

Oracle 1z0-520

Oracle EBS R12.1 Purchasing Essentials

Version: 4.2

Topic 1, Volume A**QUESTION NO: 1**

When you enter a receipt; you first use the Find Expected Receipts window to locate the source document for the receipt.

Select four valid source documents for a receipt. (Choose four.)

- A. An approved internal requisition line
- B. An intransit shipment within your Inventory
- C. A shipment from a supplier based on a purchase order
- D. A move order from Inventory for material storage relocation
- E. A return from a customer based on a return material authorization (RMA)
- F. A shipment from inventory backed by an internal sales order generated by an internal requisition

Answer: B,C,E,F

Explanation:

QUESTION NO: 2

Which setup profile option allows you to send a report directly to a browser window?

- A. Viewer: Text
- B. Concurrent: Report Copies
- C. Flexfields: Open Key Window
- D. Concurrent Report: Access Level

Answer: A

Explanation:

QUESTION NO: 3

There are several types of RFQ, including Catalog RFQ, Standard RFQ, and Bid RFQ.

There are only two classes of RFQ. Identify the two valid classes and their appropriate purposes. (Choose two.)

- A. Bid Class, which supports Shipments

- B. Standard Class, which supports Items
- C. Planned Class, which supports Catalogs
- D. Catalog Class, which supports Price Breaks
- E. Cost Class, which supports Bid Price Breaks
- F. Category Class, which supports Supplier Catalogs
- G. Contract Class, which supports Total Dollars Agreed to

Answer: A,D

Explanation:

QUESTION NO: 4

Company X is identifying the major aspects of its inventory organization structure and definitions. Which two actions or statements would be correct? (Choose two.)

- A. An Inventory location can be an Office Site only If it Is also a registered office.
- B. It can consider manufacturing facilities, warehouses, distribution centers, and branch offices, as well as other entities.
- C. It does not need a minimum of two inventory organizations in a master/child relationship, but it is a best practice to do so.
- D. The financial impact of inventory parameters is limited to Purchase Price Variance and Intransit Account for Interorganization shipments and Transfer Credits for the sending organization.
- E. You can control inventory organizations across different operating units from one responsibility but you cannot have it default to one operating unit. The last used operating unit used before you log off would default when you log in the next time.

Answer: B,C

Explanation:

QUESTION NO: 5

Select the best business practice for a supplier that is being newly added to the Approved Supplier List.

- A. Allow PO Approval, Sourcing, Schedule Confirmation and Manufacturer Link
- B. Allow PO Approval, Sourcing and Schedule Confirmation but not Manufacturer Link
- C. Allow PO Approval, Sourcing and Manufacturer Link but not Schedule Confirmation
- D. Allow PO Approval, Schedule Confirmation and Manufacturer Link but not Sourcing

Answer: C

Explanation:

QUESTION NO: 6

Which three financial options can be defaulted when you enter a new supplier? (Choose three.)

- A. Ship Via
- B. Default Buyer
- C. RFQ-Only Site
- D. Bill-To Location
- E. Supplier Classification
- F. Payment Bank Account

Answer: A,C,D

Explanation:

QUESTION NO: 7

Which window in Purchasing would you use to copy on existing global Approved Supplier List entry and make it local to your organization?

- A. Supplier Statue
- B. Request For Quotation
- C. Supplier-Item Attribute
- D. Approved Supplier List Statuses
- E. Sourcing Rule/Bill of Distribution Assignments

Answer: C

Explanation:

QUESTION NO: 8

Which two statements are true about using foreign currency? (Choose two)

- A. Requisition total is expressed in foreign currency.
- B. Currency can be changed even after a requisition is approved.
- C. Currency cannot be changed once a purchase order is approved.
- D. A foreign currency reference can be specified for each purchase order line.
- E. Requisition can automatically source blanket agreements or catalog quotations with foreign

currency information.

Answer: C,D

Explanation:

QUESTION NO: 9

A recent shipment of item A was routed to the inspection department according to standard practice, but no receipt for item A is available in the system for inspection.

What might have happened?

