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MB-310

Microsoft Dynamics 365 for Finance and Operations, Financials (beta)

Version 1.0

Sections
1. Topic 1, Set up and configure financial management
2. Topic 2, Manage and apply common processes
3. Topic 3, Implement and manage accounts payable and receivable
4. Topic 4, Manage budgeting and fixed assets

Exam B

QUESTION 1
Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one

correct solution, while others might not have a correct solution.

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

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

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

▪ The accounting adjustments that are received in the first quarter must be able to be posted in to the previous year's Period 13.
▪ The fiscal year closing can be run again, but only the most recent closing entry will remain in the transactions.
▪ All dimensions from profit and loss must carry over into the retained earnings. ▪
All future and previous periods must have an On Hold status.

Solution:

▪ Configure General ledger parameters.
- Set the Delete close of year transactions option to **Yes**.
- Set the Create closing transactions during transfer option to **Yes**.
- Set the Fiscal year status to permanently closed option to **No**.
▪ Define the Year-end close template.
- Designate a retained earnings main account for each legal entity.
- Set the Financial dimensions will be used on the Opening transactions option to **No**.
- Set the Transfer profit and loss dimensions' option to **Close All**. ▪ Set future Ledger periods to a status of **On Hold**.

Does the solution meet the goal?

A. Yes
B. No

Correct Answer: A
Section: Topic 1, Set up and configure financial management
Explanation

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

QUESTION 2
Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

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

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

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

▪ The accounting adjustments that are received in the first quarter must be able to be posted in to the previous year's Period 13.
▪ The fiscal year closing can be run again, but only the most recent closing entry will remain in the transactions.
▪ All dimensions from profit and loss must carry over into the retained earnings. ▪
All future and previous periods must have an On Hold status.

Solution:

▪ Configure General ledger parameters.
- Set the Delete close of year transactions option to **Yes**.

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

- Set the Fiscal year status to permanently closed option to **Yes**.
▪ Define the Year-end close template.
- Designate a retained earnings main account for each legal entity.
- Set the Financial dimensions will be used on the Opening transactions option to **Yes**.
- Set the Transfer profit and loss dimensions' option to **Close All**. ▪ Set future Ledger periods to a status of **On Hold**.

Does the solution meet the goal?

A. Yes
B. No

Correct Answer: B
Section: Topic 1, Set up and configure financial management
Explanation

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

QUESTION 3
Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

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

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

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

▪ The accounting adjustments that are received in the first quarter must be able to be posted in to the previous year's Period 13.
▪ The fiscal year closing can be run again, but only the most recent closing entry will remain in the transactions.
▪ All dimensions from profit and loss must carry over into the retained earnings. ▪
All future and previous periods must have an On Hold status.

Solution:

▪ Configure General ledger parameters.
- Set the Delete close of year transactions option to **No**.
- Set the Create closing transactions during transfer option to **No**.
- Set the Fiscal year status to permanently closed option to **No**.
▪ Define the Year-end close template.
- Designate a retained earnings main account for each legal entity.
- Set the Financial dimensions will be used on the Opening transactions option to **No**.
- Set the Transfer profit and loss dimensions' option to **Close All**. ▪ Set future Ledger periods to a status of **On Hold**.

Does the solution meet the goal?

A. Yes
B. No

Correct Answer: B
Section: Topic 1, Set up and configure financial management
Explanation

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

QUESTION 4
HOTSPOT

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

The client has the following requirements:

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

You need to configure the system.

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

NOTE: Each correct selection is worth one point.

Hot Area:

Correct Answer:

Section: Topic 1, Set up and configure financial management
Explanation

Explanation/Reference:

QUESTION 5 A company is preparing to complete a year-end
close process.

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

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

NOTE: Each correct selection is worth one point.

A. Configure the Fiscal year close parameters
B. Configure the ledger calendar for the new fiscal year
C. Configure the transfer balance
D. Validate the main account type
E. Create the next fiscal year

Correct Answer: ADE
Section: Topic 1, Set up and configure financial management
Explanation

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

QUESTION 6 A client has unique accounting needs that sometimes require
posting definitions.

You need to implement posting definitions.

In which situation should you implement posting definitions?

