



**"Please note that these files may not be up to date. However, the questions will help you understand the exam format and typical question patterns."**

**[www.atmicnetworks.com](http://www.atmicnetworks.com)**

Warning: Keep connected with our support team for latest updates

## Topic 1, Wide World Importers

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

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

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

### To start the case study

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

## Background

Wide World Importers is a distribution company whose primary customers are small boutique shops which sell globally-sourced products including unique or hand-crafted items such as perfumes and ceramicware. Through the Wide World Importers sales cycles, the commissions-based sales team identifies opportunities and negotiates with shops by using a quoting process. The products may or may not already exist in the company's current product list.

The company has the following divisions and areas of responsibility:

Division	Responsibilities
Sales	Source customers, generate quotes
Inventory	Create products and associated setups manage costing
Compliance	Define testing, set up regulatory requirements
Customer service	Create and manage orders

### Current environment

Wide World Importers use Dynamics 365 Finance and Dynamics 365 Supply Chain Management There is a single legal entity.

The primary distribution center for the company is located Las Vegas, Nevada, USA There is an additional warehouse in California which receives imported goods from container ships. When goods are received in California, the goods are transferred to Nevada for distribution. No orders are shipped directly from California.

## Sales

The company has two teams of sales representatives East and West. Each team has one representative for each of the following categories of goods; perfumes, ceramicware and all other goods. Sales representatives are paid commissions based on sales. Commissions must be paid based on the home office location for customers. For example, commission for a customer that is headquartered in the Western United States is paid to the West group of sales representatives.

Sales representatives are responsible for driving new business. Company executives must be able to see metrics define the companies that the sales representatives are targeting, where there is potential to do business, and where quotes are being generated. Customer records must not be created until a sale is confirmed.

The sales team quoted a new perfume for a customer named Customer1. The customer has shipping locations in the following regions. United States, Austria, and Japan. Sales must only be made to the US and Japan due to product ingredients. Automated checks must be put into place so that users do not have to remember to select the correct item.

## Testing

The company periodically performs testing on ceramicware as it is received to determine whether the products contain lead. The company labels and markets ceramicware as Lead Free or Not for food use. Perfumes may contain restricted ingredients that cannot be sold to customers in the European Union. The company performs testing on perfumes and has processes to ensure that perfumes containing restricted ingredients are not sold to customers in Europe.

Ten percent of all ceramicware items received must be tested for lead. The process for managing testing must be automated. There must be tolerances setup that define the acceptable amount of lead levels in a product.

## Inventory management

The inventory team must control costing of items by using FIFO principles. The finance team must be able to see updated FIFO adjustments throughout the month but will only settle FIFO for month-end reporting.

Inventory close must be run at the end of each month. A report must be provided to the finance team that includes the physical quantities and inventory value for items, with totals at the bottom. The warehouse team needs a similar report but does not want the inventory value included. During inventory close, some items cannot be fully costed because the issue cannot be settled against the receipt. The finance team must know which items were excluded.

## Other inventory requirements

- Inventory must be reserved against physical inventory.
- Items must be grouped so that the inventory costing can be posted to the ledger by using the following groups: perfumes, ceramicware, other goods. All goods are FIFO. Financial reports must be grouped by these three categories, even the transactions from all categories post to the same ledger accounts.
- Wide World Importers plans to import a specific type of pottery from a local company in Mexico that handmakes the

goods. The pottery must be available in orange or red colors. The cost is the same regardless of the color selection.

- A new line of perfumes is being introduced. The procurement team must be able to identify which perfumes are men's or women's fragrances, and must be able to further categorize perfumes as Perfume, Eau de Perfume, Eau de Toilette, Eau de Cologne, or Eau Fraiche.
- You must set up a structure of products for classifying each item for purchase, sales and reporting analysis

### Issue

Customer service representatives report that some inventory shows as ordered reserved when the ordered reserved parameter is turned off.

An item that is typically carried is out of stock. A stock. A customer named Customer2 wants to place a special rush order for the item. This will result in a significantly increased cost from the supplier. The finance team does not want to have this special order affected the FIFO tiers.

### Question: 1

You need to address the inventory cost requirements.

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

NOTE Each correct selection is worth one point

- A. Set up a costing sheet
- B. Set up commodity pricing.
- C. Use FIFO with marking.
- D. Create a costing version.
- E. Create purchase orders from sales orders.

Answer: C,D

Explanation:

### Question: 2

#### HOTSPOT

You need to configure the system to support regional sales requirements.

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

NOTE: Each correct selection is worth one point.

**Answer Area**

Configurable object	Assignment
Customer	<ul style="list-style-type: none"> <li>Commission group</li> <li>Price group</li> <li>Item group</li> <li>Customer group</li> </ul>
Sales Rep	<ul style="list-style-type: none"> <li>Sales group</li> <li>Lead</li> <li>Prospect</li> <li>Item group</li> </ul>
Item	<ul style="list-style-type: none"> <li>Commission group</li> <li>Item group</li> <li>Item Model group</li> <li>Customer group</li> </ul>

Answer:

Configurable object	Assignment
Customer	<ul style="list-style-type: none"> <li>Commission group</li> <li>Price group</li> <li>Item group</li> <li>Customer group</li> </ul>
Sales Rep	<ul style="list-style-type: none"> <li>Sales group</li> <li>Lead</li> <li>Prospect</li> <li>Item group</li> </ul>
Item	<ul style="list-style-type: none"> <li>Commission group</li> <li>Item group</li> <li>Item Model group</li> <li>Customer group</li> </ul>





Reference:

<https://www.dynamics-tips.com/sales-and-marketing/how-to-calculate-and-process-sales-commissions>

### Question: 3

You need to configure the system to support the pottery product line. What should you do first?

- A. Create a new product with storage dimensions.
- B. Create a new product master with predefined product variants.
- C. Create a new product with lacking dimensions.
- D. Set up a new product with product configuration.

Answer: B

## Question: 4 HOTSPOT

You need to configure the system to meet the item testing requirements.

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

NOTE: Each correct selection is worth one

### Answer Area

Configuration	Value
Event type	Product Receipt Report as Finished Registration Ended
Quality specification	10 percent Fixed Quantity of 10 Fixed Quantity of 90 90 percent

Answer:

Explanation:

### Answer Area

Configuration

Value

Event type

Product Receipt

Quality specification

10 percent

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/enable-quality-management>

## Question: 5

### HOTSPOT

You need to configure settlement reports for the finance team.

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

NOTE: Each correct selection is worth one point.

#### Answer Area

Requirement	Process
Identify items that are not fully settled.	Print Inventory Close Log Run Recalculation Print Inventory Valuation Report Post Purchase Registrations
Reconcile differences between the expected and actual inventory values.	Post Purchase Invoices Post Purchase Registrations Post Sales Picking Lists Post inventory adjustments

Answer:

Explanation:

Requirement

Process

Identify items that are not fully settled.

Print Inventory Close Log
Run Recalculation
Print Inventory Valuation Report
Post Purchase Registrations
Post Purchase Invoices
Post Purchase Registrations
Post Sales Picking Lists
Post inventory adjustments

Reconcile differences between the expected and actual inventory values.

## Question: 6

You need to configure the system to support the inventory costing requirement.

Which two actions should you perform? Each answer represents a complete solution.

NOTE: Each correct selection is worth one point.

- A. one default item group for all items
- B. one item group each for perfume, ceramicware, and other goods
- C. one FIFO item model group and one Standard item model group
- D. one FIFO item group
- E. one financial dimension for each item group

Answer: B,C

Explanation:

### Question: 7

You need to configure the structure for the new line of perfumes.

What should you do first?

- A. Create a procurement category hierarchy.
- B. Create a new product with racking dimensions.
- C. Create a new product with storage dimensions.
- D. Create product configurations.
- E. Set up a new product master and implement serial tracking.

Answer: E

Explanation:

### Question: 8

DRAG DROP

You need to configure the system to meet the inventory team cost control requirement.

Which processes should you run? To answer, drag the appropriate processes to the correct requirements. Each process 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.

### Processes

Inventory Aging Report

Inventory Close

Inventory Recalculation

Reverse Close

### Answer Area

#### Requirement

Daily Process

Monthly

#### Process

Process

Process

Answer:

Explanation:

### Requirement

Daily Process

Monthly

### Process

Inventory Recalculation

Inventory Close

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/cost-management/inventory-close>

Question: 9  
HOTSPOT

You need to configure the inventory reports.

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

NOTE: Each correct selection is worth one point.

Requirement

Configure the system to support the reports for the inventory control and warehouse teams.

Enable totals for the inventory close report

Explanation:

Report option

- Report ID
- Resource ID
- Detail Level
- Inventory
- Disable Summarize, Print Totals
- Enable Summarize and Print Totals
- Inventory
- Resource Group

Answer:

### Requirement

Configure the system to support the reports for the inventory control and warehouse teams.

Enable totals for the inventory close report.

### Report option

Report ID
Resource ID
Detail Level
Inventory
Disable Summarize, Print Totals
Enable Summarize and Print Totals
Inventory
Resource Group

### Question: 10

DRAG DROP

You need to configure the system to meet the metric requirement for sales representatives.

How should you configure the system? To answer, drag the appropriate entities to the correct requirements. Each entity 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.

**Entities**

Lead

Prospect

Opportunity

Customer

**Answer Area**

**Requirement**

**Entity**

Create a record for a company for which you provide a quote

Entity

Create a record for a company that confirms an order

Entity

Create a record for companies identified by sales representatives.

Entity

**Answer:**

**Explanation:**

**Requirement**

**Entity**

Create a record for a company for which you provide a quote.

Opportunity

Create a record for a company that confirms an order.

Customer

Create a record for companies identified by sales representatives.

Lead

**Question: 11**

You need to address the inventory costing requirements.

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

NOTE: Each correct selection is worth one point.

- A. Use FIFO with marking.
- B. Create purchase orders from sales orders.

- C. Set up commodity pricing.
- D. Create a costing version.
- E. Set up a costing sheet.

Answer: C,E

Explanation:

### Question: 12

You need to configure the system to support the pottery line.

What should you do first?

- A. Set up a new product with product configuration.
- B. Create a new product with tracking dimensions.
- C. Create a new product master with pre-defined product variants.
- D. Create a new product with storage dimensions.

Answer: C

Explanation:

Reference:

[https://docs.microsoft.com/en-us/dynamics365/supply-chain/pim/tasks/create-predefined-product- variants](https://docs.microsoft.com/en-us/dynamics365/supply-chain/pim/tasks/create-predefined-product-variants)

### Question: 13

You need to identify the cause for the inventory issue reported by customer service representatives.

What is the root cause?

- A. Run inventory close process.
- B. Ordered reserved box should be checked, this will disable quantities.
- C. Turn on automatic reservation.
- D. Ordered reserved quantity is due to marking.
- E. Turn off automatic reservation.

Answer: D

Explanation:

### Topic 2, Organics Company Case Study

This is 3 cast study, Case studies are not timed separately. You can use as much exam time as you would like to complete each case. However, there may be additional case studies and sections on this exam. You must manage your time to ensure that you are able to complete all questions included on this exam in the time provided.

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

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

To start the case study

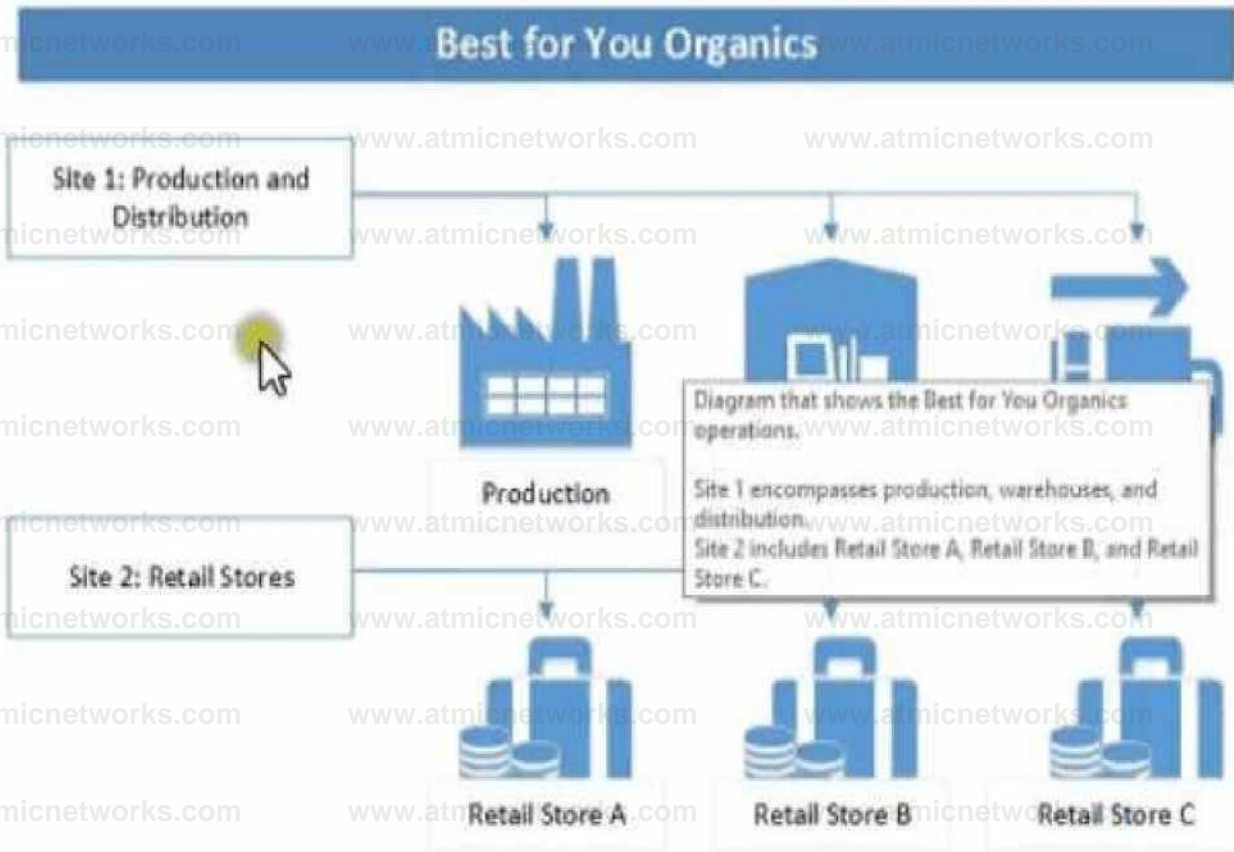
To display the first question in this case study, click the Next button. Use the buttons in the left pane to explore the content of the case study before you answer the questions. Clicking these buttons displays information such as business requirements, existing environment, and problem statements,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

### Background

Best for You Organics Company started as a home-based business. The founders began making handmade soaps and bath products in their kitchen. As sales increased, the business established a production facility and distribution center that supplies three retail stores.

Soaps and bath products are manufactured in the production facility and are stocked in the warehouse for distribution to the retail stores. Employees at retail stores use mobile point of sale (MPOS) tablet devices to sell the products to customers.

The company structure is a single legal entity with two sites as shown in the diagram below:



**Current environment**

Best for You Organics plans to introduce a new product line of face creams. Each product in the new line uses the same base ingredients but includes a different extract (for example, lime, avocado, kiwi). The marketing department is preparing to introduce the new product line. Minimal inventory will be held in the warehouse.

The company uses a cloud-based deployment of Dynamics 365 Supply Chain Management to manage finances for all company operations and locations. The company does not use Bill of Materials (BOM) versioning.

The production and warehouse facility is set up with the following organizational hierarchy:

User	Role
OpsManager	Operations manager
Employee!	inventory control
StoreManager	Store manager
Employed	Receiving clerk
Employee}	Shipping clerk
Employed	Warehouse worker
Employees	Production worker
Employee^	Store order clerk

External customers include:

- Customer A: a walk-in store customer (business-to-consumer)
- Customers: a customer with an existing account (business-to-business)

External vendors include:

- VendorA a trucking company
- VendorB: a raw materials supplier

## General

The new product line must be set up in the system and readily available for sale when the company introduces the product line to the public at an upcoming trade show.

## Production

You must configure the system to produce the new products:

- Ensure that the warehouse stocks the minimum quantities of raw materials to produce the products,
- Use a single version per item.
- Implement FIFO inventory valuation methods.
- Track raw and finished goods using different General ledger accounts.
- Use a primary location to determine where to stock product in the warehouse.
- Configure alternate locations in the warehouse to hold overstock products and refill the primary location as-needed.

## Shipments

You identify the following requirements related to shipping:

- Ship product to retail stores weekly.
- Stores require a packing slip to check in merchandise. Drivers require transport documentation and charge per mile to the stores.
- Shipments to Store1 must be scheduled for Monday, Wednesday, or Friday, Store1 will sometimes pick up their own deliveries when an order is small because they have their own van Shipments to Store2 and Store3 must be scheduled for Tuesday or Thursday.

- You must transmit Advance Shipping Notifications (ASNs) to the stores prior to deliveries.
- Set up the system configuration to allow for store transfers.
- Set up the system so that products may be shipped to the retail stores as bulk orders.
- Set up the transport providers to deliver products from the warehouse to the retail stores.

## Reporting

Once the new products are available in stores, review 30 days of historical sales data from day-to-day transactions will determine the reorder quantities. Set up reporting to allow the product line to be costed and tracked independent of other items.

### Pricing and inventory

You identify the following requirements related to pricing and inventory:

- Determine the Quantity of the new products that can be produced and ready for sale within the first 90 days. Ensure that specialty packaging is on hand for retail sales. The packaging must be shipped directly to the stores from the vendor.
- Stores must not inventory the packaging materials. Stores must maintain a 50-day supply of specialty packaging materials. Stores must reorder packaging materials as needed.
- Retail store customers must pay full retail price, Resellers must receive a 10 percent discount off the list price.

## Question: 14

You need to complete the shipments.

What should you do?

- Create work for printing shipping documents and send an ASN.
- Confirm the load, generate picking lists, and send an ASN.
- Confirm the load and generate packing slips and bills of lading.
- Confirm shipments and generate picking lists and bills of lading.

Answer: B

Explanation:

### Question: 15

Employee 1 needs to set up the new items for the product line

Which two actions should Employee1 perform? Each correct answer presents part of the solution.

NOTE Each correct selection is worth one point.

- A. Create new finished goods and release to the legal entity
- B. Create new raw materials and release to the legal entity.
- C. Create new finished goods with predefined variants and release to the legal entity.
- D. Create new finished goods and release to the legal entity. Raw material products are not required for these items.
- E. Create new raw materials with variants and release to the legal entity.

Answer: B,C

Explanation:

### Question: 16

HOTSPOT

Employee3 needs to schedule deliveries.

How should Employee3 plan for a carrier to deliver goods to Store2? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Answer Area

Step	Action
Create appointments.	Select Load for Store2, Outbound, Status.
Add shipping details.	Select All loads, Outbound, Status.
	Select Load for Store2, Inbound, Status.
	Select Transfer orders, Inbound, Status.
Add shipping details.	Select Site, Warehouse, Shipping carrier.
	Select Site, Warehouse, Shipping carrier, Allow customer pick up.
	Select Site, Warehouse, Broker ID.
	Select broker ID, tractor ID, trailer ID, allow customer pick up.

Answer:

Explanation:

## Step

## Action

Create appointments. ▼

Select Load for Store2, Outbound. Status.

Select All loads, Outbound, Status

Select Load for Store2, Inbound. Status.

Select Transfer orders, Inbound, Status

Add shipping details. 1

Select Site, Warehouse, Shipping carrier.

Select Site, Warehouse, Shipping carrier. Allow customer pick up

Select Site, Warehouse, Broker ID. \_\_\_\_\_

Select broker ID, tractor ID. trailer D, allow customer pick up

## Question: 17

Employee1 must set up the new BOM.

Which three actions should Employee1 perform? Each correct answer presents part of the solution.

NOTE Each correct selection is worth one point.

- A. Activate the BOM.
- B. Create a new BOM for Store1, Store2, and Store3.
- C. Create a new BOM for Site1 only.
- D. Add the raw materials to the BOM and approve it.
- E. Add the raw mandate to the BOM and approve the BOM version.

Answer: A,C,E

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/production-control/bill-of-material-bom>

## Question: 18

You need to configure inventory levels for the retail stores.

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

NOTE: Each correct selection is worth one point.

- A. Enter a manual forecast for the initial stock levels at the retail stores.
- B. After the first month of face mask sales, look at the warehouse sales orders for the past 30 days to generate a demand forecast.
- C. After the first month of face mask sales, review store sales for the past 30 days to generate a demand forecast.
- D. After the first month of face mask sales, create a forecast for the warehouse and a second forecast for the retail stores.
- E. After the first month of face mask sales, create a manual forecast for the warehouse and automatically generate a demand forecast for the stores.

Answer: A,C

Explanation:

## Question: 20

### HOTSPOT

You need to consolidate orders and prepare to rate shop shipments.

How should you complete the setup? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Action

Value

Configure shipment setup ' Enable the Transportation management and Consolidate shipments parameters Create a proposed load Assign a rate engine to a load Create a proposed load

Enable the Consolidate shipments parameter. Assign an item to a proposed load

Enable items to use Transportation management Assign items to a proposed load

Consolidate shipments ' Open Shipments, select Lines, and consolidate shipments for the same destination Open Shipments, select Loads, and consolidate leads for the same destination Open Loads, select Shipments and consolidate shipments for the same load Open Loads, select Shipments and consolidate shipments for the same destination

Answer:

Explanation:

Action

Value

Configure shipment setup Enable the Transportation management and Consolidate shipments parameters Create a proposed load Assign a rate engine to a load Create a proposed load  
Enable the Consolidate shipments parameter Assign an item to a proposed load  
Enable items to use Transportation management. Assign items to a proposed load

Consolidate shipments. Open Shipments, select Lines, and consolidate shipments for the same destination Open Shipments, select Loads, and consolidate leads for the same destination Open Loads, select Shipments, and consolidate shipments for the same load Open Loads.select Shipments, and consolidate shipments for the same destination.

Question: 21

You need to set up financial components for the new items.

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

NOTE: Each correct selection is worth one point.

- A. Assign items to a FIFO item model group.
- B. Assign the raw materials to a standard cost item model group. Assign finished goods to a FIFO item modelgroup.
- C. Create item model groups for raw materials and finished goods by using different ledger accounts. Assign items to these groups.
- D. Assign raw materials to a standard cost item group. Assign finished goods to a FIFO item group.
- E. Create item groups for raw materials and finished goods by using different ledger accounts. Assign itemsto these groups.

Answer: A,E

Explanation:

## Question: 22

### HOTSPOT

You need to create new location directives.

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

NOTE: Each correct selection is worth one point.

#### Action

Create location directive

Define location in

Location Directive Action

#### Value

Assign Sequence, Work Type, Site, Warehouse, Directive Code

Assign Sequence, Work Type, Site, Warehouse, Location

Assign Site, Warehouse, Location and item

Assign Site, Warehouse, Work Template

Fixed Locations for the first line, fixed + non-fixed for the second line. Create a query to define location ranges. Create a query to define location ranges.

Create a query for fixed locations.

Create a query for non-fixed location ranges.

Answer:

Explanation:

Action

Value

Create location directive

Assign Sequence, Work Type, Site, Warehouse, Directive Code
Assign Sequence, Work Type, Site, Warehouse, Location
Assign Site, Warehouse, Location and item
Assign Site, Warehouse, Work Template
Fixed Locations for the first line, fixed + non-fixed for the second line. Create a query to define location ranges.
Create a query to define location ranges.
Create a query for fixed locations.
Create a query for non-fixed location ranges.

Define location in

Location Directive Action

Reference:

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

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/transportation/tasks/set-up-location-directive-purchase-order-put-away>

Question: 23

HOTSPOT

You need to configure item pricing and discounts.

How should you complete the setup? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Option

Action

Create price groups

Create price groups for retail customers and resellers.

Create a price group for all customers

Create a price group for the warehouse Create price groups for items and vendors.

Create discounts

Create trade agreement for 10% line discount on Resellers  
Create trade agreement for 10% line discount on Retail Customers  
Create trade agreement for 90% line discount on Resellers  
Create trade agreement for 90% line discount on Retail Customers

Assign price group



Assign a price group to Customers as 1 1  
Assign a price group to Vendors as 1.1 Assign two or more price groups to customers Assign two or more price groups to vendors

Answer:

Explanation:

Option

Action

Create price groups

Create price groups for retail customers and resellers  
Create a price group for all customers  
Create a price group for the warehouse  
Create price groups for items and vendors

Create discounts



Create trade agreement for 10% line discount on Resellers  
Create trade agreement for 10% line discount on Retail Customers  
Create trade agreement for 90% line discount on Resellers  
Create trade agreement for 90% line discount on Retail Customers

Assign price group



Assign a price group to Customers as 1 1  
Assign a price group to Vendors as 1:1  
Assign two or more price groups to customers  
Assign two or more price groups to vendors

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/sales-marketing/tasks/create-new-trade-agreement>

Question: 24  
HOTSPOT

You need to configure transport providers for delivering products to the retail stores from Vendor1.

How should you complete the configuration? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

**Configuration  
option**

**Value**

Rating profile

	▼
Rating profile with mileage base rating engine	
Rating profile with weight base engine rating	
Mode of Delivery with weight base rating engine	

Carrier

	▼
Vendor, Carrier, Rating profile	
Customer, Carrier, Rating profile	
Broker, Carrier, Shipment	
Vendor, Carrier, Load	



Answer:

**Configuration  
option**

**Value**

Rating profile

	▼
Rating profile with mileage base rating engine	
Rating profile with weight base engine rating	
Mode of Delivery with weight base rating engine	

Carrier

	▼
Vendor, Carrier, Rating profile	
Customer, Carrier, Rating profile	
Broker, Carrier, Shipment	
Vendor, Carrier, Load	

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/transportation/tasks/set-up-shipping-carriers>

Question: 25

You need to set up reordering for new items.

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

NOTE: Each correct selection is worth one point.

- A. Create one coverage group for raw materials and one for finished goods.
- B. Set the item coverage manual flag on the warehouse to Yes.
- C. Create separate coverage groups for raw materials, finished goods, and retail packaging.
- D. Set the item coverage manual flag on the warehouse to No.
- E. Create one coverage group for retail packaging items and another for items in the warehouse

Answer: C,D

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/coverage-settings>

Question: 26

You need to complete the shipments.

- A. Confirm the load and generate packing slips and bills of lading.
- B. Create waves to generate work for shipping loads and send an ASN.
- C. Confirm shipments and generate pick/put work.
- D. Create work for printing shipping documents and send an ASN.

Answer: B

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/warehousing/wave-processing>

Topic 3, Adventure Works Cycles

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

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

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

To start the case study

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

the question.

## Background

Adventure Works Cycles builds stock and custom mountain bikes and is headquartered in San Diego. It has the following assembly and warehouse locations:

Denver, Colorado, United States

San Diego, California, United States

Budapest, Hungary

Most manufacturing is outsourced, with each facility only assembling the bikes. Parts are stocked at all facilities and may be transferred between warehouses or legal entities. All of the parts are at standard cost.

Current environment. Organizational structure

The following diagram shows the structure of Adventure Works Cycles.

Each of the physical locations in the United States (US) is a warehouse.

Hungary assembles and distributes products to the rest of the European Union (EU).

The EU legal entity is expected to add additional warehouse locations.

All legal entities roll up to a financial consolidation company.



Current environment. Purchasing

Higher quality tires that are used in new orders have become popular. Due to the volume of orders, the company wants to negotiate pricing with VendorC. The vendor agrees to a discounted price for 500 tires purchased within the next six months. Once the 500 tires have been purchased, the discount will be re-evaluated based on demand.

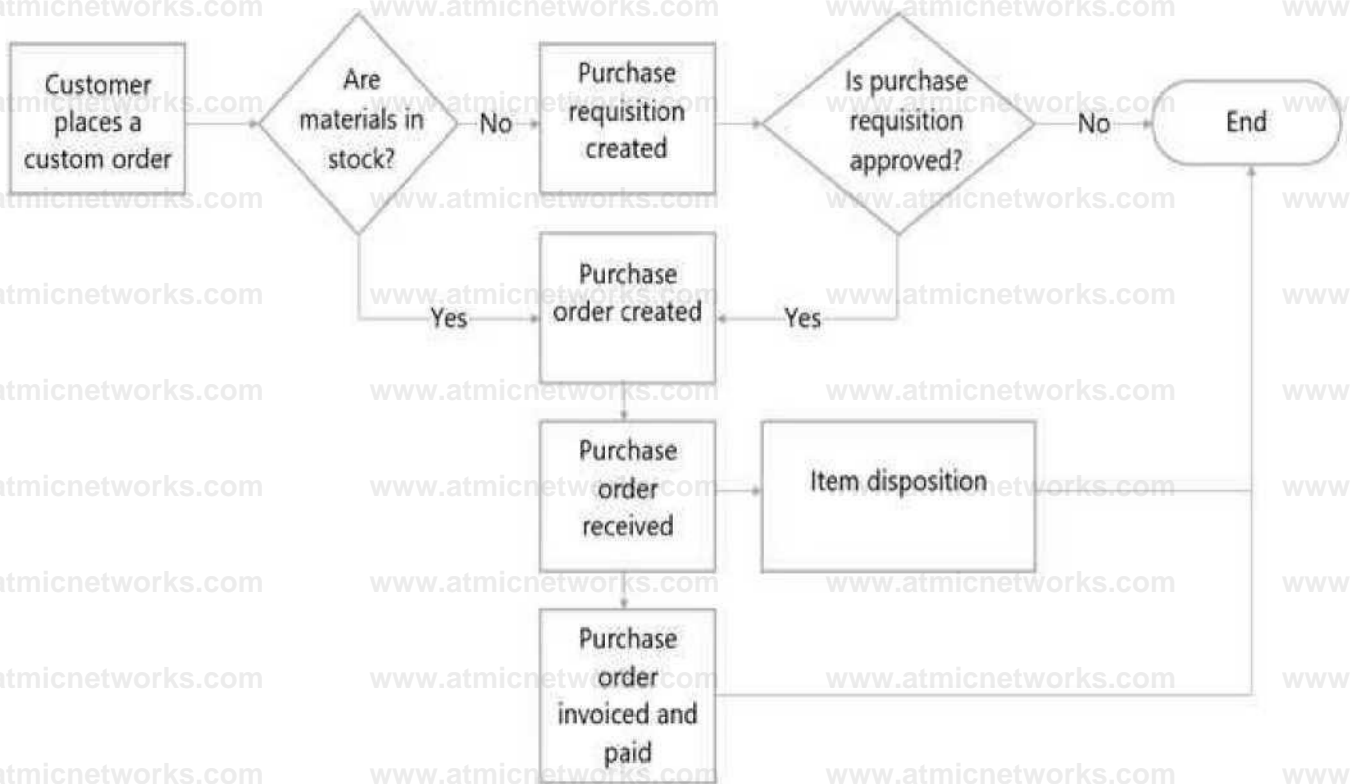
Once a purchase is approved, for audit purposes it cannot be changed.

Whenever possible, parts are purchased from vendors also within the EU. A purchase order was placed for a bike seat manufacturer in Italy.

Parts for custom orders may not always be kept in stock and will need to be procured.

Current environment. Purchasing requisitions

The following flow chart depicts the purchase requisition process:



### Requirements. Purchasing

Items for purchase requisitions are governed by each country. Each of the country-specific products will be grouped together for selection.

Purchase orders must follow the requisition process.

All existing purchase orders for brakes must account for the change to VendorB.

### Requirements. Inventory

Standard costs are based on purchase fluctuations within a single month.

Tires use floating zones due to limited warehouse space.

### Requirements. Operations

Due to recent brake failures, Adventure Works Cycles plans to purchase brakes from VendorB instead of VendorA. Although the brakes from Vendor B will continue to use the same item number as the brakes from VendorA, the price is slightly higher from VendorB. Adventure Works Cycles will pay list price from VendorB.

The order for VendorB needs approval and the usual approver for purchase requisitions is on vacation.

All brakes from VendorA that are in stock must be tested. The process for brake testing must be implemented

for all inbound orders. Quality orders must be automatically created upon receipt of the first shipment against a purchase order only.

UserC needs to consolidate brake inventory after it has been cleared for sale.

Ordering of the new brakes order will incur an additional cost because it is a rush order.

Requirements. Custom orders

Custom orders are placed for items that do not exist in the item master.

Hungary does not process custom orders.

The United States does process custom paint orders. Most custom paint colors are special order and require purchase requisitions.

Quotes must be obtained from a minimum of two suppliers per company policy and compared for the shipping, costs, and other variables. Quotes will not be selected based on lowest price only.

## Issues

A special order for 26 high-end tires is received. This item is no longer in stock from the current vendor.

Goods have been received in stock, but the matching invoice has not yet been received at the time of month close.

UserA needs to set up pricing for the items purchased from VendorC and ensure that accounting validates the receipt and invoice against the agreement.

UserB needs to send out a request for quotation (RFQ) for custom paint. The vendor will be selected based on pricing, volume discounts, and lead time.

## Question: 27

### HOTSPOT

Negotiations with the vendor are complete.

You need to set up the new price for tires.

What should you configure to meet the business requirements? To answer, select the appropriate options in the area.

NOTE: Each correct selection is worth one point.

**Setting**

**Value**

Agreement type

	▼
Purchase	
Sales	
Trade	

Date

	▼
Expiration date	
From date	
Start date	
To date	

Answer:

Explanation:

**Setting**

**Value**

Agreement type

	▼
Purchase	
Sales	
Trade	

Date

	▼
Expiration date	
From date	
Start date	
To date	

Reference:

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

## Question: 28

You need to segregate inventory for the brakes that are in inventory.

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

NOTE: Each correct selection is worth one point.

- A. Assign a blocked status to the inbound purchase order from VendorA.
- B. Create a disposition code.
- C. Set default inventory status on the item.
- D. Assign an item filter code.
- E. Assign a blocked status to the inbound purchase order from VendorB.

Answer: A,D

Explanation:

## Question: 29

You need to set up testing for brakes to meet the operations requirements.

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

NOTE: Each correct selection is worth one point.

- A. Set execution to after product receipt.
- B. Set per updated quantity to yes.
- C. Set execution to before product receipt.

D. Set per updated quantity to no.

Answer: A,D

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/enable-quality-management>

### Question: 30

You need to include the items from the purchase order in the Intrastat journal.

What should you do?

- A. Transfer the Product Receipt form to the Intrastat journal.
- B. Create a free text invoice.
- C. Transfer the invoice to the Intrastat journal.
- D. Create a manual Intrastat journal transaction.

Answer: C

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/localizations/emea-intrastat>

### Question: 31

HOTSPOT

You need to meet the operational requirements for VendorB.

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

NOTE: Each correct selection is worth one point.

### Requirement

### Action

Confirm the purchase order.

	▼
Enter the PO and post the confirmation.	
Enter the PO and send a receipt.	
Enter the PO and submit it for approval.	

Approve the workflow.

	▼
Assign the delegate.	
Define the approver.	
Set expiration to auto-approve.	
Set expiration to auto-reject.	

Answer:

Explanation:

### Requirement

### Action

Confirm the purchase order.

	▼
Enter the PO and post the confirmation.	
Enter the PO and send a receipt.	
Enter the PO and submit it for approval.	

Approve the workflow.

	▼
Assign the delegate.	
Define the approver.	
Set expiration to auto-approve.	
Set expiration to auto-reject.	



Question: 32

You need to set up the procurement category hierarchy in accordance with company policy.

What should you do?

- A. Add four nodes to the category hierarchy, one for US, one for Hungary, one for California, and one for Colorado.
- B. Create category hierarchy nodes per each country underneath the consolidated legal entity.
- C. Add three nodes to the category hierarchy, one for Hungary, one for California, and one for Colorado.
- D. Create a procurement category hierarchy and assign purchase policy per legal entity only.

Answer: D

Explanation:

Question: 33

HOTSPOT

You need to resolve the issue for UserB?

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

NOTE: Each correct selection is worth one point.

Requirement

Option

Configure an RFQ

▼
Purchase agreement type, solicitation type with scoring method
Purchase order type, solicitation type with scoring method
Purchase requisition, case type with scoring method

Transfer an RFQ

▼
Purchase agreement
From date
Purchase requisition

Answer:

Explanation:

Requirement

Option

Configure an RFQ

▼
Purchase agreement type, solicitation type with scoring method
Purchase order type, solicitation type with scoring method
Purchase requisition, case type with scoring method

Transfer an RFQ

▼
Purchase agreement
From date
Purchase requisition

Question: 34  
HOTSPOT

You need to define where the tires should be put away in the warehouse.

How should you set up the location directives? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

## Parameter

## Value

Query filter

	▼
Item code and warehouse	
Item code and zone	
Warehouse only	
Zone only	
	▼
Fixed only	
Fixed and non-fixed	
Fixed with product variants	

Location Directive action

Answer:

Explanation:

## Parameter

### Query filter

### Location Directive action

## Value

	▼
Item code and warehouse	
Item code and zone	
Warehouse only	
Zone only	

	▼
Fixed only	
Fixed and non-fixed	
Fixed with product variants	

Question: 35

HOTSPOT

You need to order the high-end tires.

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

NOTE: Each correct selection is worth one point.

**Requirement**

Create the order.

**Action**

- Create a new purchase agreement.
- Create a new purchase order.
- Create a new purchase requisition.

Add the tires.

- Accept the default from Inventory Management parameters.
- Create a new item.
- Select an item on the purchase order line.
- Select from the procurement category.

Answer:

Explanation:

**Requirement**

Create the order.

**Action**

- Create a new purchase agreement.
- Create a new purchase order.
- Create a new purchase requisition.

Add the tires.

- Accept the default from Inventory Management parameters.
- Create a new item.
- Select an item on the purchase order line.
- Select from the procurement category.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/procurement/purchase-requisitions-overview>

Question: 36  
HOTSPOT

You need to define the value of the brakes.

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

NOTE: Each correct selection is worth one point.

**Setting**

**Value**

Price

	▼
Default purchase price	
Price group	
Purchase agreement	
Trade agreement	

Purchase price variance

	▼
Active cost	
Inventory close	
Inventory recalculation	
Movement Journal	

Answer:

Explanation:

## Setting

## Value

### Price

	▼
Default purchase price	
Price group	
Purchase agreement	
Trade agreement	

### Purchase price variance

	▼
Active cost	
Inventory close	
Inventory recalculation	
Movement Journal	

### Question: 37

You need to test the existing brakes in inventory.

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

NOTE: Each correct selection is worth one point.

- A. Assign a Phantom bill of materials (BOM) line.
- B. Create a manual quality order for existing inventory.
- C. Assign brakes to an inventory status that is blocked.
- D. Create an automatic quality order for existing inventory.

Answer: B,D

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/quality-orders>

## Question: 38

You need to resolve the issue for UserC.

What should you do?

- A. Change the inventory status only.
- B. Change the inventory status and run the replenishment process.
- C. Change the inventory status and complete a movement journal.
- D. Create a transfer order and change the inventory status.

**Answer: A**

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/quality-orders>

Topic 4, Adventure Works Cycles (Case 2)

Case study

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

on this exam in the time provided.

To answer the questions included in a case study, you will need to reference information that is provided in the case study.

Case studies might contain exhibits and other resources that provide more information about the scenario that is described in the case study. Each question is independent of the other questions in this case study.

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

To start the case study

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

## Background

Adventure Works Cycles is high-end bicycle manufacturer in North America. The company sells 40 standard models as well as 100 limited-edition models per year to boutique retailers domestically.

Adventure Works has had the most success with the limited-edition bicycles. These bicycles have high margins, high demand, and a strong following with the younger generation biking community.

Current environment

## Technology

During a recent global pandemic, the sales of bicycles increased enormously. To support this growth, Adventure Works is going to invest in Dynamics 365 Supply Chain Management to standardize and streamline operations. Operations are currently managed with a custom enterprise resource planning (ERP) system and Microsoft Excel worksheets that address ERP product gaps.

Many processes are still maintained in Excel worksheets and then loaded into the ERP application.

Adventure Works wants to implement only those Dynamics 365 features that are areas of future investment for Microsoft, even if it means they implement fewer features.

## Bicycles

Bicycle models can either be standard or made in a limited-edition release.

Bicycles are built based on a single item number that can have different sizes and frame styles. The sizes are XS, S, M, L, and XL. The frame styles are Male, Female, and Unisex.

The size and frame style combinations have different prices and barcodes.

All other bicycle properties are informational only.

Information-only properties do not have standardization or validation, which makes it easy to mistype data during product entry and difficult to identify mistakes.

Some limited-edition bicycles are not properly marked as limited edition in the current product management system due to the yes/no key indicator defaulting to no. This causes significant issues with item searching and reporting on the different bicycle models.

### Limited-edition bicycles

The most recent limited-edition models include integrated face mask holders and extra storage containers welded to the bicycle frame.

The bicycles are restricted to one purchase per retailer per week.

The bicycles are announced on social media and are available for sale to retailers on the same day they are announced.

Customers can buy the bicycles at retailers shortly after they are announced.

The bicycles are sometimes available only through charity auctions.

## Sales

Due to the global pandemic, it is difficult to keep products in stock. Retailers are buying as much inventory as possible

each week.

Retailers email their sales to Adventure Works. The sales team in charge of each retailer manually enters the information into a shared Excel worksheet.

Retailers are required to submit one consolidated sales order by Wednesday every week so that the Adventure Works fulfillment team can organize and adjust sales order quantities based on availability.

Retailers are invoiced every three to five weeks. Adventure Works uses a manual process for invoicing. The increased volume of purchases makes it difficult to keep up with invoicing.

To accommodate the demand for the Adventure Works limited-edition bicycles, the sales team enters orders for these items for fulfillment as soon as they appear on the SKU list.

Retailers can sometimes bypass Adventure Works order restriction policy. When this happens, it creates additional work for the fulfillment team.

## Outbound

Finished bicycles are assigned a unique code to identify and track each bicycle.

Each bicycle that is picked for an outbound order is transferred to a quality control bench where it undergoes a 21-point mechanical inspection.

Bicycles that pass the mechanical inspection have their unique bicycle identification number recorded in the completed inspection list. The number is also recorded in the shipping manifest for customers to be able to verify that the bicycle that was tested is the one that they received.

If a bicycle does not pass the mechanical inspection, the bicycle is moved to a quarantine location and another bicycle is picked and tested as a replacement for the order.

## Inventory

Replenishment is simple but manual. It is currently all handled in Excel.

Every bicycle part for each standard model has a line in an Excel worksheet.

Adventure Works wants each storage space in the warehouse to be filled to capacity with the current products.

The team knows how many bill of materials (BOM) items can fit in the spaces without overflowing.

BOM items that make up the bicycles have different storage capacities.

Adventure Works uses Excel worksheets to make decisions about planned orders by period based on the supply and demand for finished bicycles.

## Wheels

There are four types of wheels for all the bicycle models.

Customers often order a spare tire.

Wheels sometimes just disappear from the warehouse storage.

Adventure Works purchases wheels from only one manufacturer.

## Master planning

There is no formal master planning process.

Replenishment activities occur weekly.

## Requirements

## Bicycles

All BOM items used the manufacturing process must be configured as unique products in Dynamics 365 Supply Chain Management.

The following manufactured bicycles' properties must be configured in Dynamics 365 Supply Chain Management:

- Size: XS, S, M, L, XL
- Frame style: Men, Women, Unisex
- Limited edition: [Blank], No, Yes
- Year: 2010-2020
- Manufacturer's note: Free form text up to 250 characters
- Rear suspension travel: 130 millimeters, 150 millimeters

- Full suspension: No, Yes

## Sales

Limited-edition bicycles must be systematically restricted to one bicycle per sales order. Overrides must not be allowed.

Retailers must automatically be invoiced once a month in a consolidated invoice for all delivered sales orders.

Limited-edition model bicycles must not be allowed for inclusion on sales orders until the bicycles' official release date.

## Outbound

A bicycle's unique identification number must systematically be created as part of the standardized business process.

Bicycles must be pulled from a bin location in a First In, First Out (FIFO) inventory model and moved to a packing station.

## Inventory

Overflow of any bicycle parts in the warehouse must be prevented, except for wheels.

System-generated recommendations to adjust Adventure Works' on-hand stock of wheels based on historical trends must be provided.

BOM items must be replenished before they run out. There must always be quantity available on-hand.

The system must maintain all inventory requirements through automated processes.

## Master planning (MRP)

The tool that replaces the Excel worksheet must be able to show the supply and demand for the product family of finished bicycles and BOMs by period in a single screen. This single form screen will also be used for general supply and demand inquiry only and not require intensive processing tasks. Inquiries to this form may result in non-system decisions and not with creating any planned orders.

The tool must allow for the creation of new planned production, sales, purchase, and transfer orders.

The MRP solution must have the best performance possible and allow for planned orders to be run in the middle of the

day.

