

MB-310^{Q&As}

Microsoft Dynamics 365 Finance

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QUESTION 1**HOTSPOT**

A company uses Dynamics 365 Finance to manage fixed assets. The company's fiscal year is set as the calendar year.

The company requires two books for each fixed asset. The company has the following requirements for the books:

Book purpose	Requirements
Accounting	<ul style="list-style-type: none">• Depreciate assets by using the straight-line method.• Depreciate assets starting on the date that an asset is placed in service.• Run depreciation each fiscal period.
Tax	<ul style="list-style-type: none">• Depreciate assets by using the 200 percent reducing balance method.• Assign half of yearly depreciation for the first and last year and full year depreciation for every other year during the service life of the asset.• Run depreciation each fiscal year.

You need to configure a fixed asset group book setup to meet the requirements.

Which depreciation conventions and depreciation profiles should you use? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area

Book purpose

Accounting

Depreciation convention

	▼
None	
Full month	
Mid-month (1st of month)	
Mid-month (15th of month)	

Depreciation profile

	▼
Straight line service life – Yearly	
Straight line service life – Fiscal period	
Straight line life remaining – Yearly	
Manual – Fiscal period	

Depreciation convention

Tax

	▼
None	
Half year	
Half year (start of year)	
Half year (next year)	

Depreciation profile

	▼
200% reducing balance – Yearly	
200% reducing balance – Fiscal period	
Consumption – Yearly	
Consumption – Fiscal period	

Correct Answer:

Answer Area

Book purpose

Accounting

Depreciation convention

	▼
None	
Full month	
Mid-month (1st of month)	
Mid-month (15th of month)	

Depreciation profile

	▼
Straight line service life – Yearly	
Straight line service life – Fiscal period	
Straight line life remaining – Yearly	
Manual – Fiscal period	

Tax

Depreciation convention

	▼
None	
Half year	
Half year (start of year)	
Half year (next year)	

Depreciation profile

	▼
200% reducing balance – Yearly	
200% reducing balance – Fiscal period	
Consumption – Yearly	
Consumption – Fiscal period	

Box 1: None

You can select either Calendar or Fiscal in the Depreciation year field in the Depreciation profiles page. The selection defines the options that are available in the

Period frequency field.

If you select Fiscal in the Depreciation year field, the straight line service life depreciation is used. It is calculated based on the fiscal year, which is defined by the fiscal calendar that is specified for the book, or by the fiscal calendar that is selected in the Ledger page. Fiscal calendars are set up in the Fiscal calendars page.

Note: If you select Calendar, you can select from the following depreciation conventions.

Half year

Full month

Mid quarter

Mid month (1st of month)

Mid month (15th of month)

Half year (start of year)

Half year (next year)

Box 2: Straight line service life - Fiscal period

When you set up a fixed asset depreciation profile and select Straight line service life in the Method field in the Depreciation profiles page, the assets that have this depreciation profile assigned to them are depreciated based on the total

service life of the asset. This generally is the same depreciation amount in each depreciation period.

You can select either Calendar or Fiscal in the Depreciation year field in the Depreciation profiles page.

Incorrect:

Not Straight line life remaining:

When you set up a fixed asset depreciation profile and select Straight line life remaining in the Method field on the Depreciation profiles page, the depreciation of fixed assets that are assigned to the depreciation profile is based on the remaining service life of the asset.

Box 3: Half year (start of year)

Box 4: 200% reducing balance - Yearly

To set up 200% reducing balance depreciation, you must also select options in the Depreciation year field and the Period frequency field on the Depreciation profiles page. The options that are available in the Period frequency field vary,

depending on the value that you select in the Depreciation year field.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/depreciation-methods-conventions>
<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/straight-line-service-life-depreciation>
<https://docs.microsoft.com/en-us/>

[dynamics365/finance/fixed-assets/200-percent-reducing-balance-depreciation](https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/200-percent-reducing-balance-depreciation)

QUESTION 2

DRAG DROP

You manage customer credit and collections in a Dynamics 365 Finance implementation.

At the beginning of each month, you must send collection letters to customers whose payments are overdue.

You need to configure the collection letter functionality.

Which four actions should you perform in sequence

To answer, move the appropriate actions from the list of actions to the answer area and arrange them in the correct order.

Select and Place:

Actions

Post the collection letter.

Generate the collection letter.

Create a customer group.

Link the collection letter sequence to a customer posting profile.

Define the collection letter sequence.

Answer Area

Correct Answer:

Actions

Create a customer group.