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

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

Correct Answer: B
Section: Topic 1, Set up and configure financial management
Explanation

Explanation/Reference:
References: https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/general-ledger/posting-definitions

QUESTION 7 An organization is setting up a
cost accounting.

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

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

NOTE: Each correct selection is worth one point.

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

Correct Answer: BCD
Section: Topic 1, Set up and configure financial management
Explanation

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

QUESTION 8
You are configuring automatic bank reconciliation functionality for a company that has multiple bank accounts. The company wants to import their bank statements.

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

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

NOTE: Each correct selection is worth one point.

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

Correct Answer: BDE
Section: Topic 1, Set up and configure financial management
Explanation

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

QUESTION 9
A company plans to create a new allocation rule for electric utilities expenses.

The allocation rule must meet the following requirements:

▪ Distribute overhead utility expense to each department.
▪ Define how and in what proportion the source amounts must be distributed on various destination lines.

You need to configure the allocation rule.

Which allocation method should you use?

A. Fixed percentage
B. Fixed weight
C. Equally
D. Basis

Correct Answer: D
Section: Topic 1, Set up and configure financial management
Explanation

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

QUESTION 10
HOTSPOT

A food manufacturer uses commodities such as beans, corn, and chili peppers as raw materials. The prices of the commodities fluctuate frequently. The manufacturer wants to use cost versions to simulate these fluctuations.

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

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

NOTE: Each correct selection is worth one point.

Hot Area:

Correct Answer:

Section: Topic 1, Set up and configure financial management
Explanation

Explanation/Reference:
References: https://docs.microsoft.com/en-us/dynamics365/unified-operations/supply-chain/cost-management/costing-versions

QUESTION 11
HOTSPOT

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

You need to configure the accrual schemes for this company.

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

NOTE: Each correct selection is worth one point.

Hot Area:

Correct Answer:

Section: Topic 1, Set up and configure financial management
Explanation
Explanation/Reference:

QUESTION 12
A company provides employee life insurance to all full-time employees. Employee life insurance policies are paid twice a year to the insurance company.

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

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

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

NOTE: Each correct selection is worth one point.

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

Correct Answer: BD
Section: Topic 1, Set up and configure financial management
Explanation

Explanation/Reference:

QUESTION 13
HOTSPOT

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

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

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

NOTE: Each correct selection is worth one point.

Hot Area:

Correct Answer:

Section: Topic 1, Set up and configure financial management
Explanation

Explanation/Reference:
References: https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/cost-accounting/terms-cost-accounting

QUESTION 14 An organization uses Dynamics 365 for Finance
and Operations.

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

You need to prevent these invalid combinations.

What should you do?

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

D. Associate the correct main accounts to that financial dimension on the financial dimension setup form.

Correct Answer: A
Section: Topic 1, Set up and configure financial management
Explanation

Explanation/Reference:

QUESTION 15
HOTSPOT

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

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

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

NOTE: Each correct selection is worth one point.

Hot Area:
Correct Answer:

Section: Topic 1, Set up and configure financial management
Explanation

Explanation/Reference:

QUESTION 16 A legal entity has locations and customers in multiple states within the United States.

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

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

NOTE: Each correct selection is worth one point.

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

Correct Answer: ABE
Section: Topic 1, Set up and configure financial management
Explanation

Explanation/Reference:

QUESTION 17 You are configuring Dynamics 365 for Finance and Operations.

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

For which type of transactions can you implement posting definitions?

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

Correct Answer: A
Section: Topic 1, Set up and configure financial management
Explanation

Explanation/Reference:

QUESTION 18
DRAG DROP

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

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

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

Select and Place:
Correct Answer:

Section: Topic 1, Set up and configure financial management
Explanation

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

QUESTION 19 A public sector company is configuring encumbrance for managing capital budgets.

The finance department needs to configure posting definitions for bank transactions.

You need to configure Dynamics 365 for Finance and Operations for cash settlements.

What should you do?

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

Correct Answer: A
Section: Topic 1, Set up and configure financial management
Explanation

Explanation/Reference:

QUESTION 20
DRAG DROP

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

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

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

Select and Place:

Correct Answer:

Section: Topic 1, Set up and configure financial management
Explanation

Explanation/Reference:
References: https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/general-ledger/indirect-taxes-overview

QUESTION 21
Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

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

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

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

You need to configure the system and correctly perform eliminations.

