

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

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

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

**Answer: See  
explanation below.**

Explanation:

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

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

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

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

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

Click Create.

In the Segments and allowed values, click Add segment.

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

At the end of the list, click Add segment.

Repeat step 6 to 9 as needed.

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

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

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

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

In the Allowed value details section, click Apply.

Repeat step 10 to 15 as needed.

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

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

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

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

Click Apply.

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

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

In the Segments and allowed values, click Add.

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

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

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

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

On the Action pane, click Validate.

Reference:

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

## Question: 130 SIMULATION

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

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

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

**Answer: See  
explanation below.**

Explanation:

Navigate to System administration > Security > Assign users to roles

Select the 'Accountant Closing' role.

Click the "Manually assign / exclude users" button

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

Click the "Assign organizations" button

Select the "Grant access to specific organizations" option

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

Reference:

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

Question: 131  
SIMULATION

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

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

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

Answer: See  
explanation below.

Explanation:

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

Enter the 'From' date.

Select the settlement period (Quarter).

Click 'OK'.

Select Yes in the Create electronic tax document field.

Select the Downloads\Report folder and file format.

Click 'OK'.

## Question: 132

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

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

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

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

You need to configure the system and correctly perform eliminations.

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

Does the solution meet the goal?

A. Yes

B. No

Answer: B

Explanation:

Reference:

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

Question: 133

DRAG DROP

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

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

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

**Actions**

**Answer Area**

Specify to currency only

Set up the currency exchange rate

Specify from and to currency

Determine the accounting currency used in the ledger



Explanation:

Answer:

Determine the accounting currency used in the ledger

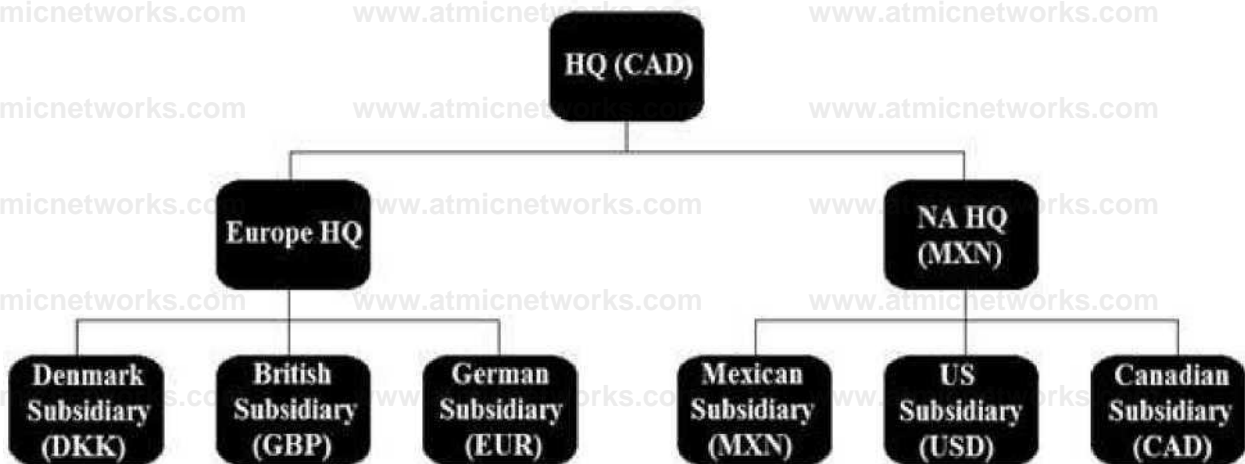
Set up the currency exchange rate

Specify from and to currency

Question: 134  
HOTSPOT

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

You review the hierarchy for consolidation of multiple legal entities.



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

NOTE: Each correct selection is worth one point.

### Question

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

### Answer choice

|     |   |
|-----|---|
|     | ▼ |
| USD |   |
| CAD |   |
| EUR |   |

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

|     |   |
|-----|---|
|     | ▼ |
| MXN |   |
| USD |   |
| EUR |   |

Answer:

Explanation:

### Question

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

### Answer choice

|     |   |
|-----|---|
|     | ▼ |
| USD |   |
| CAD |   |
| EUR |   |

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

|     |   |
|-----|---|
|     | ▼ |
| MXN |   |
| USD |   |
| EUR |   |

Reference:

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

[currency-translation](#)

### Question: 135

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

All balance sheet accounts require Business Unit and Department dimensions.

The Shareholder distribution account requires an additional dimension for Principal.

You need to set up the account structures.

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

NOTE: Each correct selection is worth one point.

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

Answer: CD

Explanation:

Reference:

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

## Question: 136

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

The client has the following requirements:

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

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

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

What should you configure?

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

Answer: C

Explanation:

## Question: 137

### SIMULATION

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

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

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

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

**Answer: See  
explanation below.**

**Explanation:**

You need to configure an Inventory Model Group for the new products.

For inventory model groups, navigate to Inventory management | Setup | Inventory | Item model groups.

Click "New" to create a new inventory model group.

In the "Cost method and cost recognition" section, configure the "Inventory Model" setting to Last in, First out (LIFO).

Click "Save" to save the inventory model group.

**Question: 138  
SIMULATION**

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

You need to generate a trial balance report for the period of January 1, 2017 to December 31, 2017.

To validate you results, save the file in Microsoft Excel format to the Downloads\Trial folder.

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

**Answer: See  
explanation**

**Explanation:**

Click General ledger > Reports > Transactions > Trial Balance

Enter the Start and End dates for the report.

Click Destinations ... to specify how you want to 'print' the report.

Select File as the destination.

Select the Downloads\Trial folder for the location.

Select Microsoft Excel for the file format.

Click OK to close the 'Print destination settings' form.

Click OK to 'print' (save) the report to the selected destination.

**Question: 139**

**HOTSPOT**

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

METHODS OF PAYMENT - VENDORS

Method of payment Period

Description

Grace period

Payment status

CHECK

Total

Check payment

5 None

CHECK

Total

BRIDGING

Invoice

General

ELECTRONIC

Invoice

FILE

POSTING

PROMISSORY NOTE

ELECTRONIC

PAYMENT

PROCESSING

Last file No.

Account type

Type of draft

Direct debt

PAYROLLCK

Invoice

Today

0 Bank

No draft

No

PAYROLL EL

Invoice

Date

3 OPERATIONS

Method of payment

Bridging posting  
No

PDC

Invoice

Postdated check clearing posting

No \*7

Bridging account

Bank transaction type

| M | v |

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.

### 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  |   |

Explanation:

Answer:

### 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  |   |

Question: 140

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.

**Actions**

**Answer Area**

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

Explanation:

Answer:

## 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

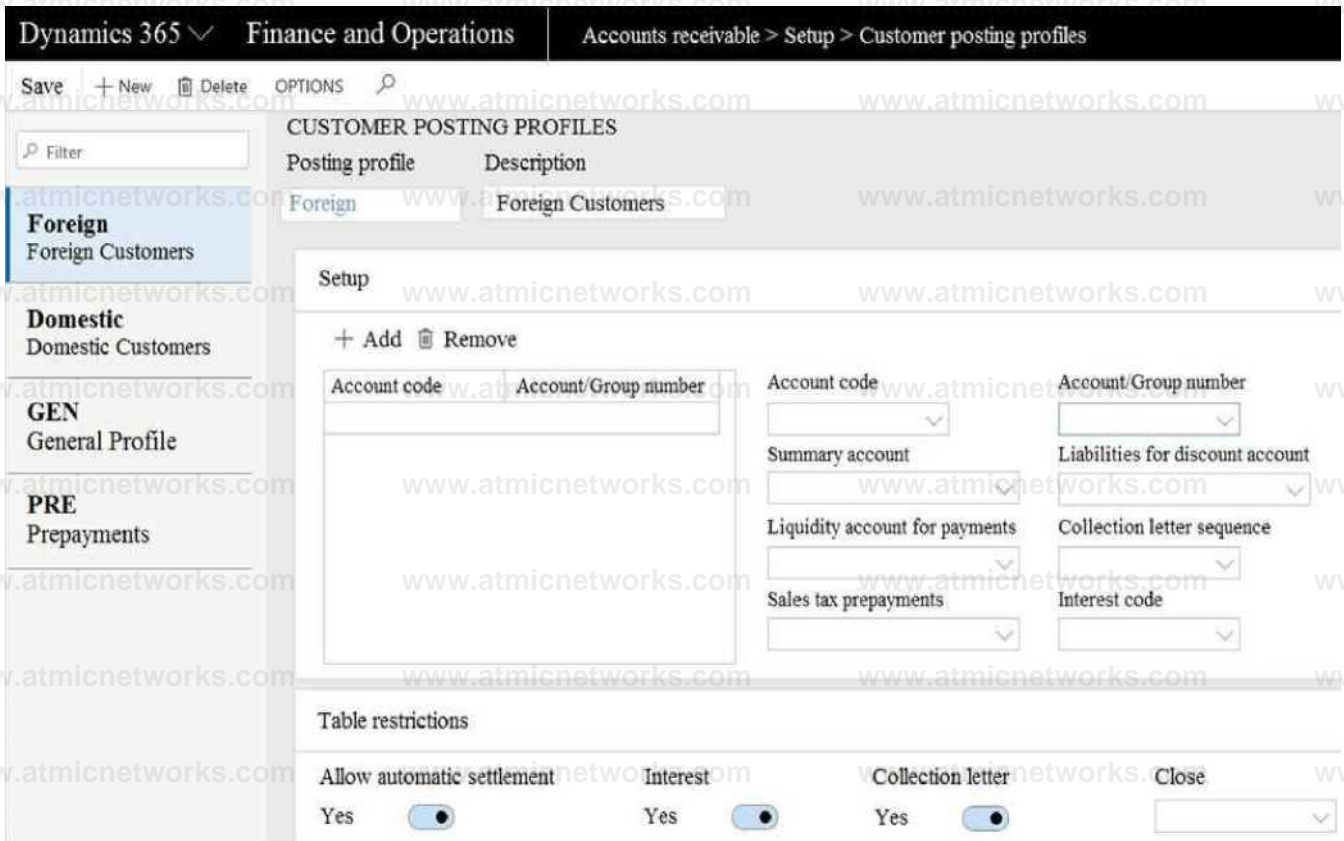
Reference:

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

Question: 141  
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.



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.

**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:

Explanation:

**Question**

**Answer choice**

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

- 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.

Reference:

[https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/customer-posting\\_profiles](https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/customer-posting_profiles)

**Question: 142**  
**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.

**Answer: See**  
**explanation below.**

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: 143

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.