Planned orders that will not be firmed must not be changed. Adventure Works wants to be able to reference the planned orders later against any manual orders created until they feel more comfortable with the system.

Once Adventure Works is comfortable with the numbers that the system recommends, Adventure Works wants to implement a mechanism to fully automate the generation of orders.

## Question: 39

### HOTSPOT

You need to configure the bike properties based on the requirements.

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

NOTE: Each correct selection is worth one point.

#### Requirement

#### Configuration

Create the item

Product  
Product master Service product BOM product

Configure the size property

Inventory dimension  
Product attribute Financial dimension Product categories

Configure the year property

Inventory dimension Product attribute Financial dimension  
Product categories

Answer:

Explanation:

**Requirement**

**Configuration**

Create the item

	▼
Product	
Product master	
Service product	
BOM product	

Configure the size property

	▼
Inventory dimension	
Product attribute	
Financial dimension	
Product categories	

Configure the year property

	▼
Inventory dimension	
Product attribute	
Financial dimension	
Product categories	

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/pim/set-up-maintain-product-configuration-model>

Question: 40

HOTSPOT

You need to ensure that a customer can verify that a bike they purchased has passed the 21-point inspection.

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

NOTE: Each correct selection is worth one point.

Action Configuration

Link each unique bicycle to the 21-point inspection document

Product dimensions Product attributes Tracking dimensions Product variant	▼
Packing Invoicing Confirmation	

Collect the unique identification number in the sales process

Explanation:

Answer:

Action

Configuration

Link each unique bicycle to the 21-point inspection document

	▼
Product dimensions Product attributes Tracking dimensions Product variant	
	▼
Packing Invoicing Confirmation	

Collect the unique identification number in the sales process

Question: 41

You need to configure the limited-edition bicycle to meet the requirement for the official release date.

Where should you configure this?

- A. Released product
- B. Sales price trade agreement

C. Product lifecycle state

D. Default order settings

Answer: A

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/pim/product-information>

Question: 42

HOTSPOT

You need to configure a product attribute to indicate whether a product is a limited edition.

Which configuration should you use for each attribute. To answer, select the appropriate option in the answer area.

NOTE: Each correct selection is worth one point.

**Attribute**

**Configuration**

**Type**

	▼
Boolean	
Text	
Integer	

**Values**

	▼
Fixed list	
Value range	
Boolean	
Reference	

Explanation:

Answer:



## Attribute

Type

## Configuration

Values

	▼
Boolean	
Text	
Integer	

	▼
Fixed list	
Value range	
Boolean	
Reference	

Reference:

<https://dynamics-tips.com/enable-product-attributes-d365-finance-and-operations/>

### Question: 43

You need to reduce the fulfillment team's workload.

Which form should you use?

- A. Default order settings
- B. Item model group
- C. Sales and marketing parameters
- D. Released products
- E. Product and information management parameters

Answer: A

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/production-control/default-order-settings>

### Question: 44

You need to enable the automatic firming of planned orders from the master planning solution.

Where do you enable the functionality?

- A. Lifecycle Services
- B. Master planning parameters
- C. Feature management workspace
- D. On the released item

Answer: C

Explanation:

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/planned-order-firming>

### Question: 45

HOTSPOT

You need to configure the solution to replace the Excel spreadsheet.

Which feature should you use for each requirement? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.



## Requirement

Select the appropriate screen

Configure the appropriate feature

## Feature

Supply schedule form Load Planning Workbench Planned orders form

▼  
Period templates  
Coverage groups  
Mobile workspaces  
Planning optimization

Answer:

Explanation:

Requirement

Feature

Select the appropriate screen

Configure the appropriate feature

Supply schedule form Load Planning Workbench Planned orders form

Period templates Coverage groups Mobile workspaces  
Planning optimization

Reference:

<https://dynamicsunplugged.wordpress.com/2019/12/23/why-you-need-to-start-using-the-supply-schedule-in-msdyn365fo-msdyn365scm-now/>

## Question: 46

You need to recommend a process for planned orders that will not be firm.

What should you recommend?

- A. Change the status to Unprocessed
- B. Set the planned order to Completed
- C. Delete the planned order
- D. Change the status to Approved
- E. Remove the planned order from selection

Answer: B

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/maintain-planned-orders>

### Question: 47

You need to identify all potential gaps in the master planning solution for Adventure Works' implementation.

What should you do?

- A. Read the release notes and master planning entries in the Microsoft Ideas portal.
- B. Finish relevant material requirements planning system configurations and data imports and run a fit analysis.
- C. Identify the gaps through the known issues in Lifecycle Services.
- D. Upload all task recordings for MRP business processes into Azure DevOps for analysis.

Answer: B

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/planning-optimization-fit-analysis>

### Question: 48

#### HOTSPOT

You need to implement business processes to address concerns about the wheel inventory.

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

NOTE: Each correct selection is worth one point.

**Action**

**Feature**

Increase the on-hand stock of wheels

	▼
Safety stock journal	
Min/Max coverage code	
Requirement coverage code	
Inventory adjustment journal	

Set to adjust to the updated levels

	▼
Maximum key	
Minimum key	
New minimum quantity	
Min/Max values	

Answer:

Explanation:

**Action**

**Feature**

Increase the on-hand stock of wheels

	▼
Safety stock journal	
Min/Max coverage code	
Requirement coverage code	
Inventory adjustment journal	

Set to adjust to the updated levels

	▼
Maximum key	
Minimum key	
New minimum quantity	
Min/Max values	

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/safety-stock-replenishment>

**Question: 49**  
**HOTSPOT**

You need to configure the replenishment of the bicycle parts.

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

NOTE: Each correct selection is worth one point.

**Requirement**

**Configuration**

**Replenishment configuration**

	▼
Period	
Per requirement	
Min/Max	
Manual	

**Location for configuration**

	▼
Coverage groups	
Released products	
Coverage plan by dimension	
Master planning setup wizard	

Answer:

Explanation:

## Requirement

## Configuration

### Replenishment configuration

	▼
Period	
Per requirement	
Min/Max	
Manual	

### Location for configuration

	▼
Coverage groups	
Released products	
Coverage plan by dimension	
Master planning setup wizard	

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/replenishment-methods-quantity-modification>

Question: 50  
HOTSPOT

You need to implement the master planning solution for Adventure Works.

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

NOTE: Each correct selection is worth one point.

## Action

## Solution

Select the correct solution

	▼
Master planning	
Planning optimization	
Demand planning	
Demand forecasting	

Implement the solution

	▼
Lifecycle Services	
Feature management workspace	
Microsoft AppSource	
Azure DevOps	

Answer:

Explanation:

## Action

## Solution

Select the correct solution

	▼
Master planning	
Planning optimization	
Demand planning	
Demand forecasting	

Implement the solution

	▼
Lifecycle Services	
Feature management workspace	
Microsoft AppSource	
Azure DevOps	

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/new-master-planning-engine>

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/get-started>

Topic 5, Trey Research

Case study

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

To answer the questions included in a case study, you will need to reference information that is provided in

the case study. Case studies might contain exhibits and other resources that provide more information about the scenario that is described in the case study. Each question is independent of the other questions in this case study.

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

To start the case study

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

## Background

Trey Research is a multinational manufacturer of health and dietary supplements based in Seattle, Washington. The company is experiencing a rapid expansion not only in its supplements but as a lifestyle brand that also sells apparel. The supplements and apparel businesses operate independently but manufacture and operate in the same legal entity.

### Current environment

#### Current environment. Technology

Trey Research is migrating from an outdated, on-premises version of Dynamics AX to Dynamics 365 Supply Chain Management. The company wants to retain a lot of its current data structures and processes but adopt new efficiencies when the benefit is obvious. The company uses a third-party ecommerce site that is custom developed by an internal developer.

#### Current environment. Items

## Product numbering

All items are numbered by using a smart numbering format: [Product SKU+Size+Color+Style]. For reporting, items are queried for sales and inventory reports by using the first six digits of the item number or until the first dash is encountered.

- A t-shirt could be 01001-S-Red for item 1001 in a size small with the color red.
- A single energy drink could be 02001-12oz or 02001-20oz for the different sizes that product 02001 is sold in.

## Product attributes

- All clothing shares the same set of product attributes.
- Supplements may share the same Product SKU but can have different attributes for the different size, color, or style variations of the product.
- Product attributes that are unnecessary for an item should be excluded from the item.

## Pricing

- All items always have a default price. This price will not expire.
- An item will have four different prices created for it every month, one for each customer tier, as detailed later in this section. The pricing expires at the end of the month. If no special pricing is created, the default item price will be used.
- The monthly sales price in which the additional price breaks are determined is based on the estimated cost of the manufactured items.
- Customers are categorized into four pricing tiers (A, B, C, and D) based on sales volume over the past 12 months.
- Customers can negotiate special pricing for items in 30-day, 60-day, and 90-day increments. Quantity restrictions may be placed, depending on the item discount and promotion.

- Promotional pricing is not used today. Pricing is restricted to monthly prices and customer-specific contract pricing.

## Cost

Items use a FIFO costing model today in their current Dynamics AX 2009 environment; however, using the FIFO costing method has created problems.

## Current environment. Warehouse and inventory

- Warehouse requirements are simplistic. There is only one site. The site has two warehouses.
- Trey Research needs to make sure that any energy drinks and nutritional supplements are manufactured and packaged with the highest standards. Trey Research automatically inspects products when all products are reported as finished. All products are inspected again when the items are picked.
- Energy drinks require independent tests to check for dents in packaging, carbonation levels, and fill level.
- Nutritional supplements require separate tests for packaging, expiration date, product seal, and product labeling.
- Government compliancy and consistency testing are handled outside of the Enterprise Resource Planning (ERP) system.
- Resalable products are placed on one of two racks in the warehouse.

## Requirements

Requirements. Technology

- Trey Research will integrate all pricing and discount capabilities to its e-commerce website.

#### Requirements. Items

- Reporting on products should be streamlined as much as possible.
- The item numbering does not have to equate to the actual item number.
- The future costing methods adopted must be commonly accepted for manufacturers.
- Inventory costing should be done after a full inventory valuation is complete. It should take into consideration the direct materials, direct labor, and overhead that goes into an item.
- Any costing method used needs the ability to track cost records about an item, cost categories, and calculation formulas for indirect costs.
- The profitability for nutritional supplements manufacturing processes needs to be expressed in terms of the cost categories for routing operations and the calculation formulas for manufacturing overheads.
- If a vendor can no longer deliver the raw materials for the energy drinks due to supply chain issues, the costs for using an alternative vendor to source the raw materials should be used to determine the impact on profits.
- Apparel items will not be upgraded to the new costing method until after the go-live date due to resourcing and implementation limitations from the apparel team.

#### Requirements. Pricing

- Trey Research plans to do promotional pricing. Certain products will receive special pricing during the hours of extreme sporting events that Trey Research sponsors. Before or after the event, normal pricing will resume.

#### Requirements. White labeling

- Trey Research wants to start white labeling its products under the brands of major nutritional retail store brands. These products would only be sold to specific customers.
- Trey Research will provide and maintain a 'Compare to' price for customers to use to compare the white-labeled products. This Compare to price will also be the default item price for the customer if the customer accidentally lets a contract price expire.

- The configuration of these restrictions must be applied automatically when creating new products for those customers.

Requirements. Warehouse and inventory

- If products in the warehouse must be blocked from transactions for a specific reason, such as a health and safety review, warehouse users should be able to block the products quickly from the ERP system.
- All product quality tests should be processed in a uniform and consistent manner.
- Creation of any quality processes for products inbound to the warehouse, from the production line, or outbound from the warehouse to consumers should be automatically created to facilitate execution.
- Testing requirements:
  - Requirement 1: 100 percent of all nutritional supplements and 50 percent of all energy drinks must be tested when production orders are completed. After a product is in testing, 100 percent of all tests must be completed.
  - Requirement 2: 75 percent of all nutritional supplements and energy drinks should be tested against their required tests during an outbound process.
  - Damaged products must be placed in one of four bins (based on product type) during the inspection process.
  - You must define quarantine zones to optimize product visibility throughout the testing process.

## Question: 51

DRAG DROP

You need to determine the costing versions for the requirements.

Which costing versions should you use? To answer, drag the appropriate costing versions to the correct requirements.

Each costing version 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 versions

FIFO

Moving average

Planned

Standard

### Answer Area

#### Requirement

New vendor for energy drinks profitability

Nutritional supplement profitability

#### Costing version

Answer:

Explanation:

Box 1: Planned

If a vendor can no longer deliver the raw materials for the energy drinks due to supply chain issues, the costs for using an alternative vendor to source the raw materials should be used to determine the impact on profits.

Planned COSTS

A costing version can contain a set of planned cost records about items and manufacturing processes. A costing version that contains planned costs is often used to support cost calculation simulations, such as simulations of the effect that cost changes to purchased materials or manufacturing processes has on the calculated costs of manufactured items. The item cost records for planned costs can also be used to support an actual cost inventory model by providing the initial values for item costs. These values include the calculation of planned costs for manufactured items.

Box 2: Standard

The profitability for nutritional supplements manufacturing processes needs to be expressed in terms of the cost categories for routing operations and the calculation formulas for manufacturing overheads.

Standard COSTS

A costing version can support a standard cost inventory model for items, where the costing version contains a set of standard cost records about items and manufacturing processes. Cost data about manufacturing processes is expressed in terms of the cost categories for routing operations and the calculation formulas for manufacturing overheads.

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

## Question: 52

Trey Research is now live on Dynamics 365 Supply Chain Management.

You need to apply the new cost model for the apparel items.

What should you do?

- A. Run Inventory close.
- B. Close all production orders.
- C. Configure Backflush costing.
- D. Run a BOM calculation.

Answer: A

Explanation:

Apparel items will not be upgraded to the new costing method until after the go-live date due to resourcing and implementation limitations from the apparel team.

The inventory close process settles issue transactions to receipt transactions, based on the inventory valuation method that is selected in the item's item model group. As part of the settlement process, you can specify that the general ledger should be updated, so that it reflects the adjustments that have been made. However, until inventory close or recalculation has been run, issue transactions are posted at the calculated running average cost price.

After inventory close, you can no longer post in periods that are before the inventory closing date that you set, unless you reverse a completed inventory close process. For example, if inventory close is run for the period that ends on January 31, you can't post transactions that have a date that is earlier than January 31.

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/cost-management/backflush-costing>  
<https://docs.microsoft.com/en-us/dynamics365/supply-chain/cost-management/bom-calculations>

## Question: 53

HOTSPOT

You need to configure the products for the requirements.

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

NOTE: Each correct selection is worth one point.

## Action

Configure the white-labeled product restriction.

Apply the restrictions for the customers and products.

## Configuration

Owner tracking dimensions

Default order settings

Product filters Reservation hierarchies

Item groups

Released products

Storage dimensions

Customer groups

### Explanation:

Box 1: Owner tracking dimensions

Requirements. White labeling

- Trey Research wants to start white labeling its products under the brands of major nutritional retail store brands. These products would only be sold to specific customers.

- Trey Research will provide and maintain a 'Compare to' price for customers to use to compare the white-labeled products. This Compare to price will also be the default item price for the customer if the customer accidentally lets a contract price expire.

- The configuration of these restrictions must be applied automatically when creating new products for those customers.

The tracking dimension is a lower-level assortment of products, irrespective of whether it is a serial number for electronic inventory items or a batch number.

Box 2: Released product

### Answer:

To change the Tracking Dimension Group for Products in Dynamics Operations, you need to change settings on both on the product level and the released product level. However, you need to delete the tracking dimension group at the product level prior to making changes to the corresponding released product.

Reference: <https://www.syvantis.com/blog/changing-the-tracking-dimension-group-for-a-product-in-dynamics-365-for-finance-and-operations>

### Question: 54

You need to define the number of quarantine zones.

How many should you define?

- A. 1
- B. 2
- C. 4
- D. 6
- E. 8

Answer: C

Explanation:

Scenario:

\* Damaged products must be placed in one of four bins (based on product type) during the inspection process.

\* You must define quarantine zones to optimize product visibility throughout the testing process.

Four bins for the damaged product types, so we need four quarantine zones.

Note: You use the Quarantine zones page to define zones that can be assigned to nonconformances.

Examples of quarantine zones

#### Example 1

You work at an electronics manufacturing company that produces and distributes televisions, speakers, and media players. In this case, you can configure a quarantine zone to represent each type of product.

#### Example 2

Three bins and two racks are used to store items that are nonconforming. In this case, you can configure five quarantine zones, one for each bin and each rack.

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/quality-quarantine-zones>

### Question: 55

You need to configure the system to automatically enforce inbound and outbound product requirements to and from the warehouse.

Which feature should you use?

- A. quality associations
- B. quality orders
- C. quarantine zones
- D. quality tests
- E. nonconformances

Answer: B

Explanation:

Note: If products in the warehouse must be blocked from transactions for a specific reason, such as a health and safety review, warehouse users should be able to block the products quickly from the ERP system.

You can block inventory items in the following ways:

### Manually

By creating a quality order

By using a process that generates a quality order

By using inventory status blocking

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/inventory-blocking>

## Question: 56

### HOTSPOT

You need to configure the products in Dynamics 365 Supply Chain Management for the requirements.

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

NOTE: Each correct selection is worth one point.

## Requirement

Configure the clothing items for the different sizes and colors.

Configure the dimension for the sizes and colors.

Configure the items for the health and safety review process.

## System object

Packing dimension
Storage dimension
Tracking dimension
Product dimension

Product
Product master
Product variant
Released products

Packing dimension
Storage dimension
Tracking dimension
Product dimension

Answer:

Explanation:

Box 1: Product dimension

There are five product dimensions: color, configuration, size, style, and version.

Box 2: Product variant

Product variants are also referred to as items. An item is a tangible product, which isn't the same as a service.

A product variant can be generated based on the product dimension values.

## Example

A company sells denim jeans. The item, Jeans, uses the color and size product dimensions. The jeans are sold in three different colors and six different sizes. The colors are blue, black, and brown. The sizes are XS, S, M, L, XL, and XXL. Not all sizes are available in all three colors. If all combinations were available, there would be 18 different types of jeans. However, in this example, only the following nine product variant combinations are produced.

Color

Size

Blue

XS

Blue

S

Blue

M

Black

M

Black

L

Black

XL

Brown

L

Brown

XL

Brown

XXL

## Box 3: Tracking dimension

Scenario: If products in the warehouse must be blocked from transactions for a specific reason, such

as a health and safety review, warehouse users should be able to block the products quickly from the ERP system.

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/pim/product-dimensions>

## Question: 57

DRAG DROP

You need to configure quality controls.

Which solution objects should you configure? To answer, drag the appropriate solution objects to the correct configurations. Each solution object 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.

Solution objects	Answer Area
Item groups	
Test groups	<b>Configuration</b>
Quality groups	Configure the system for testing requirement 1.
Quality associations	Specify the items for testing requirement 2.
	<b>Solution object</b>

Explanation:

Box 1: Test groups

Requirement 1: 100 percent of all nutritional supplements and 50 percent of all energy drinks must be tested when production orders are completed. After a product is in testing, 100 percent of all tests must be completed.

You use the Test groups page to set up, edit, and view test groups and the individual tests that are assigned to them. The upper part of the page shows the test groups, and the lower part shows the tests that are assigned to a selected test group.

Answer:

You assign several policies to a test group, such as a sampling plan, an acceptable quality level (AQL), and the requirement for destructive testing. Then, when you assign an individual test to a test group, you define additional information, such as the sequence, documents, and validity dates. For a quantitative test, the information that you define also includes the acceptable measurement values. For a qualitative test, the information includes the test variable and default outcome.

The test group that is assigned to a quality order defines the default set of tests that must be performed on the specified item. However, you can add, delete, or change tests for the quality order. Test results are reported for each test on a quality order.

#### Box 2: Quality groups

Requirement 2: 75 percent of all nutritional supplements and energy drinks should be tested against their required tests during an outbound process.

#### Quality groups

A quality group represents common testing requirements for items.

Use and create item quality groups to logically group products so that they can be assigned to quality associations for the automatic generation of quality orders.

#### Example of an item quality group

A manufacturing company purchases various raw materials that have the same testing requirements for incoming inspection. Therefore, the company defines a quality group and then assigns the item numbers that are associated with the raw materials to that group. Later, the company purchases a new type of raw material that has the same testing requirements. Instead of setting up new testing requirements for the new material, the company adds the item number for the new material to the existing quality group.

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/quality-management-processes>

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/quality-groups>

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/quality-test-groups>

#### Question: 58

You need to configure the system for the customer tier B pricing.

What should you do?

- A. Configure an item sales control for the item.
- B. Enable the customer group in the Activate price/discount form.
- C. Assign the product filter code for the item to the customer tier B customer group.
- D. Assign the item to the customer tier B price group.
- E. Approve and confirm the trade allowance agreement.

**Answer: E**

**Explanation:**

Note: Customers are categorized into four pricing tiers (A, B, C, and D) based on sales volume over the past 12 months.

Promotional fund and Trade allowance agreement

A trade allowance agreement is an incentive program where pay-for-performance monetary rewards are offered to customers that achieve specific volume targets and/or behavioral goals. Promotional funds are budgeted expenditures. In that way, the promotional campaigns can be captured.

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/sales-marketing/trade->

allowance#promotional-fund-and-trade-allowance-agreement

### Question: 59

DRAG DROP

You need to configure the system for the new products that the company produces.

Which product type should you use? To answer, drag the appropriate product types to the correct products. Each product 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.

#### Product types

Product

Product BOM

Product variant

Product attribute

#### Answer Area

Product

Clothing item 01001-S-Red

Energy drink item 02001-12oz

Product type

Answer:

Explanation:

Box 1: Product

Current environment. Items

Product numbering

All items are numbered by using a smart numbering format: [Product SKU+Size+Color+Style]. For reporting, items are queried for sales and inventory reports by using the first six digits of the item number or until the first dash is encountered.

- A t-shirt could be 01001-S-Red for item 1001 in a size small with the color red.
- A single energy drink could be 02001-12oz or 02001-20oz for the different sizes that product 02001 is sold in.

#### Product attributes

- All clothing shares the same set of product attributes.
- Supplements may share the same Product SKU but can have different attributes for the different size, color, or style variations of the product.
- Product attributes that are unnecessary for an item should be excluded from the item.

#### Box 2: Product variant

#### Product masters and product variants

In an agile world, where products must be quickly adapted to customer requirements, product definitions specify a set of products instead of distinct products. In Supply Chain Management, those generic products are known as product masters. Product masters hold the definition and rules that specify how distinct products are described and behave in business processes. Based on these definitions, distinct products can be generated. These distinct products are known as product variants.

A product master is associated with a product dimension group and a configuration technology to specify the business rules. The product dimensions (Color, Size, Style, and Configuration) are a specific set of attributes that can be used throughout the application to define and track specific behaviors of the related products. These dimensions also help users search for and identify the products.

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/pim/product-information>

### Question: 60

#### HOTSPOT

You need to configure the extreme sports discounts.  
Which component should you use? To answer, select the appropriate options in the answer area.  
NOTE: Each correct selection is worth one point.

## Configuration

## Component

Define the pricing method.

Identify the discount type.

Trade allowances  
Trade agreement  
Discount  
Trade agreement discount  
Trade agreement  
Periodic Quantity  
Threshold

Link the discount.

Channel  
Catalog  
Affiliation  
Customer

Answer:

Explanation:

Box 1: discount

Requirements. Pricing

Trey Research plans to do promotional pricing. Certain products will receive special pricing during the hours of extreme sporting events that Trey Research sponsors. Before or after the event, normal pricing will resume.

Box 2: periodic

A discount period defines the period during which a price adjustment or discount is valid.

Box 3: catalog

A product catalog is a collection of products with their pricing information. The product catalog entities let you create a rich product classification system in Dynamics 365 for Customer Engagement that provides support for:

- \* Defining multiple pricing and discounting models. You can also use custom pricing instead of the Customer Engagement system pricing to calculate prices when you associate a product or bundle to an opportunity, quote, order, or invoice. Further, you can select whether to apply discounts for products at the per-unit or line level.

- \* Etc.

Note: Price groups are at the heart of price and discount management in Commerce. Price groups are used to assign prices and discounts to Commerce entities (that is, channels, catalogs, affiliations, and loyalty programs). Because price groups are used for all pricing and discounts, it's very important that you plan how you will use them before you start.

- \* trade agreement discounts

The capability to work with categories is a key differentiator between discounts and trade agreement discounts, and the main reason that we discourage you from using trade agreement discounts. Categories are organized in a multi-level hierarchy. By contrast, the item discount groups that are used by trade agreements are only a single level of grouping, and each group is specific to one of the three trade agreement discount types, such as Line discount, Multiline discount, and Total discount. Therefore, for trade agreements, if you want to use the same set of products in all three trade agreement discount types, you must create and manage three independent discount groups.

- \* An affiliation identifies customers who are members of a group, or are associated with one, for example, seniors or students. Before you can add affiliations to customer records, you must set up affiliations and their discounts.

Reference: [https://www.pmlive.com/intelligence/healthcare\\_glossary/Terms/t/trade\\_allowance](https://www.pmlive.com/intelligence/healthcare_glossary/Terms/t/trade_allowance)

**Question: 61**

**HOTSPOT**

You need to configure the pricing for the white-labeled products.

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

NOTE: Each correct selection is worth one point.

## Configuration

## System object

Configure the "Compare to" price for a white-labeled product.

Price group
Trade agreement
Released product
Product attribute

Configure the mechanism for customer tier B.

Price group
Item group
Customer group
Trade allowance

Configure a price to use for customer tier B pricing.

Table
Group
All
Price group

Answer:

Explanation:

Box 1: Price Group

Note: Requirements. White labeling

- Trey Research will provide and maintain a 'Compare to' price for customers to use to compare the white-labeled products. This Compare to price will also be the default item price for the customer if the customer accidentally lets a contract price expire.

Price Group

In Microsoft Dynamics AX, price groups can be used to specify a set of prices that you want apply to a group of customers, vendors, or items.

- For item transactions, prices are derived from price groups that are referenced in trade agreements in the Sales and marketing module.

#### Box 2: Trade allowance

Note: Customers are categorized into four pricing tiers (A, B, C, and D) based on sales volume over the past 12 months.

#### Promotional fund and Trade allowance agreement

A trade allowance agreement is an incentive program where pay-for-performance monetary rewards are offered to customers that achieve specific volume targets and/or behavioral goals. Promotional funds are budgeted expenditures. In that way, the promotional campaigns can be captured.

#### Box 3: Price Group

Reference: <https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/about-creating-and-using-price-groups>

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/sales-marketing/trade-allowance#promotional-fund-and-trade-allowance-agreement>

### Question: 62

You need to configure automated testing for the following tasks:

- inbound processes from manufacturing
- outbound processed from the warehouse picking process

How many processes should you configure?

- A. 2
- B. 3
- C. 4
- D. 10

Answer: B

### Explanation:

One process the inbound processes from manufacturing.

Two outbound processed, one for nutritional supplements and one energy drinks.

Note: Creation of any quality processes for products inbound to the warehouse, from the production line, or outbound from the warehouse to consumers should be automatically created to facilitate execution.

#### • Testing requirements:

- Requirement 1: 100 percent of all nutritional supplements and 50 percent of all energy drinks must be tested when production orders are completed. After a product is in testing, 100 percent of all tests must be completed.
- Requirement 2: 75 percent of all nutritional supplements and energy drinks should be tested against their required tests during an outbound process.

Topic 6, School of Fine Arts

### Case study

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

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

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

#### To start the case study

To display the first question in this case study, click the Next button. Use the buttons in the left pane to explore the content

of the case study before you answer the questions. Clicking these buttons displays information such as business requirements, existing environment, and problem statements. When you are ready to answer a question, click the Question button to return to the question.

## Background

School of Fine Art is a distribution company that sells school supply items to primary and secondary schools. These include items such as pens, pencils, paper, notebooks, chalk, desks, acrylic paints, blackboards, dry erase markers, and whiteboard paint. Due to increased demand for colored pencils, lead times are longer for these pencils. School of Fine Art plans to expand sales into this market.

School of Fine Art plans to implement Dynamics 365 Supply Chain Management to manage the business.

Current environment. Company structure

School of Fine Art consists of two legal entities.

### Primary company

- Located in Dublin, Ireland.
- Has a single named warehouse.
- Is the primary distribution center for both companies.

### Second company

- Is located in Glasgow, Scotland.
- Includes the following warehouses: Glasgow1, Glasgow2.
- Glasgow1 is used primarily to supply items regionally.
- Glasgow2 serves as local storage for vendor-owned inventory and bulk storage for School of Fine Art's inventory.

Current environment. General processes

School of Fine Art uses a combination of spreadsheets and paper forms to manage the business.

- All sales, purchases, and inventory are tracked in spreadsheets that are password protected by managers.
- Managers frequently share spreadsheet passwords so that other users can make edits on their behalf. Inventory quantities and values are unreliable.
- The spreadsheets are often incorrectly updated, have entry errors, and broken formulas for calculations.
- Purchase order receipts, picking lists, packing slips, and invoices are all handwritten on pre-printed, three-part forms.
- Late summer is the company's busiest time. During this time, workers are typically on the warehouse floor or making rush deliveries to schools to meet last-minute needs.

Current environment. Inventory and warehousing

- School of Fine Art values inventory by using FIFO costing methods.
- Inventory in the warehouses cannot be distinguished as available inventory or inventory that is sold to a customer and waiting to be picked. This creates inventory inflation during cycle counts and later shortages because warehouse workers count items that are already promised to customers and waiting to be shipped.
- Glasgow2 space is fully allocated to vendors.
- Due to space constraints, school orders for photocopiers are shipped from the vendor to the school.
- Crayons are stored as separate item numbers depending on whether they are in a box or a case. This creates issues when counting inventory to determine the total number of crayons in stock.
- Lack of inventory controls has led to shortages on sales orders, creating backorders and unhappy schools.
- Inventory is ordered quarterly due to the seasonality of the business.
- Items can change annually based on popular sizes, colors, and styles for each new school season. The creation of the different configurations is a manual process, which creates so much overhead that temporary workers are brought in to do the data entry.

Current environment. Purchasing

- Reordering is manually managed by the buyers looking at the seasonal spikes for the start of the school year, slowing around the end-of-year holidays until the following school year.
- Pens are readily available products that are rarely discounted for sale.
- Photocopiers are only available for sale on the Glasgow region.
- Photocopy paper and construction paper are ordered by the pallet into Dublin1 and must be broken down into smaller sizes. The pallets are typically broken down and then split between what stays in Dublin1 and what is shipped to Glasgow1.
- Chalk and blackboards are slower sellers, so many vendors do not carry these items. School of Fine Art purchases these products from a single vendor. There are no alternative vendors available.
- School of Fine Art agrees to purchase a new line of smartboards from a vendor. The agreed-upon smartboard purchase prices will have a cost price per 55-inch, 75-inch, or 85-inch smartboard.
- The company purchases pencils for the following warehouses:
  - Glasgow1:
    - standard pencils from Vendor A
    - colored pencils from Vendor B
  - Dublin1:
    - standard pencils from Vendor A
    - colored pencils from Vendor A
    - As whiteboard paint grows in popularity, so does the demand. This causes supply shortages. Whiteboard paint is ordered six months in advance.

Current environment. Customer sales

- The company contractually agrees to prices for some items with schools prior to the start of each school year.
- Schools may order bulk cases of products and choose to distribute further breakdowns, such as a case of crayons, which are then distributed to classrooms by the box.
- Pens do not require contracts with schools because they are low margin and do not have supply chain shortages.

- Painting supplies such as acrylic paint, canvases, and easels do not require a special contract and are sold at regular list price to all schools.
- Schools that offer painting classes are part of a program that provides special pricing on the painting supplies.
- Chalk and blackboards are ordered less frequently than they were in past years. Schools are choosing to use whiteboard paint, which is a lower cost than ordering and installing the whiteboards.

Requirements. Customers and sales

- The system must have the ability to limit product purchase amounts by a single school to prevent stock shortages for other schools.
- Schools are obligated to purchase the agreed amount for specific items per the school year.
- Customer service must be able to easily enter items for sales orders and identify stock shortages.
- Sales of whiteboard paint must be limited so that one school does not buy all the inventory and force backorders for other schools.
- Schools must agree to the amount of whiteboard paint they will purchase for the whole school year.

Requirements. Inventory costing

- Inventory must have associated costs except for the vendor storage in Glasgow2.
- The vendor storage must still contain quantities but not include cost in inventory valuations.
- At the end of each month, the costing manager must be able to identify how many items will not be fully settled.
- Annual configuration changes to items must be automatically created where possible.
- The company must be able to track costs for colored pencils and standard pencils separately.

Requirements. Inventory

- Warehouse workers must be able to use their mobile phones and the mobile app to take calls and create transactions in the warehouse.

- The desks must use a single item number and barcode regardless of year manufactured and the vendor.
- Water-based paints from the vendor must be received in pails.
- Acrylic paint must be managed by batches and expiration dates.
- Pencils must be categorized as colored pencils or standard pencils. The individual colors of each colored pencil (such as red, green, and blue) will not be tracked.
- The creation of unique smartboard items must be kept to a minimum.

## Issues

- WarehouseWorker1 works in Glasgow2. The worker receives a request to ship pallets of paper from the warehouse to Glasgow1 and Dublin1. WarehouseWorker1 must create the shipments in the system to transfer the pallets of paper from Glasgow1 to Dublin1.
- The number of backorders for desks has increased. Customer service representatives struggle to select a desk item number that has inventory on hand. The desks are the same item, but the manufacturer vendor and year differ.
- A school calls customer service to report that its photocopier is broken. The school needs expedited shipment of a replacement.
- A school that is part of the special paint program reports that a sale price on canvas last month was a better price than its paint program price. The school requests a price adjustment.
- A school reports that different shipments of acrylic paints are slightly different in color.
- The sales team decides to have a flash sale on pens for one month only. The person entering the Sales order line should be able to communicate the information to the customer on the Sales order line.
- Schools are reporting that chalk and blackboards are broken upon receipt. A worker in Dublin1 opens some cases of these products in the warehouse and finds that they are also broken. You must implement processes to enforce inventory inspection for a percentage of each purchase order line received. You must block all inventory for a purchase order line if the inspection fails.

## Question: 63

DRAG DROP

You need to configure the conversions for the items.

Which measurement type should you use? To answer, drag the appropriate unit of measure types to the correct requirements. Each unit of measure 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.

### Unit of Measure types

Standard

Intra-class

Inter-class

### Answer Area

#### Requirement

#### Unit of Measure type

All products

unit of measure type

All crayons

unit of measure type

Answer:

Explanation:

Box 1: Standard

Standard conversions – Set up standard conversion rules for all products.

Box 2: Intra-class

Crayons are stored as separate item numbers depending on whether they are in a box or a case. This creates issues when counting inventory to determine the total number of crayons in stock.

Intra-class conversions – Set up product-specific conversion rules for units in the same unit class. For example, you can set up a conversion rule for a product that converts a box to the number of pieces in a box. Pieces and boxes are both assigned to the Quantity unit class.

Incorrect:

Inter-class conversions – Set up product-specific conversion rules for units across unit classes. For example, you can set up a conversion rule for a product that converts kilograms to liters. Kilograms are assigned to the Mass unit class and

liters are assigned to the Liquid volume unit class.

Reference: <https://learn.microsoft.com/en-us/dynamics365/supply-chain/pim/tasks/manage-unit-measure>

<https://learn.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/set-up-units-and-unit-conversions-retail-essentials>

## Question: 64

You need to configure the smartboards.

What should you create?

- A. price groups
- B. a new product master for each variation
- C. a bill of material (BOM) version
- D. variants by using the variant suggestions tool

Answer: D

Explanation:

School of Fine Art agrees to purchase a new line of smartboards from a vendor. The agreed-upon smartboard purchase prices will have a cost price per 55-inch, 75-inch, or 85-inch.

Predefined product variants

Example scenario: Create predefined product variants

This example scenario shows how to create product variants for a product master using a combinations of product dimensions.

Step 1: Create a product master

Step 2: Add product dimensions

Step 3: Generate product variants

To generate product variants:

With your new product master still open, select Product variants on the Action Pane.

Select Variant suggestions on the Action Pane.

The system generates a list with all possible combinations of the sizes and colors you defined for the product. Select Select all on the toolbar.

In this example, select all of the possible variants. If you only want to use a subset of the possible product dimension combinations, select only the required check boxes as needed.

Select Create.

Select Save.

Reference: <https://learn.microsoft.com/en-us/dynamics365/supply-chain/pim/tasks/create-predefined-product-variants>

## Question: 65

You need to configure the whiteboard paint requirements for schools.

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

NOTE: Each correct selection is worth one point.

- A. Quantity commitment
- B. Max is enforced
- C. Price and discount is fixed
- D. Minimum release amount
- E. Maximum release amount

Answer: A,B

Explanation:

A: Commitment types

Each line in a purchase agreement is a commitment to buy something. You can use lines from multiple purchase orders (POs) to fulfill the commitment. There are four types of commitments:

Product quantity commitment – You purchase a specific quantity of a product.

Product value commitment – You purchase a specific currency amount of a product.

Product category value commitment – You purchase a specific currency amount in a procurement category. The amount can be for a catalog item or a non-catalog item.

Value commitment – You purchase a specific currency amount of any product or products in any procurement category.

Policies for purchase agreements

B: The following policies affect the way that the link between a purchase agreement commitment and the corresponding PO lines works:

Max is enforced – The total quantity or amount for all order lines can't exceed the quantity or amount that is specified on the related commitment.

Price and discount is fixed – The price on an order line and the price on the related commitment must be the same. If the price is changed on the order line, the link to the commitment is broken. If the link is broken, the order line doesn't contribute to the fulfillment of the commitment.

Minimum release amount and Maximum release amount – If an amount is specified, you receive a message if you make any change to an order line that causes the order line to differ from the related commitment.

Note: As whiteboard paint grows in popularity, so does the demand. This causes supply shortages. Whiteboard paint is ordered six months in advance.

Requirements. Customers and sales

- (A) Schools must agree to the amount of whiteboard paint they will purchase for the whole school year.
- (B) Sales of whiteboard paint must be limited so that one school does not buy all the inventory and force backorders for other schools.

Reference: <https://learn.microsoft.com/en-us/dynamics365/supply-chain/procurement/purchase-agreements>

## Question: 66

You need to process the expedited photocopier replacement.

What should you do?

- A. Release the order to the warehouse for shipping.
- B. Create and release a load for the order.
- C. Send the shipment to the warehouse before sending it to the customer.
- D. Create an advance exchange order.

Answer: D

Explanation:

Configure and process an exchange on a return order.

Note: Due to space constraints, school orders for photocopiers are shipped from the vendor to the school.

A school calls customer service to report that its photocopier is broken. The school needs expedited shipment of a replacement.

Reference: <https://learn.microsoft.com/en-us/dynamics365/commerce/orderexchanges>

## Question: 67

HOTSPOT

You need to set up pricing to solve the paint program school complaint.

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

NOTE: Each correct selection is worth one point.

Requirement	Configuration
Configure pricing for the paint program.	<input type="checkbox"/> Customer group <input type="checkbox"/> Price group <input type="checkbox"/> Sales agreement
Apply largest discount.	<input type="checkbox"/> Find next on trade agreement line for all customers only <input type="checkbox"/> Find next on trade agreement line for select customers only <input type="checkbox"/> Find next on trade agreement lines for both the select customers and all customers

Answer:

Explanation:

Requirement	Configuration
Configure pricing for the paint program.	<input checked="" type="checkbox"/> Customer group <input checked="" type="checkbox"/> Price group <input type="checkbox"/> Sales agreement
Apply largest discount.	<input type="checkbox"/> Find next on trade agreement line for all customers only <input checked="" type="checkbox"/> Find next on trade agreement line for select customers only <input type="checkbox"/> Find next on trade agreement lines for both the select customers and all customers

Box 1: Price group

A school that is part of the special paint program reports that a sale price on canvas last month was a better price than its paint program price. The school requests a price adjustment.

Trade Agreement Logic

Before we go and set up a trade agreement let's first discuss how the system evaluates trade agreements. When Dynamics 365 Finance and Operations evaluates trade agreements it tries to find the most specific pricing that falls within the validity dates. What I mean by "most specific" pricing is, the system checks the "Party type code" as well as the

"Product code type" to see if there is a valid price specific to that customer or vendor for the specific product selected on the sales order or purchase order line respectively. Then if it cannot find that most specific combinations it looks for the next level up which are the price groups and then finally if it can't find prices at the group level it looks for prices that may apply to all vendors or customers.

Box 2: Find next on trade agreement line for select customers only

The next trade agreement type is a line discount. As the name suggests a line discount will appear on the sales order line as a percentage discount or a per unit discount depending on how the trade agreement is set up.

Reference: <https://dynamics-tips.com/trade-agreements/>

## Question: 68

DRAG DROP

You must meet the requirement for WarehouseWorker1.

Which process should you use? To answer, drag the appropriate processes to the correct locations. Each process 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.

### Processes

Create and complete the transfer order from the mobile device application.

Create and post the movement journal from the mobile device application.

Create and process an intercompany order from a desktop.

Create and post the transfer journal from a desktop.

### Answer Area

#### Location

Glasgow1

Dublin1

#### Process

Process

Process

Answer:

Explanation:

## Location

Glasgow1

Dublin1

## Process

Create and complete the transfer order from the mobile device application.

Create and post the transfer journal from a desktop.

### Question: 69

You need to set up and year for the desks.

What should you configure first?

- A. attribute type
- B. variant
- C. friendly name
- D. item type
- E. attribute definition

Explanation:

### Question: 70

HOTSPOT

You must configure pen flash sale prices.

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

Answer: B

NOTE: Each correct selection is worth one point.

## Requirement

## Configuration

Flash sale price

---

Price (sales) trade agreement

Sales agreement

Price (discount) trade agreement

Sales price

---

Non-expiring trade agreement

Sales agreement

Price (discount) trade agreement

Answer:

Explanation:

## Requirement

## Configuration

Flash sale price

▼

- Price (sales) trade agreement
- Sales agreement
- Price (discount) trade agreement

Sales price

▼

- Non-expiring trade agreement
- Sales agreement
- Price (discount) trade agreement

Question: 71

HOTSPOT

You need to configure the vendor pricing for pencils.

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

NOTE: Each correct selection is worth one point.

**Requirement**

Set up purchase price for regular pencils.

**Configuration**

- Create one purchase agreement.
- Create one trade (purchase) agreement only.
- Create one trade (purchase) agreement for Dublin1 and one trade agreement for Glasgow1.

Set up purchase price for colored pencils.

- Create one purchase agreement for each vendor.
- Create one trade (purchase) agreement that contains separate lines for each vendor and warehouse combination.
- Create one trade (purchase) agreement for each warehouse with separate lines for the vendor pricing.

Answer:

Explanation:

**Requirement**

Set up purchase price for regular pencils.

**Configuration**

- Create one purchase agreement.
- Create one trade (purchase) agreement only.
- Create one trade (purchase) agreement for Dublin1 and one trade agreement for Glasgow1.

Set up purchase price for colored pencils.

- Create one purchase agreement for each vendor.
- Create one trade (purchase) agreement that contains separate lines for each vendor and warehouse combination.
- Create one trade (purchase) agreement for each warehouse with separate lines for the vendor pricing.

Question: 72  
HOTSPOT

You must configure the acrylic paint requirements.  
What should you configure? To answer, select the appropriate option in the answer area.  
NOTE: Each correct selection is worth one point.

### Requirement

### Configuration

Configure the paint item.

A screenshot of a configuration dropdown menu. The menu is open, showing two options: "Tracking dimension" and "Storage dimension". The menu has a grey header bar with a downward arrow on the right side.

Configure reservation requirements.

A screenshot of a configuration dropdown menu. The menu is open, showing two options: "Allow reservation on demand order" and "Sales order marking". The menu has a grey header bar with a downward arrow on the right side.

Answer:

Explanation:

### Requirement

### Configuration

Configure the paint item.

Tracking dimension Storage dimension

Configure reservation requirements.

Allow reservation on demand order Sales  
order marking

Question: 73

You need to provide the information for the costing manager.  
What should you do first?  
A. Check cost prices.  
B. Check for open quantities.  
C. Close and adjust cancellation.  
D. View close settlements.

Answer: A

Explanation:

## Question: 74

You need to configure the system to identify the complaints for the chalk and blackboard items.

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

NOTE: Each correct selection is worth one point.

- A. Quarantine zone
- B. Item sampling
- C. Quality orders
- D. Inventory status

Answer: C,D

### Explanation:

Topic 7, Coho Vineyard & Winery

### Background

Coho Vineyard & Winery is a parent company that has two subsidiaries: Coho Vineyard and Coho Winery. Coho Vineyard is based in Medford, Oregon. The vineyard grows the grapes and then produces and bottles the wine. Coho Winery, based in Grants Pass, Oregon, distributes packaged wine to businesses and consumers. The winery sells imported cheese and olive oil in addition to the wines.