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

Does the solution meet the goal?

A. Yes
B. No

Correct Answer: A

Section: Topic 2, Manage and apply common processes
Explanation

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

QUESTION 22
Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

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

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

You need to configure the system and correctly perform eliminations.

Solution: Select **Consolidate with import.**

Does the solution meet the goal?

A. Yes
B. No

Correct Answer: B
Section: Topic 2, Manage and apply common processes
Explanation

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

QUESTION 23
Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution that might meet the stated goals. Some question sets might have more than one correct solution, while others might not have a correct solution.

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

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

You need to configure the system and correctly perform eliminations.

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

Does the solution meet the goal?

A. Yes

B. No

Correct Answer: B
Section: Topic 2, Manage and apply common processes
Explanation

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

QUESTION 24
DRAG DROP

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

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

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

Select and Place:

Correct Answer:

Section: Topic 2, Manage and apply common processes
Explanation

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

QUESTION 25 You work for a company that receives invoices in
foreign currencies.

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

What should you do?

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

Correct Answer: A
Section: Topic 2, Manage and apply common processes
Explanation

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

QUESTION 26
Users are posting project transactions and bank transactions incorrectly in the General journal. The client wants to prevent this from happening in the future.

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

What should you do?

A. Use journal control to specify which account types are valid for the General ledger journal.
B. Use advanced ledger entries to define the account types that can be used in the General ledger journal.
C. Configure the voucher series associated with this journal to allow only ledger account types.

D. Create a journal template that has ledger as the account type and offset account type.

Correct Answer: B
Section: Topic 2, Manage and apply common processes
Explanation

Explanation/Reference:

QUESTION 27
HOTSPOT

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

PAYROLL: PAYROLL JOURNAL

Journal control

Journal name	Description
Payroll	Payroll Journal

Which account types can be posted?

Add   Remove

Company acc...	Account type
<All>	Ledger

Which segment values are valid for this journal?

Add   Remove

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

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

NOTE: Each correct selection is worth one point.

Hot Area:

Correct Answer:

Section: Topic 2, Manage and apply common processes
Explanation

Explanation/Reference:
References: https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/general-ledger/general-journal-processing

QUESTION 28
HOTSPOT

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

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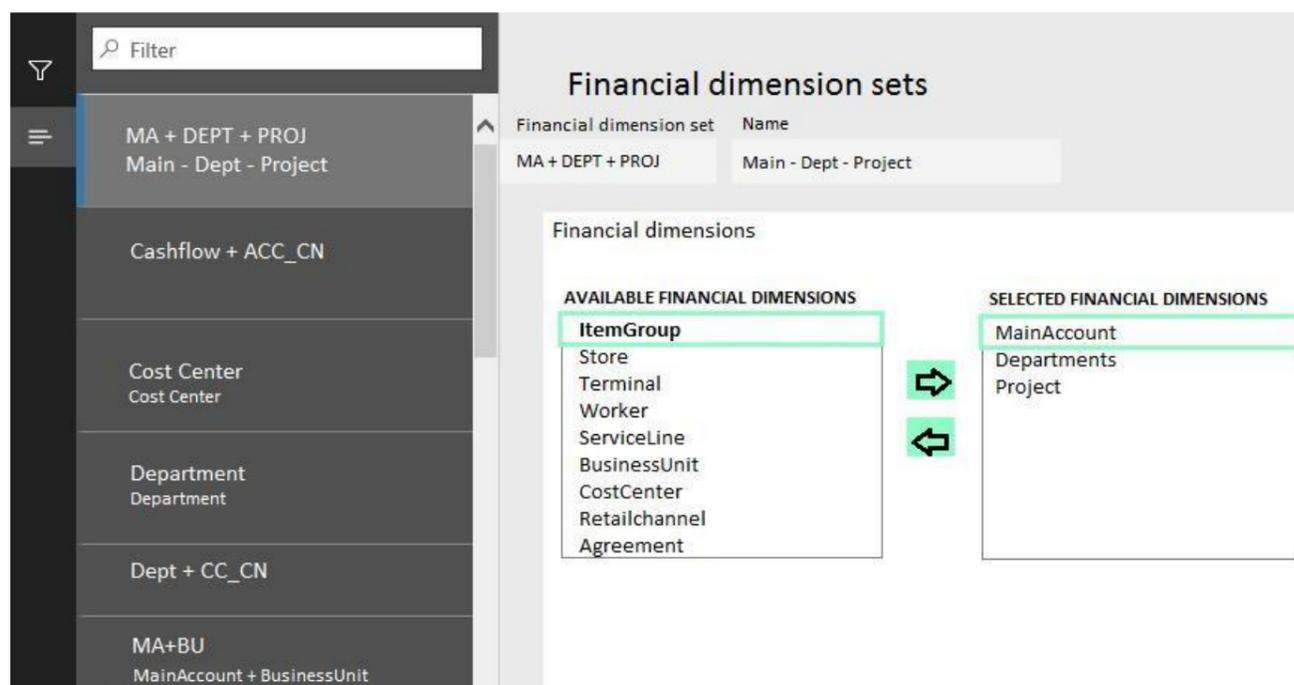
Use the drop-down menu to select the answer choice that answers each question based on the information presented in the graphic.