Answer Area

**Functionalities**

charges matching

line-level matching

invoice totals matching

price totals for line item matching

**Requirement**

Match freight transactions.

Compare unit price or purchase order to unit price of invoice.

Multiple invoices for one purchase order line.

**Functionality**

Answer:

Explanation:

**Requirement**

Match freight transactions.

Compare unit price or purchase order to unit price of invoice.

Multiple invoices for one purchase order line.

**Functionality**

charges matching

line-level matching

price totals for line item matching

Reference:

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

Question: 144

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.

**Parameters**

- posting profile
- depreciation profile
- asset book

**Answer Area**

**Requirement**

- Specify a depreciation account.
- Specify a scrap account.
- Track independent life cycle of asset.

**Parameter**



Answer:

Explanation:

**Requirement**

- Specify a depreciation account.
- Specify a scrap account.
- Track independent life cycle of asset.

**Parameter**

- posting profile
- posting profile
- asset book

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: 145

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

You need to set up the budget register entries.

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

NOTE: Each correct selection is worth one point.

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

Answer: CD

Explanation:

Reference:

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

## Question: 146

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.

**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. |

Answer:

Explanation:

**Criteria**

Create a fixed asset from a purchase order.

**Field configuration**

|  |
|--|
| 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. |

## Question: 147

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

Which three budget control transaction actions occur when the budget control is turned off mid-year.

Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

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

You can view the budget reporting through financial reports.

- E. You can view the budget reporting through financial reports.

Answer: ABC

Explanation:

Reference:

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

## Question: 148

You are a Dynamics 365 Finance expert for an organization.

You need to configure the Financial period close workspace.

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

NOTE: Each correct selection is worth one point,

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

Answer: ADE

Explanation:

Reference:

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

## Question: 149

You are a Dynamics 365 Finance consultant.

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

You need to resolve the issue.

What should you configure?

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

Answer: D

Explanation:

Reference:

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

## Question: 150

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

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

NOTE: Each correct selection is worth one point.

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

Answer: B, C, E

Explanation:

Reference:

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

## Question: 151

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

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

main accounts.

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

What should you do?

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

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Answer: D

Explanation:

Reference:

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

Question: 152

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

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

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

NOTE: Each correct selection is worth one point,

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

Answer: ABE

Explanation:

Reference:

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

## Question: 153

DRAG DROP

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

You need to associate the report components to the purpose.

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

NOTE: Each correct selection is worth one point.

**Components**

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

**Answer Area**

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

Answer:

Explanation:

**Purpose**

**Component**

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

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

Reference:

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

**Question: 154**

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.

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- 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.

Answer: BD

Explanation:

Reference:

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

### Question: 155

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.

Answer: B

Explanation:

Reference:

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

## Question: 156

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

You need to configure the types of entries allowed.

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

NOTE: Each correct selection is worth one point.

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

Answer: DE

Explanation:

## Question: 157

A company is preparing to complete yearly budgets.

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

You need to create the new budgets.

What should you do?

- A. Create budget plans for multiple scenarios.

B. Create budget plans to define the revenues for a budget.

C. Combine previous year budgets into a single budget.

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Answer: A

Explanation:

Reference:

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

Question: 158

A client wants Dynamics 365 Finance to calculate sales tax on a sales order line once an item is added. The sales tax group is already populated with a value.

You need to ensure that the sales tax will calculate.

Which field should you populate?

A. sales tax code

B. item group

C. customer address

D. item sales tax group

Answer: D

Explanation:

Reference:

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

## Question: 159

D18912E1457D5D1DDCBD40AB3BF70D5D

A customer uses the sales tax functionality in Dynamics 365 Finance.

The customer reports that when a sales order is created, sales tax does not calculate on the line.

You need to determine why sales tax is not calculated.

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

NOTE: Each correct selection is worth one point.

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

Answer: AE

Explanation:

Reference:

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

[https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/set-up-sales-tax-groups-itemsales-](https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/set-up-sales-tax-groups-itemsales-tax-groups)

[itemsales-](https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/set-up-sales-tax-groups-itemsales-tax-groups)

[tax-groups](https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/tasks/set-up-sales-tax-groups-itemsales-tax-groups)

## Question: 160

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

Answer: B

Explanation:

Question: 161

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

**Answer: B**

Explanation:

**Question: 162**

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

Answer: A

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/general-ledger/example-posting-definitions>

Question: 163

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.

Feature

Answer Area

|                         |
|-------------------------|
| Line level              |
| Invoice totals matching |
| Charges matching        |

Requirement

- Specify two-way matches.
- Specify three-way matches.
- Compare sales taxes on purchase orders with invoices.

Feature

|         |
|---------|
| Feature |
| Feature |
| Feature |

Answer:

Explanation:

**Requirement**

**Feature**

Specify two-way matches.

Line level

Specify three-way matches.

Line level

Compare sales taxes on purchase orders with invoices.

Invoice totals matching

Reference:

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

Question: 164

SIMULATION

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

USMF recently opened a new bank account in the Brazilian currency.

You need to create a new bank account in the system for the new bank account.

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

**Answer: See  
explanation below.**

Explanation:

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

#### Bank account (code)

Bank account number

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

Currency

SWIFT code

3. Enter Brazil-specific information:

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

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

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

sale), and Order template (currency purchase).

Reference:

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

## Question: 165

A client needs guidance on month-end closing procedures.

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

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

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

**NOTE:** Each correct selection is worth one point.

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

**Answer: ACE**

**Explanation:**

## Question: 166

An organization is upgrading to Dynamics 365 Finance.

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

You need to configure the legal entity override dates.

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

NOTE: Each correct selection is worth one point.

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

Answer: AD

Explanation:

Reference:

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

## Question: 167

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

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

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

The client has the following requirements:

Only expense accounts require dimensions posted with the transactions.

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

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

Solution: Configure default financial dimensions on expense accounts only.

Does the solution meet the goal?

- A. yes
- B. no

Answer: B

Explanation:

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

## Question: 168

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

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

A client has one legal entity, two departments, and two divisions. The client is implementing Dynamics 365

Finance. The departments and divisions are set up as financial dimensions.

The client has the following requirements:

Only expense accounts require dimensions posted with the transactions.

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

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

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

Does the solution meet the goal?

- A. Yes
- B. No

Answer: A

Explanation:

Reference:

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

Question: 169

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

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

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

The client has the following requirements:

Only expense accounts require dimensions posted with the transactions.

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

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

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

Does the solution meet the goal?

A. Yes

B. No

**Answer: B**

Explanation:

Reference:

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

Question: 170  
SIMULATION

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

You plan to settle accounts by receiving cash payments in US currency.

You need to create a cash receipts journal that uses the US dollar currency.

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

**Answer: See  
explanation below.**

Explanation:

Navigate to Finance > Cash Receipt Journals.

Click the +New link to add a new cash receipt journal.

Fill in the required fields including the currency field.

**Question: 171  
SIMULATION**

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

You need to apply a constant currency exchange rate to calculate the reporting currency value of fixed assets.

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

**Answer: See  
explanation below.**

Explanation:

The currency Translation Type needs to be set to Current. This option uses the last rate on or before the period specified in the report regardless of what the exchange rate was at the time of purchase for each asset.

Navigate to General Ledger > Chart of Accounts > Accounts > Main Accounts.

Select the Financial Reporting account.

In the Reporting currency exchange rate type, select Current from the drop-down list.

Click Save to save the changes.

## Question: 172

An organization plans to use defined journal names for each purpose. They want to ensure that journal processing is easier and more secure.

The organization has the following requirements:

Set up restrictions on the account type and segment values.

Capture data accurately for offset accounts, currency, and financial dimensions.

Maintain internal control and establish materiality limits.

You need to set up journal name elements to meet these requirements.

Which three journal elements should you configure? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

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

Answer: ADE

Explanation:

Reference:

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

## Question: 173

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.

**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:

Explanation:

**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     |

Reference:

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

## Question: 174 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:

The screenshot displays the Dynamics 365 Finance and Operations interface for configuring item group postings. The breadcrumb trail is "Inventory management > Setup > Inventory > Item groups". The left-hand pane shows a list of item groups, with "Audio" selected. The main pane shows the configuration for the "Audio" item group, with "Purchase order" selected. A table displays the account types and their corresponding main accounts.

| 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.

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:

Explanation:

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

## Question: 175 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.

Answer: See  
explanation below.

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.

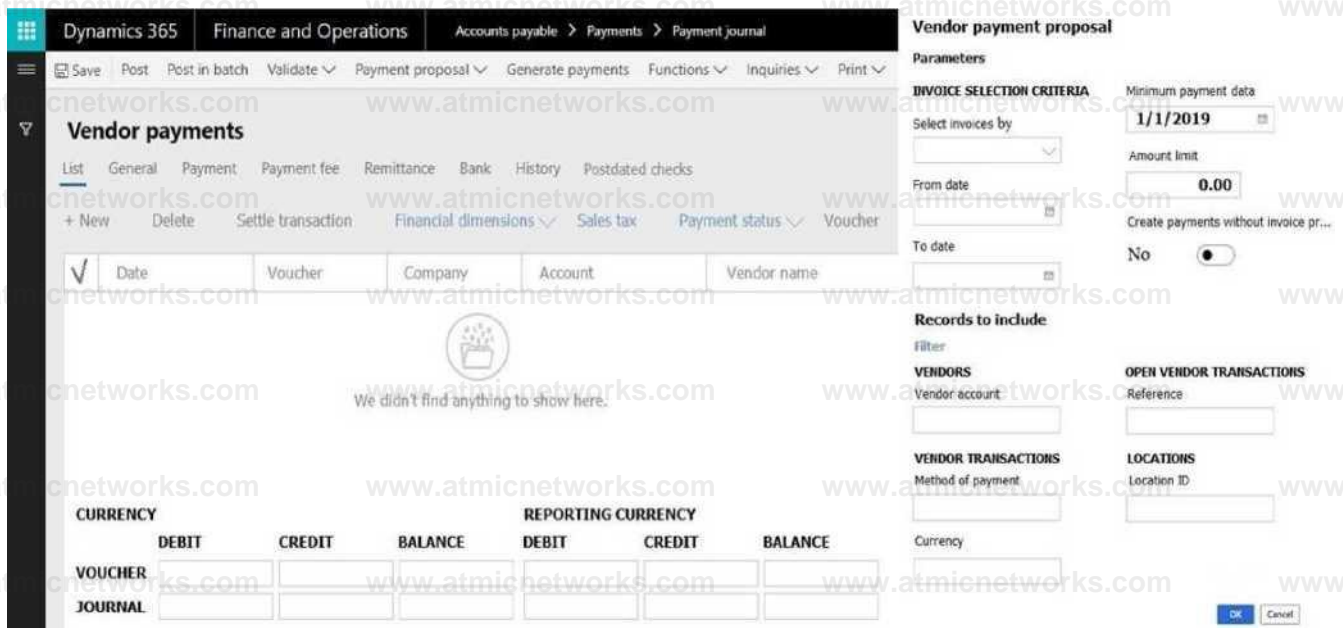
Reference:

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

Question: 176  
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.