### Current Environment

- Coho Vineyard & Winery requires financial reporting from both Coho Vineyard and Coho Winery. The parent company consolidates financials in a third-party tool.
- Coho Winery currently manages inventory and financials on spreadsheets separately from the parent company.

### Inventory and warehousing

- The entire warehouse is temperature controlled. A refrigerated section of the warehouse is used for items that require colder storage.
- The items do not have fixed locations in the warehouse.
- Coho uses smart numbering for cheese items today. The items start with F for France and U for United States such as the following:

o F11234 = French cheese o U14567 = US cheese

- Currently, wine does not use smart numbering.
- Inventory is valued at First In, First-Out (FIFO).
- Olive oil has a 12-month shelf life.
- WineA is expensive and not regularly stocked in the warehouse.
- WineB must be in the refrigerated section of the warehouse.
- WineC is non-refrigerated wine and is the majority of inventory in the warehouse.

#### Vendors and procurement

- Cheese is purchased from vendors in two countries: France and United States.
- Non-cheese items can be purchased from vendors in other countries or regions.
- Olive oil is bought and sold in full cases of six each.
- When Coho Vineyard produces more wine than expected in a season, rebate programs are offered to any company whose monthly purchases exceed \$5,000.

#### General

• The Coho Vineyard & Winery parent company, as well as Coho Vineyard, will not be considered in the implementation of Dynamics 365 Finance and Dynamics 365 Supply Chain Management for Coho Winery. They plan to implement them as separate legal entities in the next five years.

#### Inventory and warehousing

- Items must be renumbered in the new system.
- Separate item numbers must be used for each imported item for use in simplified reporting by source country or region.
- Advanced Warehouse Management capabilities must be enabled in the new system.
- Each bottle of wine has a single item number.
- The vintage of each bottle will change annually and may affect the cost of the bottle. This cost must be tracked by year.
- Some bottles of wine require refrigeration. The system must automatically define where items must be stored in the warehouse.
- Wine must be grouped in a hierarchy such as the following:

o Red

• Cabernet

• Merlot

o White

• Chardonnay

• Pinot

• Inventory value must be stored at each month end.

• Each month, the olive oil on-hand inventory is evaluated. Anything with less than six months left on the shelf life is sold to a discount retail store. If less than 90 days remains for the shelf life, then the olive oil is donated or destroyed.

• At least 20 cases of olive oil and no more than 50 cases are on hand and not reserved for upcoming customer orders.

• WineB must be refrigerated.

#### Vendors and procurement

• The cheese smart numbering system will not be used in the future, instead, the system must use standard configurations to ensure the correct cheese items are used for the correct country or region when ordering.

• Olive oil must be managed in full cases only, although the inventory cost must be calculated as eaches.

• Should any bottle of olive oil be broken within a case, the eaches will be sold at a discounted price.

• Vendor rebates must be calculated and submitted for a claim.

• Rebate programs are passed on to the retailers selling Coho Winery wines. The rebates must be claimed from Coho Vineyard.

• Purchase orders (POs) must be maintained online with tracked changes between the vendors and the buyers.

• The controller decides WineA must not be held in financial inventory on the Coho Winery books. The winery makes an agreement with the vendor that WineA will be owned by the vendor until a later date.

• VendorI sends bulk shipments. Coho Winery does not always have enough warehouse staff to receive inventory. The company requires VendorI to send advanced shipping notices (ASNs).

• The operations coordinator must schedule inbound loads. The company requires automation of inbound load creation where possible.

#### Issues

• The warehouse is at maximum capacity. Empty bin locations are not always available. The warehouse manager wants to establish fast moving locations for WineB on the floor and refill locations from higher rack storage.

- Coho Winery recently conducted an internal audit risk assessment. The risk assessment found that inventory value reports were stored in spreadsheets. The spreadsheets can easily be edited and lack controls.

- After olive oil is counted, multiple cases are destroyed due to shelf life. The inventory planner must determine if a new PO should be placed for olive oil.

- The vendor rebates claims are often rejected because the claims were miscalculated by not including discounts.

- The purchasing manager receives multiple complaints regarding POs:

- o Issue 1: PO changes are not accepted and confirmed, resulting in out-of-stock issues,

- o Issue 2: Vendors do not have control on responses to POs. Instead, the vendors rely on emails.

### Question: 75

You need to configure cheese smart numbering to meet the requirement Which component should you configure?

- A. Country of origin
- B. Filter codes
- C. Purchase agreement
- D. Default order settings

Answer: B

Explanation:

### Question: 76

HOTSPOT

You need to configure the requirements for WineA.  
What should you configure? To answer, select the appropriate options in the answer area  
NOTE: Each correct selection is worth one point.

Wine A requirement configuration  
Requirement Configuration

Inventory dimension

Status

Fateh

Owner

Serial

Stams

Vendor assignment

Approved vendor list ^

Approved vender fist

Jrwpmory owner

Vendor collaboration \_\_\_\_\_ |

Answer:

Explanation:

WineA requirement configuration

Requirement

Configuration

nventory dimension

Status

Vendor assignment

Approved vendor list

### Question: 77

#### HOTSPOT

You need to configure the requirements for the operations coordinator and the inbound load for Vendor!

What should you configure for each requirement? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Requirement configuration for inbound loads

Requirement

Configuration

Operations coordinator

Transportation management ▼

Landed CO\$t

Inyentoiy m artace men i

Transportation management

Product information management

Vendor' inbound load status

Confirmed ▼

Confirmed ]

Received

Registered Shipped

Explanation:

Requirement configuration for inbound loads

Requirement

Configuration

Operatiar is coortftwr TraiH pouati o n managemen!

Vendori inbDUuid load staLus Connrmed

Answer:

### Question: 78

You need to configure a new item that contains a vintage. What should you configure for the vintage?

A. Color

B. Configuration

C. Batch

D. Owner

E. Style

Answer: B

Explanation:

### Question: 79

DRAG DROP

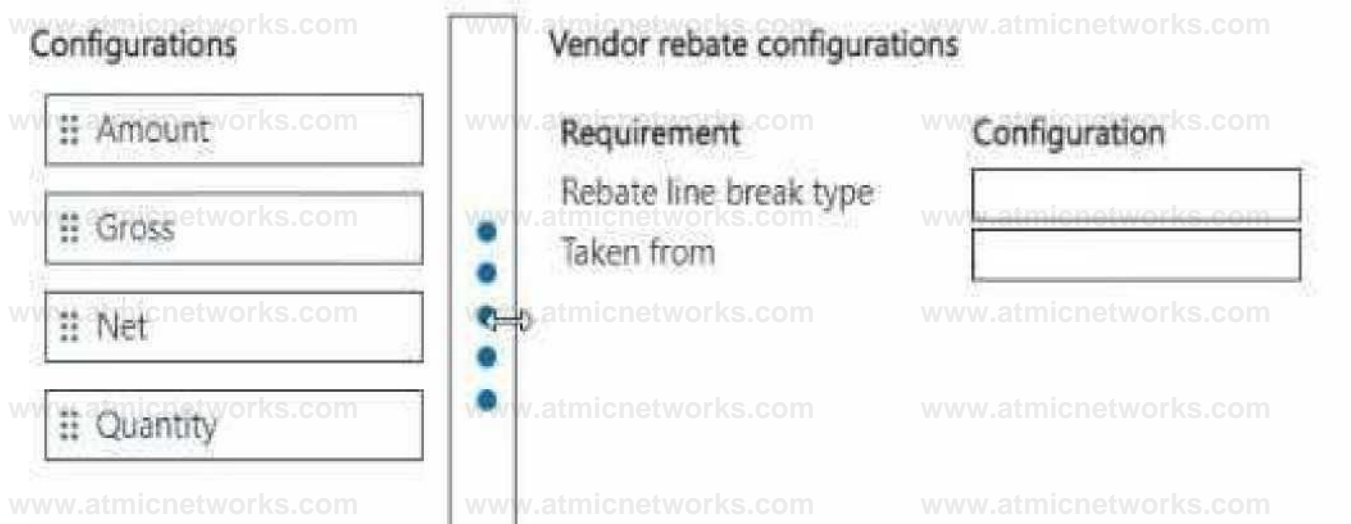
You need to enable the system to correctly calculate vendor claims.

Which configurations should you use for the rebates? To answer, move the appropriate configurations to the correct requirements.

You may use each configuration 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.



Answer:

Explanation:

## Configurations

Amount
Gross
Net
Quantity



Vendor rebate configurations

Quantity

Requirement

Amount

Rebate line break type

Taken from

Configuration

Preserves Farm

## Background

Current Environment

Munson's Pickles and Preserves Farm is a distribution company that supplies pickles, preserves, pickling supplies, and accessory products to local farmers' markets as well as grocers. Munson's Pickles and Preserves Farm does not produce or provide canning services for any items.

Munson's Pickles and Preserves Farm has an accounting system that is disconnected from the warehousing system. This has caused issues with controlling and valuing inventory. With these core drivers, Munson's Pickles and Preserves Farm decides to implement Dynamics 365 Finance and Dynamics 365 Supply Chain Management.

## Warehousing

- Munson's Pickles and Preserves Farm has a single warehouse that serves as the distribution center for all products.
- The warehouse has bulk locations as well as racking, but location names and numbers do not exist.
- Bulk locations are for storage of extra inventory that will not fit into the picking locations.
- The warehouse is temperature-controlled, with locations grouped into two zones: refrigerated and non-perishable.
- Inventory adjustments are made regularly due to lack of inventory controls.

## Inventory Data

- Item numbers are inconsistent and were set up as "smart-numbering," such as 1-23-PKL and 44-24- PICK.
- Cucumbers are not grown by Munson's Pickles and Preserves Farm and may be sourced from local farmers.
- Pickles come in bottle sizes of 8 oz. 16 oz. 32 oz. The bottles are packed in cases.
- Pickles may be spear, chip, or whole shapes within the bottles. This does not impact the cost of the pickles when they are

Topic 8, Munson's Pickles and

the same flavor.

- Pickle flavors are sweet spicy, and dill. The flavors vary in price.
- Preserves come in multiple flavors, such as mango, strawberry, and grape. These are seasonal items only. Due to the varying flavors and quantities, the preserves are owned by the vendor until they are sold. The mango preserves require refrigeration. The other preserves do not require refrigeration.
- Many items are sold as accessories or supplies for pickling.
- Some items within inventory have an expiration date, such as vinegar.
- Fast-moving items are identified by inventory turns per quarter. Sweet and spicy pickles are the most popular.

#### Purchasing and Sales

- Munson's Pickles and Preserves Farm has an online store that can be found at [munsonspicklesandpreservesfarm.com](http://munsonspicklesandpreservesfarm.com).
- The online store is limited to a subset of products that are accessories only, such as bottles and jars.
- A new product line of kosher pickles is going to be distributed by Munson's Pickles and Preserves Farm.
- VendorA is the largest vendor that Munson's Pickles and Preserves Farm buys products from. Munson's Pickles and Preserves Farm's second largest vendor is VendorB.

#### Requirements

##### Warehousing

- The warehouse manager requires fast-moving items to be easily accessible to the order pickers in AisleA, with no more than one item per bin location in AisleA. Both sweet and spicy pickles have more inventory than will fit in AisleA, resulting in bulk location storage.
  - o Spicy pickles must have no less than half of a pallet in AisleA at any time.
  - o Sweet pickles must have enough inventory in AisleA prior to creating waves for warehouse work.
- Strawberry preserves are selling slowly this season. They are put away in higher bin locations because they are not considered fast-moving items.

##### Inventory & Data

- Item numbers must be set up to create a streamlined numbering system. Munson's Pickles and Preserves Farm requires that the old item number be stored in Dynamics 365 for cross reference purposes. Munson's Pickles and Preserves Farm has settled on 0000001 as the item format for pickles instead of 1-23-PKL PKL will be stored as an attribute.
- Item numbers for pickles must be consolidated where possible into a single item number, regardless of bottle size.

- Cucumbers must be sold at actual cost because they are a special order.
- Kosher pickles must be set up in the item master. The kosher pickles are the same size jars and flavors as the other pickles, except that they have a kosher designation and will be slightly more expensive.
- Vinegar and other perishable items must have date tracking for the manufacturer's batch number and expiration date of the product.
- A batch of mango preserves had to be thrown away because the warehouse workers put away the product into the non-perishable zone.

#### Purchasing & Sales

- Cucumbers must be sourced from local vendors for special orders only.
- Munson's Pickles and Preserves Farm recently signed an exclusivity agreement with VendorA, and buyers must now only purchase from VendorA.
- VendorA recently purchased a competitor company, VendorB. VendorA wants to ensure that all agreements with VendorA also apply to VendorB while they work on merging the two companies into one.
- VendorC sells preserves to Munson's Pickles and Preserves Farm and requires the following:
  - o Shipment requirement: VendorC owns the product after shipment to Munson's Pickles and Preserves Farm until the time of sale.
  - o On-hand requirement: VendorC has access to view on-hand preserve inventory at Munson's Pickles and Preserves Farm warehouse.

#### Issues

- CustomerD reports that the vinegar they ordered had a week left before it expired when they received it. This did not give CustomerD enough time to use the vinegar before they had to dispose of it. CustomerD now requires that all vinegar has more than 30 days left before the expiration date.
- A customer calls and states that they ordered kosher pickles and received regular pickles. Inventory Control Clerk 2 reports that kosher and non-kosher pickles of the same variety are in the same warehouse location, contributing to the picking errors.
  - A salesperson reports that the margin is incorrect on a customer's special order because the cucumber cost was for the most recent receipt of cucumbers, not the cucumbers received for the specific customer order.
  - An internal audit revealed that large quantities of pickles were missing and written off as damaged on multiple occasions over the past year. No documentation or explanation of the write offs exist. There is no documentation of disposal, and no approval from management to substantiate that the pickles were not stolen.
  - Jars of pickles are received as eches. Case counts of pickle jars vary by size:

o 8 oz jars are 12 per case

o 16 oz jars are 6 per case

o The varied counts in each case create overhead in the warehouse.

- The receiving clerk in the warehouse wants to ensure that broken bottles of vinegar are moved to a damage location named LocationA. Expired vinegar should be moved to a return-to-vendor location named LocationB. All other vinegar should be put away and sold according to normal location directives.

- Operator 1 is picking a pallet of strawberry preserves from a location to the shipping dock. While picking up the pallet, Operator1 drops the pallet. Operator1 must make sure that the strawberry preserves are not available for shipment until the damage is evaluated.

- Operator2 tries to print wave labels that contain item 0000001. The labels start to print and then jam. At the same time, the printer battery needs to be recharged and the labels need to be reprinted.

### Question: 80

You need to resolve the mango preserve issue and minimize the number of location directives.

What should you configure?

- A. Customer product filter
- B. Item group setup product filter
- C. Released product setup product filter
- D. Warehouse management setup product filter

Answer: B

Explanation:

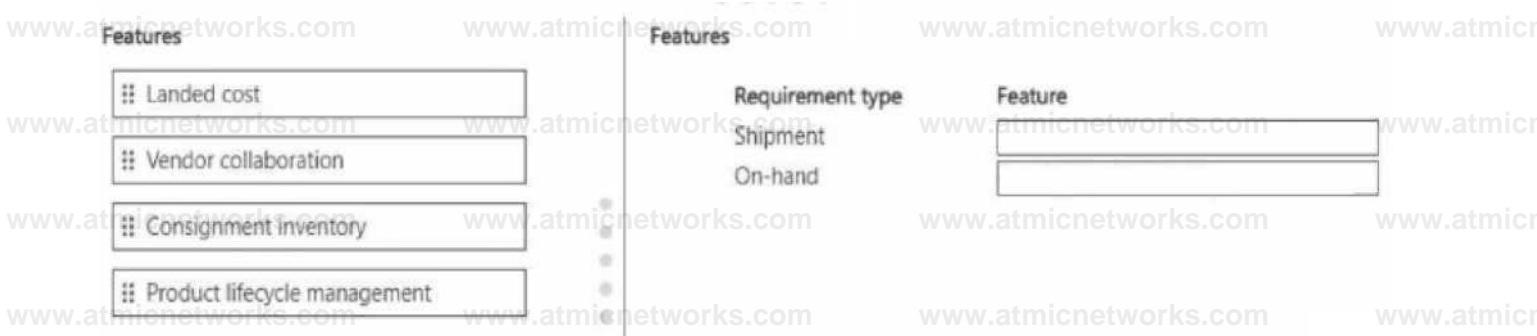
### Question: 81

DRAG DROP

You need to configure the requirements for VendorC.

What should you configure? To answer, move the appropriate features to the correct requirement types. You may use each feature 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:



### Question: 82

#### HOTSPOT

You need to resolve Operator's label issue.

Which solutions will achieve the resolution of the labels? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

#### Solutions

- | Process            | Solution   |
|--------------------|--|
| Reprint labels     | <input type="checkbox"/> Use the warehousing app only            |
|                    | <input type="checkbox"/> Use the web client only                 |
|                    | <input checked="" type="checkbox"/> Use the warehousing app only |
|                    | <input type="checkbox"/> Use the web client and warehousing app  |
| Reprint menu setup | <input type="checkbox"/> Reprint by item                         |
|                    | <input checked="" type="checkbox"/> Reprint by item              |
|                    | <input type="checkbox"/> Reprint by last                         |
|                    | <input type="checkbox"/> Reprint by enum                         |

Answer:

Explanation:

### Question: 83

You need to make changes based on the internal audit findings. Which feature should you enable?

- A. Inventory journal workflows
- B. Scrap method
- C. Quarantine order
- D. Tag counting

Answer: C

Explanation:

### Question: 84

You need to determine the number of pickle bottles in each case. What should you configure?

- A. Unit sequence group
- B. Unit of measure conversion per product
- C. Unit of measure conversion per product variant
- D. Operating units

Answer: B

Explanation:

### Question: 85

DRAG DROP

You need to configure the kosher pickle requirements for VendorA.

What should you configure? To answer, move the appropriate configurations to the correct requirements. You may use each configuration 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.

Configurations

Set invoice account field	Requirement	Configuration
Populate default vendor	Vendor A agreement	
Set approved vendor list	Vendors agreement	
Create trade agreement		

Configurations

Answer:

Explanation:

Configurations

Set invoice account field	Requirement
Populate default vendor	Vendor A agreement
Set approved vendor list	Vendors agreement
Create trade agreement	

Configurations

Configuration
Set invoice account field
Set approved vendor list

### Question: 86

DRAG DROP

You need to determine Operator1s next steps.

Which next two process steps should Operator1 complete? To answer, move the appropriate processes to the correct process steps. You may use each process 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.

WMS processes

- Post movement journal
- Change inventory status
- Complete put away work
- Post cycle count journal

WMS processes

Process step	Process
Step 1	
Step 2	

Answer:

Explanation:

WMS processes

- Post movement journal
- Change inventory status
- Complete put away work
- Post cycle count journal

WMS processes

Process step

Step 1

Step 2

Process

Complete put away work

Change inventory status

Question: 87

You need to meet the requirements for CustomerD.

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

NOTE: Each correct selection is worth one point.

- A. Reservation hierarchy
- B. Sellable days
- C. FEFO date-control led
- D. Wave templates
- E. FIFO with include physical value

Answer: C

Explanation:

Topic 9, Misc. Questions

Question: 88

A company needs to create new items that can be company owned or vendor owned.

You need to create and set up the items so that they can be used as company owned or consignment.

What should you do?

- A. Assign a non-stock service item model group
- B. Assign a moving average costing inventory model
- C. Activate batch dimension and assign a standard costing inventory model
- D. Activate owner dimension and assign a standard costing inventory model

Answer: D

Explanation:

Question: 89

DRAG DROP

You manage a Dynamics 365 for Finance and Operations system for a company.

You need to configure agreements in the system.

Which agreement types should you use? To answer, drag the appropriate agreement types to the appropriate scenarios. Each agreement 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.

Agreement types

purchase
sales
trade

Answer Area

Scenario

Customers who purchase between 51 and 100 units of Product A receive a \$10.00 discount per unit. Customers who purchase over 100 units receive a \$12.00 discount per unit.

A customer agrees to purchase 500 laptops over the next six months.

Your company agrees to purchase \$150,000 worth of office supplies within a year.

Agreement type

Agreement type
Agreement type
Agreement type

Answer:

Explanation:

## Answer Area

### Scenario

Customers who purchase between 51 and 100 units of Product A receive a \$10.00 discount per unit. Customers who purchase over 100 units receive a \$12.00 discount per unit.

A customer agrees to purchase 500 laptops over the next six months.

Your company agrees to purchase \$150,000 worth of office supplies within a year.

### Agreement type

trade

sales

purchase

### Question: 90

A company uses trade agreements for their customers. Prices for some customers must round to the nearest US dollar.

A customer reports that prices do not round to the nearest US dollar as required.

You need to resolve the issue.

In Trade agreement journals, which option should you use?

- A. Adjustment
- B. View smart rounding
- C. Validate all lines
- D. Apply smart rounding
- E. Apply smart rounding

Answer: D

Explanation:

### Question: 91

DRAG DROP

A company manufactures wood furniture.

Cabinets can be purchased with different wood finishes including oak and maple.

You need to configure a product attribute to characterize the types of cabinet finishes.

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

Add an attribute to the procurement category

Create an attribute of type Boolean and define the different types of wood finishes

Assign the attribute to the retail category

Create style dimensions for the different types of wood finishes

Create an attribute type of type Text and define the different types of wood finishes

Create an attribute associated with an attribute type for Cabinet Finishing



### Answer Area

### Answer

Explanation:

## Answer Area

Create an attribute type of type Text and define the different types of wood finishes

Create an attribute associated with an attribute type for Cabinet Finishing

Assign the attribute to the retail category

## Question: 92

A company creates several item costing versions.

All new and existing items have costs associated with them. After applying the costs, the company notices the activation date has not been updated.

You need to update the items to the current date for activation.

What should you do?

- A. Set the item cost record status to Active
- B. Set the from date to today and leave the item cost record status at Pending
- C. Set the item cost record status to Pending
- D. Set the cost price and date of price on the released product

Answer: A

Explanation:

Reference:

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

## Question: 93

An employee at a company releases a new product from the Released product maintenance workspace.

An employee in another department is unable to add the product to a sales order. You determine that dimension groups have not been applied to the product.

You need to ensure that the product can be added to the sales order.

Which two inventory dimension groups should you add to the product? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Tracking dimension group
- B. Coverage group
- C. Product dimension group
- D. Storage dimension group

Answer: B,D

Explanation:

### Question: 94

#### DRAG DROP

You are the product manager at a distribution company. You are responsible for managing product compliance standards and reporting.

Chemical product, C0001 can be sold in all parts of the United States except for the state of California.

You need to set up these compliance requirements for C0001.

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 an inclusive list type for New York, United States
- Create an exclusive list type for California, United States
- Add item C0001 to the restricted product lists
- Open the Restricted products regional lists form
- Create an inclusive list type for the United States
- Create a regulated products regional list for California, United States. Add item C0001 to the list
- Open the Regulated products regional lists

#### Answer Area



Answer:

Explanation:

Open the Restricted products regional lists form

Create an inclusive list type for the United States

Create an exclusive list type for California, United States

## Add item C0001 to the restricted product lists

### Question: 95

An employee at a company needs to lay out the various component builds for bicycles.

You need to identify which constraints the employee should use to set up the bicycles.

Which two types of constraints achieve the goal? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. table constraints that are used generically among product configuration models
- B. expression constraints that are used generically among product configuration models
- C. expression constraints that are unique to each product configuration model
- D. table constraints that are always unique to each product configuration model

Answer: A,C

Explanation:

### Question: 96

HOTSPOT

You are configuring pricing for a new item.

Wholesale customers must pay \$10.00 for order quantities of up to 9 units. All other customers receive a static price of \$14.00 regardless of quantity.

You need to configure sales trade agreements.

In Trade Agreement Setup, which actions should you perform? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

**Requirement**

**Action**

Create price groups

	▼
Create and assign a customer group to the trade agreement line	
Set up and link a price group to the customer group	
Set up and link a price group to each customer	
Set up a price group on the trade agreement line and link the line to the customer	

Create a sales price for a group of customers by quantity

	▼
Add a trade agreement line by customer group for quantity of 0-9 for \$10.00	
Add a trade agreement line by price group for quantity of 1-9 for \$10.00	
Add a trade agreement line for quantity of 0 for \$14.00	
Add a trade agreement line for quantity of 10-100 at \$10.00	

Create a sales price for all customers by any quantity

	▼
Create a trade agreement for all items at \$14.00	
Create a trade agreement line for customer group All for \$14.00	
Create a trade agreement line for Party code type set to All and price of \$14.00	
Create a trade agreement line for wholesale customers at \$14.00	

Explanation:

Answer:

**Requirement**

**Action**

Create price groups

- Create and assign a customer group to the trade agreement line
- Set up and link a price group to the customer group
- Set up and link a price group to each customer
- Set up a price group on the trade agreement line and link the line to the customer

Create a sales price for a group of customers by quantity

- Add a trade agreement line by customer group for quantity of 0-9 for \$10.00
- Add a trade agreement line by price group for quantity of 1-9 for \$10.00
- Add a trade agreement line for quantity of 0 for \$14.00
- Add a trade agreement line for quantity of 10-100 at \$10.00

Create a sales price for all customers by any quantity

- Create a trade agreement for all items at \$14.00
- Create a trade agreement line for customer group All for \$14.00
- Create a trade agreement line for Party code type set to All and price of \$14.00
- Create a trade agreement line for wholesale customers at \$14.00

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/sales-marketing/tasks/create-new-trade-agreement>

**Question: 97**  
**HOTSPOT**

An airport uses Dynamics 365 for Finance and Operations. You purchase new baggage-sorting hardware. You must add both the hardware and the service contract for the hardware to the product hierarchy. You need to configure the category node. What should you do? To answer, select the appropriate options in the answer area.  
NOTE: Each correct selection is worth one point.

**Item**

**Action**

Baggage system hardware

	▼
Create a new category node and select Classify as tangible	
Add to an existing category node and select Classify as tangible	
Add to an existing category node and clear Classify as tangible	

Service agreement

	▼
Create a new category node and select Classify as tangible	
Add to an existing category node and select Classify as tangible	
Add to an existing category node and clear Classify as tangible	

Answer:

Explanation:

**Item**

**Action**

Baggage system hardware

	1
Create a new category node and select Classify as tangible	
Add to an existing category node and select Classify as tangible	
Add to an existing category node and clear Classify as tangible	

Service agreement

Create a new category node and select Classify as tangible	
Add to an existing category node and select Classify as tangible	
Add to an existing category node and clear Classify as tangible	

**Question: 98**

A company manufactures and sells speaker boxes. The speaker boxes can be silver or black with a basic or upgraded wiring harness assembly.

The speaker box must be created in the item master so that the variables for colors and harness type can be assigned at order entry.

You need to create a new item that supports multiple variables.

What should you do?

- A. Create a new product. Select predefined variant as the configuration technology.
- B. Create a new product master. Select constraint-based configuration as the configuration technology.
- C. Create a new product. Select constraint-based configuration as the configuration technology.
- D. Create a new product master. Select predefined variant as the configuration technology.

Answer: D

Explanation:

### Question: 99

A company has items in inventory with two costing methods: FIFO and Standard. The company needs to calculate the cost of all items at month end and provide a total inventory value to the finance department.

You need to determine the total value of inventory.

Which costing method requires running the inventory close?

- A. FIFO and Standard Cost items
- B. FIFO items only
- C. LIFO, Moving Average, and Date Weighted Average items
- D. Standard Cost items only

Answer: B

Explanation:

### Question: 100

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

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

A company is implementing inventory management in Dynamics 365 for Finance and Operations.

The company needs to block inventory and ensure that physical inventory will not be reserved by other outbound transactions.

You need to select the appropriate option to block the inventory in the system.

Solution: Select the full blocking option in the item sampling page.

Does the solution meet the goal?

A. Yes

B. No

Answer: A

Explanation:

Question: 101  
HOTSPOT

Inventory in a warehouse is assigned to an inventory status of available.

You need to set up an inventory status for damaged items so that they are not sold to customers.

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

NOTE: Each correct selection is worth one point.

**Requirement**

**Value**

Configure the inventory blocking parameter for each inventory status.

	▼
available unblocked, damaged blocked	
available blocked, damaged unblocked	
available blocked, damaged blocked	
available unblocked, damaged unblocked	

Assign the default status.

	▼
Site, Warehouse, and Item	
Site, Warehouse, and Location	
Warehouse, and Location only	
Site and Serial	

Answer:

Explanation:

**Requirement**

**Value**

Configure the inventory blocking parameter for each inventory status.

	▼
available unblocked, damaged blocked	
available blocked, damaged unblocked	
available blocked, damaged blocked	
available unblocked, damaged unblocked	

Assign the default status.

	▼
Site, Warehouse, and Item	
Site, Warehouse, and Location	
Warehouse, and Location only	
Site and Serial	

Question: 102  
HOTSPOT

A company sells a new product line. Buyers purchase a large shipment into the distribution center.

The product must be divided among the retail stores equally.

You need to configure buyer push functionality.

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

NOTE: Each correct selection is worth one point.

Requirement

Configuration option

Create the push.

replenishment rules and enter total quantity  
location weight and enter total quantity fixed  
quantity and enter total quantity location weight  
and enter manual quantity

Create the order.

transfer order sales order purchase order  
intercompany order

Answer:

Explanation:

Requirement

Configuration option

Create the push.

1

replenishment rules and enter total quantity  
location weight and enter total quantity fixed  
quantity and enter total quantity location weight  
and enter manual quantity

Create the order.

| ^

transfer order sales order purchase order  
intercompany order

### Question: 103

DRAG DROP

A company uses Dynamics 365 for Finance and Operations.  
You need to perform month-end close processes.

At which process steps should you perform the actions? To answer, drag the appropriate process steps to the appropriate actions. Each process step 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.

Process steps

Answer Area

Process steps	Action	Process step
pre-closing		Process step
close procedure - check open quantities	Configure the system to disregard non-financial transactions during month-end close processes.	Process step
close procedure - check item costs	Display a list of inventory transactions that will remain open after month-end close.	Process step
close procedure - close inventory	Display a list of items that exceed the maximum deviation percentage.	Process step
inventory close log	Settle issue transactions to receipt transaction based on the inventory valuation method assigned to each item. Display a list of transactions that were not settled.	Process step

Answer:

Explanation:

Answer Area

Action

Process step

Configure the system to disregard non-financial transactions during month-end close processes.

Display a list of inventory transactions that will remain open after month-end close.

Display a list of items that exceed the maximum deviation percentage.

Settle issue transactions to receipt transaction based on the inventory valuation method assigned to each item.

Display a list of transactions that were not settled.

- pre-closing
- close procedure - check open quantities
- close procedure - check item costs
- close procedure - close inventory
- inventory close log

Question: 104

A company uses Dynamics 365 for Finance and Operations.

An employee notices a discrepancy in inventory.

You need to create the inventory blocking transaction.

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. inventory status
- B. quality order
- C. batch disposition code
- D. manual inventory blocking

Answer: B,D

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/inventory/inventory-blocking>

Question: 105

A company has revenue items that generate high, medium, or low revenue.

You need to configure ABC classifications as follows:

Item type	Classification
High revenue	A
Medium revenue	B
Low revenue	O'

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

NOTE: Each correct selection is worth one point.

- A. Define highest, middle, and lowest ABC values as percentages
- B. Define highest, middle, and lowest ABC values as amounts
- C. Select ABC model of revenue

D. Define internal interest in percentage

E. Select ABC model of value

Answer: A,C

Explanation:

### Question: 106

You are the materials manager at a distribution company.

You are responsible for setting up the ABC classification of all items as follows:

Class A materials represent 70 percent of the material value.

Class B materials represent 20 percent of the material value.

Class C materials represent 10 percent of the material value but are the most commonly used.

You need to assign an ABC classification value model to all items using those values.

What should you do?

- A. Run the ABC classification report
- B. Run the ABC classification periodic task to update the value model for all items
- C. Manually update the Value classification on the Released product record
- D. Run the ABC classification periodic task to update the revenue model for all items

Answer: B

Explanation:

### Question: 107

DRAG DROP

You are the sales manager at a distribution company. You have a drop-ship order for a batch of chemicals that will go directly from your vendor to your customer.

You need to create and process this direct delivery within Dynamics 365 Finance and Operations.

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

Manually create a purchase order and enter the lines

Post the Packing slip from the sales order

Select **Direct delivery** from the Sales order tab of the Action Pane and then select vendor

Create a sales order and add lines

Post the Product receipt on the purchase order



Answer Area

Answer:

Explanation:

Answer Area

Create a sales order and add lines

Select Direct delivery from the Sales order tab of the Action Pane and then select vendor

Post the Product receipt on the purchase order

Question: 108

HOTSPOT

An inventory control clerk manages adjustments in inventory.

Some adjustments have a cost impact. Other adjustments must be posted to a specific ledger account or must be registered in inventory.

You need to configure the system.

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

NOTE: Each correct selection is worth one point.

## Requirement

## Journal type

Register receipt of inventory without cost or ledger account changes.

	▼
Adjustment	
Arrival	
Transfer	
Movement	

Add inventory at a specified cost.

	▼
Movement or Adjustment only	
Movement, Adjustment, or Counting	
Adjustment or Transfer only	
Adjustment or Counting only	

Deduct inventory and write off to a damage inventory ledger account.

	▼
Adjustment	
Movement	
Counting	
Arrival	

Explanation:

Answer:

## Requirement

## Journal type

Register receipt of inventory without cost or ledger account changes.

	▼
Adjustment	
Arrival	
Transfer	
Movement	

Add inventory at a specified cost.

	▼
Movement or Adjustment only	
Movement, Adjustment, or Counting	
Adjustment or Transfer only	
Adjustment or Counting only	

Deduct inventory and write off to a damage inventory ledger account.

	▼
Adjustment	
Movement	
Counting	
Arrival	

### Question: 109

A company employee is in charge of warehouse operations and controlling inventory adjustments through journals.

The employee needs to add inventory for samples at a specific cost. The samples were shipped by a vendor without a purchase order. The employee needs to be sure that the inventory value goes to a ledger account so that the value of the samples is not mixed in with another inventory value.

You need to ensure that the employee is able to correctly add the inventory.

What should you do?

- A. Create a movement journal, add the cost, and specify the offset ledger account on the line.
- B. Create an adjustment journal, add the cost, and specify the offset ledger account on the line.

C. Create an arrival journal, add the cost, and specify the offset ledger account on the line.

D. Create a transfer journal, transfer to a different warehouse, and then adjust the cost.

**Answer: A**

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/inventory/inventory-journals>

### Question: 110

DRAG DROP

You are the inventory manager for a distribution center. You are configuring the inventory breakdown for a new center in California.

You need to set up warehouse locations for the center and configure the prerequisite inventory hierarchy.

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 warehouse

Create a shelf

Create a location

Create a site

Create a rack

Create an aisle



Answer Area

Explanation:

Answer:

## Answer Area

Create a warehouse  
Create an aisle  
Create a rack  
Create a shelf

### Question: 111

A company is implementing sales order functionality in Dynamics 365 for Finance and Operations. The company has a business requirement to fulfill sales orders by using direct delivery.

You need to enter a direct delivery sales order so that a purchase order is automatically created.

What should you do after you enter the sales order and lines?

- A. Set the ship complete toggle to On and confirm the order on the sales order header.
- B. Select automatic and confirm the sales order on the line level setup tab in the reservation field.
- C. Change the customer's address to the vendor's direct delivery address and confirm the sales order.
- D. Select the direct delivery option under the sales order action pane and complete the form.

Answer: D

Explanation:

### Question: 112

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 vendor is offering a rebate program on bottles of wine that have purchase orders placed within a month. There is a \$5.00 rebate on the purchase of 10-100 bottles and a \$6.00 rebate for the purchase of 101-200 bottles. Customers can purchase wine by the bottle or by the case. Discounts apply to all varieties of wine sold by the vendor.

You need to create a vendor rebate agreement to ensure that the correct rebate amount is claimed at the end of the month.

Solution: On the rebate agreement, specify each item group assigned to wine. Add a rebate line break of quantity 10-100 and a second rebate line break of quantity 101-200.

Does the solution meet the goal?

- A. Yes
- B. No

Answer: B

Explanation:

### Question: 113

You configure purchasing policies and oversee purchasing processes for a company.

Users often submit requisitions with incorrect information. Users also select non-approved vendors or incorrect categories.

You need to set up a procurement policy that limits which procurement categories and vendors can be selected.

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

NOTE: Each correct selection is worth one point.

- A. Category access policy rule
- B. Purchase requisition control rule
- C. Catalog policy rule
- D. Category policy rule

Answer: A,D

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/procurement/purchase-policies>

### Question: 114

A buyer places a purchase requisition for item C0001 from a new vendor.

All purchases from a new vendor must go through an internal workflow approval process.

You need to ensure that a purchase order (PO) is automatically created from the purchase requisition.

Which setup must be in place?

- A. Status = approved, item = C0001, vendor populated on the PO
- B. Status = in review, item = C0001, vendor populated on the purchase requisition
- C. Status = approved, item = C0001, vendor populated on the purchase requisition

D. Status = draft, item = C0001, vendor populated on the PO

Answer: C

Explanation:

### Question: 115

DRAG DROP

You are the purchasing manager for a company. You enter into a consignment agreement with a vendor.

Raw material R0001 is managed under the consignment agreement with the vendor.

You need to replenish raw material R0001 for consumption and update ownership.

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

Answer Area

Create a consignment replenishment order

Transfer material from the vendor warehouse to your company warehouse

Post the vendor invoice

Create and post an inventory ownership change journal entry

Generate a consignment replenishment order product receipt

Confirm the order



Explanation:

Answer:

Create a consignment replenishment order

Transfer material from the vendor warehouse to your company warehouse

Generate a consignment replenishment order product receipt

Create and post an inventory ownership change journal entry



Question: 116  
HOTSPOT

A primary vendor tells you that their purchase order (PO) items will be delivered seven days later than expected. You find another vendor that carries the product and can deliver it the next day.

You need the purchases from both vendors, but only one PO exists in the system.

You need to ensure that the system correctly reflects the inbound products from both vendors.

How should you complete the setup? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

**Task**

**Action**

Modify the original PO.

Add a new PO line with the second vendor, item, and quantity Modify the expected receipt date to increase by seven days Modify the receipts list to change the expected receipt date

Create a new PO.

Add the primary vendor with a document handling note to send the PO to the new vendor and then add the item Add the primary vendor, create a case to link the new vendor, and add the item Add the new vendor and the item Add the primary vendor and the item. Change the vendor upon receipt

**Answer**

Explanation:

**Task**

**Action**

Modify the original PO.

Add a new PO line with the second vendor, item, and quantity Modify the expected receipt date to increase by seven days Modify the receipts list to change the expected receipt date

Create a new PO.

Add the primary vendor with a document handling note to send the PO to the new vendor and then add the item Add the primary vendor, create a case to link the new vendor, and add the item Add the new vendor and the item Add the primary vendor and the item. Change the vendor upon receipt

Question: 117  
HOTSPOT

A company has several vendors who require 1099s.

You need to set up the vendors so that year-end reports can be correctly generated.

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

NOTE: Each correct selection is worth one point.

Requirement

Action

Set up vendors.

Select Report 1099, enter the tax ID, and select the tax ID type Clear Report 1099, enter the tax ID, and select the tax ID type Select Report 1099. Use the vendor ID as the tax ID type Clear Report 1099. Do not enter a value for the tax ID type

Add or edit 1099 accounts, Edit invoice lines, edit settlement, and add manual 1099 transactions Edit settlement, add manual 1099 transactions, and edit sales order lines Edit item transactions, edit purchase order lines, and edit invoice lines Edit them transactions, edit settlement, and add manual 1099 transactions

Answer:

Explanation:

**Requirement**

**Action**

Set up vendors

Select Report 1099, enter the tax ID, and select the tax ID type  
Clear Report 1099, enter the tax ID, and select the tax ID type  
Select Report 1099. Use the vendor ID as the tax ID type  
Clear Report 1099. Do not enter a value for the tax ID type

Add or edit 1099 accounts

Edit invoice lines, edit settlement, and add manual 1099 transactions  
Edit settlement, add manual 1099 transactions, and edit sales order lines  
Edit item transactions, edit purchase order lines, and edit invoice lines  
Edit them transactions, edit settlement, and add manual 1099 transactions

**Question: 118**

A company uses Dynamics 365 for Finance and Operations.

A customer returns a product that is defective for a replacement.

You need to process the return order.

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 return of type Credit Only
- B. Set the deadline date according to the company policy
- C. Create a credit note for the replaced product
- D. Set the delivery address to the customer's address in the return order
- E. Create a return of type Physical Return
- F. Set the deadline date to the date the customer returns the defective product
- G. Set the delivery address to the company warehouse in the return order

Answer: B,E,G

Explanation:

Question: 119  
HOTSPOT

A company plans to use Dynamics 365 for Finance and Operations to automatically calculate and process royalties.

You need to configure the system.

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

NOTE: Each correct selection is worth one point.

Requirement

Action

Ensure that users can view the royalty amount on the sales order price details page.

Select the Enable price details parameter in accounts receivable Save the contract  
Calculate the royalty  
Create an invoice for the royalty amount



Create a royalty claim.

Create an invoice  
Pick an order  
Create a pack slip for an order  
Confirm an order



Reverse a royalty accrual.

Process a royalty claim  
Save a royalty contract  
Cumulate a royalty claim  
Configure a royalty claim



Set up items that require royalty payments to use a royalty code.

Create a royalty contract  
Create a royalty code group  
Create a royalty term  
Create a royalty item



Answer:

Explanation:

## Requirement

## Action

Ensure that users can view the royalty amount on the sales order price details page.

Select the Enable price details parameter in accounts receivable  
Save the contract  
Calculate the royalty  
Create an invoice for the royalty amount

Create a royalty claim.

Create an invoice  
Pick an order  
Create a pack slip for an order  
Confirm an order

Reverse a royalty accrual.

Process a royalty claim  
Save a royalty contract  
Cumulate a royalty claim  
Configure a royalty claim

Set up items that require royalty payments to use a royalty code.

Create a royalty contract  
Create a royalty code group

### Question: 120

A client wants to use Dynamics 365 for Finance and Operations to assist processing trade.

You need to ensure that intercompany sales order payments process correctly when intercompany payable journals are posted.

What should you do?

- A. In the intercompany trade parameters for sales order policies, select Post journal automatically
- B. In the intercompany trade parameters for purchase order policies, select Post invoice automatically
- C. In the intercompany trade parameters for purchase order policies, select Post journal automatically
- D. In the intercompany trade parameters for sales order policies, select Allow summary update of documents for original customer

Answer: A

Explanation:

## Question: 121

You are the customer relations manager at a wholesale company.

You perform promotion planning and must track fund usage.

You need to set up a trade allowance agreement to register and track promotion contracts.

Which two items should you set up prior to creating the agreement? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Sales category hierarchy
- B. Opportunity reasons
- C. Customer category hierarchy
- D. Trade allowance funds

Answer: C,D

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/sales-marketing/trade-allowance>

## Question: 122

DRAG DROP

A company wants to expand their purchasing power by enhancing their current procurement catalog in Dynamics 365 for Finance and Operations.

The company wants to redirect to external websites to help build their purchase requisitions.

You need to set up an external catalog.

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

- Configure the vendor for catalog import
- Activate the catalog
- Create and configure a new external catalog
- Create a new procurement catalog
- Publish the catalog
- Set up and verify procurement category associations to the vendor



#### Answer Area

Answer:

Explanation:

## Answer Area

Set up and verify procurement category associations to the vendor

Create and configure a new external catalog

Activate the catalog

# Question: 123

DRAG DROP

A company uses Dynamics 365 for Finance and Operations.

You just implement commission groups to match commission rates to products.

You need to configure commission tracking.

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

- Set up commission posting
- Register sales commissions
- Set up commission groups and rates
- Assign a sales representative
- Assign a commission group to a product



### Answer Area

Answer:

Explanation:

### Answer Area

- Set up commission groups and rates
- Set up commission posting
- Assign a commission group to a product









## Question: 125

A company uses Dynamics 365 for Finance and Operations and implements procurement categories.

Purchase requisitions are required for the purchase of procurement category goods.

You need to ensure that the company purchases office supplies only from one specific vendor.

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

NOTE: Each correct selection is worth one point.

- A. Add the preferred vendor to the office supplies procurement category setup
- B. Create a preferred trade agreement for the office supplies vendor
- C. In purchasing policies, configure a specific category policy for office supplies
- D. In purchasing policies, create a Purchase requisition control rule
- E. Configure the purchase requisition workflow to specify the office supplies vendor

Answer: A,C

Explanation:

## Question: 126

A company uses the warehouse mobile app for Dynamics 365 for Finance and Operations.