Hot Area:

Correct Answer:

Section: Topic 2, Manage and apply common processes
Explanation

Explanation/Reference:

QUESTION 29
DRAG DROP

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

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

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

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

Select and Place:

Correct Answer:

Section: Topic 2, Manage and apply common processes
Explanation

Explanation/Reference:

QUESTION 30
HOTSPOT

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

Journal types are not configured to support vendor invoices.

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

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

NOTE: Each correct selection is worth one point.

Hot Area:

Correct Answer:

Section: Topic 2, Manage and apply common processes
Explanation

Explanation/Reference:

QUESTION 31
HOTSPOT

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

You are viewing the main accounts.

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

NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area

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

▼

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

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

▼

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

Correct Answer:

Answer Area

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

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

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

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

Section: Topic 2, Manage and apply common processes
Explanation

Explanation/Reference:

QUESTION 32
HOTSPOT

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

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

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

NOTE: Each correct selection is worth one point.

Hot Area:

Correct Answer:

Section: Topic 2, Manage and apply common processes
Explanation

Explanation/Reference:

QUESTION 33
HOTSPOT

You are setting up the process for an expense report approval in Dynamics 365 for Finance and Operations.

You need to assign permission for each participant in the workflow approval process to perform their tasks.

Which action can each participant perform? To answer, select the appropriate option in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

Correct Answer:

Section: Topic 2, Manage and apply common processes
Explanation

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

QUESTION 34 A client has one legal entity and the following four dimensions configured: Business Unit, Cost Center, Department, and Division.

You need to configure the client's system to run the trial balance inquiry in the General ledger module so that it displays the trial balance two ways:

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

What should you configure?

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

Correct Answer: D
Section: Topic 2, Manage and apply common processes
Explanation

Explanation/Reference:

QUESTION 35 You are configuring intercompany accounting for a multicompany enterprise.

You need to set up the Due to and Due from accounts.

Which main account type should you use?

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

Correct Answer: C
Section: Topic 2, Manage and apply common processes
Explanation

Explanation/Reference:

QUESTION 36
DRAG DROP

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

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

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

Select and Place:

Correct Answer:

Section: Topic 3, Implement and manage accounts payable and receivable Explanation

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

QUESTION 37
A client is implementing Accounts payable. The client wants to establish three-way matching for 100 of their 5,000 stocked items from a specific vendor.

The client requires the ability to have items that require only two-way matching and specific items that require three-way matching.

You need to configure the system in the most efficient manner to achieve these requirements.

What should you do?

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

Correct Answer: C
Section: Topic 3, Implement and manage accounts payable and receivable Explanation

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

QUESTION 38
DRAG DROP

A client observes that some customers are late paying their invoices. The client wants to use the Credit and Collections functionality to send collection letters to customers.

You need to configure the system to support collection letter functionality and processing.

