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Microsoft Dynamics 365 Supply Chain Management

Microsoft MB-330

Version Demo

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QUESTION NO: 1

An employee at a company needs to lay out the various component builds for bicycles.

You need to identify which constraints the employee should use to set up the bicycles.

Which two types of constraints achieve the goal? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

A. table constraints that are used generically among product configuration models

B. expression constraints that are used generically among product configuration models

C. expression constraints that are unique to each product configuration model

D. table constraints that are always unique to each product configuration model

ANSWER: A C

Explanation:

Table constraints that are used generically among product configuration models and expression constraints that are unique to each product configuration model are the appropriate constraint types for modeling bicycle component builds. In a Dynamics 365 product configuration model, constraints control which attribute values can be selected together, ensuring that configured components form a valid and buildable bicycle.

Table constraints use a table of permitted combinations of attribute values. They are especially useful when valid combinations are maintained as data, such as allowed frame, wheel-size, gear-set, and brake combinations. A table constraint can be defined once and reused across multiple product configuration models, which supports consistent rules for related bicycle products.

Expression constraints define logical conditions by using the attributes within one configuration model. They are model-specific, making them suitable for rules that apply only to a particular bicycle design, such as a condition connecting a selected suspension type to a frame variant or a premium component package. Together, reusable table-based combinations and model-specific expression logic provide the flexibility needed to define valid component builds. Microsoft documents these constraint types and their scope in the product constraint modeling guidance and the product configuration model documentation.

QUESTION NO: 2

You are implementing Dynamics 365 Supply Chain Management for a company that uses bill of materials

(BOM) templates to expedite setup in the system.

A line must be removed from the BOM, but the system does not allow this.

You need to determine why you are unable to perform this deletion.

Why are you unable to delete the line?

A. The BOM template version has already been saved.

B. The local version of the BOM template has been associated to a service object.

C. The local version of the BOM template has been modified.

D. The BOM template has been associated to a service object.

ANSWER: D

Explanation:

The BOM template has been associated to a service object. In Dynamics 365 Supply Chain Management, template BOMs provide a reusable structure for service objects. Once a template BOM is associated with a service object, its lines cannot be deleted. This restriction protects the integrity of the service object's established BOM structure and prevents a template change from invalidating or unexpectedly altering service-related setup that already relies on it.

Template BOMs are intended to standardize the components, operations, and related information used when creating and maintaining service objects. The association establishes a dependency between the template definition and the service object. Consequently, the system prevents deletion of a BOM line from the associated template rather than allowing removal that could compromise the dependent configuration. Administrators should account for this lifecycle behavior when designing template BOMs and complete or validate the required structure before associating the template with service objects. Microsoft's documentation describes template BOM use and the restrictions applied after association with a service object: Template BOMs in Dynamics 365 Supply Chain Management.

QUESTION NO: 3

A company uses advanced Warehouse Management.

Warehouse workers must move returned sales order items to a designated inspection area after receiving the items.

You need to configure the warehouse process that creates the required mobile device work.

Which two configurations should you create? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

A. Create a work template for sales order return receiving.

B. Create a location directive for sales order return receiving that directs put work to the inspection area.

C. Create a sales order picking work template.

D. Create a wave template for sales order return receiving.

E. Create a replenishment template for the inspection area.

ANSWER: A B

Explanation:

Create a **work template for sales order return receiving** to define the work sequence that warehouse workers perform. The template creates the required receiving and put work after returned inventory is processed.

Create a **location directive for sales order return receiving** that directs the put work to the inspection area. Location directives determine the warehouse location that is selected for a particular work type and process. Together, the work template generates the work and the location directive identifies the inspection destination.

A sales order picking work template applies to outbound picking, not returned-item receiving. A wave template is used to process outbound demand and does not define the receiving destination for returns. See Warehouse management processes for returns and Location directives.

QUESTION NO: 4

A company uses the built-in master planning engine but plans to use Planning Optimization instead. You enable auto-firming. You need to ensure that planned orders are firmed within the current month. What should you do?

A. Set the firming time fence to one month plus issue margin.

B. Set the firming time fence to one month plus receipt margin

C. Set the firming time fence to one month plus lead lime rf the lead time is greater than one week.

D. Set the firming time fence to one month

E. Set the firming time fence to one week plus lead time if the lead time is less than one week.

ANSWER: D

Explanation:

Set the firming time fence to one month. In Planning Optimization, the firming time fence defines the period, measured forward from the planning run date, during which eligible planned orders are automatically converted into firm orders. Therefore, configuring a one-month fence causes planned orders that fall inside the next month's planning horizon to be firmed when master planning runs. This directly implements the stated business requirement without extending the horizon for unrelated timing factors. Automatic firming is useful when the organization wants near-term supply proposals to become actionable purchase, production, or transfer orders, while leaving orders outside the defined horizon as planned orders for continued planning flexibility. The firming time fence can be configured as part of the automatic-firming setup for the relevant master plan and item coverage configuration. Microsoft describes automatic firming and the firming time fence in its master-planning documentation: Firm planned orders. For Planning Optimization capabilities and configuration context, see Planning Optimization overview.

QUESTION NO: 5

A company uses Dynamics 365 for Finance and Operations.

An employee notices a discrepancy in inventory.

You need to create the inventory blocking transaction.

What are two possible ways to achieve the goal? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

A. inventory status

B. quality order

C. batch disposition code

D. manual inventory blocking

ANSWER: B D

Explanation:

quality order and **manual inventory blocking**
are both supported ways to create inventory blocking transactions. Manual inventory blocking is appropriate when a user identifies stock that must immediately be prevented from issue, reservation, or further processing, such as inventory with an observed discrepancy. The user creates a blocking record for the applicable item and inventory dimensions, and the system records the blocked quantity as an inventory transaction.

A quality order can also create inventory blocking. When quality management is configured to block inventory while quality tests are pending, generating a quality order causes the relevant inventory to be blocked. This provides a controlled inspection workflow: the stock remains unavailable until the quality process is completed and the inventory is released according to the configured results and processes. Both methods therefore produce an inventory blocking transaction while supporting different business scenarios: immediate operational intervention or formal quality inspection.

Microsoft describes inventory blocking and its relationship to quality orders in Inventory blocking. For the quality-management process that can create and manage quality orders, see Quality orders.

QUESTION NO: 6

A company manufactures and sells custom bicycles. Customers can customize some components to create a custom bicycle.

You need to configure sales orders to support the customization allowed for custom bicycle orders.

What are two possible ways to achieve this goal? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

A. Create a sales order for the bicycle and make configuration selections on the order for the upgraded seat and handlebars. The production order will be automatically generated with the correct seat and handlebars.

B. Create a sales order for the bicycle and add separate line items for the upgraded seat and handlebars.

C. Create a sales order for the bicycle. Modify the production order after it has been reported as finished to delete the standard seat and handlebars and add the upgraded seat and handlebars.

D. Configure the product to allow for the seat and handlebars selection to be defined at order creation, automatically adding an upcharge to the sales price.

ANSWER: A D

Explanation:

Creating a sales order for the bicycle and making configuration selections on the order for the upgraded seat and handlebars is a valid configure-to-order process. A configurable item can be configured from the sales order line, where the user selects the applicable component values. Dynamics 365 then creates the configured item and transfers the resulting configuration to supply-chain processing. When the sales line is supplied through production, the generated production order uses the configuration-specific bill of materials and route, ensuring that the selected seat and handlebars are included in the manufactured bicycle.

Configuring the product so that seat and handlebar choices are selected during order creation and an upcharge is added to the sales price is also a complete solution. A product configuration model supports attributes, constraints, calculations, and BOM/component selection rules. Price calculations in the model can calculate the sales price from the customer's selections, such as charging more for upgraded components. This lets the organization consistently capture both the technical configuration and the commercial price as part of the order-entry process. For more information, see Build a product configuration model and Product configuration models overview.

QUESTION NO: 7

A company uses Dynamics 365 Supply Chain Management.

The finance department processes royalty claims using the accounts payable module.

You need to pass the claims to the accounts payable group for payment.

Which three events will occur? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

A. A Royalty accrual journal posting reverses the previous interim postings for accrual and expense amounts.

B. A credit is posted to the vendor's payable account.

C. A vendor invoice for the royalty payment is set to draft.

D. A new vendor invoice for the royalty is created.

E. A hold is put on the amounts held in the royalty fees account

ANSWER: A B D

Explanation:

When royalty claims are transferred to Accounts payable for payment, Dynamics 365 Finance performs the accounting steps needed to replace the estimated or interim royalty accrual with the actual vendor liability. A royalty accrual journal posting reverses the previous interim postings for accrual and expense amounts. This clears the temporary accounting that was made while royalty amounts were being accrued based on eligible sales or purchases.

The transfer also posts a credit to the vendor's payable account. This establishes the amount owed to the royalty vendor in Accounts payable, so that it can proceed through the organization's normal invoice review, approval, and payment processes.

In addition, a new vendor invoice is created for the royalty payment. The resulting invoice provides the Accounts payable document that represents the approved royalty claim and supports subsequent payment processing. The invoice creation is the operational handoff from royalty claim calculation to the vendor-payment process; its final posting follows the applicable Accounts payable invoice process. Microsoft documents these effects as part of creating vendor invoices for royalty claims. See Royalty contracts and claims and Vendor invoice overview.

QUESTION NO: 8

A company is implementing sales order functionality in Dynamics 365 Supply Chain Management.

The company has a business requirement to fulfill sales orders by using direct delivery.

You need to enter a direct delivery sales order so that a purchase order is automatically created.

What should you do after you enter the sales order and lines?

A. Change the order type to journal and manually enter a PO for the sales order line items on the sales order header.

B. Change the delivery type on the sales order line to direct delivery and select save.

C. Select automatic and confirm the sales order on the line level setup tab in the reservation field.

D. Change the customer's address to the vendor's direct delivery address and confirm the sales order.

ANSWER: B

Explanation:

Change the delivery type on the sales order line to direct delivery and select save. Direct delivery is used when the company sells an item to a customer but has the vendor ship the item directly to that customer, without the item being received into and shipped from the company's warehouse. The direct-delivery designation is made at the sales order line because the supply and fulfillment method can differ by item or line within the same sales order. When the line is configured for direct delivery, Dynamics 365 Supply Chain Management associates the sales demand with a vendor purchase order and uses the sales order's customer delivery information for the vendor shipment. Saving the direct-delivery line initiates the process that creates the linked purchase order, enabling the vendor to fulfill the demand directly. This relationship also provides traceability between the customer sales order and the vendor purchase order while preserving the normal purchasing process for confirmation and receipt handling. Microsoft's direct-delivery task guidance describes setting the sales line's delivery type to *Direct delivery* as the key step in creating this fulfillment scenario. See Ship orders by using direct deliveries and Direct deliveries overview.