Answer Area

Define the collection letter sequence.
Link the collection letter sequence to a customer posting profile.
Post the collection letter.
Generate the collection letter.

Step 1: Define the collection letter sequence.

Set up a collection letter sequence on the posting profile

Step 2: Link the collection letter sequence to a customer profile.

Step 3: Post the collection letter.

See step 9 below.

Print collection letters

1.

Go to navigation pane > Modules > Credit and collections > Collection letter > Review and process collection letters.

2.

In the Status field, select Created.

3.

In the Printed field, select Not printed.

4.

Select Print.

5.

Select Collection letter note.

6.

In the Parameters section, enter the cutoff date for postings.

7.

Expand the Records to include section and enter the details of the Collection letter note.

8.

Select OK to print the collection letter.

9.

Post the collection letter. Etc.

Step 4: Generate the collection letter.

Each collection letter is also associated with a collection letter code. The collection letter code is associated with individual transactions and is used to determine when the next collection letter should be generated for each transaction. For

example, if a transaction is more than 30 days overdue, the collection letter code determines that the next collection letter will be sent when the transaction becomes 60 days overdue, if it isn't paid before then.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/tasks/process-collection-letters>

QUESTION 3

A company signs a four-year contract for an IT support project. The manager wants to know how the revenue amounts will be allocated across the four-year period.

You need to implement a revenue schedule to determine the revenue amounts for each month.

Which setup should you use?

A. 60 months

B. 48 months

C. 4 years

D. 4 months

Correct Answer: B

Revenue schedules A revenue schedule must be created for each occurrence that revenue can be deferred for. For example, if your organization offers support over six-month, 12- month, 18-month, and 24-month periods, you must create a revenue schedule for each period. Reference: <https://docs.microsoft.com/en-us/dynamics365/finance/accounts-receivable/revenue-recognition-setup>

QUESTION 4

You need to configure the regional distribution centers.

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

NOTE: Each correct selection is worth one point.

- A. Configure a site
- B. Associate the financial dimension to the site
- C. Configure a financial dimension
- D. Configure a legal entity
- E. Associate the legal entity to the site

Correct Answer: ABC

Reference: <https://exploredynamics365.home.blog/2020/10/05/ledger-allocations-in-microsoft-dynamics-365-finance-and-operations-part-1/>

QUESTION 5

DRAG DROP

A company that manufactures consumer electronics goods uses Microsoft Dynamics 365 Finance.

You need to configure capitalization thresholds for products based on the following requirements:

Product	Capitalization threshold
Televisions	\$10,000
All other products	No specific threshold

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:

Actions

Define and configure the procurement categories and link to the products.

Create fixed asset groups.

Define an organization-wide business rule for fixed asset determination.

Define an organization-wide identifier for fixed assets.

Answer area



Correct Answer:

Actions

Answer area

Create fixed asset groups.



Define an organization-wide business rule for fixed asset determination.



Define and configure the procurement categories and link to the products.

Define an organization-wide identifier for fixed assets.

Explanation:

Step 1: Create fixed asset groups

Complete the following prerequisites before you set up business rules for fixed assets.

Configure capitalization thresholds fixed asset group business rule

*

Set up fixed asset groups for legal entities.

*

Etc.

Step 2: Define an organization-wide identifier for fixed assets.

Create an organization-wide fixed asset identifier

Set up an organization-wide fixed asset identifier. You must associate the organization-wide fixed asset identifier with a fixed asset group for a legal entity. After you create an organization-wide fixed asset identifier, you can create a monetary

threshold and qualifier questions to help the system classify a fixed asset for the organization.

Step 3: Define and configure the procurement categories and link to the products

Create an organization-wide fixed asset rule

Use this procedure to create a rule for determining when a product qualifies as a fixed asset for your whole organization. You can create rules for specific procurement categories, and you can create qualifiers that capture information from the

worker, such as the intended usage or the expected lifespan of the asset, which help the system determine the correct fixed asset group for a product.

Click Procurement and sourcing > Setup > Fixed assets > Business rules for fixed assets determination.

On the Business rules for fixed assets determination form, click New.

Enter a unique short name and an optional detailed description for the rule.

On the Procurement categories tab, click Add. Select a procurement category to which this rule applies. The rule automatically applies to all subcategories of the selected procurement category.

Etc

Step 4: Define an organization-wide business rule for fixed asset determination.

