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Financial Management in Microsoft Dynamics 365 for Finance and Operations

Exam A

QUESTION 1

You are the accounts payable manager at your company.

Per the agreement with your supplier, you need to create a payment schedule against an invoice of 10,000 USD to be paid at 2,000 USD each month until the balance is paid.

Which three setup criteria can you define on the payment Schedule form? Each correct answer presents part of the solution. (Choose three.)



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- A. amount of each installment
- B. due date of each installment
- C. number of installments
- D. terms of payment
- E. payment days

Correct Answer: ACD

Section: (none)

Explanation

Explanation/Reference:

QUESTION 2

Your department manager wants an estimate of the actual invoice amounts that you will bill for customer the month. However, the department manager does not want these amounts posted.

You need to create a pro forma invoice.



From which two types of transactions can you create a pro forma invoice? Each correct answer presents a complete solution. (Choose two.)

- A. Payment schedule
- B. Free text
- C. Sub ledger
- D. Sales order

Correct Answer: BD

Section: (none)

Explanation

Explanation/Reference:

References: <https://technet.microsoft.com/en-us/library/gg213135.aspx>

QUESTION 3

You need to identify techniques that are supported in Microsoft Dynamics 365 for Finance and Operations for ledger allocations.

Which three allocations method should you identify? Each correct answer presents a complete solution. (Choose three.)

- A. Fixed Value
- B. Fixed Weight
- C. Fixed Percentage
- D. Intercompany
- E. Spread Evenly



Correct Answer: BCE

Section: (none)

Explanation

Explanation/Reference:

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

QUESTION 4

You need to send a notification to customers about invoices with outstanding balances at the end of the month.

Which three actions should you complete? Each correct answer presents part of the solution. (Choose three.)

- A. set up a collection letter sequence on the posting profile.
- B. post collection letters.
- C. set up customer write-off reason codes
- D. post an accounts payable invoice journal
- E. create collection letters

Correct Answer: ABE

Section: (none)

Explanation

Explanation/Reference:

References: <https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/accounts-receivable/tasks/process-collection-letters>

QUESTION 5

You have been tasked with reviewing and processing transactions in the General ledger module. You need an allocation to depend on the actual ledger balance.

When setting up an allocation rule, which method should you select?

- A. Fixed weight
- B. Basis
- C. Fixed percentage
- D. Evenly



Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

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

QUESTION 6

Your work for Contoso, Ltd. Your company has many subsidiaries in various countries that all use a shared chart of accounts. One subsidiary's local government requires the use of a government -mandated chart of accounts for reporting. This chart is the same for some accounts in your shared chart of accounts, but not for all of them.

You need to ensure that foreign subsidiary is able to complete the mandatory statutory reporting while adhering to the local government regulations.

Which two steps should you take to enable the mandatory statutory reporting? Each correct answer presents a part of the solution. (Choose two.)

- A. Set up currency exchange rates for the government-mandated chart.
- B. Map all accounts from the shared chart of accounts to additional consolidation accounts from the government-mandated chart
- C. Set up a consolidation group for the government-mandated chart



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- D. Create a new chart of accounts specifically to be used for the subsidiary company that matches the government-mandated chart of accounts.

Correct Answer: CD

Section: (none)

Explanation

Explanation/Reference:

References: <https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/budgeting/consolidation-account-groups-consolidation-accounts>

QUESTION 7

You are creating and posting a sales tax transaction.

The sales tax percentage is incorrect for the current transaction and will need to be revised prior to posting a transaction.

You need to correct the sales tax percentage for this order and all future orders.

Where should you make the configuration change?

- A. Item sales tax groups
- B. Sales tax authorities

- C. Sales tax groups
- D. Sales tax codes

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 8

You are creating a budget register entry for rent. You created a line for account 671450 with cost center 10 for an amount of 8,900.00 USD.

You need to duplicate the line for each month of the year.

What should you do?

- A. Use the allocate across period feature.
- B. Use the allocate across dimensions' feature.
- C. Create a recurring entry.
- D. Create a periodic journal.



Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

References: <https://technet.microsoft.com/en-us/library/hh227576.aspx>

QUESTION 9

You want to import foreign currency exchange rates on a daily basis, rather than having to enter them manually.

Besides the date or dates of the rates to be imported, which two pieces of information are required on the import currency exchange rates from? Each correct answer presents a complete solution. (Choose two.)

- A. Exchange rate type
- B. Currency revaluation account
- C. Currency codes

D. Exchange rate provider

Correct Answer: AD

Section: (none)

Explanation

Explanation/Reference:

References: <https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/general-ledger/import-currency-exchange-rates>

QUESTION 10

You need to configure an allocation on account 606785 for the Utilities expense. The amount must be spread across a variety of departments based on percentage.

What should you do?



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- A. Create a legal entity override on main account 606785 and then define the allocation percentage.
- B. Create an allocation term and link it to main account 606785.
- C. Create a financial dimension default template with allocation percentages and link it to main account 606785.
- D. Create a ledger allocation basis and link it to main account 606785.

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 11

You are exception of the Business Unit dimension; you do not want to roll any financial dimensions forward to the Retained Earnings main account for the new year.

What should you do in the Fiscal Year-End Close form to achieve this goal?

- A. Set "Transfer balance sheet dimensions "to "No"
- B. Under "Transfer profit and loss dimensions, "set all dimensions to "Close single" except the Business Unit dimension.
- C. Under "Transfer profit and loss dimensions, "set all dimensions to "Close none".
- D. Under "Transfer profit and loss dimensions, "set all dimensions to "Close all" except the Business Unit dimension.

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 12

You are configuring your year-end close process.

One of the periods in your fiscal year is currency capable of recording accounting transactions.

Which period type is assigned to the period?

- A. Closing
- B. On hold
- C. Operating
- D. Opening

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 13

You need to export balances from Microsoft Dynamics 365 for Finance and Operations to an external system. There is a "Use Consolidation Account" Yes/No parameter in the criteria.

In which two circumstances should you choose "Yes" for this parameter? Each correct answer presents a complete solution. (Choose two).

- A. You want to export some balances into a different account than the main account of the balances in the subsidiary company
- B. You want to export all balances into a different account than the main account of the balances in the subsidiary company
- C. You want to export all balances into the same account as the main account of the balances in the subsidiary company
- D. You want to export some balances into the same account as the main account of the balances in the subsidiary company

Correct Answer: AB

Section: (none)

Explanation

Explanation/Reference:

References: <https://technet.microsoft.com/en-us/library/aa618539.aspx>

QUESTION 14

You need ensure that you have the most current data to manage customer collections.

What should you create first?

- A. a customer aging snapshot
- B. a customer pool
- C. a customer account statement
- D. a customer balance list

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

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

QUESTION 15

You are implementing the budget control feature for Contoso, LTD. You need to configure the system based on the requirements you have gathered.

Which three settings can be defined for the Budget control configuration feature? Each correct answer presents a complete solution. (Choose three.)

- A. the various transactions that will have a budget check performed
- B. the transactions to be included and excluded in the budget funds available
- C. the budget planning stages and templates for uploading the budget
- D. the main accounts and financial dimensions to be validated
- E. the workflow that is required when a budget is exceeded

Correct Answer: BDE

Section: (none)

Explanation

Explanation/Reference:

QUESTION 16

You create and post a payment journal with a method of payment that is configured with bridging account. The bank notifies you that the payment has cleared the account.

What should you do next?

- A. Create a general journal, and use the Bridged transactions feature to select and move the payment to a Bank account.
- B. Create a general journal with an offset account for the correct bank, and use the Settlement feature to select the Bridged transactions to clear.
- C. Create a general journal, adding lines to debit the bridging account and credit the bank account, then use the Bridged transaction feature to mark the journal lines for settlement.
- D. Create a general journal, adding lines to debit the bridging account and credit the bank account, then use the bank reconciliation feature to settle the Bridged transaction with the bank transaction.

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 17

You use the financial period close workspace.