- A. Requester set the receipt routing to Direct Delivery in the requisition,
- B. Receiving clerk created an express receipt instead of a standard one.
- C. Buyer changed the receipt routing to Standard Receipt in the purchase order line.
- D. Buyer changed the routing to Direct Delivery at the supplier site level for this supplier.
- E. Receiving clerk changed the receipt routing to Standard Receipt at the time of receiving.

Answer: E

Explanation:

QUESTION NO: 10

Identify the correct sequence of steps in the Procure to Pay period close process.

- A. Prepare for period close. > Run Validation/ Review and resolve holds. > Create accounting. > Transfer and review. > Close the period in AP. > Post journal entries in GL > Reconcile AP activity for the period. > Close the PO period.
- B. Prepare for period close. > Run Validation/ Review and resolve holds. > Create accounting. > Transfer and review. > Close the period in AP. > Reconcile AP activity for the period. > Close the PO period. > Post journal entries in GL
- C. Prepare for period close. > Run Validation/ Review and resolve holds. > Create accounting. > Transfer and review. > Close the period in PO. > Post journal entries in GL > Reconcile PO activity for the period. > Close the AP period.
- D. Prepare for period close. > Run Validation/ Review and resolve holds. > Create accounting. > Transfer and review. > Close the period in AP. > Reconcile AP activity for the period. > Post journal entries in GL > Close the PO period.
- E. Prepare for period close. > Run Validation/ Review and resolve holds. > Transfer and review. > Close the period in AP. > Create accounting. > Post journal entries in GL. > Reconcile AP activity for the period. > Close the PO period.

Answer: A

Explanation:

QUESTION NO: 11

A multinational company is setting up the sourcing rules and approved supplier list (ASL) to source inventory items across different organizations.

Which two statements are true? (Choose two.)

- A. You do not need to create a local ASL if you create a Global ASL
- B. Inventory organizations used in the sourcing rules must be set up in the Shipping Networks.
- C. You need to match the supplier between a sourcing rule and an ASL, but not the supplier site.
- D. The country of origin must be entered in the ASL, or it would not be available on the purchasing document.
- E. A commodity can be assigned to a supplier at both the global level and at the local level, and the local level assignment takes precedence.

Answer: B,E

Explanation:

QUESTION NO: 12

Which control option prevents changes or additions to the purchase order or release, but maintains the ability to receive and match invoices?

- A. Hold
- B. Firm
- C. Close
- D. Freeze
- E. Finally Close

Answer: D

Explanation:

QUESTION NO: 13

An approved supplier list (ASL) is being defined in a multiorganization environment, which two statements are valid?

- A. Setting up a Global ASL is mandatory.
- B. If a supplier item has a local ASL setup, you cannot set it up on a Global ASL.
- C. The supplier for an item-supplier association must be global, while the supplier site can be local.
- D. Company X has set up Planning would source planned orders. The approval status of the supplier can be set to New or Approved.

Answer: C,D

Explanation:

QUESTION NO: 14

The buyer decides to automatically update and create sourcing rules, as part of the blanket purchase agreement approval process. However, on clicking the Approve button, the buyer does not see any option to update and create blanket purchase sourcing rules.

Which profile option has the buyer failed to set up?

- A. PO: Automatic Document Sourcing
- B. MRP: Default Sourcing Assignment Set
- C. PO: Allow Auto-generate Sourcing Rules
- D. PO: Allow Autocreation of Oracle Sourcing Documents

Answer: C

Explanation:

QUESTION NO: 15

A medium-sized multinational company based in US has two business groups (B6), BGI (for US) and B62 (for Europe), with position approval hierarchies HI and H2, respectively.

The company has a policy that only the Controllers and those above them can approve capital Items on requisitions and purchase orders. However, the Purchase Manager (who reports to the Controller) must also be able to authorize capital purchases.

The account range for capital items is: 2000-2599.

The relevant approval limits are:

- 1) Purchase Manager in both BGs: \$100,000
- 2) Controller in BGI: \$500,000

3) Controller in BG2: \$200,000

Which two options represent a valid and efficient approval process? (Choose two.)

