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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.**

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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.**

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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:**

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

**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.

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

Save + New Delete **VENDOR** PROCUREMENT INVOICE **GENERAL** OPTIONS

**ACTIVITIES** **SET UP** **NEW** **ACCOUNTS** **MARKET** **STATISTICS**

Activities Business classifications Print management Create case Cases Transaction log Campaign Call list Mailings Period statistics Prospect

Responsibilities Intercompany Categories Knowledge articles

**ALL VENDORS**

**1003: Adatum Corporation**

Invoice and delivery

Purchase order defaults

Payment

**Tax 1099**

**Tax 1099 OPTIONS**

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

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

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

**Hot Area:**  
**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.**

**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: 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>

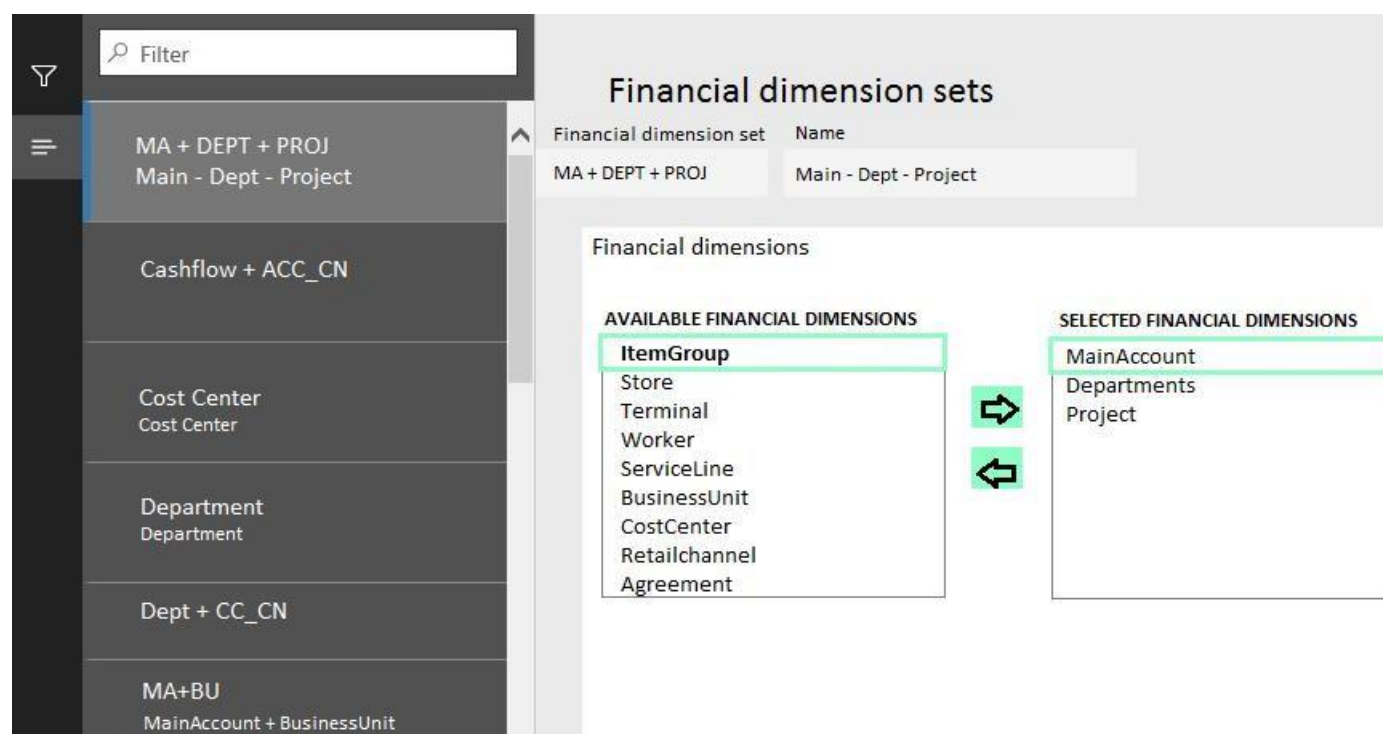
**QUESTION 28**

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.