QUESTION NO: 9

A company uses Dynamics 365 Supply Chain Management to manage inventory.

The company realizes that there is an incorrect inventory amount for Item 33442 in Warehouse 1.

You need to correct the inventory amount by using the posting setup configured on the item group.

Which two journal types achieve the goal? Each correct selection provides a complete solution.

NOTE: Each correct selection is worth one point.

A. Inventory adjustment journal

B. Inventory transfer journal

C. Inventory movement journal

D. Inventory counting journal

ANSWER: A C

Explanation:

Inventory adjustment journal is appropriate because it is designed to increase or decrease on-hand inventory when a quantity must be corrected outside normal inventory transactions. When the journal is posted, Dynamics 365 Supply Chain Management creates the inventory transaction and posts the financial impact by using the inventory posting configuration associated with the item and its item group. This makes it suitable for correcting the recorded quantity of Item 33442 in the specified warehouse.

Inventory movement journal can also complete the correction. A movement journal supports adding inventory to or removing inventory from on-hand stock, while allowing the offset side of the transaction to be recorded. The inventory side of the posting is determined through the item's inventory posting setup, including the configuration applicable to its item group. Therefore, it can be used to make the required inventory quantity correction while maintaining appropriate inventory and ledger postings.

Both journal types create posted inventory transactions, so the resulting on-hand quantity is updated for the item and warehouse dimensions entered on the journal line. Microsoft describes the purposes and posting behavior of inventory journals in Inventory journals and provides posting-account setup guidance in Inventory posting.

QUESTION NO: 10

You need to configure the system to support the pottery line.

What should you do first?

A. Set up a new product with product configuration.

B. Create a new product with tracking dimensions.

C. Create a new product master with pre-defined product variants.

D. Create a new product with storage dimensions.

ANSWER: C

Explanation:

Create a new product master with pre-defined product variants. is the appropriate first step because a product master represents a generic product that is offered in multiple distinct versions. For a pottery line, the business can establish the shared product definition once and then create the sellable and stockable variants that differ by applicable product dimensions, such as color, size, style, or configuration. This structure centralizes common information—such as product name, product type, and core setup—at the product-master level while allowing each variant to have its own identifier and operational data.

In Dynamics 365 Supply Chain Management, predefined variants are generated from the product dimensions assigned to the product master. After creating and releasing the product master, the organization can define the relevant dimension values and create only the valid combinations needed for the pottery assortment. This is the intended process when variants are known in advance and must be managed as discrete products for inventory, purchasing, sales, and planning. Microsoft's guidance on creating predefined variants describes creating a product master, assigning dimensions, and generating the required variants: Create predefined product variants. See also Product information management overview for the role of product masters and variants.

QUESTION NO: 11

A company classifies items as A, B, C, and D for planning purposes.

You run Planning Optimization for the C items with the following setup:

• a plan filter for the A, B, and D items

• a runtime filter for the C items

The Planning Optimization output does not create any planned orders.

You need to produce results in Planning Optimization for the C items without affecting the A, B, and D items.

What should you do?

Select only one answer.

A. Add the C items to the existing plan filter for the A, B, and D items. Set up a runtime filter for the A, B, and D items.

B. Create a master plan with plan filter for the C items only. Do not set up a runtime filter for C items.

C. Create a master plan with no plan filter or runtime filter. Add an advanced filter for the C items on the planned orders.

D. Create a dynamic plan and a static plan. Do not set up plan filters or runtime filters.

E. Retain the existing plan filter for the A, B, and D items. Set up a runtime filter for the A and C items.

ANSWER: B

Explanation:

Create a master plan with plan filter for the C items only. Do not set up a runtime filter for C items. A plan filter establishes the set of items that Planning Optimization is allowed to plan for a specific master plan. Therefore, a runtime filter for C items cannot produce planning results when the selected master plan's plan filter includes only the A, B, and D items. Creating a separate master plan whose plan filter contains the C items gives Planning Optimization an eligible planning scope for those items.

Running that dedicated plan without a runtime filter processes the items defined by its plan filter and generates planned orders as required by their demand, supply, coverage, and lead-time settings. Because this is a separate master plan and its filter is limited to C items, the planning run does not recalculate or alter results for the A, B, and D item population in the existing plan. This is the appropriate design when item groups must be planned independently while preserving the existing plan's scope and results.

Microsoft describes plan filters as a way to define the items included in a master plan and notes the relationship between plan filters and runtime filtering for Planning Optimization. See Plan filters for Planning Optimization and Master planning setup.

QUESTION NO: 12

A corporation has two subsidiary businesses, set up as separate legal entities. The one business will be purchasing a new item from the other, and has negotiated for a discount for the first six months of the deal.

You are required to make sure that system will apply the discount for the time stipulated.

Which of the following is the type of agreement you should configure?

A. Sale Agreement.

B. Service Agreement.

C. Purchase Agreement.

D. Trade Agreement.

ANSWER: D

Explanation:

Trade Agreement. is the appropriate configuration because trade agreements define item pricing and discount conditions that Dynamics 365 Supply Chain Management applies automatically during sales and purchase transactions. A trade-agreement journal can establish a discount for the specific item and the relevant customer or vendor account relationship. In an intercompany scenario, the selling legal entity can use the purchasing subsidiary as the customer account, while the purchasing legal entity is represented by the associated vendor relationship.

Crucially, trade-agreement lines support effective-from and expiration dates. Setting the beginning date to the deal's start and the ending date six months later ensures that the negotiated discount is eligible only within that stipulated period. When an applicable order is created during that date range, the pricing engine searches active trade agreements and applies the defined discount according to the established account, item, quantity, currency, and unit conditions. After the expiration date, that discount line is no longer active, so standard pricing or another valid agreement governs subsequent transactions. This directly meets the need for controlled, time-limited intercompany pricing. See Create a trade agreement and Trade agreements overview.

QUESTION NO: 13 - (SIMULATION)

SIMULATION

You are a functional consultant for a company named Contoso Entertainment System USA (USMF).

From sales order number 000720, you need to ensure that a product named Projector Television is delivered directly to a customer.

To complete this task, sign in to Dynamics 365 portal.

ANSWER: See the explanation for the answer

Explanation:

Configure a direct delivery for the Projector Television line on sales order 000720.

1. Go to **Accounts receivable > Orders > All sales orders**.
2. Find and open sales order `000720`.
3. On the Action Pane, select **Sales order > Direct delivery**.
4. In the **Create delivery** page, select the line for **Projector Television**.
5. Confirm/create the direct delivery purchase order using the vendor account that is populated for the item.

This creates a purchase order to the vendor with the customer's delivery address. The sales order line is marked as **Direct delivery = Yes**, so the vendor ships the Projector Television directly to the customer rather than to USMF.

QUESTION NO: 14

You need to resolve the risk issue identified from the internal audit. What should you configure?

A. Inventory value report

B. Active costing version

C. Inventory value report storage report

D. Planned costing version

ANSWER: C

Explanation:

Inventory value report storage report is the appropriate configuration because it supports a controlled, reproducible inventory valuation process for audit purposes. The Inventory value report storage feature lets an organization generate and retain a specific inventory value data set for a selected as-of date, rather than relying on values that may change as subsequent inventory transactions, recalculations, or adjustments are posted. Users can then run the Inventory value report against the saved data set, helping ensure that the valuation presented for a period is consistent and can be reviewed later as audit evidence.

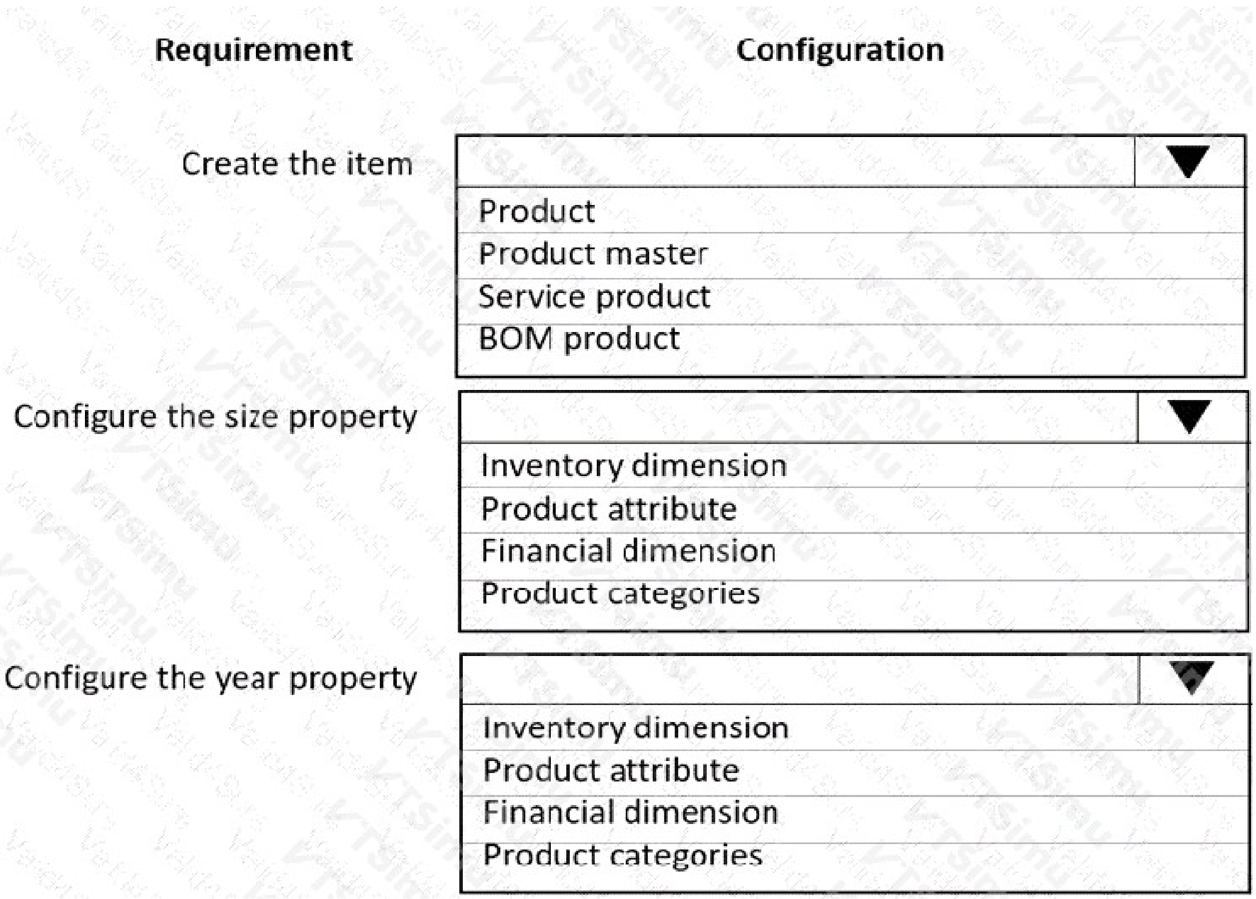
This configuration is especially valuable where internal audit has identified risk around the traceability, repeatability, or retention of inventory valuation information. A saved report data set establishes a clear point-in-time basis for the report and can be retained according to the organization's audit and recordkeeping requirements. The report also provides inventory quantities and values in a format that can be reconciled to financial records. Microsoft describes the inventory value reporting process and its use of stored report data at [Inventory value reports](). For the configuration and management of the stored data sets, see [Inventory value report storage]().