Create a fixed asset rule for a legal entity

Use this procedure to create a fixed asset rule for a legal entity that must comply with local statutory requirements that differ from the organization's requirements for determining fixed assets. You can also create a rule for a legal entity without

a corresponding organization-wide rule.

Click Procurement and sourcing > Setup > Fixed assets > Business rules for fixed assets determination.

On the Business rules for fixed assets determination form, click New.

In the left pane, enter a unique short name and an optional detailed description.

On the Procurement categories tab, click Add. Select one or more procurement category codes to which the rule applies. The rule automatically applies to all subcategories of the selected procurement categories.

Etc.

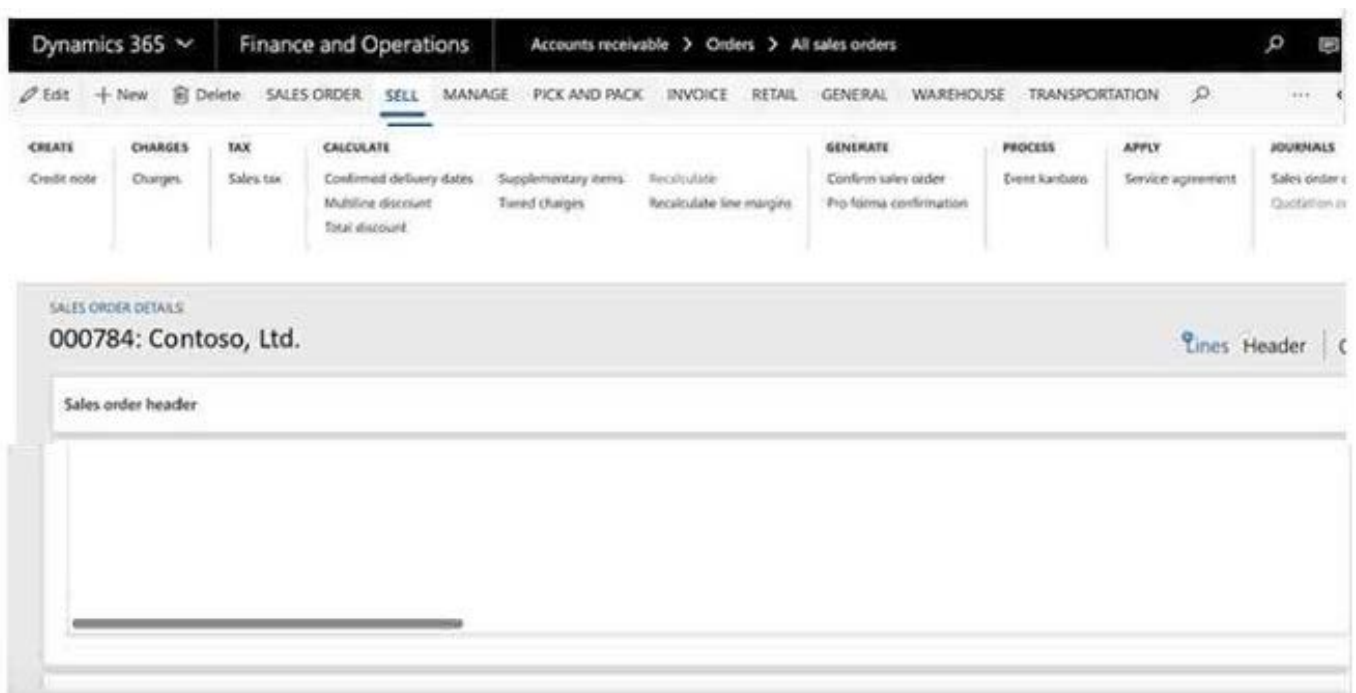
Reference:

<https://learn.microsoft.com/en-us/dynamicsax-2012/appuser-itpro/key-tasks-set-up-business-rules-for-fixed-asset-determination>

QUESTION 6

HOTSPOT

A client confirms a sales order in Dynamics 365 for Finance and Operations. You are viewing the confirmed sales order.



Hot Area:

What should you select to view the original document and print preview to reprint this document?

Dropdown menu options:

- Pro forma confirmation
- Sales order confirmation journal
- Confirm sales order

What should you select to view the service fee that was added to the confirmed sales order?

Dropdown menu options:

- the Inventory menu in the Sales order line area, and then select Transactions
- the Charges button on the ribbon
- the Supplementary items button on the ribbon
- the Sales order line menu in the Sales order line area, and then select Order events

Correct Answer:

What should you select to view the original document and print preview to reprint this document?