The screenshot shows the 'MAIN ACCOUNTS - CHART OF ACCOUNTS: SHARED' configuration page for account 110120. The account is currently set to 'Bank Account - CNY'. The 'Currency code validation' section is expanded, showing the 'Foreign currency revaluation' toggle set to 'Yes'.

| Account Number | Account Name           | Account Type | Asset | Reporting type | Main account category | DB/CR default | DB/CR requirement | Balance control | RELATED ACCOUNTS | Offset account | Opening account | ADMINISTRATION | Do not allow manual entry | Active from | Active to | Suspended                | Field to transfer balance on closing chart | Close type     | CONSOLIDATION | Default consolidation account | CURRENCY | Default Currency | Validate currency code | Optional                            | Foreign currency revaluation | Yes | Exchange rate type |
|----------------|------------------------|--------------|-------|----------------|-----------------------|---------------|-------------------|-----------------|------------------|----------------|-----------------|----------------|---------------------------|-------------|-----------|--------------------------|--|----------------|---------------|-------------------------------|----------|------------------|------------------------|-------------------------------------|------------------------------|-----|--------------------|
| 110110         | Bank Account - USD     |              |       |                |                       |               |                   |                 |                  |                |                 |                |                           |             |           |                          |  |                |               |                               |          |                  |                        |                                     |                              |     |                    |
| 110112         | US Operating 2:        |              |       |                |                       |               |                   |                 |                  |                |                 |                |                           |             |           |                          |  |                |               |                               |          |                  |                        |                                     |                              |     |                    |
| 110115         | Bank Account - CAD     |              |       |                |                       |               |                   |                 |                  |                |                 |                |                           |             |           |                          |  |                |               |                               |          |                  |                        |                                     |                              |     |                    |
| 110120         | Bank Account - CNY     | Bank Account | Asset |                | CASH                  | Debit         |                   |                 |                  |                |                 |                | <input type="checkbox"/>  |             |           | <input type="checkbox"/> |  | Not applicable |               |                               | CNY      |                  | Yes                    | <input checked="" type="checkbox"/> |                              |     |                    |
| 110130         | Bank Account - EUR     |              |       |                |                       |               |                   |                 |                  |                |                 |                |                           |             |           |                          |  |                |               |                               |          |                  |                        |                                     |                              |     |                    |
| 110140         | Bank Account - DKK     |              |       |                |                       |               |                   |                 |                  |                |                 |                |                           |             |           |                          |  |                |               |                               |          |                  |                        |                                     |                              |     |                    |
| 110150         | Bank Account - GBP     |              |       |                |                       |               |                   |                 |                  |                |                 |                |                           |             |           |                          |  |                |               |                               |          |                  |                        |                                     |                              |     |                    |
| 110160         | Bank Account - Payroll |              |       |                |                       |               |                   |                 |                  |                |                 |                |                           |             |           |                          |  |                |               |                               |          |                  |                        |                                     |                              |     |                    |
| 110180         | Petty Cash             |              |       |                |                       |               |                   |                 |                  |                |                 |                |                           |             |           |                          |  |                |               |                               |          |                  |                        |                                     |                              |     |                    |
| 112000         | Safe drop              |              |       |                |                       |               |                   |                 |                  |                |                 |                |                           |             |           |                          |  |                |               |                               |          |                  |                        |                                     |                              |     |                    |
| 112010         | Bank drop              |              |       |                |                       |               |                   |                 |                  |                |                 |                |                           |             |           |                          |  |                |               |                               |          |                  |                        |                                     |                              |     |                    |
| 112099         | Total Deposits         |              |       |                |                       |               |                   |                 |                  |                |                 |                |                           |             |           |                          |  |                |               |                               |          |                  |                        |                                     |                              |     |                    |
| 112100         | Deposits - Cash        |              |       |                |                       |               |                   |                 |                  |                |                 |                |                           |             |           |                          |  |                |               |                               |          |                  |                        |                                     |                              |     |                    |
| 112110         | Deposits - Check       |              |       |                |                       |               |                   |                 |                  |                |                 |                |                           |             |           |                          |  |                |               |                               |          |                  |                        |                                     |                              |     |                    |
| 112120         | Deposits - Credit card |              |       |                |                       |               |                   |                 |                  |                |                 |                |                           |             |           |                          |  |                |               |                               |          |                  |                        |                                     |                              |     |                    |
| 112130         | Deposits - Voucher     |              |       |                |                       |               |                   |                 |                  |                |                 |                |                           |             |           |                          |  |                |               |                               |          |                  |                        |                                     |                              |     |                    |
| 112140         | Deposits - Gift card   |              |       |                |                       |               |                   |                 |                  |                |                 |                |                           |             |           |                          |  |                |               |                               |          |                  |                        |                                     |                              |     |                    |
| 112150         | Deposits - Currency    |              |       |                |                       |               |                   |                 |                  |                |                 |                |                           |             |           |                          |  |                |               |                               |          |                  |                        |                                     |                              |     |                    |