QUESTION NO: 15 - (HOTSPOT)

You need to configure the bike properties based on the requirements.

Which configuration should you use for each requirement? To answer, select the appropriate options in the answer area.

NOTE: Each correct selection is worth one point.



ANSWER:

Requirement	Configuration
Create the item	Product Product master Service product BOM product
Configure the size property	Inventory dimension Product attribute Financial dimension Product categories
Configure the year property	Inventory dimension Product attribute Financial dimension Product categories

Explanation:

A bike that is offered with properties such as size should be created as a **product master**. A product master holds the common information for a family of related products and allows Dynamics 365 Supply Chain Management to create product variants from that common definition. This is the appropriate structure when the organization needs one bike definition while maintaining distinct versions that can be ordered, stocked, priced, and identified separately.

The size property should be configured as an **inventory dimension**. Size is one of the standard product dimensions used by the application to identify a particular product variant. When size is enabled for the product master, each relevant size can participate in the variant identity and can be used throughout inventory processes, including availability, reservation, on-hand quantities, and transactions. Microsoft describes the relationship between product masters, product dimensions, and generated variants in Product variants.

The year property should be configured as a **product attribute**. Product attributes store descriptive, searchable characteristics of a product. They are suitable for information such as model year, material, style, or other business details that describe the bike without serving as an inventory-tracking dimension. Attributes can be assigned through product categories and used to maintain consistent product information. This keeps the model year available for product information management and reporting while reserving inventory dimensions for variant-defining inventory characteristics. Microsoft's attribute setup guidance explains how attributes are defined and assigned for product information management.

QUESTION NO: 16

You need to configure the structure for the new line of perfumes.

What should you do first?

A. Create a procurement category hierarchy.

B. Create a new product with racking dimensions.

C. Create a new product with storage dimensions.

D. Create product configurations.

E. Set up a new product master and implement serial tracking.

ANSWER: E

Explanation:

Set up a new product master and implement serial tracking. is the correct starting point because a product master provides the parent product definition needed to model a perfume line that may have multiple product variants. In Dynamics 365 Supply Chain Management, a product master is used when products differ by product dimensions, such as size, color, style, or configuration. The master establishes the shared product information and the variant structure before individual sellable variants are generated and released for operational use. Serial tracking supports item-level identification and traceability when that control is required for the products. After the master product is available, the organization can define applicable dimension values, create variants, release products to legal entities, and complete the operational settings needed for purchasing, inventory, warehousing, and sales. Establishing the product master first ensures that later setup is attached to the correct product and variant framework rather than being configured independently. Microsoft describes the product-master/variant model in its product information management documentation: Product variants. For the use and setup of tracking dimensions, including serial numbers, see Tracking dimensions and tracking dimension groups.

QUESTION NO: 17

You need to set up and year for the desks.

What should you configure first?

A. attribute type

B. variant

C. friendly name

D. item type

E. attribute definition

ANSWER: A

Explanation:

attribute type must be configured first because it establishes the data format and behavior that Dynamics 365 uses for an attribute value. For example, an attribute intended to capture a desk's year would normally require an appropriate type, such as an integer or date-based value, before the attribute itself can be defined and used. The type determines validation and the way the value is stored, ensuring that the product information is consistent and suitable for filtering, searching, reporting, and downstream processes.

After the attribute type exists, an attribute definition can use that type and can then be named, given a user-friendly label, and assigned where it is needed in the product-information model. This dependency is important in Product information management because attributes provide structured descriptive information about products and product categories. Establishing the underlying type first provides the required foundation for defining a usable year-related attribute for desk products. Microsoft describes product attributes as a mechanism for capturing product characteristics and managing product information consistently. See Product information management overview and Product attributes.

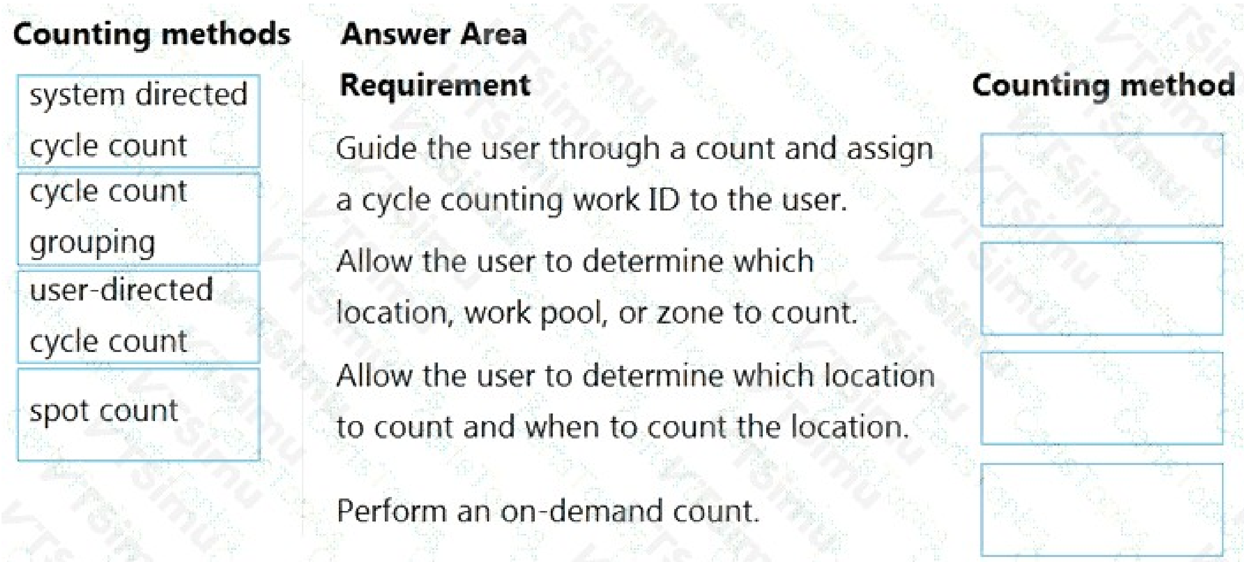
QUESTION NO: 18 - (SIMULATION)

A company uses Dynamics 365 Supply Chain Management.

You need to implement inventory cycle counting.

Which counting methods should you use? To answer, drag the appropriate counting methods to the correct requirements. Each counting method may be used once, more than once, or 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.



ANSWER: See the explanation for the answer

Explanation:

Configure the counting methods as follows:

Guide the user through a count and assign a cycle counting work ID to the user: `system directed cycle count`
Allow the user to determine which location, work pool, or zone to count: `cycle count grouping`
Allow the user to determine which location to count and when to count the location: `user-directed cycle count`
Perform an on-demand count: `spot count`

System-directed counting creates and assigns counting work. Cycle count grouping supports selecting a defined group based on locations, work pools, or zones. User-directed counting lets a worker initiate a count for a chosen location. Spot counts are immediate, on-demand inventory counts.

QUESTION NO: 19

You need to configure the whiteboard paint requirements for schools.

Which two settings should you configure? Each answer presents part of the solution.

NOTE: Each correct selection is worth one point.

A. Quantity commitment

B. Max is enforced

C. Price and discount is fixed

D. Minimum release amount

E. Maximum release amount

ANSWER: A B

Explanation:

Quantity commitment is appropriate because each school must agree to purchase a defined quantity of whiteboard paint during the school year. A quantity-based agreement commitment records the agreed product quantity and allows release orders to be associated with, and fulfill, that commitment over time. This directly supports an annual arrangement in which a customer can place multiple orders against an overall agreed quantity rather than requiring one order for the entire amount.

Max is enforced is also required because the business must prevent one school from releasing orders beyond its agreed allocation. When maximum enforcement is enabled for an agreement commitment, the cumulative quantity or value on associated order lines cannot exceed the quantity or amount specified by that commitment. This protects the available inventory allocation for other schools while still permitting each school to draw down its own committed amount through multiple releases during the year.

Together, these settings establish a measurable annual quantity commitment and enforce the upper limit of releases against it, which is especially important when supply is constrained and orders are planned in advance. Microsoft describes agreement commitments and the policies governing release orders in its Sales agreements documentation and Purchase agreements documentation.

QUESTION NO: 20

A company is implementing Dynamics 365 Supply Chain Management. The company frequently uses consigned inventory.

The company wants to minimize entry time for the inventory.

You must configure the default settings for consignment replenishment lines.

Which three options can you configure? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

A. Default site

B. Multiple order quantity

C. Stopped

D. Standard order quantity

E. Default warehouse

ANSWER: A D E

Explanation:

Consignment replenishment order defaults are intended to reduce manual data entry when users create replenishment order lines for vendor-owned inventory. **Default site** and **Default warehouse** can be defined so that the expected receiving and storage location is automatically proposed on new consignment replenishment lines. This is especially useful when consigned goods are normally handled at a specific site and warehouse. **Standard order quantity** can also be configured as a default, allowing the usual replenishment quantity to be suggested instead of requiring users to enter it repeatedly. Together, these defaults make creation of replenishment lines faster while maintaining consistent inventory dimensions and replenishment quantities. Consignment replenishment orders are used to record inventory received from a vendor while ownership remains with that vendor until the inventory is consumed or otherwise ownership is changed. Microsoft documents the consignment process and replenishment orders at Consignment inventory. For background on site and warehouse inventory dimensions used throughout Supply Chain Management, see Inventory dimensions.