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.

**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:**

**Explanation:**

**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.

Reference:

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

**Question: 177**

**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

METHODS OF PAYMENT - VENDORS

| Method of payment | Period | Description        | Grace period | Payment status |
|-------------------|--------|--------------------|--------------|----------------|
| ELECTRONIC        |        | Electronic payment | 0            |                |

Payment type: Other

Allow copies of payments: No

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.

**Question**

**Answer choice**

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

- 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:**

Explanation:

**Question**

**Answer choice**

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

- 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.

**Question: 178**

A company uses Dynamics 365 Finance to manage budgets.

You need to reallocate funds during the year.

Which budget code should you use?

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

**Answer:**

**D**

**Explanation:**

**Reference:**

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

**Question: 179**

**HOTSPOT**

A client is implementing the Budgeting module in Dynamics 365 Finance.

You need to configure the correct budget control area to meet the client's requirements.

Track budgeting control on purchase requisitions.

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

Allow specific individuals to post transactions that exceed the budget.

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

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

NOTE: Each correct selection is worth one point.

### Answer Area

#### Client requirement

#### Setup area

Track budgeting control on purchase requisitions.

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

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

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

Allow specific individuals to post transactions that exceed the budget.

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

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

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

Track budgeting control on purchase requisitions.

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

Allow specific individuals to post transactions that exceed the budget.

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

Reference:

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

Question: 180

DRAG DROP

A customer implements Dynamics 365 Finance.

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

The image displays four screenshots of the Dynamics 365 Finance configuration interface, showing different menu options for budgeting control. Each screenshot is a vertical list of items with a light blue header bar.

- Screenshot 1:** Header '1 ▼'. Items: Documents and journals, Budget funds available, Define budget control rules, Define message levels.
- Screenshot 2:** Header 'V'. Items: Documents and journals, Budget funds available, Select main accounts, Assign budget models.
- Screenshot 3:** Header 'V'. Items: Define message levels, Budget funds available, Over budget permissions, Define budget groups.
- Screenshot 4:** Header 'V'. Items: Budget funds available, Over budget permissions, Define budget groups, Select main accounts.

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

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

NOTE: Each correct selection is worth one point.

Methods

- Standard
- Minimum
- Invoice date

Answer Area

Requirement

Method

Revaluation is posted whether the result is a profit or loss.

Method

Revaluation is posted only if the result is a loss.

Method

Revaluation uses the original exchange rate, which cancels any prior revaluation performed.

Method

Answer:

Explanation:

Requirement

Method

Revaluation is posted whether the result is a profit or loss.

Standard

Revaluation is posted only if the result is a loss.

Minimum

Revaluation uses the original exchange rate, which cancels any prior revaluation performed.

Invoice date

Reference:

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

## Question: 181

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

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

A customer uses Dynamics 365 Finance.

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

The system must enforce the following:

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

Customer dimension is optional.

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

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

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

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

**Solution:**

Configure one account structure.

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

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

Configure the structure with all dimension fields containing quotations.

Does the solution meet the goal?

A. Yes

B. No

Answer: B

Explanation:

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

Reference:

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

Question: 182

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution. Determine whether the solution meets the stated goals. Some

question sets might have more than one correct solution, while others might not have a correct solution.

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

A customer uses Dynamics 365 Finance.

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

The system must enforce the following:

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

Customer dimension is optional.

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

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

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

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

**Solution:**

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

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

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

Does the solution meet the goal?

A. Yes

B. No

**Answer: B**

**Explanation:**

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

**Reference:**

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

**Question: 183**

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a

unique solution. Determine whether the solution meets the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

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

A customer uses Dynamics 365 Finance.

notices incorrect postings to the ledger entered via journal.

The system must enforce the following:

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

Customer dimension is optional.

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

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

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

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

**Solution:**

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

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

Does the solution meet the goal?

A. Yes

B. No

**Answer: B**

**Explanation:**

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

Reference:

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

## Question: 184

A customer uses Dynamics 365 Finance to manage budgets.

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

You verify that budget control is set to active.

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

What should you do?

- A. Verify that available budget funds are configured appropriately.
- B. Post a budget transfer to add the correct funds.
- C. Verify whether budget plans are still in draft status.
- D. Compare the budget control active date to the date of the posted register entries to verify that it was active at the time of posting.

Answer: D

Explanation:

Reference:

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

## Question: 185

DRAG DROP

A client has Accounts payable invoices in their legal entity in three different currencies. It is monthend, and the client needs to run the foreign currency revaluation process to correctly understand their currency exposure.

You need to set up Dynamics 365 Finance to perform foreign currency revaluation.

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

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

Actions

Answer Area

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

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

In the General ledger module, select the periodoc task foreign currency revaluation.

Then, specify the accounts eligible for revaluation, excluding the Accounts payable



account, select the currency, and select preview before posting.

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

Answer:

### Explanation:

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

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

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

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

### Question: 186

#### HOTSPOT

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

Main accounts - chart of accounts: Shared

General

5 Totals Assign template Additional consolidation accounts Currency code validation

|   |  |   |   |  |   |   |
|---|--|---|---|--|---|---|
| <b>IDENTIFICATION</b><br>Main account<br>606700<br>Name<br>Moving Expense | <b>REPORTING TYPE</b><br>Reporting type<br>Main account category<br>ADMINEXP<br>DB/CR default<br>Debit | <b>DB/CR</b><br>Balance control<br>RELATED<br>Offset account<br>Opening account | <b>ADMINISTRATION</b><br><input type="checkbox"/> Do not allow manual entry<br>Active from<br>Active to | <b>SUSPENDED</b><br><input type="checkbox"/> Field to transfer balance on 31/12/2023<br>Close type<br>Not applicable | <b>CONSOLIDATION</b><br>Default consolidation order date<br><b>CURRENCY</b><br>Default Currency | <b>VALIDATION</b><br>Validate currency<br>Optional<br><input checked="" type="checkbox"/> Yes<br>Exchange rate<br>Average |
|---|--|---|---|--|---|---|

Posting validation

Financial reporting  
**CURRENCY TRANSLATION**

Financial reporting exchange rate-  
Default -1

Currency translation  
Average

Advanced rules  
Manufacturing P&L  
Project Project Project

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

NOTE: Each correct selection is worth one point.

Questions

Answer choices

What is true about the main account configuration?

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

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

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

Answer:

Explanation:

Questions

Answer choices

What is true about the main account configuration?

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

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

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

Question: 187

DRAG DROP

You are implementing Dynamics 365 Finance. A new product is being released. The system must track the probability of the new product by cost center and you must use the cost control workspace. You need to configure the system.

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

NOTE: Each correct selection is worth one point.

Options

Answer Area

| Cost element          | Requirement                      | Option |
|-----------------------|----------------------------------|--------|
| Statistical dimension | Month over month profitability [ | Option |
| Cost object           | New product                      | Option |
|                       | Cost center                      | Option |

Answer:

Explanation:

| Requirement                    | Option                |
|--------------------------------|-----------------------|
| Month over month profitability | Statistical dimension |
| New product                    | Cost element          |
| Cost center                    | Cost object           |

Reference:

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

Question: 188

Manual entry of currency exchange rates must be discontinued. Currency exchange rates must use the current rate values provided by the European Central Bank. The exchange rate entries and updates must be automated. You need to configure the system.

Which two options should you use? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Configure the exchange rate provider
- B. Run currency revaluation

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

Answer: AE

Explanation:

Reference:

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

### Question: 189

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

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

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

The client has the following requirements:

Only expense accounts require dimensions posted with the transactions.

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

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

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

Does the solution meet the goal?

A. Yes

B. No

Answer: B

Explanation:

Reference:

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

### Question: 190

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. First of next month

Answer: C

Explanation:

Reference:

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

### Question: 191

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.

**Check statuses**

- Cancelled
- Created
- Paid
- Void

**Answer Area**

Scenario  
 Lost in the mail to vendor and AP manager reversed the ] Check status payment transaction

Rejected from the payment transfer form ; Check status

Either generated or generated and posted ; Check status

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

Answer:

Explanation:

**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

**Question: 192**

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

Answer: BE

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: 193  
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.

**Business requirement**

**Process/configurations**

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

|   |   |
|---|---|
|   | ▼ |
| Configure Business Rules for fixed asset determination  |   |
| Create a fixed asset purchasing policy                  |   |
| Create a fixed asset hierarchy                          |   |
| Create a default fixed asset group                      |   |
|   | ▼ |
| Select new fixed asset on purchase order line           |   |
| Select fixed asset financial dimension                  |   |
| Create a fixed asset reference purchase order number    |   |
|   | ▼ |
| 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:

Explanation:

## Business requirement

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

## Process/configurations

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

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

|   |
|---|
| ▼   |
| 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              |

Reference:

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

## Question: 194

You need to configure the financial reporting fiscal calendar for Customer.

What should you do?

- A. Use the closing period adjustments form.
- B. Configure the ledger calendar to include a 13th closing period
- C. Use the ledger calendar to set up the 4-5-4 calendar
- D. Configure the fiscal calendar to include a 13th closing, period

Answer: A

Explanation:

## Question: 195

HOTSPOT

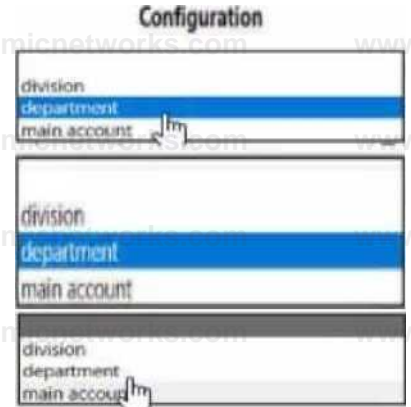
You need to configure the budgeting module to meet Fourth Coffee's requirements.