You must create a menu item for reprinting license plate labels. Reprinting a license plate label must **not** create

warehouse work.

You need to configure the warehouse mobile app to add the new menu item.

What should you do?

- A. Set the Mode to Work
- B. Set the Mode to Indirect
- C. Set the Activity code to Cancel work
- D. Set the Activity code to None

Answer: B

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/warehousing/configure-mobile-devices-warehouse>

### Question: 127

A company plans to implement Dynamics 365 for Finance and Operations shipping manifests.

The company wants to use a multiple-level manifest process. You need to ensure that the system is configured for multiple-level manifest processing.

What should you validate?

- A. All container groups are manifested before the shipment is manifested
- B. All containers are of the status open before the group is manifested
- C. The allow split picks configuration is enabled
- D. All container types are set up with all four attributes

Answer: B

Explanation:

Reference:

<https://cloudblogs.microsoft.com/dynamics365/no-audience/2016/12/01/improved-packing-functionality-dynamics-365-for-operations-1611/>

### Question: 128

You are implementing containerization functionality.

You must automate containerization so that containers and picking work for shipments are created when a wave is processed. The work lines will be split into quantities to fit required containers by size.

You need to set up a container build template that defines the containerization process.

Which three items should you set up before you create the container build template? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. a wave template that includes the containerize method
- B. container packing policies
- C. a container group
- D. container types
- E. container packing strategies

Answer: A,C,D

Explanation:

### Question: 129

You are the inventory manager at a large distribution company.

You notice item P0001 has been running out regularly and the on-hand count seems to differ from what is in Dynamics 365 for Finance and Operations. You want cycle count work to be automatically created when the quantity drops below 10 pieces, which is about once a week.

You need to appropriately configure warehouse management to generate cycle count work.

What should you do?

- A. Create a cycle count plan for item P0001 to run when the quantity is below 10.
- B. Create a cycle count threshold that is percentage based that will generate work when inventory drops below 10% for item P0001.
- C. Create a cycle count threshold that is quantity based and specify 10 for the quantity. Add P0001 as a selected item.
- D. Create a cycle count plan for item P0001. Generate a batch job that runs once a week.

Answer: C

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/warehousing/cycle-counting>

### Question: 130

#### DRAG DROP

New order items arrive from vendors and come into a company's main warehouse.

You must set up internal transportation processes in Dynamics 365 for Finance and Operations to distribute goods to other locations.

You need to set up inbound orders through transportation management.

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

Confirm a load for shipping
Plan appointments for a load
Assign a rate and route to the inbound load
Register driver check-in and check-out for an appointment
Create or modify an inbound load for shipping



Answer Area

Answer:

Explanation:

## Answer Area

Create or modify an inbound load for shipping

Assign a rate and route to the inbound load

Confirm a load for shipping

Plan appointments for a load

Register driver check-in and check-out for an appointment

**Question: 131**

You are implementing warehousing in Dynamics 365 for Finance and Operations.

You configure and approve one warehouse.

You need to use the established warehouse setup to create additional warehouses.

What should you use?

- A. warehouse management parameter setup only
- B. warehouse work template
- C. warehouse configuration template
- D. inventory and warehouse management parameter setup

**Answer: C**

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/inventory/warehouse-template>

Question: 132

DRAG DROP

A company plans to implement Dynamics 365 for Finance and Operations mobile device connectivity. You need to perform a spot cycle count on the mobile device. 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 inventory journals
- Register and confirm the item number and counted item quantity
- Create a cycle count supervisor
- Select the menu item to process spot cycle counting work
- Register the location to perform spot cycle counting
- Set up cycle counting work

Answer Area



Answer:

Explanation:

Select the menu item to process spot cycle counting work

Register and confirm the item number and counted item quantity

Register the location to perform spot cycle counting

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/warehousing/cycle-counting#perform-a-cycle-count-by-using-a-mobile-device>

## Question: 133

DRAG DROP

A company uses the Dynamics 365 for Finance and Operations Warehouse management module.

The company requires production waves to be processed in batch.

You need to configure wave 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

Create a consignment replenishment order

Transfer material from the vendor warehouse to your company warehouse

Generate a consignment replenishment order product receipt

Create and post an inventory ownership change journal entry

Answer Area



### Explanation:

Set up a warehouse

Set up Wave templates

Set up Warehouse management parameters

Set up the Production control parameter Production line release

### Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/warehousing/tasks/configure-wave-processing>

# Question: 134

## DRAG DROP

You need to implement location directives in Dynamics 365 for Finance and Operations. Which objects should you use? To answer, drag the appropriate objects to the correct permissions. Each object 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.

Objects	Requirement	Object
Work order type	Specify the inventory transaction for which a directive is used.	Object
Work type		Object
Directive code		Object
Sequence number	Specify whether the action will be a pick or a put.	Object
	Specify which directive is linked to a work template.	Object

Answer:

Explanation:

### Answer Area

Requirement	Object
Specify the inventory transaction for which a directive is used.	Work order type
Specify whether the action will be a pick or a put.	Work type
Specify which directive is linked to a work template.	Directive code

Question: 135

DRAG DROP

A company plans to use warehouse management and dock appointment scheduling in Dynamics 365 for Finance and Operations.

You need to configure the system.

Which configuration options should you use? 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.

NOTE: Each correct selection is worth one point.

Configuration options

Answer Area

location profile ID

Requirement

Configuration option

appointment rule

Use license plate tracking.

configuration option

appointment scheduling

Allow mixed items.

configuration option

Drivers must check in before delivering goods.

configuration option

Specify the planned start and end dates of dock activity.

configuration option

configuration option
configuration option
configuration option
configuration option

Explanation:

Answer:

Answer Area

Requirement

Configuration option

Use license plate tracking.

location profile ID

Allow mixed items.

location profile ID

Drivers must check in before delivering goods.

appointment rule

Specify the planned start and end dates of dock activity.

appointment scheduling

location profile ID
location profile ID
appointment rule
appointment scheduling

Question: 136  
HOTSPOT

A company creates loads to ship sales orders.

Loads must be shipped by using the lowest freight rates possible.

You need to use the load planning workbench to create a load for sales order shipments.

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

NOTE: Each correct selection is worth one point.

Process step	Configuration
Enable a sales order for Warehouse and Transportation Management.	<div style="border: 1px solid black; padding: 5px;"><p>Warehouse and Item only</p><p>Site and Warehouse only</p><p>Site, Warehouse, Location, and Item</p><p>Warehouse, Location, and Item only</p></div>
Create a load and assign rate	<p>New Load, Select Load Template ID, Rate shop, Assign rate New shipment, New load, Rate shop, Assign rate New Load, Generate Bill of lading, Rate shop, Assign rate <u>New Load, Select Work Template ID, Rate shop, Assign Rate</u></p>

Answer:

Explanation:

**Process step**

Enable a sales order for Warehouse and Transportation Management.

Create a load and assign rate.

**Configuration**

- Warehouse and Item only
- Site and Warehouse only
- Site, Warehouse, Location, and Item
- Warehouse, Location, and Item only

New Load, Select Load Template ID, Rate shop, Assign rate New shipment, New load, Rate shop, Assign rate New Load, Generate Bill of lading, Rate shop, Assign rate New Load, Select Work Template ID, Rate shop, Assign Rate

### Question: 137

You are the logistics manager at a distribution company. Your primary carrier service provides rates for transportation between New York City and Colorado. These

rates are a flat rate depending on the city or general area of pickup as follows:

New York City = \$500

Colorado = \$450

You need to set up Transportation Management to calculate the rate from New York City to Colorado.

What should you do?

- A. Use a Point-to-Point engine based on weight and miles. Assign rates from New York City as the starting location and Colorado as the ending location and break the rates out based on the weight of the package.
- B. Set up zones in the Zone Master for New York City and Colorado. Assign rates to each zone in the Zone Master by starting and ending location.
- C. Create hubs for both locations. Add a route plan from New York City to Colorado and assign the two charges as spot rates.
- D. Set up a Transit Time Engine to track days from New York City to Colorado. Set up rates in the Rate Master tied to day breaks.

Answer: A

Explanation:

### Question: 138

HOTSPOT

A company must set up replenishment of inventory using vendor-owned consignment inventory.

You need to create the replenishment order.

How should you complete the replenishment order? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Configuration

Value

vendor assignment

- approved vendor, Registered inventory owner
- approved vendor, Primary stocking vendor
- intercompany vendor assignment, Primary stocking vendor
- intercompany vendor assignment, Intercompany customer assignment

order type

- consignment replenishment transfer
- production
- adjustment

tracking dimensions

owner location batch  
license plate

Answer:

Explanation:

### Configuration

### Value

vendor assignment

approved vendor, Registered inventory owner approved vendor, Primary stocking vendor intercompany vendor assignment. Primary stocking vendor intercompany vendor assignment, Intercompany customer assignment

order type

consignment replenishment transfer production adjustment

tracking dimensions

owner location batch license plate

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/inventory/tasks/create-consignment-replenishment-order>

### Question: 139

DRAG DROP

A manufacturing company is setting up a new warehouse.

The warehouse must store a product that is currently stored in another warehouse.

You need to create new item coverage for the warehouse.

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

Select and Place:

### Actions

- Specify the main warehouse
- Change the planned order type to Transfer
- Select Change planned order type
- Select Override coverage group settings
- Select Use specific settings
- Select the site and warehouse for item coverage



### Answer Area

Answer:

Explanation:

## Answer Area

Select the site and warehouse for item coverage  
Select Change planned order type  
Change the planned order type to Transfer  
Specify the main warehouse

### Question: 140

A company operates a chain of retail coffee shops and a distribution center. Each coffee shop and the distribution center are distinct warehouses.

Cups and lids are replenished from a single distribution center.

You need to configure store replenishment for coffee cup lids.

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

NOTE: Each correct selection is worth one point.

- A. Set the coverage plan by dimension for warehouse on the Storage dimension group.
- B. Set the minimum item coverage to the safety stock quantity. Set the maximum to the maximum quantity of stock to reorder above the safety stock quantity.
- C. Set the minimum item coverage to the safety stock quantity. Set the maximum item coverage to 0.

D. Create a coverage group assignment for the item.

E. Set the minimum item coverage to 0. Set the maximum item coverage to the number of lids to keep on hand.

Answer: A,B,D

Explanation:

### Question: 141

A company has several warehouse locations. The company acquires a new warehouse.

You must design a new warehouse process workflow for the new warehouse.

You need to configure the workflow.

Which three features should you configure? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. work pools
- B. cluster picking
- C. outbound wave processing
- D. work templates
- E. wave templates

Answer: A,D,E

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/warehousing/warehouse-management-overview>

### Question: 142

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while

others might not have a correct solution.

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

A company plans to simplify interactions between purchasing department employees and vendors.

You need to ensure that employees are redirected to a vendor's online store to select items for inclusion on purchase requisitions.

SOLUTION: Create a retail product catalog.

A. Yes

B. No

Answer: B

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/procurement/set-up-external-catalog-for-punchout>

## Question: 143

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

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

A company plans to simplify interactions between purchasing department employees and vendors.

You need to ensure that employees are redirected to a vendor's online store to select items for inclusion on purchase requisitions.

Solution: Create a procurement catalog.

Does the solution meet the goal?

A. Yes

B. No

Answer: B

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/procurement/set-up-external-catalog-for-punchout>

Question: 144

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

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

A company plans to simplify interactions between purchasing department employees and vendors.

You need to ensure that employees are redirected to a vendor's online store to select items for inclusion on purchase requisitions.

Solution: Create a vendor catalog.

Does the solution meet the goal?

A. Yes

B. No

Answer: B

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/procurement/set-up-external-catalog-for-punchout>

## Question: 145

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 the purchasing manager at a manufacturing company that makes audio equipment.

You sign an agreement with a vendor to purchase 5,000 speaker cables. Item C0001, at a discounted rate of \$3,00 per cable.

This agreement expires in exactly one year.

You need to set up pricing information and track the fulfillment of the agreement.

### Solution:

- Create a purchase agreement of type Product value commitment.
- Add a line for item C0001.
- Enter a product value of \$15,000 and enter an expiration date of one year.

Does the solution meet the goal?

A. Yes

B. No

Answer: A

Explanation:

Reference:

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

## Question: 146

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 the purchasing manager at a manufacturing company that makes audio equipment.

You sign an agreement with a vendor to purchase 5,000 speaker cables. Item C0001, at a discounted rate of \$3,00 per cable. This agreement expires in exactly one year.

You need to set up pricing information and track the fulfillment of the agreement.

Solution: On the released product, set a price of \$3.00. Add the vendor to the vendor account field on the Purchase fast tab.

Does the solution meet the goal?

A. Yes

B. No

Answer: B

Explanation:

Reference:

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

## Question: 147

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 the purchasing manager at a manufacturing company that makes audio equipment-

You sign an agreement with a vendor to purchase 5,000 speaker cables. Item C0001, at a discounted rate of \$3,00 per cable. This agreement expires in exactly one year.

You need to set up pricing information and track the fulfillment of the agreement.

Solution: Create a purchase agreement for the vendor that specifies a product quantity commitment. Include the quantity, the price, and the expiration date.

Does the solution meet the goal?

A. Yes

B. No

**Answer: A**

Explanation:

Reference:

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

## Question: 148

A company uses Dynamics 365 Supply Chain Management.

The finance department processes royalty claims using the accounts payable module.

You need to pass the claims to the accounts payable group for payment.

Which three events will occur? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. A Royalty accrual journal posting reverses the previous interim postings for accrual and expense amounts.
- B. A credit is posted to the vendor's payable account.
- C. A vendor invoice for the royalty payment is set to draft.
- D. A new vendor invoice for the royalty is created and posted.



E. A hold is put on the amounts held in the royalty fees account

Answer: A,B,D

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/royalty-contract>

## Question: 149

### HOTSPOT

A company orders parts from a vendor. The vendor frequently ships more units than the company orders.

An approving manager must receive notification when the quantity of units received is more than 10 percent above the number of units ordered.

You have an existing notification workflow.

You need to ensure that the notification is generated.

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

NOTE: Each correct selection is worth one point.

#### Answer Area

##### Requirement

##### Action

Configure overdelivery/underdelivery percent.

On the Purchase order form, purchase order lines fast tab, configure the overdelivery field On the Purchase order form, purchase order lines fast tab, configure the underdelivery field On the Sales order form, sales order line fast tab, configure the

Notify user about required approval

Register the product on an arrival journal and post a journal.

Answer:

Explanation:

##### Requirements

##### Action

Configure overdelivery/underdelivery percent

On the Purchase order form, purchase order lines fast tab, configure the overdelivery field On the Purchase order form, purchase order lines fast tab, configure the underdelivery field On the Sales order form, sales order line fast tab, configure the

overdelivery field On the Sales order form, sales order line fast tab, configure the underdelivery field

Notify user about required approval

Register the product and post the receipt list

Register the product on a purchase order line and post a receipt

Receive a product on a transfer order

Register the product on an Arrival journal and post a journal

## Question: 150

A company manufactures and sells custom bicycles. Customers can customize some components to create a custom bicycle. You need to configure sales orders to support the customization allowed for custom bicycle orders. What are two possible ways to achieve this goal?

Each correct answer presents a complete solution. NOTE: Each correct selection is worth one point.

- A. Create a sales order for the bicycle and make configuration selections on the order for the upgraded seat and handlebars. The production order will be automatically generated with the correct seat and handlebars.
- B. Create a sales order for the bicycle and add separate line items for the upgraded seat and handlebars.
- C. Create a sales order for the bicycle. Modify the production order after it has been reported as finished to delete the standard seat and handlebars and add the upgraded seat and handlebars.
- D. Configure the product to allow for the seat and handlebars selection to be defined at order creation, automatically adding an up charge to the sales price.

Answer: A,D

Explanation:

## Question: 151

HOTSPOT

A company implements Dynamics 365 Sales to manage sales prospects.

A salesperson must create a customer record for a new client in Dynamics 365 Supply Chain Management.

You need to create a sales order from an existing quote.

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

NOTE: Each correct selection is worth one point.

**Answer Area**

**Convert to Sale**

**Actions**

Define the customer.

Generate the sales order.

**Convert to Sale**

**Actions**

**Mtw\* the Customer**

Create Customer from Lead

Convert i ead to customer

Generate the sales order

Confirm the quote

Confirm the sales order

**Answer**

Explanation:

## Convert to Sale

## Actions

Define the customer.

Create Customer from Lead.  
Convert Lead to Customer.

Generate the sales order.

Confirm the quote.  
Confirm the sales order.

### Question: 152

A company manufactures and sells surround-sound audio systems. A third-party company manufactures the stereo receivers as part of the Bill of materials (BOM) for complete sound systems.

You need to automatically create a purchase order for the stereo receiver from the production order for a sound system.

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

NOTE: Each correct selection is worth one point.

- A. Assign the Vendor account to the service item BOM line.
- B. Set service item BOM line type to Vendor.
- C. Set the service item BOM line type to Pegged supply
- D. Link the service items to the vendor on the costing sheet.
- E. Attach the service item to the parent item as a BOM line.

Answer: A,B,E

Explanation:

## Question: 153 HOTSPOT

A company plans to stock new items and value those items by using FIFO principle. The company has multiple sites set up. There are multiple warehouses for each site.

You must be able to view the value and quantity of these items at each warehouse.

You need to apply FIFO costing per warehouse.

How should you complete the costing setup? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

### Answer Area

#### Requirement

Create the product and assign costing method,  
Create Storage dimension groups.

#### Action

### Answer Area

#### Requirement

Create the product and assign costing method  
Create Storage dimension groups.

Set the Costing method field to FIFO  
Set the Item model group to FIFO  
Enter the FIFO amount in the Cost price field  
Set the Item group to FIFO

Answer:

## Explanation:

#### Requirement

Create the product and assign costing method

#### Action

Set the Costing method field to FIFO

Set the Item model group to FIFO

Enter the FIFO amount in the Cost price field

Set the Item group to FIFO

Create Storage dimension groups

Physically and financially track inventory by site and warehouse

Physically track inventory by site Financially track inventory by site and warehouse

Physically track inventory by warehouse Financially track inventory by warehouse

Physically track inventory by site, warehouse and location Financially track inventory by warehouse

## Question: 154

### DRAG DROP

A company implements warehouse locations in Dynamics 365 Supply Chain Management.

You need to configure location directives for inventory movement.

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

#### Strategies

FEFO batch reservation

Empty location with no incoming work

Consolidate

#### Answer Area

##### Requirement

- Configure outbound sales picking.
- Identify locations for similar items in a warehouse.
- Identify free locations in a warehouse.

##### Configuration option

strategy

strategy

strategy

Explanation:

Answer:

## Requirement

## Configuration option

Configure outbound sales picking

FEFO batch reservation

Identify locations for similar items in a warehouse Consolidate

Identify free locations in a warehouse

Empty location with no incoming work

## Question: 155

DRAG DROP

You are the quality supervisor for a company. You receive 100 units of item C0001.

You find defects in some units. You move the items to quarantine for further inspection. Fifty units fail inspection.

You need to scrap the defective units.

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

Enter a split quantity of 50

Enter a scrap quantity of 50.

From the Quality order, create a Non-conformance for the scrap.

From the Quarantine order, select the Split function.

Select the Scrap function.

Post an inventory journal entry to remove 50 pieces of scrap from inventory.

### Answer Area



Answer:

Explanation:

From the Quarantine order, select the Split function

Enter a split quantity of 50

Select the Scrap function

Enter a scrap quantity of 50

Question: 156

A company is implementing sales order functionality in Dynamics 365 Supply Chain Management. The company has a business requirement to fulfill sales orders by using direct delivery. You need to enter a direct delivery sales order so that a purchase order is automatically created. What should you do after you enter the sales order and lines?

- A. Change the order type to journal and manually enter a PO for the sales order line items on the sales order header.
- B. Select automatic and confirm the sales order on the line level setup tab in the reservation field.
- C. Change the site to direct delivery and confirm the sales order.
- D. Change the delivery type on the sales order line to direct delivery and select save.

Answer: D

Explanation:

Question: 157

A distribution company wants to set up barcodes in their Dynamics 365 Supply Chain Management system for warehouse scanning.

Barcodes will be entered manually.

You need to minimize the risk of errors on barcode entry.

What should you do?

- A. Create a new barcode, enter the value, select the type, and enter the mask.
- B. Select an item, select the barcode type, select max length, and enter the value.
- C. Select an item and set up security on the barcode field.
- D. Create a new barcode, enter the value, select the type, and enter the size and max length.

**Answer: B**

**Explanation:**

**Question: 158**

A warehouse picks and ships product.

The warehouse completes work immediately upon automatic release to the warehouse.

You need to configure waves to allow for automatic work creation.

What should you do?

- A. Automate wave creation and process the wave automatically at threshold.
- B. Select the wave template and process the wave at release to warehouse.
- C. Select the wave template and attribute to automatically process.
- D. Automate replenishment and process the wave at release.

**Answer: A**

**Explanation:**

**Reference:**

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/warehousing/tasks/configure-wave-processing>

## Question: 159

A company plans to implement Dynamics 365 Supply Chain Management shipping manifests. The company wants to use a multiple-level manifest process.

You need to ensure that the system is configured for multiple-level manifest processing. What should you validate?

- A. The allow split picks configuration is enabled.
- B. All containers are manifested after the container group is manifested.
- C. All containers are manifested before the container group is manifested.
- D. All container types are set up with all four attributes.

Answer: C

Explanation:

Reference:

<https://cloudblogs.microsoft.com/dynamics365/no-audience/2016/12/01/improved-packing-functionality-dynamics-365-for-operations-1611/>

## Question: 160

DRAG DROP

A company uses Dynamics 365 Supply Chain Management. The company plans to streamline their receiving process for shipments that arrive daily.

You need to set up inbound shipment processing.

In which order should you perform the actions? 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.

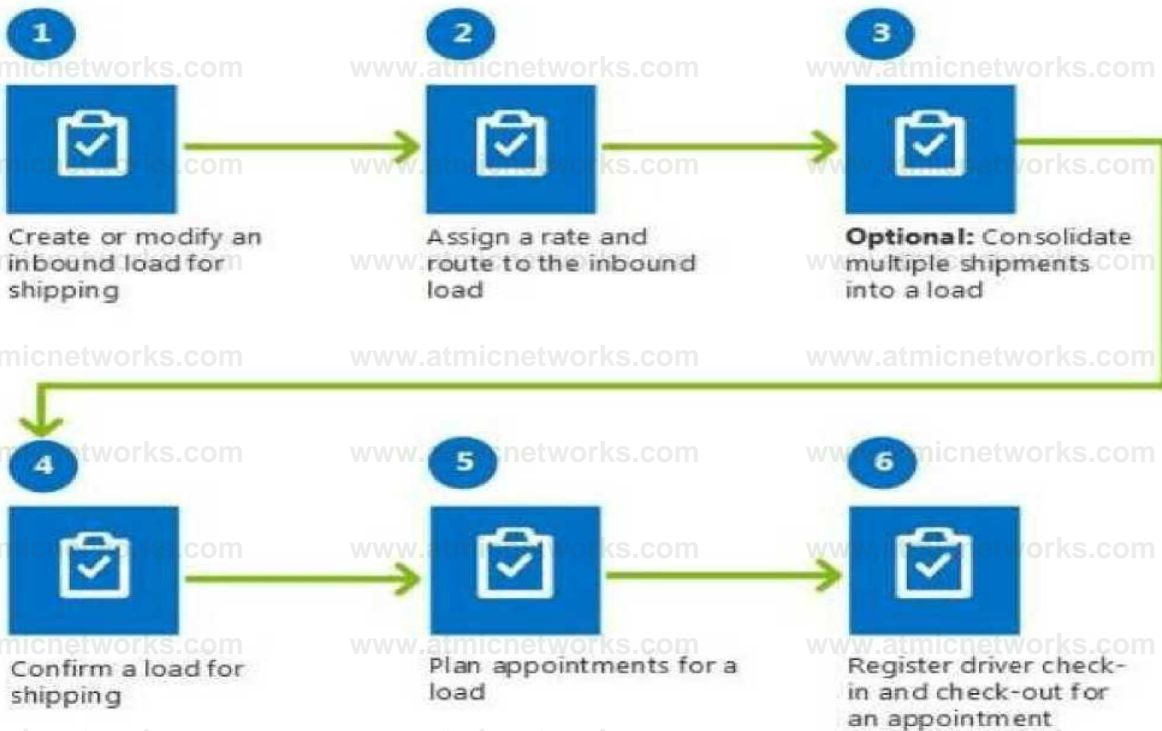
.....

Actions	Answer Area
Assign a rate and route.	
Consolidate multiple shipments that can be consolidated and then confirm load.	
Create a load for shipping.	
Plan appointments for the load.	
Register a driver check-in and check-out for appointment.	

Navigation arrows: > < (left of actions), < > (right of answer area)

Answer:

Explanation:



<https://docs.microsoft.com/en-us/dynamics365/supply-chain/transportation/transportation-management-overview>

### 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 company is implementing inventory management in Dynamics 365 Supply Chain Management.

The company needs to block inventory and ensure that physical inventory will not be reserved by other outbound transactions.

You need to select the appropriate option to block the inventory in the system.

Solution: Manually create a transaction on the inventory blocking page.

Does the solution meet the goal?

A. Yes

B. No

**Answer: A**

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/inventory/inventory-blocking>

## 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 company is implementing inventory management in Dynamics 365 Supply Chain Management.

The company needs to block inventory and ensure that physical inventory will not be reserved by other outbound transactions.

You need to select the appropriate option to block the inventory in the system.

Solution: Create a quality order on the quality orders page for the quantity to be blocked.

Does the solution meet the goal?

A. Yes

B. No

**Answer: B**

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/inventory/inventory-blocking>

### Question: 163

A vendor is offering a rebate program on bottles of wine that have purchase orders placed within a month. There is a \$5.00 rebate on the purchase of 10-100 bottles and \$6.00 rebate for the purchase of 101-200 bottles. Customers can purchase wine by the bottle or by the case. Discounts apply to all varieties of wine sold by the vendor.

You need to create a vendor rebate agreement to ensure that the correct rebate amount is claimed at the end of the month.

Solution: On the rebate agreement, set the start date to be the first of the month. set the expiry date to be 30 days.

Does the solution meet the goal?

A. Yes

B. No

**Answer: B**

Explanation:

### Question: 164

A vendor is offering a rebate program on bottles of wine that have purchase orders placed within a month. There is a \$5.00 rebate on the purchase of 10-100 bottles and a \$6.00 rebate for the purchase of 101-200 bottles. Customers can purchase wine by the bottle or by the case. Discounts apply to all varieties of wine sold by the vendor.

You need to create a vendor rebate agreement to ensure that the correct rebate amount is claimed at the end of the month,

Solution: On the rebate agreement, in the unit of measure rebate option, select exact match.

Does the solution meet the goal?

A. Yes

B. No

**Answer: B**

Explanation:

### Question: 165

A warehouse uses mobile devices for locating products.

Products are listed in the Inventory module in incorrect locations. Users must therefore manually locate products to be picked. You need to ensure that the users' mobile device updates ^locations of the products.

Which two actions should you take to update product locations by using the mobile devices? Each correct answer presents part of the solution. NOTE: Each correct selection is worth one point.

A. Scan a shelf barcode and update the inventory.

B. Manually find the physical location of the product.

- C. Log into a desktop computer and update the Inventory module
- D. Manually move product to the correct physical location

**Answer: A,B**

**Explanation:**

### Question: 166

An organization has two legal entities One of the companies is going to sell» new product to the other company The company that will receive the pduct must get a discount on items for the first three months of initial sales. You need to configure the system to apply the discount for the specified period. What should you do?

- A. Set up an intercompany purchase agreement. Do not allow the validity period to be edited.
- B. Set up a Trade Agreement. Set the To Date field to end in three months.
- C. Set the default purchase price on the company that is receiving the product
- D. Enter the default purchase price on the company that is selling the product.

**Answer: B**

**Explanation:**

### Question: 167

DRAG DROP

A company distributes products. The company produces some of the products it distributes.

The company needs to move from manual to automatic inventory reservations.

You need to set up automatic reservations.

Which parameters should you select? To answer, drag the appropriate parameters to the correct reservation policies 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.

**Parameter types**

- Item Model Group
- Inventory and Warehouse Management
- Production

**Answer Arc\***

**Reservation policy**

Reserve items automatically for sales

**Parameter type**

Parameter type

Reserve items automatically for transfers

Parameter type

Receive items when work is scheduled

Parameter type

**Answer:**

Explanation:

**Parameter types**

- Item Model Group
- Inventory and Warehouse Management
- Production

**Answer Area**

Answer Area

.....

Reservation policy

Reserve items automatically for sales.

Reserve items automatically for transfers.

Reserve items when work is scheduled.

Parameter type

Inventory and Warehouse Management

Item Model Group

Production

**Question: 168**

You are the planner for a distribution company.

You observe an increase in planned orders for item C0001. You must track the source for these planned orders and break them out based on their demand. You are not concerned with safety stock maximums for this item.

You need to ensure that the master planning batch job will create a unique planned purchase order for every

new demand requirement for C0001.

Which coverage code should you use?

- A. Manual
- B. Period
- C. Min/Max
- D. Requirement

Answer: D

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/coverage-settings>

## Question: 169

A company sells jars of sliced or whole pickles. The company produces jars of various sizes.

You need to set up the item to ensure that pickles have a single item number for all container sizes.

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

- A. Setup the size, color, and style in each legal entity. Go to the products form, create a new product and assign it to each dimension.
- B. Create a new product master with predefined variant configuration technology and release to the legal entities. Use the product dimensions to define the size, color, and style.
- C. Create and release a product to the legal entities. Use the storage dimensions to define the size, color, and style.
- D. Create a new product master with dimension-based configuration technology and release to the

legalentities. Use the configuration to define the size, color, and style.

Answer: B,D

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/pim/product-identifiers>

Question: 170

A company manufactures street, mountain, and racing bicycles.

The company wants to use product variants to control bicycle configuration.

You need to configure the bicycles in the system.

What should you do?

- A. Create mountain, street, and racing bicycles as separate configuration models.
- B. Use one item number for all types of bicycles. Use a separate configuration number for each type of bicycle.
- C. Use different item numbers for mountain, street, and racing bicycles.

Answer: A

Explanation:

Question: 171

A company implements the Dynamics 365 Supply Chain Management procurement module.

During testing, you observe that no transactions are posted to the product receipt journal when an item is received.

You need to configure the system to show the appropriate transactions in the product receipt journal.

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

NOTE: Each correct selection is worth one point.

- A. On the Item group setup form, enter account information in the Purchase, accrual and Purchaseexpenditure, un-invoiced account fields.
- B. On the Item model group setup form, select Include physical value.
- C. On the item group setup form, enter account information in the Purchase, accrual and Purchaseexpenditure for product fields.
- D. On the Item model group setup form, select Accrue liability on product receipt.

Answer: A,D

Explanation:

Question: 172  
SIMULATION

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

You plan to trade a product named Professional Speaker Cable in the color gray.

You need to release all the available variants of Professional Speaker Cable in gray.

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

Answer: See  
[explanation below.](#)

Explanation:

Click Product information management > Common > Products > Product masters.

Select a product master, and then click Release products in the Product authorization group on the Action Pane.

Select all product variants in the Product variants group for the color gray.

Leave the defaults on the Select companies link.

Click OK to open the Product release session batch dialog box.

Select the Show Infolog upon failure check box to be notified if the release is not completed.

If the product master of the variants has not already been released to the company, select the Include product master check box.

Reference:

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/key-tasks-release-products>

## Question: 173

### SIMULATION

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

You need to post a new trade agreement that will contain the following prices:

Surface Pro 128GB: 750 US dollars for orders of 50 units or less

Surface Pro 128GB: 720 US dollars for orders from 50 units to 100 units

The agreement must be valid for the 2020 calendar year only.

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

**Answer: See  
explanation below.**

Explanation:

Go to Navigation pane > Modules > Sales and marketing > Prices and discounts > Trade agreement journals.

Click New.

In the Name field, click the drop-down button to open the lookup.

In the list, select S\_Price (Sales Price Adjustment).

On Action Pane, click Lines.

In the Account code, select 'All' (for All customers)

In the Item code field, select 'Table'. This will allow you to select a specific item.

In the Item relation field, click the drop-down button to open the lookup.

Select the Surface Pro 128GB.

In the From field, enter a minimum quantity (1).

In the To field, enter a maximum quantity (50).

In the Amount in currency field, enter a price (750) and select US Dollars in the Currency field.

Configure another price bracket with a minimum of 51 units, a maximum of 100 units and a price of 720 US Dollars.

Under the Details section, in the From date field, enter a date from which this agreement will be valid (January 1st 2020).

In the To date field, enter a date to which this agreement will be valid (December 31st 2020).

Click Save.

Click Validate.

Click Validate selected lines.

Click OK.

Click Post.

Click OK.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/sales-marketing/tasks/create-new-trade-agreement>

## Question: 174

### SIMULATION

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

You need to copy the bill of materials (BOM) of item number T0012 to a new BOM.

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

**Answer: See  
explanation below.**

#### Explanation:

Open item number T0012.

Go to Engineer >BOM>Lines and select the BOM for the item.

Click on Create BOM.

Select the Copy option.

Ensure the Add option is selected to create a new BOM rather than overwrite the existing BOM.

Click OK.

## Question: 175

### DRAG DROP

During a company's busy season, the sales team experiences multiple backorders.

The company wants to use forecasting to determine seasonal buying trends.

You need to define the setup and data set required for forecasting.

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	Answer Area
Select <b>Seasonality</b> Period key and End date.	
Create a manual Demand forecast line for the total quantity to be allocated.	
Set Method as <b>Key</b> .	⬅
Set Method as <b>Period</b> .	➡
Select <b>Allocate</b> forecast.	

⬆

⬇

Answer:

Explanation:

Create a manual Demand forecast line for the total quantity to be allocated.

Select Allocate forecast

Set Method as Period

Select Seasonality Period key and End date

Question: 176

A company uses Dynamics 365 Supply Chain Management to manage inventory.

The company realizes that there is an incorrect inventory amount for Item 33442 in Warehouse 1.

You need to correct the inventory amount by using the posting setup configured on the item group.

Which two journal types achieve the goal? Each correct selection provides a complete solution.

NOTE: Each correct selection is worth one point.

- A. Inventory adjustment journal
- B. Inventory transfer journal
- C. Inventory movement journal
- D. Inventory counting journal

Answer: A,C

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/inventory-journals>

Question: 177

DRAG DROP

A company opens a new warehouse facility.

You need to receive items on a transfer order by using an arrival overview.

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

- Post an arrival journal.
- Update item arrival journal.
- Post a transfer order receipt.
- Start arrival.
- Open the Arrival overview form.



Answer:

Explanation:

- Open the Arrival overview form.
- Start arrival.
- Update item arrival journal.
- Post an arrival journal.
- Post a transfer order receipt.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/arrival-overview>

Question: 178

You use Dynamics 365 Supply Chain Management to manage inventory.

You need to adjust inventory and override the current item posting setup.

Which journal type should you use?

- A. inventory adjustment
- B. inventory transfer
- C. movement
- D. item arrival

Answer: C

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/inventory-journals>

## Question: 179 SIMULATION

You are a functional consultant for a company named Contoso Entertainment System USA (USMF).  
You plan to manage safety stock level.

You need to configure a minimum stock level of 1,500 units for an item named StandardSpeakerUpSel in  
warehouse number 13.

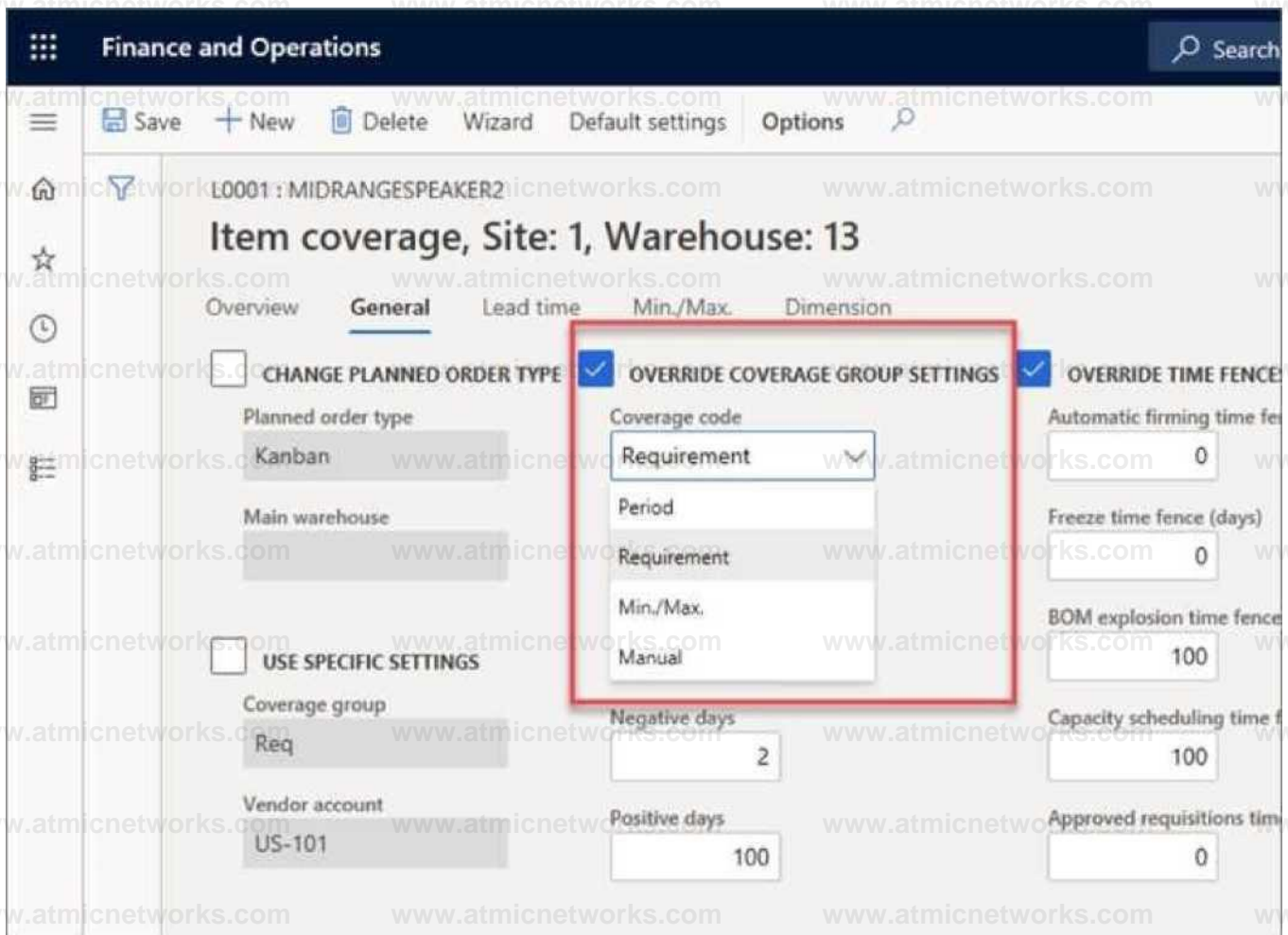
To complete this task, sign in to Dynamics 365 portal.

Answer: See  
explanation below.

Explanation:

Select Product information management > Products > Released products and then select the product  
(StandardSpeakerUpSel), and then on the Action Pane, in the Plan tab, in the Coverage group, select Item coverage to  
open the Item coverage page.

Select Min/Max in for the Coverage code and enter the value 1,500 for the Minimum value.



Reference:

<https://docs.microsoft.com/en-us/learn/modules/configure-use-master-planning-dyn365-supply-chain-mgmt/02-setup>

Question: 180

SIMULATION

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

From sales order number 000720, you need to ensure that a product named Projector Television is delivered directly to a customer.

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

Answer: See  
explanation below.

Explanation:

When you configure Direct Delivery (direct from the Vendor), a PO is created to purchase the item from the Vendor and have it shipped directly to the customer. The instructions below include generating the PO and a product receipt. These steps may not be required in the exam but are included for reference.

1. Go to Navigation pane > Modules > Accounts receivable > Orders > All sales orders.
2. Select New.
3. Search for and select sales order number 000720.
4. On the Action Pane, select Sales order, then select Direct delivery. The Create delivery page lists all the open sales order lines as copied from the sales order.
5. Select the sales order line for the product named Projector Television.
6. The Vendor account field will be populated. A message informs you that the purchase order has now been created.
7. Expand the Line details section.
8. Select the Delivery tab and verify that the Direct delivery field is set to Yes.
9. On the Action Pane, select General.
10. Select Related orders.
11. Select the link in the Purchase order field.
12. Expand the Line details section and select the Address tab.

The delivery address for this purchase order line is the customer's delivery address and not your company's address.

13. Select the Delivery tab.

Like the sales order line, the associated purchase order line type is also set to Direct delivery.

14. On the Action Pane, select Purchase.
15. Select Confirmation.
16. Select OK.

17. On the Action Pane, select Receive.

18. Select Product receipt.

19. In the Product receipt field, type a value.

20. Select OK.

21. On the Action Pane, select General.

22. Select Related orders and highlight the desired record.

After the purchase order has been updated as received, or in other words, after the vendor has shipped the goods to your customer's address, the status of the originating sales order is automatically updated to Delivered.

The sales order can now be invoiced.

23. Select OK.

24. Close the page.

25. Select OK. Close the pages and return to the home page.

#### Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/sales-marketing/direct-deliveries>

## Question: 181

### SIMULATION

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

You need to configure a new quality process for item number M0017. The process must meet the following requirements:

Perform an impedance test on 100 percent of the units purchased.

Initiate the test after the product receipt is posted.

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

Answer: See  
explanation below.

Explanation:

Configure Item Sampling to specify 100 percent of the units.

Configure Quality Association to specify what test to run and configure the test to run after the receipt is posted.  
Configure Item Sampling.

Go to Inventory management > Setup > Quality control > Item sampling.

Click New.

In the Item sampling field, type the name 100%.

In the Description field, type a value (100%).

In the Quantity specification field, select percent.

In the Value field, enter a number (100)

Click Save.

Close the page.

Configure a Quality Association

Go to Inventory management > Setup > Quality control > Quality associations.

Click New.

In the Reference type field, select Purchase.

In the Item code field, select Table.

In the Item field, select the item M0017.

In the Event type field, select Product Receipt.

In the Execution field, select After.

Expand or collapse the Specifications section.

In the Test group field, find and select the Impedance test.

Click Save.

Close the page.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/tasks/set-up-quality-orders>

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/enable-quality-management>

## Question: 182 SIMULATION

:111

## SIMULATION

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

You perform a manual inventory count and discover that item number T0003 has an inventory count of 230 units.

You need to adjust the inventory to reflect the manual count.

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

**Answer: See  
explanation below.**

Explanation:

There are several ways to update the inventory. You can use one of the inventory adjustment journals or you can use the quantity adjust functionality to adjust the Quantity of Inventory from the 'On hand inventory' form.

Navigate to Product Information management > Products > Released Product

In the Released Product form, select item number T0003.

On the Manage Inventory action tab, click the 'On Hand inventory' button.

On 'On Hand inventory' you can check available quantity.

Click the Quantity adjustment button to adjust the quantity.

In the Quantity field, specify the quantity 230.

Once the quantity has been specified click on OK button.

Now you can check adjusted quantity on 'On Hand Inventory' form.

Reference:

<https://www.cloudfronts.com/quantity-adjustment-hand-inventory-d365-finance-operations/>

## Question: 183

:115

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

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

A company has an agreement to pay royalties to a third party for use of their logo.

A royalty contract must be setup so that the third party paid monthly. The payment is based on invoiced sales.

You need to create a royalty contract and create monthly Accounts payable to the third party.

Solution: Use the automatically calculated royalty amounts to approve and then create a monthly claim to pay the vendor.

Does the solution meet the goal?

- A. Yes
- B. No

Answer: B

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/royalty-contract>

### Question: 184

:116

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

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

A company has an agreement to pay royalties to a third party for use of their logo.

A royalty contract must be setup so that the third party paid monthly. The payment is based on invoiced sales.

You need to create a royalty contract and create monthly Accounts payable to the third party.

Solution: Add line items to a royalty contract with the associated customer and create sales orders for the items.

Does the solution meet the goal?

A. Yes

B. No

Answer: B

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/royalty-contract>

### Question: 185

: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.

A company has an agreement to pay royalties to a third party for use of their logo.

A royalty contract must be setup so that the third party paid monthly. The payment is based on invoiced sales.

You need to create a royalty contract and create monthly Accounts payable to the third party.

