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Oracle E-Business Suite R12 Project Essentials

Oracle 1z0-511

Version Demo

Total Demo Questions: 13

Total Premium Questions: 133

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Topic Break Down

Topic	No. of Questions
Topic 1, Project Foundation	31
Topic 2, Project Costing	47
Topic 3, Project Billing	46
Topic 4, Project Management	1
Topic 5, Project Resource Management	5
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Total	133

QUESTION NO: 1

A customer has two operating units: US and Ireland. A project that is set in the Ireland operating unit requires the services of employees from the US operating unit.

Identify three mandatory steps that must be completed for the employees in the US to enter their time on the project and for costs to be successfully distributed.

A. Set up Internal Billing Implementation options in US and Ireland.

B. Define provider controls in US and receiver controls in Ireland.

C. Setup a new transaction source to receive Intercompany transactions in Ireland.

D. For the project in Ireland, select "Allow Cross Charges to all Operating Units within Legal Entity".

E. For the project in Ireland,set up transaction controls to allow charges from other operating units.

ANSWER: B C D

Explanation:

Oracle Projects cross-charge processing requires controls at both the provider and receiver operating units. “Define provider controls in US and receiver controls in Ireland” establishes the relationship and the attributes Oracle Projects needs to process costs supplied by the US operating unit to the Ireland operating unit. These controls identify the cross-charge method and the provider and receiver information used during processing.

“Setup a new transaction source to receive Intercompany transactions in Ireland” is required so the receiver operating unit can accept and identify expenditure items created by the intercompany process. The transaction source is part of the receiving-side setup that enables imported cross-charge expenditure items to be processed and costed in the Ireland operating unit.

“For the project in Ireland, select "Allow Cross Charges to all Operating Units within Legal Entity"” enables the project to accept eligible cross-charged transactions from another operating unit within its legal-entity scope. This project-level cross-charge setting is necessary to authorize the US resource costs for the Ireland project, while the provider/receiver controls and transaction source provide the operational and transaction-processing configuration needed for successful distribution. Oracle describes cross-charge processing and the related provider/receiver setup in the Oracle Projects Implementation Guide. The Oracle documentation library is available at Oracle E-Business Suite Release 12.1 Documentation.

QUESTION NO: 2

A new contract project is created for work for a customer by using event-based billing. A decision has been made to give a discount to the customer on a particular invoice. You want to apply this discount and reduce the invoice without affecting revenue.

Which event type should be used to achieve this?

A. Manual

B. Invoice Reduction

C. Deferred Revenue

D. Automatic

E. ScheduledPayment

ANSWER: B

Explanation:

Invoice Reduction is the appropriate event type classification when a discount, write-off, or other adjustment must lower the amount billed to the customer without changing the project’s recognized revenue. In Oracle Projects event-based billing, an invoice-reduction event is specifically designed to affect the invoice amount only. This allows the organization to grant a customer-specific concession on an invoice while retaining the revenue amount that was already earned or accounted for under the project's revenue process. The event is entered with a negative invoice amount and no revenue impact, providing a clear audit trail that distinguishes an invoice adjustment from a revenue adjustment. This classification is especially useful for commercial discounts agreed after work has been performed, because it preserves the intended revenue accounting while reducing the receivable and customer invoice total. Oracle Projects documentation describes event types and their classifications as part of project billing setup and processing. See the Oracle E-Business Suite Release 12.1 documentation library and the Oracle E-Business Suite Release 12.2 documentation library for Oracle Projects billing implementation guidance.

QUESTION NO: 3

A customer has two operating units: US and Ireland. A project that is set in the Ireland operating unit requires the services of employees from the US operating unit.

Identify three mandatory steps that must be completed for the employees in the US to enter their time on the project and for costs to be successfully distributed.

A. Set up Internal Billing Implementation options in US and Ireland.

B. Define provider controls in US and receiver controls in Ireland.

C. Set up a new transaction source to receive Intercompany transactions in Ireland.

D. For the project in Ireland, select "Allow Cross Charges to all Operating Units within Legal Entity".

E. For the project in Ireland, set up transaction controls to allow charges from other operating units.

ANSWER: B C D

Explanation:

Cross-charge processing must be configured so that Oracle Projects can accept expenditure entered by a resource in one operating unit, attribute it to a project owned by another operating unit, and create the required intercompany cost flow. **Define provider controls in US and receiver controls in Ireland.** establishes the relationship between the operating units and supplies the provider and receiver attributes used when Oracle Projects processes cross-charge transactions. These controls include the applicable cross-charge method and the billing, supplier, expenditure-type, and expenditure-organization information needed by the respective operating units.

Set up a new transaction source to receive Intercompany transactions in Ireland. provides the receiving operating unit with the transaction-source definition required to process the intercompany expenditures generated by cross-charge processing. This allows the resulting costs to be imported and accounted for in the receiver context.

For the project in Ireland, select "Allow Cross Charges to all Operating Units within Legal Entity". enables the Ireland project to accept charges originating from eligible operating units in its legal entity, including the US resource-owning operating unit when that relationship applies. Oracle Projects uses the project-level cross-charge authorization together with the provider/receiver controls to distribute and account for the employee's time correctly. See Oracle's Oracle Projects Cross Charge documentation and the provider and receiver controls setup guidance.

QUESTION NO: 4

An organization uses Oracle Projects and has fully installed Oracle Human Resources. Which statement does not apply to this scenario?

A. Employees can be entered and maintained in Oracle Projects.

B. Jobs can be set up in Oracle Projects.

C. Organizations can be defined In Oracle Projects.

D. Organization Hierarchies can be defined in Oracle Projects.

E. Worker Assignments can be viewed in Oracle Projects.

ANSWER: D

Explanation:

Organization Hierarchies can be defined in Oracle Projects does not apply when Oracle Human Resources is fully installed. Oracle Human Resources is the authoritative application for the enterprise organization model, including organization definitions and the hierarchy relationships used to structure those organizations. Oracle Projects consumes that shared HR organization information for project accounting, resource administration, reporting, security, and related processing rather than treating Oracle Projects as the application in which the HR organization hierarchy is maintained. Maintaining the hierarchy in Oracle Human Resources ensures that the same organizational structure is available consistently across the integrated E-Business Suite applications and avoids creating conflicting sources for foundational HR data. Oracle Projects uses the hierarchy to support its project-related business processes after the HR setup has been established. This distinction is especially important in a fully installed HR environment, where setup ownership for the organizational hierarchy belongs to Oracle Human Resources. Oracle's E-Business Suite documentation library provides the Oracle Projects and Oracle Human Resources implementation documentation describing this integrated setup model: Oracle E-Business Suite Documentation Library.

QUESTION NO: 5

A client requires a project definition that allows for charging expenditures to the project at a higher Work Breakdown Structure level than where the manually entered percentage complete progress is captured. Which three Shared Structure relationships will support this requirement?

A. Shared

B. Partially shared

C. Mapped

D. Not shared

E. Vertical

ANSWER: A B D

Explanation:

Shared, **Partially shared**, and **Not shared** support this business requirement because Oracle Projects can maintain chargeable financial-task levels independently of the workplan levels used to capture manual physical progress. With Shared structures, the financial and workplan hierarchies use the same task hierarchy, while financial-task controls can allow expenditures to be charged at an appropriate parent task and progress to be entered against lower-level workplan tasks. Partially shared structures allow only selected portions of the workplan hierarchy to be represented in the financial structure, enabling financial charging to occur at a higher shared task while detailed workplan tasks retain progress-entry activity. Not shared structures maintain separate financial and workplan task hierarchies, allowing the organization to define a higher-level financial charging structure and a more detailed workplan structure for percentage-complete reporting. This flexibility is central to Oracle Projects structure integration: the financial structure is designed for transaction and accounting control, whereas the workplan structure can provide the operational detail needed for planning and progress measurement. Oracle's R12 documentation libraries describe the Project Management and Projects structure-integration setup capabilities at Oracle E-Business Suite Release 12.1 Documentation and Oracle E-Business Suite Release 12.2 Documentation.

QUESTION NO: 6

An organization posts project costs to the balance sheet as they are incurred. Each month they recognize project revenue on each project.

Select the option that ensures that costs are credited from the balance sheet and debited to profit and loss as revenue is recognized.

A. Use events for project revenue and use GL journals to carry out the relevant account postings.

B. Implement a project revenue extension with appropriate event types and AutoAccounting definition.

C. Use miscellaneous transactions to generate revenue with the appropriate AutoAccounting definition.

D. Use preapproved batches with a class type of "Work in Process" to generate revenue with the appropriate AutoAccounting definition.

ANSWER: B

Explanation:

Implement a project revenue extension with appropriate event types and AutoAccounting definition. A Project Revenue Extension enables Oracle Projects to apply organization-specific revenue-recognition logic and create the required revenue events for each project period. The extension can identify the amount of revenue that should be recognized and generate event information that is then processed through the standard revenue-generation and accounting flow.

For this scenario, the relevant event types and AutoAccounting rules are configured so that, as revenue is recognized, the accounting distribution reclassifies the corresponding project cost: the balance-sheet work-in-process or capitalized-cost account is credited, while the applicable profit-and-loss cost account is debited. This provides controlled, repeatable matching of the cost release to monthly project revenue recognition rather than relying on manual general-ledger entries. AutoAccounting derives the accounts consistently from the project, task, expenditure, and event attributes used by the extension.

Oracle Projects supports revenue extensions as a mechanism for implementing custom revenue processing and uses AutoAccounting to derive accounts for project transactions. See Oracle Projects Implementation Guide: Revenue Extensions and Oracle Projects Implementation Guide: AutoAccounting.

QUESTION NO: 7

A customer is using Oracle Payables and Oracle Projects. The customer has two suppliers set up with names X and Y, respectively. Supplier Y has been merged with Supplier X. The Supplier Merge Program is run from the Supplier Merge option in Oracle Payables and you have chosen to merge all transactions. What will happen to the supplier references on transactions related to Supplier Y that are already interfaced to Oracle Projects?

A. The Supplier Merge Program does not impact any supplier transactions that are already interfaced to Oracle Projects.

B. The SupplierMerge Program completes with error,the merge is not possible because transactions related to Supplier Y are already interfaced to Oracle Projects.

C. The supplier references to Supplier Y will be modified to Supplier X for all transactions existing in Oracle Projects.

D. The transactions related to Supplier X and Y will be deleted from Oracle Projects.

E. The transactions related to Supplier Y will be deleted from Oracle Projects.

ANSWER: C

Explanation:

The supplier references to Supplier Y will be modified to Supplier X for all transactions existing in Oracle Projects. Oracle Payables supplier merge functionality consolidates duplicate supplier records and, when the merge is run for all transactions, transfers the applicable supplier relationship from the merged supplier to the surviving supplier. This processing includes transaction information that Oracle Projects has already received through its integration with Payables.

Oracle Projects retains the interfaced transaction records for auditability, cost accounting, and project reporting; the merge process updates the supplier reference associated with those records so it identifies the consolidated supplier, Supplier X. Thus, historical project expenditure and related supplier information remains available in Projects while reflecting the post-merge supplier identity. This ensures supplier reporting and transaction inquiry remain consistent across Payables and Projects after supplier consolidation.

Oracle documents supplier merging as a Payables maintenance function for consolidating supplier data and transactions; it also documents the integrated handling of supplier information in Oracle Projects. See the [Oracle Payables User Guide] and the [Oracle Projects Implementation Guide].

QUESTION NO: 8

Identify three transactions for which Oracle Project Costing enforces budgetary controls.

A. project-related purchase requisitions and purchase orders entered in Oracle Purchasing

B. expense reports entered In Oracle iExpenses

C. supplier invoices entered in Oracle Payables

D. contingent worker purchase orders entered in Oracle Purchasing

E. employee timecards entered in Oracle Time and Labor

ANSWER: A C D

Explanation:

Oracle Project Costing can enforce budgetary control for **project-related purchase requisitions and purchase orders entered in Oracle Purchasing**, **supplier invoices entered in Oracle Payables**, and **contingent worker purchase orders entered in Oracle Purchasing**. These transaction types represent commitments or actual supplier costs that can be charged to a project, task, and expenditure type. During the funds-check process, Oracle validates the transaction's accounting and project charge information against the applicable project budget and budgetary-control settings. This helps organizations prevent commitments and costs from exceeding authorized project funding.

For Purchasing transactions, successful funds checking reserves budget through encumbrance accounting as requisitions and purchase orders move through their approval and commitment lifecycle. Supplier invoices are similarly checked when they are accounted for as project-related costs, so that actual or invoice-related commitments remain subject to the project's budgetary rules. Contingent-worker purchase orders are specifically supported because they create project commitments through Oracle Purchasing and therefore require the same funds-reservation controls before authorization. These controls require the related Oracle General Ledger budgetary-control and encumbrance-accounting configuration, together with the appropriate Oracle Purchasing and Oracle Payables setup. See the [Oracle E-Business Suite Release 12.1 Documentation Library] and [Oracle Project Portfolio Management documentation resources].

QUESTION NO: 9

A customer is using Oracle Payables and Oracle Projects. The customer has two suppliers set up with names X and Y, respectively. Supplier Y has been merged with Supplier X. The Supplier Merge Program is run from the Supplier Merge option in Oracle Payables and you have chosen to merge all transactions. What will happen to the supplier references on transactions related to Supplier Y that are already interfaced to Oracle Projects?

A. The Supplier Merge Program does not impact any supplier transactions that are already interfaced to Oracle Projects.

B. The Supplier Merge Program completes with error, the merge is not possible because transactions related to Supplier Y are already interfaced to Oracle Projects.

C. The supplier references to Supplier Y will be modified to Supplier X for all transactions existing in Oracle Projects.

D. The transactions related to Supplier X and Y will be deleted from Oracle Projects.

E. The transactions related to Supplier Y will be deleted from Oracle Projects.

ANSWER: C

Explanation:

The supplier references to Supplier Y will be modified to Supplier X for all transactions existing in Oracle Projects. Oracle Payables Supplier Merge is designed to consolidate duplicate supplier records while preserving the business transactions that reference the merged supplier. When the merge is run with the selection to merge all transactions, Payables processes the relevant supplier-related transaction data and updates references from the obsolete supplier record, Supplier Y, to the surviving supplier record, Supplier X.

This integration behavior extends to related Oracle Projects transaction information that has already been interfaced. Projects does not need to delete or recreate the expenditure items merely because the supplier master record has been consolidated. Instead, the supplier reference associated with the Projects transaction is updated so that historical and operational reporting consistently identifies Supplier X as the supplier after the merge. This ensures that Payables and Projects continue to use aligned supplier information and that the merged supplier's transaction history remains available under the consolidated supplier record.

Oracle's E-Business Suite documentation describes Supplier Merge as a Payables feature for consolidating suppliers and supplier transactions. See the Oracle E-Business Suite Release 12.1 documentation library and the Oracle Payables User Guide.

QUESTION NO: 10

Jobs are defined as part of the configuration within Oracle Projects. In which three areas can Jobs be used? (Choose three.)

A. Resource Lists

B. Project Role-based security

C. Transaction Controls

D. Bill Rates

E. Customer Invoice Line Groupings

ANSWER: A C D

Explanation:

Oracle Projects jobs represent classifications of labor resources, such as consultant, analyst, engineer, or project manager. They provide a reusable level of grouping that can be applied wherever project processing needs to identify or control labor by a person's job rather than only by an individual employee. **Resource Lists** can include jobs as resource members, allowing planning and budgeting structures to be built around the job categories expected to perform work. This supports resource planning at an appropriate level of detail when named employees are not yet known.

Transaction Controls can use jobs to control which labor resources may charge transactions to a project or task. Applying controls by job enables a project to permit, restrict, or exclude expenditure entry based on the worker classification assigned to the employee. **Bill Rates** can also be defined by job, supporting job-based billing schedules in which labor revenue is calculated using the applicable rate for the job associated with the transaction. Oracle's Oracle Projects implementation documentation describes these job uses in its job-definition setup guidance. See Oracle Projects Implementation Guide: Defining Jobs and Oracle Projects Implementation Guide: Billing.

QUESTION NO: 11

A project has two customer billing elements. One part of the project is based on a fixed fee and the other part is a variable based on a cost plus basis. The customer requires separate invoices for fixed fee elements and variable works elements. How can agreements be used to provide separate invoices?

A. Create each element as a top task and implement top task billing for the project.

B. Create each element as a top task on the project and create an agreement for variable works and one for fixed fee. Then fund the project at the top task level.

C. Have one agreement and create an invoice grouping rule in Accounts Receivable.

D. Create one agreement and fund the project.

E. Use billing events and create separate events per purchase order.

ANSWER: B

Explanation:

Create each element as a top task on the project and create an agreement for variable works and one for fixed fee. Then fund the project at the top task level. This arrangement uses separate customer agreements to fund the distinct top tasks that represent the fixed-fee and cost-plus portions of the work. Oracle Projects determines invoice processing in the context of the agreement funding the applicable task. Therefore, assigning a different agreement to each top task enables the application to produce separate invoices for the two billing elements, even though both elements belong to the same customer and project.

Funding at the top-task level is essential because it creates the direct association between each billing element and its own agreement. It also supports differing commercial terms: the fixed-fee top task can be governed by its fixed-fee agreement, while the variable-work top task is governed by the cost-plus agreement. Oracle Projects documentation describes using multiple agreements for one customer when separate invoices by top task are required, with each task funded by a different agreement. See the Oracle Projects Billing User Guide and the Oracle Projects Agreements documentation.

QUESTION NO: 12

Your organization has configured employee rate schedules. Which three schedules can utilize employee rate schedules when delivering a project?

A. Job rate schedules

B. Planning schedules

C. Cost rate schedules

D. Bill rate schedules

E. Resource class rate schedules

ANSWER: B C D

Explanation:

Employee rate schedules define standard hourly rates or percentage markups at the individual employee level. Oracle Projects can use these employee-specific rates in each of the principal rate-derivation contexts needed to execute and manage a project: planning, costing, and billing. Therefore, employee rate schedules can be selected as planning schedules when deriving resource rates for workplan or financial planning. They can also be selected as cost rate schedules to derive the cost amount for eligible employee labor transactions, and as bill rate schedules to derive bill amounts for eligible project transactions.

This flexibility lets an organization maintain rates that reflect an individual employee’s cost, billing value, or planning assumptions, rather than requiring all employees in a job or organization to use the same rate. Oracle Projects resolves applicable rates using the configured rate schedules and any eligible rate overrides, according to the transaction or planning purpose. Oracle’s Projects implementation documentation describes employee rate schedules as usable for planning, cost, and bill rate purposes. See the Oracle E-Business Suite 12.2 Documentation Library and the Oracle Projects product documentation resources.

QUESTION NO: 13

An organization has specific departments that manage capital projects. How would you ensure that only these departments own capital projects?

A. Use the transaction control Functionality at the project level.

B. Use the settings in "Additional Details" of the Project/Task owning organization classification.

C. Remove the asset definition options from the templates used by departments that are not managing capital projects.

D. Use the Project/Task owning organization hierarchy in the implementation options.

E. Set up a separate organization hierarchy for the departments that are managing capital projects.

ANSWER: B

Explanation:

Use the settings in "Additional Details" of the Project/Task owning organization classification. In Oracle Projects, an organization must be assigned the Project/Task Owning Organization classification before it can be selected as the owning organization for a project or task. The Additional Details region for this classification includes controls that determine whether the organization is allowed to own capital projects. By enabling capital-project ownership only for the departments responsible for capital work, the implementation restricts ownership eligibility at the organization level. This provides a consistent control during project creation and maintenance, because users can select only qualifying organizations as owners for capital projects. It also aligns the ownership structure with the organization's responsibility model and ensures that capital project processing, including the associated asset-related business flow, is routed through authorized departments. Oracle's Oracle Projects implementation documentation describes organization classifications and the setup of project and task owning organizations; see the Oracle E-Business Suite Release 12.1 documentation library and Oracle's Oracle Projects product information.