QUESTION NO: 21

A company uses Dynamics 365 Supply Chain Management.

Orders are reserved against open purchase orders that have not yet been received. As a result, there are

issues prioritizing deliveries, which is causing backorders on both sales orders and transfer orders.

Negative inventory is not currently allowed.

Product reservations must be performed against physical stock only.

You need to update the configuration for product reservations.

What should you do?

A. Clear the Reserve Items Automatically check box for transfers.

B. Clear the Reserve Ordered Items check box.

C. Select the Auto batch reservations check box.

D. Select the Physical negative inventory check box.

ANSWER: B

Explanation:

Clear the Reserve Ordered Items check box. In Dynamics 365 Supply Chain Management, the *Reserve ordered items* inventory parameter controls whether inventory can be reserved against expected receipts, such as quantities on open purchase orders that have not been physically received. When this setting is enabled, reservation can allocate demand to ordered supply rather than inventory that is actually available in the warehouse. Clearing the setting prevents reservation against those ordered quantities, so sales order and transfer order demand can be reserved only from physical on-hand inventory. This directly meets the requirement that reservations be performed against physical stock only, while retaining the existing policy that negative inventory is not allowed. It also ensures that the reservation process reflects stock that is currently available for fulfillment, allowing delivery prioritization to be based on physical inventory rather than anticipated inbound supply. The setting is an inventory and warehouse management parameter and affects the availability of ordered inventory as a reservation source. For Microsoft's description of physical versus ordered reservations and the relevant inventory parameter behavior, see Reserve inventory quantities and Inventory on-hand and availability.

QUESTION NO: 22

A company uses planning optimization in Dynamics 365 Supply Chain Management. Automatic firming is

enabled. Some of the planned purchase orders are not being firmed as expected. The inventory planners therefore need

to manually process planned purchase orders.

You need to include the planned purchase orders in automatic firming.

What are two possible configurations you can use? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

A. Lead Time

B. Automatic firming time fence (days)

C. Requirements Date

D. Freeze time fence on master plan

ANSWER: A B

Explanation:

Lead Time and **Automatic firming time fence (days)** are the configurations that control whether planned purchase orders are eligible for automatic firming. The automatic firming time fence defines the planning horizon, in calendar days, during which planned orders can be converted automatically into actual orders. A planned purchase order must fall within this configured horizon to be selected by the automatic-firming process.

Lead time is also relevant because it determines the timing that master planning uses when scheduling supply. For a purchased item, the procurement lead time affects the planned order's calculated dates and therefore whether the order falls within the applicable automatic-firming horizon. Maintaining an appropriate lead time and setting a sufficiently long automatic firming time fence enables Planning Optimization to include the required planned purchase orders without requiring planners to firm them manually.

These settings should be reviewed together for the relevant master plan and item coverage setup, particularly when supplier lead times or planning horizons change. Microsoft documents the supported automatic-firming behavior for Planning Optimization and the setup of master plans in Automatic firming with Planning Optimization and Set up master plans.

QUESTION NO: 23

A company discovers that the standard cost of a raw material is incorrect.

You need to determine the impact of the incorrect cost on finished goods that contain the raw material.

Which two actions should you perform?

A. Activate the new standard cost of the raw material.

B. Set the fallback principle to Costing version.

C. Create a new pending cost for the raw material.

D. Set the fallback principle to Active.

E. Set the fallback principle to None.

ANSWER: B C

Explanation:

Set the fallback principle to Costing version and create a new pending cost for the raw material. This supports a controlled what-if cost calculation before any production standard costs are changed. A pending cost record lets the company enter the corrected material cost with an appropriate effective date while retaining the currently active standard cost as the official cost used for existing operations and inventory valuation.

When calculating the cost of finished goods, the costing version and its fallback behavior determine which component cost records the calculation can use. Configuring the fallback principle as Costing version enables the calculation to obtain costs from the defined costing-version context. The corrected pending cost for the raw material can therefore be incorporated when the affected manufactured items are calculated, allowing the company to identify the resulting cost impact on their bills of materials and routes. This analysis can be reviewed and approved before the pending costs are activated as new standard costs.

Microsoft describes the use of pending costs, activation, and cost rollups in its standard cost updates guidance. Costing-version configuration and its role in cost calculations are covered in the costing versions documentation.

QUESTION NO: 24

A company uses Planning Optimization and first in, first out (FIFO) inventory valuation. The company also

has special requirements on sales margins. Company policy states that marking must be a single issue

that is fully marked against a single receipt, regardless of quantity.

What should you do to respect marking when planned orders are being firmed?

Select only one answer.

A. Allow negative inventory.

B. Enable Ordered Reserved.

C. Set the Update marking parameter to Extended.

D. Set the Update marking parameter to Standard.

E. Set the Update marking parameter to No.

ANSWER: B

Explanation:

Enable Ordered Reserved. Ordered reservations preserve the intended supply-to-demand relationship while the supply is still expected rather than physically received. In this scenario, that relationship is essential because the company uses marking to ensure that a particular sales issue is tied to a particular receipt for cost and margin purposes. When Planning Optimization generates a planned supply order and that order is subsequently firmed, enabling ordered reservations allows the system to carry the demand linkage forward to the resulting supply order. This supports the company's requirement that a single issue remain fully associated with one receipt, even when the quantities on the related transactions differ.

This configuration is particularly important where FIFO valuation alone is not sufficient to enforce the required margin outcome. FIFO normally determines the order in which available costs are consumed, whereas marking explicitly establishes the receipt whose cost must be used for the issue. Ordered reservation provides the reservation state needed to protect that intended association during the planned-order-to-firm-order process, so the operational supply chain linkage continues to support the required cost treatment. Microsoft describes marking and its role in linking issue and receipt transactions at Inventory marking. For Planning Optimization behavior and supported planning processes, see Planning Optimization overview.

QUESTION NO: 25

You are implementing containerization functionality.

You must automate containerization so that containers and picking work for shipments are created when a wave is processed. The work lines will be split into quantities to fit required containers by size.

You need to set up a container build template that defines the containerization process.

Which three items should you set up before you create the container build template? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

A. a wave template that includes the containerize method

B. container packing policies

C. a container group

D. container types

E. container packing strategies

ANSWER: B C D

Explanation:

Before a container build template can define how shipment quantities are split and packed, the available physical containers and the rules governing their use must already exist. **Container types** provide the characteristics of each usable container, including dimensions, capacity, tare weight, and related limits. These characteristics allow the containerization engine to determine whether a quantity can fit in a specific container.

A **container group** organizes one or more container types into the set of containers that the containerization process may consider. The container build template uses this group to identify the eligible container types for the packing operation.

Container packing policies establish the packing rules that the build process applies, such as the conditions under which inventory can be packed together. These policies supply the rule framework needed by the template when it creates containers and associated picking work during wave processing. After these foundational records are available, the build template can combine the group, container choices, and packing rules into the automated process. Microsoft documents containerization as an advanced Warehouse Management capability and describes the related setup records in its warehouse-management documentation: Warehouse management overview and Wave processing.

QUESTION NO: 26

You need to configure inventory levels for the retail stores.

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

NOTE: Each correct selection is worth one point.

A. Enter a manual forecast for the initial stock levels at the retail stores.

B. generate a demand forecast.

C. Create a forecast.

D. retail stores.

E. generate a demand forecast for the stores.

ANSWER: A C

Explanation:

Enter a manual forecast for the initial stock levels at the retail stores and Create a forecast are the required actions because retail replenishment requires a forecast basis for calculating and proposing stock quantities. A manual forecast provides the initial expected inventory demand when historical sales data is unavailable or insufficient, such as when a store is new or when a new assortment is introduced. Creating the forecast makes that demand information available to the replenishment process, which uses forecasted demand together with replenishment rules, inventory availability, and store parameters to determine proposed replenishment quantities. This lets the organization establish appropriate initial inventory levels while enabling planned replenishment as sales activity develops. In Dynamics 365 Commerce, replenishment is configured for retail channels and can use forecast-based demand to support inventory planning for stores. For more information, see Configure replenishment in Dynamics 365 Commerce and Demand forecasting in Dynamics 365 Supply Chain Management.

QUESTION NO: 27

Your company uses a Dynamics 365 Supply Chain Management system.

You have been tasked with configuring an agreement that gives clients a specified discount per unit if they buy a certain amount of a particular item.

The parameters are as follows:

- 51 to 100 – 10 %/unit
- 101 and more – 15 %/unit You configure a purchase agreement.

Does the action achieve your objective?

A. Yes, it does

B. No, it does not

ANSWER: B

Explanation:

No, it does not is correct because a purchase agreement governs the company's procurement commitments with a vendor, such as agreed purchase quantities, prices, and discounts when the company buys goods. It does not define commercial terms that apply when clients purchase items from the company.

The stated requirement is customer-facing: clients receive a unit discount based on the quantity of a specific item that they buy. This must be configured through a sales agreement for the relevant customer or customer group, item, and effective dates. A sales agreement can use a product quantity commitment and sales agreement lines to establish quantity ranges and the associated discount percentages. The agreement therefore supports the intended tiers: 10 percent for quantities from 51 through 100, and 15 percent for quantities of 101 or more, when qualifying sales orders are created for the customer.

Microsoft distinguishes sales agreements, which record commitments to sell products to customers, from purchase agreements, which record commitments to purchase from vendors. See Sales agreements in Dynamics 365 Supply Chain Management and Purchase agreements in Dynamics 365 Supply Chain Management.

QUESTION NO: 28

A company uses planning optimization in Dynamics 365 Supply Chain Management

A new item is set up for production with a bill of materials (BON') and is included in planning optimization.

You need to identify the planning output for the item

What are two parts of the output? Each answer represents a partial solution

A. planned production order

B. action message

C. purchase order

D. Warning

ANSWER: A B

Explanation:

Planning Optimization generates planned orders to cover net requirements. Because the item is configured for production, its supply recommendation is a planned production order. This planned order represents the proposed manufacturing supply needed to meet the item's demand, while retaining the opportunity for a planner to review and firm it before execution. The bill of materials is then exploded so that Planning Optimization can calculate dependent requirements for the components.

