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MB6-895

Financial Management in Microsoft Dynamics 365 for Finance and Operations

Exam A

QUESTION 1

You are the budget manager at Contoso, Ltd. You have implemented a new policy that requires some departments to have a different budget threshold from other departments.

You need configure Microsoft Dynamics 365 for Finance and Operations to ensure that the new policies are enforced.

What should you configure?



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- A. budget funds available calculation
- B. budget control rules
- C. budget allocation terms
- D. budget planning scenario constraints

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

References: <https://technet.microsoft.com/en-us/library/hh242453.aspx#Define%20budget%20control%20rules>

QUESTION 2

You are working with transactions in the Cash and bank management module.

You need to create a deposit slip.

When creating a deposit slip, which of the following statement is possible?

- A. You can generate one deposit slip for each bank account for multiple journals.
- B. You can generate one deposit slip for multiple journals each day.
- C. You can generate separate deposit slips for each voucher in a journal.



D. You can generate one deposit slip for each journal related to each bank account.

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 3

You are training a new employee. They need to know the items that are required for posting an invoice register.

What are the two required items? Each correct answer presents part of the solution. (Choose two.)

- A. Pending vendor invoice
- B. Vendor offset account
- C. Vendor invoice number
- D. Vender account number

Correct Answer: CD

Section: (none)

Explanation

Explanation/Reference:

References: <https://technet.microsoft.com/en-us/library/aa570120.aspx>

QUESTION 4

Your company just purchased some highly advanced machines to be used in the manufacturing plant. Collectively, the equipment cost \$5 million with a useful life of 10 years. At that time, they will be sold with an approximate salvage of \$100,000.

You must set up the depreciation profile for this equipment in Microsoft Dynamics 365 for Finance and Operations.

Which two books should you create in this depreciation profile? Each correct answer presents part of the solution. (Choose two.)

- A. one for each machine in the operations layer
- B. one for the new equipment in the current layer
- C. one for the new equipment in the tax layer



D. one for the manufacturing plant in the fixed assets layer

Correct Answer: AB

Section: (none)

Explanation

Explanation/Reference:

QUESTION 5

You are configuring Microsoft Dynamics 365 for Finance and Operations. You need to allow finance users to acquire assets by creating Fixed assets journals.

Which configuration should you complete to enable this functionality?

- A. In the General ledger module, create a journal name with the type Post fixed assets.
- B. In the General ledger modules, create a Default description with the type Fixed assets – posting, ledger.
- C. In the Fixed assets module, create an Acquisition method for Fixed asset journals.
- D. In the General ledger module, create a journal name with the type Fixed asset budgets.

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

References: <https://vsdynamicsfinance.wordpress.com/2013/08/01/fixed-assets-transactions-acquisition/>

QUESTION 6

You want to set up centralized payments for all customers in all legal entities. You need to enable this in Microsoft Dynamic 365 for Finance and Operations.

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

- A. Set up an organization hierarchy for centralized payments.
- B. Configure a vendor account in the relating companies for each customer.
- C. Set up intercompany accounting
- D. Map customer accounts across legal entities.
- E. Set up fees associated with currency conversions.

Correct Answer: ACD

Section: (none)

Explanation

Explanation/Reference:

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

QUESTION 7

Over the past few weeks, several payments have posted to Contoso, Ltd. that were not open invoice.

You are tasked with reconciling their account.

Which process in Microsoft Dynamics 365 for Finance and Operations should you use?

- A. invoice journals
- B. Settle transactions
- C. General ledger entries
- D. Payment journal

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:

QUESTION 8

The accounting manager for your company has been manually processing payments to sales tax authorities for the past several years. You recently learned that Microsoft Dynamics 365 for Finance and Operations can automate much of those tasks.

You need to configure Microsoft Dynamics 365 Finance and Operations to calculate and make periodic payments to tax authorities automatically.

Which two tasks should be completed to make this configuration? Each correct answer presents part of the solution. (Choose two.)

- A. Enter the company's sales tax ID in the sales tax authority field.
- B. Create a main account with posting type: "sales tax"
- C. Assign vendors to the sales tax authorities.
- D. Create vendor accounts for the taxing agencies.



Correct Answer: CD

Section: (none)

Explanation

Explanation/Reference:

References: <https://docs.microsoft.com/en-us/dynamics365/unified-operations/financials/general-ledger/tasks/set-up-sales-tax-authorities>

QUESTION 9

Your company has enabled commitment accounting.

You need to identify which purchasing scenarios in your company should use the commitment accounting feature.

In which two situations should you use encumbrances? Each correct answer presents a complete solution. (Choose two.)