Which configuration should you use for each task? To answer select the appropriate options in the answer m

NOTE: Each correct selection is worth one point.

Answer Area

| Task   |
|--|
| Sotar Uwr4 < itwe                                  |
| Set the dimension level of the organization budget |
| Set the drmeriMun level of llie budget control     |



Answer

Explanation:

Department

Department

Main account

Question: 196

You plan to manage delinquent customers by monitoring the collection process in Dynamics %5 Finance.

You need to use the Collections list pane to monitor the collection process. What must you do first?

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

Answer: C

Explanation:

### Question: 197

You are using Microsoft Dynamics 365 finance

You need to acquire a fixed asset.

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

**NOTE:** bath collect selection is worth one point.

- A. Select a fixed asset account type and transaction type acquisition in a general journal.
- B. Eliminate an investment project once it is finished
- C. Use a budget plan.
- D. Select a fixed asset procurement category on the purchase order line
- E. Use a sales invoice.

**Answer: A, B, D**

**Explanation:**

### Question: 198

A company uses Microsoft Dynamics 365 Finance to manage fixed assets. The company uses laptops 'ex three years and then sells the laptops externally. You need 10 process laptop sales. What should you do?

- A. Create a fixed asset disposal journal
- B. Create a sales order for the sale of the asset.
- C. Use a free text invoice to record the sale
- D. Use an inventory movement journal to record the disposal.

**Answer: C**

**Explanation:**

### Question: 199

A company manufactures air filtering units few 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 15m 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 lot the monthly amount.
- D. Specify a fixed quantity payment of 5.

**Answer: C**

Explanation:

**Question: 200**

You need to configure the system.

Dynamics 365 Finance.

Subledger entries must transfer automatically to the general ledger.

You need to configure a hatch 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

**Answer: D**

Explanation:

## Question: 201

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.

Answer: D

Explanation:

## Question: 202

DRAG DROP

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

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

Configuration\*

1 Denver!

| Porting layer

Depreciation convention

| Value model

Amwtf Ate#

Requirement

Port iianMcUon\* to the tax depreciation book at the same interval as the primary book  
Tax tranuninn\* nW be jaumetiTecl without being recorded in the general ledger

Configuration

Configuration

Conf-juration

Answer:

Explanation:

Answer Area

Requirement Configuration

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

Tax transactions must be journalized without memo recorded in the general ledger

QPosbng jaye7

### Question: 203

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

Answer: A, E

Explanation:

### Question: 204

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

Answer: C, D

Explanation:

### Question: 205

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

Answer: B

Explanation:

### Question: 206

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

Answer: B

Explanation:

### Question: 207

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

Answer: A

Explanation:

### Question: 208

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. deprecation profile
- D. fixed asset group

Answer: C, D

Explanation:

### Question: 209

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

**Answer: B**

Explanation:

**Question: 210**

**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.

Answer Area

| Requirement         | Option   |
|---------------------|--|
| EFT charge          | <input type="checkbox"/> Payment fee<br><input type="checkbox"/> Cash settlement<br><input type="checkbox"/> Payment service<br><input type="checkbox"/> Interest  |
| late payment charge | <input type="checkbox"/> Payment fee<br><input type="checkbox"/> Cash settlement<br><input type="checkbox"/> Payment schedule<br><input type="checkbox"/> Interest |

**Answer:**

Explanation:

Answer Area

| Requirement        | Option           |
|--------------------|------------------|
| EFT charge         | interest _____   |
| Ute payment charge | Payment schedule |

## Question: 211

### 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.

Answer Area

| 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

### Explanation

Answer Area

|   |   |
|---|---|
| 1 | Create a workflow for the workflow type Budget register entry workflow. |
| 2 | Assign the workflow to a budget code.                                   |
| 3 | Select Budget manager as a type of participant.                         |
| 4 | Activate the workflow.  |

## Question: 21

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

**Answer: B**

**Explanation:**

### **Question: 213**

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

**Answer: C**

**Explanation:**

### **Question: 214**

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

Answer: A, D

Explanation:

Question: 215  
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 split bar between panes or scroll to view content.

NOTES: Each correct selection is worth one point.

Configuration options

Document number  
Oppose 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

Answer:

Explanation:

Answer Area

Requirement

Reconcile if \* deposit slip number matches a bank statement  
Reconcile if a bank statement includes a fee

Configuration option

Payment reference  
[transaction type]

## Question: 216

A company configures Dynamics 365 Finance to collect and report sales tax from 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 correct selection is worth one point.

- 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.

Answer: A, C, F

Explanation:

## Question: 217

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 b worth one point.

| Features           | Requirement                     | Feature                             |
|--------------------|---------------------------------|-------------------------------------|
| fixed asset groups | Ledger accounts for acquisition | All vehicles with same depreciation |
| Posting layers     |                                 | Posting profile                     |
| Fixed asset type   |                                 |                                     |

Answer:

Explanation:

Answer Area

Ledger accounts for acquisition Posting profile

All vehicles with same depreciation Posting profile

### Question: 218

#### 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. Al 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.

Answer Area

Budget planning confgtutabon

Distribute  
Aggregate  
Allocate auto period  
Copy from budget plan

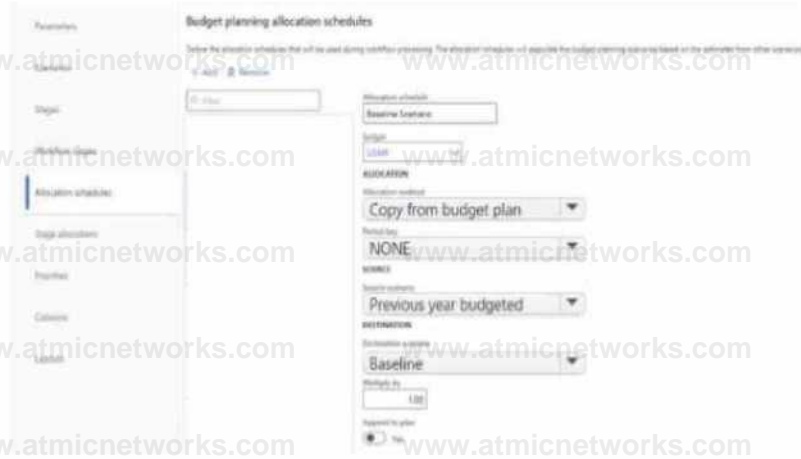
40- NO CHANGE  
10- MONTHLY NONE

Baseline  
Previous year budgeted  
Department requested  
Department approved

Answer:

Explanation:

Answer Area



Question: 219

You are contouring Dynamics 365 Finance

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

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

- account hotter 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

Answer: D

Explanation:

### Question: 220

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.

Actions

On the (unert value model select the tan value model as derived value model ur\* both value models to the fixed asset

Create a new rnm asset 1D and complee me 1+ea asset group

Create two new value mode\* A model related to me current pasting layer and a model related to me tat layer

Answer area



Answer:

Explanation:

| Answer area |   |
|-------------|---|
| 1           | Create a new fixed asset ID and complete the fixed asset group.   |
| 2           | Create two new value models. A model related to the current posting layer and a model related to the tax layer. |
| 3           | Link both value models to the fixed asset.  |
| 4           | On the current value model, select the tax value model as derived value model.                                  |

### Question: 221

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

**Answer: A**

Explanation:

### Question: 222

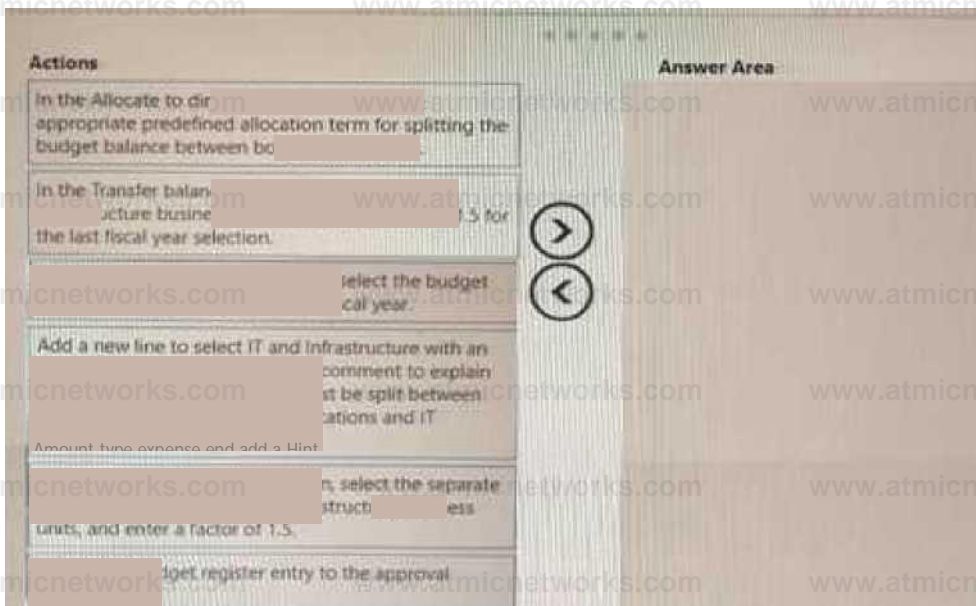
DRAG DROP

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

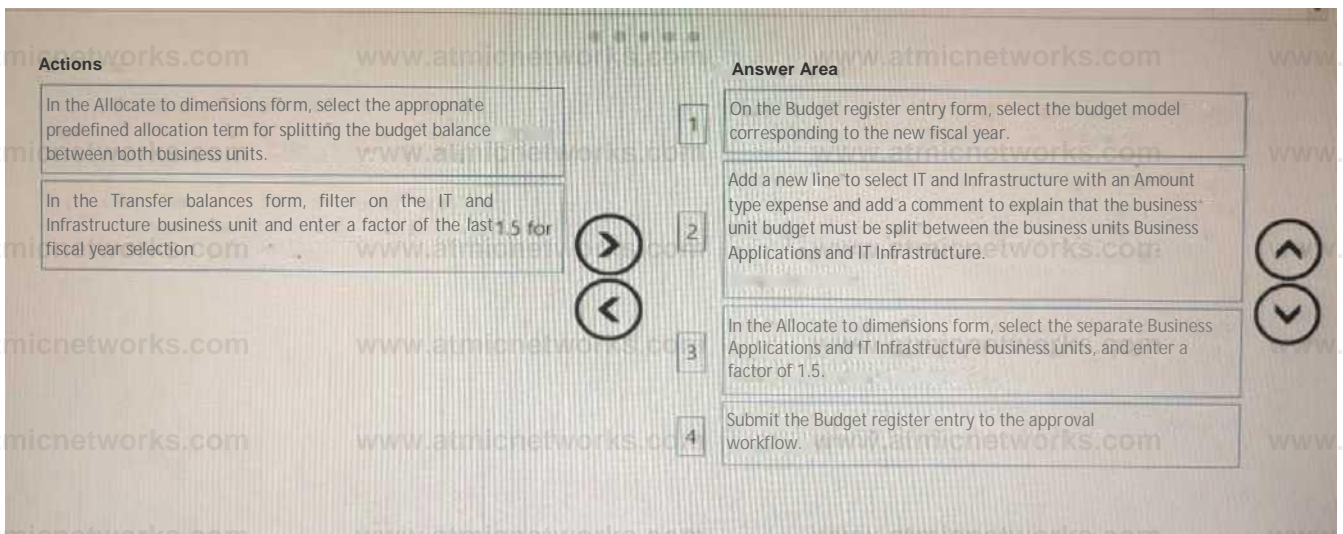
Infrastructure.