Solution: Create a royalty contract. Select monthly for the cumulative sales. Add line item, products, and value to pay the vendor for use of the logo.

Does the solution meet the goal?

A. Yes

B. No

**Answer: A**

**Explanation:**

**Reference:**

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/royalty-contract>

**Question: 186**

**HOTSPOT**

:118

**HOTSPOT**

A parent company owns two subsidiaries.

Some of the products manufactured in one of the subsidiaries must be sold to the other subsidiary so they can be sold in retail stores.

You need to configure the customer and products for intercompany setup.

How should you configure the setup? To answer, select the appropriate options in the answer areas.

NOTE: Each selection is worth one point.

**Value**

**Action**

Customer

Activate intercompany and select the corresponding company and My vendor account

Activate intercompany and select the corresponding company and My customer account Specify

the vendor in the Vendor field on the Customer Record

Link the customer the vendor in the Global Address book.

Products '

Release products to both companies

Release products to one company.

Release two different products one to each company.

Create one product that will auto-release when orders are created

Answer:

Explanation:

Value

Action

Customer

- Activate intercompany and select the corresponding company and My vendor account
- Activate intercompany and select the corresponding company and My customer account
- Specify the vender in the Vendor field on the Customer Record
- Link the customer the vendor in the Global Address book

Products

- Release products to both companies
- Release products to one company.
- Release two different products one to each company.
- Create one product that will auto-release when orders are created

Question: 187

HOTSPOT

:119

HOTSPOT

A company sells licensed products.

You must pay the licensor royalties for the items each month.

You need to set up a royalty agreement to pay the licensor.

How should you set up the royalty agreement? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Requirement

Value or action

Specify the royalty agreement ledger accounts

Accounts payable and Inventory
Accrual and Expense
Accounts receivable and Inventory
Accounts payable and Expense

Create royalty claims at the time of sales

Open
Invoiced
Shipped
Picked

Complete the claim

Post the Royalty accrual journal and create and post the vendor invoice.
Post the General journal and create and post the vendor invoice.
Post the General journal and post the Accounts payable journal
Post the Royalty accrual journal and post the Accounts payable journal

Answer:

Explanation:

Requirement

Value or action

Specify the royalty agreement ledger accounts

Accounts payable and Inventory
Accrual and Expense
Accounts receivable and Inventory
Accounts payable and Expense

Create royalty claims at the time of sales

Open
Invoiced
Shipped
Picked

Complete the claim.

Post the Royalty accrual journal and create and post the vendor invoice.
Post the General journal and create and post the vendor invoice
Post the General journal and post the Accounts payable journal
Post the Royalty accrual journal and post the Accounts payable journal

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-payable/royalty-contract>

## Question: 188

### SIMULATION

: 120

### SIMULATION

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

You need to regenerate a master plan named DynPlan for item number D0023.

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

**Answer: See  
explanation below.**

Explanation:

You specify the planning method in the Master planning run dialog box. To open this dialog box, go to Master planning > Master planning > Run > Master planning, or select Run in the Master planning workspace.

#### Regeneration

The regeneration planning method deletes existing planned orders, unless they are firm. It generates new planned orders, based on all the requirements. Regeneration is the only planning method that is available for static plans.

Changes in supply are considered. These changes include changes in the forecast.

This method respects the Period coverage code.

This method supports product substitution functionality (PI).

Select DynPlan in the Master Plan field.

Select Regeneration in the Planning Method field.

Enter D0023 in the Item Number field.

## Question: 189

### SIMULATION

: 121

### SIMULATION

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

You need to generate a requisition for the supply of 50 units of a product named Lifecam HD 5000, and then submit the requisition for approval.

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

**Answer: See  
explanation below.**

#### Explanation:

Create a new requisition

Go to Navigation pane > Modules > Procurement and sourcing > Purchase requisitions > Purchase requisitions prepared by me.

Select New.

In the Name field, give the requisition a name.

In the Requested date field, enter a date.

In the Accounting date field, enter a date. Select OK.

In the Reason field, select an option from the drop-down menu. Select the reason.

In the details field enter a more descriptive justification for the requisition.

Add a line to the requisition

Select Add line. There are two ways of adding lines to the purchase requisition. If you already know the product number

or you already know that you are requesting a product that is not in the product catalog, then you can add the line directly with Add line. The other way is to use Add products where you can use searching and filtering to find items in the product catalog.

Select the row you just created.

In the Item number field, type a value. The items that are available for you to choose are limited by the category access policy and the procurement catalog for the buying legal entity.

In the Quantity field, enter a number.

Submit the requisition

Select Workflow to open the drop dialog.

Select Submit.

Close the page.

In the Comment field, type a note for the approver of the requisition.

Select Submit.

Close the page.

Refresh the page.

Reference:

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

**Question: 190**

**SIMULATION**

: 122

**SIMULATION**

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

Sales order number 000754 contains a delivery detail of three ruggedized laser projectors. The customer reports that

only two projectors were delivered.

You need to update the packing slip for the sales order.

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

**Answer: See  
explanation below.**

**Explanation:**

Select Sales and marketing > Common > Sales orders > All sales orders.

Search for and select sales order number 000754.

On the Pick and pack tab, select Packing slip to open the packing slip.

Click on the Correct button.

On the Parameters FastTab, in the Quantity field, enter 2.

Set the Posting option to Yes to post the packing slip.

Set the Print packing slip option to Yes to print the packing slip when it's posted.

**Question: 191**

**SIMULATION**

: 123

**SIMULATION**

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

USMF recently experienced issues with a transport company. Many packages were returned because the boxes were opened during delivery.

Users in the sales department are creating sales order returns for the returned open boxes.

You need to configure the system to ensure that the sales department users can select a predefined description of Open Box for each sales order return.

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

**Answer: See  
explanation below.**

**Explanation:**

You need to configure a Return Reason Code.  
Click Sales and marketing > Setup > Sales orders > Returns > Return reason codes.

Press CTRL + N to create a new return reason code line.

In the Return reason code field, enter text to identify this code (enter Open Box).

In the Description field, enter text to describe the return reason code.

Use the Return reason code group drop-down list to add the code to a return reason code group.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/service-management/set-up-return-reason-code>

**Question: 192**

**HOTSPOT**

: 124

**HOTSPOT**

A company uses outside carrier services for inbound and outbound deliveries.

Carrier services must be scheduled so that all trucks do not show up at the same time.

You need to configure the c module to schedule the loads.

How should you set up dock appointments? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Select the load.

- Select Open Load.
- Select Closed Load.
- Select Shipped Load.
- Select Closed Container.

Create the appointment.

- Create an appointment rule and firm the appointment.
- Create and close an appointment.
- Group the sales orders into a container.
- Firm the load for shipment.

Answer:

Explanation:

Select the load.

- Select Open Load.
- Select Closed Load.
- Select Shipped Load.
- Select Closed Container.

Create the appointment.

- Create an appointment rule and firm the appointment.
- Create and close an appointment.
- Group the sales orders into a container.
- Firm the load for shipment.

Reference:

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/plan-appointments-for-a-load>

### Question: 193

A company uses Dynamics 365 Supply Chain Management for wave processing.

The system must automatically create a wave when a sales order is released to the warehouse.

You need to configure the system to meet this requirement.

Which configuration should you enable?

- A. Automate wave release
- B. Assign to open waves
- C. Process wave automatically threshold
- D. Automate wave creation

**Answer: A**

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/warehousing/tasks/configure-wave-processing>

### Question: 194

HOTSPOT

: 127

HOTSPOT

A company uses several freight carriers. Freight is calculated by mileage.

You need to configure the system.

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

NOTE: Each correct selection is worth one point.

**Action**

**Value**

Set up engines.

- Mileage, Rate
- Freight Bill type, Mileage
- Rate, Zone
- Zone, Transit time

Configure rate engine metadata.

- Rate base type
- Zone master
- Mileage engine configuration
- Zone master and Rate base type

Answer:

Explanation:

**Action**

**Value**

Set up engines.

- Mileage, Rate
- Freight Bill type, Mileage
- Rate, Zone
- Zone, Transit time

Configure rate engine metadata.

- Rate base type
- Zone master
- Mileage engine configuration
- Zone master and Rate base type

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/transportation/transportation-management-engines>

### Question: 195

DRAG DROP

A company is implementing inventory by using Dynamics 365 Supply Chain Management. You need to set up inventory journals and ensure that they are used for the correct processes. Which journal types should you use? To answer, drag the appropriate journal types to the correct actions. Each journal 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.

Journal types	Answer Area	Journal type
Counting	Action	
Transfer	Confirm on-hand inventory quantities.	
Movement	Move product from one warehouse to another.	
Adjustment	Add costs to an inventory item.	

Answer:

Explanation:

## Action

## Journal type

Confirm on-hand inventory quantities.

Counting

Move product from one warehouse to another.

Transfer

Add costs to an inventory item.

Adjustment

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/inventory-journals>

### Question: 196

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

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

A company has an agreement to pay royalties to a third party for use of their logo.

A royalty contract must be setup so that the third party paid monthly. The payment is based on invoiced sales. You need to create a royalty contract and create monthly Accounts payable to the third party.

Solution: Create a royalty claim in Accounts receivable. Set up the third party as a customer to be paid royalties for use of the logo.

Does the solution meet the goal?

A. yes

B. No

Answer: B

Explanation:

### Question: 197

A company receives a large quantity of inventory into the warehouse.

The inventory has a short shelf life and must be sent out to the stores as soon as possible.

You need to use Buyer's push to transfer the inventory out to the stores.

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

NOTE: Each correct selection is worth one point.

- A. Create a sales order.
- B. Create transfer orders.
- C. Select Product and ship open sales orders.
- D. Select Product and distribution method.

Answer: B,D

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/use-buyer-s-push-to-distribute-products>

### Question: 198

You are the logistics manager at a distribution company.

Your primary carrier service provides rates for transportation between New York City and Colorado.

These rates are a flat rate depending on the city or general area of pickup as follows:

New York City = \$500

Colorado = \$450

You need to set up Transportation Management to calculate the rate from New York City to Colorado.

What should you do?

- A. Using the Point-to-Point engine with an empty break master, assign rates based on starting and ending locations.
- B. Create a Shipping carrier and service. Create carrier accessorial charges to represent the rates for each location.

- C. Use a mileage-based rate engine to configure a rate master that calculates the rate based on the miles from New York City to Colorado.
- D. Set up a Transit Time Engine to track days from New York City to Colorado. Set up rates in the Rate Master tied to day breaks.

**Answer: A**

**Explanation:**

**Question: 199**

A company creates a new bill of materials (BOMs). The company subcontracts with a vendor to manufacture one component for the BOM.

You need to ensure that only the production manager is permitted to approve BOMs.

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

NOTE: Each correct selection is worth one point.

- A. Assign security permissions to approve the BOM version but not the related BOM.
- B. Assign security permissions to the user for the approval form.
- C. Assign security permissions to the Vendor portal.
- D. Set up the approver as a vendor.
- E. Set up the approver as an employee.

**Answer: B,E**

**Explanation:**

**Question: 200**

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 the purchasing manager at a manufacturing company that makes audio equipment.

You sign an agreement with a vendor to purchase 5,000 speaker cables, item C0001, at a discounted rate of \$3.00 per cable. This agreement expires in exactly one year.

You need to set up pricing information and track the fulfillment of the agreement.

**Solution:**

Create a trade agreement journal of type Price (purch.).

Add a line for item C0001 for the vendor.

Enter a unit price of \$3,00 for a quantity up to 5,000 and enter an expiration date for next year.  
Does the solution meet the goal?

A. Yes

B. No

**Answer: B**

Explanation:

**Question: 201**

You are implementing Dynamics 365 Supply Chain Management for a company that uses bill of materials (BOM) templates to expedite setup in the system.

A line must be removed from the BOM, but the system does not allow this.

You need to determine why you are unable to perform this deletion.

Why are you unable to delete the line?

A. The BOM template version has already been saved.

B. The local version of the BOM template has been associated to a service object.

C. The local version of the BOM template has been modified.

D. The BOM template has been associated to a service object.

**Answer: D**

Explanation:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/service-management/template-boms>

**Question: 202**

DRAG DROP

A company is designing a new bicycle by using a dimension-based Bill of materials (BOM).

The configuration groups have been defined and created.  
You need to set up a BOM for the new bicycle.

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 dimension-based configurations.

Define configuration routes.

Define configuration rules.

product master.

Create and release a predefined variant product master.

Create and release a dimensionbased product master.

### Answer Area

© Create a BOM for the dimension-® based



Answer:

Explanation:



Create a BOM for the dimension based product master.  
Define configuration routes.

Define configuration rules.

Create dimension-based configurations.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/pim/dimension-based-product-configuration>

### Question: 203

DRAG DROP

You are implementing Dynamics 365 Supply Chain Management.

A user reports that some of the quarantine statuses appear to mean the same thing.

You need to explain the status of quarantine orders by the location of the item.

What is the status of the orders based on the location of the item? To answer, drag the appropriate

statuses to the correct steps. Each 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.

#### Statuses Answer Area

	Step	Status
Created	The inventory has been transferred from the regular warehouse to the quarantine warehouse.	<input type="text"/>
Started	Item arrival journal has been initialized to move the item back to the regular warehouse but remains in the quarantine warehouse.	<input type="text"/>
Reported as Finished		<input type="text"/>
Ended	The item status is set to sold at the quarantine warehouse.	<input type="text"/>

Answer:

Explanation:

## Step

## Status

The inventory has been transferred from the regular warehouse to the quarantine warehouse.

Started

Item arrival journal has been initialized to move the item back to the regular warehouse but remains in the quarantine warehouse.

Reported as  
Finished

The item status is set to sold at the quarantine warehouse.

Ended

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/quarantine-orders>

### Question: 204

A company runs out of inventory in warehouse 22 but has overstock in warehouse 11. The warehouses are linked to the same site.

The inventory must be moved from warehouse 11 to warehouse 22. The company must retain ownership of the inventory financially and be able to generate reports as to where the inventory value resides at all times.

You need to create an order to move the stock.

What should you do?

- A. Create a transfer order from the transit warehouse to warehouse 22.
- B. Create a transfer order from warehouse 11 to the transit warehouse.
- C. Create a transfer order from warehouse 11 to warehouse 22.
- D. Create a sales order for warehouse 11 and a purchase order for warehouse 22.

**Answer: C**

Explanation:

Question: 205  
HOTSPOT

A company must ship product from one warehouse, receive it in another, and account for the inventory. It will take two days for the shipment to travel between locations.

You need to set up and process the transfer between the two warehouses.

How should you complete the setup? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

**Action**

Create the transaction.

**Value**

	▼
transfer order	
transfer journal	
movement journal	
sales order	

Add items.

	▼
Enter item number, quantity, and unit of measure and price.	
Enter item number, quantity, and unit of measure only.	
Enter item number and quantity only.	
Enter item number and unit of measure and price only.	

Answer:

Explanation:

**Action**

**Value**

Create the transaction.

	▼
transfer order	
transfer journal	
movement journal	
sales order	

Add items.

	▼
Enter item number, quantity, and unit of measure and price.	
Enter item number, quantity, and unit of measure only.	
Enter item number and quantity only.	
Enter item number and unit of measure and price only.	

## Question: 206

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

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

A company is implementing inventory management in Dynamics 365 Supply Chain Management.

The company needs to block inventory and ensure that physical inventory will not be reserved by other outbound transactions.

You need to select the appropriate option to block the inventory in the system.

Solution: Configure a blocking cause in the inventory setup configuration.

Does the solution meet the goal?

- A. Yes
- B. No

**Answer: B**

Explanation:

## Question: 207

You identify a new vendor.

You must create a purchase agreement for the vendor that includes direct invoicing and insurance.

You need to create a classification for the purchase agreement.

What should you do?

- A. Set the value for Certification to Yes. Set the value for Requires direct invoicing to No.
- B. Set the value for Certification to No. Set the value for Requires direct invoicing to No.
- C. Set the value for Certification to Yes. Set the value for Requires direct invoicing to Yes.
- D. Set the value for Certification to No. Set the value for Requires direct invoicing to Yes.

Answer: C

Explanation:

Question: 208

DRAG DROP

A client uses Dynamics 365 Supply Chain Management to manage prospects and the sales cycle.

A sales representative needs to create a sales quotation for a current prospect and validate that the 40 percent margin requirements are being met.

You need to create the sales quotation, verify the margin requirements, and send the quotation to the prospect.

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

## Answer area

- Add lines to the sales quotation.
- Use the price simulation tool.
- Create a sales order for the prospect.
- Send the quotation.
- Create a sales quotation for the prospect.
- Use the order events function.



Answer:

Explanation:

Create a sales quotation for the prospect.

Add lines to the sales quotation.

Use the price simulation tool.

Send the quotation.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/sales-marketing/price-simulation>

Question: 209

DRAG DROP

A company uses procurement in Dynamics 365 Supply Chain Management.

You need to select the correct system functionalities to meet the company's requirements.

Which system functionalities should you select? To answer, drag the appropriate system functionalities to the correct business requirements. Each system 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.

### System functionalities Answer Area

External catalog

Vendor catalog

Procurement catalog

Catalog policy rule

Business requirement

View a vendor's website to select items and bring the item information and pricing into the system on a purchase requisition.

Import a vendor's catalog into the system with their item information.

Create a catalog of items and assign them to specific business units.

Associate specific catalogs to specific legal entities in the system.

System functionality

Answer:

Explanation:

## Business requirement

View a vendor's website to select items and bring the item information and pricing into the system on a purchase requisition.

Import a vendor's catalog into the system with their item information.

Create a catalog of items and assign them to specific business units.

Associate specific catalogs to specific legal entities in the system.

## System functionality

External catalog

Vendor catalog

Procurement catalog

Catalog policy rule

Question: 210

DRAG DROP

A company uses Dynamics 365 Supply Chain Management.

You need to implement inventory cycle counting.

Which counting methods should you use? To answer, drag the appropriate counting methods to the correct requirements.

Each counting 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.

## Counting methods

- system directed cycle count
  - count cycle count
  - grouping user-directed cycle count
  - spot count
- Explanation:

## Requirement

- Guide the user through a count and assign a cycle counting work ID to the user.
- Allow the user to determine which location, work pool, or zone to count.
- Allow the user to determine which location to count and when to count the location.
- Perform an on-demand count

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/warehousing/cycle-counting>

## Answer Area

### Requirement

- Guide the user through a count and assign a cycle counting work ID to the user.
- Allow the user to determine which location, work pool, or zone to count.
- Allow the user to determine which location to count and when to count the location.
- Perform an on-demand count.

### Counting method


Answer:

### Counting method

- |                             |
|-----------------------------|
| system directed cycle count |
|-----------------------------|
- cycle count
  - grouping
  - user-directed cycle count
  - spot count

## Question: 211

You are the warehouse manager at a distribution center.

In the warehouse, items must be moved to a staging location before moving to the baydoor location for shipping.

You need to set up a work template that accomplishes this pick/put scenario.

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

NOTE: Each correct selection is worth one point.

- A. Create one work class ID with valid location types of staging and baydoor. Assign these to the worktemplate details.
- B. Create two work templates: one is a pick/put from inventory to staging and the other is from staging to baydoor.
- C. Create a sales order work template with two pick/put pairs: one to staging and the second to baydoor.
- D. Create two work class IDs: one with valid put location types of staging and the other of baydoor. Assign these to the appropriate put work types on the work template.

Answer: B,D

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/warehousing/control-warehouse-locationdirectives>

## Question: 212

You are the warehouse manager at a large distribution company and are responsible for all outbound processing. You decide to implement cluster picking functionality to more efficiently aid in picking.

When warehouse workers log in to the mobile device to process a cluster pick, the work items are **not** assigned to positions as expected.

You need to validate the cluster picking setup .

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

NOTE: Each correct selection is worth one point.

- A. Review the Sales order Work template.
- B. Validate the Cluster profile's positions and sorting setup.
- C. Validate whether there is a Cluster profile selected on the Mobile device menu item.
- D. Review the Location directive for sales picking.

Answer: B,C

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/warehousing/control-warehouse-location-directives>

Question: 213

A company plans to use the warehouse mobile app for cluster picking.

The system must break the cluster when stocking items.

You need to configure the system.

What should you do?

- A. On the Mobile device menu items form, select an option for the Directed by field.
- B. On the Cluster profile form, add a value to the Sequence Put-away field.
- C. On the Cluster profile form, add a value to the Break cluster at field.
- D. On the Mobile device menu items form, add a value for the Work type –Put-away field.

Answer: C

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/warehousing/system-directed-cluster-pick>

<https://ellipsesolutions.com/dynamics-365-thing-called-cluster-picking/>

## Question: 214

### HOTSPOT

A company needs to stock inventory in their warehouse. Inbound purchase order materials may need to be placed into more than one location in the warehouse.

You need to configure placement for inventory in the warehouse.

How should you set up location directives? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Configuration option

Value

Sequential setup of new

location directive

Location directive action

strategy

	▼
Location Directive, Lines, and Location Directive Actions	
Location Directive Actions, Lines, and Location Directive Lines, Location Directive, and Location Directive Actions	
Location Directive Actions, Location Directive, and Lines	
	▼
Match packing, Consolidate, and Empty location with no incoming work	
FEFO batch reservation, None, and Match packing	
Empty location with no incoming work, None, and Consolidate	

Answer:

Explanation:

**Configuration option**

**Value**

Sequential setup of new

location directive

Location directive action

strategy

	▼
Location Directive, Lines, and Location Directive Actions	
Location Directive Actions, Lines, and Location Directive Lines, Location Directive, and Location Directive Actions	
Location Directive Actions, Location Directive, and Lines	
	▼
Match packing, Consolidate, and Empty location with no incoming work	
FEFO batch reservation, None, and Match packing	
Empty location with no incoming work, None, and Consolidate	

Reference:

<https://dynamics-tips.com/location-directives-and-work-templates-explained/>

## Question: 215

A company uses Dynamics 365 Supply Chain Management.

The company obtains packaging cartons in metric tons and sells them as individual items. The packaging cartons come in various sizes and are maintained as product variants.

You need to configure unit conversion for the packaging cartons.

What should you do?

- A. Enable unit of measure conversions in the product master. Configure the intra-class unit conversion feature in the Organization administration module.
- B. Disable unit of measure conversions in the product master. Configure the inter-class unit conversion feature in the Organization administration module.
- C. Enable unit of measure conversions in the product master. Configure the inter-class unit conversion feature in the Organization administration module.
- D. Enable unit of measure conversions in the product master. Configure the intra-class unit conversion feature in the released product.

Answer: C

Explanation:

Reference:

<https://docs.microsoft.com/en-us/business-applications-release-notes/april19/dynamics365-finance-operations/uom-by-variant>

## Question: 216

DRAG DROP

A company uses Dynamics 365 Supply Chain Management.

The company needs to maintain item bar codes.

You need to set up bar codes for the items.

Which option should you use for each requirement? To answer, drag the appropriate options to the correct requirements. Each 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.

NOTE: Each correct selection is worth one point.

**Options**

- Create/Update bar codes
- Create bar codes from number secuense
- Scanning
- Product section location
- Released product

**Answer Area**

**Requirement**

- Create bar codes in all legal entities where the item is released.
- Create bar codes for a specific vendor.
- Ensure that unique bar codes are set up for all items.

**Option**


Answer:

Explanation:

**Requirement**

**Option**

Create bar codes in all legal entities where the item is released.

Released product

Create bar codes for a specific vendor.

Create bar codes from number secuense

Ensure that unique bar codes are set up for all items.

Scanning

Reference:

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/use-bar-codes-in-warehouse-operations>

## Question: 217

A company uses Dynamics 365 Supply Chain Management.

Orders are reserved against open purchase orders that have not yet been received. As a result, there are issues prioritizing deliveries, which is causing backorders on both sales orders and transfer orders.

Negative inventory is not currently allowed.

Product reservations must be performed against physical stock only.

You need to update the configuration for product reservations.

What should you do?

- A. Clear the Reserve Items Automatically check box for transfers.
- B. Clear the Reserve Ordered Items check box.
- C. Select the Auto batch reservations check box.
- D. Select the Physical negative inventory check box.

**Answer: B**

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/reserve-inventory-quantities>

## Question: 218

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

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

A company uses Dynamics 365 Supply Chain Management to manage inventory.

Backorders exist on customer sales orders because incorrect data was given on product quantities.

Users need to look up what quantity can be sold and when more product will arrive.

Solution: Physical Available shows what quantity can be sold.

Does the solution meet the goal?

A. Yes

B. No

Answer: A

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/inventory-on-hand-list>

## Question: 219

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

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

A company uses Dynamics 365 Supply Chain Management to manage inventory.

Backorders exist on customer sales orders because incorrect data was given on product quantities.

Users need to look up what quantity can be sold and when more product will arrive.

Solution: Total Available shows what is available for sale at that point in time.

Does the solution meet the goal?

A. Yes

B. No

Answer: B

Explanation:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/inventory-on-hand-list>

## Question: 220

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a

unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

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

A company uses Dynamics 365 Supply Chain Management to manage inventory.

Backorders exist on customer sales orders because incorrect data was given on product quantities.

Users need to look up what quantity can be sold and when more product will arrive.

Solution: Ordered shows what quantities are on inbound orders to the warehouse.

Does the solution meet the goal?

A. Yes

B. No

**Answer: A**

**Explanation:**

**Reference:**

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/inventory-on-hand-list>

**Question: 221**

A warehouse picks and ships product.

The warehouse completes work immediately upon automatic release to the warehouse.

You need to configure waves to allow for automatic work creation.

What should you do?

A. Select the wave template and attribute to automatically process.

B. Release to warehouse and process the work.

C. Automate wave creation and process the wave at release to warehouse.

D. Automate wave creation and automatically process work.

**Answer: C**

**Explanation:**

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/warehousing/tasks/configure-wave-processing>

## Question: 222

DRAG DROP

A company is implementing Dynamics 365 Supply Chain Management. You need to determine which planning engine meets each business requirement. Which planning engine should you use for each requirement? To answer, drag the appropriate planning engines to the correct requirements. Each planning engine 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.

Planning engines

Answer Area

	Requirement	Planning engine
Planning optimization only	Automatically firm orders based on the order date.	
Planning optimization and master planning	Calls an outside service to run for optimal performance.	
Master planning only	Copies static to dynamic plans.	

Explanation:

Answer:

## Requirement

Automatically firm orders based on the order date.

Calls an outside service to run for optimal performance.

Copies static to dynamic plans.

## Planning engine

Planning optimization only

Planning optimization only

Reference:

<https://docs.microsoft.com/en-us/learn/modules/planning-optimization/10-auto-firming>

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/planning-optimization-overview>

## Question: 223

DRAG DROP

A company implements Dynamics 365 Supply Chain Management.

The company needs to improve the reliability of their forecasting data.

You need to implement demand forecasting to meet the requirements.

What should you do? To answer, drag the appropriate actions to the correct requirements. Each action 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.

**Actions**

- Push data into the staging table.
- Generate a statistical baseline forecast.  
Use safety stock calculations.
- Use the statistical baseline forecast generation history feature.
- Use demand forecast details.

**Answer Area**

**Requirement**

- Gather transactional historical data to generate the forecast.
- View the historical demand and forecast graphically.
- Automatically create planned orders in the master planning process based on the requirement or end date.

**Action**


**Action**

**Answer:**

**Explanation:**

**Requirement**

Gather transactional historical data to generate the forecast.

Push data into the staging table.

View the historical demand and forecast graphically.

Use demand forecast details.

Automatically create planned orders in the master planning process based on the requirement or end date.

Generate a statistical baseline forecast.

**Reference:**

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/introduction-demand-forecasting>

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/manual-adjustments-baseline-forecast>

### Question: 224

A company uses planning optimization in Dynamics 365 Supply Chain Management.

A planning optimization job is triggered by mistake from the user interface. The planning optimization job is running with incorrect runtime filters.

You need to resolve the issue.

What should you do?

- A. Cancel the job from the plan history.
- B. Cancel the job from the dialog box.
- C. Disable the environment add-in.
- D. Cancel the planning optimization fit analysis.

Answer: A

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/cancelplanning-job>

### Question: 225

A company uses Dynamics 365 Supply Chain Management.

The company is consistently short on inventory for a group of produced finished good items. This creates

customer service issues.

You need to ensure that production orders are automatically created when inventory is low.

Which two actions should you perform? Each answer represents a partial solution.

NOTE: Each correct selection is worth one point.

- A. Update the item maximum.
- B. Update the item minimum.
- C. Set Capable to Promise.
- D. Create a safety stock journal.
- E. Create a transfer journal.

Answer: B,D

Explanation:

### Question: 226

A company uses planning optimization in Dynamics 365 Supply Chain Management. Automatic firming is enabled. Some of the planned purchase orders are not being firming as expected. The inventory planners therefore need

to manually process planned purchase orders.

You need to include the planned purchase orders in automatic firming.

What are two possible configurations you can use? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Lead Time
- B. Automatic firming time fence (days)
- C. Requirements Date
- D. Freeze time fence on master plan

Answer: A,B

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/planningoptimization-auto-firming>

Question: 227  
HOTSPOT

A company uses Dynamics 365 Supply Chain Management to sell consumer electronics to retailers across North America.

An inventory manager needs to view purchase orders by different periods of time for all warehouses.

If there are insufficient orders for expected demand, the manager must create new purchase or transfer orders to meet the demand versus the current on-hand inventory that is already allocated for future demand.

The company also needs to keep a surplus of 5 percent of inventory for unexpected demand.

You need to identify a solution to meet these requirements.

Which feature should you use for each requirement? To answer, select the appropriate options in the

answer area.

NOTE: Each correct selection is worth one point.

**Requirement**

View on-hand stock versus demand information in a form.

View the amount of on-hand inventory that is needed to fulfill next month's orders.

Explanation:

**Feature**

	▼
Demand forecast lines	
Item requirement statistics	
Planned orders	
Supply schedule	
	▼
Period end inventory	
Period end pegged inventory	
Period net supply	
Period start inventory	

Answer:

## Requirement

## Feature

View on-hand stock versus demand information in a form.

Demand forecast lines Item

requirement statistics

Planned orders

Supply schedule

View the amount of on-hand inventory that is needed to fulfill next month's orders.

Period end inventory

Period end pegged inventory

Period net supply

Period start inventory

### Reference:

<https://community.dynamics.com/ax/f/microsoft-dynamics-ax-forum/147370/supply-schedule-form/497235>

### Question: 228

A company that has two legal entities is implementing Dynamics 365 Supply Chain Management. Products do not contain variants. One legal entity will use advanced warehouse management and the other legal entity will not use it.

The same product will be sold in both legal entities but require different setup due to the warehousing requirements.

You need to set up the product in both legal entities without duplicating efforts or item numbers.

Which method should you use?

A. released product data entity

B. product master

C. released product

D. item template

E. product

Answer: C

Explanation:

Question: 229

DRAG DROP

A company uses Dynamics 365 Supply Chain Management with basic warehouse processes. Mobile devices are not used in the two warehouses. Warehouse items that have an A classification are counted weekly through automatic cycle count journals that are created per warehouse.

Items that are in both warehouses appear only in one journal for counting. Counts are inaccurate because picking is posted against items that are being counted.

You need to resolve the cycle count issues. 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.

### Configurations

### Requirement

### Configuration

Cycle count thresholds

Inventory blocking

Lock items during count

Warehouse item setup

Items must appear in both journals.

Transactions must be stopped.

Answer:

Explanation:

## Requirement

## Configuration

Items must appear in both journals.

Warehouse item setup

Transactions must be stopped

Lock items during count

Question: 230

DRAG DROP

A company uses Dynamics 365 Supply Chain Management with master planning.

The company needs to enable planning optimization functionality to improve master planning

processes.

You need to advise which prerequisites the company must fulfill to enable planning optimization.

What must the company do? To answer, drag the appropriate types to the correct prerequisites. Each type 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.

Types

Prerequisite

Type

Perform a planning optimization fit analysis.

Optional
Mandatory

Assess the existing deployment type of Dynamics 365 Supply Chain Management.

Validate function availability within a geographic region


Answer:

Explanation:

**Prerequisite**

**Type**

Perform a planning optimization fit analysis.

Optional

Assess the existing deployment type of Dynamics 365 Supply Chain Management.

Mandatory

Validate function availability within a geographic region.

Mandatory

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/get-started>

Question: 231

DRAG DROP

A manufacturing company uses Dynamics 365 Supply Chain Management.

You must update the safety stock level for raw materials.

You need to calculate and process minimum coverage proposals based on data from historical transactions.

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

Create safety stock journal lines by including the current month's transactions.

Post the safety stock journal.

Select the **Use average issue during lead time** option.



Create safety stock journal lines by excluding the current month's transactions.

Select the **Use service level** option.

Select a value for the required service level.



Answer:

Explanation:

Create safety stock journal lines by excluding the current month's transactions.

Select the **Use average issue during lead time** option.

Post the safety stock journal.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/production-control/tasks/use-safety-stock-journal-update-minimum-coverage>

Question: 232  
HOTSPOT

A company implements Dynamics 365 Supply Chain Management. You complete the prerequisites to implement the master planning optimization. You need to configure the planning optimization feature. What should you do? To answer, select the appropriate options in the answer area.  
NOTE: Each correct selection is worth one point.

Requirement

Ensure that existing planning jobs fail to process

- Enable the Use planning optimization option when the planning optimization service is connected
- Enable the Use planning optimization option when the planning optimization service is disconnected
- Disable the Use planning optimization option when the planning optimization service is connected
- Disable the Use planning optimization option when the planning optimization service is disconnected

Use the default planning optimization engine

- Enable the Use planning optimization option when the planning optimization service is connected
- Enable the Use planning optimization option when the planning optimization service is disconnected
- Disable the Use planning optimization option when the planning optimization service is connected
- Disable the Use planning optimization option when the planning optimization service is disconnected

Answer:

Explanation:



Ensure that existing planning

y

jobs fail to process

Enable the Use planning optimization option when the planning optimization service is connected

Enable the Use planning optimization option when the planning optimization service is disconnected

Disable the Use planning optimization option when the planning optimization service is connected

Disable the Use planning optimization option when the planning optimization service is disconnected

Use the default planning optimization engine

Enable the Use planning optimization option when the planning optimization service is connected

Enable the Use planning optimization option when the planning optimization service is disconnected

Disable the Use planning optimization option when the planning optimization service is connected.

Disable the Use planning optimization option when the planning optimization service is disconnected

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/get-started>

Question: 233

HOTSPOT

A company that has three legal entities is implementing Dynamics 365 Supply Chain Management.

One legal entity supplies the other two legal entities as customers with inventory. Intercompany master planning must be set up and run in the least amount of time.

You need to configure the system to meet the requirements.

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

NOTE: Each correct selection is worth one point.

**Requirement**

**Configuration**

Define the intercompany planning group.

| v

One group and three legal entities Three groups and one legal entity

One group for the supplier and a second group for the customer legal entities

Run efficient iterations.

1

2

30

Answer:

Explanation:

Define the intercompany planning group.

One group and three legal entities  
Three groups and one legal entity  
One group for the supplier and a second group for the customer legal entities

Run efficient iterations.

1  
2  
30

Reference:

<http://d365tour.com/en/microsoft-dynamics-d365o/master-planning-d365fo/intercompany-master-planning/>

Question: 235  
HOTSPOT

All items that a company purchases from a specific vendor arrive with defects.

You need to automatically generate quality orders for all items when the products are physically received from the vendor, and product receipts are issued.

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

NOTE: Each correct selection is worth one point.

Field	Value
Reference type	<ul style="list-style-type: none"><li>Sales</li><li>Purchase</li><li>Inventory</li><li>Quarantine</li></ul>
Item code	<ul style="list-style-type: none"><li>All</li><li>Table</li><li>Group</li></ul>
Event type	<ul style="list-style-type: none"><li>Registration</li><li>Receipts list</li><li>Product receipt</li></ul>
Execution	<ul style="list-style-type: none"><li>After</li><li>Before</li></ul>

Explanation:

Answer:



Field	Value
Reference type	<div style="border: 1px solid black; padding: 2px;"> <div style="text-align: right; padding-right: 5px;">▼</div> <div style="padding: 2px;">Sales</div> <div style="padding: 2px; background-color: #e0e0e0;">Purchase</div> <div style="padding: 2px;">Inventory</div> <div style="padding: 2px;">Quarantine</div> </div>
Item code	<div style="border: 1px solid black; padding: 2px;"> <div style="text-align: right; padding-right: 5px;">▼</div> <div style="padding: 2px; background-color: #e0e0e0;">All</div> <div style="padding: 2px;">Table</div> <div style="padding: 2px;">Group</div> </div>
Event type	<div style="border: 1px solid black; padding: 2px;"> <div style="text-align: right; padding-right: 5px;">▼</div> <div style="padding: 2px;">Registration</div> <div style="padding: 2px;">Receipts list</div> <div style="padding: 2px; background-color: #e0e0e0;">Product receipt</div> </div>
Execution	<div style="border: 1px solid black; padding: 2px;"> <div style="text-align: right; padding-right: 5px;">▼</div> <div style="padding: 2px; background-color: #e0e0e0;">After</div> <div style="padding: 2px;">Before</div> </div>

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/quality-orders>  
<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/quality-associations>

### Question: 236

A company plans to run their profit and loss statements by using the site storage dimension. If the site is changed on sales order, purchase order, or other source document, a mismatch is created between financial and storage dimensions. This leads to incorrect profit and loss reporting. You need to ensure that the financial dimension updates when the site storage dimension changes.

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

NOTE: Each correct selection is worth one point.

- A. Lock the dimension link.
- B. Associate the financial dimension hierarchy with the storage dimension hierarchy in the organization chart.
- C. On the storage dimension site setup screen, select Default inventory status ID.

D. Associate the site storage dimension with the site financial dimension.

E. Activate the dimension link.

Answer: A,D,E

Explanation:

### Question: 237

A company uses Dynamics 365 Supply Chain Management.

Products must automatically be classified based on the company's objectives and priorities.

You need to create the ABC model.

Which three ABC codes should you configure? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

A. Margin

B. Cost

C. Revenue

D. Profit

E. Value

Answer: A,C,E

Explanation:

Reference:

<https://dynamics-tips.com/abc-classification-explained-d365-finance-and-operations/>

### Question: 238

A company uses Dynamics 365 Supply Chain Management. Products are being added to purchase orders for the incorrect vendors



You need to restrict which products can be purchased from specific vendors.  
Which two features should you use? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Approved vendor list
- B. Item group
- C. Vendor group
- D. Vendor external item
- E. Item model group

Explanation:

Answer: A,D

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/procurement/tasks/approve-vendors-specific-products>

## Question: 239

### HOTSPOT

A company is implementing purchase requisition features in Dynamics 365 Supply Chain Management.

You need to configure the appropriate purchase requisition solutions. Which solution should you use for each scenario? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

#### Scenario

#### Solution

Allow the selection of items from a vendor's website and use the selections to create a purchase requisition line with correct pricing.

- Select Add lines on the purchase requisition line entry.
- Select External catalogs on the purchase requisition line entry.
- Select Suggest vendors on the purchase requisition line menu.

Allow specific employees to view a list of requestors.

- Configure purchase requisition permissions.
- Configure purchasing policies.
- Configure purchase requisition expenditure reviewers.
- Configure buying groups.

Answer:

Explanation:

**Scenario**

**Solution**

Allow the selection of items from a vendor's website and use the selections to create a purchase requisition line with correct pricing.

- Select Add lines on the purchase requisition line entry
- Select External catalogs on the purchase requisition line entry
- Select Suggest vendors on the purchase requisition line menu

Allow specific employees to view a list of requestors.

- Configure purchase requisition permissions
- Configure purchasing policies
- Configure purchase requisition expenditure reviewers
- Configure buying groups

Question: 240

DRAG DROP

A company plans to create purchase agreements in the system for specific vendors.

You need to select the correct purchase agreement types for each vendor.

Which purchase agreement types should you use? To answer, drag the appropriate purchase agreement types to the correct scenarios. Each purchase agreement 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.

**Purchase agreement types**

**Scenario**

**Purchase agreement type**

Product quantity commitment

Purchase 600 units of product 36001 from a vendor.

Value commitment

Purchase \$14,000 of goods from a vendor.

Product category value commitment

Purchase \$5,000 of office supplies from a vendor.

Product value commitment

Purchase \$4,500 of product 4234 from a vendor.



Explanation:

Answer:

**Scenario**

**Purchase agreement type**

Purchase 600 units of product 36001 from a vendor.

Product quantity commitment

Purchase \$14,000 of goods from a vendor.

Value commitment

Purchase \$5,000 of office supplies from a vendor.

Product category value commitment

Purchase \$4,500 of product 4234 from a vendor.

Product value commitment

Reference:

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

Question: 241

DRAG DROP

You are helping a company implement Dynamics 365 Supply Chain Management.

You need to implement disposition codes for sales return orders.

Which disposition codes should you use? To answer, drag the appropriate disposition codes to the correct scenarios. Each disposition code 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.

Disposition codes

Scenario

Disposition code

Credit

The customer is credited but keeps the item

Credit only

The customer returns the item and is credited

Replace and scrap

The item is returned and scrapped, and a new item is sent back.

Return to customer

The item is returned, inspected, and sent back after inspection

Explanation:

Answer:

**Scenario**

**Disposition code**

The customer is credited but keeps the item.

Credit only

The customer returns the item and is credited.

Credit

The item is returned and scrapped,  
and a new item is sent back.

Replace and scrap

The item is returned, inspected,  
and sent back after inspection.

Return to customer

Question: 242

DRAG DROP

A client uses Dynamics 365 Supply Chain Management.

You need to configure automatic freight reconciliation.

Which configuration options should you use? 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.

NOTE: Each correct selection is worth one point.

**Configuration options**

freight bill type

freight bill type assignment

audit master

**Requirement**

Specify how freight bills and carrier invoices should be matched.

Map a freight bill to a carrier.

Define tolerance limits and how to handle discrepancies.

**Configuration option**

Answer:

Explanation:

**Requirement**

Specify how freight bills and carrier invoices should be matched.

Map a freight bill to a carrier.

Define tolerance limits and how to handle discrepancies.

**Configuration option**

freight bill type

freight bill type assignment

audit master

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/transportation/tasks/set-up-automatic-freight-reconciliation>

## Question: 243

### HOTSPOT

You are configuring the period templates that are used for inventory inquiries. Today's date is November 3, 2020.

The period templates configuration is shown in the following graphic. You set the value for the Direction field to backward.

### Periods

— New <sup>®</sup> Delete <sup>4s</sup> Move up <sup>^</sup> Move down

	Period	Number of periods	Create lines	Period description
	Day	5	<input type="checkbox"/>	Month %1
	Week	4	<input type="checkbox"/>	Week %4
1 <sup>^</sup>	Month	3	<input type="checkbox"/>	Month %6

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.

On which day will the Outlook period start?"

- July 31 2020
- November 2 2020
- November 3 2020
- November 4 2020
- March 1 2021

What will the current configuration for the month and open days?

- the future three months with open days for each day of the month
- the previous three months with open days for each day of the month
- a single month after the calculated date with three months of open days
- a single month before the calculated date with three months of open days
- a single backlog line before the calculated date with three months of open days

Answer:

Explanation:

On which day will the Outlook period start?

- July 31 2020
- November 2 2020
- November 3 2020
- November 4 2020
- March 1 2021

What will the current configuration show for the month and open days?

- the future three months with open days for each day of the month
- the previous three months with open days for each day of the month
- a single month after the calculated date with three months of open days
- a single month before the calculated date with three months of open days
- a single backlog line before the calculated date with three months of open days

Question: 244

HOTSPOT

A client uses master planning in Dynamics 365 Supply Chain Management.

The client wants to make sure that the item coverage groups are configured properly.

You need to validate the configurations.

Which configurations should you validate for each scenario? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

**Scenario**

**Configuration**

Define system-generated replenishment suggestions for up to a specified number of days.

	▼
coverage time fence (days) field	
receipt margin added to requirement date	
issue margin	
positive days	

Specify the delivery past due threshold.

	▼
positive days	
negative days	
issue margin deducted from requirement date	
receipt margin added to requirement date	

Answer:

Explanation:

**Scenario**

**Configuration**

Define system-generated replenishment suggestions for up to a specified number of days.

	▼
coverage time fence (days) field	
receipt margin added to requirement date	
issue margin	
positive days	

Specify the delivery past due threshold.

	▼
positive days	
negative days	
issue margin deducted from requirement date	
receipt margin added to requirement date	

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/tasks/define-coverage-rules-items>

### Question: 245

A company uses Dynamics 365 Supply Chain Management. The company does not use variants and sells items only out of a single legal entity. You need to configure the system to avoid unnecessary product creation overhead. What should you do?

