

Vendor: Microsoft

Exam Code: MB7-701

Exam Name: Microsoft Dynamics NAV 2013 Core Setup
and Finance

Version: Demo

QUESTION: 1

Your client uses a dimension named ITEM CLASS with different dimension values to define different types of items on sales postings. You need to modify the dimension settings so that sales-related ledger entries contain information on the type of item sold. Which two actions should you perform? (Each correct answer presents part of the solution. Choose two.)

- A. Add a unique ITEM CLASS dimension value code to all individual item category cards.
- B. Set the Dimension Value Posting field for the ITEM CLASS dimension code to Code Mandatory for the sales-relatedG/Laccount cards.
- C. Add a unique ITEM CLASS dimension value code to all individual item cards.
- D. Set the Dimension Value Posting field for the ITEM CLASS dimension code to Same Code for the sales-relatedG/Laccount cards.

Answer: B, C

QUESTION: 2

You need to configure Microsoft Dynamics NAV to register when specific users log on and for how long they stay logged on. Which page should you use?

- A. Users
- B. Application Setup
- C. User Setup
- D. Permission Set

Answer: C

QUESTION: 3

Which statement about the reason code on a sales credit memo is true?

- A. It determines the location code for item returns.
- B. It is transferred toG/L, customer, and item entries and used for analysis.
- C. It is required when posting a sales credit memo.
- D. It is transferred only to the posted sales credit memo and used for filtering and analysis.

Answer: B

QUESTION: 4

A G/L account is used in a customer posting group. Which statement is correct?

- A. Generally these G/L accounts are set up to allow direct posting as well as indirect posting.
- B. Generally these G/L accounts are set up to allow only direct posting.
- C. Generally these G/L accounts are set up with the Blocked field enabled to prohibit manual posting.
- D. Generally these G/L accounts are set up to not allow direct posting.

Answer: D

QUESTION: 5

When posting a sales order, a user receives the following error message: “COGS Account must have a unique value in General Posting Setup: Gen.Bus.Posting Group=NATJONAL, Gen. Prod. Posting Group=RETAIL. It cannot be zero or empty.” You need to resolve the error message by adding a ledger account number in the COGS Account field. Which page should you use?

- A. General Product Posting Group
- B. General Posting Setup
- C. General Business Posting Group
- D. Inventory Posting Setup

Answer: B

QUESTION: 6

Users in the accounting department can enter journal data at the same time into Microsoft Dynamics NAV. How do you ensure that each user's work is isolated from other users during data entry?

- A. Create a different number series for each user.
- B. Create a separate journal batch for each user.
- C. Create a separate journal template for each user, with each template having a different Source Code.
- D. No additional configuration is required because each user's work is automatically isolated in Microsoft Dynamics NAV based on their User ID.

Answer: B

QUESTION: 7

You need to set a purchase quote limit for an employee. Which Limit Type should you select in the Approval Templates window?

- A. Credit Limits
- B. Request Limits
- C. No Limits
- D. Approval Limits

Answer: C

QUESTION: 8

Before posting a sales order invoice into the Financial module, you enter a valid dimension value code for DEPARTMENT and CUSTOMERGROUP in the sales order header. These dimensions, plus an additional dimension value code for PRODUCTGROUP, are entering on the sales order lines. What dimension information is posted on the value added tax (VAT) entries as a result of the sales order?

- A. Dimension value codes for each unique posting line
- B. The valid dimension combinations
- C. None
- D. Dimension set ID

Answer: C

QUESTION: 9

A company has users that have only infrequent access to Microsoft Dynamics NAV. These users bring their own laptops, which are not part of the client network. These users have not been added to Active Directory. You need to set up authentication for these users. Which type of user authentication should you use?

- A. Windows
- B. NavUserPassword

- C. SQL Server
- D. UserName

Answer: B

QUESTION: 10

How do you create a new fiscal year with 12 monthly accounting periods by using the Accounting Periods window?

- A. Select Create Year, and then enter 12 in the No. of Periods field and Month in the Period Length field on the Create Fiscal Year window.
- B. Create 12 new months, and then check the Date Locked field on the last month of year.
- C. Select Create Year, and then enter 12 in the No. of Periods field. Enter 1M in the Period Length field on the Create Fiscal Year window.
- D. Select Create Year, and then enter 12M as the Period Length.