Action messages are also a planning output. They provide recommendations when an existing supply order should be changed to remain aligned with demand, such as advancing, postponing, increasing, or decreasing an order. These recommendations help planners manage exceptions and synchronize supply with changed requirements. For BOM structures, planners should process component-level action messages before messages for parent items, because component changes can affect the feasibility and timing of the parent supply.

Microsoft documents that master planning produces planned orders and action messages, and describes how action messages support required changes to supply. See Planned orders in Dynamics 365 Supply Chain Management and Action messages.

QUESTION NO: 29

A company uses the built-in Dynamics 365 Supply Chain Management master planning engine. Planned orders are automatically firming and are firmed during the current week.

You need to reconfigure the system for the new Planning Optimization master planning engine.

What should you change?

A. firming time fence to one week

B. firming time fence to lead-time plus one week

C. open orders' firming date to be the requirement date

D. firming time fence to be longer than the lead time

E. firming time fence to 0

ANSWER: B

Explanation:

Set the firming time fence to lead-time plus one week. The built-in master planning engine and Planning Optimization use different date logic when determining whether a planned order is eligible for automatic firming. With Planning Optimization, the firming time fence is evaluated from the planned order's start date. That date is offset from the requirement date by the item's lead time. Therefore, a one-week firming horizon by itself would only include orders whose start dates occur during that week; it would not necessarily firm all orders required during the current week.

Adding the relevant item lead time to the intended one-week requirement horizon extends the automatic-firming window far enough to include planned orders that must begin now in order to meet requirements occurring during the week. This preserves the business outcome of automatically firming orders needed in the current week after the company transitions to Planning Optimization. The firming time fence is configured through the item coverage settings used by the master plan, so the value should reflect both the desired requirement period and applicable lead time. Microsoft documents this Planning Optimization behavior and the required adjustment at Automatically firm planned orders with Planning Optimization. For related configuration details, see Automatic firming.

QUESTION NO: 30 - (DRAG DROP)

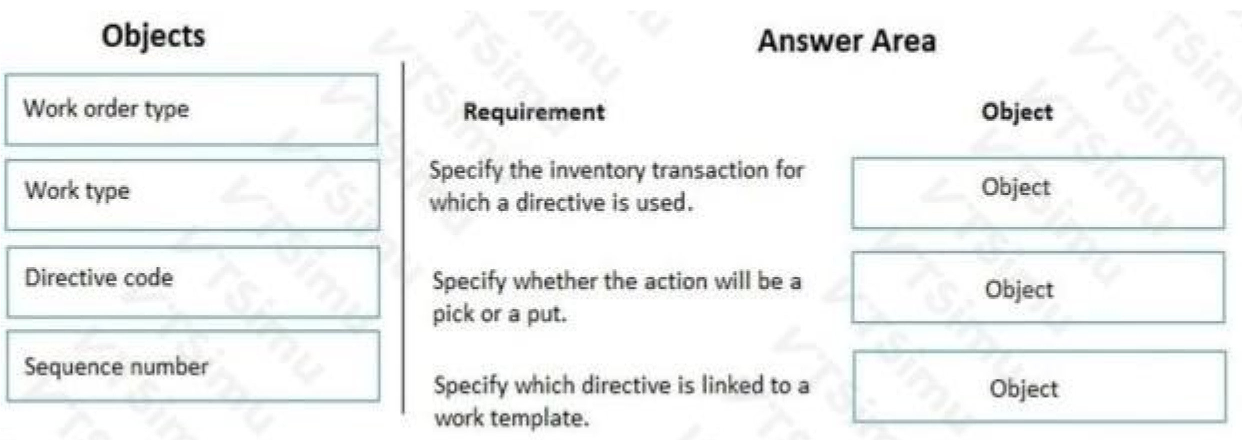
DRAG DROP

You need to implement location directives in Dynamics 365 Supply Chain Management.

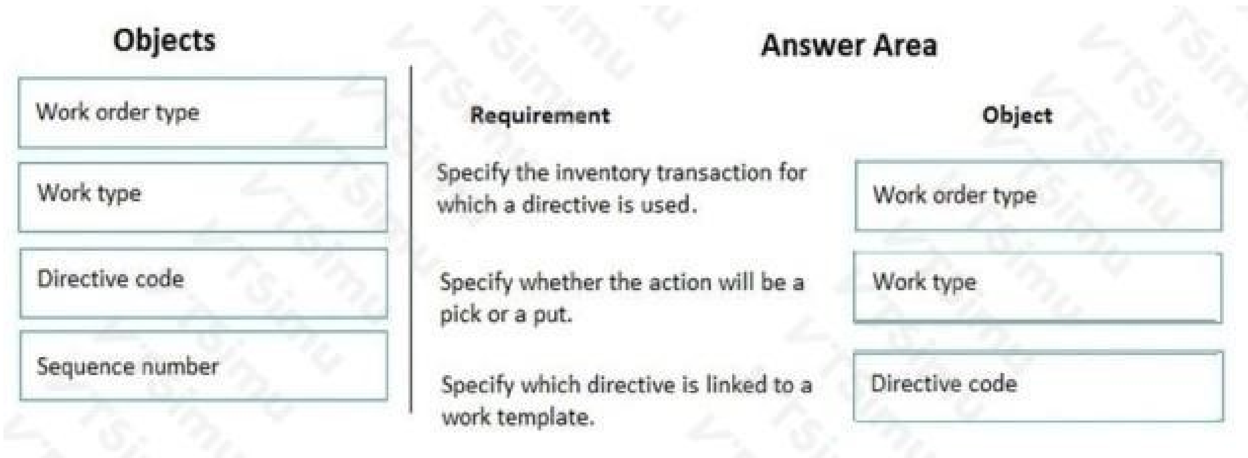
Which objects should you use? To answer, drag the appropriate objects to the correct permissions. Each object may be used once, more than once, or not at all. You may need to drag the split bar between panes or scroll to view content.

NOTE: Each correct selection is worth one point.

Select and Place:



ANSWER:



Explanation:

Location directives determine where warehouse work should obtain or place inventory. The directive is evaluated in the context of a warehouse-work process, so the **Work order type** identifies the inventory transaction context for which the directive applies. This lets the system use the appropriate directive for processes such as sales-order picking, purchase-order receiving, transfer work, production-related work, or replenishment.

The **Work type** defines the warehouse action performed by the work line. For a location directive, this distinguishes whether the system is finding a location for a **pick** action or for a **put** action. This is important because the source location used to remove stock and the destination location used to place stock can be selected using different business rules.

The **Directive code** is the value used to connect a location directive to a work template. When the warehouse creates work from a work template, the directive code on the relevant work-template line lets the system select the intended location directive. This provides control when multiple location directives could otherwise apply to the same warehouse process.

Microsoft's documentation describes location directives as rules that determine pick and put locations, configured by work order type and work type, with directive codes available for association with work templates. See Location directives and Control warehouse work by using location directives.

QUESTION NO: 31

You need to make changes based on the internal audit findings. Which feature should you enable?

A. Inventory journal workflows

B. Scrap method

C. Quarantine order

D. Tag counting

ANSWER: A

Explanation:

Inventory journal workflows is the appropriate feature to enable when internal-audit findings require stronger controls over inventory journal processing. In Dynamics 365 Supply Chain Management, inventory journals can record operationally and financially significant transactions, such as inventory adjustments, movements, and counts. A workflow introduces a defined review and approval process before a journal is posted, rather than allowing a user to post the journal immediately. This supports segregation of duties by allowing preparers to submit journals while designated approvers review the transactions and either approve, reject, or request changes. The workflow history also creates an auditable record of submission, approval decisions, comments, and status changes. Organizations can configure the workflow to route journals to the appropriate users or groups and can use conditions to apply approval controls according to the journal context. Enabling this feature is therefore a direct way to address audit requirements for authorization, oversight, and traceability of inventory changes. Microsoft documents the setup and use of inventory journal workflows in Inventory journal workflows. For broader context on workflow-based business-process controls, see Workflow system overview.

QUESTION NO: 32

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 implementing inventory management in Dynamics 365 Supply Chain Management.

The company needs to block inventory and ensure that physical inventory will not be reserved by other outbound transactions.

You need to select the appropriate option to block the inventory in the system.

Solution: Configure a blocking cause in the inventory setup configuration.

Does the solution meet the goal?

A. Yes

B. No

ANSWER: B

Explanation:

No is correct because configuring an inventory blocking cause only creates a reusable reason code for inventory-blocking transactions; it does not itself place any on-hand inventory into a blocked state. To prevent physical inventory from being reserved or used by outbound processes, a user must create an inventory blocking transaction for the applicable item and inventory dimensions, such as site, warehouse, location, batch, or serial number as appropriate. That transaction records a blocked quantity and can be associated with the configured blocking cause for auditability and reporting. The blocked quantity is then excluded from availability for reservation and issue processing while the block remains active. Therefore, the setup action described in the solution is a prerequisite that can support a controlled blocking process, but it is not the operational action that blocks stock and meets the stated goal. Microsoft describes inventory blocking as a process in which blocking transactions are created to reserve or prevent use of specified inventory quantities. See Inventory blocking in Dynamics 365 Supply Chain Management and Inventory reservations.

QUESTION NO: 33

A company is implementing sales order functionality in Dynamics 365 for Finance and Operations.

The company has a business requirement to fulfill sales orders by using direct delivery.

You need to enter a direct delivery sales order so that a purchase order is automatically created.

What should you do after you enter the sales order and lines?

A. Set the ship complete toggle to On and confirm the order on the sales order header.

B. Select automatic and confirm the sales order on the line level setup tab in the reservation field.

C. Change the customer's address to the vendor's direct delivery address and confirm the sales order.

D. Select the direct delivery option under the sales order action pane and complete the form.

ANSWER: D

Explanation:

Select the direct delivery option under the sales order action pane and complete the form. Direct delivery, also called drop shipment, is the process used when a vendor ships the items directly to the customer instead of the company receiving and shipping those items from its own warehouse. After the sales order header and the applicable sales lines have been entered, the Direct delivery command on the sales order Action Pane opens the Create direct delivery form. In that form, the user selects the vendor and confirms the lines and quantities to procure. Dynamics 365 then creates a purchase order that is linked to the sales order, retaining the sales demand and enabling the vendor shipment to fulfill the customer order. The direct-delivery purchase order uses the customer delivery information associated with the sales order, which supports the intended vendor-to-customer fulfillment flow. This command-driven process is important because it establishes the required relationship between the sales order lines and the generated purchase order lines, allowing subsequent processing and status tracking to occur in the direct-delivery workflow. Microsoft documents the process in Direct deliveries and provides related sales-order process guidance in Sales orders overview.