You need to view the status of your overall closing schedule.

When viewing the status, which three ways are you able to sort? Each correct answer presents a complete solution. (Choose three.)



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- A. Status by company
- B. Status by store
- C. Status by person
- D. Status by area
- E. Status by product

Correct Answer: ACD

Section: (none)

Explanation



Explanation/Reference:

QUESTION 18

You create a new budget register entry. You later realize that the date for the lines is set to today's date.

You need to quickly correct the dates to be the first day of the current month.

What should you do?

- A. Use the periodic journal feature to save the journal, then create a new journal with the correct date in the dialog.
- B. Select all the lines on the budget register entry, and then use the allocate across periods feature to update the date.
- C. Select all the lines on the budget register entry, use the copy feature to duplicate all the lines, and select the correct date.
- D. Use the open lines in Excel feature, modify the entries to have the correct date, and then publish the spreadsheet.

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 19

Your company will be paying out annual bonuses next month. The controller has asked you to set up a special check layout for these bonus checks. The company normally does not use pre-printed checks. These checks will be pre-printed with a special design, using the company's corporate headquarters address.

You need to define the special check layout in Microsoft Dynamics 365 for Finance and Operations.

In addition to the standard settings required for all checks, which special parameters will be needed for these special layout checks?

- A. an MICR line
- B. a fixed check number format
- C. an amount limit
- D. bank information

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

References:

<https://technet.microsoft.com/en-us/library/aa576973.aspx>

QUESTION 20

You have created a new legal entity and marked it as a Consolidation company.

You need to complete the configuration to perform a consolidation into the new legal entity for two existing subsidiary companies.

Before you can perform a consolidation, which two other actions are required? Each correct answer presents part of solution. (Choose two.)

- A. Create a consolidated account structure.
- B. Configure basic currency requirements.
- C. Configure basic ledger requirements.
- D. Create a consolidated chart of accounts.

Correct Answer: BD

Section: (none)

Explanation



Explanation/Reference:

QUESTION 21

While you are printing checks, one of the checks gets jammed in the printer and must be reprinted.

You need to cancel the damaged check.

Which feature should you use for cancelations?

- A. Payment reversal
- B. Undo settlement
- C. Void the transaction
- D. Void the payment

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

References:

<https://gfeaxblog.wordpress.com/2016/09/25/void-unposted-checks/>

QUESTION 22

You are responsible for budget and are currently creating a budget.

You need to identify the steps that the budget plan will contain.

Which budget planning feature should you use to identify the steps?

- A. budget planning stages
- B. budget planning workflow stages
- C. budget plan scenarios
- D. budget plan priorities

Correct Answer: A

Section: (none)

Explanation



Explanation/Reference:

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

QUESTION 23

Which two elements are required before you can create a budget plan in Microsoft Dynamic 365 for Finance and Operations? Each correct answer presents part of the solution. (Choose two.)

- A. budget planning process
- B. budget cycle time span
- C. budget plan preparer
- D. budget plan priorities

Correct Answer: AD

Section: (none)

Explanation

Explanation/Reference:

**QUESTION 24**

Your organization's foreign subsidiaries use Microsoft Dynamics 365 Finance and Operations in their local currencies as their functional currencies.

You need to perform the worldwide consolidation of these subsidiaries to report in US dollars.

In which form do you indicate the currency translation types to use for this purpose?

- A. Foreign currency revaluation
- B. Additional consolidation accounts
- C. Legal entities
- D. Main accounts

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 25

Your company has purchased new computer server equipment for the data center. The controller has asked you to set up fixed asset accounting and use the reducing balance depreciation method for the new equipment.

You must create depreciation profiles for this equipment.

When reducing balance is the selected method, which additional parameter is required that is unique to the selected method?

- A. depreciation year
- B. net book value
- C. period frequency
- D. percentage

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

References: <https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/fixed-assets/reduce-balance-depreciation>

QUESTION 26

A company needs to make wire transfers for payments to a foreign customer. The controller also wants to keep track of the wire transfer fees for charge-back to the customer. The controller has set up all of the necessary accounts and facilities at the bank.