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

Select and Place:

Correct Answer:

Section: Topic 3, Implement and manage accounts payable and receivable
Explanation
Explanation/Reference:
References: http://d365tour.com/en/microsoft-dynamics-d365o/finance-d365fo-en/collection-letters/

QUESTION 39

HOTSPOT

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

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

NOTE: Each correct selection is worth one point.

Hot Area:

Correct Answer:

Section: Topic 3, Implement and manage accounts payable and receivable Explanation

Explanation/Reference:

QUESTION 40
HOTSPOT

A company sells goods to a customer. You enter an invoice for the customer on June 25. The invoice is eligible for a cash discount of two percent if it is paid in five days, and a discount of one percent if it paid in 14 days.

You need to create a payment journal when the invoices are settled on specific dates.

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

NOTE: Each correct selection is worth one point.

Hot Area:

Correct Answer:

Section: Topic 3, Implement and manage accounts payable and receivable Explanation

Explanation/Reference:

QUESTION 41 You are configuring vendor collaboration security roles for external vendors. You manually set up a vendor contact.

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

Which tasks can this vendor perform?

A. Add a new or existing contact person to the vendor accounts that they are a contact for
B. View consignment inventory
C. Request a new user account for a contact person by using the Provision user action
D. View and modify contact person information, such as the person's title, email address, and telephone number

Correct Answer: B
Section: Topic 3, Implement and manage accounts payable and receivable Explanation

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

QUESTION 42 A client uses Dynamics 365 for Finance and Operations for accounts receivable.

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

Which item should you set up as mandatory?

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

Correct Answer: B
Section: Topic 3, Implement and manage accounts payable and receivable Explanation

Explanation/Reference:

QUESTION 43
HOTSPOT

A company has delinquent customers.

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

▪ Send communication to the customers detailing their past-due invoices.
▪ Use the system to automatically calculate a late charge.
▪ Create a group of customers for a collection agent to monitor.
▪ View a list of customers with colored indicators of a customer's payment status.

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

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

NOTE: Each correct selection is worth one point.

Hot Area:

Correct Answer:

Section: Topic 3, Implement and manage accounts payable and receivable Explanation
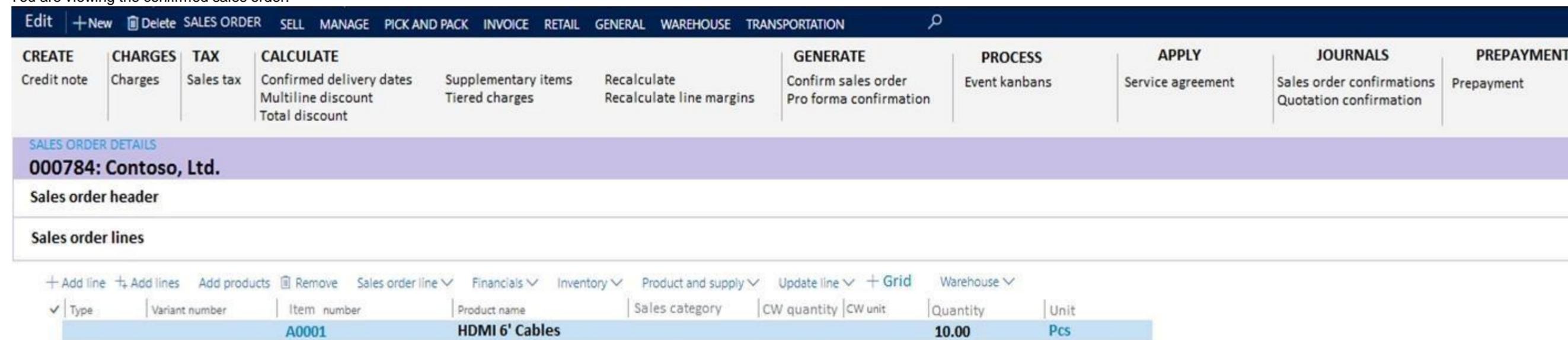
Explanation/Reference:
References: https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/accounts-receivable/tasks/review-collections-information

QUESTION 44
HOTSPOT

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

You are viewing the confirmed sales order.

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

NOTE: Each correct selection is worth one point.