QUESTION NO: 34

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 uses Dynamics 365 Supply Chain Management to manage inventory.

Backorders exist on customer sales orders because incorrect data was given on product quantities.

Users need to look up what quantity can be sold and when more product will arrive.

Solution: On Order shows what quantities are on inbound orders to the warehouse.

Does the solution meet the goal?

A. Yes

B. No

ANSWER: B

Explanation:

No is correct. The stated goal has two distinct requirements: users must determine the quantity that can currently be sold and identify when additional supply is expected. The *On order* quantity represents supply expected from open inbound transactions, such as purchase orders, but it is not a complete availability measure for sales. It does not by itself establish the quantity that can be promised to a customer, because sellable availability depends on inventory availability calculations and applicable reservation, demand, and supply considerations. In addition, simply showing an aggregate inbound quantity does not provide the expected arrival information needed to answer when replenishment will be available. Users need visibility into dated supply and demand, such as through inventory availability and order-promising functionality, which evaluates expected receipts in relation to demand and can identify dates for fulfilling orders. Microsoft documents the inventory on-hand inquiry and its availability fields at Inventory on-hand list. For determining delivery dates based on supply and demand, see Available-to-promise delivery dates.

QUESTION NO: 35

A company is considering using Planning Optimization instead of the built-in master planning engine. What are three benefits of Planning Optimization? Each correct answer presents a complete solution.

A. It is a multitenant service.

B. It has multiple instances.

C. It is hyper scalable.

D. It has a single instance.

E. It is single threaded.

ANSWER: A B C

Explanation:

Planning Optimization is a multitenant, cloud-based master-planning service. This architecture separates planning computation from the Finance and Operations application environment, allowing the service to support tenants through a managed Azure-based platform rather than relying on the application's traditional in-process planning engine. Planning Optimization is also designed to have multiple instances. Its service architecture can provision and use instances to process planning workloads, which supports capacity management and availability for the service. Finally, it is hyper scalable: Planning Optimization is designed for high-volume and high-performance planning scenarios and can scale its processing resources to meet demand. This enables organizations to run master planning more frequently and efficiently as planning data and transaction volumes grow. Microsoft describes Planning Optimization as a cloud-based service designed to improve master-planning performance and scalability, with processing handled outside the Finance and Operations environment. See Planning Optimization overview and Enable Planning Optimization for Microsoft's architecture and implementation guidance.

QUESTION NO: 36

A company uses Dynamics 365 Supply Chain Management.

A customer returns a product that is defective for a replacement.

You need to process the return order.

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

NOTE: Each correct selection is worth one point.

A. Create a return of type Credit Only

B. Set the deadline date according to the company policy

C. Create a credit note for the replaced product

D. Set the delivery address to the customer's address in the return order

E. Create a return of type Physical Return

F. Set the deadline date to the date the customer returns the defective product

G. Set the delivery address to the company warehouse in the return order

ANSWER: B E G

Explanation:

A defective item being sent back so that the customer can receive a replacement requires a return order that records the physical movement of inventory back to the company. Therefore, create a return of type **Physical Return**. This return type is used when the customer actually ships the item back, allowing the organization to receive, inspect, and disposition the returned inventory through its return-order processes.

The return order must also identify the company location to which the customer should send the product. Set the delivery address to the **company warehouse** so the return shipment is directed to the site that will receive and process the defective item. The warehouse can then register the returned item and perform the required quality, disposition, or replacement-related steps.

Finally, set the **deadline date according to the company policy**. The return deadline represents the date by which the customer is expected to return the item and should follow the organization's established return terms rather than simply duplicating the customer's anticipated shipment date. Microsoft documents return-order creation and the physical return process in Returns and return orders and describes return-order management in Return orders overview.

QUESTION NO: 37

A retail distributor is implementing Dynamics 365 Supply Chain Management

Wholesale customers receive 10 percent off list price for the current calendar year. CustomerA is a wholesaler that agreed to a pilot program for a new product. with terms to receive a discounted set price for 100 each of the products for the next six months. The distributor will charge penalties to CustomerA If the 100 each are not sold within the period

You must configure pricing CustomerA.

Which three configurations should you set up? Each correct answer presents part Of the solution

A. Create a trade agreement for wholesalers.

B. Create a sales agreement with the max parameter set to yes

C. Set the effective date on the trade agreement to begin after sales agreement.

D. Create a sales agreement with the price and discount is fixed parameter set to yes

E. Set the find next parameter on trade agreements.

ANSWER: A B D

Explanation:

Configure a trade agreement for wholesalers to provide the standard 10-percent wholesale discount for the calendar year. Trade agreements support customer price or discount policies and can be assigned using customer groups, which makes the general wholesale policy reusable for all qualifying customers. For CustomerA's limited pilot commitment, create a sales agreement with the price and discount is fixed parameter set to yes. This ensures that the negotiated pilot price is retained for the agreement lines rather than being recalculated from ordinary pricing policies during order processing.

The sales agreement should also have the max parameter set to yes. The commitment is for 100 units of each pilot product, so enforcing the maximum prevents orders from consuming the specially agreed sales-agreement terms beyond the committed quantity. Sales agreements record the commitment quantity and provide the basis for monitoring fulfillment during the six-month agreement period, which is needed to identify any shortfall subject to the distributor's penalty process. The agreement's validity dates should represent the six-month pilot period, while the wholesale trade agreement continues to cover the broader annual discount policy.

For more information, see Sales agreements in Dynamics 365 Supply Chain Management and Trade agreement overview.

QUESTION NO: 38

A company manufactures and sells surround-sound audio systems. A third-party company manufactures the stereo receivers as part of the Bill of materials (BOM) for complete sound systems.

You need to automatically create a purchase order for the stereo receiver from the production order for a sound system.

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

NOTE: Each correct selection is worth one point.

A. Assign the Vendor account to the service item BOM line.

B. Set service item BOM line type to Vendor.

C. Set the service item BOM line type to Pegged supply

D. Link the service items to the vendor on the costing sheet.

E. Attach the service item to the parent item as a BOM line.

ANSWER: A B E

Explanation:

Production subcontracting in Dynamics 365 Supply Chain Management is configured through a BOM line for a service item. The service represents the work or component supply that the external vendor provides for the parent manufactured item. “Attach the service item to the parent item as a BOM line.” establishes that the outsourced activity is required when the sound-system production order is processed.

“Set service item BOM line type to Vendor.” identifies the BOM requirement as vendor-supplied subcontracting rather than an internally consumed material requirement. This line type enables the production process to create the related purchase requirement for the subcontracted service. “Assign the Vendor account to the service item BOM line.” then identifies the supplier that must receive that purchase order. Together, the BOM relationship, Vendor line type, and specified vendor provide the information needed for the system to generate the purchase order from the production order.

Microsoft documents BOM line types, including the Vendor type used for subcontracted work, in BOM line types. For the broader production and subcontracting process, see Subcontracting overview.

QUESTION NO: 39

A company uses Dynamics 365 Supply Chain Management. The company provides warehouse workers with handheld devices to perform inventory operations.

Periodic inventory audits are required due to the frequent theft of some inventory items from a warehouse. Some inventory has been fully depleted. On-hand inventory quantities of other items are consistently incorrect.

You need to configure the system to automatically create cycle-counting work.

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

NOTE: Each correct selection is worth one point.

A. threshold parameters

B. work pool

C. cycle count plan

D. work policies

E. inventory journals

ANSWER: A C

Explanation:

threshold parameters and **cycle count plan** are the two Warehouse management features that can automatically generate cycle-counting work. Threshold parameters support event-driven counting: a cycle-count threshold can be assigned to a location, and the system creates cycle-count work when warehouse activity causes the available quantity in that location to reach or fall below the configured threshold. This is particularly useful for locations whose inventory is frequently depleted and therefore needs validation after picks or other quantity-reducing activity.

A cycle count plan supports scheduled, recurring counting. The plan defines the locations to be counted, the frequency or schedule, and applicable criteria. When the plan is processed, Dynamics 365 creates the cycle-count work that handheld-device users can execute. This provides a repeatable audit process for high-risk inventory and locations where recorded on-hand quantities require regular verification. Both mechanisms create warehouse work for mobile-device execution and can be used together: thresholds react to inventory movement, while plans enforce periodic audit coverage. For configuration details, see Cycle counting in Warehouse management and Cycle count plans.

QUESTION NO: 40

You need to set up financial components for the new items.

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

NOTE: Each correct selection is worth one point.

A. Assign items to a FIFO item model group.

B. Assign the raw materials to a standard cost item model group. Assign finished goods to a FIFO item model group.

C. Create item model groups for raw materials and finished goods by using different ledger accounts. Assign items to these groups.

D. Assign raw materials to a standard cost item group. Assign finished goods to a FIFO item group.

E. Create item groups for raw materials and finished goods by using different ledger accounts. Assign items to these groups.

ANSWER: A E

Explanation:

Assigning items to a FIFO item model group establishes the inventory valuation and costing behavior for those items. Item model groups are the mechanism used in Dynamics 365 Supply Chain Management to apply an inventory model, such as FIFO, and related inventory-control settings consistently to released products. This is a required financial setup decision because inventory transactions and inventory value depend on the selected model group.

Creating item groups for raw materials and finished goods by using different ledger accounts, then assigning items to those groups, supports distinct financial posting treatment for the two item categories. Inventory posting profiles can be configured by item group, allowing transactions such as inventory receipts, issues, and cost of goods sold to post to the appropriate general ledger accounts for raw materials versus finished goods. Together, the FIFO item model group controls how inventory is valued, while separate item groups provide the classification needed to map inventory activity to the proper ledger accounts. See Inventory costing FAQ and Inventory posting profiles.

QUESTION NO: 41

A company uses trade agreements to manage customer discounts.

Customers in the wholesale customer group must receive a line discount for a specific group of products.

You need to configure the discount agreement.

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

NOTE: Each correct selection is worth one point.