- A. An employee in B62 raises a requisition for \$5000. This is verified by the employee's manager and forwarded to the group Controller in BGI who approves it.
- B. An employee in BG2 raises a capital requisition for \$250,000, which is verified by the employee's manager and then forwarded to the group Controller in BG2 who approves it.
- C. The buyer in BGI raises a standard purchase order for \$250,000 with the charge account 2106. The Purchase Manager verifies it and forwards it to the controller in BGI who approves it.
- D. A buyer in BG2 raises a purchase order for \$10,000 with charge for inventory items to be stocked in an asset subinventory. The Purchase Manager in BG2 verifies and forwards it to the Controller in BG2.
- E. The shop floor supervisor in BGI raises a requisition for a new drilling machine for \$250,000. The supervisor's manager (Production Manager) verifies the requisition and forwards it to the Controller in BGI for a final approval.
- F. The Purchase Manager in BG2 raises a requisition for \$5000 for computer equipment. The Controller in B62 approves it and instructs the buyer to ensure a 2-year warranty on this equipment. The buyer in BG2 places the order on the supplier.

Answer: C,F

Explanation:

QUESTION NO: 16

When implementing Purchasing at FGH Corp., you notice several administrative inefficiencies due to a poorly maintained supplier list. Identify three inefficiencies. (Choose three.)

- A. entering suppliers twice
- B. issuing specific invoices
- C. generating inaccurate returns
- D. generating inaccurate receipts
- E. generating accurate supplier reports
- F. issuing more payments than necessary
- G. issuing more purchase orders than necessary

Answer: A,F,G

Explanation:

QUESTION NO: 17

Your customer wants to convert both RFQs and Quotations to have tracking for Small Business Audit trail. The volume for Quotations is very high and only Approved RFQs and Quotations are being converted. What would you recommend as the best conversion strategy for RFQs and Quotations?

- A. Data Load both RFQs and Quotations.
- B. Manually enter both RFQs and Quotations.
- C. Manually enter RFQs, and Data Load Quotations.
- D. Use the Purchase Documents Open Interface for both RFQs and Quotations.
- E. Use the Purchase Documents Open Interface for RFQs and Data Load Quotations,
- F. Manually enter RFQs, and use the Purchase Documents Open Interface for the loading of Quotations.

Answer: F

Explanation:

QUESTION NO: 18

Your company often orders Items that are sourced from multiple suppliers. At any given time, the supplier varies depending on the supplier's current production capability and price offering. The price varies throughout the year. For a particular Item, there is no single supplier that receives the majority of the orders.

What is the best way to set up this Item?

- A. Create blanket purchase agreements, a sourcing rule identifying all the possible suppliers, and approved supplier list entries.
- B. Create contract purchase agreements, a sourcing rule identifying all the possible suppliers, and approved supplier list entries.
- C. Do not create blanket or contract purchase agreements or sourcing rules. Manually AutoCreate requisitions onto standard purchase orders.
- D. Create a blanket purchase agreement for only one supplier, a sourcing rule for just that supplier, and an approved supplier list entry for that supplier.
- E. Create a contract purchase agreement for only one supplier, a sourcing rule for just that supplier, and an approved supplier list entry for that supplier.

Answer: C

Explanation:

QUESTION NO: 19

Which four are supported by the Receiving Open Interface (ROI)? (Choose four.)

- A. Unordered receipt
- B. Dynamic locators
- C. Deliver transactions
- D. Movement statistics
- E. Correct transactions
- F. Receive transactions
- G. Transfer transactions

Answer: C,E,F,G

Explanation:

QUESTION NO: 20

The following transactions occurred at BUY Co., where you implemented the ERS functionality in Oracle Purchasing:

Purchase order unit price: \$10

Receipt #1001: 150 units (gross of 50 units returned at the time of receiving)

Receipt #1002: 250 units

The Pay on Receipt process is run nightly, with the summary level set to Pay Site at the supplier site. The aging period is 0.

What would the Pay on Receipt process generate for these transactions?

- A. a \$3500 invoice
- B. a \$4000 invoice
- C. a \$50 invoice and a \$2500 invoice
- D. a \$1500 invoice, a \$2500 invoice, and a \$50 debit memo
- E. a \$1000 invoice, a \$2500 invoice, and a \$50 debit memo

Answer: A

Explanation:

QUESTION NO: 21

You have been asked by the HR Manager to define Oracle Alert to show all employees terminated in the past six months.