Dropdown menu options:

- Pro forma confirmation
- Sales order confirmation journal
- Confirm sales order

What should you select to view the service fee that was added to the confirmed sales order?

Dropdown menu options:

- the Inventory menu in the Sales order line area, and then select Transactions
- the Charges button on the ribbon
- the Supplementary items button on the ribbon
- the Sales order line menu in the Sales order line area, and then select Order events

QUESTION 7

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:

Actions

- Set up Task approval or the workflow
- Add an automated task for budget planning stage allocation at the desired workflow stage
- Create a stage allocation on the Budget planning configuration page
- Create an allocation schedule on the Budget planning configuration page

Answer Area



Correct Answer:

Actions

- Set up Task approval or the workflow
-
-
-

Answer Area

- Create an allocation schedule on the Budget planning configuration page
- Create a stage allocation on the Budget planning configuration page
- Add an automated task for budget planning stage allocation at the desired workflow stage



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

QUESTION 8

A company has recently deployed Microsoft Dynamics 365 Finance. You have been hired as a Functional Consultant. Your role will include the management of the Dynamics 365 Finance system and to provide training for members of the Accounts team.

You are providing training on the cost accounting module in the Dynamics 365 Finance system.

Which of the following statements describes a cost element?

- A. The result of a transfer via data connectors from general ledger entries, cost allocations, and posted cost entries in cost journals.
- B. Used as a function to track and categorize costs.
- C. Classifies costs according to their behavior in relation to changes in key business activities.
- D. Used to distribute cost from one cost object to one or more other cost objects by applying a relevant allocation base.

Correct Answer: B

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

accounting

QUESTION 9

HOTSPOT

A client wants to ensure that transactions posted to the General Ledger have the correct combination of account number and dimensions.

The Services Industry PandL Account Structure has the following information:

ACCOUNT STRUCTURES						
Service Industries P&L						Status
Description						Service Industries Profit &...
						Active
<input type="checkbox"/>	Only show overlapping rows					
<input checked="" type="checkbox"/>	MainAccount ↑	BusinessUnit	Department	Project	ServiceLine	Active from
<input checked="" type="checkbox"/>	400000..999999	"";003..004	"";022..028	"";*	"";*	

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

Question	Answer choice
What does the asterisk under the project dimension signify?	<div style="border: 1px solid black; padding: 5px;"> <input type="button" value="▼"/> <ul style="list-style-type: none"> Blank values are allowed in the project dimension. Blank values are not allowed in the project dimension. Zero is not a valid value for the project dimension. Multiple project dimensions can be selected on the transaction line. Any project can be selected in this dimension. </div>
What do the quotation marks signify in the business unit dimension?	<div style="border: 1px solid black; padding: 5px;"> <input type="button" value="▼"/> <ul style="list-style-type: none"> Blank values are allowed in this dimension. Blank values are not allowed in this dimension. Zero is not a valid value for this dimension. Multiple business units can be selected on this transaction line. Any business unit can be selected in this dimension. </div>

Correct Answer:

Answer Area

Question	Answer choice
What does the asterisk under the project dimension signify?	<div style="border: 1px solid black; padding: 5px;"> <div style="text-align: right; border-bottom: 1px solid black;">▼</div> <div style="padding: 2px;">Blank values are allowed in the project dimension.</div> <div style="padding: 2px;">Blank values are not allowed in the project dimension.</div> <div style="padding: 2px;">Zero is not a valid value for the project dimension.</div> <div style="padding: 2px;">Multiple project dimensions can be selected on the transaction line.</div> <div style="padding: 2px; background-color: #e0f2f1;">Any project can be selected in this dimension.</div> </div>
What do the quotation marks signify in the business unit dimension?	<div style="border: 1px solid black; padding: 5px;"> <div style="text-align: right; border-bottom: 1px solid black;">▼</div> <div style="padding: 2px; background-color: #e0f2f1;">Blank values are allowed in this dimension.</div> <div style="padding: 2px;">Blank values are not allowed in this dimension.</div> <div style="padding: 2px;">Zero is not a valid value for this dimension.</div> <div style="padding: 2px;">Multiple business units can be selected on this transaction line.</div> <div style="padding: 2px;">Any business unit can be selected in this dimension.</div> </div>

QUESTION 10

DRAG DROP You need to configure revenue recognition to meet the requirements. Which configuration should you use? To answer, drag the appropriate configurations to the correct requirements. Each configuration may be used once, more than not at all. You may need to drag the split bar between panes or scroll to view content NOTE: Each correct selection is worth one point

Select and Place:

<p>Configurations</p> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Revenue schedule</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Occurrences</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Recognition convention</div> <div style="border: 1px solid black; padding: 2px;">Recognition basis</div>	<p style="text-align: center;">Requirement</p> <p>Adatum Corporation day of use</p> <p>Fourth Coffee September start</p> <p>Adventure Works Cycles first use</p>	<p style="text-align: center;">Configuration</p> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px; text-align: center;">Configuration</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px; text-align: center;">Configuration</div> <div style="border: 1px solid black; padding: 2px; text-align: center;">Configuration</div>
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Correct Answer:

<p>Configurations</p> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Revenue schedule</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Occurrences</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Recognition convention</div> <div style="border: 1px solid black; padding: 2px;">Recognition basis</div>	<p style="text-align: center;">Requirement</p> <p>Adatum Corporation day of use</p> <p>Fourth Coffee September start</p> <p>Adventure Works Cycles first use</p>	<p style="text-align: center;">Configuration</p> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px; text-align: center;">Revenue schedule</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px; text-align: center;">Revenue schedule</div> <div style="border: 1px solid black; padding: 2px; text-align: center;">Recognition basis</div>
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QUESTION 11

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

others might not have a correct solution.

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

A company is preparing to complete yearly budgets.

The company plans to use the Budget module in Dynamics 365 Finance for budget management.

You need to create the new budgets.

Solution: Create budget plans for multiple scenarios.

Does the solution meet the goal?

A. Yes

B. No

Correct Answer: A

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

QUESTION 12

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:

Actions

- Set up main accounts and ledger posting groups for sales tax
- Set up sales tax parameters on the application parameter pages
- Set up sales tax groups and item sales tax groups
- Set up sales tax authorities and sales tax settlement periods
- Set up sales tax codes

Answer Area



Correct Answer:

Actions

-
-
-
-
-

Answer Area

- Set up main accounts and ledger posting groups for sales tax
- Set up sales tax authorities and sales tax settlement periods
- Set up sales tax codes
- Set up sales tax groups and item sales tax groups
- Set up sales tax parameters on the application parameter pages



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

QUESTION 13

HOTSPOT

A company is implementing Dynamics 365 Finance.

The company purchases fixed assets using a purchase order. The company must post tax-specific transactions related to the fixed assets so the transactions can be reported separately.

You need to configure the system.

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

NOTE: Each correct selection is worth one point.

Hot Area:

Answer Area

Requirement

Purchase a fixed asset on a purchase order using a procurement category.

	▼
Fixed asset determination rules	
Fixed asset purchasing policy	
Depreciation methods	

Record specific tax transactions for fixed assets via journal.

	▼
Posting layers	
Depreciation methods	
Report definitions	

Correct Answer:

Answer Area

Requirement

Purchase a fixed asset on a purchase order using a procurement category.

▼
Fixed asset determination rules
Fixed asset purchasing policy
Depreciation methods

Record specific tax transactions for fixed assets via journal.

▼
Posting layers
Depreciation methods
Report definitions

Box 1: Depreciation methods

When you use a method where the asset is automatically created and acquired, you can set up the system to verify whether the purchase amount of the fixed asset meets a specified capitalization threshold for asset depreciation. If so, the

Depreciation option will be selected in the books for the asset when it is created from Accounts payable.

Box 2: Posting layers

Post fixed asset transactions to posting layers.

Fixed asset journals are defined by using the Journal names page at General ledger > Journal setup > Journal names. Each journal that you can post depreciations in is defined by its journal name for only one posting layer.

Reference:

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/acquire-assets-procurement>

<https://docs.microsoft.com/en-us/dynamics365/finance/fixed-assets/post-fixed-asset-transactions-posting-layers>

QUESTION 14

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 Accounts 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

"In the Maximum amount field, type the maximum amount that is allowed for this charges code.

This field is used to validate charges for vendor invoices. You can enable the validation of charges in the Accounts payable parameters form. In the Invoice validation area, select the Enable invoice matching validation check box."

QUESTION 15

You are configuring the basic budgeting for a Dynamics 365 Finance environment.

You need to configure the types of entries allowed.

Which two configurations can you use Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point,

- A. The budget register entry journals require both Expense and Revenue amount types.
- B. Budget register entry line needs a main account and amount to be valid.
- C. Budget register entry journals must be allocated across all fiscal periods.
- D. Budget register entry lines must select only one account structure.
- E. The budget register entries can contain either Expense or Revenue amount types.

Correct Answer: DE