A. Assign a customer price/discount group to the wholesale customers.

B. Create a trade agreement journal with the Line discount relation and Group account codes for the customer and item.

C. Create a sales price trade agreement for each wholesale customer.

D. Assign the wholesale customers to a vendor group.

E. Create a purchase agreement for the product group.

ANSWER: A B

Explanation:

Assigning a **customer price/discount group** to the wholesale customers identifies the group that can be used in trade agreement searches. A trade agreement journal can then be created with the **Line discount** relation and with the customer and item account codes set to Group. This allows the discount to apply when a customer in the selected customer group orders an item in the selected item group.

Item groups and customer price/discount groups support maintaining commercial terms for groups of records instead of creating a separate trade agreement line for every customer and item. A sales price journal does not create a line discount. See Trade agreements overview and Price and discount trade agreements.

QUESTION NO: 42

A company requires that a percentage of the building overhead costs as well as a percentage of overall labor must be added to a costing sheet for each item.

The company also requires that the labor and overhead costs be calculated independently and then rolled up to a total amount.

Which three actions should you perform to meet the requirements?

Select all answers that apply.

A. Select Cost group type as a node.

B. Create indirect cost subnodes.

C. Define the costing sheet format.

D. Define the rate amount on the node.

E. Define the rate amount on the cost group.

ANSWER: A C D

Explanation:

A costing sheet format must first be defined because it establishes the hierarchical structure used to calculate, display, and roll up direct and indirect manufacturing costs. Selecting *Cost group type as a node* creates a node that collects costs for a defined cost group, such as labor, so that the applicable direct-cost base is available within the sheet structure. This supports keeping labor as a separately identifiable calculation component.

Defining *the rate amount on the node* supplies the percentage-based indirect-cost rate that is applied to the node's calculated base. The building-overhead percentage and labor-related percentage can therefore be calculated from their applicable bases within the costing-sheet hierarchy and subsequently included in the total rollup. Costing sheets use nodes, cost groups, and indirect-cost rates to model these manufacturing-cost calculations consistently for item cost records and cost estimates.

For details on configuring the costing-sheet structure and its calculation behavior, see Set up costing sheets and Indirect cost calculation in Microsoft Learn.

QUESTION NO: 43

You are setting up safety margins.

Which unit of measure is used to represent safety margins in planning optimization calculations?

Select only one answer.

A. Period

B. Month

C. Week

D. Day

ANSWER: D

Explanation:

Day is the unit used for safety margins in Planning Optimization calculations. Safety margins represent additional time that master planning adds around supply and demand dates to provide a buffer against uncertainty, such as delays in vendor delivery, production, transportation, or warehouse processing. When Planning Optimization calculates planned order dates, it applies the configured safety margin as a number of calendar days, thereby moving the relevant requirement or availability date as needed to protect the plan. For example, a receipt safety margin of two days causes the engine to plan receipt earlier so that the material is available two days before the demand date. This day-based representation provides a consistent way to incorporate time buffers into net requirements planning regardless of the item's inventory unit or procurement method. Safety margins can be configured for different planning scenarios, including receipt, issue, reorder, and lead-time related buffers, and the planning engine uses them when determining the dates of planned orders. Microsoft's master-planning documentation describes safety margins as values expressed in days and explains their effect on calculated planned dates. See Safety margins and Planning Optimization.

QUESTION NO: 44

A company uses quality management for purchased raw materials.

Every receipt of item RM-100 from vendor V-100 must generate a quality order. The required tests vary depending on the item and vendor combination.

You need to configure the quality process.

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

NOTE: Each correct selection is worth one point.

A. Create a quality association for item RM-100 and vendor V-100.

B. Create a test group and assign the required tests.

C. Create an inventory adjustment journal for item RM-100.

D. Assign an item allocation key to vendor V-100.

E. Create a disposition code that automatically posts a purchase invoice.

ANSWER: A B

Explanation:

Create a quality association for item RM-100 and vendor V-100 defines when the system must create a quality order. A quality association can specify the reference type, item, vendor account, and event that triggers quality inspection, such as product receipt. This makes the inspection requirement specific to receipts of the designated item from the designated vendor.

Create a test group and assign the required tests defines the inspection activities that are performed on the generated quality order. Test groups organize the individual tests, such as visual inspection, measurement, or laboratory analysis, that are required for the material. The quality association can then apply the appropriate test group to each quality order that it creates. For more information, see Quality associations and Quality testing.

QUESTION NO: 45

A production order has completed all operations.

The company needs to increase finished goods inventory for the completed quantity and record the production order as completed.

You need to post the production feedback.

What should you use?

A. A picking list journal

B. A route card journal

C. A report as finished journal

D. A BOM journal

ANSWER: C

Explanation:

A report as finished journal is correct because it records the quantity that has been completed on a production order and posts the finished goods receipt into inventory. The report as finished process updates the production order status and creates the related inventory transactions for the manufactured item.

A route card journal records time and quantity feedback for individual operations but does not by itself report the parent item as finished. A picking list journal records material consumption. See Report production orders as finished.

QUESTION NO: 46

A company plans to use the warehouse mobile app for cluster picking.

The system must break the cluster when stocking items.

You need to configure the system.

What should you do?

A. On the Mobile device menu items form, select an option for the Directed by field.

B. On the Cluster profile form, add a value to the Sequence Put-away field.

C. On the Cluster profile form, add a value to the Break cluster at field.

D. On the Mobile device menu items form, add a value for the Work type – Put-away field.

ANSWER: C

Explanation:

On the Cluster profile form, add a value to the Break cluster at field. is correct because the cluster profile controls how work is grouped and processed during system-directed cluster picking in the Warehouse Management mobile app. A cluster lets a worker pick inventory for multiple work orders in a consolidated process, with individual orders represented by cluster positions. The *Break cluster at* setting determines the point in the work flow at which that consolidated cluster is separated. Configuring this setting for the stocking (put-away) stage ensures that the mobile process breaks the cluster when the worker begins putting the picked inventory away, so subsequent stocking activity is handled at the required level of separation.

This behavior is configured on the cluster profile because it is a property of the cluster-picking process, rather than a general mobile-device menu setting. The cluster profile is assigned to the relevant work template, which makes its cluster behavior available when the warehouse mobile app creates and executes the work. Microsoft's system-directed cluster-picking documentation describes the use of cluster profiles to define cluster processing behavior and their association with work templates. See System-directed cluster picking and Configure cluster picking.

QUESTION NO: 47

Employee1 must set up the new BOM.

Which three actions should Employee1 perform? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

A. Create a new BOM for Store1, Store2, and Store3.

B. Activate the BOM.

C. Add the raw materials to the BOM and approve the BOM version.

D. Add the raw materials to the BOM and approve it.

E. Create a new BOM for Site1 only.

ANSWER: B C E

Explanation:

A production bill of materials must be created for the site where it will be used, so creating a new BOM for Site1 establishes the required site-specific BOM setup. In Dynamics 365 Supply Chain Management, BOM versions control where and when a BOM is applicable; the site is defined on the BOM version to ensure that planning and production use the appropriate structure for that operational site.

The raw-material items must then be entered as BOM lines. These lines define the component materials and quantities required to make the finished item. The BOM version must be approved before it can be made available for operational use. Finally, activating the BOM makes the approved version active, allowing master planning, estimation, and production orders to select it according to its effective dates, quantity, and site criteria. This sequence ensures that the material structure is defined, authorized, and available for production processing.

For Microsoft guidance on BOMs, BOM versions, approval, and activation, see [Bills of materials (BOMs)] and [BOM versions].

QUESTION NO: 48

You need to configure the system to automatically enforce inbound and outbound product requirements to and from the warehouse.

Which feature should you use?

A. quality associations

B. quality orders

C. quarantine zones

D. quality tests

E. nonconformances

ANSWER: A

Explanation:

quality associations is the correct feature because it defines the conditions under which Dynamics 365 Supply Chain Management must create quality orders automatically. A quality association links an item, item group, or other applicable scope to an event such as a purchase receipt, sales order picking process, production-related receipt, or inventory movement. It can therefore enforce the organization’s required quality process when products enter the warehouse and when they are prepared to leave it.

The association also specifies the quality test group, sampling plan, acceptable quality level, and whether inventory should be blocked while testing is pending. When the defined event occurs, the system uses the association to generate the required quality order and applies the associated testing requirements consistently, rather than relying on a user to create an inspection manually. This makes quality associations the configuration mechanism for automated inbound and outbound quality enforcement. Microsoft documents that quality associations establish the events and conditions that trigger quality orders; quality orders then hold the specific inspection and test results generated by that setup. See [Quality associations in Dynamics 365 Supply Chain Management] and [Quality orders].

QUESTION NO: 49

A company uses Dynamics 365 Supply Chain Management master planning. The company plans to run master planning throughout the day. Planning Optimization is not configured.

The company reports that they are not able to configure any master planning features or enable master planning in Dynamics 365.

You need to implement Planning Optimization

What should you do first?

A. Deallocate the Current environment.

B. Enable the Planning Optimization configuration key.

C. Activate the Planning Optimization license.

D. Place the environment into maintenance mode

E. Set the value of Use Planning Optimization field to yes

ANSWER: D

Explanation:

Place the environment into maintenance mode first. Planning Optimization is delivered as an add-in for the Dynamics 365 Supply Chain Management environment, and the environment must be in maintenance mode before the add-in can be installed or serviced through Lifecycle Services. Maintenance mode temporarily restricts normal user activity while environment-level changes are made, helping ensure that the installation is completed consistently and without active business processing interfering with deployment.

After maintenance mode is enabled, an administrator can use the environment details page in Lifecycle Services to install the Planning Optimization add-in. Once installation is complete, the organization can proceed with the applicable Planning Optimization setup and master-planning configuration in Supply Chain Management. This order is important because the application settings that use Planning Optimization depend on the service/add-in being available to the environment first. Microsoft's Planning Optimization documentation describes the installation and setup process, including the Lifecycle Services environment requirements. See Get started with Planning Optimization and Maintain environments in Lifecycle Services.

QUESTION NO: 50

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.

You are the purchasing manager at a manufacturing company that makes audio equipment.

You sign an agreement with a vendor to purchase 5,000 speaker cables, item C0001, at a discounted rate of $3.00 per cable. This agreement expires in exactly one year.

You need to set up pricing information and track the fulfillment of the agreement.