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.



Answer:

Explanation:



### Question: 223

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

Answer: C

Explanation:

### Question: 224

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

Answer: C

Explanation:

### Question: 225

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.

Answer Area

Requirement

Option

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

An imported exchange rate for EUR to USD dated yesterday

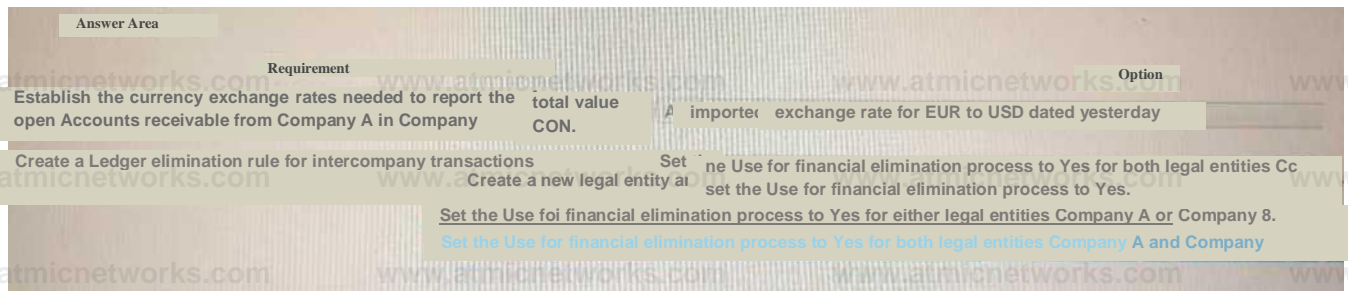
A derived historical exchange rate for USD to EUR dated yesterday A manually entered exchange rate for USD to EUR dated last week An imported historical exchange rate for EUR to USD dated last week

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.

Answer:

Explanation:

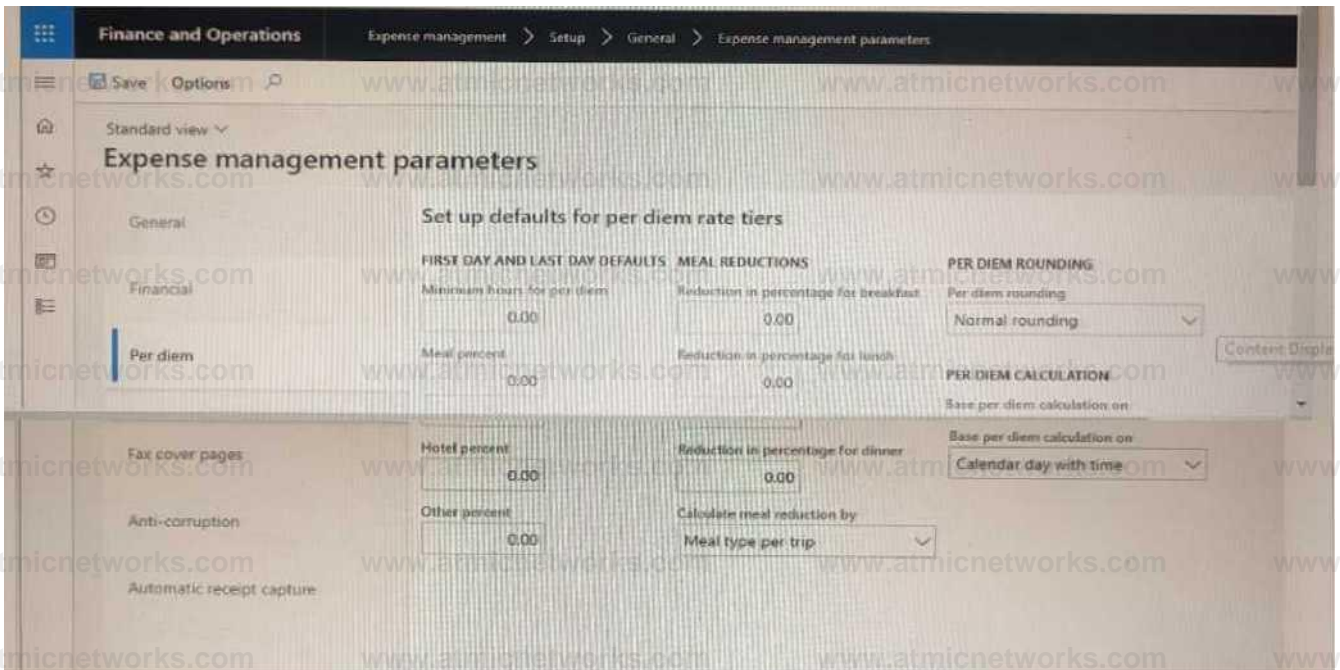


Question: 226

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.

**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 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 end Reduction in percentage for dinner to 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:**

**Explanation:**

**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.

Keep Base per diem calculation on set to Calendar day with time.

**Question: 227**

**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.

Answer Area

Department

Configuration

Operations

Over budget permission\*

Over budget permissions

Message levels

Budget funds available

Budget reservations for encumbrances

Budget reservations for pre-encumbrances

Marketing

Budget reservations for pre-encumbrances

Over budget permissions

Message levels

Budget funds available

Budget reservations for encumbrances

Budget reservations for pre-encumbrances

Sales

Budget reservations for pre-encumbrances

Over budget permissions

Message levels

Budget funds available

Budget reservations for encumbrances

Budget reservations for pre-encumbrances

All

Budget Funds Available

Over budget permissions

Message levels

Budget Funds Available

Budget reservations for encumbrances

Budget reservations for pre-encumbrances

Answer:

Explanation:

Answer Area

Department

Configuration

Operations

budget pen

Marketing

Me levels

Sales

Budget reservations for

All

Funds Available

Question:

228

## 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.

The screenshot shows a configuration interface with two columns: 'Requirement' and 'Functionality'. The 'Requirement' column contains three items: 'Distribute budget amounts across financial dimensions.', 'Require an approval workflow for budget transfers to the sales department.', and 'Approve a specific set of budget entries.'. The 'Functionality' column contains several items, with three selected: 'Financial dimensions for budgeting', 'Budget transfer rules', and 'Budget codes and budget approval workflow'. A blue bar highlights the selected items. The word 'Answer:' is written in red over the interface.

| Requirement  | Functionality                             |
|--|---|
| Distribute budget amounts across financial dimensions.                     | Financial dimensions for budgeting        |
| Require an approval workflow for budget transfers to the sales department. | Budget transfer rules                     |
| Approve a specific set of budget entries.                                  | Budget codes and budget approval workflow |

Question: 229  
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.

Functionalities

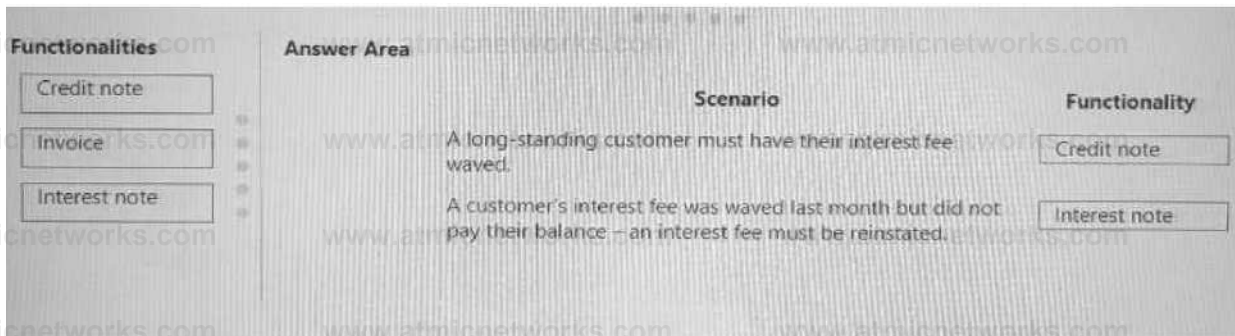
- Credit note
- Invoice
- Interest note

Answer Area

| Scenario   | Functionality |
|--|---------------|
| 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. |               |

Answer:

Explanation:



### Question: 230

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.

Answer: C

Explanation:

### Question: 231

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. No
- B. Yes

Answer: B

Explanation:

## Question: 232

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: Define a credit limit for each customer and select Mandatory credit limit check box on the Customers form.

Does the solution meet the goal?

it limit

A. No

B. Yes

Answer: B

Explanation:

## Question: 233

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 + All credit type on the Accounts receivable parameters form.

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

Does the solution meet the goal?

- A. Yes
- B. No

Answer: A

Explanation:

Question: 234  
DRAG DROP

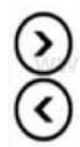
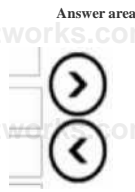
You manage customer credit and collections in a Dynamics 365 Finance implementation.

At the beginning of each month, you must send collection letters to customers whose payments are overdue.

You need to configure the collection letter functionality.

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.

- Actions**
- Create a customer group.
  - Define the collection letter sequence.
  - Link the collection letter sequence to a customer posting profile.
  - Post the collection letter.
  - Generate the collection letter.



Answer:

Explanation:

Actions

Create a customer group.



Answer area

- 1 Define the collection letter sequence.
- 2 Link the collection letter sequence to a customer posting profile.
- 3 Post the collection letter.
- 4 Generate the collection letter.

