

Vendor: Microsoft

Exam Code: MB6-700

Exam Name: Microsoft Dynamics AX 2012 R2 Project

Version: Demo

Question No : 1

You need to track the project costs in balance accounts until the customer is invoiced. Which type of project should you use?

- A. fixed-price project with completed contract
- B. fixed-price project with completed percentage and sales value
- C. time and material project with work in process (WIP)
- D. internal project with work in process (WIP)
- E. time and material projects with accruals

Answer: C

Question No : 2

You set up a new internal project. You need to manually create a hierarchical representation of the activities for the project. Which form should you use?

- A. Activities
- B. Assign resources
- C. Work breakdown structure template
- D. Work breakdown structure

Answer: D

Question No : 3

You set up three pay-when-paid (PWP) terms and assign them to the vendors for a project. For the first PWP term, you set the account code for all vendors (All). For the second PWP term, you set the account code for an individual vendor (Table). For the third PWP term, you set the account code for a group of vendors (Group). What is the order of precedence for assigning the PWP terms when you create a project purchase order?

- A. Table, All, Group
- B. All, Group, Table
- C. Table, Group, All
- D. All, Table, Group

Answer: C

Question No : 4

You configure a timesheet workflow. What is the Assignment function used to define?

- A. conditions for approval of the timesheet
- B. notifications after approval of a timesheet
- C. submitters of the timesheet
- D. reviewers of the timesheet

Answer: D

Question No : 5

You attach an invoice format to the project contract. Which item is controlled by the invoice format setting?

- A. invoice output destination
- B. invoice currency
- C. invoice summarization
- D. invoice orientation

Answer: C

Question No : 6

You need to configure worker validation project assignments to ensure that certain projects are available for a specific worker. On which form should you configure this type of validation?

- A. project
- B. project contract
- C. worker
- D. project management and accounting parameters

Answer: C

Question No : 7

Which three items are valid project types? (Each correct answer presents part of the solution. Choose three.)

- A. Investment
- B. Profit and loss
- C. Time
- D. Time and material
- E. Quotation

Answer: A,B,E

Question No : 8

Which journalizing option is used only for time tracking?

- A. No ledger
- B. Profit and loss
- C. Never ledger
- D. Balance

Answer: A

Question No : 9

Which two statements about a header project are true? (Each correct answer presents a complete solution. Choose two.)

- A. Transactions cannot be posted to a header project.
- B. A header project is designated by the Project group field.
- C. Each level of a project hierarchy can have only one project header.
- D. A header project must be created at the top level of a hierarchy.

Answer: A,D

Question No : 10

You need to set up a pay when paid (PWP) term for a project. Which project type should you choose?

- A. time and material
- B. internal
- C. cost
- D. fixed-price

Answer: A

Question No : 11

You set up project management and accounting. You need to represent the types of costs and revenues that are defined for all projects in your entire organization. Which item should you create to organize categories?

- A. shared category
- B. expense category
- C. project category
- D. category group

Answer: D

Question No : 12

You need a quick snapshot view of a project's progress. Which form should you use?

- A. Invoice control
- B. Project statements
- C. Cash flow
- D. Cost control

Answer: B

Question No : 13

Which two items are determined by the cost templates for advanced fixed-price projects?

(Each correct answer presents part of the solution. Choose two.)

- A. the amount of hours that can be posted for advanced fixed-price projects
- B. the amount of expenses that can be posted for advanced fixed-price projects
- C. whether to calculate the degree of completion on the posted amount or quantity
- D. the categories included in calculating the degree of completion

Answer: C,D

Question No : 14

You have several transactions that are not going to be invoiced. You need to ensure that these transactions are still moved to the profit and loss accounts. Which form should you use?

- A. Post costs
- B. Hour journal
- C. Expense journal
- D. Item journal

Answer: A

Question No : 15

Which two statements about project hierarchies are true? (Each correct answer presents part of the solution. Choose two.)

- A. Only the parent project can be used for invoicing.
- B. Subprojects must be configured with the same project type.
- C. Subprojects must be configured to represent different project phases.
- D. Subprojects can be used to process special accounting requirements.

Answer: A,D

Question No : 16

You set up an effective labor rate for a worker. The hourly cost price is 60 USD. 40 hours

are available in the work week calendar. The worker submits only 30 hours for the week. What is the effective labor rate that is calculated for this worker?

- A. $(30 \times 40) / 60 = 20$
- B. $(30 / 40) \times 60 = 45$
- C. $(60 \times 30) / 40 = 45$
- D. $(60 \times 40) / 30 = 80$

Answer: D

Question No : 17

Which statement about the effective labor rate (ELR) feature is true?

- A. Effective labor rate is not enabled by default for all workers and can be enabled for the workers you select.
- B. Effective labor rate is enabled when a cost price amount and calendar are specified for that worker.
- C. Effective labor rate is enabled by default for all workers and can be disabled for the workers you select.
- D. Effective labor rate is enabled by default for all workers and cannot be disabled.

Answer: A

Question No : 18

Which item is used to transfer costs from work in process (WIP) accounts to profit and loss accounts?

- A. Post costs form
- B. Adjustments form
- C. On-account posting
- D. Expense journal

Answer: A

Question No : 19

Which statement for both the cost and the time project types is true?

- A. Both allow registering hour transactions.
- B. Both allow capitalizing on balance sheet accounts.
- C. Both allow registering expense transactions.
- D. Both allow posting hour transactions on profit and loss accounts.

Answer: A

Question No : 20

You work with a fixed-price project. To which process do the completed contract and completed percentage assessment principles relate?

- A. posting revenue
- B. transferring costs from balance sheet to profit and loss accounts
- C. posting costs
- D. accumulating costs in balance sheet accounts

Answer: A

Question No : 21

What can the Resource assignment analysis report do that the Resource assignments report cannot do?

- A. It can show how many hours a resource is assigned to a project.
- B. It can show availability of a resource.
- C. It can be filtered to include certain commitment types.
- D. It can be filtered to include a specified date range.

Answer: B

Question No : 22

What is the purpose of the estimate process for a fixed-price project?

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- A. to periodically clear ledger postings after the project transactions are adjusted
 - B. to create a new estimate for a fixed-price project
 - C. to adjust the forecast according to the actual project progress
 - D. to provide a snapshot of a project's finances at a single point in time

Answer: D

Question No : 23

Which three statements about on-account invoices are true? (Each correct answer presents part of the solution. Choose three.)

- A. On-account invoices must specify a project date.
- B. On-account invoices can be created by using an invoice proposal.
- C. On-account invoices can only be used for external project types.
- D. On-account invoices can be used for both fixed-price and time and material projects.
- E. On-account invoices can specify offset transactions when used for fixed-price projects.

Answer: A,B,D

Question No : 24

You need to recognize revenue as project costs are posted. Which type of project should you use?

- A. fixed-price project with completed percentage and production plus profit
- B. time and material project with work in process (WIP)
- C. time and material project with accruals
- D. fixed-price project with completed percentage and sales value
- E. internal project with work in process (WIP)

Answer: C

Question No : 25

Which three items are valid base amount options when defining compounding rules for an indirect cost calculation? (Each correct answer presents part of the solution. Choose three.)

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- A. Cost
 - B. Revenue
 - C. Invoice
 - D. Unit rate
 - E. Percent

Answer: A,B,E

Question No : 26

What is the purpose of the project statements form?

- A. to display an overview of the progress of all in-process projects
- B. to print customer statements for a single project
- C. to display an overview of the progress of a project
- D. to print customer statements for multiple projects

Answer: C

Question No : 27

Which statement describes what happens during the elimination process for a fixed-price project?

- A. The work in process (WIP) on-account account postings and the WIP production and profit postings are reversed automatically.
- B. All existing lines are removed from the estimate.
- C. The fixed-price project is removed.
- D. The WIP on-account account postings and the WIP production and profit postings must be reversed manually.

Answer: A

Question No : 28

Which two tools enable you to control a project? (Each correct answer presents part of the solution. Choose two.)

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- A. project forecasts
 - B. project quotations
 - C. project budgets
 - D. project statements

Answer: A,C

Question No : 29

You define project requirements in the work breakdown structure. What do the Importance settings determine?

- A. relative importance between tasks
- B. relative importance between projects
- C. relative importance between activity requirements
- D. relative importance of schedule versus activity requirements

Answer: C

Question No : 30

You create an invoice proposal and use the Manage invoice form to manage the presentment of the invoice. Which two steps are required to group transactions with a subtotal on the invoice? (Each correct answer presents part of the solution. Choose two.)

- A. Select the transactions to be included.
- B. Create an invoice line summary.
- C. Select the user-defined invoice format.
- D. Enter text for the invoice header and footer.
- E. Define the type of transactions to be included.

Answer: A,B

Question No : 31

Your company invoices in U.S. dollars on a project for a company whose currency is euros.

To avoid any issues with currency exchange rate fluctuations, you agree on a fixed currency exchange rate for invoices.

How should you set up the project?

- A. Specify a fixed-rate agreement on the project.
- B. Specify a fixed exchange rate on the invoice proposal.
- C. Specify a fixed exchange rate on the sales order.
- D. Specify a fixed-rate agreement on the project contract.

Answer: D

Question No : 32

Which three fields are specified when configuring a project contract? (Each correct answer presents part of the solution. Choose three.)

- A. Invoice frequency
- B. Line property
- C. Project type
- D. Sales currency
- E. Sales tax group

Answer: A,D,E

Question No : 33

You set up the project validation feature. You need to restrict certain employees to use specific categories when they enter transactions in journals for particular projects. Which type of validation group should you configure?

- A. Worker/project
- B. Categories
- C. Projects
- D. Project/category
- E. Worker/category

Answer: D

Question No : 34

Which statement about the customer advance feature is true?

- A.** The customer advance cannot be created once transactions have been posted to the project.
- B.** The customer advance is created by using the payment journal.
- C.** The customer advance can be used to offset billable charges by using the invoice proposal process.
- D.** The customer advance amount can be defined as a percentage of an existing invoice amount.

Answer: C

Question No : 35

You analyze the progress of a project. Which two groups of parameters should you configure prior to using the Hour utilization form? (Each correct answer presents part of the solution. Choose two.)

- A.** Budget overrun default
- B.** Budget control interval
- C.** Definition of billable rate
- D.** Definition of efficiency rate

Answer: C,D

Question No : 36

You create a new work breakdown structure (WBS) template. You then create a new activity in the WBS template and assign a resource to the activity. What happens if you add a child activity under the new activity?

- A.** The child activity is added at the folder level.
- B.** An error message is displayed stating that you must remove a worker resource from the selected activity.
- C.** The child activity is added at the summary activity level.
- D.** An error message is displayed stating that you cannot add the child activity.

Answer: D

Question No : 37

You enter and post a vendor invoice. You do not know to which project to allocate the expenses. You need to ensure that the vendor invoice will be posted with basic information and transferred to an invoice pool for approval. Which method of managing incoming invoices should you use?

- A. invoice journal
- B. invoice register
- C. invoice approval journal
- D. invoice pool excluding posting

Answer: B

Question No : 38

You have a project with multiple funding sources. You need to set up the allocation of funds in the project contract. How many funding sources can you select for rounding off the differences?

- A. one funding source for rounding off the differences is automatically selected and cannot be changed
- B. all funding sources on the project contract
- C. only the funding source with the lowest fund allocation percentage
- D. only the funding source with the highest or equal fund allocation percentage

Answer: D