- A. Create a released product master
- B. Create a personal template for unreleased products
- C. Create a released product
- D. Create an unreleased product and release the product
- E. Create a shared template for unreleased products

Answer: C

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/pim/product-information>

### Question: 246

A company uses Dynamics 365 Supply Chain Management. Inventory value is standard and updated only once per year. The company wants to convert costing from standard to moving average. You need to convert the items from standard to moving average. Which three actions must you perform? Each answer presents a partial solution.

NOTE: Each correct selection is worth one point.

- A. Change the Item Group
- B. Adjust the inventory quantity to zero
- C. Adjust the inventory cost to zero
- D. Run inventory close
- E. Change the Item Model Group

Answer: B,C,E

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/cost-management/moving-average>

## Question: 247

### HOTSPOT

A company sells vehicles and performs multiple quality checks on them while in production.

The company receives a customer complaint about a 2019 vehicle that has leaks around the windows and door seals.

You need to block inventory on these vehicles and perform quality tests to ensure that there are no leaks.

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

NOTE: Each correct selection is worth one point.

Configuration

Action	
Stop an item for purchase or sale. Change the inventory status to block	
Stop an item from inventory transactions	
Block an item group	
Create movement journals to hold the items	

Create tests

Create variables and outcomes and set pass/fail	
Create quarantine order and run tests	
Create production orders to run tests	
Create a sales order to sell the tests to the consumers	

Answer:

Explanation:

**Configuration**

**Action**

Block inventory

Stop an item for purchase or sale. Change the inventory status to block	
Stop an item from inventory transactions	
Block an item group	
Create movement journals to hold the items	

Create tests

Create variables and outcomes and set pass/fail	
Create quarantine order and run tests	
Create production orders to run tests	
Create a sales order to sell the tests to the consumers	

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/quality-test-variables>

**Question: 248**  
DRAG DROP

A company plans to make changes to change management processes for purchase orders.

Currently, the system requires an approval for any change. The company wants to implement reapproval only when there is a change to the quantity or the unit price in a purchase order.

You need to configure the change management process to require re-approval only on changes to quantity and unit price.

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**

- Select re-evaluation fields (quantity and price) and add to the policy rule
- Create a new purchasing policy or edit an existing one
- Select re-approval rule for purchase orders policy and create a new policy rule

**Answer Area**



Answer:

Explanation:

Create a new purchasing policy or edit an existing one

Select re-approval rule for purchase orders policy and create a new policy rule

Select re-evaluation fields (quantity and price) and add to the policy rule

Reference:

<https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/set-up-a-reapproval-rule-for-purchase-orders>

Question: 249  
HOTSPOT

A company uses Dynamics 365 Supply Chain Management. There are two warehouses. All inventory is purchased into Warehouse1 and transferred to Warehouse2 based on replenishment rules.

Planned orders were generated overnight by the master planning engine and do not need to be reviewed.

Warehouse1 orders for Warehouse2 do not show as available for picking and shipping.

Planned orders must be available for warehouse processing as quickly as possible and processed as a group.

You need to configure the system to meet the requirements. Which solution should you configure for each requirement? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

**Requirement**

**Solution**

Filter the appropriate planned orders

	▼
Warehouse1 Transfer Orders	
Warehouse2 Transfer Orders	
Warehouse1 Purchase Orders	
Warehouse2 Purchase Orders	

Process as a group

	▼
Firm	
Firm All	
Group orders	
Parallelize firming	

Increase speed of processing

	▼
Firm All	
Parallelize firming	
Performance software development kit (SDK)	
Planning optimization	

Answer:

Explanation:

## Requirement

## Solution

Filter the appropriate planned orders

	▼
Warehouse1 Transfer Orders	
Warehouse2 Transfer Orders	
Warehouse1 Purchase Orders	
Warehouse2 Purchase Orders	

Process as a group

	▼
Firm	
Firm All	
Group orders	
Parallelize firming	

Increase speed of processing

	▼
Firm All	
Parallelize firming	
Performance software development kit (SDK)	
Planning optimization	

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/maintain-planned-orders>

## Question: 250

A retailer that uses Dynamics 365 Supply Chain Management is conducting master planning runs with 300,000 items in a single planned order run on average.

Optimizations are needed to improve performance. Most of the items in the master planning runs do not have dependencies on the other items.

Planning multiple items together in a single group will help with performance. You need to configure the system to increase performance.

Which configuration should you use?

- A. Number of tasks in a helper bundle
- B. Number of threads
- C. Use of cache
- D. Time fences
- E. Number of orders in a firming bundle

Answer: A

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/master-planning-performance>

Question: 251

A company uses Dynamics 365 Supply Chain Management.

Sales of an item doubles during the holiday season. You plan to revise the minimum coverage proposal of the item.

You need to update the item's new minimum quantity in safety stock journal lines.

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

NOTE: Each correct selection is worth one point.

- A. Update the Multiplication factor field. Calculate the minimum proposal for the inventory level.
- B. Update the New minimum quantity value to match the value in the Calculated minimum quantity field.

C. Select the Service level. Calculate the minimum proposal for the inventory level.

D. Select the Use the calculated minimum quantity as the new minimum quantity parameter option.  
Calculate the minimum proposal for the inventory level.

Answer: A,B

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/production-control/tasks/use-safety-stock-journal-update-minimum-coverage>

Question: 252  
HOTSPOT

A company uses Dynamics 365 Supply Chain Management for master planning in manufacturing processes.

Master planning runs have increased in processing time over the past month.

You need to identify the impact of configuration changes on performance from a single location.

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

NOTE: Each correct selection is worth one point.

Questions

Object

What should you use to compare the performance of a previous master planning run's detailed steps with a currently processing master planning run?

<input type="checkbox"/>	
<input type="checkbox"/>	Analytical workspace
<input type="checkbox"/>	Gantt chart
<input type="checkbox"/>	Performance Software Development Kit (SDK)

How should you identify the completed master planning task for the currently running job?

<input type="checkbox"/>	
<input type="checkbox"/>	Colors
<input type="checkbox"/>	Icons
<input type="checkbox"/>	Status field
<input type="checkbox"/>	Work queue

Explanation:

Answer:


Questions

Object

What should you use to compare the performance of a previous master planning run's detailed steps with a currently processing master planning run?

<input type="checkbox"/>	
<input type="checkbox"/>	Analytical workspace
<input type="checkbox"/>	Gantt chart
<input type="checkbox"/>	Performance Software Development Kit (SDK)

How should you identify the completed master planning task for the currently running job?

<input type="checkbox"/>	
<input type="checkbox"/>	Colors
<input type="checkbox"/>	Icons
<input type="checkbox"/>	Status field
<input type="checkbox"/>	Work queue

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/tasks/monitor-master-planning-run>

Question: 253

You use Dynamics 365 Supply Chain Management to manage inventory.

Multiple forms are currently required to make insights against inventory supply metrics for an item actionable.

You need to use the supply schedule form to streamline operations.

Which three objects can you use to achieve the goal? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Transfer orders
- B. Safety stock journals
- C. Scheduled Kanban
- D. Production orders
- E. Demand forecast

Answer: A,C,D

Explanation:

Question: 254

A manufacturer of a bill of materials (BOM) part that is used in multiple products goes out of business.

The part needs to be replaced with a similar part from a different vendor.

You need to identify the products that are impacted to calculate the new cost of the part.

What should you use? Select only one answer.

- A. BOM calculations group
- B. Where-used report
- C. In process production costing report
- D. Calculation details for cost and price report
- E. BOM version

Answer: B

Explanation:

Question: 255

A company needs to calculate the cost for a group of bill of materials (BOM) products by different locations.

You need to select the cost price model for the products' purchase prices.

Which model should you use?

Select only one answer.

- A. Item cost price
- B. Item purchase price
- C. Trade agreements
- D. Inventory price

Answer: C

Explanation:

Question: 256

A customer service agent creates a sales order for a custom bill of materials (BOM). You need to calculate the cost of the order-specific BOM. Where can you find the cost?

- A. View calculation details
- B. Active cost version
- C. Pending cost version
- D. BOM active version
- E. Default inventory cost

Answer: B

Explanation:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/cost-management/bom-calculations>

### Question: 257

A company discovers that the standard cost of a raw material is incorrect.

You need to determine the impact of the incorrect cost on finished goods that contain the raw material.

Which two actions should you perform?

- A. Activate the new standard cost of the raw material.
- B. Set the fallback principle to Costing version.
- C. Create a new pending cost for the raw material.
- D. Set the fallback principle to Active.
- E. Set the fallback principle to None.

Answer: B,D

Explanation:

### Question: 258

A company that uses standard cost agrees to a purchase price of raw materials from a vendor for a one-year period.

You create the cost for the annual time frame to run bill of materials (BOM) calculations.

You need to ensure that the cost does not change for the raw materials within the annual period.

Which two actions should you perform?

Select all answers that apply.

- A. Set the Block field to Yes on the Costing version.
- B. Set the Block activation field to Yes on the Costing version.
- C. Create a pending cost with the annual date range.
- D. Activate the pending cost and set the from date to the subsequent year.
- E. Create a pending cost and set the from date to the subsequent year.

Answer: A,B

Explanation:

### Question: 259

A company plans to create a product that contains multiple bill of materials (BOM) levels. The product has several components that have both constant and variable costs.

You need to calculate the planned cost for producing the product with manufacturing volumes.

Which explosion mode should you select?

Select only one answer.

- A. Multilevel
- B. Make to order
- C. Single level
- D. According to BOM line type

Answer: A

Explanation:

<https://www.dynamicsuser.net/t/make-to-order-or-bom-line-type-in-ax/42605>

### Question: 260

An engineering department designs a bill of materials (BOM) for a new finished good. The finished good must be sold with a 30 percent markup of the BOM cost.

You need to define the sales price for the finished good.

What should you set up on the cost group?

Select only one answer.

- A. Profit setting percentage
- B. Cost group Behavior
- C. Cost group type Direct materials
- D. Cost group type Indirect

E. Cost group type Undefined

Answer: A

Explanation:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/cost-management/cost-groups>

### Question: 261

A company needs to be alerted when the calculated planned cost of a bill of materials (BOM) product is older than 30 days.

You need to configure the number of days validation in the system.

Where should you specify the number of days?

Select only one answer.

- A. Cost price model
- B. Stop explosion
- C. Inventory and warehouse management parameters
- D. BOM calculation groups
- E. Released product

Answer: D

Explanation:

### Question: 262

A company produces finished goods that consist of some raw material items that are purchased and some raw material items that are produced.

The costs of some of the produced materials that are used in the sub-BOMs are updated. The costs of the purchased raw materials do not change.

You need to ensure that the updated costs are reflected in the finished goods planned costs. You do not need to recalculate the purchased raw materials.

Which explosion mode should you use in the bill of materials (BOM) calculation?

Select only one answer.

- A. Multilevel
- B. Make to order
- C. Single level
- D. According to BOM line type

**Answer: C**

Explanation:

### Question: 263

A company discovers that planned costs are being calculated incorrectly due to missing configurations.

You need to configure the system to prevent calculation of the planned cost for items that are missing the following:

- a valid bill of materials (BOM) version
- a valid cost price

In which two locations can you configure the validation?

Select all answers that apply.

- A. Product information management parameters
- B. Inventory and warehouse management parameters
- C. Released products
- D. Calculation groups
- E. BOM version

**Answer: D**

Explanation:

## Question: 264

A manufacturing company uses Planning Optimization. Manned production orders are created, modified, and approved by the

planner but are not yet firmed.

What is the effect on the planned production orders when you enable the Planning Optimization feature?

- A. Modifications are ignored when Planning Optimization is run again.
- B. Modifications are included when Planning Optimization is run again.
- C. Approved orders are automatically firmed.
- D. Approved orders are set to unprocessed.
- E. Approved orders are set to completed.

Answer: B

Explanation:

[https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-](https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/purchase-trade-agreement)

[optimization/purchase-trade-agreement](https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/purchase-trade-agreement)

## Question: 265

You are running Planning Optimization. A and B items need to be planned. C and D items do not need to be included in Planning Optimization.

Users sometimes mistakenly include the C and D items in the plans.

You need to prevent C and D items from inclusion when users manually start a plan. The solution must not require users to manually create a filter.

What should you configure?

Select only one answer.

- A. Runtime filter
- B. Quick filter
- C. ter

D. Advanced filtering and query syntax

E. Filter code

Answer: C

Explanation:

### Question: 266

A company uses Planning Optimization as a scheduled batch job every Friday. A buyer observes that there are unposted inventory cycle counts left over from a weekend physical inventory count. The buyer decides to cancel the Planning Optimization job, post the cycle counts, and run the job again. Where should the buyer cancel the job?

A. Recurring integration scheduler (RIS)

B. Batch group

C. Feature management

D. Job history

E. Lifecycle Services (LCS)

Answer: D

Explanation:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/cancel-planning-job>

### Question: 267

A single master plan is run with no filters applied.

Buyer1 is reviewing and approving planned orders that were created by Planning Optimization.

Buyer2 runs the same master plan again while Buyer1 is still reviewing planned orders.

What are the two outcomes on Buyer1's planned orders? Each correct answer presents a complete solution.

Select all answers that apply.

A. Approved planned orders remain unchanged.

- B. Approved planned orders recalculate.
- C. Completed planned orders remain unchanged.
- D. Completed planned orders recalculate.
- E. Unprocessed orders do not recalculate.

Answer: C,D

Explanation:

### Question: 268

A company uses Planning Optimization.

A customer calls a service agent at the company and asks about product availability dates when placing an order.

Capable to promise (CTP) is initiated from the customer's order.

What is the expected output?

Select only one answer.

- A. An error occurs because CTP is not supported when Planning Optimization is enabled.
- B. Built-in master planning runs the calculation if the master plan has a separate dynamic master plan specified.
- C. A warning shows in the plan history log.
- D. CTP runs if add-ins are installed from Feature management.
- E. CTP calculates if all Planning Optimization jobs are withheld from batch scheduling.

Answer: A

Explanation:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/planning-optimization-trouble-shooting>

### Question: 269

You plan to use Planning Optimization.

You configure a receipt margin.

How is the receipt margin applied?

Select only one answer.

- A. from the issue date and backward from the receipt delivery date
- B. from the receipt delivery date and forward from the requirement date
- C. from the receipt delivery date and backward from the requirement date
- D. from the issue date and backward from the requirement date
- E. from the purchase trade agreement from date and backward from the requirement date

**Answer: C**

Explanation:

### Question: 270

A company classifies items as A, B, C, and D for planning purposes.

You run Planning Optimization for the C items with the following setup:

- a plan filter for the A, B, and D items
- a runtime filter for the C items

The Planning Optimization output does not create any planned orders.

You need to produce results in Planning Optimization for the C items without affecting the A, B, and D items.

What should you do?

Select only one answer.

- A. Add the C items to the existing plan filter for the A, B, and D items. Set up a runtime filter for the A, B, and D items.
- B. Create a master plan with plan filter for the C items only. Do not set up a runtime filter for C items.
- C. Create a master plan with no plan filter or runtime filter. Add an advanced filter for the C items on the planned orders.
- D. Create a dynamic plan and a static plan. Do not set up plan filters or runtime filters.
- E. Retain the existing plan filter for the A, B, and D items. Set up a runtime filter for the A and C items.

Answer: C

Explanation:

### Question: 271

A company is considering using Planning Optimization instead of Master Planning.

What are two architectural benefits when using Planning Optimization? Each correct answer presents a complete solution.

Select all answers that apply.

- A. occurs inside Dynamics 365 Supply Chain Management
- B. reduces the load on Azure Data Lake
- C. has minimal impact on the SQL database
- D. minimizes server load
- E. allows for BYOD (Bring your own database)

Answer: C,D

Explanation:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/planning-optimization-overview>

### Question: 272

A company uses Planning Optimization and first in, first out (FIFO) inventory valuation. The company also

has special requirements on sales margins. Company policy states that marking must be a single issue that is fully marked against a single receipt, regardless of quantity.

What should you do to respect marking when planned orders are being firmed?

Select only one answer.

- A. Allow negative inventory.
- B. Enable Ordered Reserved.

- C. Set the Update marking parameter to Extended.
- D. Set the Update marking parameter to Standard.
- E. Set the Update marking parameter to No.

Answer: B

Explanation:

### Question: 273

A company is considering using Planning Optimization instead of the built-in master planning engine. What are three benefits of Planning Optimization? Each correct answer presents a complete solution.

- A. It is a multitenant service.
- B. It has multiple instances.
- C. It is hyper scalable.
- D. It has a single instance.
- E. It is single threaded.

Answer: A,C

Explanation:

### Question: 274

A company uses Planning Optimization.

You need to ensure that the purchase price trade agreement lead time is used for an item.

What should you do?

- A. Set the days forward parameter.
- B. Set the Disregard lead time parameter to No.
- C. Set the Disregard lead time parameter to Yes.
- D. Override the item lead time parameter.
- E. Set the days backward parameter.

Answer: B

Explanation:

### Question: 275

A company performs internal inspections of a specific product before releasing the products. This task adds two days for product handling once the product is in the warehouse. This process leads to delays in shipping. You need to resolve the issues. What should you change?

- A. Reorder margin
- B. Minimum order quantity
- C. Receipt margin
- D. Maximum order quantity
- E. Issue margin

Answer: D

Explanation:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/safety-margins>

### Question: 276

A company enables purchase trade agreements for Planning Optimization.

You need to be able to evaluate purchase trade agreements.

Which three configurations must be set up? Each correct answer presents part of the solution.

Select all answers that apply.

- A. Find trade agreement
- B. Search criterion
- C. Agreements marked as effective
- D. Purchase agreements with status of confirmed
- E. Activate price/discount

Answer: A,B,E

Explanation:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/purchase-trade-agreement>

Question: 277

A buyer reviews the orders generated by Planning Optimization. The buyer observes that the output for some orders appears incorrect.

The buyer reviews the history and planning logs.

Which two types of information are in the history and planning logs? Each correct answer presents part of the solution.

Select all answers that apply.

- A. list of planned orders created
- B. start time a job was run and the status
- C. additional information and warnings
- D. end time a job stopped and the status
- E. list of planned orders with firm history

Answer: B,C

Explanation:

<https://docs.microsoft.com/en-us/learn/modules/work-costing-sheet-dyn365-supply-chain-mgmt/>

<https://docs.microsoft.com/en-us/learn/modules/planning-optimization/>

Question: 278

A company is evaluating sales pricing strategies in a costing version of a bill of materials (BOM) product that will use a cost-plus-markup strategy.

You need to configure the system to provide three prices based on different profit models.

Where should you configure the markup values?

Select only one answer.

- A. Released product
- B. Inventory model group
- C. BOM calculation group
- D. BOM version
- E. Cost group

**Answer: C**

Explanation:

### Question: 279

A company requires that a percentage of the building overhead costs as well as a percentage of overall labor must be added to a costing sheet for each item.

The company also requires that the labor and overhead costs be calculated independently and then rolled up to a total amount.

Which three actions should you perform to meet the requirements?

Select all answers that apply.

- A. Select Cost group type as a node.
- B. Create indirect cost subnodes.
- C. Define the costing sheet format.
- D. Define the rate amount on the node.
- E. Define the rate amount on the cost group.

**Answer: A,C,D**

Explanation:

### Question: 280

A manufacturing company uses standard costs for raw materials.

The company opens a new manufacturing location that will have different standard costs for the raw materials. The differences in costs must be reflected on the finished goods.

You need to configure the site setup for the different costs.

Which two configurations can be set up?

Select all answers that apply.

- A. Costing version Recording tab
- B. Item default order setting
- C. Define site on BOM lines
- D. Pending cost lines
- E. Active cost lines

Answer: C,E

Explanation:

Question: 281

You run Planning Optimization. You create a static master plan with a plan filter for A and B items.

Purchasing agents for the A items start to review the A item output. You must re-run planning for the B items due to a change. Re-running the B items must not impact the existing planned orders for the A items.

You need to re-run planning for the B items.

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

Select all answers that apply.

- A. Re-run the static plan with the runtime filter set for the A items.
- B. Delete the planned orders for the B items and re-run the static plan.
- C. Run a dynamic plan with a plan filter for the B items.
- D. Run a dynamic plan with a plan filter for the A items.
- E. Re-run the static plan with the runtime filter set for the B items.

Answer: C,D

Explanation:

### Question: 282

A buying agent is evaluating vendors for sourcing an item. Prices and lead times vary by vendor.

The buyer requires that the planning engine be set up to provide the best price while considering the lead time.

Manual correction must not be required after planned purchase orders have been created.

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

Select all answers that apply.

- A. Use Planning Optimization.
- B. Use built-in master planning.
- C. Set Purchase trade agreements.
- D. Set the default vendor on the item.
- E. Set the override lead times on the item to yes.

Answer: C,D

Explanation:

### Question: 283

A company decides to implement Planning Optimization.

Company auditors need to know where the service will run physically once it is enabled for Dynamics 365 Supply Chain Management.

In which location will the service run?

Select only one answer.

- A. on-premises at the company
- B. on the same SQL server as the Dynamics 365 Supply Chain Management instance
- C. in any data center, regardless of where the Dynamics 365 Supply Chain Management instance exists
- D. in the same data center country or region as the Dynamics 365 Supply Chain Management instance

E. in the Microsoft Dataverse

Answer: B

Explanation:

### Question: 284

A company uses the built-in master planning engine but plans to use Planning Optimization instead.

You enable auto-firming. You need to ensure that planned orders are firming within the current month. What should you do?

- A. Set the firming time fence to one month plus issue margin.
- B. Set the firming time fence to one month plus receipt margin.
- C. Set the firming time fence to one month plus lead time if the value is greater than one week.
- D. Set the firming time fence to one month.
- E. Set the firming time fence to one week plus lead time if the lead time is less than one week.

Answer: D

Explanation:

### Question: 285

You are setting up safety margins.

Which unit of measure is used to represent safety margins in planning optimization calculations?

Select only one answer.

- A. Period

B. Month

C. Week

D. Day

Answer: D

Explanation:

### Question: 286

A company allows negative inventory because they ship outbound orders before receipts are processed for items.

On-hand inventory for an item has the following setup:

- Coverage planning for site, warehouse, and location
- Location A = 10 on hand
- Location B = -11 on hand
- Minimum quantity = 20
- Maximum quantity = 30

Which quantity will be reordered when Planning Optimization is run?

Select only one answer.

A. 20

B. 29

C. 30

D. 31

E. 40

Answer: B

Explanation:

### Question: 287

A manufacturing company produces finished goods that contain raw materials that are costed using first-in, You need to set up a costing version to support planned costs of the finished goods.

What should you configure in the costing version?

Select only one answer.

- A. costing type to standard and block activation to yes
- B. costing type to planned and block activation to yes
- C. costing type to planned and block activation to no
- D. costing type to standard and block activation to no

Answer: C

Explanation:

### Question: 288

A company uses Planning Optimization. The company sets up working day calendars to exclude weekends from calculations.

You configure lead times and safety margins. The system does not use the safety margins in calculations.

You need to ensure that Planning Optimization uses safety margins.

What should you do?

Select only one answer.

- A. Enable Margins for Planning Optimization in Feature Management.
- B. Set Working days to No.
- C. Update the Safety stock journals.
- D. Enable Purchase Trade Agreements for Planning Optimization in Feature management.
- E. Create a coverage group.

Answer: E

Explanation:

### Question: 289

A company uses Planning Optimization. The company uses the product lifecycle state setup to exclude some items from

planning. Items may exist in more than one warehouse.

What configuration is required so that Planning Optimization excludes these items?

Select only one answer.

- A. Planning Optimization will respect the lifecycle state if it is enabled from Lifecycle Services.
- B. The items will respect the lifecycle state if manual planning on the warehouse setup is set to No.
- C. The items will respect the lifecycle state if manual planning on the warehouse setup is set to Yes.
- D. The product lifecycle state must be set up on the items only.
- E. Planning Optimization will respect the lifecycle state if it is enabled from Feature management.

Answer: B

Explanation:

Question: 290

A company plans to use the Planning Optimization add-in.

How is data communicated to Planning Optimization?

Select only one answer.

- A. through a connector
- B. through an automated entity store refresh
- C. with Business process modeler
- D. mapped between solutions
- E. with Microsoft Dataverse

Answer: A

Explanation:

Question: 291

A company uses Planning Optimization. The company decides to set up purchase trade agreements.

What should you verify in Supply forecast to ensure that purchase trade agreements are used?

Select only one answer.

- A. Reduction keys are removed.
- B. The vendor is not specified on any of the rows
- C. The vendor account is specified on the rows
- D. The forecast model is cleared
- E. The forecast time period is cleared.

Answer: C

Explanation:

Question: 292

A company is implementing Dynamics 365 Supply Chain Management in one legal entity that contains Site1 and Site2.

ItemA is a configured item with configurations ConfigA and ConfigB. The business decides to stop buying ItemA ConfigB into Site2 but will still it at Site'.

You must configure ItemA to ensure the buying rules are implemented

What should you configure?

- A. Variant group
- B. Variant suggestions
- C. Default order rules
- D. Select product variants to release

Answer: D

Explanation:

Release product variants

You can release product variants when you release the product master. You can also release the variants or any new variants at any time.

Reference: <https://learn.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/key-tasks-release-products#release-product-variants>

Question: 293

A company uses Dynamics 365 Supply Chain Management master planning. The company plans to run master planning throughout the day. Planning Optimization is not configured.

The company reports that they are not able to configure any master planning features or enable master planning in Dynamics 365.

You need to implement Planning Optimization

What should you do first?

- A. Deallocate the Current environment.
- B. Enable the Planning Optimization configuration key.
- C. Activate the Planning Optimization license.
- D. Place the environment into maintenance mode
- E. Set the value of Use Planning Optimization field to yes

Answer: D

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/get-started>

### Question: 294

A manufacturing company uses 365 Supply Chain Management.

The procurement manager updates the minimum stock levels by using the safety stock journal. The manager encounters a setup error while calculating the proposal for the minimum inventory level by using the service level option.

You need to identify the cause of the error.

What is the cause of the error?

- A. The Multiplication factor value was left blank.
- B. The use of the calculated minimum quantity option was not used.
- C. The Lead time margin was left blank.
- D. The Calculate standard deviation option was not used while creating the journal lines.
- E. Safety stock journal lines were created by including the current month's transactions.

Answer: D

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/safety-stock-journal>

## Question: 295

A company uses planning optimization in Dynamics 365 Supply Chain Management

A new item is set up for production with a bill of materials (BOM) and is included in planning optimization.

You need to identify the planning output for the item

What are two parts of the output? Each answer represents a partial solution

- A. production order
- B. action message
- C. purchase order
- D. Warning

**Answer: B,C**

**Explanation:**

Action messages are generated by the master planning calculation in response to changed requirements. For example, the ship date or quantity is changed on a sales order after you've already created a purchase order to fulfill the demand for that sales order. In this case, the master planning calculation generates one or more action messages that suggest that you update the purchase order. You decide whether to make the changes that are suggested.

Actions that are related to components of bills of material (BOMs) must be applied before the actions of their parent items, because further orders that are related to higher-level BOMs might be affected.

Reference: <https://learn.microsoft.com/en-us/dynamics365/supply-chain/master-planning/action-messages>

Question: 296  
HOTSPOT

A manufacturing company uses Dynamics 365 Supply Chain Management. The company plans to move to the new Planning Optimization functionality.

Several processes are no longer operating as expected.

You need to identify any missing functionality and the number of records impacted.

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

NOTE: Each correct selection is worth one point.

**Requirement**

**Tool**

Identify any missing functionality.



Dynamics 365 batch job history Lifecycle Services Upgrade analysis Planning Optimization Fit analysis Planning Optimization planning run logs

Identify the number of records from previous runs that were impacted by the missing functionality.



Lifecycle Services Issue search Lifecycle Services Upgrade analysis Planning Optimization Fit analysis Planning Optimization planning run logs

**Explanation:**

**Answer:**

**Requirement**

**Tool**

Identify any missing functionality.

Planning Optimization Fit analysis

Identify the number of records from previous runs that were impacted by the missing functionality.

Planning Optimization planning logs

**Reference:**

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/planning-optimization-fit-analysis>

**Question: 297**

A company is implementing Dynamics 365 Supply Chain Management. The company manages inventory by using a just-in-time

A purchase order arrives for an item. The system must allow sales order shipments of the item to be posted before the purchase order invoice is received.

You must ensure that the item model group configuration allows for shipment of items.

Which parameter should you enable?

- A. Location profile negative inventory
- B. Financial negative inventory
- C. Physical inventory
- D. include physical value
- E. Registration requirements

Answer: B

Explanation:

Financial negative inventory:

If checked, the system will allow you to raise a Sales Order and directly Invoice while bypassing packing Slip only if the available physical quantity having status receipt as Received or Purchased. Means at least your available physical quantity should be physically posted.

If unchecked, system will not allow you to do the invoice even if all the items in the order are physically updated that means cost price should be known for the quantity that is financially pulled from inventory.

<https://community.dynamics.com/ax/f/microsoft-dynamics-ax-forum/265813/physical-negative-inventory-and-financial-negative-inventory-on-item-model-group?pifragment-96834=1>

Question: 298

HOTSPOT

A distribution company that Dynamics 365 Supply Chain Management values inventory through standard cost. The company does not manufacture any products.

Some items require incremental updates to the standard cost. The original costs must be retained for reporting purposes

You need to update the standard costs of the items

you configure? TO answer, the appropriate options in the answer area.

### Requirement

Determine costing version approach.

Set fallback principle.

Set cost type.

### Parameter

	▼
One version	
Two version	

	▼
None	
Costing version	

	▼
Standard	
Planned	

Answer:

Explanation:

### Requirement

Determine costing version approach.

Set fallback principle

Set cost type

### Parameter

Two version

Costing version

Standard

### Question: 299

A company with two legal entities uses Dynamics 365 Supply Chain Management. You are creating new products and learn that CompanyA plans to use Warehouse management (WMS) but CompanyB will not.

Each storage, tracking and production dimension name and configuration must be identical in each company.

You need to set up the dimensions that affect WMS for the new products.

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

- A. Assign a tracking group to the product and release it to both companies. changing one tracking group after release.
- B. Leave storage group blank on the product and assign after release to both companies.
- C. Create a product master assign configuration
- D. Assign storage group to the product and release to both companies, changing one after release.

**Answer: D**

Explanation:

Question: 300

HOTSPOT

A distribution company implementing Dynamics 365 Supply Chain Management has two warehouses.

One item is purchased and stocked in only Warehouse1. Occasionally, Warehouse2 requires this item based on customer demand. When this occurs, an order for the item must be automatically created for Warehouse2.

You need to configure the automation of the order for Warehouse2.

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

NOTE: Each correct selection is worth one point.

Requirement

Parameter

**Configure refilling warehouse.**



**Warehouse 1**

**Warehouses**

**Generate order type.**



**Transfer Replenishment**

**Purchase Kanban**

Answer:

Explanation:

Box 1: Warehouse1

Set up warehouses for transfer orders.

You can use warehouse levels to create a hierarchy that supports transfer orders between warehouses. Based on this setup, master scheduling calculates item requirements at the individual warehouse level and generates planned transfer orders from an assigned source warehouse to fulfill them.

Click Inventory management > Setup > Inventory breakdown > Warehouses.

Select the warehouse that you want to refill.

On the Master planning FastTab, select the Refilling check box.

In the Main warehouse field, select the warehouse that you want to assign as the refilling warehouse. Master scheduling calculates a transfer requirement for the selected warehouse and generates a planned transfer order from the assigned Main warehouse.

Note: If you clear the Refilling check box, the selected warehouse is assigned a warehouse level in regard to the Main warehouse, but the Main warehouse is not set up as a refilling warehouse.

Close the page to apply the new setup.

Box 2: Transfer

Reference: <https://docs.microsoft.com/id-id/dynamics365/supply-chain/warehousing/transfer-orders-warehouse>

## Question: 301

### HOTSPOT

A company implementing Dynamics 365 Supply Chain Management has multiple warehouses, some of which are Warehouse Management-enabled.

The company must hold inventory for the following purposes:

On-hand inventory available for all transactions except for sales orders.

Automatic hold on inbound purchase order inventory.

Damaged on-hand inventory that can be transferred from a mobile device, leaving the undamaged inventory available.

You need to determine the feature that applies to each company requirement.

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

NOTE: Each correct selection is worth one point.

### Activity

On-hand inventory available for all transactions except for sales orders

Automatic hold on inbound purchase order inventory

Transfer of damaged on-hand inventory from a mobile device

### Feature

	▼
Quality order	
Ordered reserved	
Inventory blocking	

	▼
Quality order	
Automatic reservation	
Inventory blocking	

	▼
Inventory status	
Nonconformance	
Inventory blocking	

Explanation:

Box 1: Ordered reserved

On-hand inventory available for all transactions except for sales orders.  
Query your on-hand inventory

To check the availability of inventory, go to Inventory management > Inquiries and reports > On-hand list.

Answer:

The On-hand list page is automatically updated when transactions are made in inventory. Those transactions might be forecasted, physical, or financial transactions.

For each matching item, the On-hand grid provides the following columns of inventory information.

\* Ordered reserved - The total quantity that is reserved on ordered receipts. The value in this field represents the total quantity of items in outbound transactions that have a status of Ordered reserved. Items that are reserved as ordered aren't physically available in inventory. Therefore, they can't be directly picked and delivered.

\* Etc.

Box 2: Inventory blocking

Automatic hold on inbound purchase order inventory.

Inventory blocking is part of the quality inspection process in Supply Chain Management. You can use inventory blocking to prevent items from being processed or consumed.

You can block inventory items in the following ways:

**Manually**

By creating a quality order

By using a process that generates a quality order

**By using inventory status blocking**

Box 3: Inventory status

Damaged on-hand inventory that can be transferred from a mobile device, leaving the undamaged inventory available.

Set up and use inventory statuses

You can use inventory statuses to categorize inventory. You can then initiate appropriate actions, such as replenishment or put-away work.

Here are some examples of ways that you can use inventory statuses:

Create inventory statuses for on-hand inventory, inbound transactions, and outbound transactions.

Specify a default inventory status for warehouse transactions.

Change an inventory status for items before arrival, during arrival, or when the items are put away during inventory movement.

Use an inventory status to price items that are returned and to plan item coverage during master planning.

Incorrect:

#### \* Quality Order

The Quality management for warehouse processes feature lets you integrate item sampling controls into the warehouse receiving process by using warehouse management processes (WMS).

Warehouse work can be automatically generated to move inventory to the quality control location, based on a percentage or a fixed quantity, or based on every nth license plate. After a quality order has been completed, work can be automatically generated to move inventory to the next location in the process, depending on the quality results.

The Quality management for warehouse processes feature extends the capabilities of the basic quality management feature. It provides the option to create quality orders for the inventory that is sent to the quality control location, although quality orders aren't always required. Therefore, it allows for a lightweight quality control process that is based on warehouse work.

#### \* Nonconformance

A nonconformance describes an item that has a quality problem. The nonconformance process lets you create a nonconformance order that describes a quantity of nonconforming material, the problem source, the problem type, and explanatory notes.

Reference: <https://learn.microsoft.com/en-us/dynamics365/supply-chain/inventory/inventory-on-hand-list>

<https://learn.microsoft.com/en-us/dynamics365/supply-chain/inventory/quality-management-for-warehouses-processes>

<https://learn.microsoft.com/en-us/dynamics365/supply-chain/inventory/inventory-blocking>

Question: 302

DRAG DROP

A manufacturing company uses Dynamics 365 Supply Chain Management.

The company wants to change inventory valuation to standard costing. Manufactured items must have an active cost breakdown in total but still capture the variance amount on any substitutions.

You need to the inventory management parameters.

Much Inventory options use? To drag the appropriate options to the correct parameters. Each option may be used once, more than once, or not at all.

NOTE: Each correct selection is worth one

**Options**

- No
- Sub ledger
- Summarized
- Per cost group

**Answer Area**

**Parameter**

- Cost breakdown
- Variances to standard

**Option**

Explanation:

Answer:

**Parameter**

**Option**

Cost breakdown

Sub ledger

Variances to standard

Per cost group

Box 1: Sub ledger

To set up standard costs, follow these steps.

Define inventory parameters that are related to standard costs.

In the Cost breakdown field, select None or Sub ledger. If you select Sub ledger, the cost breakdown is an active cost breakdown. An active cost breakdown is critical for calculating, retaining, and viewing cost group segmentation across a multilevel product structure for standard cost items.

Box 2: Per cost group

In the Variances to standard field, select Summarized or Per cost group. If you select Per cost group, you can identify purchase price variances and production variances by cost group.

Summarized, you can't identify variances by cost group, and you can't identify the four types of production variances.

You can just view a summarized production variance.

Etc.

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

### Question: 303

DRAG DROP

A distribution company uses Dynamics 365 Supply Chain Management

Users in the warehouse must have the ability to create process transfer orders from a mobile device.

You need to complete setup.

Which areas should you configure?

**Area**

Warehouse management setup

Feature management

**Answer Area**

**Prerequisite**

Process warehouse app events.

Create transfer orders from the warehouse app.

Confirm outbound shipments from batch jobs.

Configure the mobile device menu item.

**Area**

The image shows four empty rectangular boxes stacked vertically, intended for the user to drag and drop the prerequisite items into the correct area.

Answer:

Explanation:

### Prerequisite

Process warehouse app events.

Create transfer orders from the warehouse app.

Confirm outbound shipments from batch jobs.

Configure the mobile device menu item.

### Area

#### Feature management

Warehouse management setup

Warehouse management setup

#### Feature management

### Question: 304

A retail distributor is implementing Dynamics 365 Supply Chain Management

Wholesale customers receive 10 percent off list price for the current calendar year. CustomerA is a wholesaler that agreed to a pilot program for a new product, with terms to receive a discounted set price for 100 each of the products for the next six months. The distributor will charge penalties to CustomerA if the 100 each are not sold within the period

You must configure pricing CustomerA.

Which three configurations should you set up? Each correct answer presents part of the solution

- A. Create a trade agreement for wholesalers.
- B. Create a sales agreement with the max parameter set to yes
- C. Set the effective date on the trade agreement to begin after sales agreement.

D. Create a sales agreement with the price and discount is fixed parameter set to yes

E. Set the find next parameter on trade agreements.

**Answer: A,C,D**

**Explanation:**

**Question: 305**

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.

A company uses Dynamics 365 Supply Chain Management to item returns.

You need to ensure that the original quantity and price from a sales order is used for return orders.

**Solution:** Create a margin alert

Does the solution meet the goal?

A. Yes

B. NO

**Answer: B**

**Explanation:**

**Question: 306**

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.

A company uses Dynamics 365 Supply Chain Management to item returns.

You need to ensure that the original quantity and price from a sales order is used for return orders.

Solution: Create a Sales Order that uses the returned order sales type.

Does the solution meet the goal?

- A. Yes
- B. NO

**Answer: B**

Explanation:

**Question: 307**

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.

A company uses Dynamics 365 Supply Chain Management to item returns.

You need to ensure that the original quantity and price from a sales order is used for return orders.

Solution: Use the Find sales order function to the link the return order to the original sales order.

Does the solution meet the goal?

- A. Yes
- B. NO

Answer: A

Explanation:

Question: 308  
HOTSPOT

A donut company is implementing Dynamics 365 Supply Chain Management.

The company wants to set up and maintain formula items for donut production. If the formula quantity changes, all ingredients must automatically adjust with no manual edits.

You must configure the formula features.

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

NOTE: Each correct selection is worth one point.

## Configuration

Configure item component consumption.

Enable the formula feature.

## Feature



A screenshot of a dropdown menu. The menu is open, showing four options: Backflush, Fixed, Constant, and Variable. The 'Variable' option is highlighted. The dropdown is located in the 'Configuration' section.



A screenshot of a dropdown menu. The menu is open, showing four options: Scalable, Signature, Step, and Version. The 'Scalable' option is highlighted. The dropdown is located in the 'Feature' section.

Answer:

Explanation:

Box 1: Variable

Box 2: Scalable

Use the Scalable feature

The Scalable feature is available only if all the item components in the formula are set to Variable consumption. The feature isn't available if item components are set to Fixed consumption or Step consumption. When the Scalable feature is used, if you change an ingredient in a formula, the quantity of the other ingredients that you select is adjusted. The size of the formula is also adjusted. Likewise, if you change the formula size, the quantity of all scalable ingredients is changed. This feature is intended specifically for formula creation and maintenance. It doesn't indicate whether the quantity of an ingredient will be scaled up or down on a batch order.

Reference: <https://learn.microsoft.com/en-us/dynamics365/supply-chain/production-control/formulas-versions>

## Question: 309

A company uses Dynamics 365 Supply Chain Management.

A large item fits only one item per pallet. A purchase order for the item must be a minimum of 24. Additional line quantities for the item must be in multiples of 24.

An incorrect setup for the item allows entry of multiples of 50. This setup error causes purchase order entry overrides.

You must configure the system to enforce a match of default quantities during setup.

What should you do?

- A. Select the Strict option.
- B. Select the Standard option.
- C. Configure Warehouse management options.

**Answer: A**

**Explanation:**

Use strict or standard validation of default order quantities

You can choose how strict the system should be when validating quantities entered in the Default order settings for a product. When you use the new strict option, the Standard order quantity must always be a multiple of the specified Multiple value for purchase orders, inventory, and sales orders. If you are using strict validation, you won't be able to save default order settings that don't meet this requirement (and an error is shown in the message bar).

Reference: <https://learn.microsoft.com/en-us/dynamics365/supply-chain/production-control/default-order->

settings

## Question: 310 HOTSPOT

A company is implementing Dynamics 365 Supply Chain Management. The company uses subcontracted services on its bills of material (BOMs).

You must set up and release a subcontractor item so that it can be included on the BOM and subcontractor charges are included in the BOM calculation. Because the subcontractor is a step included in a BOM but not a tangible item, inventory for the item must not be tracked in the warehouse.

You need to set up the subcontractor item and release the item to the company.

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

NOTE: Each correct selection is worth one point.

### Requirement

Create subcontractor item for release.

Set up inventory policy.

### Configuration

Service product type

Item product type BOM line

BOM designer

Select stocked product.

Clear stocked product.

Answer:

Explanation:

Box 1: BOM line

You must set up and release a subcontractor item so that it can be included on the BOM and subcontractor charges are included in the BOM calculation.

To be considered in planning and cost calculation, the service must be added to the BOM. The BOM line must be of the Vendor type, and it must be allocated to the route operation that the service is allocated to. This route operation must have a costing resource and resource requirement that point to a resource of the Vendor type that connects the operation and the related service to the corresponding vendor account.

Box 2: Clear stocked product

Because the subcontractor is a step included in a BOM but not a tangible item, inventory for the item must not be tracked in the warehouse.

Subcontracting of route operations

To use subcontracting of route operations for production or batch orders, the service product that is used for the procurement of the service must be defined as a product of the Service type.

Additionally, it must have an item model group that has the Stocked product option under Inventory policy set to Yes. This option defines whether a product is accounted as inventory on product receipt (Stocked product = Yes), or whether the product is expensed on a profit and loss account (Stocked product = No). Although this behavior might seem contradictory, it's based on the fact that only products that have this policy will create inventory transactions that can be used in cost control to calculate planned cost and determine the actual cost when a production order is ended.

Reference: <https://learn.microsoft.com/en-us/dynamics365/supply-chain/production-control/manage-subcontract-work-production>

Question: 311

A company uses Dynamics 365 Supply Chain Management.

You create a product by using an incorrect product dimension group. The product has not yet been released to the legal entities.

You need to determine whether you can change the product dimension group.

Which two conditions must be met? Each answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Dimensions must not be specified for the product master.
- B. The item must not already be validated.
- C. Dimensions must be specified that match the original but not the new product dimension group.
- D. The product master must not be released to any legal entities.

**Answer: A,D**

**Explanation:**

Changing the product dimension group for a product master

The setup of the product dimension group for a product master can be changed if the product master has not been released, and if no dimensions have been created.

Otherwise, the following rules apply:

If a product master has been shared, the setup of the product dimension group cannot be changed. This rule applies both to the shared instance of the product master and to any company-specific instances.

If a product master is created as a released product master, the product dimension group cannot be changed.

If dimensions have been created for a product master, the product dimension group cannot be changed. However, if the dimension setup of a new product dimension group is identical to the dimension setup of the original product dimension group, the new product dimension group can be changed.

Reference: <https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/about-inventory-dimensions-and-dimension-groups>

## Question: 312

### HOTSPOT

A company uses Dynamics 365 Supply Chain Management. The company uses a Business Unit financial dimension. The dimension is required on items and posted on transactions.

The company wants to update item costs but exclude the required financial dimension. The change must include a warning to users before the update. The costing method should be calculated based on the expected, calculated cost to produce an item.

You must configure the system to meet the requirements.

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

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

Requirement	Action
Enable the feature.	Enable Options of defaulting financial dimensions for inventory standard cost revaluation
	Enable Costing version maintenance.
	Enable Default financial dimensions separately when using item templates.
	Enable Inventory and storage dimensions
Configure the feature.	Select None.
	Select Table.
	Select Posting.