- A. for internal purchases
- B. for monthly utility payments
- C. for emergency purchases
- D. for purchases made in cash

Correct Answer: AB

Section: (none)

Explanation

Explanation/Reference:

QUESTION 10

You are working in the financial period close workspace.

You want to view the status of tasks that are scheduled to occur next week.

Which filtering option allows you to view these tasks?





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- A. My work item
- B. All tasks
- C. Tasks due today
- D. Tasks past due

Correct Answer: B

Section: (none)

Explanation

Explanation/Reference:



QUESTION 11

You are creating a new budget register entry. You create a line to account 606800 for 10,000.00 USD on January 1st of the current year.

You need to spread the amount, based on a sales curve over the entire year.

What should you do?

- A. Use the Allocate across dimension function on the line.
- B. Create a recurring entry.
- C. Create an allocation basis and rule.
- D. Use the Allocate across periods function on the line.

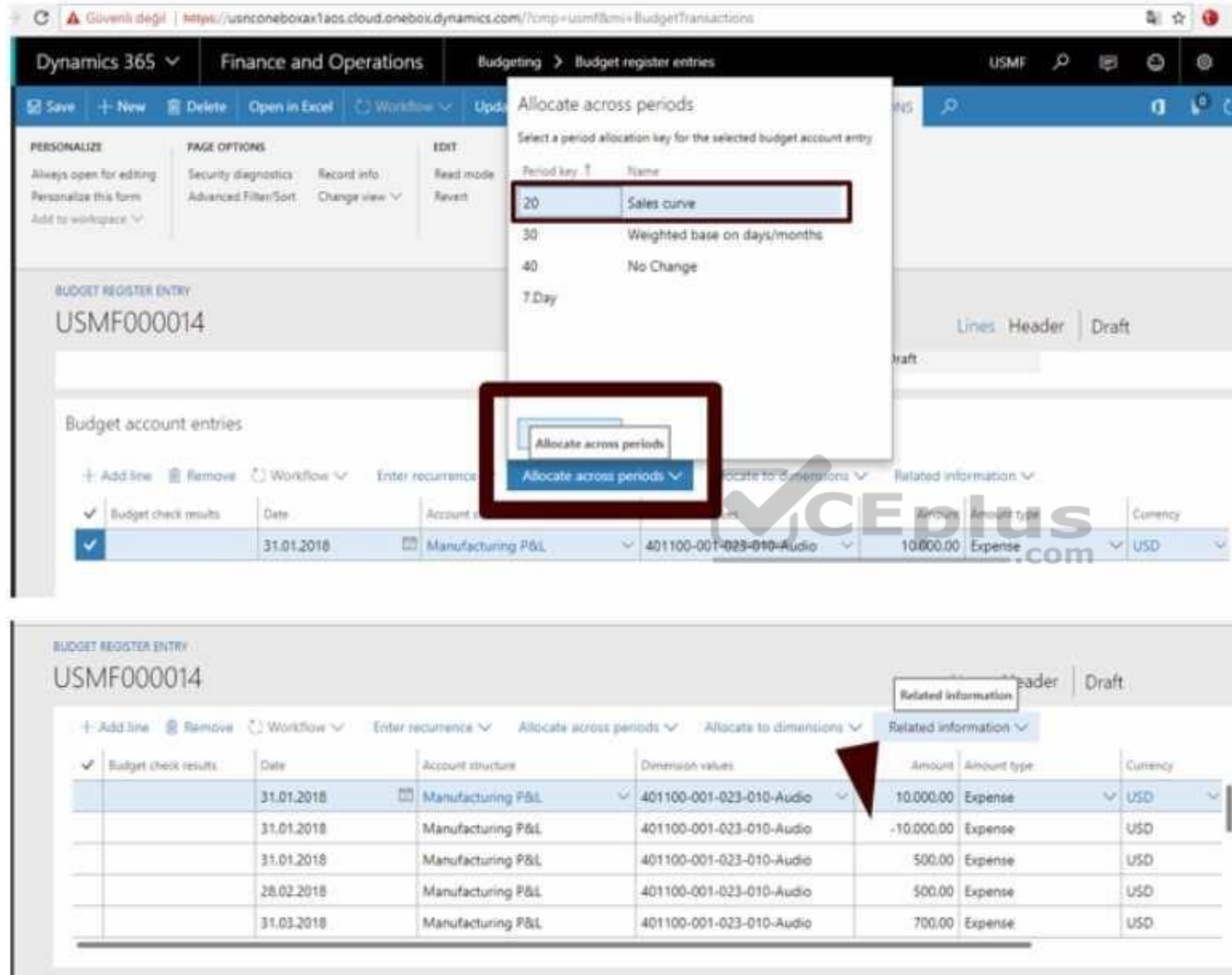
Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

Explanation:



The screenshot shows the Dynamics 365 Finance and Operations Budgeting interface. The 'Allocate across periods' dialog box is open, showing a list of period allocation keys. The '20 Sales curve' option is selected. The 'Budget account entries' table is also visible, showing a single entry for 31.01.2018 with an amount of 10,000.00.