### Question: 235 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.

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>                           |

Answer:

Explanation:

Answer Area

| Requirement   | Functionality      |
|---|--------------------|
| Send communications to customers detailing their past due invoices. | Collection letters |
| Enable system-generated late charges.                               | Charges            |

## Question: 236

### 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.

#### 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.

6

Answer:

#### Explanation:

#### 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 check number to be a mandatory value.

## Question: 237

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

Answer: A, C

Explanation:

Question: 238

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

Features

Recognition basis  
Recognition convention  
Automatic contract terms  
Post contract support (PCS)

Answer Area

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

Answer:

Explanation:

Features

Answer Area

Recognition basis

Requirement Feature

Recognition convention

Agreement start and end dates must be determined Automatic contract terms by the system.

Automatic contract terms

Determine revenue price allocation across the occurrences based on contract terms.

Recognition basis

Post contract support (PCS)

### Question: 239

#### 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.

Answer Area

Required functionality

Define rules to submit an expense report.

Share expense classifications.

Approve expenses on behalf of another employee

Configuration option

Expense policies

Expense policies

Approval workflow

FT ----- ;

EXP^RSS C3t@On€

Project types

Expense cal

Intercompany expenses

Expense delegation

Personal expenses

Expense delegation

Approval workflow

Answer:

Explanation:

Answer Area

**Required functionality**

- Define rules to submit an expense report.
- Share expense classifications.
- Approve expenses on behalf of another employee.

**Configuration option**

- Expense policies ^
- Expense categories T
- Expense delegation \*

**Question: 240**  
**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.

Answer Area

| Book purpose | Depreciation convention  | Depreciation profile   |
|--------------|--|--|
| Accounting   | <ul style="list-style-type: none"><li>None</li><li>None</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>Straight line service life – Fiscal period</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>None</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>200% reducing balance – Yearly</li><li>200% reducing balance – Fiscal period</li><li>Consumption - Yearly</li><li>Consumption- Fiscal period</li></ul>                                    |

Answer:

Explanation:

Answer Area

Book purpose

Accounting

Tax

Depreciation convention

None

Half year (start of year)

Depreciation profile b

Straight line service life - Fiscal period

200% reducing balance - Yearly

## Question: 241

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.

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

Answer:

Explanation:

| Actions | Answer area                            |
|---------|--|
|         | 1 Import an electronic bank statement. |
|         | 2 Validate the bank statement.         |
|         | 3 Reconcile the bank statement.        |
|         | 4 Post the bank statement.             |

## Question: 242

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 None as the 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

**Answer: B**

Explanation:

**Question: 243**

**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  | United States dollar         |
| CompanyC | CompanyC is a subsidiary that is located in the United Kingdom,<br>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.

Currency types

USD

CAD

GBP

Answer Area

CompanyA Reporting currency  
CompanyB Accounting currency

Ledger currency Currency type

Explanation:

Answer:

Currency types

USD

CAD

GBP

Answer Area

CompanyA Reporting currency | CAD  
CompanyB Accounting currency | GBP

Ledger currency Currency type

Question: 244

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**

Mem \*ccour\*<

10000.39999

Businas\* unit

V\*

**Profit and loss account structure**

Mein account

40000.99999

Business unit

V

Department

T'

Cost center

V

**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.

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  
£

**Answer:**

**Explanation:**

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.

What is the minimum number of account structures that the company must use? 2

### Question: 245

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

Answer: D

Explanation:

### Question: 246

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.

Answer Area

Requirement

Track square footage occupied at each location.

Track and categorize costs as primary or secondary.

Classify costs as direct or indirect.

Configuration option

Allocation base

Cost classification

Cost behavior

Cost control unit

Cost distribution

Cost element

Cost distribution

Cost classification

Cost object

Cost classification by traceability

Cost classification by traceability

Cost classification by elements

Cost behavior

Cost distribution

Explanation:

Answer Area

Requirement

Track square footage occupied at each location.

Track and categorize costs as primary or secondary.

Classify costs as direct or indirect.

Configuration option

Allocation base

Cost distribution

Cost classification by traceability

Question: 247

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.

Answer: D

Explanation:

Question: 248

You are the controller of a multi-entity organization that uses the same chart of accounts and fiscal periods across all entities. You use the financial report designer in Dynamics 365 Finance to create, maintain, deploy, and view financial statements.

You need to generate consolidated financial statements by using a building block group to aggregate data across companies and financial dimensions.

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

NOTE: Each correct selection is worth one point.

- A. Create a column definition that includes a financial dimension column for each company.
- B. Create a column definition and use the period and year to map the appropriate periods for each company.
- C. Create a row definition that includes all appropriate accounts in all companies in the rows.
- D. Create a reporting tree that includes a reporting node for each company.
- E. Use the Reporting Unit field to select the tree and reporting unit for each column.

Answer: A, C, D

Explanation:

Question: 249

HOTSPOT

Your company uses Dynamics 365 Finance.

You must record an interest expense that occurs every month. It must be recorded the same way each month. Your manager wants each interest posting to use the number scheme "INT-XXXX", with XXXX representing a sequential number.

You need to configure the system.

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

NOTE: Each correct selection is worth one point.

Answer Arts

Requirement

Option

Interest payment

- Postma definition
- Voucher template
- Accrual scheme
- Posting definition

Numbering scheme

- Number sequence for the voucher
- Number sequence for the voucher
- Number sequence for the vendor
- Number sequence for the Accounts payable main account
- Default dimension for the Accounts payable main account

Answer

Explanation:

Answer Area

Requirement

Option

Interest payment

Posting definition

Numbering scheme

Number sequence for the voucher

>  
1

Question: 250

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

Answer: B

Explanation:

### Question: 251

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

**Answer: D**

**Explanation:**

### Question: 252

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%.

**Answer: D**

**Explanation:**

### Question: 253

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

**Answer: D**

**Explanation:**

### Question: 254

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.

**Answer: D**

**Explanation:**

### Question: 255

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

Answer: A, B, D

Explanation:

### Question: 256

#### 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 area. NOTE: Each correct selection is worth one point.

#### Answer Area

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

Answer:

Explanation:

Answer Area

Scenario

Option

Customer pays within 5 days.

Cash discount

An EFT clears the bank within 2 business days,  
Payment fee

## Question: 257

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.

Functionalities

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

Answer Area

Requirement

Functionality

Move revenue from the deferred revenue account to the revenue account |

Create a correcting entry for a posted invoice after reallocation.

Answer:

Explanation:

Functionalities

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

Answer Area

Requirement

Functionality

Move revenue from the deferred revenue account to the revenue account | Revenue schedule

Create a correcting entry for a posted invoice after reallocation.

| Revenue recognition journal |

## Question: 258

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

Answer: B

Explanation:

Question: 259

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.

Answer: A, C, E

Explanation:

Question: 260

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

Answer: A

Explanation:

### Question: 261

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

Answer: C, D

Explanation:

## Question: 262

### 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.

#### Answer Area

| Requirement  | Functionality   |
|--|---|
| Purchase a fixed asset on a purchase order using a procurement category. | <input type="checkbox"/> Depreciation method*<br><input type="checkbox"/> Fixed asset determination rules<br><input type="checkbox"/> Fixed asset purchasing policy<br><input checked="" type="checkbox"/> Depreciation methods |
| Record specific tax transactions for fixed assets via journal            | <input type="checkbox"/> Depreciation methods<br><input type="checkbox"/> Report definitions<br><input type="checkbox"/> Posting layers   |

Answer:

Explanation:

#### Answer Area

| Requirement  | Functionality   |
|--|---|
| Purchase a fixed asset on a purchase order using a procurement category. | <input type="checkbox"/> Depreciation methods<br><input type="checkbox"/> Record specific tax transactions for fixed assets via journal |
| Record specific tax transactions for fixed assets via journal            | <input type="checkbox"/> Posting layers   |

## Question: 263

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

Answer: A, E

Explanation:

Question: 264

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.

Answer Area

ESM Omwe

StKtdtrtl «\*\*\* \*\*

Budget planning configuration

Budget planning allocation schedules

AUauticn tAMitM

Allocation schedule  
Baseline to Each Department  
Ledger:  
USMF W/Wr  
MIOCATIM

I Distribute

Distribute

Aggregate

Allocate across period

Copy from budget plan

souui

Previous year budgeted

Baseline

Previous year budgeted

Department requested

Department approved

MSTIMAHW

Department requested

Baseline

Previous year budgeted

Department requested

Depanment approved

±M

000

100

ZOO

BAO

Answer:

Explanation:

Answer Area

ES'4 Onwm P

VirtKli «cpe ^

Budget planning configuration

Budget planning allocation schedules

DataMa \*IMM+1 Mtofe+ol \*ui mi la wM# Cm\*\*+\*\*\* R+ra+e<^ to atebuan Ktoauat == pa?\*\*\*\*\* M'n pW\*mj Hlnaatt taw# M Ito attorna Mat\*Mar Hato->

4 Add I Ramoa

^

Workflow 1 lago

I Allot It-C+1 K>MuM1

JUIOCATIOM

Allot #wm rx,Rwl

Distribute

Previous year budgeted ^

#SnMATKM

### Question: 265

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.

Answer: D

Explanation:

### Question: 266

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.

Posting types

- Ledger account
- Vendor
- Item

Answer Area

Account type

Debit

Credit

Posting type


Explanation:

Answer:

Posting types

- Ledger account
- Vendor
- Item

Answer Area

Account type

Debit

Credit

Posting type


Question: 267

You are implementing Dynamics 365 Finance. You configure an invoice validation policy to use threeWay 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.

Answer: C

Explanation:

### Question: 268

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.

Answer: B

Explanation:

### Question: 269

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

Answer: C

Explanation:

### Question: 270

A company has implemented Dynamics 365 Finance.

The company pays taxes quarterly to the states of Florida, Nebraska, and Washington. These states have been set up as tax authorities within Dynamics 365 Finance.

You need to configure the system to remit tax payments.

What should you do?

- A. Set up a customer record for the tax authority.
- B. Associate the vendor record to the tax authority.
- C. Associate the vendor record to The settlement period.
- D. Set up the jurisdiction and associate the jurisdiction to the tax authority

Answer: B

Explanation:

Question: 271

You have implemented Dynamics 365 finance.

You must update the fiscal year to a 4-4-5 quarterly configuration.

You need to configure the fiscal year.

What should you do?

- A. Configure the period length to 12 months and adjust the ending date of each period.
- B. Set up the length of the period to 13 months.
- C. Set up the length of the period to 1 year and divide the period according to the quarterly configuration.
- D. Configure the period length to 1 year and adjust the ending date of each period.