Hot Area:

Correct Answer:

Section: Topic 3, Implement and manage accounts payable and receivable Explanation

Explanation/Reference:

QUESTION 45
DRAG DROP

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

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

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

Select and Place:

Correct Answer:

Section: Topic 3, Implement and manage accounts payable and receivable Explanation

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

QUESTION 46 You are configuring the Accounts payable module
for a company.

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

You need to set up the limit for charges.

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

NOTE: Each correct selection is worth one point.

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

Correct Answer: AB
Section: Topic 3, Implement and manage accounts payable and receivable Explanation

Explanation/Reference:

QUESTION 47 A company plans to use Dynamics 365 for Finance
and Operations.

You need to configure basic budgeting.

Which set of actions must you perform?

A. ▪ Define a budget journal
   ▪ Define budgeting parameters and number sequences
   ▪ Create budget models
   ▪ Define budget codes
   ▪ Create budgeting workflows
B. ▪ Define a budget journal
   ▪ Define budgeting parameters and number sequences
   ▪ Define rules for budget transfers
   ▪ Create budget models
   ▪ Define budget codes

C. ▪ Define budget exchange rate types
   ▪ Define budgeting parameters and number sequences
   ▪ Define budgeting dimensions
   ▪ Create budget models
   ▪ Define budget codes
D. ▪ Define a budget journal
   ▪ Define budgeting parameters and number sequences
   ▪ Define budgeting dimensions
   ▪ Create budget models
   ▪ Define budget codes

Correct Answer: D
Section: Topic 4, Manage budgeting and fixed assets Explanation

Explanation/Reference:
References: https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/basic-budgeting-overview-configuration

QUESTION 48 You are configuring the Fixed assets module for a Dynamics 365 Finance and Operations environment.

You need to set up the basic configuration to create a fixed asset.

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

NOTE: Each correct selection is worth one point.

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

Correct Answer: BCE
Section: Topic 4, Manage budgeting and fixed assets Explanation

Explanation/Reference:
References: https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/fixed-assets/tasks/create-fixed-asset

QUESTION 49 An organization
acquires a building.

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

What are three possible ways to achieve the goal? Each correct answer presents a complete solution. **NOTE:**

Each correct selection is worth one point.

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

Correct Answer: ABD
Section: Topic 4, Manage budgeting and fixed assets
Explanation

Explanation/Reference:

QUESTION 50 You are the accounts receivable manager of an organization. The organization recently sold machinery to a customer.

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

Which transaction type should you use?

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

Correct Answer: D
Section: Topic 4, Manage budgeting and fixed assets Explanation

QUESTION 51

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

You need to achieve the following:

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

What should you do?

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

Correct Answer: A
Section: Topic 4, Manage budgeting and fixed assets Explanation

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

QUESTION 52
DRAG DROP

You are creating a budget for an organization.

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

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

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

Select and Place:

Correct Answer:

Section: Topic 4, Manage budgeting and fixed assets Explanation

Explanation/Reference:
References: https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/budget-planning-data-allocation

QUESTION 53 You are configuring budgeting components in Dynamics 365 for Finance and Operations.

You need to configure multiple budgets.

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

NOTE: Each correct selection is worth one point.

A. Cost management budget, including Production and Resource groups
B. Sales budget, including Campaigns and Events
C. Workforce budget, including Compensation groups and Positions

D. Project budget, including Items and Fees
E. Ledger budget, including Revenue and Expense types

Correct Answer: CDE
Section: Topic 4, Manage budgeting and fixed assets Explanation

Explanation/Reference:

QUESTION 54
HOTSPOT

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

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

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

NOTE: Each correct selection is worth one point.

Hot Area:

Correct Answer:

Section: Topic 4, Manage budgeting and fixed assets Explanation

Explanation/Reference:
References: https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/budget-planning-data-allocation

QUESTION 55 A client is using the budget planning process in Dynamics 365 for Finance and Operations.

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

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

What should you do?

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

Correct Answer: B
Section: Topic 4, Manage budgeting and fixed assets Explanation

Explanation/Reference:

QUESTION 56
DRAG DROP

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

You need to create the budget plan templates.

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

Select and Place:

Correct Answer:

Section: Topic 4, Manage budgeting and fixed assets Explanation

Explanation/Reference: