

Microsoft Dynamics 365 Supply Chain Management Functional Consultant Expert

Microsoft MB-335

Version Demo

Total Demo Questions: 42

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Topic Break Down

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Topic 1, Implement product information management	95
Topic 2, Implement inventory management	21
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QUESTION NO: 1

You are using the manufacturing execution module in Dynamics 365 Supply Chain Management.

You need to configure the manufacturing groups for the standard model bicycle and the new limited-edition bicycle for the summer season.

License plate labels must be printed for products in the Report as finished step.

Which object should you use?

You need to use the manufacturing execution functionality that meets this requirement.

A. Operating units
Work templates

B. Teams
What should you use?
Load planning workbench

C. Commerce channels.
License plates

D. Departments
Job card device

E. Legal entities

ANSWER: D

Explanation:

Departments

Job card device is correct because manufacturing execution departments provide the shop-floor organizational grouping used to organize workers, resources, and manufacturing activity. A department can represent a discrete production area or group of related manufacturing operations, making it suitable for separating the manufacturing execution setup used for the standard bicycle and the limited-edition seasonal bicycle. Workers are associated with the applicable manufacturing execution department so that the shop-floor experience presents the relevant production work and registrations.

A job card device is the appropriate manufacturing execution device configuration for workers who register production activity at the operation level. It supports the Report as finished process on the shop floor and can participate in the configured label-printing flow. When reporting finished quantities, the process can create license plates for the finished goods and print the corresponding license plate labels, subject to the warehouse and label-layout configuration. This joins the operational grouping required for manufacturing execution with the device-based production reporting experience where finished-product labels are needed. Microsoft documents production-floor label printing, including labels generated during production reporting, in [Print labels from the production floor execution interface](#). For the underlying organizational concepts used to structure business and operational units, see [Organizations and organizational hierarchies](#).

QUESTION NO: 2

A company uses Dynamics 365 Supply Chain Management for its accounts receivable and accounts payable operations.

The company must issue payments to customers based on the sales quantities invoiced over a specific period. A record must be labeled as Pending review when it is generated before anything else is done to the record.

You need to configure the system to apply this labeling functionality to records.

Solution: Create a rebate status of approved. Enable the Rebates at invoicing and configure the rebate accrual journal in the Accounts Receivable parameters.

Does the solution meet the goal?

A. Yes

B. No

ANSWER: B

Explanation:

No is correct because the required initial state for each generated rebate record is *Pending review*, whereas the proposed configuration creates a rebate status of *approved*. In Dynamics 365 Supply Chain Management, customer rebate management supports rebate programs that calculate customer payments from qualifying invoiced sales quantities or amounts over defined periods. Rebate transactions and claims must follow the appropriate review and approval process before they are processed for payment. Therefore, the configuration must ensure that newly generated rebate-related records begin in the Pending review status, so users can validate them before any subsequent processing occurs. Enabling rebates at invoicing and configuring an accrual journal can support the accounting and timing of rebate accruals, but those settings do not satisfy the specific requirement to assign Pending review as the initial record status. The status used in the solution directly conflicts with the required label, so the proposed solution does not meet the goal. See [Rebate management overview](#) and [Customer rebate management documentation](#).

QUESTION NO: 3

A company uses Dynamics 365 Supply Chain Management for its accounts receivable and accounts payable operations.

The company must issue payments to customers based on the sales quantities invoiced over a specific period. A record must be labeled as Pending review when it is generated before anything else is done to the record.

You need to configure the system to apply this labeling functionality to records.

Solution: Configure a business event for the rebate creation.

Create a power automate flow for approvals to lock the record until it is approved.

Does the solution meet the goal?

A. Yes

B. No

ANSWER: B

Explanation:

No is correct. The requirement is to ensure that a rebate-related record is assigned a controlled review status as part of its creation and processing lifecycle in Dynamics 365 Supply Chain Management. This should be implemented by using the application's native rebate management and workflow capabilities, which provide state control, routing, review, approval, and record locking within the Dynamics 365 transaction process. A workflow can be configured so that a submitted record enters the appropriate review state and is restricted from unauthorized changes while approval is pending.

Business events are intended to notify external services when a defined business event occurs. Although Power Automate can consume those notifications and perform follow-up actions, a business event and cloud flow do not themselves implement the required native lifecycle status or reliably enforce the transactional controls on the originating rebate record. The status must be managed within Supply Chain Management so that users see and act on the record consistently before subsequent processing takes place. Microsoft documents business events as an integration mechanism and describes workflow as the framework for routing documents and work items through approval processes. See [Business events overview](#) and [Workflow system overview](#).

QUESTION NO: 4

An electronics manufacturing company is transitioning from infinite capacity planning to finite capacity planning to improve scheduling efficiency and manage resource constraints effectively.

The company observes that its manufacturing process typically requires a minimum lead time of five days.

The company requires finite capacity scheduling to create realistic production schedules that account for resource limitations over a defined minimum lead time of five days.

You need to implement finite capacity planning with a time fence that aligns with the five-day manufacturing lead time.

Solution: Disable finite capacity planning for all resources.

Does the solution meet the goal?

A. Yes

B. No

ANSWER: B

Explanation:

No is correct because the stated goal is to use finite capacity planning to create feasible production schedules that reflect actual resource availability during a five-day planning horizon. Finite capacity scheduling checks whether a resource has available capacity before assigning work, so that scheduled operations do not exceed the capacity defined by resource calendars, capabilities, and other constraints. To align scheduling with the manufacturing lead time, the relevant finite-capacity time fence should be configured as five days. This makes the scheduling engine apply finite-capacity consideration within that defined near-term period, where realistic resource constraints are most important for execution. Disabling finite capacity planning would instead prevent the system from enforcing resource-capacity limits, which does not support the required transition from infinite capacity planning or the objective of producing realistic schedules. In Dynamics 365 Supply Chain Management, finite capacity can be enabled for individual operations during production scheduling and is controlled by the finite-capacity time fence that limits how far forward the system schedules with finite capacity. See [Finite capacity scheduling](#) and [Production scheduling](#).

QUESTION NO: 5

A company is implementing Dynamics 365 Supply Chain Management in their manufacturing environment. The manufacturing process uses

formulas to direct material consumption on the batch orders.

During production some items in the formula must be consumed automatically from the production area, while some must be picked with their

actual consumption reported on a pick list.

You need to determine which setup method is used for formula lines to allow for the desired mixed method picking processes.

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. Set the flushing principle on each formula line based on consumption method for the line.

B. Leave the flushing principle blank on formula lines and set default flushing principle on the items based on consumption method for the item.

C. Leave the flushing principle blank on formula lines and set resource consumption to direct flushing principle of materials based on consumption method for the line.

D. Leave the flushing principle blank on formula lines and set the default start value to Always for Automatic Bill of Material Consumption.

ANSWER: A B

Explanation:

Set the flushing principle on each formula line based on consumption method for the line because a formula line can explicitly control how its individual ingredient is consumed on a batch order. This permits a single formula to use automatic consumption for ingredients that should be backflushed and manual consumption for ingredients for which workers must report the actual picked quantity through the picking list process. The setting is therefore specific to the ingredient's use in that formula, which is useful when the same item could require different handling in different production scenarios.

Leave the flushing principle blank on formula lines and set default flushing principle on the items based on consumption method for the item is also a complete solution. When the formula line does not specify a flushing principle, Supply Chain Management can use the default defined for the released product. Assigning the appropriate item-level defaults allows ingredients that are routinely automatically consumed to receive an automatic flushing behavior, while ingredients requiring measured or actual consumption can retain manual picking behavior. This approach centrally maintains the normal consumption policy for each item while still supporting mixed consumption methods within one batch formula. Formula versions define the ingredients and related settings used in process manufacturing, and production processing applies the material-consumption setup when orders are started and reported. See [Microsoft Learn: Formulas and formula versions](#) and [Microsoft Learn: Start production orders](#).

QUESTION NO: 6

You need to resolve the issue for UserC.

Which two options should you configure? Each correct answer presents a complete solution. NOTE: Each correct selection is worth one point.

- A. Best before period in days
- B. Best advice period in days
- C. Backward tracing
- D. Forward tracing
- E. Shelf life period in days

ANSWER: A E

Explanation:

Best before period in days and **Shelf life period in days** are the product-level settings used to establish date controls for batch-tracked inventory in Dynamics 365 Supply Chain Management. The shelf life period specifies the number of days for which a batch remains valid. When a batch is created or received, Supply Chain Management can use the applicable date and this value to calculate its expiration date. This enables inventory processes to recognize the usable life of the batch and apply date-sensitive handling rules.

The best before period specifies how many days before the expiration date a best-before date should occur. This date provides an earlier quality or recommended-consumption threshold, while retaining the separately calculated expiration date. Configuring both values on the released product supplies the date parameters required for batches of that item and supports operational processes that depend on batch dates, including inventory visibility and first-expired, first-out handling. Microsoft describes the product shelf-life fields and their use in calculating batch expiration and best-before dates in [Shelf life inventory](#). Related batch-number and date-control concepts are covered in [Batch numbering](#).

QUESTION NO: 7

A company manufactures industrial pumps by using bills of materials (BOMs).

A revised impeller must be used for all new production orders beginning next month. The existing BOM version must remain available for historical production orders.

You need to make the revised BOM version available for production.

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

NOTE: Each correct selection is worth one point.

- A. Approve the revised BOM version.
- B. Activate the revised BOM version with the required effective date.
- C. Set the revised BOM line type to Pegged supply.
- D. Delete the existing BOM version.
- E. Set the item model group to Post physical inventory.

ANSWER: A B

Explanation:

Approve the revised BOM version and **activate the revised BOM version with the required effective date**. A BOM version must be approved before it can be used operationally. Approval confirms that the BOM structure has been reviewed and is valid for use.

Activation makes the approved version available for production planning and production orders. The version's effective date controls when it is selected, which allows the current version to remain applicable to historical and earlier production while the revised version is used beginning on the required date. See [BOM versions](#) and [BOMs and formulas](#).

QUESTION NO: 8 - (DRAG DROP)

DRAG DROP

A company uses separate finished good item numbers for size variations of the same product.

The company wants to minimize the number of variously-sized items that are created.

You need to perform the setup to allow variants in size to the product master.

Which five actions should you perform in sequence? To answer, move the appropriate actions from the list of actions to the answer area and

Actions

- Create a product dimension group for size under the dimension and variant groups setup menu.
- Assign a tracking dimension group for size to the item.
- Generate product variants.
- Create a product master.
- Create sizes under the dimension and variant groups setup menu.
- Assign sizes to the individual items.
- Add product dimensions to the product master.

Answer area



ANSWER:

Actions

Create a product dimension group for size under the dimension and variant groups setup menu.

Assign a tracking dimension group for size to the item.

Generate product variants.

Create a product master.

Create sizes under the dimension and variant groups setup menu.

Assign sizes to the individual items.

Add product dimensions to the product master.

Answer area

Create a product dimension group for size under the dimension and variant groups setup menu.

Create sizes under the dimension and variant groups setup menu.

Create a product master.

Add product dimensions to the product master.

Generate product variants.



Explanation:

For a product family that differs only by size, Dynamics 365 Supply Chain Management uses a product master together with product dimensions and generated product variants. This approach centralizes the shared product definition and avoids maintaining a separate independently designed finished-good product for each size.

The setup begins by creating a product dimension group with the Size dimension enabled. The product dimension group determines which dimensions are available to products assigned to that group, so it establishes Size as a supported product-variation characteristic. Size values can then be created in the Dimension and variant groups setup. Those values are the controlled list of sizes that can become valid combinations for the product master.

Next, create the product master. The master represents the common product family and provides the parent record for the size-specific variants. Add the product dimensions to the product master so the selected size values are associated with that master and are available for variant creation. Finally, generate product variants. Variant generation creates the distinct released-product variant records for the selected size combinations while retaining the common master-product structure.

This sequence reflects Microsoft's product information management design: product dimensions define variation characteristics, and product variants represent the resulting individual products. Microsoft's [documentation on product dimensions](#) explains how dimensions such as size are used to distinguish variants, and the [product information overview](#) describes product masters and variants as the standard model for product families.

QUESTION NO: 9

You are the production supervisor at a chemical processing plant.

You must track attributes for each batch of chemicals. Automated quality orders must be generated when a batch order for these chemicals is reported as finished.

You need to ensure that the values of attributes are updated and tracked.

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

NOTE: Each correct selection is worth one point.

- A. Create attribute types.
- B. Create a test instrument for each attribute.
- C. Set up batch attributes.
- D. Assign the attributes to the appropriate test on the test group.
- E. Assign the attributes to the chemicals.

ANSWER: C D E

Explanation:

Set up batch attributes, assign the attributes to the appropriate test on the test group, and assign the attributes to the chemicals together provide the required link between batch-controlled inventory and quality-order test results. Batch attributes define the batch-specific characteristics that the organization needs to retain, such as concentration, potency, viscosity, or other chemical measurements. Assigning these attributes to the applicable released chemical products makes the characteristics available for batches of those products.

Quality management then captures the actual measured values. When a quality order is automatically created for a batch order reported as finished, the applicable test group supplies the tests performed during inspection. Associating a batch attribute with the relevant test ensures that recording the test result updates the associated attribute value for the inventory batch. This preserves the measured characteristic with the batch and makes it available for batch inquiry, inventory processes, and traceability.

Microsoft documents that batch attributes are used to describe and track characteristics of inventory batches, and that quality orders and test groups support recording inspection results. See [Batch attributes](#) and [Quality management processes](#).

QUESTION NO: 10

A company uses Dynamics 365 Supply Chain Management.

Due to supply chain issues, the bill of materials (BOM) for finished goods requires substitute products and subcomponent redesign. The

engineering team must update the product designs and release to the companies. The products already exist and are not currently configured

for version control on transactions.

You need to configure the solution.

Which three actions should you perform? Each correct answer presents a partial solution.

NOTE: Each correct selection is worth one point.

- A. Enable version tracking on transactions.
- B. Run the Convert to engineering product wizard.
- C. Use the automation solution template.
- D. Enable engineering change management.
- E. Enable change management on existing products.

ANSWER: A B D

Explanation:

Enable engineering change management is required because it activates the Supply Chain Management capability used to govern engineering products, engineering versions, engineering change orders, BOM changes, and release of approved product changes to operational companies. The engineering team can then maintain the redesigned subcomponents and approved substitute-product structures under controlled engineering processes.

Enable version tracking on transactions is required because the scenario specifically states that the existing products are not configured for transaction-level version control. This setting allows transactions to retain the applicable product, BOM, and route version context, supporting controlled use of changed engineering data after it is released.

Run the Convert to engineering product wizard is the supported process for bringing existing released products into engineering change management. Conversion makes the existing product records available as engineering products without

requiring the organization to recreate the products. The converted products can then have engineering versions and managed BOM changes, and their approved versions can be released to the required legal entities.

Microsoft describes engineering change management and its controlled product-change capabilities in the [Engineering change management overview](#). The process and behavior of engineering products, including conversion of existing products, are covered in [Engineering products](#).

QUESTION NO: 11 - (SIMULATION)

A company uses multiple Dynamics 365 applications to track and repair equipment.

The company wants to improve its repair order process. Repair technicians frequently encounter unexpected issues daily. The technicians must be empowered to address the issues and create new work orders by doing the following:

- Provide step-by-step, just-in-time training for work order completion in the field by using videos and text.
- Document work order creation in a single, printable document.
- Report on the use of hands-on training.

You need to implement a solution forth requirements.

Which solution should you implement for each requirement? To answer, drag the appropriate solutions to the correct requirements. Each solution 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.

Solutions

Dynamics 365 Guides

Dynamics 365 Remote Assist

Dynamics 365 Connected Spaces

Dynamics 365 Supply Chain Management

Answer Area

Requirement	Solution
Just-in-time training	
Work order creation document	
Training reporting	

ANSWER: See the explanation for the answer

Explanation:

Configure the answer area as follows:

Dynamics 365 Guides provides authored, step-by-step instructions that can include text, images, videos, and mixed-reality guidance for technicians while they perform field work. Guides usage/analytics data can be used to report on hands-on training activity.

Dynamics 365 Supply Chain Management, including Asset Management work orders, is used to create and manage the repair work order and produce a printable work-order document.

Dynamics 365 Remote Assist is intended for live remote expert assistance, rather than structured training content and training usage reporting. Dynamics 365 Connected Spaces analyzes activity in physical spaces and is not the appropriate solution for these requirements.

QUESTION NO: 12 - (DRAG DROP)

DRAG DROP

You need to meet the substitution requirements for User4 and User5.

What must you configure? To answer, drag the appropriate configurations to the correct substitution requirements. Each configuration 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.

Configurations	Answer Area	
To-date, From-date	Substitution requirement	Configuration
Plan group, priority	User4	
Open production order, add to BOM	User5	

ANSWER:

Configurations	Answer Area	
To-date, From-date	Substitution requirement	Configuration
Plan group, priority	User4	Open production order, add to BOM
Open production order, add to BOM	User5	To-date, From-date

Explanation:

For User4, configure **Open production order, add to BOM**. A released or open production order uses a production BOM that is associated with that specific order. Maintaining the production BOM directly lets the organization add the substitute component for the order that is already being manufactured. This is the appropriate way to make an order-specific material substitution while preserving the intended production structure and material consumption for that production order. The production BOM can be viewed and maintained from Production control, and it provides the component basis used when the order is estimated, started, and reported. Microsoft describes this order-level BOM behavior in its [Production BOMs documentation](#).

For User5, configure **To-date, From-date**. Effective dates allow a BOM component setup to apply over a defined period. Entering the relevant start and end dates ensures that the substitute is selected only for the intended validity window. This supports planned, time-bound substitutions because supply-chain processes can use the BOM version and component setup that is valid on the applicable transaction date. Effective dating is especially useful when a substitute must be available for a scheduled interval and then cease to apply automatically after the interval ends. Microsoft's [bills of materials and formulas guidance](#) explains the role of BOM structures in defining the materials used for production.

QUESTION NO: 13

A manufacturer performs laser welding at several operations resources.

Only selected resources can perform certified laser welding. Production scheduling must assign the laser-welding operation only to resources that have this capability.

You need to configure the production resources and route operation.

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 Laser welding capability.
- B. Assign the capability to the eligible operations resources.
- C. Add a capability requirement to the laser-welding route operation.
- D. Create a separate site for each eligible resource.
- E. Set the operation scrap percentage to the number of eligible resources.

ANSWER: A B C

Explanation:

Create a Laser welding capability, assign the capability to the eligible operations resources, and add a capability requirement to the route operation. A resource capability identifies a characteristic or technical ability of an operations resource. Creating the capability and assigning it to qualifying resources establishes which resources can perform the work.

The route operation must then include a resource requirement for that capability. During scheduling, Supply Chain Management evaluates the requirement and selects only eligible resources that have the required capability. This avoids creating separate resources or resource groups solely to represent the qualification. See [Set up resource capabilities](#) and [Route operations and resources](#).

QUESTION NO: 14

A company uses the asset management module in Dynamics 365 Supply Chain Management. The company has four conveyor systems in the

warehouse. A robotic crane moves pallets of products to the conveyor line. Each robotic crane and conveyor line is considered a multilevel

asset.

A work order arrives for a conveyor system. A technician completing the work order observes that the robotic crane needs a repair. The

technician is not qualified to work on the robotic crane.

You need to ensure that the robotic crane is repaired.

Which two options should you configure? Each correct answer presents a complete solution.

NOTE: Each correct selection is worth one point.

- A. Create a manual work order.
- B. Update the work order lifecycle state.
- C. Calculate capacity load with the level field set to 0.
- D. Calculate capacity load with the level field set to 1.
- E. Create a related work order.

ANSWER: A E

Explanation:

Create a manual work order. is a complete solution because Asset Management allows maintenance personnel to create a work order directly for the robotic crane when additional maintenance is identified. The new work order can identify the crane as the asset, include the appropriate maintenance job type and work order type, and be scheduled independently. This lets the organization assign the work to a technician or maintenance team with the required qualifications, without requiring the technician currently working on the conveyor to perform work outside their competence. Microsoft describes creating work orders manually, including selecting the asset and adding the required maintenance work, in the [Create work orders documentation](#).

Create a related work order. is also a complete solution because the crane repair was discovered in the course of executing maintenance for the conveyor system. A related work order records that operational connection while creating a separate maintenance process for the robotic crane. The crane repair can then have its own planning, dates, resource assignment, and lifecycle progression, while remaining traceable from the originating conveyor work order. This is particularly useful for multilevel assets, where a maintenance observation concerning a connected asset should be followed up by the appropriately qualified resource. See Microsoft's guidance on [related work orders](#).

QUESTION NO: 15 - (HOTSPOT)

HOTSPOT

You need to configure the options for the new limited-edition bicycle for the summer season. Which configurations should you use? To answer, select the appropriate options in the answer area. NOTE: Each correct selection is worth one point.

Answer Area

Requirement	Configuration
Define the item combinations.	Product dimensions Product dimensions Product attributes Storage dimensions Tracking dimensions
Define the item components to include.	Style, color, and configuration Configuration Style and color Style, color, and configuration Style, size, color, and configuration

ANSWER:

Answer Area

Requirement	Configuration
Define the item combinations.	Product dimensions Product dimensions Product attributes Storage dimensions Tracking dimensions
Define the item components to include.	Style, color, and configuration Configuration Style and color Style, color, and configuration Style, size, color, and configuration

Explanation:

Product dimensions are the appropriate mechanism for defining the combinations of a product master in Dynamics 365 Supply Chain Management. A product master represents the common product, while variants represent the individual sellable and stockable combinations produced from its active dimensions. The product dimension group determines which dimensions participate in that variant structure, and valid combinations can then be generated and maintained for the bicycle.

For this limited-edition bicycle, activating style, color, and configuration provides the three characteristics needed to distinguish the seasonal variants. Style can represent the specific limited-edition design or model presentation, color identifies the available finish, and configuration identifies the applicable build or technical setup. Each unique combination of these active product dimensions can be treated as a distinct variant for planning, inventory, sales, and product identification purposes.

This setup keeps the product definition aligned with the standard product-information-management model in which configuration, color, size, and style are dimensions that define variants. Microsoft's guidance on [product dimensions](#) explains that product dimensions are used to create product variants, and its [product variant identification guidance](#) describes how

the active dimensions contribute to a variant's identity. Therefore, defining item combinations through product dimensions and including style, color, and configuration correctly models the limited-edition bicycle offerings.

QUESTION NO: 16

A manufacturing company is implementing production in Dynamics 365 Supply Chain Management.

The production scheduler requires that machines not be scheduled to run concurrently when planning production. The scheduler also must be

able to see the scheduling in a graphical view.

You need to configure the system to meet the requirements.

Which three options should you configure? Each answer presents a partial solution.

NOTE: Each correct selection is worth one point.

- A. bottleneck resource
- B. finite capacity
- C. operations scheduling
- D. job scheduling
- E. Capable to Promise

ANSWER: A B D

Explanation:

bottleneck resource, **finite capacity**, and **job scheduling** provide the required combination. A bottleneck resource identifies a constrained resource for which available capacity must be carefully managed. This designation enables capacity-aware planning for the machines that are critical to the production flow. Finite capacity ensures that planning respects the machine's available working time rather than loading an unlimited amount of work into the same period. Consequently, jobs are scheduled according to available capacity instead of being planned concurrently beyond what the machine can perform.

Job scheduling is required because it schedules at the detailed job level and assigns work to individual resources. This detailed level of scheduling is essential when the scheduler must control machine usage and inspect the sequence and timing of jobs. It also supports graphical review and adjustment through production visual scheduling, including the Gantt-chart-based view of resource assignments and job timing. Microsoft describes how finite capacity is planned for bottleneck resources in [Finite capacity planning](#). For the graphical production scheduling experience, see [Visual scheduling for production](#).

QUESTION NO: 17

A company uses master planning in Dynamics 365 Supply Chain Management.

Planned production orders that are required within five days must be automatically converted to firm production orders when master planning runs. Planned production orders required after five days must remain planned.

You need to configure the master plan.

What should you configure?

- A. Automatic firming time fence for production orders
- B. Capacity time fence
- C. Coverage time fence

D. Action message time fence

ANSWER: A

Explanation:

Automatic firming time fence for production orders is correct. Automatic firming settings on a master plan define which planned orders are automatically firmed during a planning run. Setting the production-order automatic firming time fence to five days causes qualifying planned production orders within that period to be converted to production orders.

Orders outside the configured time fence remain planned orders for planner review. This provides control over near-term production commitments while preserving flexibility for longer-term demand. See [Automatic firming](#).

QUESTION NO: 18

You need to configure the system to meet the order requirements for unscented cleaning solution. Which three actions should you perform? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Configure the ingredient as a restricted and regulated product.
- B. On the inventory management parameters, set the value for the Print Product Safety Data Sheet and Prevent Sales Pack Slip/Invoice Posting to TRUE
- C. Add the ingredients for unscented cleaning solution to a regulated products inclusion list
- D. Ensure that the PSDS file is active and within the expiration date requirements.
- E. In Document Handling, associate the PSDS file with the PSDS record and set restriction field set to Internal

ANSWER: A B C

Explanation:

Configure the ingredient as a restricted and regulated product so that Supply Chain Management identifies it as a product subject to product-compliance processing. This classification is the foundation for applying restricted-product controls to an ingredient used in the cleaning-solution formulation. Add the ingredients for unscented cleaning solution to a regulated products inclusion list to define the countries or regions in which those ingredients are regulated. The inclusion list supplies the regional scope that lets the application evaluate and apply the appropriate compliance requirements when the finished product is sold or distributed.

On the inventory management parameters, set the value for the Print Product Safety Data Sheet and Prevent Sales Pack Slip/Invoice Posting to TRUE. These settings enable the safety-data-sheet workflow during sales fulfillment and can prevent packing-slip or invoice posting when the required product safety data sheet cannot be provided. Together, the product classification, regional inclusion-list configuration, and sales-document safety controls ensure that the cleaning solution is treated appropriately as a regulated product and that required safety information is handled during order processing. Microsoft describes the regional setup in [Restricted and regulated product regional lists](#) and the fulfillment behavior in [Product safety data sheets](#).

QUESTION NO: 19

You are responsible for product and formula maintenance for a paint manufacturer. You create a formula for white paint and add its lines.

When the formula size increases or an ingredient changes, the quantity of the pigment ingredient must be adjusted proportionately.

You need to set up the formula line for the pigment.

Which formula feature should you use?

- A. Pegged supply
- B. Step consumption
- C. Scalable
- D. Variable

ANSWER: C

Explanation:

Scalable is the appropriate formula-line feature because it makes the ingredient quantity scale proportionately when the formula's production quantity changes. For a paint formula, pigment is normally maintained as a defined ratio of the total batch. Marking the pigment line as scalable preserves that ratio whether production is planned for the standard formula quantity, a larger batch, or a smaller batch. Dynamics 365 Supply Chain Management then calculates the required pigment quantity from the formula quantity and the requested batch quantity, helping ensure consistent color, expected material usage, and reliable planning and costing.

This setting is particularly important in process manufacturing, where formulas define the ingredients and quantities used to produce a batch of a formula item. A scalable line represents a quantity that should vary with the batch size rather than remain a constant amount. The setup therefore directly meets the requirement that pigment consumption be adjusted proportionately as the white-paint formula size changes. See Microsoft's guidance on [process manufacturing production formulas](#) and [batch orders](#).

QUESTION NO: 20

CASE STUDY

This is a case study. Case studies are not timed separately. You can use as much exam time as you would like to complete each case.

However, there may be additional case studies and sections on this exam. You must manage your time to ensure that you are able to

complete all questions included on this exam in the time provided.

To answer the questions included in a case study, you will need to reference information that is provided in the case study. Case studies might

contain exhibits and other resources that provide more information about the scenario that is described in the case study. Each question is

independent of the other questions in this case study.

At the end of this case study, a review screen will appear. This screen allows you to review your answers and to make changes before you

move to the next section of the exam. After you begin a new section, you cannot return to this section.

To start the case study -

To display the first question in this case study, click the Next button. Use the buttons in the left pane to explore the content of the case study

before you answer the questions. Clicking these buttons displays information such as business requirements, existing environment, and

problem statements. If the case study has an All Information tab, note that the information displayed is identical to the information displayed

on the subsequent tabs. When you are ready to answer a question, click the Question button to return to the question.

Background -

Fabrikam Inc. is a manufacturer of sanitation cleaning solutions and equipment including carpet/floor cleaners, pressure washers, scrubbers

and vacuums.

Fabrikam Inc. is a single legal entity based in New York city.

Current environment. Products manufactured

Cleaning equipment -

floor cleaner

pressure washers

scrubbers

vacuums

Liquid cleaning solutions -

No scent -

Orange scent (subcontracted to a vendor named VendorA)

Pine scent (subcontracted to a vendor named VendorA)

The production quantity for the finished unscented liquid cleaning solution is 40-liters. IngredientC for unscented liquid cleaning solution is

stored in inventory in 50-liter barrels and allocated in 50-liter increments. Two barrels of IngredientC are used to produce a barrel of

unscented liquid cleaning solution.

Current environment. Production sites

The Eastern United States facility manufactures equipment.

The Western United States facility manufactures liquid cleaning solutions.

Raw materials and finished products are stocked at the warehouse and distributed from the warehouse.

Current environment. Warehouse facilities

The warehouse consists of the following zones:

Zone	Description
1	This zone stores parts and material for manufacturing machine equipment and finished products. It consists of four aisles, five shelves, and 20 bins.
2	This zone stores barrels of liquid raw material and finished products. It consists of five aisles and 20 shelves.

Requirements. Cleaning equipment manufacturing

You identify the following requirements for manufacturing cleaning equipment:

Production is Make to Stock and must be scheduled at an operational level.

Machine equipment is produced on an assembly line. Scheduling must be based on production orders.

Finished products must be packaged and shipped directly from the warehouse.

To reduce delivery times and excess inventory, equipment must be produced as needed.

The ability to schedule production must be based on resource capacity and the availability of required materials.

Production order operations must be scheduled to start only when capacity and materials are available at the same time and in the required

quantities.

Requirements. Liquid cleaning solution manufacturing

Production is Make to Order and is scheduled at the job level. Products must be manufactured in batches.

Finished products must be packaged and shipped directly from the warehouse.

You must be able to calculate the estimated consumption of ingredients and ensure that the amount is divisible by the number of units the

raw material is available.

Formula changes must be reviewed and approved. You must ensure that approved formulas cannot be deleted or edited. Approved formulas

may be deactivated.

An ingredient used to manufacture unscented cleaning solution is defined as a restricted product. You must be able to automatically print a

product safety data sheet (PSDS) with the packing slip for any order that includes unscented cleaning solution.

Production must be scheduled to start by date and time according to the order that is specified by the production route.

You must implement a scheduled Kanban rule that meets the following requirements:

Prevent overloading a work cell for scheduled Kanbans.

Visualize excess inventory in a supermarket.

Store products in supermarkets before they are consumed or shipped.

You must link relevant financial dimension data to the inventory transactions at each site to ensure that you can trace profit and loss figures

directly to East site and West site respectively.

You must set up production operations for sub-contracting of Pine scent and Orange scent solution to VendorA to ensure that a purchase

order is automatically created based on estimation of a production order.

Requirements. Costing -

The price of raw materials used for manufacturing unscented cleaning solution must be tracked based upon commodity exchange pricing. The

margin and cost multiplier must be set up for commodity traded raw material.

You must set up cost calculation groups to ensure that indirect costs that originate in the manufacturing of finished goods are recognized and

absorbed into the product cost.

The production manager needs to set up picking list journals and BOM item consumption.

Requirements. Reporting -

Production control parameters must be setup for reporting of automatic BOM and Route consumption.

You must create reports that include information about cost records and categories for items, and calculation formulas for indirect costs.

You must treat manufactured items as purchased items for cost roll-up purposes during BOM calculations and reporting.

You must configure automatic route consumption in connection with the automatic running of Report as finished.

Requirements. Inventory control -

You must not be required to track the lot number for items when you enter inventory information into the system. Lot numbers for items must

be entered when items are picked from inventory.

Issues -

Users report the following issues:

The production manager observes that items are being deducted from inventory two times on production jobs. A shop supervisor mistakenly

registers the process for assembling batteries for the pressure washers to Registered as prepared. You must reschedule the process for a

future date.

Customer1 orders 20 barrels of unscented solution. The order is confirmed. Production must be scheduled to start on December 21 to meet

the customers delivery deadline.

User2 reports that costs for manufactured items are twice as high as expected.

User1 reports that the formula for the liquid cleaning solution sometimes changes during production. You must enforce the policies regarding

formula editing for current and future use.

You need to configure production control parameters for liquid cleaning solution manufacturing.

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. Select the Block editing option only.
- B. Select the Block removal of approval option for the formula.
- C. Select Block editing and approve the formula.
- D. Require an electronic signature when the formula is approved.

ANSWER: A B

Explanation:

Formula approval is the governance control used in process manufacturing to ensure that a formula and its formula versions are reviewed before they can be used operationally. Selecting the Block editing option only enforces protection of approved formula records, so users cannot alter the defined ingredients, quantities, or other formula details after approval. This directly supports the requirement that the approved definition remains unchanged while production is in progress or while the formula remains valid.

Selecting the Block removal of approval option for the formula is also a complete protection method. It prevents a user from bypassing the approval control by removing an existing approval status and then changing the formula. The organization can therefore preserve the approved record as the controlled manufacturing specification. When a formula is no longer needed, it can be deactivated without changing its approved content, maintaining the required historical and operational control.

Dynamics 365 Supply Chain Management uses formulas and formula versions as the process-manufacturing structures that specify batch ingredients and quantities. Approval and activation status determine whether those definitions are available for production planning and execution. See [Microsoft Learn: Formula and formula versions](#) and [Microsoft Learn: Bills of materials and formulas](#).

QUESTION NO: 21

You need to configure production control parameters for liquid cleaning solution manufacturing. 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. Require an electronic signature when the formula is approved.
- B. Select Block editing and approve the formula.
- C. Select the Block removal of approval option for the formula
- D. Select the Block editing option only.

ANSWER: B C

Explanation:

Select Block editing and approve the formula. is a complete formula-governance approach for process manufacturing. Liquid cleaning solution is typically managed as a formula item, where maintaining the integrity of ingredients, quantities, and associated process details is essential. After a formula is approved, enabling Block editing prevents uncontrolled modifications to its formula lines and related setup. Approval establishes the controlled, usable state of the formula, while the editing block protects that approved definition from being changed directly.

Select the Block removal of approval option for the formula provides another production-control safeguard. This parameter prevents users from removing a formula's approval status simply to bypass the protections that apply to approved formulas. It supports formal change control by ensuring that an approved formula remains protected and that changes follow the organization's established review and approval process. Together, these settings help preserve consistent manufacturing recipes and support traceability in formula-based production.

Microsoft describes how formulas and formula versions are used and approved in process manufacturing in [Formulas and formula versions](#). For broader context on formula-based operations, see [Process manufacturing production and logistics](#).

QUESTION NO: 22

A company uses Dynamics 365 Supply Chain Management for its accounts receivable and accounts payable operations.

The company must issue payments to customers based on the sales quantities invoiced over a specific period. A record must be labeled as Pending review when it is generated before anything else is done to the record.

You need to configure the system to apply this labeling functionality to records.

Solution: Create a workflow status. Assign the first step as a review step with the second steps being to approve and post the status.

Does the solution meet the goal?

- A. Yes
- B. No

ANSWER: B

Explanation:

No is correct. The requirement concerns rebate claims, which can be generated from qualifying invoiced sales quantities and then used in the customer payment or settlement process. A workflow design does not itself define the initial lifecycle status of a newly generated claim merely by adding review, approval, and posting activities. Workflow processing starts when the applicable document is submitted to its configured workflow; it is not a general-purpose mechanism for assigning a status at record creation. To ensure generated rebate-related records are held for review before downstream processing, the organization must configure the appropriate rebate claim processing and workflow behavior for the relevant rebate management process, including the workflow type and submission/approval controls. The claim's processing status and its workflow state must be managed through the supported rebate claim configuration rather than through a custom sequence described as a "workflow status." This distinction is important because approval and posting are controlled business events, while the requested Pending review label is an initial state that must be established by the rebate claim process and its supported workflow integration. Microsoft's rebate management overview describes how rebates are calculated from

customer transactions and processed through claims. Microsoft's workflow documentation explains that workflows route submitted documents through defined approval processes. See [Rebate management overview](#) and [Workflow system overview](#).

QUESTION NO: 23

CASE STUDY

This is a case study. Case studies are not timed separately. You can use as much exam time as you would like to complete each case.

However, there may be additional case studies and sections on this exam. You must manage your time to ensure that you are able to

complete all questions included on this exam in the time provided.

To answer the questions included in a case study, you will need to reference information that is provided in the case study. Case studies might

contain exhibits and other resources that provide more information about the scenario that is described in the case study. Each question is

independent of the other questions in this case study.

At the end of this case study, a review screen will appear. This screen allows you to review your answers and to make changes before you

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To start the case study -

To display the first question in this case study, click the Next button. Use the buttons in the left pane to explore the content of the case study

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The ability to schedule production must be based on resource capacity and the availability of required materials.

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quantities.

Requirements. Liquid cleaning solution manufacturing

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directly to East site and West site respectively.

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order is automatically created based on estimation of a production order.

Requirements. Costing -

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Production control parameters must be setup for reporting of automatic BOM and Route consumption.

You must create reports that include information about cost records and categories for items, and calculation formulas for indirect costs.

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Requirements. Inventory control -

You must not be required to track the lot number for items when you enter inventory information into the system. Lot numbers for items must

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Issues -

Users report the following issues:

The production manager observes that items are being deducted from inventory two times on production jobs. A shop supervisor mistakenly

registers the process for assembling batteries for the pressure washers to Registered as prepared. You must reschedule the process for a

future date.

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the customers delivery deadline.

User2 reports that costs for manufactured items are twice as high as expected.

User1 reports that the formula for the liquid cleaning solution sometimes changes during production. You must enforce the policies regarding

formula editing for current and future use.

You need to configure the system to meet the order requirements for unscented cleaning solution.

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

NOTE: Each correct selection is worth one point.

- A. Configure the ingredient as a restricted and regulated product.
- B. On the inventory management parameters, set the value for the Print Product Safety Data Sheet and Prevent Sales Pack Slip/Invoice Posting to TRUE.
- C. Add the ingredients for unscented cleaning solution to a regulated products inclusion list.
- D. Ensure that the PSDS file is active and within the expiration date requirements.
- E. In Document Handling, associate the PSDS file with the PSDS record and set restriction field set to Internal.

ANSWER: B C D

Explanation:

Automatic PSDS output requires both product-compliance setup and a valid safety-data-sheet record. Adding the ingredients for unscented cleaning solution to a regulated products inclusion list identifies the materials that bring the manufactured solution within the regulated-product compliance process. This establishes the compliance relationship needed to manage safety information for the resulting product and its sales transactions.

In Inventory management parameters, setting *Print Product Safety Data Sheet* and *Prevent Sales Pack Slip/Invoice Posting* to TRUE enables the required operational behavior. Supply Chain Management prints the applicable PSDS when the packing slip is posted and prevents sales-document posting when the required safety documentation cannot be provided. This directly enforces the requirement that a PSDS accompany orders containing unscented cleaning solution.

Finally, the PSDS file must be active and valid for its configured effective and expiration dates. Only an available, current PSDS can be selected and printed as the compliance document during sales packing-slip processing. Maintaining validity ensures the document delivered with the order remains the approved safety information. Microsoft describes PSDS setup, validity, and printing behavior in [Product safety data sheets](#) and the related regulated-product configuration in [Product compliance](#).

QUESTION NO: 24

A company plans to use master planning in Dynamics 365 Supply Chain Management. The company will sell items between legal entities.

The company has several facilities across legal entities that can manufacture the same products. Same products are produced only in some plants. To meet product demand, when one facility is over capacity, another facility is used to fulfill the downstream demand.

The organizational entities are:

LegalEntityA: Plant 1,2, and 3

LegalEntityB: Plant4and 5

LegalEntityC: Plant 6. 7, and 8

The following plants must be planned together:

Plant 1. Plant 3. and Plant 4

Plant 2. Plant 6. and Plant 8

Plant 5 and Plant 7

You need to configure master planning for the facilities. Which configuration mechanism should you use?

- A. Production groups
- B. Item model groups
- C. Coverage groups
- D. Intercompany planning groups

ANSWER: D

Explanation:

Intercompany planning groups are the appropriate mechanism because the requirement involves planning supply and demand across legal-entity boundaries. In Dynamics 365 Supply Chain Management, each legal entity ordinarily runs its own planning process. However, when items are sold between companies, demand generated in a downstream company can require supply to be planned in an upstream company. An intercompany planning group identifies the legal entities that participate in a coordinated master-planning run and defines their planning sequence.

This coordinated process enables master planning to process intercompany demand and supply relationships in the relevant order. Consequently, planned intercompany purchase orders and planned intercompany sales orders can be created or updated in a way that reflects the connected companies' requirements. This is essential where plants belonging to different legal entities contribute to fulfillment and production can shift among available facilities. The configuration supports the company-level intercompany relationships through which the facilities trade, while the applicable item, coverage, warehouse, and production settings determine the detailed supply planning within each company.

Microsoft describes how intercompany planning groups are used to run master planning for multiple companies and specifies the setup and sequencing considerations in [Intercompany planning](#). For the broader role of master planning in calculating net requirements and generating planned orders, see [Master planning overview](#).

QUESTION NO: 25

You are the lead product design manager at a Process manufacturing plant.

A formula that produces egg yolks as a by-product. This by-product is added back into inventory at standard cost and can be used in other

production batches.

You need to select the by-product cost allocation.

Which cost allocation type should you use?

- A. Per series
- B. Percent
- C. Recycled
- D. Per quantity

ANSWER: C

Explanation:

Recycled is the appropriate cost allocation type because the egg yolk by-product is received into inventory at its standard cost and is intended for consumption as an input in future production batches. In process manufacturing, recycled by-products represent outputs that are recovered during production and returned to stock for subsequent use. The Recycled allocation method is designed for this situation: the by-product is assigned its active standard cost, and that value is credited against the cost of the originating batch order. This lets the organization recognize the inventory value of the recovered egg yolk when it is produced, while ensuring that the material can later be issued to another batch in the same manner as other stocked ingredients. Standard costing therefore remains consistent across both the batch that creates the egg yolk and any later batch that consumes it. This setup is especially useful when an output is not simply disposed of or sold independently, but is deliberately recovered as a reusable production material. Microsoft's process-manufacturing guidance describes by-products as formula outputs and identifies the available cost-allocation approaches, including the approach for recycled material. See [By-products and co-products](#) and [Set up co-products and by-products](#).

QUESTION NO: 26

You work for a gem wholesaler that sells raw diamonds. Diamonds are purchased and sold in individual boxes but weighed and inventoried in carats.

You are setting up a catch weight item for diamonds. Each box of diamonds must be tracked by its individual container weight.

You need to set up this item as a full visibility catch weight item.

Which two steps must you perform? Each correct answer presents part of the solution. NOTE: Each correct selection is worth one point.

- A. Assign the item a Tracking dimension group with active serial number control
- B. Assign it a Serial number group with per qty. defined as 1.
- C. Assign a Tracking dimension group with batch number as the only active tracking dimension.
- D. Create an inter-class unit of measure conversion between boxes and carats.

ANSWER: A B

Explanation:

Full visibility catch weight processing is designed for products for which the precise catch weight must remain associated with each individual physical unit. For boxed diamonds, the box is the physical unit and its actual weight in carats can differ from that of other boxes. Activating serial number control in the item's tracking dimension group provides the required individual-level identity, so inventory transactions can distinguish one diamond box from another and retain the exact catch weight associated with that box.

The item must also have a serial number group whose *Per qty.* value is set to 1. This configuration requires a distinct serial number for every one unit of the inventory unit, which in this scenario means one serial number per box. Together, serial tracking and the one-per-quantity serial-number setup enable the full-visibility catch weight policy to preserve and trace container-specific carat quantities throughout inventory handling and transactions. Microsoft's catch weight documentation describes full visibility as the policy used when catch weight must be tracked for individual inventory units, and its serial-number documentation explains how serial number groups control serial assignment per quantity. See [Catch weight processing](#) and [Serial numbers](#).

QUESTION NO: 27

A company produces paints and assembles bicycle frames.

You must account for paint drying time before assembly operations can begin.

You need to set up the operation to encompass queue times.

Which two options can you use? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

- A. Build capabilities for each resource related to color.
- B. Enter a value in the queue time after field for the painting operation.
- C. Enter a value in the transit time on the painting operation.
- D. Make a resource group for each size and color and assign that group to the operation.
- E. Enter a value in the queue time before field for the assembly operation.

ANSWER: B E

Explanation:

Enter a value in the queue time after field for the painting operation and enter a value in the queue time before field for the assembly operation. Both settings model elapsed, nonproductive time between two consecutive production activities: painting and frame assembly. Drying does not ordinarily require an employee or machine to actively process the item, but it must be included in the production schedule so that the next operation is not scheduled to start prematurely.

Queue time after on the painting operation represents time required after that operation is completed. It can therefore reserve the necessary drying interval before work proceeds to assembly. Queue time before on the assembly operation represents waiting time before assembly starts, so it can also represent the same drying requirement at the receiving operation. The business can use the timing convention that best fits how it maintains routing data, while ensuring that the drying time is included only once for the transition. These route-time values participate in scheduling calculations and help provide realistic operation start and completion dates. Microsoft documents queue time as one of the route operation time components and describes how route operations define production processing and scheduling. See [Routes and operations](#) and [Route groups](#).

QUESTION NO: 28

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 implements Dynamics 365 Supply Chain Management and configures the system to support process manufacturing.

The company manufactures pain-relieving lotions. Several of the primary ingredients are delivered at different concentrations depending on the ingredient and vendor. Ingredient A is the primary active ingredient in the lotion. IngredientB is used as a compensating ingredient.

You need to ensure that the system is set up to support the manufacturing process.

Solution: Create a dimension-based product with configurations. Use a price model to calculate the different configurable option costs.

Does the solution meet the goal?

- A. Yes
- B. No

ANSWER: B

Explanation:

No is correct. The requirement concerns process manufacturing in which an ingredient's actual concentration or potency can vary by received batch and supplier. Supply Chain Management supports this through process-manufacturing formulas, batch attributes, and active-ingredient functionality. A formula specifies the process ingredients and planned quantities.

Batch attributes can record characteristics of a specific inventory batch, including a concentration or potency value. When the primary material is managed as an active ingredient, the system can calculate the quantity needed from the batch's measured potency. It can also use a compensating ingredient to maintain the intended formula balance when the consumed quantity of the active ingredient changes.

Therefore, the appropriate setup is based on formula and batch-controlled ingredient data, rather than product configurations and configurable-option pricing. Product dimensions and configuration price models are intended to model selectable product variants and their prices; they do not provide the potency-based consumption adjustment needed for variable-strength chemical or pharmaceutical ingredients. For implementation details, see Microsoft's documentation on [formulas and formula versions](#) and [batch attributes](#).

QUESTION NO: 29

You need to resolve the issue for UserB.

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. Set up configuration and weight for partial visibility.
- B. Create a product master with predefined variants for ounces and boxes.
- C. Set up configuration and weight for full visibility.
- D. Create a catch weight item.

ANSWER: C D

Explanation:

Set up configuration and weight for full visibility. is correct when the business process requires the actual catch-weight quantity to be visible and managed throughout warehouse operations. Full visibility supports capture and tracking of both the inventory quantity, such as boxes or pieces, and the variable catch-weight quantity, such as ounces or pounds, at the operational points where that detail is needed. This configuration provides users with the weight information required to process variable-weight goods accurately.

Create a catch weight item. is also correct because catch-weight functionality is designed for products whose physical units have variable weights. A catch-weight item maintains an inventory unit alongside a catch-weight unit, enabling transactions to reflect both the number of units and their actual measured weight. This supports purchasing, inventory, warehouse handling, sales, and shipment scenarios in which a fixed conversion between units is not sufficiently accurate. Microsoft documents the warehouse processing model and the required item setup for these products in [Catch weight product processing with warehouse management](#) and describes product setup concepts in [Product information overview](#).

QUESTION NO: 30 - (SIMULATION)

A manufacturing company is implementing Dynamics 365 Supply Chain Management.

You have a bill of materials (BOM) for each finished good. Finished goods may have subcontracted operation steps.

When a user views a BOM for a finished good, the finished good must be exploded automatically.

You need to configure the BOM lines.

What should you configure? To answer, drag the appropriate configurations to the correct requirements. Each configuration 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 BOM line **Type** values as follows:

Subcontracted operation step → **Vendor**. Use a vendor-type BOM line for the item/service that is provided by the subcontractor.

Automatically explode the finished good BOM → **Phantom**. A phantom BOM line is automatically exploded, so its component lines are used rather than creating separate supply for the phantom item.

Therefore, drag **Vendor** to the subcontracted-operation requirement and **Phantom** to the automatic-explosion requirement.

QUESTION NO: 31

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.

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A manufacturing plant uses Lean processes. You plan to outsource a painting operation to a subcontracting vendor. You create a service item named SP 01 to represent the painting service. You need to create a subcontracting activity for the painting service.

Solution:

Create a vendor warehouse for the subcontracting vendor.

Create a vendor resource and add it to a new work cell for outsource painting.

Create a production flow transfer activity and specify the vendor warehouse as The target warehouse.

Does the solution meet the goal?

A. Yes

B. No

ANSWER: B

Explanation:

No is correct. In Lean manufacturing, an outsourced operation must be represented by a subcontracting process activity in the production flow. The activity is assigned to a work cell that includes the vendor resource, and the service item, SP 01, is used to represent and procure the vendor's painting service. A vendor warehouse can be part of the broader setup when material is sent to or received from the subcontractor, but it does not itself model the outsourced operation.

The proposed configuration creates a production flow transfer activity with the vendor warehouse as its target. Transfer activities model the movement of material or products between activities, locations, or warehouses. They do not perform processing, consume the subcontracting service item, or establish the vendor's painting work as a subcontracted manufacturing step. To meet the requirement, the production flow needs a process activity configured for subcontracting and linked to the vendor work cell; transfer activities can then be used where needed to reflect the physical material movement associated with that process.

Microsoft documents the setup and behavior of subcontracted Lean manufacturing operations at [Subcontracting in Lean manufacturing](#). For the distinction between process and transfer activities in production flows, see [Production flows and activities](#).

QUESTION NO: 32

CASE STUDY

This is a case study. Case studies are not timed separately. You can use as much exam time as you would like to complete each case.

However, there may be additional case studies and sections on this exam. You must manage your time to ensure that you are able to

complete all questions included on this exam in the time provided.

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contain exhibits and other resources that provide more information about the scenario that is described in the case study. Each question is

independent of the other questions in this case study.

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problem statements. If the case study has an All Information tab, note that the information displayed is identical to the information displayed

on the subsequent tabs. When you are ready to answer a question, click the Question button to return to the question.

Background -

A manufacturing company produces custom configured-to-order motorcycles. The company plans to implement Dynamics 365 Supply Chain

Management. The company contains one legal entity located in Missouri where all production and warehousing operations occur.

Customization options -

The custom motorcycles have a variety of selections that can be selected in the listed order by the end customer, including the following:

Selection order	Option	Values
1	Engine	Small = 0, large = 1
2	Color	black, green, orange, silver
3	Trim	standard, sport, legend
4	Seat	standard, MS, ML
5	Upgrade Packages	storage package, LED headlamp, custom chrome wheels

Current environment -

Customization restrictions -

The following restrictions on customizations are in place:

Green color can only be sold with the Legend Trim.

Orange color can be sold with the Sport or Legend Trim.

The ML seat must be included in the Legend package.

The MS seat must be included in the Sport package.

Manufacturing facilities -

The company includes the following manufacturing groups: Assembly and Plastic Molding. The Assembly group is responsible for assembling

the motorcycles with purchased and manufactured goods. The Plastic Molding group is responsible for manufacture of all plastic parts used

in the assembly area.

Motorcycle manufacturing -

The parts for the product assembly are picked from the warehouse and staged at the correct workstation by a warehouse operator for each

production order.

Plastic manufacturing -

Plastic parts are molded using dyes that create multiple parts at once. The parts are machined in the same production process to remove

excess plastic and add additional holes for assembly. Excess plastic is recycled back into the feedstock of the same color plastic chips for use

in the molding process.

Metal parts -

Raw metal parts are purchased fully machined but without primer or paint. The parts are subcontracted to a vendor for primer and paint based

upon the color requirements.

Facility -

The company has a single warehouse that supports both the assembly and plastic manufacturing areas. The warehouse consists of three

aisles with 15 bins and three shelves. The facility has no Wi-Fi capacity but has hardwired terminal stations throughout the assembly

production line

Transactions are currently completed by office staff. Raw materials transfer must support capacity constraints for paint and primer.

Requirements -

Sales orders -

The company has the following requirements for sales order:

During the configuration of a sales order, invalid combinations must be prevented.

Each configuration must create a unique bill of material (BOM) and Route based on options selected.

Sales pricing for the sales order must be based upon options selected.

Due to emissions regulations, the motorcycles cannot be sold to the state of California.

Motorcycle manufacturing -

The company has the following requirements for motorcycle manufacturing:

Schedule labor only at the labor pool level without machines by day.

Produce motorcycles within a scheduled day in any order.

Record actual production labor with start/stop times.

Record manager approval of labor entered prior to posting.

Post actual material consumption after production is finished.

Plastic manufacturing -

The company has the following requirements for motorcycle manufacturing

Schedule both labor and machines.

Adjust schedules by using a Gantt chart.

Backflush standard labor by operation.

Post actual material consumption at the start of production.

Track and allocate costs to the excess plastic.

Report multiple molded part numbers during the same production run.

Determine the correct mold to use on a production order.

Generate a batch number for each production order.

Metal parts -

The company has the following requirements for metal parts manufacturing:

Schedule shipments to the vendor for painting.

Receive painted parts into inventory from the vendor.

Track vendor inventory levels.

Defaults -

You must configure defaults for manufacturing execution production orders to meet the following requirements:

Ensure accuracy for production order pick list posting.

Ensure correct pick list creation.

Issues -

In the current system, the company cannot calculate overhead rates and determine the breakdown of material, labor, machine, and overhead

costs for production.

The company is manually calculating an 8% overhead on materials and posting a journal manually.

You need to configure the system for plastic operations.

Which two parts should be manually reported as finished? Each correct answer presents part of the solution.

NOTE: Each correct selection is worth one point.

A. unmachined plastic pieces

B. excess plastic

C. mold tooling

D. machined plastic pieces

ANSWER: B D

Explanation:

excess plastic and **machined plastic pieces** should be manually reported as finished. The machining operation produces the completed plastic components that are usable in motorcycle assembly. Reporting the machined plastic pieces as finished records the actual completed quantities in inventory and supports the stated requirement to report multiple molded part numbers from a single production run. It also provides the production output quantities needed for accurate costing and batch-controlled inventory transactions.

Excess plastic is a recoverable output because it is recycled into feedstock of the same color and the business specifically requires its costs to be tracked and allocated. In process manufacturing, recoverable outputs can be represented as by-products, allowing the organization to record the produced quantity and account for its cost or cost allocation rather than treating it as untracked waste. Manually reporting this output as finished ensures the recovered material is made available in inventory for later use while maintaining production-cost visibility. The Report as finished process posts output quantities and inventory transactions for production order outputs. Microsoft describes this process in [Report production orders as finished](#); process manufacturing support for co-products and by-products is covered in [Process manufacturing production and logistics](#).

QUESTION NO: 33

A company uses Dynamics 365 Supply Chain Management for its rebate management process.

The company must be able to generate calculated rebates for a deal that requires specific configurations. The calculated rebate configuration must account for the order in which purchases are calculated and include the following details:

- Document notes = Prenotes not yet calculated
- Include credit notes = Yes
- Vendor rebate basis = Purchase order
- Price basis = FIFO
- Calculation method = Rolling
- Paid invoices only = No

You need to run the very first process to ensure generation of the correct rebates. Which batch process should you run?

- A. Reimbursement
- B. Calculate FIFO purchase price
- C. Cost calculation details
- D. Create prenotes
- E. Rebate management

ANSWER: B

Explanation:

Calculate FIFO purchase price must run first because the deal's price basis is configured as FIFO. This process establishes the FIFO purchase-price results that rebate management needs before it can calculate the deal's eligible rebate amounts. FIFO means that purchases are evaluated in their chronological inventory-flow order; therefore, the applicable purchase price cannot reliably be derived until the FIFO purchase-price calculation has processed the relevant purchase transactions.

After those values are available, downstream rebate processing can create prenotes using the deal configuration, including its purchase-order vendor rebate basis, rolling calculation method, inclusion of credit notes, and the setting that invoices do not have to be paid. Running the FIFO calculation first is especially important for a rolling deal because each successive calculation must use the established sequence of purchase prices rather than an unordered or incomplete price basis. The resulting FIFO values provide the required foundation for accurate calculated rebates and prenotes.

For background on rebate deal configuration and rebate processing in Supply Chain Management, see [Rebate management overview](#) and [Create and manage rebate management deals](#).

QUESTION NO: 34

You need to configure the controller 's ModelB asset requirements for the off-season.

What should you do?

- A. Use the default functional location
- B. Create a functional location.
- C. Create a location profile.
- D. Create a location type.

ANSWER: B

Explanation:

Create a functional location. In Dynamics 365 Supply Chain Management Asset Management, a functional location represents the physical or logical place in which assets are operated, installed, maintained, or stored. It also provides the structure for defining the asset requirements applicable to that context. Creating an appropriate functional location for the controller ModelB off-season context lets the organization record the relevant asset requirement against the location and retain a clear relationship between the assets, their intended placement or use, and their maintenance history. Functional locations can be organized hierarchically, which supports a detailed representation of an organization's operational areas, storage areas, or equipment positions. Assets can then be installed at the applicable functional location, allowing maintenance processes and asset tracking to use the correct location context throughout the off-season. This approach supports traceability when the controller is moved back into service later, because the functional-location and asset-installation history remains available in Asset Management. Microsoft's guidance describes functional locations as the objects used to structure and manage the locations in which assets are installed or used. See [Introduction to functional locations](#) and [Create functional locations](#).

QUESTION NO: 35

A company produces paints and assembles bicycle frames.

You must account for paint drying time before assembly operations can begin.

You need to set up the operation to encompass queue times.

Which two options can you use? Each correct answer presents part of the solution. NOTE: Each correct selection is worth one point.

- A. Build capabilities for each resource related to color.
- B. Enter a value in the queue time after field for the painting operation.
- C. Enter a value in the transit time on the painting operation.
- D. Make a resource group for each size and color and assign that group to the operation.
- E. Enter a value in the queue time before field for the assembly operation.

ANSWER: B E

Explanation:

Enter a value in the queue time after field for the painting operation. correctly represents the time during which the painted item remains at the painting operation after processing has finished. This allows the paint-drying interval to be included in the production route and considered by scheduling before the item is available to proceed to assembly. Queue time after is an operation-time component used to model wait time following completion of an operation.

Enter a value in the queue time before field for the assembly operation. is also correct because the same drying interval can be maintained as the wait required immediately before assembly begins. Queue time before represents the time a job

waits at the resource before the operation is processed. When applied to assembly, it prevents assembly from being scheduled to start until the required drying time has elapsed. The appropriate placement can depend on whether the organization owns the timing rule as part of painting completion or as an assembly prerequisite. Both fields enable the route to reflect the required production timing. For details, see [Routes and operations](#) and [Operation scheduling](#).

QUESTION NO: 36

You need to configure production operations for the pine and orange scent solutions. Which three actions should you perform? Each correct answer presents part of the solution. NOTE: Each correct selection is worth one point.

- A. Configure the inventory policy for the item model group to set the value of the Stocked product option to Yes.
- B. Use a purchase agreement as a service agreement.
- C. Allocate subcontracted work in its own cost breakdown block.
- D. Configure a costing resource and requirement to point to a Vendor type resource.
- E. Configure the BOM line to be of type Vendor and associate the corresponding vendor account.

ANSWER: C D E

Explanation:

Subcontracted production in Dynamics 365 Supply Chain Management requires the external operation to be modeled in both the production route and the bill of materials. “Configure a costing resource and requirement to point to a Vendor type resource” establishes that the operation is performed by an external vendor. This allows route scheduling, estimation, and operation costing to use the vendor-backed resource for the subcontracted step.

“Configure the BOM line to be of type Vendor and associate the corresponding vendor account” connects the subcontracted service or supplied item to the vendor that will perform the work. This setup supports creation of purchasing demand for the external work and ensures the subcontracted cost is incorporated into the production order.