Answer: C

Explanation:

Question: 272

DRAG DROP

You are implementing Dynamics 365 Finance.

You must associate items with an item model group. An inventory close must not be required.

You need to configure the item model group.

Which costing method should you use? To answer, drag the appropriate costing method to the correct system behavior.

Each costing method may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE; Each correct selection is worth one point.

Costing methods

Moving average i  
Weighted average

■ First in first out (FIFO)

Standard cost

Answer Area

System behavior

The inventory unit cost must be based on an expected cost.

The purchase cost changes but the inventory cost does not

Costing method

Answer:

Explanation:

Costing methods

- Moving average
- Weighted average
- First in, first out (FIFO)
- Standard cost

Answer Area

System behavior

Costing method

The inventory unit cost must be based on an expected cost.

Standard cost

The purchase cost changes but the inventory cost does not

Moving average

### Question: 273

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

Vendor invoices require a five percent sales tax calculation. Per government rules, the client can recover only 60 percent of this five percent sales tax amount against certain commodities. The remaining 40 percent is non-recoverable.

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

Answer: D

Explanation:

### Question: 274

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.

**Actions**

- 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-

**Answer Area**



Answer:

Explanation:

**Actions**

Create budget register entries.

**Answer Area**

- 1 Create the fixed asset budget journal.
- 2 Use a depreciation proposal for the budget amount.
- 3 Transfer the budget amount to budget register entries.
- 4 Update the budget balance.



Question: 275

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.

**Answer Area**

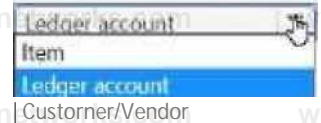
Type field

Options

Debit field



Credit field



Answer:

Explanation:

Answer Aren

| Type field   | Options         |
|--------------|-----------------|
| Debit field  | Customer/Vendor |
| Credit field | Ledger account  |

Question: 276

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

Answer: D

Explanation:

Question: 277

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.

**Answer Area**

| Requirement  | Parameter   |
|--|---|
| The item median price cannot be adjusted beyond the configured percentage, | <input type="checkbox"/> Exclude from Carve-out I.<br><input type="checkbox"/> Allocation amount<br><input type="checkbox"/> List Price   |
| Validate the amount posted during revenue recognition.                     | <input checked="" type="checkbox"/> Exclude from Carve out<br><input type="checkbox"/> Recognition basis Revenue price<br><input type="checkbox"/> Allocation amount<br><input checked="" type="checkbox"/> Recognition basis |

**Answer:**

**Explanation:**

**Answer Area**

| Requirement  | Parameter  |
|--|--|
| The item median price cannot be adjusted beyond the configured percentage. | <input type="checkbox"/> Exclude from Carve-out configured |
| Validate the amount posted during revenue recognition.                     | <input checked="" type="checkbox"/> Recognition basis      |

**Question: 278**

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 expense budget threshold, revenue dimension set, and revenue budget threshold percent field values on the Configure my workspace form.

Does the solution meet the goal?

- A. Yes
- B. No

**Answer: B**

Explanation:

### Question: 279

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

Answer: B

Explanation:

### Question: 280

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

Answer: B

Explanation:

### Question: 281

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.

Answer Area

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

Answer:

Explanation:

Answer Area

| Configuration option     | Component                      |
|--------------------------|--------------------------------|
| Budget journal name type | Fixed asset budget             |
| Budget type              | Original                       |
| Budgeting workflow type  | Budget register entry workflow |

Question: 282

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.

**Revenue types**

- Essential
- Nonessential
- Post contract support (PCS)

**Answer Area**

**Component**

**Revenue type**

- Computer
- Warranty

Explanation:

Answer:

**Revenue types**

- Essential
- Nonessential
- Post contract support (PCS)

**Answer Area**

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

Question: 283

HOTSPOT

A company is configuring the Microsoft Dynamics 365 Finance Fixed asset module.

You must configure depreciation for fixed assets. The company has the following assets and requirements;

| Asset  | Comments  | Depreciation method                                      |
|--------|---|--|
| Asset1 | Asset 1 has a useful life of five years.                      | Depreciate 40 percent each year                          |
| Asset* | Asset* is a company laptop that has a three-year useful life- | Depreciate the laptop over three years in equal amounts. |

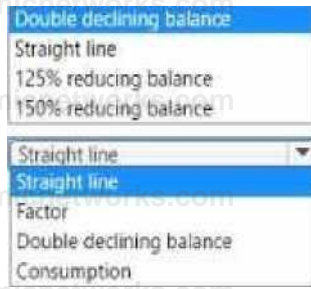
You need to configure the assets to meet the depreciation requirements.

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

NOTE: Each correct selection is worth one point.

**Answer Area**

- Asset Depreciation method
- Asset 1 Double declining balance \_\_\_\_\_



Answer:

Explanation:

Answer Area

| Asset  | Depreciation method      |
|--------|--------------------------|
| Asset! | Double declining balance |
| Asset? | Straight line            |

### Question: 284

A company uses Dynamics 365 Finance. The company accepts customer payments in installments.

You must configure the number of installments, the amount of each installment, and a due date of each installment for a payment schedule to determine the revenue allocation for each month. You must provide the total revenue amounts allocated over a period for a specific payment.

You need to configure the system to allocate the total outstanding amount of an invoice.

What should you configure?

- A. Terms of payment
- B. A payment schedule with a method of allocation set to Fixed amount
- C. Payment days.
- D. A payment schedule with a method of allocation set to Total.

Answer: D

Explanation:

### Question: 285

You create a parent budget for the next fiscal year of a parent company. The parent company is configured as its own legal entity.

Franchises are configured as separate legal entities. The parent company sets the budget for each franchise based on the past year's performance.

Ledger allocation rules, periods allocation keys, and budget allocation terms have not been created. Budget line items must be allocated to the budget for each franchise.

You need to ensure the franchise budgets are allocated.

What should you do?

- A. Create budget allocation terms. Set the allocation method to allocate to dimensions.
- B. Create ledger allocation rules. Set the allocation method to use ledger allocation rules
- C. Set the allocation method to distribute.
- D. Set the allocation method to aggregate.
- E. Create period allocation keys. Set the allocation method to allocate across periods.

Answer: A

Explanation:

### Question: 286

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

Answer: A

Explanation:

Question: 287  
HOTSPOT

A company implements the general ledger module of Dynamics 365 Finance.

The company must allocate the advertising expense based on a department's sales in proportion to the total sales.

You need to configure the allocation rule.

How should you complete the configuration? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point

Allocation Rule Configuration

Configuration Option

Source

Classification

|   |   |
|---|---|
| Sales revenue account   | ▼ |
| Advertising expense account                                     |   |
| Sales revenue account   |   |
| Sales revenue account with department financial dimension       |   |
| Advertising expense account                                     | ▼ |
| Advertising expense account                                     |   |
| Sales revenue account   |   |
| Sales revenue account with department financial dimension       | ▼ |
| Advertising expense account with department financial dimension |   |
| Sales revenue account with department financial dimension       |   |
| Fixed percentage  | ▼ |
| Basis   |   |
| Fixed percentage  |   |
| Equally   |   |

Answer:

Explanation:

Allocation Rule Configuration

Configuration Option

Source

Offset

Destination

Ledger Allocation method

Classification

Sales revenue account

Advertising expense account

Sales revenue account with department financial dimension

Fixed percentage



Question: 288

DRAG DROP

A company is implementing Microsoft Dynamics 365 Finance.

The company is configuring depreciation for company vehicles. Vehicles must be depreciated by using straight-line service life on the 15th day of each month.

You need to configure vehicle depreciation.

What 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.

Features

Method

Convention

Book

Factors

Answer Area

Requirement

Feature

Straight-line service life

15th day of each month

Answer:

Explanation:

**Features**

- Method
- Convention
- Book
- Factors

**Answer Area**

| Requirement                | Feature    |
|----------------------------|------------|
| Straight-line service life | Method     |
| 15th day of each month     | Convention |

### Question: 289

You use Dynamics 365 Finance for daily bank reconciliation. You must use the BAI2 bank statement format

You need to configure the import bank statement format for the bank reconciliation process. What should you do?

- A. Import the bank statement as a template for the bank statement format.
- B. Set up a journal name to import a bank statement transaction.
- C. Set up an import project for the bank statement in a Data management workspace using files provided by Microsoft.
- D. Set up a batch job to import the bank statement.

**Answer: C**

Explanation:

### Question: 290

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.

Actions

Answer area

Select Layout then select Activate

Select Ledger and Budget cycle

• Select Default account structure

• Select Organization hierarchy

• Select Budget Planning workflow

Answer:

Explanation:

Actions

• Select Layout then select Activate.

Answer area

1 • Select Ledger and Budget cycle.

2 • Select Default account structure.

3 • Select Organization hierarchy.

4 • Select Budget Planning workflow.

Question: 291

DRAG DROP

A company uses Dynamics 365 Finance for expense management.

The company has multiple legal entities and multiple departments. Each department may have a different expense policy that may conflict with the legal entity expense policy.

You need to configure prioritization of department expense policy over legal entity expense policy.

Which three actions should you perform in sequence?

To answer, move the appropriate actions from the list of actions to the answer area and arrange

them in the correct order.

**Actions**

- ☐ Create an organization hierarchy for the legal entities.
- ☐ Add a department organization hierarchy into the Procurement internal control organization hierarchy purpose.
- ☐ Add a department organization hierarchy to the Expenditure internal control organization hierarchy purpose.
- ☐ Create an organization hierarchy for the departments.
- ☐ Add a department hierarchy to the Security organization hierarchy purpose.
- ☐ Set the order of precedence in Policy parameter.

**Answer Area**

Explanation:

Answer:

**Actions**

- ☐ Create an organization hierarchy for the legal entities.
- ☐ Add a department organization hierarchy into the Procurement internal control organization hierarchy purpose.
- ☐ Add a department organization hierarchy to the Expenditure internal control organization hierarchy purpose.

**Answer Area**

- 1 ☐ Create an organization hierarchy for the departments.
- 2 ☐ Add a department hierarchy to the Security organization hierarchy purpose.
- 3 ☐ Set the order of precedence in Policy parameter.

**Question: 292**

A company uses Microsoft Dynamics 365 Finance. You are evaluating delinquent customers. You examine aging balances and determine that a customer's balance must be written off.

You need to use journal lines to perform the write-off process.