The bookkeeper needs to make preparations for these transactions.

What are two actions the bookkeeper should take to properly configure Microsoft Dynamics 365 for Finance and Operations? Each correct answer presents part of the solutions. (Choose two.)



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- A. Create a bank account for wire transfer fees.
- B. Create a transaction group for wire transfer fees.
- C. Create a bank transaction type for wire transfer.
- D. Create a transaction code mapping for each customer.

Correct Answer: BC

Section: (none)

Explanation

Explanation/Reference:

QUESTION 27

Your company has purchased 10 new trucks for \$20,000 each for the service department. The controller has determined that the trucks will be sold after 10 years with a salvage value of about 10%. The county assessor lists 7 years as the useful life of these trucks. For purposes of financial statement reporting, the company will carry these on the books for 5 years. The controller wants these tracked with other vehicles in the VEH group.

You need information from the controller in order to set up accounting for these fixed assets.

What information will be entered into the books for these trucks?

- A. a depreciation period of 36 months for tax purposes
- B. a depreciation period of 120 months for tax purposes
- C. a depreciation period of 60 months for tax purposes
- D. a depreciation period of 84 months for tax purposes

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

QUESTION 28

The controller of your company has received notice from the taxing agency of another state that the sales tax rate on the company's products sold in that state will increase by 0.5% starting on January 1st and continuing in perpetuity.

You must make all changes necessary in Microsoft Dynamics 365 for Finance and Operations to make these changes take effect on January 1st.

Which object in Microsoft Dynamics 365 for Finance and Operations should be modified to make this change?

- A. Sales tax code
- B. Sales tax authority
- C. Settlement period
- D. Ledger posting group

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 29

You need to set up a new Customer group for a new chain of electronic stores that will sell your product. You have been given some details about the group, and now you need to add the group.

Which two pieces of information are used in the Customer group? Each correct answer presents part of the solution. (Choose two.)

- A. terms of payment
- B. default tax group
- C. customer price group
- D. credit limit

Correct Answer: AB

Section: (none)

Explanation

Explanation/Reference:

References: <https://technet.microsoft.com/en-us/library/aa550231.aspx>

QUESTION 30

You need to configure an allocation on account 606785 for the Utilities expenses. The amounts must be spread across a variety of departments based on a percentage.

What should you do?

- A. Create a legal entity override on main account 606785 and then define the allocation percentages
- B. Create an allocation term and link it to main account 606785
- C. Create a financial dimension default template with allocation percentages and link it to main account 606785
- D. Create a ledger allocation basis and link it to main account 606785

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 31

You need to make adjustments to your ledger balances before year-end close.

Which methods can be used to accomplish this goal?

- A. Use typical journal entries and a closing sheet
- B. Use a costing sheet and a typical journal entry
- C. Use a trial balance and a typical journal entry
- D. Use a closing sheet and a trial balance



Correct Answer: AD

Section: (none)

Explanation

Explanation/Reference:

QUESTION 32

You want to transfer main account balances and financial dimensions from a subsidiary to a consolidated company within Microsoft Dynamics 365 for Finance and Operations using the Consolidate online process.

In which two places you set up the mapping for this purpose? Each correct answer presents part of the solution. (Choose two.)

- A. in Financial hierarchies and Group dimensions form

- B. in the Financial dimensions form in the General Ledger
- C. in the Elimination journal
- D. in the Consolidate online form

Correct Answer: AB

Section: (none)

Explanation

Explanation/Reference:

QUESTION 33

You open up the Financial period close workspace and see an exclamation point icon next to one of your tasks.

What does the exclamation point icon next to the task mean?

- A. That task has not been completed yet
- B. The task has been completed
- C. The tasks depends on other incomplete tasks
- D. The task is past due



Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

References: <https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/general-ledger/financial-period-close-workspace>

QUESTION 34

It is a new fiscal year.

You want to set all profit and loss accounts to zero.

On the general ledger parameters page, under fiscal year close, what should you do to accomplish this task?

- A. Delete close of year transactions
- B. Create closing transactions during transfer
- C. Ensure that the voucher number is filled in

D. Set fiscal year status to permanently closed

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

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

QUESTION 35

You want a summarized chart of accounts in the Consolidation company. Many accounts from Subsidiary companies combine into single summarized accounts within this Consolidation company.

Which two items do you need to set up? Each correct answer presents part of the solution. (Choose two.)



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- A. Additional consolidation accounts
- B. Closing sheet
- C. Consolidation account groups
- D. Elimination rules

Correct Answer: AC

Section: (none)

Explanation

Explanation/Reference:

QUESTION 36

You set up and activate a new budget planning process. Next, you generate the original budget plan from the general ledger data.

The department managers need to enter their requested amounts for the budget plan.

Where should the department managers enter the data?

- A. in the Budget planning template
- B. in the Excel worksheet that is accessed from the budget plan lines
- C. in a new Budget register entry
- D. in the Justification sheet that is accessed from the budget plan lines

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

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

QUESTION 37

You are creating a budget register entry.

You need to transfer 6,000.00 USD from account 604578 in department 10 to department 20.

What should you do?

- A. Create a new transfer journal name that is linked to the transfer budget code
- B. Create a new transfer journal name that is linked to the transfer budget model
- C. Select the transfer budget model on the header of the budget register entry
- D. Select the transfer budget code on the header of the budget register entry

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 38

You want to reserve budget funds for planned expenditures. The funds have been requested but not yet approved from a purchase order.

You need to set up a budget code for these types of scenarios.

Which budget type should you assign to the budget code to accomplish this goal?

- A. transfer
- B. encumbrance
- C. original budget
- D. pre-encumbrance

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

References: <https://technet.microsoft.com/en-us/library/hh209638.aspx>

QUESTION 39

You are implementing the Fixed assets module for Contoso, Ltd.

Contoso, Ltd. has outlined the following business process for creating assets:

1. A worker completes a capital expenditure form and submits it to the accounting department for review and approval.
2. After the form is approved, a new asset is created.
3. A purchasing agent creates a purchase order and submits it to the vendor for processing.
4. When the invoice is received from the vendor, the accounts payable clerk processes an invoice to acquire the asset. No other users are allowed to process the acquisition.

You need to configure Microsoft Dynamics 365 for Finance and Operations to meet these requirements.

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

- A. Configure the Allow asset acquisitions from purchasing parameter to be Yes
- B. Configure the Create asset when during product receipt or invoice posting to be Yes
- C. Create a user group for the Restrict asset acquisition posting to user group parameter
- D. Configure the Check for fixed asset creation during line entry parameter to be Yes

Correct Answer: AC

Section: (none)

Explanation

Explanation/Reference:

References: <https://technet.microsoft.com/en-us/library/hh242490.aspx>

QUESTION 40

You are setting up settlement periods for the purpose of using conditional sales tax. You plan on creating one settlement period for conditional sales tax and another settlement period for reporting sales tax to the authorities.

One of your coworkers wants to know your reason for creating separate settlement periods.

Which two reasons should you give your coworker? Each correct answer presents a complete solution. (Choose two.)

- A. It allows you to generate a report that displays undeclared conditional sales tax amounts
- B. It prevents conditional sales tax from being reported incorrectly
- C. Some countries legally require separation of settlement periods
- D. Setting up two settlement periods is mandatory in the system, no matter what type of sales tax

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 41

You are processing a vendor payment and attempt to print a check from Microsoft Dynamics 365 for Finance and Operations. Due to printer issues, the check is damaged, and the journal is not yet posted.

You need to void the check.

What should you do?

- A. On the checks form, use the Payment reversals functionality, and post the check reversal journal
- B. On the Bank accounts form, use the Delete checks functionality, and delete the check
- C. On the Payment journal form, use the Payment status functionality, and set the status as Rejected
- D. On the Transactions form, use the Reverse transactions functionality, and post a transaction reversal

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:



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