Solution:

- Create a trade agreement journal of type Price (purch.).
- Add a line for item C0001 for the vendor.
- Enter a unit price of $3,00 for a quantity up to 5,000 and enter an expiration date for next year.

Does the solution meet the goal?

A. Yes

B. No

ANSWER: B

Explanation:

No is correct because the stated requirement includes both defining the negotiated purchase terms and monitoring fulfillment against the committed quantity. This requires a purchase agreement. A purchase agreement can contain a commitment for a specific vendor and item, define the agreed unit price of $3.00, establish the committed quantity of 5,000 cables, and specify effective and expiration dates. When purchase orders are created and confirmed with reference to the agreement, Dynamics 365 Supply Chain Management maintains fulfillment information, allowing the purchasing team to see the quantity and amount that remain committed or have been released against the agreement.

A purchase price trade agreement journal can establish vendor- and item-specific price conditions within a date range, but it does not create the contractual quantity commitment and fulfillment tracking required by this scenario. The appropriate setup is therefore a purchase agreement with a product quantity commitment for item C0001 and the vendor, using the negotiated price and one-year validity period. Microsoft describes purchase agreements and their fulfillment commitments in Purchase agreements overview. For details about applying agreement commitments to purchase orders, see Apply purchase agreements in the ordering process.

QUESTION NO: 51

You are setting up Dynamics 365 Supply Chain Management for a client.

The client plans to add several items to the Dynamics 365 Supply Chain Management system.

You are required to ensure that the client can configure the items as either company owned or consignment when the client creates the items.

Which two of the following actions should you take?

NOTE: Each correct answer is worth one point.

A. You should enable batch dimension.

B. You should enable owner dimension.

C. You should allocate a moving average costing inventory model.

D. You should allocate a standard costing inventory model.

ANSWER: B D

Explanation:

Enable the owner dimension and allocate a standard costing inventory model. The owner inventory dimension is the tracking dimension that distinguishes inventory owned by the legal entity from inventory that remains owned by a vendor under a consignment arrangement. When it is enabled in the item's tracking dimension group, inventory transactions and on-hand inventory can be identified by owner. Company-owned inventory uses the company context, while consignment inventory is associated with the vendor configured as the inventory owner. This tracking is essential because physical stock can be held at the same site and warehouse while having different legal ownership.

Items used in the consignment process must use the standard cost inventory model. When ownership is changed from the vendor to the company, Dynamics 365 Supply Chain Management records the financial and inventory effects using the item's standard cost. Configuring both the owner tracking dimension and a standard-cost item model group therefore provides the required foundation for creating and managing items that can be held as either company-owned or vendor-owned consignment stock. For implementation details, see Consignment inventory in Dynamics 365 Supply Chain Management and Inventory dimensions.

QUESTION NO: 52

A company sells batch-controlled pharmaceutical products.

The company must record the potency and manufacturing date for every batch of a product.

You need to configure the batch attribute process.

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

NOTE: Each correct selection is worth one point.

A. Create batch attributes for potency and manufacturing date.

B. Create a batch attribute group, add the attributes, and assign the group to the released product.

C. Create a batch group and assign it to the item model group.

D. Assign the attributes to the item group.

E. Create an inventory status for each potency value.

ANSWER: A B

Explanation:

Create **batch attributes** for potency and manufacturing date to define the information that must be recorded for batches. Then create a **batch attribute group**, add the attributes to the group, and assign the group to the released product. The assignment makes the attribute definitions available when batches for that product are created and maintained.

A batch group is used for batch number grouping and does not define batch attribute values. An item group controls inventory posting and is not used to capture product-specific batch characteristics. See [Batch attributes].

QUESTION NO: 53 - (HOTSPOT)

HOTSPOT

A manufacturing company uses Dynamics 365 Supply Chain Management. The company plans to move to the new Planning Optimization functionality.

Several processes are no longer operating as expected.

You need to identify any missing functionality and the number of records impacted.

Which tool 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

Requirement	Tool
Identify any missing functionality.	Dynamics 365 batch job history Lifecycle Services Upgrade analysis Planning Optimization Fit analysis Planning Optimization planning run logs
Identify the number of records from previous runs that were impacted by the missing functionality.	Lifecycle Services Issue search Lifecycle Services Upgrade analysis Planning Optimization Fit analysis Planning Optimization planning logs

ANSWER:

Answer Area

Requirement	Tool
Identify any missing functionality.	Dynamics 365 batch job history Lifecycle Services Upgrade analysis Planning Optimization Fit analysis Planning Optimization planning run logs
Identify the number of records from previous runs that were impacted by the missing functionality.	Lifecycle Services Issue search Lifecycle Services Upgrade analysis Planning Optimization Fit analysis Planning Optimization planning logs

Explanation:

Planning Optimization Fit analysis is the appropriate tool for identifying missing functionality before or during the move to Planning Optimization. It evaluates the current planning configuration against the capabilities available in Planning Optimization and reports fit-analysis findings where the existing implementation depends on functionality that is unavailable or behaves differently. This lets the company identify the functional gaps that can explain why processes no longer operate as expected after the change. Microsoft describes this process and the resulting findings in its Planning Optimization fit analysis documentation.

Planning Optimization planning run logs are the appropriate source for determining the number of records impacted in prior runs. The logs provide run-specific diagnostic information and expose the planning results relevant to issues discovered during processing. Reviewing the entries from prior runs allows the company to see the affected record count associated with the missing or unsupported planning capability. This provides the operational impact needed to assess the scope of remediation, rather than merely identifying that a configuration feature is not supported. Microsoft provides guidance on reviewing planning-run diagnostic information in the Planning Optimization log documentation.

Accordingly, the selected tools correctly pair the functional compatibility assessment with the historical run evidence needed to quantify the affected records.

QUESTION NO: 54

A company sells products that are being discontinued.

Customer service representatives must be prevented from processing new sales orders for the products while the company continues to view historical transactions.

You need to apply a control to the applicable released products.

What should you use?

A. A product lifecycle state

B. An item model group

C. An inventory status

D. A sales order hold code

ANSWER: A

Explanation:

A product lifecycle state is correct because lifecycle states can control which business processes are permitted for released products. A lifecycle state can be configured to prevent sales-order processing for products that have been discontinued while retaining the released product records and their transaction history.

Deleting the released products would remove information needed for historical reporting and could affect existing transactions. Stopping inventory does not by itself provide lifecycle control over sales-order processing. See Product lifecycle states.

QUESTION NO: 55 - (DRAG DROP)

DRAG DROP

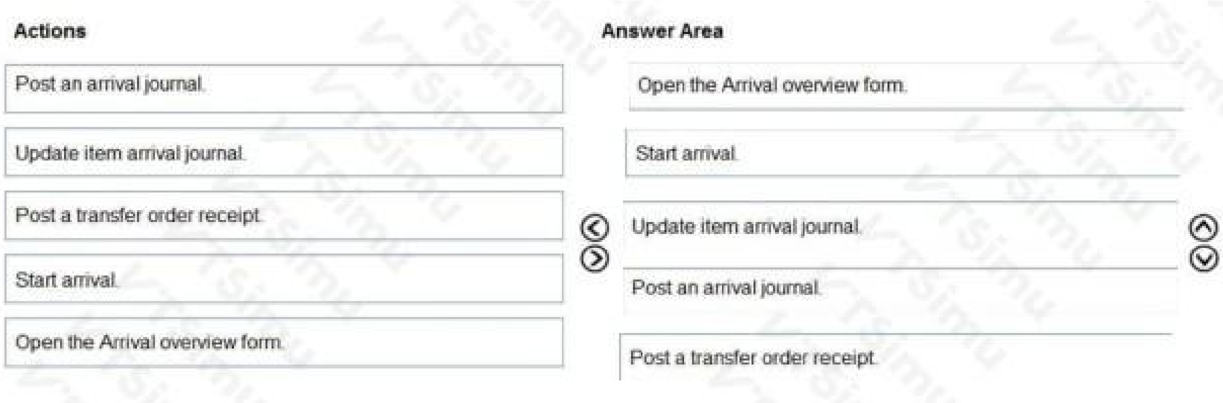
A company opens a new warehouse facility.

You need to receive items on a transfer order by using an arrival overview.

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:

ANSWER:



Explanation:

Receiving a transfer order through Arrival overview follows the operational flow used to register incoming inventory at the destination warehouse. Begin by opening the Arrival overview form, because this is the receiving work area used to view and manage expected arrivals, including transfer orders. From there, start the arrival for the transfer order that is physically arriving. This initializes the arrival-processing activity and provides the receiving journal context for the shipment.

Next, update the item arrival journal. At this stage, warehouse staff enter or validate the actual quantities received and can capture receiving information needed before posting. The journal represents the detailed registration of what has arrived, so it must accurately reflect the physical receipt before inventory transactions are posted.

After the receiving details are complete, post the arrival journal. Posting registers the arrival in inventory and makes the receipt transaction available for the next transfer-order processing step. Finally, post the transfer order receipt to complete receipt of the transfer order at the new warehouse facility. This final posting confirms that the inventory has been received from the in-transit transfer and updates the transfer order's receipt status accordingly.

This sequence keeps physical receiving, journal registration, and transfer-order completion aligned. Microsoft's documentation on Arrival overview describes using arrival processing and arrival journals to register incoming items. Related transfer-order receiving behavior is documented in Transfer orders.

QUESTION NO: 56

You use Dynamics 365 Supply Chain Management to manage inventory.

You need to adjust inventory and override the current item posting setup.

Which journal type should you use?

A. inventory adjustment

B. inventory transfer

C. movement

D. item arrival

ANSWER: C

Explanation:

The **movement** journal is the appropriate journal type because it supports inventory transactions while allowing the posting setup normally derived from the item's configuration to be overridden for a journal line. This is useful when inventory must be increased or decreased and the financial impact must be directed to a particular ledger account rather than using the standard item posting behavior. In a movement journal, the offset account can be specified directly on the line, enabling the business to post the inventory value movement to the intended account for the adjustment scenario. The journal therefore combines the required physical inventory update with the flexibility to control the resulting ledger posting.

Microsoft's inventory-journal guidance describes movement journals as the mechanism for posting inventory movements to specific ledger accounts and notes their role in overriding the default posting setup when necessary. Before posting, ensure that the item, site, warehouse, quantity, cost information, and offset account are entered according to the organization's inventory-control and financial-posting policies. See Inventory journals in Dynamics 365 Supply Chain Management and Inventory journal types.