Which two journal line types will be created? Each correct answer presents part of the solution.

NOTE: Each correct selectin is worth one point.

- A. Item transaction entry
- B. General ledger entry
- C. Not sufficient funds (NSF) payment entry
- D. Customer entry

Answer: A, B

Explanation:

Question: 293

DRAG DROP

You are using Microsoft Excel to complete budget planning for the next fiscal year.

Budget template data must be gathered in real time from Dynamics 365 Finance during the budget planning process.

You need to create a budget planning template by using Microsoft Excel.

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

Actions

- ☰ Generate the template.
- ☰ Enter data from the current year's budget planning template.
- ☰ Add data connector fields.
- ☰ Upload the template.

Answer area

Answer:

Explanation:

### Actions

☰ Generate the template.

### Answer area

1 ☰ Enter data from the current year's budget planning template.

2 ☰ Add data connector fields.

3 ☰ Upload the template.

## Question: 294

You are implementing Dynamics 365 Finance.

Sales tax payable must be posted to the same collection of accounts across all legal entities. You need to configure the sales tax. What should you use?

- A. Posting group
- B. Tax group
- C. Use tax payable account
- D. Tax jurisdiction

Answer: A

Explanation:

## Question: 295

HOTSPOT

You manage the consolidation and elimination process in Dynamics 365 Finance for a company.

The company must consolidate financial data from multiple subsidiaries that use different currencies and systems. The company must ensure that intercompany eliminations are correctly processed.

You need to set up and run the consolidation and elimination process in Finance.

How should you complete the configuration? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Consolidation and elimination process configuration

Consolidation/elimination requirement

Consolidation with multiple subsidiaries, currencies, and systems

Consolidation with partially owned subsidiary

Reporting that displays consolidations by business unit or organizational hierarchies

Method

Consolidate with import.

Consolidate with import.

Consolidate online.

Consolidate online with ownership percentage.

Consolidate online with ownership percentage.

Perform financial reporting with ownership percentage.

Perform financial reporting.

Consolidate online.

Perform financial reporting.

Answer:

Explanation:

Consolidation and elimination process configuration

Consolidation/elimination requirement

Consolidation with multiple subsidiaries, currencies, and systems

Consolidation with partially owned subsidiary

Reporting that displays consolidations by business unit or organizational hierarchies

Method

Consolidate with import.

Consolidate online with ownership percentage.

Perform financial reporting.

Question: 296

You manage the ledger settlement process for a company in Dynamics 365 Finance. The company requires an improved settlement process.

You enable the Awareness between ledger settlement and year-end close feature to include only unsettled ledger transactions in the opening balance during the year-end process. The company must be able to settle transactions and handle realized gains and losses for foreign currency differences without any manual intervention. You need to configure the system to meet the requirements. What should you do?

- A. Set up a new chart of accounts specifically for foreign currency transactions.
- B. Enable the Post foreign currency realized gains/losses for ledger settlements feature.
- C. Disable the Awareness between ledger settlement and year-end close feature.
- D. Ensure all transactions are posted within the same fiscal year before settling them.

Answer: B

Explanation:

Question: 297

DRAG DROP

You use Dynamics 365 Finance to manage the financial operations of a company.

You need to configure the financial period close workspace for the month-end financial close.

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

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

Steps

Month-end financial close configuration steps

:: Define the financial closing calendar,

■ Create a financial close template.

:: Set up task areas and closing roles.

:: Assign resources to the closing roles,

■ Assign the dosing schedule to the financial period.

## Answer:

### Explanation:

Steps

Month-end financial close configuration steps

- 1 :: Define the financial closing calendar.
- 2 :: Create a financial close template
- 3 i: Set up task areas and closing roles.
- 4 ■■ Assign resources to the closing roles.
- S :■ Assign the closing schedule to the financial period

## Question: 298

### DRAG DROP

A company is implementing Microsoft Dynamics 365 Finance.

The company is configuring the fixed asset functionality and has the following requirements:

- Manually add an additional depreciation amount the first year a machine is put in service.
- Depreciate a company vehicle based on the number of miles it has traveled.

You need to configure the depreciation for the assets.

Which depreciation method should you use? To answer, drag the appropriate depreciation methods to the correct assets.

Each method may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

| Depreciation methods                                | Answer Area |
|---|-------------|
| <input type="checkbox"/> Bonus                      |             |
| <input type="checkbox"/> Consumption                |             |
| <input type="checkbox"/> Straight-line service life |             |
| <input type="checkbox"/> 150% reducing balance      |             |

| Asset   | Depreciation method  |
|---------|----------------------|
| Machine | <input type="text"/> |
| Vehicle | <input type="text"/> |

Explanation:

Answer:

Depreciation methods

- Bonus
- Consumption
- Straight-line service life
- 150% reducing balance

Answer Area

- 
- 
- 
- 
- 

| Asset   | Depreciation method |
|---------|---------------------|
| Machine | Bonus               |
| Vehicle | Consumption         |

Question: 299

A company implements Dynamics 365 Finance. The company uses a third party to provide support services.

You need to configure a payment method to allow the company to reimburse any expenses reported by the third-party service provider.

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

NOTE: Each correct selection is worth one point.

- A. Bank
- B. Ledger
- C. Worker
- D. Vendor

Answer: B, D

Explanation:

## Question: 300

### HOTSPOT

A company uses Dynamics 365 Finance.

The company requires two-way, net unit price matching for all vendors. The company also requires three-way matching for new vendors during observation periods.

You need to configure invoice matching and validation.

How should you complete the configuration?

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

NOTE: Each correct selection is worth one

#### Answer Area

##### Configuration option

Allow matching policy override.

Match price totals.

##### Configuration value

The image shows two dropdown menus. The first dropdown menu is for 'Allow matching policy override' and has three options: 'Lower or higher than company policy', 'Higher than company policy', and 'Lower or higher than company policy'. The second dropdown menu is for 'Match price totals' and has four options: 'None', 'Amount', 'Percentage', and 'Percentage and amount'.

Answer:

Explanation:

#### Answer Area

##### Configuration option

Allow matching policy override.

Match price totals.

##### Configuration value

Lower or higher than company policy

Percentage and amount

## Question: 301

A company uses Dynamics 365 Finance for their accounts payable processing.

One vendor offers a special installment term which allows the company to pay their invoice with three equal installment payments. The first payment is due 60 days after the invoice date. The second payment is due 90 days after the invoice date. The last payment is due 120 days after the invoice date. The company pays their invoice on the due date to take advantage of the terms.

You need to configure the terms of payment and payment schedule for the vendor master record.

How should you configure and assign the vendor master record?

- A. Net90 term of payment and a 30-60 payment schedule
- B. Net60 term of payment and a 30-60-90 payment schedule
- C. Net30 term of payment and a 30-60-90 payment schedule
- D. Net120 term of payment and a 60-90-120 payment schedule

Answer: B

Explanation:

## Question: 302

A company uses Dynamics 365 Finance for budget control.

The company completes the budget control setup and activates the feature. The budget register entries that were posted before turning on budget control are not included in the list of entries.

You need to include the entries posted before budget control was activated.

What should you do?

- A. Update the balances for budget register entries that were excluded.
- B. Manually trigger a budget control check.

- C. Deactivate budget control and set it up again.
- D. Use budget control data maintenance to reprocess the entries.

**Answer: D**

**Explanation:**

**Question: 303**

A company plans to implement basic budgeting functionality in Dynamics 365 Finance. You need to configure the minimum number of components to enable functionality. Which three required components should you configure? Each correct answer presents part of the solution. NOTE: Each correct selection is worth one point.

- A. Budget control rules
- B. Budget parameters and number sequences
- C. Financial dimensions for budgeting
- D. General ledger posting profiles
- E. Budget codes and budget models

**Answer: B, C, E**

**Explanation:**

**Question: 304**

A company uses Dynamics 365 Finance for expense and revenue deferral.

The company requires the deferral date to be on the first day of the month immediately after the transaction date.

You need to configure the default deferral start date.

Which configuration should you use?

- A. Rule of 15
- B. Beginning of next month
- C. Beginning of current month
- D. Transaction date

Answer: B

Explanation:

Question: 305

DRAG DROP

A company uses Dynamics 365 Finance for its recurring contract billing.

The company bills its customers a one-time fee when customers first set up services. The company bills customers a minimum charge plus actual usage based on tiered pricing.

The company configures service items for fees, minimum charges, and usage with the sales price in released product along with the trade agreement for the pricing.

The company must be able to manage pricing through trade agreements and released product sales price.

You need to configure the billing schedule line for each service item.

How should you complete the setup? To answer, move the appropriate pricing methods to the correct billing schedule lines. You may use each pricing method once, more than once, or not at all. You may need to move the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Pricing methods

|          |           |
|----------|-----------|
| Standard | Flat      |
| Tier     | Flat tier |

Billing schedule line configuration

| Billing schedule line | Pricing method |
|-----------------------|----------------|
| One-time fee          |                |
| Minimum charge        |                |

Answer:

Explanation:

Pricing methods

|          |           |
|----------|-----------|
| Standard | Flat      |
| Tier     | Flat tier |

Billing schedule line configuration

| Billing schedule line | Pricing method |
|-----------------------|----------------|
| One-time fee          | Flat           |
| Minimum charge        | Standard       |

Question: 306

A company uses Dynamics 365 Finance.

The company must send a refund check by using a customer payment journal. The refund check must be generated before a user can post the refund payment journal. Which option should you configure?

- A. Payment status as sent
- B. Payment reference as mandatory
- C. Bank transaction type as mandatory
- D. Check number as mandatory

Answer: D

Explanation:

Question: 307

A company uses Dynamics 365 Finance.

The customer payment journal must only be available for selection by the accounts receivable user group.

You need to configure the accounts receivable journal name to meet the requirement.

Solution: Configure the journal approval.

Does the solution meet the goal?

A. Yes

B. No

Answer: B

Explanation:

Question: 308

A company uses Dynamics 365 Finance.

The customer payment journal must only be available for selection by the accounts receivable user group.

You need to configure the accounts receivable journal name to meet the requirement.

Solution: Configure the posting restriction.

Does the solution meet the goal?

A. Yes

B. No

Answer: B

Explanation:

## Question: 309

A company uses Dynamics 365 Finance.

The customer payment journal must only be available for selection by the accounts receivable user group.

You need to configure the accounts receivable journal name to meet the requirement

**Solution:** Configure the journal control.

Does the solution meet the goal?

A. Yes

B. No

**Answer: B**

**Explanation:**

- 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.