### Explanation:

Box 1: Enable Options of defaulting financial dimensions for inventory standard cost revaluation.

Answer:

Set default financial dimensions for inventory standard cost revaluation vouchers

### Business value

This feature streamlines the standard cost revaluation process. A standard cost revaluation voucher is normally generated when activating a new standard cost. This capability simplifies the process and allows you to choose how the system will assign financial dimensions to inventory standard cost revaluation vouchers.

### Box 2: None.

#### Feature details

This feature provides options that let you choose how the system will assign financial dimensions to inventory standard cost revaluation vouchers. Once the feature is enabled, you can manage its settings by going to Cost management > Inventory accounting policies setup > Parameters, where you'll find the new Origin of financial dimension setting. The new setting provides the following options:

- \* None: No financial dimensions are posted on the revaluation transactions. If your account structure includes a required financial dimension, the revaluation process will still run, but it will create accounting entries that have no financial dimensions. In this case, users will receive a warning message first, so they can cancel the revaluation if necessary.

- \* Table: The financial dimensions of the item are posted on the revaluation transactions. (This is the default setting and is consistent with the original system behavior.)

- \* Posting: The financial dimensions of the transaction being revalued are posted on the revaluation transactions. By default, the financial dimensions from the original transaction's inventory account will be used for both the inventory account and the revaluation account.

Reference: <https://docs.microsoft.com/en-us/dynamics365-release-plan/2021wave1/finance-operations/dynamics365-supply-chain-management/set-default-financial-dimensions-inventory-standard-cost-revaluation-vouchers>

## Question: 313

A company uses Dynamics 365 Supply Chain Management in one legal entity that contains one site, which contains Warehouse1 and Warehouse2. A customer routinely orders an item that the company usually stocks in Warehouse1.

The customer requires the company to ship orders from Warehouse2 due to shipping cost agreements.

You need to configure the system to meet the request.

Which configuration should you set up?

- A. Set the item default order settings to Warehouse1 only.
- B. Set the customer default to Warehouse1 and set the item default order settings to Warehouse2.
- C. Set the customer default to Warehouse2 and the item default order settings to Warehouse1.
- D. Set the customer default to Warehouse1 and set the item default order settings to Warehouse1.
- E. Set the customer default to Warehouse2 only.

Answer: E

Explanation:

Default order settings in Dynamics 365 Supply Chain Management define the site and warehouse where items will be sourced from or stored, the minimum, maximum, multiple and standard quantities that will be used for trading or inventory management, the lead times, the stop flag, and the order promising method. Default order settings are used when creating purchase orders, sales orders, transfer orders, inventory journals, and by master planning for generating planned orders. Default order settings can be item specific, site specific, product variant specific, or product dimension specific.

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/production-control/default-order-settings>

## Question: 314

A caulking manufacturer is implementing Dynamics 365 Supply Chain Management. When caulking is produced, it is sold by tubes, 1-gallon cans, 5-gallon buckets, 55-gallon drums, or 330-gallon totes with potential to add other sizes.

The manufacturer wants to ensure that when new units are added, only one conversion is set up that does not require conversions between each unit of measure.

You need to configure the unit of measure to meet the requirement.

What should you use?

- A. Unit class
- B. Conversion formula
- C. Formula layout
- D. Base unit

Answer: A

Explanation:

Helpful in unit conversions without need to define all conversions to and from with this unit and other units in same unit class.

Base unit – Set this option to Yes to use the current unit as the base unit for its unit class. In this case, you only have to specify the conversion factor between the base unit and each additional unit in the unit class. The system can then convert between all units in that unit class. Therefore, it's easier to set up conversions.

For example, if gallon is the base unit for the Volume unit class, you only have to set up conversion factors from quart

to gallon and from pint to gallon. The system can then also convert from quart to pint.

You can have only one base unit per unit class.

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/pim/tasks/manage-unit->

measure

**Question: 315**  
**HOTSPOT**

A company uses Dynamics 365 Supply Chain Management. The company has two sites at ports of entry, one in Atlanta and one in San Francisco.

Due to supply chain constraints and cost fluctuations, the company must change from one standard cost for all products to two standard cost structures, one for Atlanta and one for San Francisco. A costing manager for each site will manage and approve the costing. The historical costs must be retained for analytical purposes. Costs are revised annually.

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.

**Requirement**

Configure new item costs for each site.

Ensure that costs are not enabled until the manager approves.

Enable new costs.

**Configuration**

Create new costs for the existing costing version.  
Create one new costing version.  
Create two new costing versions.

Enable the Block Activation flag.  
Enable the Blocked flag.  
Set the item status.  
Activate the fallback principle.

Activate the pending price.  
Calculate costs.  
Activate the fallback principle.

Answer:

Explanation:

Box 1: Create a new costing version.

As we need two standard cost structures, we need two cost versions.

Note: A costing version can support a standard cost inventory model for items, where the costing version contains a set of standard cost records about items and manufacturing processes.

Box 2: Enable the Blocked flag.

The manager could use the Costing version setup page to change the blocking flag to allow activation of the pending cost records in the second costing version.

Box 3: Activate the fallback principle

Update standard costs for a new manufactured item (see last line below).

The following guidelines assume that you use a two-version approach to update standard costs. In this approach, one costing version contains the standard costs that were originally defined for the frozen period, and the second costing version contains the incremental updates that pertain to the new manufactured items. The incremental updates are entered as cost records in the second costing version, and eventually they are enabled. The two-version approach requires that you define a second costing version. Here are the guidelines for defining this costing version:

Assign a costing type of Standard cost.

Assign a significant identifier that indicates the contents of the costing version, such as 2016- UPDATES.

In the Allow price types field group, make sure that Cost price is set to Yes.

Allow cost records to be entered for all sites (that is, leave the Site field blank). If you enter a site, cost records can be entered only for that site.

Use a fallback principle of Active.

Reference: <https://docs.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/about-costing-versions>

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/cost-management/update-standard-costs-new-manufactured-item>

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/cost-management/update-standard-costs-new-manufactured-item>

## Question: 316

DRAG DROP

An energy sustainability company uses Dynamics 365 Supply Chain Management.

The company sells raw materials to contractors working on a pipeline project by using special pricing. The company plans to sell raw materials to non-pipeline contractors; however, those sales will not be eligible for the special pricing, any discounts, or price breaks. The non-pipeline contractor pricing may change over time. The price history must be retained.

You need to configure the system for the pricing requirements.

What should you configure? To answer, drag the appropriate configurations to the correct pricings. 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.

Configurations

Answer Area

price group, affiliations

price group, customer

trade agreement, all

trade agreement, customer

Pricing Configuration

Pipeline contractors Configuration

Non-pipeline contractors Configuration

Answer:

Explanation:

**Pricing**

Pipeline contractors

Non-pipeline contractors

**Configuration**

price group, affiliations

trade agreement, customer

Box 1: price group, affiliations

Price groups are at the heart of price and discount management in Commerce. Price groups are used to assign prices and discounts to Commerce entities (that is, channels, catalogs, affiliations, and loyalty programs). Because price groups are used for all pricing and discounts, it's very important that you plan how you will use them before you start.

If you want to apply customer-specific prices, we recommend that you not set price groups directly on the customer. Instead, you should use affiliations.

Box 2: trade agreement, customer

Trade agreements are fixed price or discount agreements that are set up for one or more customers or vendors for the sale or purchase of single or multiple products.

Trade agreements can apply to the following:

A specific customer, a vendor, or a product

Groups of customers, vendors, or items

All customers, all vendors, or all items

Reference: <https://docs.microsoft.com/en-us/dynamics365/commerce/price-management>

<https://docs.microsoft.com/en-us/learn/modules/configure-use-agreements-dyn365-supply-chain-mgmt/2-trade-agreements>

## Question: 317

DRAG DROP

A cosmetics company uses Dynamics 365 Supply Chain Management. You configure a single legal entity.

Items must be created for a new product line of lipsticks. The lipsticks will have similar characteristics and will be sold in two sizes: trial size and full size. The lipsticks will also have colors and product lines assigned to item numbers. Each lipstick must be assigned a unique item number.

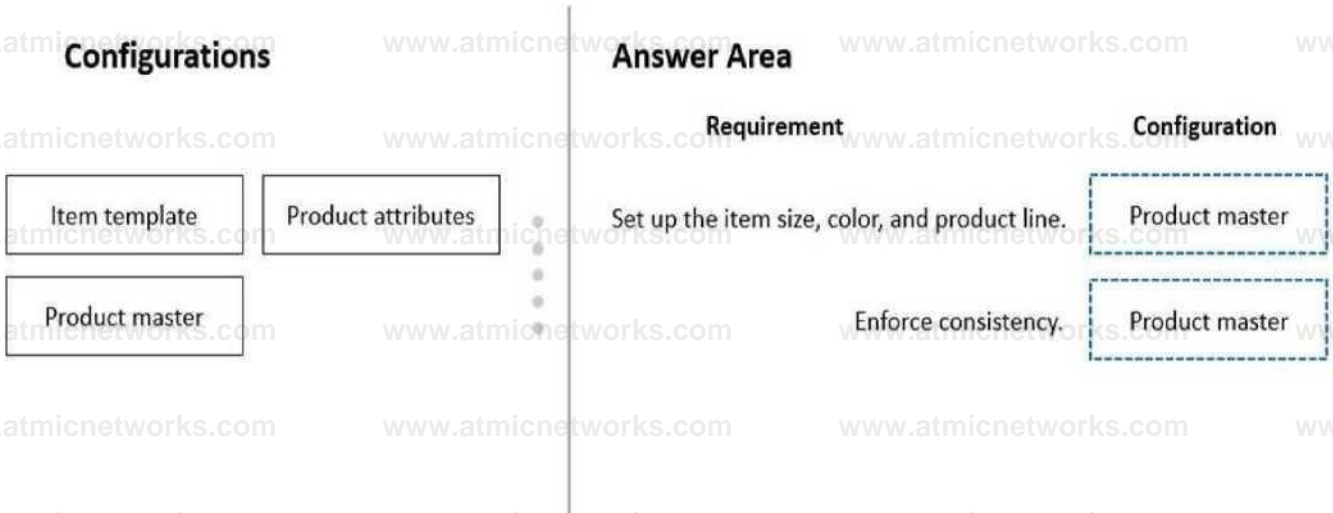
Historically, users manually entered items for new product lines and incorrectly and inconsistently set up the associated values.

You need to define the setup for the items and configurations.

What should you configure? 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.



Answer:

Explanation:

Requirement

Configuration

Set up the item size, color, and product line.

Product attributes

Enforce consistency.

Product master

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/pim/product-information>

## Question: 318

DRAG DROP

A company manufactures wood furniture.

Customers can purchase cabinets on sales orders. Customer can select different wood finishes including oak and maple.

You need to configure a product attribute to characterize the types of cabinet finishes.

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

- Add an attribute to the procurement category
- Create an attribute of type Boolean and define the different types of wood finishes
- Assign the attribute to the retail category
- Create style dimensions for the different types of wood finishes
- Create an attribute type of type Text and define the different types of wood finishes
- Create an attribute associated with an attribute type for Cabinet Finishing

Answer Area



Answer:

Explanation:

Create an attribute type of type Text and define the different types of wood finishes

Create an attribute associated with an attribute type for Cabinet Finishing

Assign the attribute to the retail category

Reference:

<https://docs.microsoft.com/en-us/dynamics365/unified-operations/retail/attribute-attributegroups-lifecycle>

Question: 319

HOTSPOT

A distribution company uses Dynamics 365 Supply Chain Management.

A high-volume warehouse for the distribution company automatically releases transfer order lines to the warehouse throughout the day.

Order line quantities are frequently changed after release to the warehouse. However, the load lines are not always updated.

You need to configure automatic updates to the load lines.

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

NOTE: Each correct selection is worth one point.

## Requirement

Set up shipments to always auto-update.

Configure the Wave template.

## Setup

Configure Warehouse parameters.

Configure Site parameters.

Configure Transfer orders.

Configure Wave templates.



Disable automatic work creation.

Enable automatic wave creation.

## Answer:

### Explanation:

Box 1: Configure Warehouse parameters

Turn on the auto-update shipment functionality

To turn on the auto-update shipment functionality, follow these steps.

Go to Warehouse management > Setup > Warehouse > Warehouses.

Select warehouse 24.

On the Warehouse FastTab, in the Auto update shipment field, change the value from On quantity decrease to Always.

After you change the value to Always, any increases or decreases in the quantities on sales order lines and transfer order lines, and any additions of new lines, are reflected on shipments and loads for the selected warehouse, given the previously mentioned update constraints.

Box 2: Disable automatic work creation.

Change the wave template so that load lines aren't automatically processed

To configure the wave template so that it doesn't automatically process load lines, follow these steps.

Go to Warehouse management > Setup > Waves > Wave templates.

Select wave template 24 Shipping default.

Select Edit.

On the General FastTab, set the Automate wave creation option to Yes, and make sure that all other options are set to No.

It's important that no work be automatically created and released as part of the wave creation process. After work is created that is related to the load line that was created for the sales order line, the load line is no longer automatically updated if the quantity on the sales order line is changed.

Reference: <https://learn.microsoft.com/en-us/dynamics365/supply-chain/warehousing/auto-update-shipment>

## Question: 320

A warehouse uses mobile devices for locating products.

Products are listed in the Inventory module in incorrect locations. Users must therefore manually locate products to be picked.

You need to ensure that the users' mobile device updates the locations of the products.

Which two actions should you take to update product locations by using the mobile devices? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Manually move product to the correct physical location.
- B. Log into a desktop computer and update the Inventory module.

C. Manually find the physical location of the product.

D. Scan a shelf barcode and update the inventory.

Answer: C,D

Explanation:

Require workers to confirm the product, location, or quantity when they pick items

You can set up work confirmations that require that a worker use a mobile device to register the location or quantity when they perform work in the warehouse. Work confirmations help ensure that the worker is at the correct location or is handling the correct quantity of items. You can also enable Supply Chain Management to automatically confirm the worker's registration. If you enable automatic confirmation, you can't also require confirmations for location or quantity. Work confirmations also include products and product variants. Additionally, you can register confirmations by scanning a bar code. To confirm products and product variants, you must enter an ID for the product or product variant. This ID can be a product ID, product search ID, external ID, GTIN, or bar code. After you enter the ID or scan the bar code, the dimensions for the product variant are displayed on the mobile device.

Reference: <https://learn.microsoft.com/en-us/dynamics365/supply-chain/warehousing/configure-mobile-devices-warehouse#require-workers-to-confirm-the-product-location-or-quantity-when-they-pick-items>

Question: 321

HOTSPOT

A frozen food distribution company is implementing Dynamics 365 Supply Chain Management.

The warehouse manager wants to ensure that after items are picked, a temperature check is performed and verified on the items before shipment to customers.

You need to configure 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.

## Requirement

## Component

Create an automated temperature check step.



Quality association

Quality order

Nonconformance

Configure temperature range.



Test variables

Test groups

Item quality groups

## Answer:

### Explanation:

Box 1: Quality association

A quality association defines all the following information for a quality order that is generated:

The transaction event

The set of tests that must be performed on the items

The acceptable quality level (AQL)

The sampling plan

You must define a quality association for each variation in a business process that requires automatic generation of quality orders. For example, a quality order can be generated in the business processes for purchase orders, quarantine orders, sales orders, and production orders.

Box 2: Test variables

For every qualitative test that is defined on the Tests page, you must define a test variable and its possible outcomes (results). (For qualitative tests, the Type field on the Tests page is set to Option.)

You use the Test variables page to set up, edit, and view the possible outcomes for a test variable that is associated with a qualitative test. For each outcome, you assign an outcome status of either Pass or Fail to indicate whether the test is passed or failed when that outcome is selected as a test result. You use the Test groups page to assign a test variable and a default

outcome for it to an individual qualitative test.

For every test variable, we recommend that you define at least two outcomes: one that has an outcome status of Pass and one that has an outcome status of Fail. There is no limit on the total number of variables or outcomes that can be defined. Additionally, multiple tests can use the same test variables to record results.

Examples of test variables

### Example

A manufacturing company performs two tests on manufactured materials. In one test, the pH level is associated with a color strip. Acceptable pH levels are in lighter colors, and unacceptable pH levels are in darker colors. In another test, multiple visual inspections are performed, and quality workers

use their judgement to determine whether the item passes or fails the visual inspection.

Reference: <https://learn.microsoft.com/en-us/dynamics365/supply-chain/inventory/quality-associations>

<https://learn.microsoft.com/en-us/dynamics365/supply-chain/inventory/quality-test-variables>

## Question: 322

### HOTSPOT

A distribution company uses Dynamics 365 Supply Chain Management.

A customer contacts the company to identify a defect in an ordered part. Additional quantities of the defective item are in stock. The defective items require a task that will trigger an action for the items and a label printed.

You need to configure the system.

Which features should you configure? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

### Action

Create an actionable task for the defective item.

Print a label for the defective item.

### Feature

	▼
Nonconformance	
Inventory status	
Batch disposition	

	▼
Nonconformance tag	
Product label	
License plate label	
Document handling	

Answer:

Explanation:

Box 1: Nonconformance

Nonconformance

A nonconformance describes an item that has a quality problem. The nonconformance process lets you create a nonconformance order that describes a quantity of nonconforming material, the problem source, the problem type, and explanatory notes. You can define a classification of problem types to make analysis of nonconforming material easier. You can also print a nonconformance tag and a nonconformance report to guide the disposition of nonconforming material.

Box 2: Nonconformance tag

Reference: <https://learn.microsoft.com/en-us/dynamics365/supply-chain/inventory/quality-management-processes>

Question: 323

HOTSPOT

A company uses Dynamics 365 Supply Chain Management. Inventory is valued through FIFO costing.

The warehouse manager identifies item discrepancies and increases quantities in a counting journal. Finance then discovers

that the cost on ItemA posted as zero dollars on the journal transaction.

You need to configure the system to ensure that the cost is populated on the transaction.

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

NOTE: Each correct selection is worth one point.

### Issue

ItemA increase has zero cost in the counting journal.

The posted counting journal requires correction.

### Configuration

Default cost price  
Adjustment journal Cost sheet Transfer journal

Inventory closing and adjustment  
Transfer journal  
Counting journal  
Costing version

Answer:

Explanation:

Box 1: Adjustment journal

Inventory adjustment

When you use an inventory adjustment journal, you can add cost to an item when you add inventory.

The additional cost is automatically posted to a specific general ledger account, based on the setup of the item group posting profile. Use this inventory journal type to update gains and losses to inventory quantities when the item should keep its default general ledger offset account. When you post an inventory adjustment journal, an inventory receipt or issue is posted, the inventory values are changed, and ledger transactions are created.

Box 2: Counting journal

Counting journals let you correct the current on-hand inventory that is registered for items or groups of items, and then post the actual physical count, so that you can make the adjustments that are required to reconcile the differences.

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/inventory-journals>

Question: 324

A company that uses Dynamics 365 Supply Chain Management recently became ISO 9001-certified.

The company must begin documenting nonconformances.

You need to configure the nonconformance functionality.

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

NOTE: Each correct selection is worth one point.

- A. routes
- B. operations
- C. diagnostic types

D. quality charges

E. quarantine ZONES

Answer: B,C,D

Explanation:

Nonconformance management configuration process

Before you can start to use the nonconformance management features and generate nonconformances, you must configure the system and prerequisites. Here is a list of the steps that are required to configure nonconformance management.

Enable quality and nonconformance management.

Configure workers who are responsible for approving nonconformances.

Configure problem types.

Configure quarantine zones.

Configure diagnostic types.

Configure operations.

Optional: Configure quality charges.

After the configuration is completed, you can start to create and process nonconformances.

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/enable-quality-management>

Question: 325

A company uses the nonconformance functionality in Dynamics 365 Supply Chain Management.

When a manufactured part fails a quality test, a quality clerk creates a nonconformance. You determine that additional items are needed to correct the issue.

You must record the additional items for the nonconformance.

What should you do?

- A. Reject the nonconformance and add the items to the quality order.
- B. Reject the nonconformance and add a related operation.
- C. Approve the nonconformance and add the items to the quality order.
- D. Approve the nonconformance and add a related operation.

Answer: D

Explanation:

Add items to an operation

To add items to an operation, follow these steps.

1. Go to Inventory management > Periodic tasks > Quality management > Non conformances.
2. In the list, select the nonconformance that you want to update.

Note: You can add or update operations only for nonconformances that are approved.

3. On the Action Pane, select Related operations.

4. On the Related operations page, select the operation that you want to add items to.
5. On the Action Pane, select Items.

6. On the Related operations page, on the Action pane, select New to add a row to the grid. Then set the following fields for new row:

Item number – Select the product that will be consumed as part of the selected operation.

Quantity – Enter the number of items that will be consumed.

7. Repeat the previous step for each additional item that you must add.

8. Close the pages.

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/tasks/create-process-non-conformance>

## Question: 326 HOTSPOT

A company is implementing Dynamics 365 Supply Chain Management. Inventory is valued through FIFO costing.

The company is preparing for cutover and go-live activities. The accounting manager wants to ensure that on-hand inventory is brought into Dynamics 365 Supply Chain Management at the correct cost.

ItemA has the following costing tiers:

- Tier 1: 20 each, \$5

- Tier 2: 20 each, \$10
- Tier 3: 20 each, \$15

You need to configure the item and journals to meet the cutover requirement.

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

NOTE: Each correct selection is worth one point.

### Requirement

Configure item for FIFO.

### Configuration

Item model group

Item group

Price group

Costing

---

Item arrival by date per order

Movement by date per tier

Counting by tier

Configure journal for import

### Answer:

Explanation:

Box 1: item model group

Item model groups contain settings that determine how items are controlled and handled on item receipts and issues. They also determine how item consumption is calculated. Select FIFO for this procedure.

Note: FIFO with the Include physical value option

If the Include physical value checkbox is selected for an item on the Item model group page, the system

uses both physical and financial receipt transactions to calculate the running average cost price. Where applicable, the system also adjusts the physically updated issue transaction. Inventory close that uses the FIFO inventory model makes settlements only to transactions that are financially updated. The illustration that follows shows these transactions:

1a. Inventory physical receipt for a quantity of 1 at a cost of USD 10.00 each.

1b. Inventory financial receipt for a quantity of 1 at a cost of USD 10.00 each.

2a. Inventory physical receipt for a quantity of 1 at a cost of USD 20.00 each.

2b. Inventory financial receipt for a quantity of 1 at a cost of USD 22.00 each

#### Box 2: Counting by tier

Counting journals let you correct the current on-hand inventory that is registered for items or groups of items, and then post the actual physical count, so that you can make the adjustments that are required to reconcile the differences. You can associate counting policies with counting groups to help group items that have various characteristics, so that those items can be included in a counting journal.

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/cost-management/fifo-physical-value-marking>

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/inventory-journals>

## Question: 327

A company uses Dynamics 365 Supply Chain Management and has a single legal entity.

The company manually creates and adds new items frequently. Many of these items require the same setup as existing items. The company requires a streamlined process to copy fields from another item upon creation and allow for other employees to use the same process.

You need to configure the simplified process.  
What should you do?

- A. Create a personalization.
- B. Release the product master.
- C. Create an item template.
- D. Create a new product master.

Answer: D

Explanation:

Product masters

A product master is the starting point for any product configuration process. For the dimension-based product configuration, you need a product master with this configuration technology and a product dimension group that includes the configuration product dimension.

Dimension-based product configuration

Dimension-based product configuration represents a simple solution for creating many product variants from a single product master and its bill of materials.

Reference: <https://learn.microsoft.com/en-us/training/modules/create-products-product-masters-dyn365-supply-chain-mgmt/6-product-master-variants>

Question: 328

A company uses Dynamics 365 Supply Chain Management.

A customer negotiated a sales price for 100 items for the next 60 days. Management reviews reports on how many items the customer has purchased at this price. The customer has an existing order for the agreed sales agreement quantity. The customer calls to add an additional quantity that exceeds the sales agreement maximum amount. The customer is not entitled to the discounted sales price outside of the agreement.

You need to ensure that the customer receives the ordered amount and that the management reports are correct.

Which action should you perform?

- A. Modify the sales agreement quantity as unconfirmed.
- B. Edit the sales order quantity and when prompted to save changes, select Yes.
- C. Modify the sales agreement to clear the Max Enforced checkbox and do not confirm.
- D. Create a new sales order for the quantity that exceeds the sales agreement amount.

**Answer: B**

**Explanation:**

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/sales-marketing/tasks/enter-sales-agreements>

**Question: 329**

A company is implementing Dynamics 365 Supply Chain Management with batch-controlled items.

The management team wants to ensure that sales margins are calculated based on the cost of the product. Because the company values inventory using FIFO, the cost of the product fluctuates. The product is typically less expensive in the beginning of a sales cycle and becomes more expensive toward the end of the sales cycle. You must ensure that products are sold and that margins are calculated based on the cost of the inventory.

You need to ensure that the correct costs are assigned.

What should you configure?

- A. Run the Update expiry date job.
- B. Configure Reserve ordered items.
- C. Enable automatic reservation.
- D. Configure an item model group reservation policy.

Answer: D

Explanation:

Reserve the same batch for a sales order

Same batch reservation lets you reserve inventory for a sales order line against a single batch of inventory. For example, a customer who orders wallpaper can request that the whole order be filled from the same batch or lot, to avoid inconsistencies among the rolls. To set up a product to use same batch reservation, the following settings must be active in the item model group, tracking dimension group, and storage dimension group that you assign to the product:

\* Item model groups – The item model group must have the Same batch selection and Consolidate requirement fields selected in the Reservation field group for inventory policies.

\* Etc.

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/sales-marketing/reserve-same-batch-sales-order>

Question: 330

A company is using advanced warehouse functionality in Dynamics 365 Supply Chain Management.

A batch-tracked item in high-demand caused delays on sales orders. The vendor delivery is expected today.

Sales orders must be held until the items are checked for quality.

You need to set up batch attributes to allow for warehouse processing but hold sales orders.

What should you configure?

- A. Unavailable status, block reservation, picking and shipping
- B. Unavailable status, block shipping
- C. Available status, block shipping
- D. Unavailable status, block picking and shipping
- E. Available status, block reservation, picking and shipping

Answer: C

Explanation:

Block the shipping.

Note: For sales, 'Block shipping' prevents the sales order delivery note posting (WMI or WMII), but you can still 'Send' an inventory shipment (WMS II). However, you cannot confirm an outbound shipment in an advanced warehouse management warehouse (WHS).

Reference: <https://timsaxblog.wordpress.com/tag/batch-tracking/>

Question: 331

A company is implementing the Warehouse management module in Dynamics 365 Supply Chain Management.

The company will receive an item in three units of measure (UOM): each, case, and pallet. The item must be counted from a mobile device in each UOM or case UOM only by the warehouse worker.

You must configure the item.

What should you configure?

- A. Create a reservation hierarchy and define the rules.
- B. Set the default inventory unit of measure to each and the default purchase and sell unit to case.
- C. Create one-unit sequence group and enable counting per unit of measure.
- D. Set the default inventory unit of measure to each and assign the default item set up to case.
- E. Create separate unit sequence groups, one for case counting and one for each counting.

Answer: C

Explanation:

Set up a unit sequence group and unit of measure conversions in Warehouse management.

The unit sequence group defines the sequence of units that can be used in warehouse operations. The sequence determines the order of units in which warehouse work is generated and it is applied when work is created for quantities on a purchase order line or transfer order line. The unit sequence group should include units of measure that range from the smallest to the largest unit and can be used for the product in warehouse operations.

Reference: <https://learn.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/set-up-a-unit-sequence-group-and-unit-of-measure-conversions-in-warehouse-management>

Question: 332

A company uses Dynamics 365 Supply Chain Management.

The working time template is left blank when the period template is configured.

You need to determine the workdays that will be used in the inventory replenishment reporting.

Which workdays will be used?

- A. calendar setup on the warehouse
- B. system calendar for the country
- C. 5-day work week
- D. system date dimensions
- E. 7-day work week

Answer: E

Explanation:

Calendar for a warehouse

You can assign a calendar to a warehouse to indicate the open dates for receiving and shipping. If no calendar has been assigned to a warehouse, it is assumed that it is open all days.

Reference: <https://learn.microsoft.com/en-us/dynamics365/supply-chain/master-planning/supply-chain-calendars-master-planning>

Question: 333

DRAG DROP

A company is implementing Dynamics 365 Supply Chain Management.

The company requires that historical transactional data from the current system be used to determine future inventory needs. Transactions that fall outside of a standard deviation must be excluded.

You need to configure the system to meet the requirements.

What should you configure? 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.

### Configurations

- Safety stock journal
- Planning optimization
- Demand forecasting

### Answer Area

Requirement	Configuration
Use historical transactional data to define future inventory.	<input type="checkbox"/>
Exclude transactions outside of a standard deviation.	<input type="checkbox"/>

Answer:

Explanation:

Box 1: Safety stock journal

Safety stock indicates an additional quantity of an item that is held in inventory to help reduce the risk that the item will go out of stock. Safety stock is used as a buffer in case sales orders come in, but the supplier can't meet the customer's requested ship date.

Safety stock indicates an additional quantity of an item that is held in inventory to help reduce the risk that the item will go out of stock. Safety stock is used as a buffer in case sales orders come in, but the supplier can't meet the customer's requested ship date.

You can use the safety stock journal to calculate minimum coverage proposals based on historical transactions and then update the item coverage with the proposals.

Box 2: Demand forecasting

Key features of demand forecasting

Here are some of the main features of demand forecasting:

Generate a statistical baseline forecast that is based on historical data.

Use a dynamic set of forecast dimensions.

Visualize demand trends, confidence intervals, and adjustments of the forecast.

Authorize the adjusted forecast to be used in planning processes.

Remove outliers.

Create measurements of forecast accuracy.

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/safety-stock-replenishment>

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/introduction-demand-forecasting>

## Question: 334

DRAG DROP

A company uses Dynamics 365 Supply Chain Management. The company implements master planning.

The company identifies several supply chain issues.

You need to configure safety margins for the company.

Which type of safety margin should you use? To answer, drag the appropriate safety margin types to the correct issues.

Each safety margin 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.

### Safety margin types Answer Area

Issue

Reorder

Receipt

### Issue

A vendor is two days behind in their order creation.

Inbound docks are consistently two days behind in unloading trucks.

The purchasing team is one day behind issuing purchase orders to vendors.

### Safety margin type

Answer:

Explanation:

Box 1: Reorder

There are three types of safety margins:

Reorder margin – The buffer time for placing the supply order

Box 2: Receipt

Receipt margin – The buffer time for handling incoming supply

Box 3: Issue

Issue margin – The buffer time for handling shipments

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/safety-margins>

### Question: 335

A company implements Dynamics 365 Supply Chain Management. The company uses the demand forecasting service to generate a statistical baseline forecast for one allocation key at a time.

The process takes too long to complete.

You need to ensure better performance of the service.

What should you configure?

- A. Storage account name
- B. Storage account key
- C. Custom storage account
- D. Request response mode

Answer: D

Explanation:

If the forecast is not generated for a big set of items, but, for example, for one item or one item allocation key at a time, then in order to get better performance, you can select the Use request response mode check box on the Master planning - Setup - Demand forecasting - Demand forecasting parameters - Azure Machine Learning tab.

Reference: <https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/generate-statistical-baseline-forecast>

## Question: 336

A company uses Dynamics 365 Supply Chain Management. The company provides warehouse workers with handheld devices to perform inventory operations.

Periodic inventory audits are required due to the frequent theft of some inventory items from a warehouse. Some inventory has been fully depleted. On-hand inventory quantities of other items are consistently incorrect.

You need to configure the system to automatically create cycle-counting work.

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

NOTE: Each correct selection is worth one point.

- A. threshold parameters
- B. work pool
- C. cycle count plan
- D. work policies
- E. inventory journals

Answer: A,E

Explanation:

### Question: 337

A company uses Dynamics 365 Supply Chain Management.

The company classifies and tracks products based on how useful they are for achieving their business goals. Certain product classifications are important in relation to inventory controls and margins.

Other classifications have a small profit margin and are less important for inventory variances.

The classification configuration must feed into existing classification reports and system logic.

You need to configure the products for the classifications.

Where should you configure the classifications?

- A. Unreleased product variant
- B. Released product variant
- C. Product attributes
- D. Unreleased product
- E. Released product

Answer: C

Explanation:

Question: 338

A company uses Dynamics 365 Supply Chain Management. The company implements master planning.

The company reports delays in the supply chain that have resulted in late deliveries for products. You must simulate several broad delays across all products in the supply chain when calculating lead times. Daily planning for items must not be impacted.

You need to configure the system.

What should you configure?

- A. Planned orders
- B. Receipt margins
- C. Master plans
- D. Coverage groups
- E. Released products

Answer: E

Explanation:

Question: 339

DRAG DROP

A company is implementing Dynamics 365 Supply Chain Management.

The company wants to configure the quality orders and nonconformances for the following tasks:

- Recording timesheets associated with repair costs
- Documenting outcomes of test results
- Creating a certificate of analysis

You need to configure the features for these tasks.

What should you configure? To answer, drag the appropriate features to the correct tasks. 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

Quality order

Nonconformance

### Answer Area

#### Task

Recording timesheets associated with repair costs

Documenting outcomes of test results

Creating a certificate of analysis

#### Feature


Explanation:

### Task

Recording timesheets associated with repair costs

Documenting outcomes of test results

Creating a certificate of analysis

### Feature

Nonconformance

Quality order

Quality order

Answer:

## Question: 340

A company is implementing Dynamics 365 Supply Chain Management. The company frequently uses consigned inventory.

The company wants to minimize entry time for the inventory.

You must configure the default settings for consignment replenishment lines.

Which three options can you configure? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Default site
- B. Multiple order quantity
- C. Stopped
- D. Standard order quantity
- E. Default warehouse

Answer: A,D,E

Explanation:

## Question: 341

HOTSPOT

A company uses Dynamics 365 Supply Chain Management. The company plans to implement master planning.

You need to configure the master planning solution to perform master planning runs in the middle of each day instead of at the end of each day.

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

NOTE: Each correct selection is worth one point.

**Requirement**

**Solution component**

Enable the master planning feature.

- Feature
- Configuration key
- Lifecycle Services Add-in
- Planning Optimization parameters

Connect the master planning service to the environment.

- Azure Virtual Machine
- Power Automate flow
- Lifecycle Services Add-in
- Dynamics 365 application (AOT) deployable package

Connect to the master planning service.

- Dynamics 365
- Microsoft Azure
- Power Automate
- Lifecycle Services

Answer:

Explanation:

**Requirement**

**Solution component**

Enable the master planning feature.

Feature
Configuration key
Lifecycle Services Add-in
Planning Optimization parameters

Connect the master planning service to the environment.

Azure Virtual Machine
Power Automate flow
Lifecycle Services Add-in
Dynamics 365 application (AOT) deployable package

Connect to the master planning service.

Dynamics 365
Microsoft Azure
Power Automate
Lifecycle Services

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/get-started>

**Question: 342**

A company uses the built-in Dynamics 365 Supply Chain Management master planning engine.

Planned orders are automatically firming and are firming during the current week.

You need to reconfigure the system for the new Planning Optimization master planning engine.

What should you change?

- A. firming time fence to one week
- B. firming time fence to lead-time plus one week
- C. open orders' firming date to be the requirement date
- D. firming time fence to be longer than the lead time
- E. firming time fence to 0

Answer: A

Explanation:

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/planned-order-firming>

Question: 343

DRAG DROP

A manufacturing company uses Dynamics 365 Supply Chain Management.

You must review the safety stock level for raw materials.

You need to calculate the minimum coverage proposals based on standard deviation.

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

Select the **Service level** value.

Create safety stock journal lines by including the current month's transactions.  
Select the **Standard deviation** option.

Create safety stock journal lines by excluding the current month's transactions.  
Select the **Standard deviation** option.

Select the **Use service level** option.

Select the **Use average issue during lead time** option.

Post the safety stock journal.

Set the **Lead time margin** value.

## Answer Area



Explanation:

Answer:

Create safety stock journal lines by including the current months transactions  
Select the **Standard deviation** option

Select the **Use service level** option.

Post the safety stock journal

Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/safety-stock-journal>

Question: 344

HOTSPOT

A company uses Dynamics 365 Supply Chain Management for inventory management in a single warehouse.

The warehouse is experiencing vendor supply issues with several specific groups of products. The demand and supply for products needs to be viewed for the warehouse using a master planning model for different periods of time.

You need to view the information in a single location.

Which configuration should you use for each requirement?

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

NOTE: Each correct selection is worth one point.

### Requirement

View a family of products.

Define the groupings that are used to view inventory.

### Configuration

	▼
Item model group	
Item allocation key	
Item coverage groups	
Product category	

	▼
Fiscal calendars	
Plan groups	
Period template	
Time fence	

Answer:

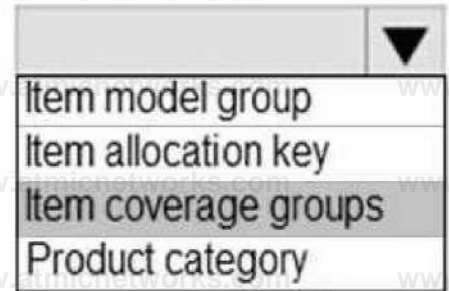
Explanation:

## Requirement

View a family of products.

Define the groupings that are used to view inventory.

## Configuration



Reference:

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/master-planning/planning-optimization/demand-forecast>

Question: 345  
HOTSPOT

A food distribution company is implementing Dynamics 365 Supply Chain Management without the Warehouse management module.

The company sells prepackaged meals purchased from one or more vendors. The prepackaged meals contain a single item number. The vendors routinely communicate that lots of prepackaged meals be held if any risk of exposure is identified until they can confirm safe handling per lot. This created supply chain issues because the items are in inventory and therefore not reordered.

You need to resolve the issues.

Answer Area

Issue

Configuration

Item must be identified by lot

Item model group  
Storage dimension  
Tracking dimension Product group

Held item lots must be excluded from master planning calculations.

Batch disposition  
Disposition reason code  
Inventory status

Answer:

Explanation:

Box 1: Tracking dimension

To resolve the issue of identifying items by lot, you should use the tracking dimension in Dynamics 365 Supply Chain Management. Tracking dimensions allow you to track and manage inventory items based on specific attributes such as lot numbers, serial numbers, or batch numbers. In this case, you can use the lot number as a tracking dimension to ensure that each prepackaged meal can be tracked and managed according to its specific lot. This will help the company to hold specific lots when vendors communicate any risk of exposure and maintain accurate inventory levels for reordering purposes.

Reference: - Microsoft Docs: Configure tracking dimension groups (Dynamics 365 Supply Chain Management):

<https://docs.microsoft.com/en-us/dynamics365/supply-chain/inventory/configure-tracking-dimension-groups>

Box 2: Batch disposition

A batch disposition is a status that indicates whether a batch can be used in production or sales processes<sup>1</sup>. You can use batch disposition codes to exclude batches from master planning calculation by setting the Include in planning field to No1.

This way, you can prevent the held item lots from being reordered until they are confirmed safe by the vendor.

Question: 346

DRAG DROP

A company uses Dynamics 365 Supply Chain Management to sell automobile tires.

The company sells different models of tires. Each model is available in different diameter sizes. The combination of a model and its diameter represents an individual stock keeping unit (SKU).

The manufacturer's suggested retail price (MSRP) and purchase prices can vary between variants. The purchase price for the variants will change over time, but the MSRP will never change once it is configured. All price changes must be documented systematically. The MSRP must be the default selling price for the item if no other pricing is available.

The screenshot shows a software interface with two main sections: 'Configurations' and 'Answer Area'.  
**Configurations:** A vertical list of four buttons: 'Attribute-based pricing', 'Released product master', 'Released product variants', and 'Trade agreements'.  
**Answer Area:** A vertical scroll bar on the left, followed by a table with two columns: 'Requirement' and 'Configuration'.  
**Requirement:** Two rows of text: 'Set the MSRP for the product variants.' and 'Set the purchase price for the product variants.'  
**Configuration:** Two empty rectangular input boxes corresponding to the requirements above.

Answer:

Explanation:

This screenshot shows the same software interface as above, but with different content in the 'Answer Area'.  
**Configurations:** The same four buttons as in the first screenshot.  
**Answer Area:** A vertical scroll bar, followed by a table with two columns: 'Requirement' and 'Configuration'.  
**Requirement:** One row of text: 'Set the MSRP for the product variants. | Released product master'.  
**Configuration:** One empty rectangular input box corresponding to the requirement above.

### Question: 347

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

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

A company plans to simplify interactions between purchasing department employees and vendors.

You need to ensure that employees are redirected to a vendor's online store to select items for inclusion on purchase requisitions.

Solution: Create an external catalog.

Does the solution meet the goal?

- A. Yes
- B. No

Answer: A

Explanation:

Question: 348

DRAG DROP

A company is implementing Dynamics 365 Supply Chain Management for new warehouse management operations.

A three-tier workflow is being implemented for planned order approval. It is anticipated that a few days will need to be added to process the new planned orders.

During the yearly renegotiation of pricing, contractual lead times rather than the actual lead times are used, vendor score card analysis shows that certain vendors are often late in their shipments from their contractual lead time dates.

likely for the next three months while the new warehouse operations are adopted.

You need to configure safety margins to account for the new system processes.

Which safety margin should you use for each process? To answer, drag the appropriate safety margins to the correct processes. Each safety margin 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.

Safety margins

| Lead time | | Issue margin

| Receipt margin - | | Reorder margin

Answer Area

Process

Workflow approval process

New warehouse processes

Actual average vendor delays

Safety margin

Answer:

Explanation:

Safety margins

| Lead time | Issue margin

Receipt margin Reorder margin

Answer Area

Process

Workflow approval process

New warehouse processes

Actual average vendor delays

Safety margin

Issue margin

Lead time

Receipt margin

## Question: 349

DRAG DROP

A company uses Dynamics 365 Supply Chain Management. The company purchased a high-tech machine that cuts production time in half compared to existing machines.

The new machine must be serviced after 200 finished goods are produced. Downtime for the new machine will impact production and must be planned in advance so the production lead times are adjusted. The service technicians must always prioritize the new machine repairs over any other repairs.

You need to configure the new machine to prioritize servicing over other repairs.

What should you configure for each requirement? 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.

Configurations

Delays

Asset counter

Asset criticality

Condition assessment

Answer Area

Requirement

Service the new machine after 200 finished goods are produced.

Ensure service technicians prioritize the new machine repairs.

Configuration

Answer:

Explanation:

Configurations

- Delays
- Asset counter
- Asset criticality
- Condition assessment

Answer Area

Requirement

Configuration

Service the new machine after 200 finished goods are Asset counter produced.  
 Ensure service technicians prioritize the new machine Asset criticality repairs.

### Question: 350

DRAG DROP

A bottle manufacturing company uses Dynamics 365 Supply Chain Management to manage operations.

The company plans to install machines that accept empty bottles for a cash refund or donation at several recycling locations.

You need to complete the setup for installation of the assets.

What should you configure for each requirement? 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.

Requirement

Feature

Ensure that only bottle machines are installed at the recycling locations  
 Configure the assets lifecycle model that is associated to the new machines

Features

Answer Area

- Asset
- Asset type defaults
- Functional location types

Answer:

Explanation:

Features

- Asset
- Asset type defaults
- Functional location types

Answer Area

Requirement

Feature

Ensure that only bottle machines are installed at the recycling Asset type defaults locations

Configure the assets lifecycle model that is associated to the Asset new machines.

### Question: 351

#### DRAG DROP

A company is implementing Dynamics 365 Supply Chain Management. The company has vendor agreements with domestic and international companies.

A production controller requires the ability to process the goods in transit to the company from international vendors. Charges and costs require the following setup:

- applied to domestic and international inbound shipments
- separate purchase orders

The company will not create inbound Wads automatically.

You need to determine which module to configure to meet the requirement for inbound shipments.

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

Modules

800

Landed cost only

Apply charges and costs to inbound shipments Transportation management only

Answer Area

Requirement

Process international goods in transit

Module

Answer:

Explanation:

Modules

Both
Landed cost only
Transportation management only

Answer Area

Requirement

Process international goods in transit  
Apply charges and costs to inbound shipments

Module

Transportation management only  
Landed cost only

### Question: 352 HOTSPOT

A company is implementing Dynamics 365 Supply Chain Management.

The company wants to optimize the warehouse inbound operations.

You need to select the inbound operation business process based on the scenario.

Which inbound operations should you select? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Answer Area

Scenario

Physically check the item after receiving in the inventory.

Automatically create a quality document for the incoming shipments.

Physically evaluate the item before receiving in the inventory.