Allocate across periods dialog box:

Period key	Name
20	Sales curve
30	Weighted base on days/months
40	No Change
7 Day	

Budget account entries table:

Budget check results	Date	Account structure	Dimension values	Amount	Amount type	Currency
✓	31.01.2018	Manufacturing P&L	401100-001-023-010-Audio	10,000.00	Expense	USD

QUESTION 12

You are consultant who works for Contoso, Ltd. You are implementing Microsoft Dynamics 365 for Finance and Operations and have gathered requirements from the client for their budgeting process.

You need to identify which requirements from Contoso, Ltd. should be configured as a budget planning stage.

Which requirement should you identify?

- A. The budget plan needs to use a workflow that routes for two approvals before the status can change to approved.
- B. The budget plan needs to go through three steps for created, approved, and final.
- C. The budget plan needs to include prior year actual and prior year budget quantities and amounts.
- D. The budget plan needs to include two objectives; one for lower cost and another for increasing sales.

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 13

You are implementing Microsoft Dynamics 365 for Finance and Operations.

You need to determine, which accounts for automatic transactions are needed for the legal entity?

- A. Define reason codes for each transaction.
- B. Define allocation rules for each transaction.
- C. Create default types.
- D. Determine the fiscal year periods.

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

References: <https://technet.microsoft.com/en-us/library/aa548973.aspx>

QUESTION 14

What is the purpose of the budget control feature in Microsoft Dynamics 365 for Finance and Operations?

- A. to ensure that sufficient budget funds are available for planned or actual transactions
- B. to consolidate multiple budget plans into a single parent budget
- C. to set financial and operational goals
- D. to analyze and update the planned budget for each budget cycle

Correct Answer: A

Section: (none)

Explanation

Explanation/Reference:

QUESTION 15

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.)

- 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 16

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 17

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 18

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 19

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 20

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 21

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 22

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 23

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 24

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 25

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 26

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 27

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 28

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 29

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 30

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.)

- 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 31

You are setting up vendor groups.

You want to assign the same characteristics to vendors by simply selecting a group.

Which two characteristics can be assigned by vendor group? Each correct answer presents a complete solution. (Choose two.)

- A. price group
- B. default tax group
- C. terms of payment
- D. charges group

Correct Answer: BC

Section: (none)

Explanation

Explanation/Reference:

References: <https://technet.microsoft.com/en-us/library/aa550420.aspx>

QUESTION 32

You want to divide your customers into five groups by alphabetical order so that account representatives can work on their accounts aging and you can review it with them on a regular basis.

What should you do?

- A. Set up customer price groups
- B. Set up Customer classification groups
- C. Set up Customer pools
- D. Run the Customer balance list report

Correct Answer: C

Section: (none)

Explanation

Explanation/Reference:

References: <https://technet.microsoft.com/en-us/library/hh227560.aspx>

QUESTION 33

An accountant needs to settle some invoices with foreign currency receipts.

Before performing this task, the accountant wants to import the current exchange rates.

What should the accountant complete before current exchange rates can be imported?

- A. Define batch transfer rules
- B. Enable exchange rate providers
- C. Specify exchange rate types
- D. Perform the foreign currency revaluation process

Correct Answer: B

Section: (none)

Explanation

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

QUESTION 34

A controller has opened multiple accounts at an ABC bank. Additional accounts with the bank will be added in the future.

You want to ensure that the configuration of the bank accounts in Microsoft Dynamics 365 for Finance and Operations is as simple as possible.

What should you configure to enable the creation of bank accounts to share data?

- A. a bank rule for fee payment
- B. a transaction code mapping
- C. a bank account transform
- D. a bank group

Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 35

The sales team at your company recently signed a contract with a customer in a new state. Since this is the first customer from that state, the controller has asked the bookkeeper to create a Ledger Posting Group for the state's sales tax.

The bookkeeper needs to create a main account to record the sales tax payable and sales tax settlements for the state's customer.

What should the bookkeeper do?

- A. Select a value for the Balance control field
- B. Define the Offset account as the sales tax payable account
- C. Set the Posting type to "Sales tax"
- D. Set the Main account category to "TAXPAY"





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Correct Answer: D

Section: (none)

Explanation

Explanation/Reference:

QUESTION 36

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 37

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 38

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 39

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 40

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 41

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 42

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 43

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>



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