“Allocate subcontracted work in its own cost breakdown block” provides separate visibility of outsourced processing costs in the costing sheet. A dedicated direct-outsourcing or subcontracting cost breakdown makes the external service cost distinguishable from direct material and internal manufacturing costs when calculating and analyzing manufactured-item costs. Together, these configurations support purchasing, production control, resource planning, and accurate production costing for the scent solutions. See [Subcontracting in Dynamics 365 Supply Chain Management](#) and [Costing sheets](#).

QUESTION NO: 37

Note: This question is part of a series of questions that present the same scenario. Each question in the series contains a unique solution. Determine whether the solution meets 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 manufacturing company has a new speaker that is available with standard and premium carbon fiber options.

For the premium option, speakers are made to order. Customers can choose from seven product attributes at different prices.

You need to create and configure the product and pricing for the new speaker.

Solution: Create a constraint-based product with configurations. Use a price model to calculate the different configurable option costs.

Does the solution meet the goal?

- A. Yes

B. No

ANSWER: A

Explanation:

Yes is correct. A constraint-based product configuration model is designed for made-to-order products where users select values for multiple product characteristics and the system must validate that the resulting combination is permitted. For the premium speaker, the seven customer-selectable attributes can be modeled as configuration attributes with their allowed values. Constraints can then be applied to ensure that only valid attribute combinations are configured. The configuration model is assigned to a product master that uses constraint-based configuration technology, allowing the configuration to be selected during relevant business processes such as sales order entry and production.

A price model directly addresses the requirement that selectable options have differing prices. In Dynamics 365 Supply Chain Management, price models can use price components associated with attributes and selected attribute values, as well as configurable subcomponents, BOM items, and route operations. During configuration, these components are evaluated to calculate the sales price of the configured item. This enables each premium material or feature selection to add its appropriate amount to the speaker's configured price, rather than relying on a fixed price for every possible combination. Microsoft documents the configuration-model capability in [Product configuration overview](#) and pricing setup in [Set up price models](#).

QUESTION NO: 38

A manufacturing company uses time and attendance in Dynamics 365 Supply Chain Management.

An employee discovers an error after a time and attendance record is approved and transferred. The payroll transfer has not been run.

However, the time has been posted against the production order.

You need to reverse the transferred registrations.

What happens to the production order time posting?

- A. The Production Report as Finished journal is posted.
- B. Negative values are offset through manual posting.
- C. The production order is ended.
- D. Transactions are offset and neutralized.

ANSWER: D

Explanation:

Transactions are offset and neutralized. When transferred time and attendance registrations are reversed before they have been included in a payroll transfer, Dynamics 365 Supply Chain Management creates reversal transactions for the registrations. If the original registration was posted to a production order, the associated production time transaction is not erased or silently edited. Instead, the system posts an offsetting transaction that reverses the operational and financial effect of the original time posting. The combined original and reversal entries therefore have a net-zero effect on the production order's recorded time and related costs.

This approach maintains a complete audit trail: users can see both the original transferred registration and the corrective reversal. It also allows the employee's time to be corrected and then processed through approval and transfer again, while preserving traceability for production activity and costing. The fact that payroll transfer has not run is important because the transferred registration remains eligible for this reversal process. Microsoft documents the approval, transfer, and reversal lifecycle for registrations in its guidance on [time and attendance registrations](#) and [approving and transferring registrations](#).

QUESTION NO: 39

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 client subcontracts production work to a vendor for production operations.

You need to model subcontracting of route operations in production orders.

Solution: Ensure that material routing process is independent of the services procurement process.

Does the solution meet the goal?

A. Yes

B. No

ANSWER: B

Explanation:

No is correct. In Dynamics 365 Supply Chain Management, subcontracting a production route operation requires an integrated production and procurement design, rather than separation of material routing from service procurement. The subcontracted activity is represented by a route operation that uses a vendor resource or vendor resource group. The operation is associated with a service item that represents the work purchased from the subcontractor. This setup enables the system to generate and maintain the purchase-order demand for the service in connection with the applicable production order and route operation.

The relationship is important because the external operation must remain part of the end-to-end production process. It allows the production order to account for the vendor-performed operation in scheduling, operation progress, inventory handling where applicable, and production cost calculation. Treating routing and service procurement as independent processes removes the required operational linkage and therefore does not model production-order route subcontracting. Microsoft's subcontracting guidance describes vendor-based operations and the service procurement relationship used for outsourced production work. For more information, see [Subcontracting in production](#) and [Routes and operations](#).

QUESTION NO: 40

You are using the manufacturing execution module in Dynamics 365 Supply Chain Management.

License plate labels must be printed for products in the Report as finished step.

You need to use the manufacturing execution functionality that meets this requirement.

What should you use?

A. Operations schedules

B. Job card terminal

C. Load planning workbench

D. Report BOMs as finished

ANSWER: B

Explanation:

Job card terminal is the appropriate manufacturing execution functionality because it provides the shop-floor worker experience for recording production-job activity, including the Report as finished registration. Workers use this interface to register the quantity completed against a production job, and the Report as finished process creates the finished-goods inventory transactions. When the relevant warehouse and label-printing setup is in place, the finished output can be associated with license plates and license plate labels can be printed as part of that reporting flow. This makes the job card terminal suitable when label printing must occur at the operational point where a worker reports manufactured products as finished, rather than as a separate planning or post-processing activity. The capability aligns with manufacturing execution's purpose: enabling workers to perform and register production operations directly on the shop floor. Microsoft documents the production floor execution experience, including job registration and production reporting, at [Production floor execution overview](#). Microsoft also describes the inventory and output processing performed by the Report as finished operation at [Report production orders as finished](#).

QUESTION NO: 41 - (HOTSPOT)

HOTSPOT

You need to resolve the issue for UserE.

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

NOTE: Each correct selection is worth one point.

Requirement	Configuration option
Create the cost.	Define the Cost basis.
Update the formula.	Create Active Cost.
	Use a Calculated FIFO tier.
	Define the Cost basis.
	Use a BOM calculation.
Update the formula.	Commodity Pricing Calculation
	Commodity Pricing Calculation
	Default Cost Price
	Inventory Recalculation

ANSWER:

Requirement	Configuration option
Create the cost.	Define the Cost basis.
Update the formula.	Create Active Cost.
	Use a Calculated FIFO tier.
	Define the Cost basis.
	Use a BOM calculation.
Update the formula.	Commodity Pricing Calculation
	Commodity Pricing Calculation
	Default Cost Price
	Inventory Recalculation

Explanation:

To create the cost, use **Define the Cost basis**. A cost basis establishes the source and method that Dynamics 365 Supply Chain Management uses when commodity-related costs are derived for items. This setup is necessary when ingredient or material costs must be calculated from commodity pricing data instead of relying only on a manually maintained standard cost. It provides the costing framework needed for the system to determine the appropriate cost values before those values are used in formula calculations.

To update the formula, use **Commodity Pricing Calculation**. This process applies the established commodity pricing and cost-basis information to the formula's ingredients, so the formula cost reflects the applicable commodity price data. It is the appropriate process for refreshing formula-related costs when commodity prices or the related cost basis changes. Using commodity pricing calculation keeps the cost of the formula aligned with the configured pricing logic and supports process manufacturing scenarios in which materials are subject to changing market prices.

Microsoft documents commodity pricing as a Cost management capability that can calculate and maintain costs based on configured commodity pricing information. Formula and ingredient structures are also core process-manufacturing records used in cost calculations. See [Commodity pricing in Dynamics 365 Supply Chain Management](#) and [Bills of materials and formulas](#) for the related product and costing concepts.

QUESTION NO: 42

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 manufacturing company produces electronic components and devices.

The company has scheduling issues related to using working time calendars in manufacturing.

You need to ensure that the working time calendar is used when manufacturing jobs are scheduled.

Solution: Enable automatic consumption of run time.

Does the solution meet the goal?

A. Yes

B. No

ANSWER: B

Explanation:

No is correct. Enabling automatic consumption of run time controls production-time reporting and posting behavior; it does not determine the calendar logic used to calculate manufacturing job dates and times. Run-time consumption represents the time recorded against a production route operation, and automatic consumption can post that time without requiring separate manual reporting. This setting therefore concerns how operational time is consumed and registered during production execution.

Working-time calendar use is instead part of production scheduling. In Dynamics 365 Supply Chain Management, job scheduling schedules individual jobs according to the available capacity of the assigned operations resources. The scheduling engine uses the working times, holidays, and capacity defined through the resource's calendar and capacity configuration when it calculates job start and end times. Ensuring that a manufacturing job respects working time requires the appropriate operations-resource, calendar, route, and scheduling configuration—not automatic posting of run time.

Microsoft's production scheduling guidance explains that job scheduling accounts for operations-resource capacity and available working time. The operations-resource documentation also describes how calendars define working times for resources used in production. See [Production scheduling](#) and [Operations resources](#).