Answer: C

QUESTION: 11

A company requires a 10% prepayment for all new customers before shipping their orders. Which steps should you take to enable this?

- A. Create a customer posting group with a Prepayment % of 10 and enable Check Prepmnt. WhenPosting in the Sales & Receivables Setup window.
- B. Create a customer price group with a Prepayment ? of 10 and set the Blocked field to Ship on the Customer Card window.
- C. Create a customer price group with a Prepayment ? of 10 and select Check Prepmnt. WhenPosting in the Sales & Receivables Setup window.
- D. Create a customer posting group with a Prepayment % of 10 and enable Check Prepmnt. When Posting in the General Ledger Setup window.

Answer: C

QUESTION: 12

How is the Due Date of a Reminder calculated?

- A. Original transaction Document Date + Reminder Level Due Date Calculation
- B. Reminder Document Date + Reminder Level Due Date Calculation + Reminder Level Grace Period
- C. Reminder Document Date + Reminder Level Due Date Calculation
- D. Original transaction Document Date+Reminder Level Due Date Calculation ;Â Reminder Level Grace Period

Answer: C

QUESTION: 13

You need to ensure that users are prompted to confirm a payment discount before they post a short payment from a customer. What steps do you need to take in the General Ledger Setup window?

- A. Populate the Payment Tolerance do and Max. Pmt. Tolerance Amount fields and run the Change Payment Tolerance batch job.
- B. Enable Payment Tolerance Warning, set Payment Tolerance Posting to Payment Discount Account, and run the Change Payment Tolerance batch job.
- C. Enable Pmt. Disc. Tolerance Warning, set Pmt. Disc. Tolerance Posting to Payment Discount Accounts, and run the Change Payment Tolerance batch job.
- D. Enable Payment Tolerance Warning, set Payment Tolerance Posting to Payment Discount Account, and populate the Payment Tolerance % and Max. Payment Tolerance Amount fields.

Answer: B

QUESTION: 14

A company has four open invoices, as described in the following table:

Vendor	Posting Date	Document Type	Document Number	Description	Remaining Amount (LCY)
C	1/1/2014	Invoice	1	Invoice 1	-2250
A	1/1/2014	Invoice	2	Invoice 2	-1000
B	1/1/2014	Invoice	3	Invoice 3	-1500
A	1/1/2014	Invoice	4	Invoice 4	-500

All invoices are due on the same date, but you have only (LCY) 2000. Vendors B and C have been configured with a Priority of 1. You open the Suggest Vendor Payments batch job, select the Use Vendor Priority check box, and enter 2000 in the Available

Amount (ICY) field. Which invoices are suggested for payment after running the Suggest Vendor Payments batch job?

- A. Invoice 1 only
- B. Invoices 3 and 4
- C. Invoice 3 only
- D. Invoices 1 and 3

Answer: B

QUESTION: 15

What happens in a general journal when the Amount on all the lines balances to zero?

- A. If set up on the journal's batch, the Document No. on the subsequent line is given the next sequential number.
- B. The journal posts automatically.
- C. The user is asked to confirm if the journal is to be posted now.
- D. If set up on the journal's batch, the Posting Date on the subsequent line is incremented by one day.

Answer: A

QUESTION: 16

How do you prevent users from posting transactions into a prior accounting period?

- A. Populate the Allow Posting To field on the General Ledger Setup window.
- B. Check the Date Locked field in the relevant accounting period record.
- C. Check the Closed field in the relevant accounting period record.
- D. Populate the Allow Posting From field on the General Ledger Setup window.

Answer: D

QUESTION: 17

You need to turn in your periodical value added tax (VAT) declaration. Where can you report the tax amounts to be settled?

- A. VAT exceptions
- B. VAT registers
- C. VAT statements
- D. VAT adjustments

Answer: D

QUESTION: 18

What effect does the Additional Reporting Currency field in the General Ledger Setup window have when running the Close Income Statement batch job?

- A. The closing income general journal will be created in the currency specified in the Additional Reporting Currency field.
- B. The closing income general journal will be created and then posted automatically.
- C. It has no effect.
- D. The Close Income Statement batch job is prevented from running if the Additional Reporting Currency field is populated.

Answer: B

QUESTION: 19

A company has a large number of part-time employees, each working a different number of hours every week. The payroll expense for these employees must be recorded weekly. You set up a recurring journal. Which Recurring Method should you use to record the payroll expenses?

- A. Variable
- B. Fixed
- C. Reversing Fixed
- D. Balance

Answer: D

QUESTION: 20

Which settings should you use to allow value added tax (VAT) differences in purchase documents?

- A. Max. VAT Difference Allowed on the General Ledger Setup window and Allow Vat Difference on the Purchases and Payables Setup window
- B. Max. VAT Difference Allowed on the General Ledger Setup window and Allow Vat Difference on the General Journal Templates window
- C. Full VAT on the VAT Posting Setup window and Allow Vat Difference on the Purchases and Payables Setup window
- D. Max. VAT Difference Allowed on the General Ledger Setup window and Full VAT on the VAT Posting Setup window

Answer: A

QUESTION: 21

When processing purchase invoices, employees at a company enter the following information: order number, invoice number, vendor number, vendor order number, vendor invoice number, and item numbers. Which of these numbers can be made mandatory by using the Ext. Doc. No. Mandatory check box on the Purchases & Payables Setup window?

- A. Vendor invoice number
- B. Vendor number
- C. Vendor order number
- D. Invoice document number

Answer: A

QUESTION: 22

When creating purchase orders and purchase invoices, a company requires entering the order number, invoice number, vendor number, vendor order number, vendor invoice number, and item numbers. You need to check the details related to a posted vendor's invoice by using the Navigate function. What should you do?

- A. On the External Tab, select Vendor in the Business Contact Type field, and enter the vendor invoice number.
- B. On the Source Tab, enter the vendor number and vendor invoice number.
- C. On the Item Tracking Tab, select Vendor in the Business Contact Type field, and enter the item number.
- D. On the General Tab, select Vendor in the Business Contact Type field, and enter the vendor invoice number.

Answer: C

QUESTION: 23

When entering a purchase invoice based on an associated purchase order, a user finds multiple item numbers on the vendor's invoice. You advise the user to process the invoice lines using the data on the Get Receipt Lines window for each item-related invoice line, instead of entering these item lines manually. What are two reasons you advise this action? (Each correct answer presents a complete solution. Choose two.)

- A. It is the only way to add the packing slip number to the invoice lines.
- B. Lines that are entered manually are not accepted on a purchase invoice based on an associated purchase order.
- C. It prevents the items from being received again, creating double stock, when posting the invoice.
- D. It enables the user to check immediately whether the invoiced items have all been received completely and if they have been invoiced.

Answer: C, D

QUESTION: 24

A customer reports that in the RoleTailored client, the Customer Statistics FactBox takes up too much space on the customer list page. What should you do to remove the Customer Statistics FactBox?

- A. Click the Customer Statistics FactBox and drag it out of the customer list page.
- B. Click Action on the Customer Statistics FactBox and select Remove.
- C. Click the ribbon on the customer list page, click Customize, and then click Remove Customer Statistics FactBox.
- D. Right-click the Customer Statistics FactBox and select Remove.

Answer: A

QUESTION: 25

You create a sales quote, your customer accepts the quote, and you convert the quote to an order. Which statement is true?

- A. The new order keeps the Document Date from the quote, and the Order Date is the same as the Document Date from the quote. The order lines are not updated with the unit prices from the item cards.
- B. The new order's Document Date and Order Date are the same as the work date. The order lines are updated with the unit prices from the item cards.
- C. The new order keeps the Document Date from the quote. The order lines are updated with the unit prices from the item cards.
- D. The new order keeps the Document Date from the quote, and the Order Date is the same as the work date. The order lines are not updated with the unit prices from the item cards.

Answer: D

QUESTION: 26

You set up a G/L account that is used by Microsoft Dynamics NAV sub ledgers such as Customer Item and Vendor entries. How should you prevent users from manually posting entries to this G/L account?