Inbound operation

Purchase order put away with quality check

Purchase order put away with a quality order

Purchase order put away with a quality order  
Purchase order put away with quality check

Purchase order put away with quality check

Purchase order put away with a quality order

Answer:

Explanation:

Answer Am

**Scenario**

Physically check the item after receiving in the inventory.

Automatically create a quality document for the incoming shipments.

Physical/ evaluate the item before receiving

**Inbound operation**

Purchase order put away with quality check

Purchase order put away with a quality order

Purchase order put away with quality check

**Question: 353**

A company uses Dynamics 365 Supply Chain Management to manage procurement operations.

The company sources the majority of items from foreign vendors based in different countries/regions. Each country/region has different exporters. Exporter details for every shipment is required for compliance.

You need to report shipments by exporters

What should you configure?

- A. Shipping container
- B. Vessel
- C. Voyage
- D. Folio
- E. Purchase order

**Answer: B**

Explanation:

**Question: 354**

A company has multiple legal entities. The company is implementing Dynamics 365 Supply Chain Management

Purchase orders are generated from multiple legal entities. To reduce shipping costs, the purchase orders must be consolidated into multiple shipping containers of the same type and placed onto a single vessel for inbound receipt into the country/region.

You need to configure the path of the shipping containers.

What should you configure?

- A. Voyage
- B. Route
- C. Journey
- D. Route segment

Answer: A

Explanation:

Question: 355  
HOTSPOT

A company uses Dynamics 365 Supply Chain Management to manage procurement operations.

The company plans to source some product lines from offshore vendors. The company wants to use the landed cost module feature for the shipment tracking and item costing.

You need to configure the procurement requirements.

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

NOTE: Each correct selection is worth one point.

**Answer Area**

**Requirement**

Update item's final inventory cost.

Update shipped item's ownership.

Update shipment's tracking.

**Option**

- Post shipper's invoice
- Post shipper's invoice**
- Post purchase invoice
- Update purchase order charges

- Post purchase invoice
- Post shipper's invoice
- Post purchase invoice**
- Update purchase order charges

- Use voyage tracking
- Use voyage tracking**
- Add voyage activities
- Update journey template

## Answer

Explanation:

Answer Area

Requirement

Option

Update item's final inventory cost.

Post shipper's invoice

Update shipped item's ownership

Post purchase invoice

Update shipment's tracking.

Use voyage tracking

Question:

356

DRAG DROP

A company uses Dynamics 365 Supply Chain Management to manage procurement operations.

The company plans to source some product lines from offshore vendors. The company wants to use the landed cost module feature for the shipment tracking and item costing.

You need to configure the landed cost functionality.

What should you configure for each requirement? To answer, drag the appropriate components to the correct requirements. 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

Answer Area

Requirement

Component

Purchase order

Identify the available weight and volume offered by the carrier to minimize the per unit shipping cost.

Shipping container

Identify the party responsible to pay the freight difference for the shipped item.

## Answer

Explanation:

Components

- Folio
- Purchase order
- Shipping container

Answer Area

**Requirement**

Identify the available weight and volume offered by the Shipping container carrier to minimize the per unit shipping cost.

Identify the party responsible to pay the freight difference for the shipped item.

**Component**

Purchase order

## Question: 357

### HOTSPOT

A company uses Dynamics 365 Supply Chain Management. The company plans to add trucks to the existing truck fleet over the upcoming months.

The company requires truck drivers to complete a daily self-inspection of their trucks. The government requires that commercial trucks are inspected annually by a certified repair facility.

The fleet manager wants to minimize the amount of time the truck is in the shop.

- When a truck driver reports a problem during the daily inspection that requires a repair and is within a week of the annual inspection, the company requires that both events occur at the same time in the shop.
- The annual inspection can vary on due date for both new and existing trucks.

You must configure the requirements to minimize truck downtime.

What should you configure for each requirement? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Answer Area

Requirement

Establish maintenance plan for all trucks.

Ensure annual inspection is completed if it is due within a week of a reported maintenance issue.

Configuration

Asset types, time

Asset types, time

Asset types, counter Individual asset, time Individual asset, counter

Time fence \_\_\_\_\_

Time fence

Tolerance days finish within days

Answer:

Explanation:

Answer Area

Requirement

Configuration

Establish maintenance plan for all trucks.

Asset types, time

\$

Ensure annual inspection is completed if it is due within a week of a reported maintenance issue.

Time fence

\*

### Question: 358

A manufacturing company uses Dynamics 365 Supply Chain Management.

The company replaced its burners to limit carbon dioxide emissions. The new burners require frequent servicing to be compliant with environmental regulations. The new burners are more complex and take longer to service than the previous burners.

The production controller must track fuel use in liters to schedule timely maintenance. The additional time taken to plan maintenance must be considered.

You must configure the system to meet the requirements.

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

NOTE: Each correct selection is worth one point.

- A. Register consumption.
- B. Configure counter types.
- C. Set up asset service level.
- D. Configure asset BOM.
- E. Create attributes.

Answer: A,B

Explanation:

### Question: 359

A company is implementing Dynamics 365 Supply Chain Management.

Based on a vendor agreement, the company must take ownership of items when they are shipped. Items must be part of inventory valuation but not available for sale until they are physically received into the warehouse.

You need to configure the system to meet the vendor's requirements. What should you configure?

- A. Landed cost

B. Item group

C. Item status

D. Item arrival

E. Transportation management

Answer: A

Explanation:

Question: 360

HOTSPOT

A company uses Dynamics 365 Supply Chain Management with advanced warehouse capabilities. Warehouse workers use mobile devices. High value stocked items are classified as A items and are stocked in different locations in the warehouse.

The accounting department requires that all A items be counted weekly. If there are any inconsistencies, the A items must be counted a second time prior to posting the counts.

You need to configure the system to meet the requirements

What should you configure for each requirement? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Answer Area

**Requirement**

Count all A items weekly.

**Configuration**

Cycle count plan

Cycle count plan Movement  
journal spot cycle count

Work user deviation limits

Tag counting

Movement journal workflow

Determine whether a recount is required

**Answer**

Explanation:

Answer Area

**Requirement**

Count all A items weekly.

**Configuration**

Cycle count plan

Work user deviation limits

Determine whether a recount is required.

**Question: 361**

A company uses Dynamics 365 Supply Chain Management and the FIFO valuation method for inventory.

The company's warehouse experienced a roof leak. The leak caused damage to items in the warehouse. Accounting must know the total cost of inventory that is damaged but does not want the damaged items removed from inventory until they have been inspected.

You need to meet the requirements of the accounting department.

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

NOTE: Each correct selection is worth one point.

- A. Location profile
- B. Inventory status
- C. Stop item for inventory transactions
- D. Movement journal

**Answer: A,C**

Explanation:

## Question: 362

A distribution company uses Dynamics 365 Supply Chain Management.

The company implements a new safety policy. The policy dictates that all business units must undergo a rapid routine safety checkup every week.

To follow the new policy, the warehouse manager must ensure the following:

- The business unit must be unavailable for use during that period.
- The maintenance activities must be conducted during the lunch break to avoid production downtime losses.

You must configure the system to meet the safety requirements.

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

NOTE: Each correct selection is worth one point.

- A. Work order service levels
- B. Asset BOMs
- C. Attributes

Answer: A,B

Explanation:

## Question: 363

HOTSPOT

A company uses Dynamics 365 Supply Chain Management. The company is introducing a new line of products that require multiple pieces of new shop floor equipment.

The accounting manager requires the following:

- The new equipment must be tightly controlled throughout the acquisition cycle with vendors.

- All assets must have expected receipts.
- The asset must be automatically created when it is received by the warehouse.

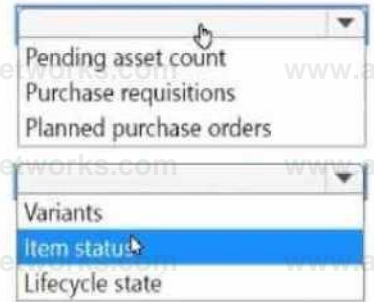
**Answer Area**

**Requirement**

View all assets expected to be received.

Automatically create asset upon receipt.

**Configuration**



Answer:

Explanation:

**Answer Area**

**Requirement**

View all assets expected to be received

Automatically create asset upon receipt

**Configuration**

Purchase requisitions

Item status

**Question: 364**

DRAG DROP

A company uses Dynamics 365 Supply Chain Management to manage procurement operations.

A purchasing clerk must process a purchasing request from an offshore vendor with the landed cost.

You need to explain the steps needed to perform this process

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.

**Actions**

- Complete the journey leg by unloading and going through customs.
- Post purchase order invoice with the default quantity for lines as the product receipt quantity
- Create a voyage
- Create a purchase order.
- Post purchase order invoice with the default quantity for lines as the order quantity.
- Create a shipping vendor's invoice to update the cost of goods.
- Receive the goods at the destination warehouse.

**Answer area**



Answer:

Explanation:

**Actions**

- Complete the journey leg by unloading and going through customs.
- Post purchase order invoice with the default quantity for lines as the product receipt quantity.



- Create a voyage.
- Create a purchase order.
- 
- Create a shipping vendor's invoice to update the cost of goods.
- Receive the goods at the destination warehouse.

**Answer area**

Post purchase order invoice with the default quantity for lines as the order quantity.



Question: 365

DRAG DROP

A company uses Dynamics 365 Supply Chain Management for purchasing and sales operations across three different sites. The default order settings for products are configured as shown in the following table.

Rank	Site	Configuration	Purchase - override default settings	Purchase stopped	Sales - override default settings	Sales stopped
20	2	C1	Yes	No	Yes	Yes
20	1	C2	Yes	Yes	Yes	No
20	1	C1	Yes	No	Yes	Yes
10	2	C1	Yes	Yes	Yes	No
10	1	C2	Yes	No	Yes	Yes
10	1	C1	Yes	Yes	Yes	No
0				No		No

You need to determine which scenarios allow transactions.

Which transactions are allowed? To answer, drag the appropriate allowed options to the correct scenarios. Each allowed 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.

NOTE: Each correct selection is worth one point.

Allowed	Answer Area	Scenario	Allowed
Yes		A product is sold out Pt site 3.	
		A product is sold out of site 1 with configuration of C1.	
		A product is purchased out of site 2 with a configuration of C2.	
		A product is purchased out of site 1 with a configuration of C2.	

Answer:

Explanation:

Allowed	Answer Area	Scenario	Allowed
Yes		A product is sold out of .site 3.	Yes
		A product is sold out of site 1 with a configuration of Ct.	No
		A product is purchased Out of site 2 with a configuration of C2.	Yes
		A product is purchased out of site 1 with a configuration of C2.	Yes

### Question: 366

#### HOTSPOT

A company uses Dynamics 365 Supply Chain Management. The company has multiple shrink wrap machines on the shipping dock.

An older shrink wrap machine has a unique vibration. The older machine must be inspected frequently and measured against the vibration and performance of other machines.

You need to configure the following requirements for the aging shrink wrap machine:

- Inspect the older machine frequently.
- Measure results against other machines.

What should you configure for each requirement? To answer, select the appropriate options in the answer area. NOTE: Each correct selection is worth one point.

Answer Area

**Requirement**

Inspect the older machine frequently.

Measure results against other machines.

**Configuration**

- Condition assessment
- Quality order
- Item template
- Quarantine order
- Condition assessment
- Asset management
- Asset management
- Quality management
- Inventory management
- Quarantine management

Answer:

Explanation:

Answer Area

**Requirement**

Inspect the older machine frequently.

Measure results against other machines

**Configuration**

Condition assessment

Asset management

**Question: 367**

A cement manufacturing company uses Dynamics 365 Supply Chain Management. The company has two manufacturing plants. On average, each production plant produces 300,000 bags of cement before it must shut down for maintenance.

The production controller must allocate the required resources during the maintenance period.

You need to configure the system to meet the controller's requirements.

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

NOTE: Each correct selection is worth one point.

- A. Attributes
- B. Maintenance plans
- C. Asset service levels
- D. Counters
- E. Maintenance requests

Answer: B,D

Explanation:

### Question: 368

A company uses Dynamics 365 Supply Chain Management. The company acquired a multinational food packaging business that has 30 facilities operating in multiple countries/regions.

Packaging machines must be systematically registered and tracked across all facilities

You need to create the packing machine assets to meet the tracking requirements.

What should you create?

- A. functional location
- B. functional location lifecycle model
- C. functional location type
- D. functional location lifecycle state

Answer: A

Explanation:

### Question: 369

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

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

A company uses Dynamics 365 Supply Chain Management to manage inventory.

Backorders exist on customer sales orders because incorrect data was given on product quantities.

Users need to look up what quantity can be sold and when more product will arrive.

Solution: On Order shows what quantities are on inbound orders to the warehouse.

Does the solution meet the goal?

- A. Yes

B. No

Answer: B

Explanation:

### Question: 370

A manufacturing company has implemented Dynamics 365 Supply Chain Management. The company relies on machinery and equipment for its operations. It has a diverse range of assets, including manufacturing equipment, vehicles, and tools.

The company wants to optimize its asset maintenance processes to minimize downtime and improve overall productivity. The company wants to implement both preventive and reactive maintenance strategies on the following scenarios:

- Changing the tires and oil on the maintenance vehicle fleet.
- Replacing a faulty component on a box maker.

You need to determine the functionality to use for each maintenance requirement.

Solution: Create a maintenance plan for the vehicle fleet and a maintenance round for the box maker.

Does the solution meet the goal?

A. Yes

B. No

Answer: B

Explanation:

### Question: 371

A manufacturing company has implemented Dynamics 365 Supply Chain Management. The company relies on machinery and equipment for its operations. It has a diverse range of assets, including manufacturing equipment, vehicles, and tools.

The company wants to optimize its asset maintenance processes to minimize downtime and improve overall productivity. The company wants to implement both preventive and reactive maintenance strategies on the following scenarios:

- Changing the tires and oil on the maintenance vehicle fleet.
- Replacing a faulty component on a box maker.

You need to determine the functionality to use for each maintenance requirement.

Solution: Create maintenance rounds for both the vehicle fleet and the box maker. Does the solution meet the goal?

- A. Yes
- B. No

Answer: B

Explanation:

### Question: 372

A manufacturing company has implemented Dynamics 365 Supply Chain Management. The company relies on machinery and equipment for its operations. It has a diverse range of assets, including manufacturing equipment, vehicles, and tools.

The company wants to optimize its asset maintenance processes to minimize downtime and improve overall productivity. The company wants to implement both preventive and reactive maintenance strategies on the following scenarios:

- Changing the tires and oil on the maintenance vehicle fleet.
- Replacing a faulty component on a box maker.

You need to determine the functionality to use for each maintenance requirement.

Solution: Create maintenance plans for the vehicle fleet and the box maker.

Does the solution meet the goal?

- A. Yes
- B. No

Answer: B

Explanation:

### Question: 373

An e-commerce retail company is implementing Dynamics 365 Supply Chain Management.

The company often has scenarios where additional freight charges are incurred due to weight discrepancies and fuel surcharges but doesn't always want to review minimal variations to expected charges. The company wants to utilize the capabilities of the system for reconciling freight charges.

You need to configure the system to accommodate for the freight charge discrepancies.

What should you configure?

- A. Freight bill audit master
- B. Set freight match required to "Yes"
- C. Freight bill type assignment
- D. freight bill type

Answer: A

Explanation:

### Question: 374

A manufacturing company has implemented Dynamics 365 Supply Chain Management. The company relies on machinery and equipment for its operations. It has a diverse range of assets, including manufacturing equipment, vehicles, and tools.

The company wants to optimize its asset maintenance processes to minimize downtime and improve overall productivity. The company wants to implement both preventive and reactive maintenance strategies on the following scenarios:

- Changing the tires and oil on the maintenance vehicle fleet.
- Replacing a faulty component on a box maker.

You need to determine the functionality to use for each maintenance requirement.

Solution: Create a maintenance round for the vehicle fleet and a maintenance plan for the box maker.

Does the solution meet the goal?

A. Yes

B. No

Answer: B

Explanation:

Question: 375

A distribution company is implementing Dynamics 365 Supply Chain Management.

The company plans to expand into providing trucking services for its primary distribution center. The company may expand into other locations later.

All vehicle maintenance will be performed at standardized intervals to meet trucking regulations.

The vehicles must be established on the maintenance schedule at the distribution center. The fleet manager requires all vehicles to be grouped together by location for the distribution center and by sublocations for any hubs.

The company requires the following implementation:

- Sublocations must inherit the maintenance schedule.
- Non-vehicle assets must not inherit the maintenance schedule.

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

- A. asset counters
- B. functional location types
- C. work orders
- D. asset service levels

Answer: B

Explanation:

Question: 376

A company uses Dynamics 365 Supply Chain Management

Three assets at a single location all need the same tune-up. A single worker can complete all three tune-ups. The worker's hours must be allocated to each asset

You need to configure the system for the worker.

Which configuration should you use?

- A. Create a consumption registration for the expenses.
- B. Create three separate work orders.
- C. Configure work line details.
- D. Create a consumption registration for the items.

Answer: C

Explanation:

Question: 377

DRAG DROP

A company uses Dynamics 365 Supply Chain Management for asset management.

A specific piece of equipment has a high volume of work orders.

You need to identify the costs associated with machine repairs.

What should you use to identify the costs? To answer, move the appropriate locations to the correct requirements.

You may use each location 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.

Locations

- Costing version
- Item where used page
- Asset consumption report
- Asset management mobile app

Machine repair costs

Requirement	Location
Hours posted against a specific machine	
Cost of items used to repair a specific machine	

Answer:

Explanation:

Locations	Machine repair costs
Costing version	Requirement location
Item where used page	Hours posted against a specific machine <a href="#">Asset consumption report</a>
Asset consumption report	Cost of items used to repair a specific machine [Asset management mobile app
Asset management mobile app	

Question: 378

A company uses Dynamics 365 Supply Chain Management to manage procurement operations.

The company sources the majority of items from foreign vendors based in different countries/regions. Each country/region has different exporters. Exporter details for every shipment is required for compliance. You need to report shipments by exporters.

What should you configure?

- A. Shipping container
- B. Folio
- C. Voyage
- D. Vessel
- E. Purchase order

Answer: C

Explanation:

Question: 379

DRAG DROP

A company is implementing Dynamics 365 Supply Chain Management

The company has a history of incorrect inventory valuation reporting due to non-existence of a

proper cycle counting policy.

You need to select the type of cycle counting to perform for each use case.

Which cycle counting types should you perform? To answer, drag the appropriate cycle counting types to the correct use cases. Each cycle counting 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.

Cycle counting types	Answer Area
<input type="checkbox"/> Blind cycle counting	<b>Use case</b> Perform on-hand inventory count by scanning the item barcode when the current on-hand quantity is not visible.
<input type="checkbox"/> Spot cycle counting	Perform on-hand inventory count when a variance is found while performing a pick.

**Answer:**

**Explanation:**

Cycle counting types	Answer Area
<input type="checkbox"/> Blind cycle counting	<b>Use case</b> Perform on-hand inventory count by scanning the item barcode when the current on-hand quantity is not visible.
<input type="checkbox"/> Spot cycle counting	Perform on-hand inventory count when a variance is found while performing a pick.

**Question: 380**

A company is implementing asset management in Dynamics 365 Supply Chain Management.

The company manually assigns workers to work orders. The quality of maintenance suffers due to the manual assignment process.

The company requires preferred maintenance workers to be assigned to a given work order based on specific criteria.

You need to assign the workers to work orders.

Which criteria should you use?

- A. title
- B. asset type

C. job

D. work history

Answer:

D

Explanation:

Question:

381

HOTSPOT

A company is using Dynamics 365 Supply Chain Management for its asset management operations. The company must manage periodic, preventative maintenance for two types of conveyor belt assets.

- One type of conveyor belt asset must be maintained daily for a total of 365 total inspections.
- The other type of conveyor belt asset must be maintained weekly for a total of 52 total inspections.

Preventative maintenance must be consolidated under a single record for all conveyor belt assets.

You need to configure the features for the solution.

Which features should you configure? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Preventative maintenance configuration for conveyor belt assets

Requirement

Configure the intervals for the assets

Configure the type of record for the maintenance intervals.

Configuration

Maintenance plan line

Functional location type

Maintenance rounds

Maintenance plan

Maintenance plan line

[ Time

Time

| Counter

Answer:

Explanation:

Preventative maintenance configuration for conveyor belt assets

Requirement

Configure the intervals for the assets

Configure the type of record for the maintenance intervals.

Configuration

Maintenance plan line

Time

### Question: 382

#### HOTSPOT

A company uses Dynamics 365 Supply Chain Management. The company purchased new forklifts for the warehouse.

The types of forklifts vary based on the purpose within the warehouse. Parts, such as belts and wheels, are not always universal and could be specific to the forklift manufacturer and model. The forklift purchase orders must go through a purchase requisition approval process because they are being purchased from new vendors.

You need to determine where to capture the manufacturer and model information for each forklift.

On which component should you capture the information for each requirement? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

#### Answer Area

Requirement

Component

Record model

Asset type   
Asset

Asset type

Lifecycle model  Inventory model group

Asset

Record manufacturer

Item

Asset

Owner

Vendor

Answer:

Explanation:

Answer Area

Requirement

Component

Record model

Asset type

Record manufacturer

Asset

### Question: 383

A company uses Dynamics 365 Supply Chain Management.

A customer placed multiple sales orders. The customer requires the orders to ship on a single truck.

You need to configure the system to consolidate the multiple outbound sales orders onto a single truck for delivery.

What should you configure?

- A. Legs
- B. Load
- C. Voyage
- D. Vessel

Answer: B

Explanation:

### Question: 384

A company uses Dynamics 365 Supply Chain Management to manage procurement operations.

A purchasing manager creates a procurement request of the main product line from an offshore vendor. The vendor informs the purchasing manager that the items will be delivered in two phases due to raw material shortages. The purchasing manager wants to maintain this information by keeping the procurement request intact for tracking.

You need to configure the procurement requirements before the goods are shipped.

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

NOTE: Each correct selection is worth one point.

A. Update vessel.

B. Update folio.

C. Update voyage.

D. Update purchase order.

Answer: C,D

Explanation:

Question: 385

DRAG DROP

A company is configuring the handheld warehouse mobile device in Dynamics 365 Supply Chain Management

Several warehouse activities are documented as required configurations. The activity configurations require a menu item in the device interface.

You need to create the menu items.

Which menu item mode should you use for each activity? To answer, move the appropriate menu item modes to the correct activities. You may use each menu item mode 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.

Menu item modes

Indirect	Work
----------	------

Assigning the correct menu item mode to activities for a warehouse

Activity	Menu item mode
Inventory status change	
Reprint label	
Change warehouse Spot	
cycle counting	

Answer:

Explanation:

Menu item modes

☰ Indirect	☰ Work
------------	--------

Assigning the correct menu item mode to activities for a warehouse

Activity	Menu item mode
Inventory status change	Indirect
Reprint label	Indirect
Change warehouse Spot	Indirect
cycle counting	Work

## Question: 386

A manufacturing company is implementing Dynamics 365 Supply Chain Management for asset maintenance. The temperature control system requires calibration every six months by a certified metrologist. You need to configure the six-month cadence requirement. What should you configure?

- A. Maintenance job trade
- B. Maintenance job type variant
- C. Maintenance checklist variable
- D. Maintenance job type category

Answer: B

Explanation:

## Question: 387

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

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

A company uses Dynamics 365 Supply Chain Management to manage item returns.

You need to ensure that the original quantity and price from a sales order is used for return orders.

Solution: Use the Find sales order function to link the return order to the original sales order.

Does the solution meet the goal?

A. Yes

B. No

Answer: A

Explanation:

### Question: 388

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 process manufacturer is implementing Dynamics 365 Supply Chain Management to produce sports energy bars, beverages, and nutritional supplements.

The company must run a series of quality control tests for all its beverage items for each production run after the items are completed from a production job.

The testing process for all beverages must follow the same process. The energy bars and nutritional supplements have their own testing requirements.

The specific tests are not yet defined.

You need to configure the quality associations in preparation for the requirements.

Solution: Create a quality association for each item with Reference type as Inventory, using Item code as Table and specifying each item on the quality associations. Set Event type to Report as finished. Set Execution to After.

Does the solution meet the goal?

A. Yes

B. No

Answer: B

Explanation:

## Question: 389

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 process manufacturer is implementing Dynamics 365 Supply Chain Management to produce sports energy bars, beverages, and nutritional supplements.

The company must run a series of quality control tests for all its beverage items for each production run after the items are completed from a production job.

The testing process for all beverages must follow the same process. The energy bars and nutritional supplements have their own testing requirements.

The specific tests are not yet defined.

You need to configure the quality associations in preparation for the requirements.

Solution: Create a quality association for each item with Reference type as Inventory, using Item code as Table and specifying each item on the quality associations. Set Event type to Registered. Set Execution to Before.

Does the solution meet the goal?

A. Yes

B. No

**Answer: B**

Explanation:

## Question: 390

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 process manufacturer is implementing Dynamics 365 Supply Chain Management to produce sports energy bars, beverages, and nutritional supplements.

The company must run a series of quality control tests for all its beverage items for each production run after the items are completed from a production job.

The testing process for all beverages must follow the same process. The energy bars and nutritional supplements have their own testing requirements.

The specific tests are not yet defined.

You need to configure the quality associations in preparation for the requirements.

Solution: Create a test group for all beverage items. Create a quality association with Reference type as Production and Item code as All. Assign the test group to the quality association. Set Event type to Report as finished. Set Execution to After.

Does the solution meet the goal?

- A. Yes
- B. No

Answer: B

Explanation:

Question: 391

DRAG DROP

You are implementing cost management using Dynamics 365 Finance for a company.

The company wants to configure cost groups for the following business requirements:

Invoice from a third-party welding subcontractor

Machine operator labor costs

Raw steel used to manufacture car frames

You need to configure the cost group type for each business requirement.

Which cost group types should you assign?

Cost group types

Indirect
Direct materials
Direct outsourcing
Direct manufacturing

Cost group types and business requirements

Business requirement

Invoke from third-party welding subcontractor  
Machine operator labor costs  
Raw steel used to manufacture car frames

Cost group type


Answer:

Explanation:

Invoice from third-party welding subcontractor — C. Direct outsourcing

Machine operator labor costs — D. Direct manufacturing

Raw steel used to manufacture car frames — B. Direct materials

#### 1. Direct outsourcing:

According to Microsoft Dynamics 365 Finance documentation, direct outsourcing cost groups are used to capture costs from third-party vendors or subcontractors who provide services or materials directly related to manufacturing.

The invoice from a third-party welding subcontractor is a classic example of a direct outsourcing cost because the subcontractor performs a direct manufacturing process step externally.

Reference:

Microsoft Docs - Cost Groups overview

"Direct outsourcing cost groups are for costs from vendors who provide specific manufacturing services as part of the production process."

#### 2. Direct manufacturing: Direct manufacturing cost groups capture labor costs directly involved in production, including machine operator labor costs.

Machine operator labor costs are directly linked to manufacturing activities, and therefore classified under direct manufacturing cost groups.

Reference:

Microsoft Docs - Labor costing and cost groups

"Labor costs that are directly involved in manufacturing processes should be classified under direct

manufacturing."

3. Direct materials: Direct materials cost groups are used for raw materials and components that are consumed in manufacturing.

Raw steel used to manufacture car frames is a raw material and should be categorized under direct materials.

Reference:

Microsoft Docs - Cost groups types

"Direct materials include raw materials and components consumed during manufacturing."

## Question: 392

HOTSPOT

A company plans to configure costing versions in Dynamics 365 Finance for its annual cost review process.

The company must be able to do the following:

Analyze changes to material and labor costs before applying them to inventory valuation.

Maintain full manual control over cost values during this process.

Ensure cost records are reviewed and approved before activation.

Avoid automatic cost calculations based on the costing sheet.

You need to configure a costing version to support the business requirements.

How should you complete the configuration? To answer, select the appropriate options in the answer area.

**Requirement**

Type of costing version

**Configuration**

Planned

Standard

No costing version

costing version

Method for populating cost records

Manual entry

Calculated using costing sheet

Imported from external vendor price lists

**Answer:**

**Explanation:**

**Requirement**

**Configuration**

Type of costing version

Planned

Intended use of the costing version

Cost analysis/simulation

Method for populating cost records

Manual entry

1. Type of costing version – Planned

Planned costing versions are used when you want to simulate or analyze cost changes without affecting the actual inventory valuation.

This version type supports full manual control over costs and does not perform automatic costing calculations.

Reference:

Microsoft Docs - Costing versions overview

"Use planned costing versions to simulate and review cost changes before applying them."

## 2. Intended use of the costing version – Cost analysis/simulation

The intended use "Cost analysis/simulation" allows you to review and analyze cost changes without posting these costs to inventory.

This matches the requirement to maintain manual control and to review costs before activation.

Reference:

Microsoft Docs - Configure costing versions

"The cost analysis or simulation use allows review and approval workflows before activation."

## 3. Method for populating cost records – Manual entry

Manual entry is chosen to avoid automatic calculations based on the costing sheet, ensuring that cost values can be entered and adjusted manually during the review process.

This supports the business need to avoid automatic cost calculations and maintain control.

Reference:

Microsoft Docs - Populate cost records

"Selecting manual entry allows users to input cost records directly without automatic calculations."

## Question: 393

A company is configuring per diem rules in Dynamics 365 Finance as part of its expense management.

The company requires the per diem rate to be automatically reduced by different percentages when specific meals, such as breakfast or dinner, are provided each day to the employee during travel.

You need to set up the per diem rules.

Which configuration should you complete?

- A. Select Meal type per trip and enter reduction percentages for each meal.
- B. Ignore the allowance rate for meal reduction.
- C. Select Meal type per day and enter reduction percentages for each meal.
- D. Select Number of meals per day and default values for reduction percentages for each meal.

Answer: C

Explanation:

Comprehensive and Detailed Explanation From Exact Extract:

In Dynamics 365 Finance, when configuring per diem rules for expense management, the system supports reducing the per diem rate based on specific meals provided during travel (e.g., breakfast, lunch, dinner).

This reduction is applied on a per day basis, not per trip.

Meal type per day configuration allows you to specify reduction percentages for each meal type (breakfast, lunch, dinner) for each day of travel.

This setup automatically adjusts the per diem amount when an employee receives one or more meals, preventing overpayment of per diem allowances.

Reference:

Microsoft Docs - Per diem rules and meal reduction

"You can configure per diem rules to reduce the daily allowance based on the types of meals provided to the employee on each travel day."

Why other options are incorrect:

A (Meal type per trip): Meal reductions are not applied on a per-trip basis but rather on each travel day to ensure daily accuracy.

B (Ignore allowance rate for meal reduction): Ignoring the allowance rate negates the requirement to reduce per diem automatically.

D (Number of meals per day with default values): While number of meals can be tracked, the reduction is specifically based on meal types with individual reduction percentages, not just the count of meals.

## Question: 394

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?

Pricing methods

Standard	Flat	Tier
Flat tier		

BIring schedule line configuration

Billing schedule line	Pricing method
One time fee	
Minimum charge	

Answer:

Explanation:

Billing schedule line

Pricing method

One-time fee

Flat

Minimum charge

Standard

One-time fee - Flat pricing method:

A flat pricing method charges a fixed amount regardless of usage or other variables.

This is appropriate for the initial one-time setup fee for customers.

Reference:

Microsoft Docs - Recurring billing setup

"Flat pricing methods are used for fixed fees such as one-time charges."

Minimum charge - Standard pricing method:

Standard pricing method calculates pricing based on the standard sales price, which can be controlled via trade agreements for flexibility.

This supports minimum charges that may vary depending on trade agreements and product pricing setup.

Reference:

Microsoft Docs - Trade agreements and pricing

"Standard pricing method links to released product sales price and trade agreements for flexible price management."

Why other pricing methods are not used here:

Tier and Flat tier pricing methods are typically used for usage-based billing or tiered usage charges, not for one-time fees or minimum charges. Since these lines specifically require one-time and minimum charge setups, these methods are not applicable.

## Question: 395

A company uses the basic budgeting functionality in Dynamics 365 Finance.

You need to create budget register entries.

What are three possible ways to achieve this goal?

Each correct answer presents a complete solution. (Choose three.)

- A. Import budget register entries by using the Data management page.
- B. Manually enter the budget information on the Budget register entry page.
- C. Use a periodic batch job to automatically prepare budget data on a recurring basis.
- D. Use the Microsoft Office add-in on the Budget register entry page.
- E. Use the Create Budget Allocation rules page to generate periodic budget register entries.

Answer: A,B,D

Explanation:

Import via Data management page (A):

Dynamics 365 Finance supports importing budget register entries using the Data management framework, which allows bulk import of budget data from external files or systems.

Reference:

Microsoft Docs - Budget register entries

"Budget register entries can be imported using the Data management workspace for efficient bulk data entry."

Manual entry on Budget register entry page (B):

You can directly create and edit budget register entries manually in the Budget register entry form within the system.

This is the basic and most straightforward method.

Reference:

Microsoft Docs - Budget register entry form

"Manually create budget register entries by entering amounts and financial dimensions on the budget register entry page."

Microsoft Office add-in (D):

Microsoft Office add-in integration allows budget planners to work in Excel, entering budget data and publishing it directly to Dynamics 365 Finance as budget register entries.

This is helpful for users comfortable with Excel for budget planning.

Reference:

Microsoft Docs - Budgeting with Excel add-in

"Use the Microsoft Office add-in to create and publish budget register entries from Excel to Dynamics 365 Finance."

### Question: 396

A company is setting up a budget control system to improve financial management. The company completes the following initial steps:

Defined financial dimensions

Set default time intervals

Configured basic budgeting parameters

The company requires the budget control functionality to monitor and compare the actual expenditures to the budgeted amounts.

You need to configure the budget control configuration linked to the budgeted amount so that the system can effectively monitor and compare actual expenditures to budgeted amounts.

What should you do next?

- A. Assign budget models to the budget cycle time spans.
- B. Specify user groups with permissions to exceed the budget.
- C. Define the calculation formula for budget funds available, including draft documents.

**Answer: A**

**Explanation:**

After defining financial dimensions, time intervals, and basic budgeting parameters, the next key step in setting up budget control is to assign budget models to the budget cycle time spans.

This assignment links the budget models (which contain budget register entries and budget plans) to the defined budget cycles and time intervals.

This linkage enables the system to monitor and compare actual expenditures against the budgeted amounts effectively during the budget control process.

Reference:

Microsoft Docs - Budget control configuration

"Budget models must be assigned to budget cycles to enable budget control monitoring of actual expenditures versus budget."

Why other options are not correct:

B (Specify user groups with permissions): Permissions are important but come after budget models and cycles are configured for control.

C (Define calculation formula): The calculation formulas for budget funds are defined after budget models and cycles setup to control funds availability, not the immediate next step.

## Question: 397

A company operates in the United States and Japan. The accounting currency for the company is USD. The company imports exchange rates related to EUR into their system.

The company starts to conduct transactions with suppliers in Japanese yen (JPY). To ensure accurate reporting, the company configures exchange rates for USD to JPY on the Exchange rates page.

The company requires all JPY transactions to be first converted to EUR and then to USD for reporting purposes.

You need to configure the currency setup.

What should you do?

- A. Implement a direct JPY-to-USD conversion.
- B. Define a specific exchange rate type for USD-to-JPY transactions.
- C. Enable JPY conversion.
- D. Designate EUR as the system reference currency for triangulation.

**Answer: D**

**Explanation:**

In Dynamics 365 Finance, when transactions involve currencies that must be converted through an intermediate currency (triangulation), you designate a system reference currency to enable this.

The system uses the reference currency to convert from the source currency to the reference currency, then from the reference currency to the accounting currency.

In this scenario, since the company imports exchange rates related to EUR and requires JPY transactions to first convert

to EUR, then to USD (accounting currency), EUR must be designated as the system reference currency.

Reference:

Microsoft Docs - Currency triangulation

"When exchange rates are not directly available between two currencies, designate a system reference currency for triangulation to convert through an intermediate currency."

Why other options are incorrect:

A (Direct JPY-to-USD conversion): This contradicts the requirement to convert first through EUR.

B (Define specific exchange rate type): This does not address the triangulation requirement for intermediate conversion.

C (Enable JPY conversion): This is generic and does not solve the triangulation setup needed.

### Question: 398

A manufacturing company uses the FIFO costing method in Dynamics 365 Finance. The company also uses fixed receipt price for certain high-value components so the current cost price is used at receipt, and any variance posts to profit and loss accounts immediately.

When a purchase-order receipt is posted, the following should happen:

- The system must use the fixed receipt price for valuation.
- Any difference between the fixed receipt price and the invoiced price must be posted to profit or loss accounts.
- No standard-cost revaluation process should run.

You need to configure the inventory posting profile to account for the variance between purchase order price and current cost at invoicing.

Which configuration should you use?

- Configure inventory posting profile for Purchase price variance, Inventory cost revaluation, and Cost change variance.
- Configure inventory posting profile for Fixed receipt price profit, Fixed receipt price loss, and Fixed receipt price offset accounts.
- Set up inventory posting profile for Cost of purchased materials received and Purchase expenditure, uninvoiced posting type.
- Set up inventory posting profile for Cost of purchased materials invoiced and Purchase expenditure for product posting type.

Answer: B

Explanation:

When using fixed receipt price for valuation in Dynamics 365 Finance with FIFO costing, any variance between the fixed receipt price and the invoiced price must be posted immediately to profit or loss accounts.

- This requires configuring the inventory posting profile with Fixed receipt price profit, Fixed receipt price loss, and Fixed receipt price offset accounts to properly track these variances.

- The standard-cost revaluation accounts or purchase price variance accounts are not used here because the company explicitly wants to avoid standard-cost revaluation and handle variances directly through fixed receipt price accounts.

- Reference:

- o Microsoft Docs - Fixed receipt price handling

- o "Configure posting profiles for fixed receipt price profit and loss to post variances immediately on invoicing."

- Why other options are incorrect:

- o A involves standard cost revaluation and purchase price variance accounts, which contradicts the requirement to avoid standard-cost revaluation.

- o C and D focus on cost of purchased materials and purchase expenditure but do not address fixed receipt price variances specifically.

Question: 399

A company uses Dynamics 365 Finance to manage its inventory.

The company requires a new item group for electronic products, such as laptops and tablets, to track inventory transactions accurately. The item group must be configured to ensure all inventory movements, such as sales and purchases, are posted to specific ledger accounts for revenue and cost of goods sold.

You need to configure the item group for electronic products in Dynamics 365 Finance.

What should you do?

A. Configure a new item model group for electronic products.

B. Assign specific ledger accounts for inventory posting profiles in the item group setup.

- C. Define a standard cost valuation method in the item group settings.
- D. Set up warehouse posting profiles for the item group.

**Answer: B**

**Explanation:**

- In Dynamics 365 Finance, item groups are used to categorize products and define inventory posting profiles, which determine how inventory transactions post to the general ledger accounts, including revenue and cost of goods sold accounts.
- To ensure accurate tracking of inventory transactions and proper ledger posting for electronic products, you configure the inventory posting profiles within the item group.
- This setup allows specific ledger accounts to be assigned for each type of inventory movement (e.g., sales, purchases, transfers) related to the item group.

• Reference:

oMicrosoft Docs - Configure item groups and posting profiles

o"Item groups are linked to inventory posting profiles to define ledger accounts for various inventory transactions."

• Why other options are not correct:

oA (Item model group): Item model groups define inventory valuation methods and policies, not ledger posting accounts.

oC (Standard cost valuation method): Valuation methods are part of the item model group, not the item group.

oD (Warehouse posting profiles): Warehouse posting profiles are related to inventory movements in warehouses, not to ledger account postings for revenue and cost of goods sold.

**Question: 400**

You are implementing cost management for a company.

The company requires inventory posting profiles to control the posting of inventory subledger transactions to the general ledger separately for receiving and invoicing and for each individual legal entity.

You need to set up the inventory posting profiles.

Which two configurations should you use? Each correct answer presents a complete solution. (Choose two.)

- A. Assign posting profiles based on item groups and transaction types.

- B. Assign posting profiles at the global level.
- C. Configure posting profiles to use different ledger accounts for physical and financial updates.
- D. Configure inventory posting profiles individually for each vendor.

Answer: A,C

Explanation:

o

oDynamics 365 Finance allows configuration of inventory posting profiles by item groups and transaction types to control how transactions such as receipts, issues, and invoicing are posted to the general ledger.

oThis helps in segregating postings for different types of inventory movements and legal entities effectively.

oReference:

Microsoft Docs - Inventory posting profile

"You can configure inventory posting profiles by item groups and transaction types to direct postings to specific ledger accounts."

- C. Configure posting profiles to use different ledger accounts for physical and financial updates:

oPhysical updates refer to changes in inventory quantities (receipts, issues), while financial updates refer to value changes (invoicing).

oConfiguring different ledger accounts for these ensures clear separation of physical inventory movements and financial transactions in the ledger, as required by the company.

oReference:

Microsoft Docs - Physical vs financial updates

"Use separate ledger accounts for physical inventory transactions and financial inventory transactions for detailed accounting."

Why other options are not correct:

- B (Assign posting profiles at the global level):

oGlobal level postings are not detailed enough for legal entity-specific control as required.

- D (Configure posting profiles individually for each vendor):

Inventory posting profiles are not configured per vendor; they are based on item groups, transaction types, and legal entities.

### Question: 401

#### HOTSPOT

A company is using Dynamics 365 Supply Chain Management with the Warehouse mobile app.

Vendor A uses its own trucks to ship products to another local warehouse. Materials are mixed on the truck with no identification of their associated purchase order.

You need to configure the mobile app to allow for purchase order lookup by item.

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

Identify feature for PO Data Query.

Limit to warehouse-specific POs

Feature

Detours

Filter code

Work split

Work break

Warehouse app user

Warehouse worker user

Work user session query range utility tool

Explanation:

Answer:

Answer Area

Requirement

Identify feature for PO Data Query.

Feature

Detours

Work user session query range utility tool

## Question: 402

A manufacturing company is implementing Dynamics 365 Supply Chain Management. The company plans to relocate an existing manufacturing facility to a larger facility soon. The company has the following requirements:

- The existing facility must be configured to manage fixed assets.
- The new facility must be preconfigured in the system and ready for the transition.

The controller is concerned that people might use the preconfiguration before the transition. You need to configure the system to minimize the risk of use before the transition. What should you configure?

- A. set item stopped flag
- B. product lifecycle state
- C. blocked locations
- D. a location lifecycle state
- E. release products

Answer: D

Explanation:

### Question: 403

A company uses Dynamics 365 Supply Chain Management to manage maintenance requests by using asset management.

The company requires the creation of automatic assets for a functional location.

You need to configure the data.

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

NOTE; Each correct selection is worth one point.

- A. functionality profiles
- B. asset type default
- C. lifecycle state
- D. functional location type
- E. attribute types

Answer: B,D

Explanation:

### Question: 404

HOTSPOT

A company is planning the configurations to use for the landed cost module in Dynamics 365 Supply Chain Management.

The company purchases goods from a single vendor. The vendor will transport the goods on a ship from Location A to Location C. A ship change at Location B must be tracked in the system along the way. The entire order will be processed in a single shipment

You need to identify which landed cost concept to use in the configuration.

Which landed cost concept should you use? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Landed cost concept mappings to business scenario

Scenario component  
The vendor goods for the shipment

Concept  
—  
Folio  
Purchase order  
Inventory location  
Shipping container

LocationA to LocationC

—  
Voyage  
Route plan  
Journey template  
Transportation template

LocationA to Locations

Activity  
Leg  
Route  
Voyage

Answer:

Explanation:

Landed cost concept mappings to business scenario

Scenario component  
The vendor goods for the shipment  
LocationA to LocationC  
LocationA to Locations

Concept  
Shipping container  
Voyage  
Leg

## Question: 405

### DRAG DROP

A company uses Dynamics 365 Supply Chain Management for its operations in its primary distribution center. The company is opening a second warehouse for its e-commerce operations.

The second warehouse requires only half of the warehouse operations on the mobile device that the primary distribution center uses.

Several workers from the primary distribution center will help open the new warehouse alongside new workers. The primary distribution center workers will still work in the existing distribution center at times but need to default their warehouse menu to the new warehouse menu when they log in.

You need to configure the warehouse menus.

Which configurations should you use? To answer, move the appropriate forms to the correct requirements. You may use each form 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.

**Forms**

- Worker
- Warehouse
- Mobile device user settings
- Warehouse mobile device portal

**Menu form requirements**

Requirement	Form
Specify the available warehouses on each mobile device.	
Set the default to the new warehouse menu.	

Answer:

Explanation:

**Forms**

- Worker
- Warehouse
- Mobile device user settings
- Warehouse mobile device portal

**Menu form requirements**

Requirement	Form
Specify the available warehouses on each mobile device.	Warehouse
Set the default to the new warehouse menu.	Mobile device user settings