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

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

**Hot Area:**

## Answer Area

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

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

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

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



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

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

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



Section: 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:**

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

**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.

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

Save + New Delete Translations External codes OPTIONS

Filter

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

CHARGES CODES

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

Posting

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

Foreign trade

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

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

**Hot Area:**

**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:**

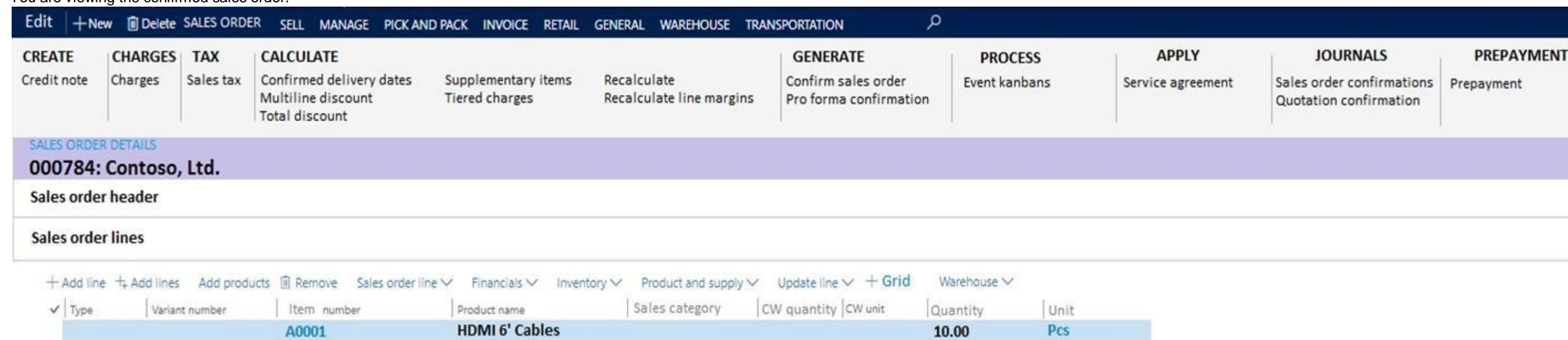
References: <https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/accounts-receivable/tasks/review-collections-information>

**QUESTION 44**

HOTSPOT

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

You are viewing the confirmed sales order.



The screenshot shows the Dynamics 365 Sales Order interface. At the top, there is a navigation bar with tabs: Edit, +New, Delete, SALES ORDER, SELL, MANAGE, PICK AND PACK, INVOICE, RETAIL, GENERAL, WAREHOUSE, and TRANSPORTATION. Below this is a ribbon with several groups of actions: CREATE (Credit note), CHARGES (Charges), TAX (Sales tax), CALCULATE (Confirmed delivery dates, Multiline discount, Total discount), GENERATE (Confirm sales order, Pro forma confirmation), PROCESS (Event kanbans), APPLY (Service agreement), JOURNALS (Sales order confirmations, Quotation confirmation), and PREPAYMENT (Prepayment). The main area is titled 'SALES ORDER DETAILS' and shows '000784: Contoso, Ltd.' under 'Sales order header'. Below that is a table for 'Sales order lines' with the following data:

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

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

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

**Hot Area:**

**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 15<sup>th</sup> 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**



**Explanation/Reference:**

**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:**