- A. Do nothing. This functionality is enabled by default.
- B. Disable the Direct Posting option on theG/Laccount
- C. Enable the Blocked option on theG/Laccount.
- D. Setup restricted dimensions on theG/Laccount.

Answer: B

QUESTION: 27

What is the main purpose of the Item Category Code field?

- A. To enable users to run the Post Inventory Cost to C/I batch job
- B. To create templates with pre-defined values so users do not have to enter posting groups when setting up an item card
- C. To group items when printing statistics reports
- D. To group items so that it is easier to filter them

Answer: B

QUESTION: 28

You need to change the description of an item on the Item List page for the RoleTailored client. Which standard keyboard shortcut should you use?

- A. CTRL+O
- B. CTRL+SHIFT+E
- C. CTRL+W
- D. CTRL+E

Answer: B

QUESTION: 29

A customer is using the default sales order Role Center profile. In the ribbon, the sales invoice is displayed as a large icon and the sales order as a small icon. The user needs to display the sales order icon as a large icon. What should you tell the user to do?

- A. Right-click the ribbon, click Customize Ribbon, click Sales Order, and select the large icon size.
- B. Right-click the ribbon, click Sales Order, and select the large icon size.
- C. The user cannot change the icon size since this requires administrator rights.
- D. The user cannot change the icon size in the RoleTailored client, but can do this in the Microsoft Dynamics NAV Development Environment.

Answer: A

QUESTION: 30

You plan to use the Copy Budget function to create a budget for next year based on this year's budget. Income and cost are projected to increase by 4%. How should you create the new budget?

- A. Set Source to G/L Entry and enter an Adjustment Factor of 4%.
- B. Set Source to G/L Entry and enter an Adjustment Factor of 1.04.
- C. Set Source to G/L Budget Entry and enter an Adjustment Factor of 4%.
- D. Set Source to G/L Budget Entry and enter an Adjustment Factor of 1.04.

Answer: D

QUESTION: 31

Which source type is not valid to use in cash flow forecasting?

- A. Cash Flow Manual Revenue
- B. G/L Entry
- C. G/L Budget
- D. Liquid Funds

Answer: B

QUESTION: 32

You implement the following rule in the Cost Accounting module: $\text{Income (G/L)} = \text{Operational Value} + \text{Actual Accruals}$ Which two statements are always true? (Each correct answer presents part of the solution. Choose two.)

- A. G/L accounts of type Balance Sheet are not transferred.
- B. Non-G/L-related cost postings are always posted to a cost center and a cost object.
- C. All G/L entries from income statements are transferred.
- D. Non-G/L-related cost postings are always posted with a single balancing account.

Answer: A, B

QUESTION: 33

Which window is not an option for analyzing cash flow?

- A. Cash Flow Account Schedule
- B. Cash Flow Ledger Entries
- C. Cash Flow Date List
- D. Cash Flow Report Selection

Answer: D

QUESTION: 34

How many dimensions can you use as a filter in the G/L Budgets window?

- A. 2

- B. 4
- C. 6
- D. 8

Answer: C

QUESTION: 35

Which statement about cost allocations is true?

- A. A cost allocation can have a fixed amount, and the total allocation percentage is always 100.
- B. A cost allocation can have a fixed amount and a time period applies to cost allocations.
- C. The total allocation percentage is always 100, and a time period applies to cost allocations.
- D. Cost allocations can be nested, and a cost allocation can have a fixed amount.

Answer: C

QUESTION: 36

What does the Adjust Exchange Rates batch job do in relation to customer records?

- A. It scans the Customer Ledger Entry records before the batch job's Posting Date and posts the adjusted amounts to the Realized Gains Acc. and Realized Losses Acc. for the currency.
- B. It scans the open Customer Ledger Entry records and creates a new Detailed Customer Ledger Entry that reflects the adjusted amount on the transaction.
- C. It scans the open Customer Ledger Entry records and posts the adjusted amounts to the Realized Gains Acc. and Realized Losses Acc. for the currency.
- D. It scans all Customer Ledger Entry records and creates a new Detailed Customer Ledger Entry that reflects the adjusted amount on the transaction.

Answer: B